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# Developing measurement of value creation in Malaysian Government Linked Companies using the Delphi technique

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## ABSTRACT

**Objective** – Value creation is an important element in every organization. Value creation in Malaysian Government Linked Companies (GLCs) can improve performance by maximizing earnings per share, create sustainability, be competitively strong, and ensure a high level of operational effectiveness. This paper aims to explore a measurement for value creation among GLCs.
**Methodology/Technique** – Using the Delphi technique, this study interviewed a panel of three experts who have experience in Malaysian GLCs. The first round was conducted to explore how these experts perceived as measurement to measure for value creation in relation to Malaysian GLCs.
**Findings** – Overall, the first round assessment of value creation, which adopted the Delphi technique, revealed that stock prices, market value, sales growth, PE ration, market share, market positioning survey, customer survey, ROI, EBITDA and reduced business risks as measurement related to value creation.
**Novelty** – The paper used Delphi technique to develop the measurement of value creation in a context of Malaysian GLCs. This paper contributes to value creation literature and provides insight to relevant panel experts in developing appropriate measurement of value creation particularly in GLCs.
**Type of Paper:** Empirical

***Keywords***: Delphi Technique; Government Linked Companies; Panel Expert; Value Creation.
**JEL Classification:** G30, G31.

## 1. Introduction

Value creation has been one of the major objectives of every business organization that intends to maximize the customer's satisfaction and shareholder's wealth (Normann & Ramirez, 1993; Langfield-Smith *et al.*, 2006). Currently, value creation has become a global issue due to the continuous stream of failing companies , discontinued products, stock market pressure, brand destruction and a competitive market (Lau & Tong, 2008; Melnick, 2000; Prahalad & Ramasamy, 2004) .Moreover, value creation has been found to have a positive impact on business performance (Fuller, 2001; Gholami, 2011; Kraaijenbrink & Spender, 2011). According to Fuller (2001), firm value creation is more important and it is an endless process. It starts with

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