

# **“IMPACT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL ON EMPLOYEE ENGAGEMENT”**

**BY**

<b>AEMAN IMRAN AHMED</b>	<b>79668</b>
<b>SYED WAJIH RAZA</b>	<b>79178</b>
<b>SARA ASLAM</b>	<b>79678</b>

A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



**BS (ACCOUNTING & FINANCE)  
SPRING-2025**

**Bahria University Karachi Campus**

## PROJECT APPROVAL STATEMENT

### APPROVAL FOR EXAMINATION

Candidate's Name: Aeman Imran Ahmed

Registration No.: 79668

Candidate's Name: S. Waqih Raza

Registration No.: 79178

Candidate's Name: Sara Aslam

Registration No.: 79678

Project Title: The precedence of Capital Structure on the Financial Performance of Cement Industry of Pakistan

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found 6% similarity index at that is within the permissible limit set by the HEC for the BS (A&F) Final Year Project. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: \_\_\_\_\_

Date: 12/5/25

Supervisor's Name: \_\_\_\_\_

Jaweria Naveed

HOD's Signature: \_\_\_\_\_

Date: 12/May/2025

## 1<sup>st</sup> Half Semester Progress Report

Name of Student(s)	Aemran Amran Ahmed, S. Wajih Raza, Sara Aslam
Enrolment No.	02-112212-008, 02-112212-001, 02-112212-025
Thesis/Project Title	Impact of corporate governance and Internal Control on employee engagement.

### Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	5 April 2025	Cubical	Introduction	<i>[Signature]</i>
2	17 April	Cubical	Methodology	<i>[Signature]</i>
3	2 May 2025	Cubical	Analysis	<i>[Signature]</i>
4	9 May 2025	Cubical	Analysis	<i>[Signature]</i>

Progress Satisfactory       Progress Unsatisfactory

Remarks: Satisfactory

---



---

Signature of Supervisor: *[Signature]*      Date: 12/5/25

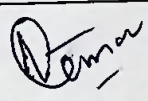
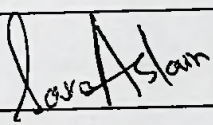
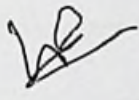
Name of Supervisor: Jawia Aweed

**Note:** Students must attach 1<sup>st</sup> & 2<sup>nd</sup> half progress report at the end of FYP spiral copies.

## 2<sup>nd</sup> Half Semester Progress Report & Thesis Approval Statement

Name of Student(s)	Aeman Imran Ahmed , Syedwahid Raza , Sara Aslam
Enrolment No.	02-112212-008 , 02-112212-001 , 02-112212-025
Thesis/Project Title	Impact of corporate governance and internal control on employee engagement

### Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	<del>25 Feb</del> 11-march 2025	Cubical	Introduction	
2	14-march 2025	Cubical	literature Review	
3	5-April 2025	Cubical	Methodology	



### ANNEXURE V: Project Report Corrections Submission Form (BS A&F/BS E&F/ BS SCM)

Please Tick the Relevant Box  **BS (A&F)**  **BS (E&F)**  **BS (SCM)**

Student Name 1: Aeman Imran Ahmed

Enrollment / Registration No.: 02-1122121-008/79668

Student Name 2: Syed Wajih Raza Nagvi

Enrollment / Registration No.: 02-112212-001/741178

Student Name 3: Sara Aslam

Enrollment / Registration No.: 02-112212-025/79678

Name of Supervisor: Jaweria Naveed

Examiners: 1. Dr. Aminullah Aman

2. Dr. Fareedat Masood

Date of Thesis Defense/Viva: 26/6/2024

FYP Title: Impact of Corporate governance and internal control on employee engagement

**Instructions:** Please fill in the following details.

No.	Corrections required (Suggested by Examiners)	Amendments made	Located on Page
<b>Chapter 1</b>			
	reconsider outcome	rewrote the heading	
	Add sub heading and subsection	included sub heading	

Table of Contents

<b>LIST OF TABLES</b> .....	<b>3</b>
<b>LIST OF FIGURES</b> .....	<b>4</b>
<b>ABSTRACT</b> .....	<b>5</b>
<b>CHAP 1: INTRODUCTION</b> .....	<b>6</b>
1.1 background.....	6
1.2 problem statement.....	7
1.3 research objective.....	8
1.4 research questions.....	8
1.5 significance of study.....	8
1.6 outcomes.....	8
1.7 scope of study.....	9
1.8 limitations of study.....	9
<b>CHAP 2: LITERATURE REVIEW</b> .....	<b>12</b>
2.1 introduction.....	12
2.2 theoretical framework.....	13
2.3 corporate governance concept.....	14
2.4 corporate governance and employee engagement.....	15
2.5 internal control and employee engagement.....	16
2.6 employee engagement.....	17
2.9 gaps in literature.....	19
<b>CHAP 3: METHODOLOGY</b> .....	<b>22</b>
3.1 research approach.....	23
3.2 method of collection.....	23
3.3 target population.....	23
3.4 design instrument.....	23
3.5 data analysis techniques.....	24
<b>CHAP 4: ANALYSIS AND RESULTS</b> .....	<b>25</b>
<b>CHAP 5: LIMITATION, RECOMMENDATION AND CONCLUSION</b> .....	<b>35</b>

## ABSTRACT

This study looks into how employee engagement in Pakistani firms is affected by internal control and corporate governance. This study examines the wider effects of traditional governance frameworks on company culture, employee engagement, and trust, despite their primary focus on financial accountability and compliance. Data from 326 workers in a Textile sector was gathered using a quantitative methodology, and multiple regression, correlation, and descriptive statistics were used for analysis. The results show that employee engagement is significantly and favorably correlated with both corporate governance and internal control, with internal control showing a somewhat greater predictive effect. Employee commitment and performance have been observed to increase in a trustworthy and inclusive work environment that is fostered by strong ethical leadership, open decision-making, and efficient control mechanisms. By highlighting the effects of governance systems on human resources and providing useful advice for managers and HR specialists, the study adds to the expanding corpus of literature. There are recommendations for future research that incorporates industry-specific and qualitative analysis, acknowledging limitations such time restrictions, budgetary barriers, and limited generalizability.

Focusing on Pakistan's textile sector offers a narrow perspective for examining the connection between internal control, corporate governance, and employee engagement in an area that is both economically significant and frequently understudied. The textile sector, which accounts for a significant portion of Pakistan's GDP and employment, has unique difficulties such shifting global demand, labor-intensive processes, and changing regulatory requirements. Transparency, moral leadership, and accountability may be impacted by the fact that many textile companies are family-owned or run using unofficial governance systems. Research on this sector can reveal how formal internal control implementation and sound governance methods affect employee motivation, trust, and long-term dedication. Furthermore, industry-specific knowledge might result in useful suggestions for raising worker satisfaction in textile companies, which would benefit organizational performance as well as the long-term expansion of Pakistan's biggest industrial sector.