

## **CHAPTER 4**

### **RESEARCH RESULTS**

This chapter organises the findings of the survey and presents the research results. Firstly, this chapter describes the demographic profile of the company, followed by demographic characteristics of the respondents. The second section discusses the specific responses to a series of questions on the level of involvement on the different types of duties of the company secretary. Subsequently, a cross tab analysis is being conducted between the employment status of the respondents to the level of involvement on the duties of the company secretary. Further, a statistical test is performed to test the significant of the two variables involved. Lastly, other opinions given by the respondents in properly and fully understanding the role and responsibilities that they play as the company secretary of the company is identified and presented in this chapter.

#### **4.1 SUMMARY STATISTICS OF RESPONDENTS**

A total of 61 responses were obtained from the fieldwork. Out of the total responses received, three were returned unopened and two had one missing page questionnaire, therefore were not valid and as such were rejected. Therefore, 56 responded questionnaires were used for the final analysis with a 28 percent response rate.

##### **4.1.1 Demographic Profile of the Company**

The distribution of the companies that participated in the survey according to industrial classification is illustrated in Table 4.1. The highest responded rate is from trading/services sector which accounts for 21 percent and followed by industrial products at 20 percent. The reason of the high response rate is because the number of questionnaire sent to these two sectors were the highest in the sample list. Consumer sector respondent rate stands at 14 percent, while

construction sector at 13 percent. Other sectors involved, namely technology, plantation, mining, hotels, properties and finance were below 10 percent.

**Table 4.1: Industrial Classification of Respondents**

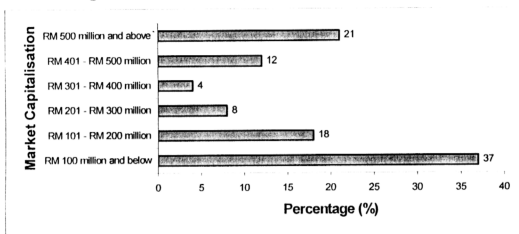
SECTOR	NO. OF COMPANIES	%
Trading / Services	12	21
Consumer Products	8	14
Industrial Products	11	20
Construction	7	13
Finance	5	9
Technology	1	2
Hotels	2	4
Plantation	4	7
Properties	4	7
Mining	2	3
<b>TOTAL</b>	<b>56</b>	<b>100</b>

Table 4.2 presented the structure of the market capitalisation of the companies as at 31<sup>st</sup> December, 1999. Majority of respondents is in the category of RM100 million and below, followed by 21 percent in the category of RM 500 million above. The lowest category is from RM 301 – RM 400 million which constitutes of only 4 percent.

**Table 4.2 : Market Capitalisation of Respondents**

MARKET CAPITALISATION	NO. OF RESPONDENTS	%
RM 100 million and below	19	37
RM 101 - RM 200 million	9	18
RM 201 - RM 300 million	4	8
RM 301 - RM 400 million	2	4
RM 401 - RM 500 million	6	12
RM 500 million and above	11	21
<b>TOTAL</b>	<b>51</b>	<b>100</b>

**Figure 4.1 : Market Capitalisation of Respondents**



Annual turnover of the companies is presented in Table 4.3. Majority of the respondents is from the category of RM150 million and above which constitutes of 61 percent and the minority is from category RM101 to RM125 million which comprises of only 2 percent.

**Table 4.3 : Annual Turnover of Respondents**

ANNUAL TURNOVER	NO. OF RESPONDENTS	%
RM 25 million and below	3	5
RM 26 - RM 50 million	7	12
RM 51 - RM 75 million	2	4
RM 76 - RM 100 million	6	11
RM 101 - RM 125 million	1	2
RM 126 - RM 150 million	3	5
RM 150 million and above	34	61
<b>TOTAL</b>	<b>56</b>	<b>100</b>

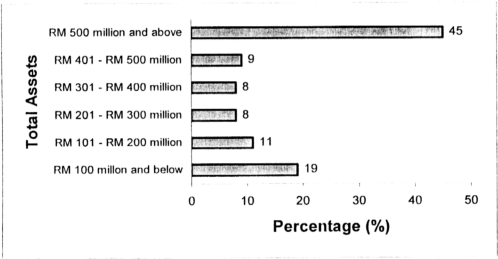
The next demographic profile of the company is on the total assets of the respondents as at 31<sup>st</sup> December, 1999 is presented in Table 4.4. The highest responded rate is in the category of RM500 million and above at 45 percent. The two lowest categories are from RM201 to RM300 million and RM301 to RM400

million which constitutes of 8 percent each. The remaining respondents are in the category between RM101 – RM500 million.

Table 4.4 : Total Assets of Respondents

TOTAL ASSETS	NO. OF RESPONDENTS	%
RM 100 million and below	10	19
RM 101 - RM 200 million	6	11
RM 201 - RM 300 million	4	8
RM 301 - RM 400 million	4	8
RM 401 - RM 500 million	5	9
RM 500 million and above	24	45
TOTAL	53	100

Figure 4.2 : Total Assets of Respondents



The companies selected for this survey are all listed on KLSE. The board listing of respondents companies on KLSE is presented in Table 4.5. Out of the 56 respondents, 37 were listed on the main board comprising of 66 percent. The remaining 37 companies were listed on the second board totalling to 34 percent. This results coincide with the percentages of the 202 sample list, in which

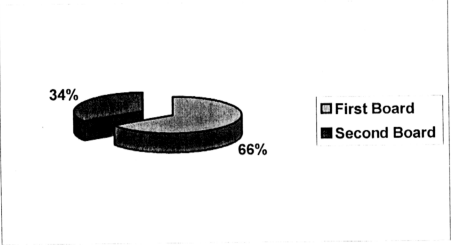


two-third of the companies was from the main board while one third was from second board.

**Table 4.5 : Board Listing on KLSE of Respondents**

KLSE BOARD LISTING	NO. OF RESPONDENTS	%
First Board	37	66
Second Board	19	34
TOTAL	53	100

**Figure 4.3 : Board Listing on KLSE of Respondents**



The board of director structures was divided into executive and non-executive directors as presented in Table 4.6. Where executive directors is concerned, majority of the companies has three to four executive directors. The result is also the same for non-executive directors. The result revealed that the board member comprises of executive and non-executive directors. This is in line with the recommendation of the Malaysian Code on Corporate Governance which states that the board should include a balance of executive and non-executive directors.

**Table 4.6 : Structure of Board of Directors of Respondents**

NO. OF EXECUTIVE DIRECTORS	NO. OF RESPONDENTS	%
2 and below	18	33
3 to 4	30	54
5 to 6	7	13
TOTAL	55	100

NO. OF NON-EXECUTIVE DIRECTORS	NO. OF RESPONDENTS	%
2 and below	6	11
3 to 4	33	59
5 to 6	8	14
7 to 8	5	9
9 and above	4	7
TOTAL	56	100

**4.1.2 Demographic Characteristics of the Respondents**

The respondents' demographic characteristics are presented in Table 4.7. Only two types of employment status were identified. As shown in Figure 4.4, the number of respondents working as internal full-time company secretary is higher than those respondents who were the employees of secretarial firm with a percentage of 86 percent and 14 percent respectively. Results revealed that the internal full-time category outnumbered the respondents who were the employee of secretarial firm by almost 4:1 ratio. This concurs with the results from the survey done conducted in Hong Kong mentioned in the earlier chapter.

Just over half of the respondents have the sole title of Company Secretary, which constitutes of 59 percent. About 21 percent have their titles as Group Company Secretary. These are probably those respondents acting as the company secretary for a few subsidiaries and associated companies. All of the other respondents combine their company secretary title with some other, typically being also a director, legal, financial or accounting role.

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**Table 4.7 : Demographic Characteristics of Respondents**

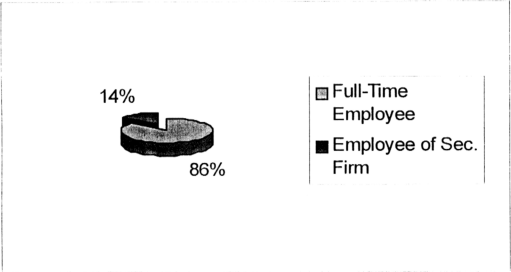
<b>EMPLOYMENT STATUS</b>	<b>NO. OF RESPONDENTS</b>	<b>%</b>
Full-Time Employee	48	86
Employee of Sec. Firm	8	14
<b>TOTAL</b>	<b>56</b>	<b>100</b>
<b>JOB TITLE</b>		
Group Company Secretary (Co. Sec.)	12	21
General Manager, Group Co. Sec. / Administration Manager	2	4
Co. Sec., Assistant Co. Sec., Joint Co. Sec.	33	59
Director, Director / Group Secretarial	3	5
Co. Sec. / Legal Advisor , Senior Legal Counsel	4	7
Co. Sec./Group Financial Controller, GM Finance	2	4
<b>TOTAL</b>	<b>56</b>	<b>100</b>
<b>AGE RANGE</b>		
26-30	5	9
31-35	7	13
36-40	19	34
41-45	14	25
46-50	7	12
51-55	3	5
56-60	1	2
<b>TOTAL</b>	<b>56</b>	<b>100</b>
<b>EDUCATIONAL QUALIFICATION</b>		
Secondary Qualification	5	10
Undergraduate Degree	33	63
Post Graduate Degree	14	27
<b>TOTAL</b>	<b>52</b>	<b>100</b>
<b>PROFESSIONAL QUALIFICATION</b>		
MAICSA	44	80
MACS	3	5
MIA	2	4
BAR COUNCIL	3	5
MACPA	2	4
FCCA	1	2
<b>TOTAL</b>	<b>55</b>	<b>100</b>

**Table 4.7 : (Continued)**  
**Demographic Characteristics of Respondents**

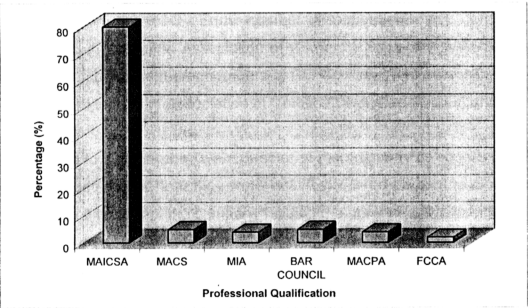
<b>DIRECTORSHIP</b>	<b>NO. OF RESPONDENTS</b>	<b>%</b>
Non-Executive Director	3	5
Not a Director	53	95
<b>TOTAL</b>	<b>56</b>	<b>100</b>
<b>SHAREHOLDER</b>		
Yes	12	21
No	44	79
<b>TOTAL</b>	<b>56</b>	<b>100</b>
<b>REPORTING DIRECTLY TO :</b>		
Chairman	2	3
CEO / MD	20	35
Finance Director	1	2
Other Directors	2	3
Executive Director	1	2
CEO / MD & Other Directors	4	7
Chairman & CEO / MD	18	32
Chairman & CEO / MD & Other Directors	7	12
CEO / MD & Finance Director	1	2
Chairman & CEO/MD & Finance & Other Directors	1	2
<b>TOTAL</b>	<b>56</b>	<b>100</b>

Majority of the respondents falls in the 36-40 years of age category, which made up to 34 percent of the total. The second highest respondents is in the age group of 41-45 years of age. Almost an equal number of respondents (12 percent and 13 percent) are in of 31-35 years of age and 46-50 years of age category. Only two percent were in the 56-60 years of age group. As there is no specific training for a company secretary, the experience gained in carrying out the work itself seems to be the only way, after having obtained the degree, diploma or professional qualification. Therefore that explains why majority of the respondents is in their mid-thirties to early forties due to the experience needed to cope with the work involved in the public listed company.

**Figure 4.4 : Employment Status of Respondents**



**Figure 4.5 : Professional Qualification of Respondents**



With regards to educational background, majority of respondents (63 percent) had obtained a university or professional degree. Those with post-graduate degree stands at 27 percent. Only five percent of the respondents had until secondary educational qualification. The needs for high degree of educational qualification is understandable as the Malaysia Companies Act prescribed that for a person to act as a company secretary, the person must either be a member of a professional bodies or is a holder of a license issued by the ROC. This result concurs with the findings from the survey conducted in Hong Kong. In that survey, it revealed that more than 50 percent of the respondents had an undergraduate degree, followed by 30 percent with post-graduate and 11 percent had received until secondary education.

In terms of professional qualification attainment, 80 percent of the respondents are members of MAICSA as presented in Figure 4.5. This is not surprising as MAICSA is prescribed under the Companies Act 1965 as one of the professional bodies whose members can act as company secretary without having to apply for a license from the ROC. Equal number of respondents (five percent each) are members of Malaysian Association of Company Secretary (MACS) and Bar Council while four percent are members of Bar Council. Two percent reported to be the fellow members of Association of Certified Chartered Accountant (ACCA).

In responding to whether they were director of the company or not, 95 percent of the respondents replied that they were not. Only three percent responded that they were the directors of the company holding the non-executive position.

In responds to whether they were the shareholders of the company or not, 79 percent of the respondents replied that they were not and 21 percent were shareholders.

The survey revealed ten categories of people to whom the respondents report directly to. Almost one-third of the respondents reports directly to two categories

of people, namely the CEO/MD and the chairman and CEO/MD. About 12 percent respondents report directly to the chairman and CEO/MD as well as other directors. Only ten percent respondents report directly to one person in the company, namely either to the chairman or finance director or other directors or executive director. Thus from this results, it revealed that 80 percent of the respondents report to the chairman and CEO/MD of the company. This is in line with the recommendation by the Code on Corporate Governance in Malaysia which emphasises that all directors should have the access to the advice and services of the company secretary. The Code continues to states that the chairman should look to the company secretary for guidance on what the former responsibilities are under the rules and regulations to which they are subject and how those responsibilities should be discharged.

**4.2 LEVEL OF INVOLVEMENT IN THE DUTIES**

The main part of the study is reflected in Section III of the survey form, which explore the specific responses by respondents to a series of questions on the level of involvement in the duties of the company secretary and the liaison with external parties. The duties were broken down in two parts, in which Part A includes eight primary duties that are normally perform by company secretary while Part B are other types of duties that they carried out for the company. Each duty is accompanied by an elaboration of the work involved. Part C deals with the level of involvement of the respondents with external parties.

**4.2.1 Level of Involvement in the Primary Duties**

All respondents answered this section of the survey questionnaires. Table 4.8 presents the findings of respondents on the level of involvement of the eight primary duties mentioned in Part A. A total of 93 percent of the respondents declared that board matters are their primary responsibilities while 7 percent claimed that they are significantly involved. None of the respondents is involved and neither it is being delegated to professional firm.

In terms of coordinating shareholders meeting, 86 percent replied that it is their primary responsibilities, whereas 12 percent replied that they are significantly involved. Only 2 percent replied that the duties were being delegated to professional firm. This is not surprising as in relation with shareholders, the company secretary is expected to function as an administrator. The proceedings of the meeting in relation to the issuance of notice, the minimum requirements for passing an ordinary and special resolution and how votes are to be taken in the meetings are generally spelled out in the company's articles of association and are generally the responsibilities of the company secretary.

Where duty pertaining to general compliance with relevant legal and listing requirements in Malaysia is concerned, 91 percent claimed that it is their primary responsibility and 9 percent is significantly involved. This is an important involvement for the company secretary as he or she is responsible to ensure that the company being a business entity comply with all the laws, rules and regulations that impinge on it.

As shown in Table 4.8, in terms of providing guidance to the chairman, 55% replied that it is their primary responsibilities. A total of 40 percent answered that they are significantly involved. Only five percent replied that they are not involved at all. This particular duty is not being delegated to professional firm either.

In terms of providing advice to other board members, just over half replied that it is their primary responsibilities, whereas, 43 percent are significantly involved. Only 3 percent claimed that they are not involved in this duty and 2 percent said that the work is being delegated to professional firm.

On duties pertaining to shareholders registration and handling of shareholder relations, more than half of the respondents replied that the work is being delegated to professional firm, while 23 percent claimed that they are significantly



involved. A 14 percentage of respondents answered that it is their primary responsibility. Only 4 percent said that they are not involved.

**Table 4.8 : Level of Involvement in the Primary Duties**

	Primary Responsibility	Significant Involvement	Neither	Work Delegated to Professional Firms
<b>Board Matters</b> Formulate meetings agendas with the Chairman/CEO, Prepare papers, attend & minutes proceedings, certify certify copies of minutes & ensure correct procedures are followed	93%	7%		
<b>Shareholders Meetings</b> Coordinate arrangement, prepare necessary documentation for meetings & ensure correct meeting procedures are followed	86%	12%		2%
<b>General Compliance</b> Ensure compliance with relevant legal and listing requirements in Malaysia	91%	9%		
<b>Guidance to Chairman</b> Provide guidance to chairman of the board on legal responsibilities and act as the conscience of the board	55%	40%	5%	
<b>Advice to other Board Members</b> Give advice to other board members on their legal responsibility and act as a channel of communication between them	52%	43%	3%	2%

**Table 4.12 (Continued)**  
**Level of Involvement in the Primary Duties**

	Primary Responsibility	Significant Involvement	Neither	Work Delegated to Professional Firm
<b>Shareholder Registration &amp; Relations</b> Maintain share register, carry out routine share registration work, handle shareholder relations	11%	23%	4%	62%
<b>Share Capital Issues &amp; Restructuring</b> Implement changes in the structure of the company's share and loan capital, devise, implement and administer share participation schemes	14%	25%	7%	54%
<b>Acquisition &amp; Disposals</b> Participate in & implement corporate acquisitions & disposals	7%	34%	9%	50%

Touching on duties pertaining to share capital issues and restructuring, again, majority of the respondents replied that the work is being delegated to professional firm. Only 14 percent said that it is their primary responsibility and 25 percent are significantly involved.

In terms of duties pertaining to participation in and implement corporate acquisitions and disposals, half of the respondents replied that it is the duty of the professional firm, but yet 34 percent is still significantly involved.

In comparison of the above results to the survey carried out by HKICS, duties pertaining to shareholders meetings, advice to other board members and shareholders registration and relations has almost the same scores. Results on

other duties are quite significantly different in these two countries especially on the duties of share capital issues and restructuring and participation in corporate acquisition and disposals. In Hong Kong, respondents of only 15 percent and 11 percent respectively replied that the work is being delegated to professional firm.

**4.2.2 Level of Involvement in Other Duties**

Respondents were also asked to describe the level of involvement in other duties that they carried out for the company. This is found in Part B of Section III questionnaire and the results are presented in Table 4.9. It is interesting to note that majority of the respondents replied that they have either little or no responsibility in the other duties. Probable reason is because of the various management divisions created within the organisation.

On issues dealing with legal matters, 48 percent of the respondents replied that it is not within their responsibility. This could be due to the technicalities of the law that only qualified lawyers could deal with. However, 22 percent responded that they are significantly involved and 14 percent respondents said that it is their primary responsibility. These are probably the respondents with legal qualifications or with many years of experience dealing with legal matters.

In terms of involvement in accounting and finance duties, 54 percent do not get involved and 25 percent with only little responsibility. In practice, these duties are normally handled by the accounts and finance department.

Where issues on human resource management are concerned, it is not the primary responsibility of the respondents and only seven percent are significantly involved. A total of 54 percent replied that they do not play any role in these duties. The reason could be because in large corporation such as public listed company, duties pertaining to human resource is normally handled by the human resource department due to the large manpower involved.

**Table 4.9 : Involvement in Other Duties**

	Primary Responsibility	Significant Involvement	Little Responsibility	No Responsibility
<b>Legal Matters</b> Handle matters relating to commercial law, undertake litigation, conveyancing, contract negotiation & drafting	14%	22%	16%	48%
<b>Accounting &amp; Finance</b> Involved in financial accounting, financial management, corporate finance, management accounting & taxation	9%	12%	25%	54%
<b>Human Resource Management</b> Involved in personnel management, administer employee benefits, profit share schemes, pensions & trusteeship, handle matters relating to labour law		7%	32%	61%
<b>Property Management</b> Manage purchase & sale of properties, rental matter, repair & maintenance of premises	7%	11%	12%	70%
<b>General Administration</b> Involved in office administration, insurance & risk management, facilities management	4%	14%	5%	77%
<b>General Management</b> Participate in strategy formulation & corporate planning	3%	18%	20%	59%

As for other duties such as property management, general administration and general management, majority of the respondents replied that they do not have any responsibilities in these areas. Only marginal respondents of less than eight percent are involved in this area. In handling the duties of property management

and general administration, this is usually in the jurisdiction of administration department. Whereas, on issues pertaining to general management, this is usually handled by the corporate planning department.

#### 4.2.3 Level of Liaison with Professional Advisors

Part C of Section III asked respondents on their level of involvement with external professional advisors to the company, namely, the auditors, solicitors and management consultants. The findings are presented in Table 4.10.

**Table 4.10 : Level of Involvement with Professional Advisors**

<b>Liaison with External Professional Advisors</b>	<b>Primary Responsibility</b>	<b>Significant Involvement</b>	<b>Little Responsibility</b>	<b>No Responsibility</b>
Auditors	68%	30%	2%	48%
Company Solicitors	41%	27%	29%	3%
Management Consultants	29%	36%	23%	12%

Out of the three professional advisors, majorities of respondents are primarily involved with the auditors of the company. This is because many of the company secretary responsibilities are in connection to the work of the auditors. To mention a few, the company secretary has to ensure that the accounts of the company is being audited by the auditors within the deadlines stipulated by the Companies Act and are being sent to all shareholders before the annual general meeting. The company secretary will also have to liaise with the auditors on matters pertaining to dividends, bonus issues, compliance with the legal and listing requirements etc.

Where liaison with solicitors is concerned, majority of the respondents (41 percent) replied that it is their primary responsibility. A total of 27 percent said

that they are significantly involved with the solicitors. Only three percent mentioned that they have no involvement at all. The high percentage of involvement is because the company secretary is the keeper of the statutory documents of the company and therefore need to produce such documents to the solicitors whenever the company needs the services of the solicitors to draw up any legal agreements.

In terms of involvement with management consultants, majority of the respondents are significantly involved (36 percent) with 29 percent replied that it is their primary responsibility. One third of the respondents stated that they have little or no involvement. The high involvement is not surprising as companies tends to outsource work that they do not have the expertise to manage such as matters pertaining to information systems, human resource planning, strategic planning and operation management. The company secretary will therefore be in constant touch with the management consultants on computerisation of their department or where they are also involved with the human resource department.

#### **4.3 PRINPICAL ISSUES RAISED BY RESPONDENTS**

The final section of the survey forms discuss issues that has been obtained from 32 respondents on their opinions in properly and fully understanding the role and responsibilities that they play as company secretary.

The opinions of the respondents were categorised in three principal issues. Table 4.15 presented the principal issues identified.

##### **4.3.1 Demands for better involvement in Corporate Governance**

A frequent comment was about the growing demand for better involvement in corporate governance in Malaysia. These include issues on compliance with

heavier disclosure, transparency and similar demands. Some even felt that due to these increasing pressures, it had led to the recognition and importance of the secretarial function.

**Table 4.11 : Principal Issues Identified by Respondents**

PRINCIPAL ISSUES IDENTIFIED	NO OF RESPONDENTS	%
Demands for better involvement in Corporate Governance	14	44
Status of the company secretary	5	15
Professionalism of the company secretary	13	41
<b>TOTAL</b>	<b>32</b>	<b>100</b>

In Malaysia, the definition of Corporate Governance by the Securities Commission in the Report of the High Level Finance Committee is :

" Corporate Governance is the process and structure used to direct and manage the business and affairs of the company towards enhancing business prosperity and corporate accountability with the ultimate objection of realising long term shareholder value, whilst taking into a account the interests of the stakeholders ". (February 1999)

Essentially, the key elements concerns the enhancement of corporate performance via the supervision, or monitoring, of management performance and ensuring accountability and transparency to shareholders are closely interrelated with the way directors conduct the affairs of the corporation. In the same report, the Code recommended that all directors should have access to the advice and services of the company secretary. It also add on to say that the Chairman will look to the company secretary for guidance to the board on what their

responsibilities are under the rules and regulations to which they are subject and how those responsibilities should be discharged.

The Company Director's Code of Ethics launched by the Minister of Domestic Trade and Consumer Affairs also contained a clause which requires the directors to have access to the advice and services of the company secretary, who is responsible to the board to ensure that proper procedures, rules and regulations are complied with.

Therefore, with all these recommendation that and recognition that has contribute to the importance of the role of company secretary in board and companies affairs.

**4.3.2 Status of the Company Secretary**

Some respondents felt that the image was improving. Others expressed concern at the perceived low level of recognition of the company secretary profession by comparison with the legal and accounting worlds. Where the company secretaryship was combined with the in-house accountant or lawyer function, it was the other profession that brought prestige and not the secretarial role.

On this status issue, this is understandable as the position of the company secretary in Malaysia is only properly recognised under the Companies Act, 1965 since September 1992. The Act states that for a person to act as a company secretary, that person must either a member of the professional body, or is a holder of a license issued by ROC. Further, in strengthening to status of the company secretary, one section on The Malaysian Code on Corporate Governance (amended March 2000) states that directors should appoint as secretary someone who is capable of carrying out the duties to which the post entails and their removal should be a matter for the board as a whole.



**4.3.3 Professionalism of the Company Secretary**

Some respondents made remarks in order to increase the professionalism of the company secretary, one has to always keep on catching up with the legislative changes and equip oneself with expert knowledge in this field. Others viewed that company secretary should not just be content with their 'form filling' role and do not want any further job enhancement. In fact, some respondents reckoned that the role of the company secretary depends a great deal on individual's personality and background. Others said that to promote their status of professionalism as company secretary, they update themselves with the necessary knowledge by attending courses and discuss with other professionals about compliance issues.

On this aspect, MAICSA has identified the necessity for its Graduates and members to be trained properly in carrying out their work as a company secretary and has continuously introduced activities such as monthly dialogue, monthly workshops and monthly seminars to increase the knowledge and professionalism of the company secretary. These activities would form the Association Continuing Professional Development Programme (CPD) which are important in upgrading and enhancing the knowledge and skills and understanding of its Graduates and Members. MAICSA has always strongly recommend that all company secretaries know and practice the Company Secretary's Code of Ethics because it will help them to achieve a higher level of professionalism. The Code is formulated to enhance the standard of corporate governance and to instill professionalism and effectiveness among company secretaries.

**4.4 RELATIONSHIP BETWEEN EMPLOYMENT STATUS AND DUTIES INVOLVEMENT**

Having studied the results of the survey as presented in the earlier part, this section proceed by identifying the relationship between the respondents

employment status (full time and employee of secretarial firm) with the level of involvement in the duties of company secretary. The results are presented in Table 4.16. The process of identifying the relationship between the 2 variables involved two types of analysis. They were as follows :

- Cross tabulation
- Pearson Chi Square

Cross tabulations were carried out to identify the relationship, if any. Finally Pearson Chi-Square was performed to test the significance of association in the cross-tabulated frequency data of the variable between the employment status and level of involvement in the duties of company secretary.

#### **4.4.1 Cross Tabulation and Its Significance**

The results show that there is some difference among the employment status of respondents to the level of involvement in the primary duties, other duties and liaison with the external professional advisors of the company.

Generally, all company secretaries perform the duties pertaining to the board matters, irrespective of their employment status. This is not surprising as the company's secretary's role and function primarily is as an agent of the board of directors (Ahmad Shahab, 1999). To support this finding, the earlier results also showed that respondents report directly to the board of directors.

As for the duties pertaining to shareholder meetings, again in here, there is no difference between the two variables involved. Only a small percentage claimed that the work is being delegated to other professional firm.

Similarly, all company secretaries perform the duties pertaining to general compliance in ensuring the procedures of listing are adhered strictly. As the official and legal custodian of the company's records and statutory documents, the company secretary is fully responsible for the accuracy, validity and currency

of these records and the information contained therein (Ahmad Shahab, 1999). Further, with the introduction of due diligence practice by the Securities Commission, it stated that the proceedings of the due diligence working group should be well documented in the form of copies of agendas and minutes of the meeting which should be done by the company secretary.

Where duties pertaining to guidance to Chairman is concerned, there is a difference between the level of involvement to the employment status of the respondents. 94 percent of the full time respondents reported that it is their responsibility. As for the employee of the secretarial firm, majority replied that they are only significantly involved while 22 percent are not involved at all. Probably because external company secretary hardly meet the Chairman as compared to the internal company secretary.

The duty of giving advice to other board members seem to be part of the respondent's responsibilities, irrespective of the employment status. As shown by earlier result, the respondents do actually report directly to other board members, therefore the liaison between these two parties exists.

Where duties pertaining to shareholder registration and relation is concerned, there is a significant differences. All external company secretaries reported that they are involved with these duties, whereas majority of full-time company secretary stated that the work is being delegated to professional firm. In here, the reason for the difference could be because of the tedious workload that is involved that the assistance of professional firm is required to handle this duty.

On duties pertaining to share capital issues and restructuring, there is no difference between the two variables. A total of 42 percent of internal and 25 percent of the external company secretary reported that they are involved in this duty. By virtue of the position, the company secretary is responsible to ensure

that the company complies with the Companies Act when they want to implement changes in the structure of the company's share and loan capital issues.

As for duties concerning acquisition and disposals of company's interest, results shows that there is a significant difference. Majority of the external company secretaries is not involved comparing to the internal company secretary where the latter claimed that it is within their responsibility. This is quite true because matters pertaining to corporate acquisition and disposals are normally handled by internal rather than external employees.

As for the significance in other types of duties, the statistical results revealed that there is no relationship between the employment status of the respondents with the level of involvement in other duties.

Generally, all company secretaries do not participate in legal matter probably due to the technicality of the law. Only a handful of the respondents is involved and these were probably the company secretary with legal qualification or those who has years of experience in handling legal matters.

Majority of the respondents is not involved in accounting and finance duties. On this issue, it is understandable as the accounting jobs are normally handled by the accounting and finance departments respectively. The 25 percent respondents who were involved in these duties were probably those who have the accounting qualification as revealed by the results of the demographic characteristics of the respondents.

Where duties on human resource management, property management, general administration and general management are concerned, majority of the external company secretary was not involved. The reason could be because all these duties are of internal matters and therefore, outsiders are unlikely to participate. Almost to half of the internal company secretary is not involved in these duties.

**Table 4.12 :Relationship between Employment Status and Duties  
Involvement**

Duties	Level of Involvement	Full Time Employee %	Employee of Sec. Firm %	Significant Value
Board Matters	Primary Responsibility Significant Involvement Neither Work Delegated	92 8	100	0.698
Shareholder Meetings	Primary Responsibility Significant Involvement Neither Work Delegated	83 15 2	100	0.817
General Compliance	Primary Responsibility Significant Involvement Neither Work Delegated	90 10	100	0.633
Guidance to Chairman	Primary Responsibility Significant Involvement Neither Work Delegated	63 31 6	78 22	0.003 **
Advice to Other Board Members	Primary Responsibility Significant Involvement Neither Work Delegated	58 38 2 2	13 6 6	0.178
Shareholder Registration & Relations	Primary Responsibility Significant Involvement Neither Work Delegated	13 13 74	13 87	0.001 **
Share Capital Issues & Restructuring	Primary Responsibility Significant Involvement Neither Work Delegated	17 25 8 50	25 75	0.707
Acquisition & Disposals	Primary Responsibility Significant Involvement Neither Work Delegated	8 46 8 38	13 87	0.004 **

**Table 4.12 (Continued)**

**Relationship between Employment Status and Duties Involvement**

<b>Duties</b>	<b>Level of Involvement</b>	<b>Full Time Employee %</b>	<b>Employee of Sec. Firm %</b>	<b>Significant Value</b>
Legal Matters	Primary Responsibility	17	13 87	0.345
	Significant Involvement	25		
	Little Responsibility	17		
	No Responsibility	41		
Accounting & Finance	Primary Responsibility	10	13 87	0.565
	Significant Involvement	15		
	Little Responsibility	27		
	No Responsibility	48		
Human Resource Managemet	Primary Responsibility	8 35 46	100	0.543
	Significant Involvement			
	Little Responsibility			
	No Responsibility			
Property Management	Primary Responsibility	8	100	0.87
	Significant Involvement	13		
	Little Responsibility	13		
	No Responsibility	66		
General Administration	Primary Responsibility	4	100	0.831
	Significant Involvement	17		
	Little Responsibility	6		
	No Responsibility	73		
General Management	Primary Responsibility	4	100	0.369
	Significant Involvement	21		
	Little Responsibility	23		
	No Responsibility	52		
Liaison with Auditors	Primary Responsibility	65	87	0.758
	Significant Involvement	33	13	
	Little Responsibility	2		
	No Responsibility			
Liaison with Solicitors	Primary Responsibility	46	13	0.000 **
	Significant Involvement	31		
	Little Responsibility	23	62	
	No Responsibility		25	

**Table 4.12 (Continued)**

**Relationship between Employment Status and Duties Involvement**

Duties	Level of Involvement	Full Time Employee %	Employee of Sec. Firm %	Significant Value
Liaison with Management Consultants	Primary Responsibility	33		0.000 **
	Significant Involvement	35		
	Little Responsibility	23	24	
	No Responsibility	9	76	

**\*\* Significant Value**

Only 8 percent is significantly involved and 35 percent with little responsibility. A possible reason to this is because the respective department in the company is handling these duties.

Where liaison with external professional advisors is concerned, the results revealed that there are significant differences among the variables involved.

There is no difference in the employment status of the respondents to their level of involvement with the auditors of the company. As explained earlier in this chapter, one of the main responsibilities of the company secretary is to ensure that the auditors meet with the deadline of the audited accounts of the company within the time frame stipulated by the Companies Act. Therefore, it is a normal practice for company secretary to be in constant touch with the auditors.

As for liaison with the solicitors of the company is concerned, the results show that there is a significant difference between the full time and external company secretary's involvement. A total of 46 percent of the full time company secretary is primarily involved with 31 percent significantly involved. As for external company secretary, more than half reported little involvement and 25 percent with no responsibility on this duty. A possible reason is probably because it is more convenient for the internal company secretary to ask for advice from the

company's solicitor as compared to the external company secretary who has little contact with them.

There is also a significant difference between respondent's employment status to the involvement with the management consultants of the company. Almost 90 percent of the full-time company secretary were involved with the management consultants whereas two-third of the external company secretary does not liaise with them. As the nature of the management consultants job primarily involves company's internal work, therefore being an external company secretary, they normally do not get involved with the former because they hardly has any opportunities to participate with the company's internal affairs.