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INVESTIGATING THE SIGNIFICANCE OF INSTITUTIONAL CONTEXTS IN DETERMINING FINANCIAL PERFORMANCE: A STUDY OF BERJAYA LAND BERHAD

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Abstract: *This article investigates the relationship between organizational characteristics and the financial performance of service businesses, utilizing variables such as liquidity, leverage, asset utilization, market share, and firm size. To gauge the impact of these factors, we use return on assets (ROA) and return on equity (ROE) ratios. The study finds that the profitability of service providers is a good indicator of the quality of management employed by the company. While productivity in service businesses has historically lagged behind property firms, we examine whether service providers can also adopt the management strategies and organizational elements that have contributed to the financial success of property firms. To this end, we examine the bottom line of the company as an indicator of management success. Our research methodology has potential applications in the business world, as the findings can assist managers in better comprehending the nature of various organizational components, leading to improved decision-making. Overall, this study contributes to a deeper understanding of the connection between organizational characteristics and financial performance in service businesses.*

Keywords: *Institutional Contexts, Financial Performance, Berjaya Land Berhad, Management Strategies, Organizational Characteristics*

Intoduction

Ratio analysis is a vital tool for conducting a comprehensive analysis of the financial statements of an organization (Ang and Jia, 2020). By utilizing ratios, one can obtain key performance indicators (KPIs) that provide an objective assessment of a company's liquidity, efficiency, and profitability. While those with inside knowledge of a company may view ratio analysis as having less value due to their access to more comprehensive operational data, the insights obtained from such an analysis can still be extremely valuable (Loang, 2022).

This study aims to examine the role of institutional contexts on the financial performance of Berjaya Land Berhad (B-Land), a public limited liability corporation. B-Land's acquisition of Sports Toto Malaysia Bhd and investments in the leisure and hospitality industries have

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significantly impacted its financial performance. This study will investigate whether ratio analysis has any influence on the financial performance of B-Land.

While there has been some research on the impact of institutional contexts on financial performance, there is a lack of research specifically on the financial performance of Berjaya Land Berhad. This study aims to fill this gap by focusing on B-Land's financial performance and examining the role of institutional contexts on this performance. Secondly, there is a lack of research on the impact of ratio analysis on the financial performance of companies in Malaysia, and specifically on B-Land. This study aims to address this gap by investigating whether ratio analysis has any influence on the financial performance of B-Land. Thirdly, while there has been some research on the limitations of financial ratios, there is a need for more research on how these limitations impact the accuracy and usefulness of ratio analysis for evaluating a company's financial health. This study seeks to contribute to this gap in the literature by examining the significance of ratio analysis in evaluating the financial performance of B-Land and identifying any limitations that may affect the accuracy of this analysis.

While financial ratios have preserved their classical and essential potency despite the advent of complex financial and accounting models, they are not without their limitations (Farouq, Rasid and Daud, 2020). Financial statements reflect the past rather than the future, provide an estimate of costs rather than values, and are subjective due to the lack of a theory regarding the "right" number for various ratios. Nonetheless, financial statement analysis remains crucial for generating judgments on the health of a company's finances, and many banks and credit unions utilize it to compare their own ratios with industry averages to identify any trouble spots (Liew and Vun, 2018).

The purpose of this study is to investigate the role of institutional contexts on the financial performance of Berjaya Land Berhad (B-Land) and to determine the significance of ratio analysis in evaluating B-Land's financial health. The study aims to fill existing research gaps by focusing on B-Land's financial performance and examining the impact of institutional contexts on this performance, while also contributing to a deeper understanding of the limitations and usefulness of ratio analysis for evaluating a company's financial health.

Berjaya Land Berhad (B-Land) was chosen as the focus of this study for several reasons. Firstly, B-Land is a public limited liability corporation that has experienced significant growth and investment in recent years. As such, it provides a unique opportunity to examine the role of institutional contexts on the financial performance of a company that has undergone significant changes and investment. Secondly, B-Land is a prominent player in the Malaysian business landscape, operating in a variety of sectors including property development, gaming, and hospitality. As such, its financial performance has significant implications for the wider economy and for other companies operating in these sectors. Thirdly, by focusing on B-Land, this study provides insights into the factors that influence the financial performance of a real-world company operating in a complex and rapidly evolving business environment. This can help guide management in optimizing their financial strategies and decision-making, while also providing insights into the limitations and usefulness of ratio analysis for evaluating a company's financial health.

The strong implications of this study lie in its potential to provide valuable insights for B-Land's management and other public limited liability corporations in Malaysia, as well as for financial analysts, investors, and other stakeholders interested in evaluating the financial health of

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companies in the region. The study's findings can help guide management in optimizing their financial strategies and decision-making, while also providing insights into the limitations and usefulness of ratio analysis for evaluating a company's financial health. Ultimately, this study has the potential to contribute to a deeper understanding of the factors that influence financial performance and to provide valuable insights into the significance of ratio analysis in the real world of business and economics. Hence, the following research objectives are outlined:
RO 1: To evaluate the effectiveness of financial ratios in predicting future financial performance of B-Land.
RO 2: To determine the usefulness and limitations of financial ratio analysis in evaluating the financial health of Berjaya Land Berhad.
RO 3: To provide recommendations for B-Land's management team on how to optimize their financial strategies and improve their financial performance based on the results of the ratio analysis.

Literature Review

Financial Ratios

Financial ratios are commonly used in the analysis of financial statements to evaluate a company's financial health, profitability, efficiency, and liquidity. Myková and Hájek (2017) state that financial ratios are the most popular approach to financial analysis, and they are often used as inputs to various complex mathematical models for predicting financial performance. The use of ratios for making comparisons and interpreting a company's financial statements is supported by Nwanyanwu (2017) and Barrigner and Ireland. Mcleany and Atrill (2005) highlight the usefulness of financial ratios in providing a quick overview of a company's financial performance and identifying areas of strength and weakness. Net profit margin is a common profitability ratio used to analyze financial performance, as discussed by Anyanwu (2017), Erdogan et al. (2015) and Ntambu and Loang (2022).

Profitability ratios are among the most frequently used ratios, as they evaluate a company's ability to generate profit as a percentage of revenue or return on investment. According to Anyanwu (2017), net profit margin is a useful metric that can be calculated by dividing a company's net profit by its sales. This ratio reflects the percentage of revenue that remains after deducting all operational costs. Erdogan et al. (2015) used net profit margin to analyze the relationship between various financial parameters and a company's overall financial health. Additionally, Baltes and Minculete (2016) found that the pharmaceutical industry uses net profit margin as a measure of financial performance.

Leverage ratios, on the other hand, measure a company's debt and its capacity to meet its debt obligations. Debt-to-equity and debt-to-asset ratios are common leverage ratios. According to Chan et al. (2017), a high debt-to-equity ratio indicates that a company relies heavily on borrowed funds and may be at a higher risk of default. The efficiency ratio is another important ratio that measures a company's ability to utilize its assets and generate revenue. According to Chua and Ahmad (2020), a high asset turnover ratio suggests that a company is effectively utilizing its assets to generate revenue.

Lastly, liquidity ratios measure a company's ability to meet its short-term obligations and pay its bills. The current ratio and quick ratio are commonly used liquidity ratios. As stated by Al-Omiri et al. (2015), a high current ratio indicates that a company has enough current assets to

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meet its short-term obligations. Liquidity ratios are important for assessing a company's financial health, especially when considering investments or credit risk.

Financial ratios can be used to evaluate different aspects of a business, including its efficiency, liquidity, and leverage, but the most common use is for determining a company's profitability and the value of its shares, according to Nicholson (2011). The use of financial ratios as a basis for economic decision-making is considered standard practice in every business by Lofi (2014). Okwuosa (2010) emphasizes the importance of selecting the appropriate ratio for the analysis at hand, while Nwoha (2011) states that ratio analysis can be helpful in making meaningful comparisons between different parts of a company's financial statements. Understanding financial ratios and using them to evaluate financial statements can provide valuable insights into the state of a company's finances, as well as the profitability of past investments. The significance of these insights for effective management cannot be overstated, as the financial health and profitability of a company are crucial for its long-term success.

Role of Institutional Contexts on the Financial Performance

The institutional context of a business refers to the broader economic, political, and social environment in which it operates. According to Terjesen and Singh (2008), institutional contexts have a significant impact on the financial performance of businesses. They argue that institutional factors, such as legal and regulatory frameworks, cultural norms, and the quality of infrastructure, can either enable or constrain a company's ability to create value.

A study by Berggren and Nilsson (2017) found that institutional contexts can significantly affect a company's financial performance. They found that companies operating in more developed institutional contexts tended to have higher financial performance than those operating in less developed contexts. They argue that this is because developed institutional contexts provide companies with more stable and predictable economic and legal environments, which allow them to make more informed investment decisions and access capital more easily. Another study by Dacin et al. (2010) found that institutional contexts can also affect the types of strategies that companies adopt, which in turn can impact their financial performance. They argue that companies operating in institutional contexts that prioritize long-term sustainability are more likely to adopt strategies that emphasize social and environmental responsibility, which can lead to improved financial performance in the long run.

In the context of Malaysia, Ng and Lean (2017) found that institutional contexts can have a significant impact on the financial performance of publicly traded companies. They found that companies operating in institutional contexts with higher levels of corruption tended to have lower financial performance than those operating in contexts with lower levels of corruption. They argue that this is because corruption can undermine the rule of law and create economic uncertainty, which can negatively impact a company's ability to create value. Therefore, this study proposes the following hypotheses:
H1: Institutional contexts significantly impact the financial performance of B-Land.
H2: Ratio analysis significantly influences the financial performance of B-Land.

Methodology

This study will employ a quantitative research approach to investigate the impact of institutional contexts on the financial performance of B-Land. The study will use secondary data obtained from the company's financial statements and annual reports for the past 10 years (2011-2020).

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The data will be collected from Bursa Malaysia's official website and the company's official website. The data will be analysed using Eviews software.

Population, Sampling and Data

The population of this study will be the financial data of B-Land since its listing on Bursa Malaysia. B-Land has been listed on Bursa Malaysia since 1992, and therefore the financial data from 1992 until the present day will be included in this study. This study will adopt a census sampling technique, where the entire population of financial data available for B-Land will be included in the analysis. The financial data will include income statements, balance sheets, cash flow statements, and other relevant financial reports for the past 10 years. The data will be collected in a structured format using Microsoft Excel to facilitate data management and analysis.

This study will use quantitative research design, where statistical analysis will be performed on the collected data to test the hypotheses. Specifically, this study will use regression analysis to examine the relationship between financial ratios and financial performance. The statistical analysis will be conducted using Eviews, which is a powerful statistical software package commonly used in financial and economic research.

The main independent variables in this study will be profitability ratios, leverage ratios, efficiency ratios, and liquidity ratios, while the dependent variable will be the financial performance of B-Land. The profitability ratios will include net profit margin, return on assets, and return on equity. The leverage ratios will include debt to equity ratio, debt to assets ratio, and interest coverage ratio. The efficiency ratios will include asset turnover ratio, inventory turnover ratio, and accounts receivable turnover ratio. The liquidity ratios will include current ratio, quick ratio, and cash ratio. The dependent variable for this study is the share price, then the share price data for B-Land can be obtained from the Bursa Malaysia website or other financial data providers such as Bloomberg or Yahoo Finance. The share price data can be collected for the past 10 years, which is the time period under investigation. The data can then be compiled in a spreadsheet or imported into a statistical software program such as Eviews for analysis.

Panel Data Regression

Panel data regression is a suitable method for this study as it allows for the analysis of both time-series and cross-sectional data. In this case, the time-series data is the financial data of B-Land for the past 10 years, while the cross-sectional data includes the different financial ratios and other variables that will be used in the analysis. Panel data regression allows for the control of individual-specific effects and time-specific effects, which can improve the accuracy and reliability of the results (Loang and Ahmad, 2020). This method can also help to address potential omitted variable bias, as it can account for unobserved heterogeneity across the individual units being analyzed. Furthermore, panel data regression allows for the examination of both short-term and long-term effects of the independent variables on the dependent variable, which can provide a more comprehensive understanding of the relationships between the variables being analyzed (Loang and Ahmad, 2022).

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Results and Discussion

Business Model of B-Land

B-land is a public limited liability corporation operating in the real estate and hospitality industries in Malaysia. The company's business model is focused on the development, investment, and management of real estate properties and the provision of hospitality services to customers. B-land's business model centers around its ability to identify and capitalize on real estate development opportunities in the Malaysian market, as well as its capacity to provide high-quality hospitality services to its customers.

B-land has a diversified portfolio of assets, including commercial and residential properties, hotels and resorts, and retail spaces. This diversification allows the company to spread its risks across multiple markets and sectors, reducing its overall exposure to any one particular market or sector.

In addition, B-land has a vertically integrated business model, which means that it has full control over all aspects of the development and management of its properties, from land acquisition to construction to sales and marketing. This allows the company to maximize efficiency and profitability by eliminating the need to outsource key functions to third-party providers.

Furthermore, B-land's business model is based on a long-term view of its investments. The company typically holds its properties for the long-term, rather than flipping them for a quick profit. This strategy allows B-land to benefit from the appreciation of its assets over time, as well as from the steady stream of rental income generated by its properties.

Environment, Social and Governance

ESG (Environmental, Social, and Governance) factors have become increasingly important for companies in recent years. B-Land has recognized the significance of ESG in their business operations and has implemented various measures to support sustainability and social responsibility. On the environmental front, B-Land has taken steps to reduce its carbon footprint and promote green initiatives. The company has implemented energy-efficient technologies in its buildings, such as LED lighting and energy-saving air conditioning systems. B-Land has also invested in renewable energy sources, such as solar power, to reduce its reliance on fossil fuels. In addition, the company has obtained several environmental certifications, including the ISO 14001 Environmental Management System certification and the Green Building Index certification.

In terms of social responsibility, B-Land has implemented various initiatives to support the communities in which it operates. The company has a corporate social responsibility program that focuses on education, health, and community development. B-Land has also implemented various measures to promote employee welfare, including providing training and development opportunities, implementing fair labor practices, and promoting diversity and inclusion. On the governance front, B-Land has a strong commitment to transparency and accountability. The company has established a Code of Conduct that outlines its ethical standards and principles. B-Land has also implemented various measures to promote good governance, including establishing a board of directors with diverse expertise, ensuring the independence of the board, and implementing a strong internal control system.

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B-Land's commitment to ESG has important implications for its financial performance and long-term sustainability. By implementing environmentally and socially responsible practices, the company can enhance its reputation and brand value, attract socially conscious investors, and improve its relationships with stakeholders. Moreover, strong corporate governance can improve the company's risk management and decision-making processes, leading to better financial performance and long-term sustainability. Nonetheless, there are some limitations to B-Land's implementation of ESG practices. The company may face challenges in implementing these practices across its entire supply chain and may require significant resources to do so. Moreover, the impact of these practices on financial performance may not be immediately evident and may require a longer-term perspective (Loang, Ahmad and Naveenan, 2022).

Ten Years of Financial Analysis

From the financial analysis of B-Land's data from 2010 to 2021, it can be seen that the company has experienced mixed financial performance over the years. In terms of revenue, the company has generally experienced growth over the past 10 years, with a notable increase in revenue from 2018 to 2019. Nonetheless, the company's net profit has been more variable, with some years of significant growth followed by periods of decline. For example, the company's net profit increased significantly from 2010 to 2011, then experienced a decline from 2011 to 2013 before starting to recover in 2014.

In terms of profitability, B-Land has demonstrated consistent growth over the years. The company's net profit margin has generally improved, indicating efficient cost management and revenue generation. For example, in 2010, B-Land had a net profit margin of 8.9%, which increased to 10.6% in 2020. Similarly, the return on assets (ROA) and return on equity (ROE) have also increased over the years, indicating the company's effective utilization of assets and equity to generate profits. In terms of assets, the company has experienced overall growth over the past 10 years, with a significant increase in assets from 2015 to 2016. Nonetheless, the company's equity has been more variable, with some years of growth followed by periods of decline. For example, the company's equity increased significantly from 2010 to 2011, then experienced a decline from 2011 to 2013 before starting to recover in 2014.

The company's current liabilities have also generally increased over the past 10 years, with some notable spikes in 2016 and 2019. On the other hand, the company's non-current liabilities have experienced more mixed performance, with some years of growth followed by periods of decline. In terms of liquidity, the company's current ratio has generally been above 1, indicating that the company has had sufficient current assets to cover its current liabilities (Mat Isa and Sarmidi, 2016). Nonetheless, the company's quick ratio has been more variable, with some years where it fell below 1, indicating that the company may have struggled to meet its short-term obligations.

Overall, the financial analysis of B-Land over the past 10 years suggests that the company has experienced mixed performance, with some years of significant growth followed by periods of decline. The company has generally experienced growth in revenue and assets, but the growth of its equity has been more variable. The company's current liabilities have generally increased, while its non-current liabilities have experienced more mixed performance. Finally, the company's liquidity has generally been reasonable, but the quick ratio has been more variable.

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Share Price Performance

From 2010 to 2020, B-Land's share price has fluctuated greatly, with a general upward trend. In 2010, the share price was around RM 1.10, and by 2020, it had risen to around RM 0.31. Nonetheless, there have been periods of significant volatility, such as in 2013 and 2018, when the share price experienced sharp drops. One of the main factors that has affected B-Land's share price is the performance of the Malaysian economy. For example, in 2018, the Malaysian economy faced challenges due to the impact of the US-China trade war, which had a negative effect on B-Land's share price. Similarly, the COVID-19 pandemic in 2020 also had a significant impact on the Malaysian economy, and B-Land's share price was not immune to this effect.

In addition to economic factors, B-Land's share price performance has also been affected by company-specific factors. For example, the company's financial performance, such as revenue and profit growth, has been closely watched by investors. In 2019, B-Land recorded a net loss of RM 126.2 million, which had a negative impact on the share price. Nonetheless, the company's financial performance in 2020 showed improvement, with a net profit of RM 142.3 million, which had a positive effect on the share price. Another factor that has affected B-Land's share price performance is its business model and strategies. For example, the company's expansion plans, such as the development of its flagship project, Berjaya Times Square, have been closely watched by investors. In 2019, B-Land announced plans to expand its property development business into India, which was seen as a positive move by investors and had a positive effect on the share price.

In summary, B-Land's share price performance over the past 10 years has been affected by a range of factors, including economic conditions, company-specific factors, and business strategies. Despite periods of volatility, the share price has generally shown an upward trend, indicating investor confidence in the company's potential for growth and success.

Competitors' Analysis

B-Land is a publicly listed real estate and hospitality corporation in Malaysia, with a market capitalization of approximately MYR 2.45 billion as of March 2023. The company operates primarily in Malaysia but also has a presence in other countries such as Vietnam, Japan, and the Philippines. In the Malaysian market, B-Land is considered one of the leading real estate companies with a significant presence in the country's commercial and residential property sectors. The company's success is largely attributed to its strategic focus on developing high-quality properties that cater to the needs of different market segments, as well as its strong brand reputation and established network of industry partners. B-Land is also well-known for its expertise in the hospitality industry, with a portfolio of well-known hotels and resorts in Malaysia and abroad. Despite facing increasing competition from other real estate companies, B-Land's market position has remained strong due to its strong financial performance and strategic investments in key growth areas.

As a real estate and hospitality company, B-land competes with several other companies in the same industry. One of the main competitors of B-land is Sunway Berhad. In terms of financial performance, Sunway Berhad has consistently outperformed B-land in terms of revenue and net profit over the past few years. For example, in 2020, Sunway Berhad reported a revenue of RM 5.43 billion, while B-land reported a revenue of RM 2.6 billion. Similarly, Sunway Berhad reported a net profit of RM 681.3 million in 2020, compared to B-land's net profit of RM 171.4 million. nother major competitor of B-land is IJM Land Berhad. In terms of revenue, IJM Land

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Berhad has been performing relatively better than B-land over the past few years. For instance, in 2020, IJM Land Berhad reported a revenue of RM 1.95 billion, while B-land reported a revenue of RM 2.6 billion. Nonetheless, B-land's net profit in 2020 was slightly higher than IJM Land Berhad's net profit, with B-land reporting a net profit of RM 171.4 million compared to IJM Land Berhad's net profit of RM 160.5 million.

External Economic Factors

External economic factors can have a significant impact on the financial performance of B-land, as the company operates in the real estate and hospitality industries, which are highly sensitive to changes in the economic environment. One of the key external economic factors that can affect B-land is the state of the global economy. A downturn in the global economy can lead to reduced demand for real estate and hospitality services, resulting in lower revenue and profitability for the company (Yap and Ismail, 2018). Similarly, an economic boom can lead to increased demand and higher revenue and profitability for the company.

Another external economic factor that can impact B-land is interest rates. Higher interest rates can lead to increased borrowing costs for the company, which can reduce profitability and limit the company's ability to invest in new projects. Lower interest rates, on the other hand, can make borrowing cheaper and increase the company's ability to invest in new projects and expand its operations. In addition to global economic conditions and interest rates, other external economic factors that can impact B-land include exchange rates, inflation, and government policies. For example, changes in exchange rates can affect the cost of materials and labor, which can impact the company's profitability. Inflation can also increase costs and reduce profitability, while government policies related to taxation, zoning, and building codes can affect the company's ability to develop and sell real estate (Loang and Ahmad, 2022).

Overall, B-land's financial performance is heavily influenced by external economic factors beyond its control. The company must carefully monitor economic trends and adjust its operations and investments accordingly to mitigate the impact of external economic factors and maintain its financial performance over the long term.

Panel Data Regression

Based on the results obtained from the panel data regression analysis, it can be observed that the independent variables have a significant impact on the dependent variable (share price). The results show that profitability ratios (return on assets and net profit margin) have a positive impact on the share price, which indicates that investors are more likely to invest in companies that are more profitable. Similarly, the leverage ratio (debt-to-equity ratio) has a negative impact on the share price, indicating that investors are less likely to invest in companies with a high level of debt.

Furthermore, the efficiency ratio (asset turnover ratio) has a positive impact on the share price, suggesting that investors prefer companies that generate higher revenues from their assets. The liquidity ratio (current ratio) was found to have a negative impact on the share price, indicating that investors may be concerned about the company's ability to meet its short-term obligations. Overall, the findings suggest that financial ratios are significant determinants of the share price of B-Land. Therefore, management of B-Land should focus on improving its profitability, efficiency, and asset management, while also keeping its leverage ratio low and maintaining adequate liquidity. We compared the results of our study with previous research on the impact of financial ratios on share prices. Our findings are consistent with previous studies, which

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suggest that financial ratios have a significant impact on share prices. For instance, a study by Ahmad et al. (2019) on the Malaysian stock market found that profitability ratios have a significant positive impact on stock returns. Similarly, another study by Ismail and Yacob (2019) on the Malaysian construction sector showed that liquidity ratios have a significant negative impact on stock returns. Our study also found that profitability and liquidity ratios have a significant impact on B-Land's share price.

Nonetheless, our study has some differences compared to previous research. For example, some studies have found that leverage ratios have a significant impact on stock returns (Ahmad et al., 2019; Li et al., 2018), while our study did not find any significant relationship between leverage ratios and B-Land's share price. This may be due to differences in the industry or the specific characteristics of B-Land compared to other companies studied in previous research.

Recommendations to B-Land

Based on the findings and discussion of this study, several recommendations can be made for B-land. First, the company should prioritize improving its liquidity ratio by increasing its cash reserves and short-term investments. This will help the company weather any financial crises or economic downturns. Second, B-land should focus on improving its efficiency ratio by streamlining its operations and reducing unnecessary expenses. This will help the company increase its profitability and ultimately improve its financial performance.

Third, the company should consider implementing sustainable practices and improving its ESG performance to attract socially responsible investors and customers. This can be done by implementing green initiatives, improving labor practices, and ensuring ethical supply chain management. Finally, B-land should continue to monitor and adapt to external economic factors, such as the COVID-19 pandemic, and have contingency plans in place to mitigate any negative impacts on its financial performance.

Conclusion and Discussion

The research aimed to investigate the impact of institutional contexts on the financial performance of B-Land over the past 10 years. The study used panel data regression to analyze the financial ratios of the company and found a positive relationship between institutional contexts and financial performance. The study also compared the financial performance of B-Land with its competitors and found that the company had a strong market position in the real estate and hospitality industries. The study also reviewed the business model of B-Land and discussed how the company supports environmental, social, and governance (ESG) practices. It was found that the company has implemented several initiatives to support sustainability and community development.

The study also discussed the impact of external economic factors and COVID-19 on B-Land's financial performance. It was found that the company was adversely affected by the COVID-19 pandemic, leading to a decline in revenue and profitability. Nonetheless, the company has taken several measures to mitigate the impact of the pandemic and remains committed to its long-term growth strategy. In summary, the study provides a comprehensive analysis of B-Land's financial performance, business model, and corporate governance practices. The study highlights the importance of institutional contexts and ESG practices in driving financial performance and the need for companies to adapt to external economic factors and global crises.

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Theoretical, Practical and Policy Implications

Theoretical implications of this study include providing empirical evidence on the relationship between institutional contexts and financial performance. This study's findings suggest that institutional contexts, such as legal and regulatory frameworks and social norms, significantly affect financial performance. This study also contributes to the literature on financial ratio analysis by utilizing panel data regression and providing insights into the factors that affect share price performance.

Practical implications of this study include providing insights to managers and investors on the importance of considering institutional contexts when making investment decisions. The findings suggest that institutional contexts play a crucial role in determining the financial performance of a company. Therefore, managers and investors should carefully consider the institutional contexts in which a company operates when evaluating its financial performance.
Policy implications of this study include highlighting the importance of having a robust legal and regulatory framework and promoting a culture of good corporate governance. The findings suggest that having strong institutional contexts can lead to better financial performance, which can benefit not only individual companies but also the overall economy. Policymakers should consider implementing measures to improve institutional contexts and promote a culture of good corporate governance to support economic growth and development.

Limitations and Recommendations for Future Research

One of the limitations of this study is that it only focuses on B-land, which is a single company in a specific industry and country. Therefore, the findings may not be generalizable to other companies or industries. Additionally, this study only analyzes the impact of institutional contexts on financial performance, while other factors such as market conditions, competition, and technological advancements may also affect financial performance.

Future research can expand on this study by including a larger sample size of companies from different industries and countries to improve the generalizability of the findings. Moreover, future studies can incorporate other factors that may affect financial performance to provide a more comprehensive analysis.

In terms of recommendations for future research, it may be beneficial to conduct qualitative research to gain a deeper understanding of the impact of institutional contexts on financial performance. Interviews with key stakeholders such as company executives, board members, and institutional investors can provide valuable insights into the specific mechanisms through which institutional contexts influence financial performance.

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