

3.0 Research Methodologies

3.1 Research Method

The research method will be divided into two types as below:

Research Objectives	Research methods	
	Survey research	Secondary data
1. An understanding of Malaysian legislation on CG - A review of the existing Malaysian laws on corporate governance (a prime focus will be given to MCCG and KLSE RLR).		X (The Code & RLR)
2. Ascertain level of compliance and acceptance to the legal requirements - A sample of 11 KLSE listed companies has been selected and interviews have been conducted with the top management of the companies. A set of criteria has been drawn based on the regulatory requirements.	X	X (Annual Reports)

3.2 Data

In this research, data came from the following sources:

- Extraction from MCCG & KLSE RLR;
- Semi structured interview with top management of listed companies; and
- Related Annual Report data of the selected companies. Secondary data was used to get some of the missing information not supplied by the interviewee during the interview.

3.3 Selection of Measures

In the survey, the author uses 2 types of measurement scale to gather information for the research. The 2 measurement scales are as follows:

- Semantic differential (Needs improvement & Effectively applied) and (Yes, No & Partly); and
- Open-ended questions.

3.4 Research Instrument

The development of the research instrument started with the telephone appointments with executive in 30 Malaysian companies regarding for an in depth in person interview with the Audit Committee members, Directors and Financial Controllers. With, this effort, only 11 companies were finally interviewed.

The semi-structured questionnaires are based on the MCCG.

3.5 Data Analysis Techniques

A qualitative approach via interviews was first used to explore the level of compliance to the Code. Subsequently, a quantitative analysis on the semantic differential was developed in order to determine the level of compliance i.e. ratio of compliance and non compliance with the Principles Statement and Best Practices as proposed by the Code.