

## LEVEL 7 ASSESSMENT SPECIFICATION

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                      |                   |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------|
| Student name:                   | SIAW Mo Wai                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Student ID number:                                   | 1710336           |
| Programme:                      | DBA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                      |                   |
| Module:                         | Qualitative Research                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                      |                   |
| Module code:                    | SBPD7002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Contribution to Overall Module Assessment (%):       | 20                |
| Lecturer:                       | Dr. Stephanie Lee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Internal Verifier:                                   |                   |
| Assignment Title:               | Paper Presentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Word count (or equivalent):                          |                   |
| Submission deadline:            | October 27, 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Return date of provisional marks & written feedback: | November 25, 2018 |
| Submission method:              | <p>All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.)</p> <p><b>Alternative submission method (if applicable):</b></p> <p><b>Late submission of the assessment will result in a late penalty mark.</b> Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.</p> |                                                      |                   |
| Academic honesty / referencing: | <p>Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.</p>                                                                                                                                                                                                                                                                                              |                                                      |                   |



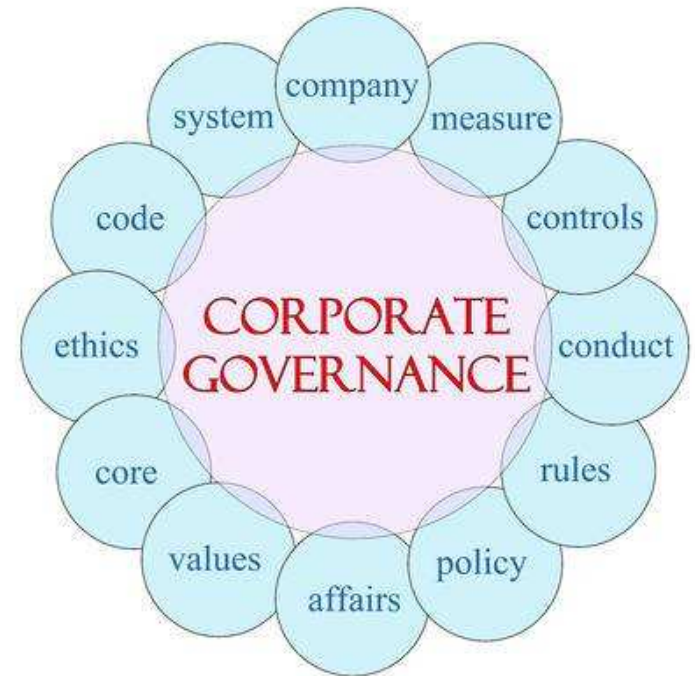
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SBPD7002  
Qualitative Research  
Presentation  
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**How do effective senior management of Hong Kong-listed companies to enhance corporate governance?**

# MENU

- Background
- Aim
- Literature Review
- Methodology
- Ethical Issues
- Results
- Conclusions
- Reflection



# Background

Nowadays, corporate governance is a critical issue in the business world. Since 2016 fiscal years, all Hong Kong listed companies need to prepare the environmental, governance and social report (“ESG”).

Through the ESG, the companies need to make full disclosure in this report. It is fully recorded in Appendix 27 of Hong Kong Main Board listing rule and Appendix 20 of Growth Enterprise Board listing rule.

# Aim

How senior management to achieve good corporate governance

- Pros and Cons of good corporate governance system
- The major issues to implement corporate governance system
- Situation of CEO support
- Ways to improve corporate governance system

# Literature Review

## **Board composition**

Rao and Tilt (2016) stated the decision making on corporate governance mainly focus on the board. According to the study, board diversity can really improve the corporate governance.

Levrau and Van den Berghe (2013) found the chairperson should act as the bridge between the board members. He should also control the speed of the board meeting. In corporate governance issue, he should also provide his views in order to solve the conflict between CEO and the board members.

# Literature Review

## **Characteristics of CEO**

O'Shannassy (2010) found the CEO should be consist two type of characteristics. The first type is influential thinker and active personality. The second type is a facilitator, design the strategy process and delegate the decision making power to people. So the decisions should be more reality and meet the expectations of the market

# Literature Review

## **Regulatory framework**

Liao (2014) examined the effective corporate governance code should protect the minority shareholders and prevent discriminate by the majority shareholders.

## **Other issues**

Ricart et al (2005) found the good corporate governance plays an important role on sustainable development.

Wise and Mahboob Ali (2008) found the corporate governance system relate to the ethical business process. The system can ensure the business strategy should under the standard business procedure.

# Methodology

- It will perform the focus group to make the interview.
- A set of professionals of Hong Kong listed companies will select. They include:
  - Chairman
  - Executive Director
  - Financial Controller
  - Company Secretary
  - Senior manager

# Methodology

The detailed information of participants is as following:

| Position                   | Sex | Industry                    |
|----------------------------|-----|-----------------------------|
| Chairman                   | M   | Trading                     |
| Executive director and CEO | M   | Trading                     |
| Executive director         | F   | Telecommunication equipment |
| Financial Controller       | F   | Telecommunication equipment |
| Company Secretary          | M   | Trading                     |
| Company Secretary          | F   | Financial service           |
| Senior Manager             | M   | Financial service           |
| Senior Manager             | F   | Trading                     |

# Methodology

In the focus group, it asks the following questions:

1. What is your point of view towards a good corporate governance?
2. What is the major concern(s) of your companies, such as increase profitability?
3. What is your concept for the difference between family-based CEO and non- family-based CEO towards corporate governance?
4. What is your CEO's point of view towards the corporate governance issue?
5. How do you solve the different point views on corporate governance issue between you and your CEO?
6. What is your point of view towards the trade-off between profitability and corporate social responsibility or corporate governance?
7. What is the relationship between corporate governance, corporate social responsibility and the company?
8. What should senior management to do in order to enhance the performance of corporate governance of the company?

# Ethical Issues

Before the start discussion of the focus group, it performs the following work:

- ◆ Let all participants know the purpose of the focus group
- ◆ Require all participants to sign consent letter
- ◆ Let them know the usage of the data
- ◆ Let them know the privacy of the data

# Results

*Good corporate governance system should be:*

- Protect the interests of all shareholders
- Assist the company to build a good corporate image
- Not just focus on financial aspect and more focus on non-financial aspect
- Encourage the self development of employees and also let them to concern more about the ethical and social issues when making business decision
- Maintain sustainable growth of the company
- Increase the revenue through the building of brand name

# Results

*The major concern of the company*

- Concern about the cost to set up the system
- Benefit too intangible
- Difficult to define what is good corporate governance system
- Profitability vs Corporate governance

# Results

## *Support of CEOs*

Based on the comment from participants, there are two types of CEO. One is family-based and other is non-family-based. The major differences are:

Family-based CEO: Profitability > Corporate governance

Non-family based CEO: Strike a balance between profitability and corporate governance

# Results

*Solve the conflict on corporate governance with CEO*

- In-depth discussion
- Set up committee and invite independent non-executive directors to give comments
- Seek the advice from professionals, such as external auditors

# Results

*Relationship between corporate governance, corporate social responsibility and the company*

- There is causal relationship between them.
- Board of director should be the initiator of corporate governance.
- Corporate governance can enhance corporate social responsibility.
- Corporate social responsibility can assist the company not just focus on financial performance and make the decision more ethical.

# Results

*Enhance the performance of corporate governance*

- Set up committee
- Clear internal guideline to give a procedures for the business decision making
- Adequate training to the staff

# Results

## Senior Management Performance Tree:

|                                                               |                               |    |                                 |    |
|---------------------------------------------------------------|-------------------------------|----|---------------------------------|----|
| Theme                                                         | Senior Management Performance |    |                                 |    |
| Category                                                      | Profitability Motives         |    | Corporate Governance Motives    |    |
| Primary Data                                                  | (*)                           |    | (*)                             |    |
|                                                               | Financial performance         | 19 | Legal regulations               | 16 |
|                                                               | Sustainable growth of company | 13 | Business Ethics                 | 12 |
|                                                               | Employees' expectations       | 9  | Corporate Citizens              | 8  |
|                                                               | Shareholders' expectations    | 15 | Corporate Social Responsibility | 9  |
| Remark:                                                       |                               |    |                                 |    |
| (*) - Number of times of the participants' comments relate to |                               |    |                                 |    |

# Conclusions

- ✓ All participants agree the importance of good corporate governance.
- ✓ All participants agree the good corporate governance can enhance the confidence of the shareholders and other stakeholders.
- ✓ All participants agree to meet the minimum regulatory standards.
- ✓ All participants agree corporate governance can improve company image and act as corporate citizen.
- ✓ Most participants said CEO can facilitate the implementation of corporate governance system.
- ✓ All participants consider the need to strike a balance between profitability and corporate governance.

# Conclusions

## Concerns

- ? Cost of implementation of corporate governance system
- ? Impact to the financial performance of the company
- ? Definition of good corporate governance system
- ? Face a dilemma when family-based CEO emphasis the profitability -> Face ethical issue rather than legal issue

# Reflection

For qualitative research, it should concern the following points:

- ◆ Selection of participants
- ◆ Selection of suitable place
- ◆ Well prepare the equipment, such as audio recorder

# References

- Levrau, A. and Van den Berghe, L. (2013) Perspectives on the decision-making style of the board chair. *International Journal of Disclosure and Governance*, 10(2), pp. 105 – 121.
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- O'Shannassy, T. (2010) Board and CEO practice in modern strategy-making: How is strategy developed, who is the boss and in what circumstances? *Journal of Management & Organization*, 16, pp. 280 – 298.

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- Rao, K. and Tilt, C. (2016) Board composition and corporate social responsibility: The role of diversity, gender, strategy and decision making. *Journal of Business Ethics*, 138, pp. 327 – 347.
- Ricart, J. E., Rodríguez, M. A. and Sanchez, P. (2005) Sustainability in the boardroom: An empirical examination of Dow Jones Sustainability World Index leaders. *Corporate Governance*, 5, pp. 24 – 41.
- Wise, V., and Mahboob Ali, M. (2008) Case studies on corporate governance and corporate social responsibility. *South Asian Journal of Management*, 15, pp. 136 – 149.

*End of Presentation*

*Thank  
you!*