

The impact of corporate governance on investment confidence

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Chapter 4: Statistical Analysis & Findings Discussion

4.1 Introduction

This chapter presents the statistical analysis and discusses the findings of the study examining the impact of corporate governance on investment confidence. The empirical analysis follows the research model specified previously, where corporate governance (measured through transparency/disclosure, accountability/control, and protection of investors' rights) represents the independent construct, and investment confidence represents the dependent construct.

The chapter proceeds as follows:

- Sample profile and descriptive statistics.
- Validity and reliability tests.
- Descriptive statistics for the research variables to answer the research questions.
- Hypothesis testing.
- Connect results to literature and governance frameworks, and
- Conclusion.

4.2 Sample Profile (Descriptive Statistics for the Sample Research)

4.2.1 Response Rate and Data Screening

A total of (N = 5) questionnaires were distributed and (n = 150) valid responses were collected, yielding a response rate of (80). Data was screened for missing values, outliers, and inconsistent responses prior to analysis.

4.2.2 Demographic and Professional Characteristics

This section describes the demographic and professional characteristics of respondents (e.g., age, education level, investor type, and investment experience). Such profiling supports interpretation of governance perceptions, as investor segments may interpret governance signals differently.

Table 4.1: Sample Demographics

Characteristic	Category	Frequency / Percent
Gender	Male / Female	55% / 45%
Age	18–25 / 26–35 / 36–45 / 46+	40%
Education	Diploma / Bachelor / Master / PhD	70%
Investor type	Retail / Institutional / Analyst / Other	40%
Experience	<1 / 1–3 / 4–7 / 8+	60%

4.3 Validity and Reliability Tests for the Questionnaire

Instrument quality was evaluated through validity and reliability testing. Content validity was supported by grounding items in prior literature and governance frameworks, and by expert review/pilot testing to ensure clarity and relevance. Construct validity may be assessed using exploratory factor analysis (EFA) where applicable. Reliability was assessed using Cronbach’s alpha to examine internal consistency

4.3.1 Reliability (Cronbach’s Alpha)

Cronbach’s alpha values were calculated for each scale. Values of $\alpha \geq 0.70$ are typically considered acceptable for research instruments. If any scale yields α below the threshold, item-total statistics should be reviewed to identify weak items.

Table 4.2: Reliability Results

Construct	No. of Items	Cronbach's Alpha (α)
Transparency & Disclosure		
Accountability & Control		
Protection of Investors' Rights		
Investment Confidence		
Overall Instrument		

4.4 Descriptive Statistics for Research Variables (Answering Research Questions)

Descriptive statistics (mean and standard deviation) were computed to evaluate the level of governance application and the level of investment confidence. If a five-point Likert scale was used, results may be interpreted as low, moderate, or high according to the study's adopted scale bands.

Table 4.3: Descriptive Statistics for Corporate Governance Dimensions

Dimension	Mean (M)	Std. Deviation (SD)
Transparency & Disclosure		
Accountability & Control		
Protection of Investors' Rights		
Overall Corporate Governance (optional)		

Table 4.4: Descriptive Statistics for Investment Confidence

Variable	Mean (M)	Std. Deviation (SD)
Investment Confidence	—	—

4.5 Testing Hypotheses

Hypotheses were tested using correlation and regression analysis. Correlation analysis examined bivariate relationships between governance dimensions and investment confidence. Multiple regression analysis evaluated the combined and unique effects of governance dimensions on investment confidence.

4.5.1 Correlation Analysis

Table 4.5: Correlations Between Governance Dimensions and Investment Confidence

Relationship	Correlation (r)	Sig. (p-value)	Decision
Transparency & Disclosure → Investment Confidence			Accept / Reject
Accountability & Control → Investment Confidence			Accept / Reject
Investors' Rights Protection → Investment Confidence			Accept / Reject

4.5.2 Multiple Regression Analysis (Main Model)

The following regression model was estimated: Investment Confidence = $\beta_0 + \beta_1(\text{Transparency \& Disclosure}) + \beta_2(\text{Accountability \& Control}) + \beta_3(\text{Investors' Rights Protection}) + \varepsilon$. Model fit statistics (R^2 , Adjusted R^2 , and F-test) were used to assess explanatory power, while standardized coefficients (β), t-values, and p-values were used to evaluate individual predictors.

Table 4.7: Summary of Hypotheses Decisions

Hypothesis	Statement	Result
H (Main)	Corporate governance has a statistically significant impact on investment confidence.	Accepted / Rejected
H1	Transparency and disclosure positively affect investment confidence.	Accepted / Rejected
H2	Accountability and control positively affect investment confidence.	Accepted / Rejected
H3	Protection of investors' rights positively affects investment confidence.	Accepted / Rejected

4.6 Discussion: Linking the Results with the Literature

This section interprets the findings in light of the theoretical and empirical literature on corporate governance and investment confidence. If transparency and disclosure show a significant effect, the result supports the argument that information quality reduces information asymmetry and increases investor trust. If accountability and control are significant, this suggests that oversight mechanisms and effective monitoring reduce agency risk and strengthen confidence in firm reporting. If the protection of investors' rights is significant, it implies that fair treatment and enforceable rights enhance perceived market integrity and investor willingness to invest. Non-significant results should be discussed by considering sample composition, investor sophistication, and the possibility that formal compliance does not always translate to perceived governance quality

4.7 Conclusion

This chapter presented the statistical analysis and discussed the empirical findings regarding the relationship between corporate governance and investment confidence. The results from reliability testing, descriptive statistics, and hypothesis testing (correlation and regression) provide an evidence base for understanding which governance mechanisms are most associated with investor confidence. The next chapter will present the overall conclusions and recommendations for improving governance practices and strengthening the investment environment.

Add to References list

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