
5.0 RESEARCH METHODOLOGY

5.1 *Research Question*

Does the Board of Directors have a say in management? Is the Board's decision final? What is the best way recommended for Tenaga Nasional Berhad to be governed? Can it be implemented? Who will benefit most from the change?

A list of questions to form up the questionnaire can be drawn up to be addressed to suitable respondents. What the above questions hope to achieve is a summary of items or criteria under the two principles which underlie corporate governance, i.e.

1. Is the management of Tenaga Nasional Berhad able to drive the enterprise forward free from undue constraint caused by government interference, fear of litigation and fear of displacement?
2. Is there an effective framework of accountability in which power and patronage accorded are being exercised by the management of Tenaga Nasional Berhad?

The evaluation of the corporate governance of Tenaga Nasional Berhad, therefore, revolves around the evaluation of how Tenaga Nasional Berhad abide or breach the above two principles. A sample of questions used as a guide when interviews and casual discussions were carried out with selected respondents is shown in Appendix 7.

5.2 *Selection of measures*

Based on a corporate governance model derived from the criteria from the various literary articles above it is possible to draw up and select compliance and breaching measures for corporate governance, i.e. degree of compliance and degree of breach. They were done quite informally.

5.3 *Sampling Design*

There were three groups of people to which the questions regarding Tenaga Nasional Berhad's corporate governance could be addressed to. They were:

1. Members of top management of Tenaga Nasional Berhad in the past and present, especially the company secretaries. In this case a short discussion on the subject was carried out with an ex-secretary and the present one. The view of a third was obtained from an article in 'People behind the Lights' which describes what went on the Board meetings when he was the Secretary.
2. Members of the board of directors, past and present. Only a few managed to be informally interviewed.
3. Ministers in the Ministry of Finance and Ministry of Energy, Telecommunication and Post. Ideally this could be very helpful in determining their views-especially current ones as to the role of Tenaga Nasional Berhad. However, the lack of courage to

find out whether they would co-operate or not, bearing in mind of their tight schedule of more “national importance “ ended up this not being carried out.

5.4 *Data collection procedure*

During the literature search, it was realised that most of the answers that were supposed to have been obtained through interviews of past and present top management and directors could be obtained from two publications by Tenaga Nasional Berhad. ‘Power Builds the Nation’ by Mudzaffar Tate and ‘People behind the Lights’ by National Electricity Board. It was decided that the in depth questioning and interviews of respondents were unnecessary up to a point especially when time was limited. It was found that the most effective way to gather data for this study is to research the relevant board minutes of meetings and also the correspondences that took place between the parties of any particular issue. By that time it was too late to go in depth as it was realised that getting the files, letters and other write ups would need special permission and clearance from the relevant people.

So, evidence were gathered from press reports and what is considered to be common knowledge among the employee of Tenaga Nasional Berhad. Another source of information are the annual reports and relevant management circulars.

5.5 *Data analysis techniques*

From the various descriptive data collected on Central Electricity Board/National Electricity Board from 1949-1989 and also the data gathered on the governance of

Tenaga Nasional Berhad 1990-1995, answers to the relevant questions on corporate governance was obtained.

Since a full written questionnaire forms were not prepared and distributed for filling, the measurement scale that was planned earlier to be applied to determine the degree of good governance of Tenaga Nasional Berhad was not used. The degree of good governance was determined on purely judgmental basis on an opinion formed based on the evidence that are available. The evidence were matched against the governance model developed by the Cadbury Committee of United Kingdom and other qualities proposed by a few recognised corporate figure in the United States and United Kingdom. The idea of the 'governed corporation' against the 'managed corporation' has also been considered.

Based on the above opinion certain recommendations were derived from the study that could be adopted or adapted by Tenaga Nasional Berhad to improve its corporate governance.

Other recommendations are suggestions for additional research and how this study can benefit other corporation especially those formerly government subsidiary companies that have been privatised.