

CHAPTER ONE : CORPORATE ADMINISTRATION : AN OVERVIEW

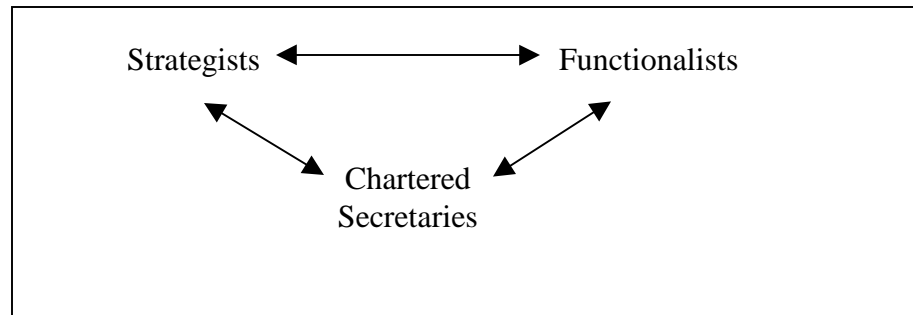
What is corporate administration and corporate administrator?

Corporate administration may be described as the implementation of duties judiciously as distinguished from policy-making (i.e. the jurisdiction of the Board of Directors) of a corporation.

Corporate administrator carries out his duties for the corporation within the legal framework and acts prudently (with good judgement).

Importance of corporate administration

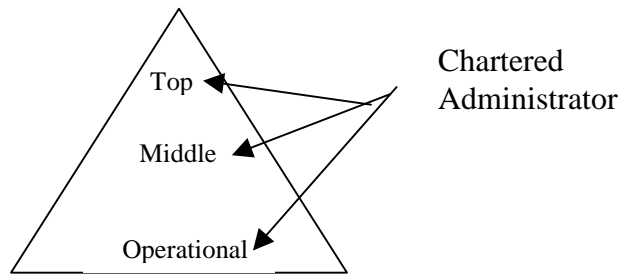
- Chartered secretaries are neither primarily organizational strategists nor functional (operational) specialists but they perform roles that assist the organizational strategists and facilitate functional specialists in discharging their respective responsibilities.



The relationship between Chartered Secretaries or Administrators, Organisational Strategists, and Specialists

- Organisational strategists comprise the Board of Directors and the top management who are responsible to chart the direction and formulate strategies for the organization. The middle management translates the direction and formulates more specific business level strategies, whereas the first level management primarily executes the earlier strategies in specific, operational (functional) terms.

The roles of Chartered Secretaries or Administrators in the organisation Hierarchy



- Chartered administrators perform a strategic role of ensuring organisational compliance with the authorities. They also assist the top management in legal-corporate matters. In addition, chartered administrators undertake specific assignments which are equivalent to middle level management position.
- The roles of chartered secretaries or administrators may be classified into three: those that are specified by the statutes, their board of directors and top management, and their organisation.

Three dimensions of corporate administrator's roles

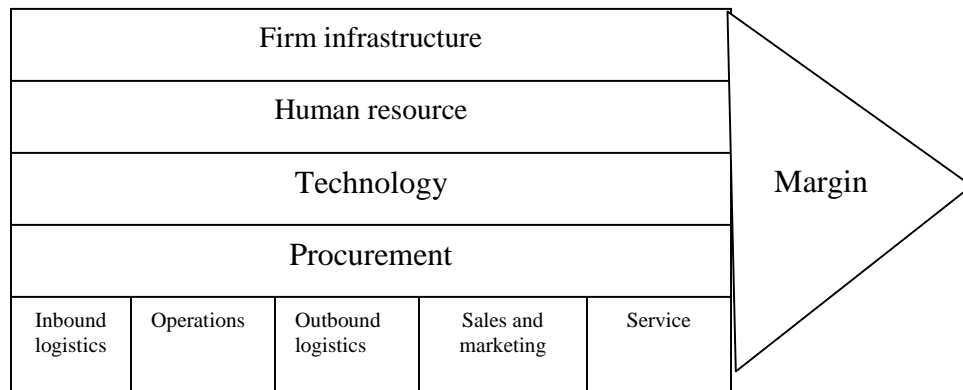
Responsibility Type	Source	ICSA Classification (1998)
Own statutory responsibility	Specified by the corporate law	Core duties
Corporate statutory responsibility	Specified by the corporate law	Core duties
General responsibility	Organisational requirements	Additional duties

The core duties are legal obligations (specified by various Acts such as the Malaysian Companies Act 1965) and consequent offences and those which result from best practice.

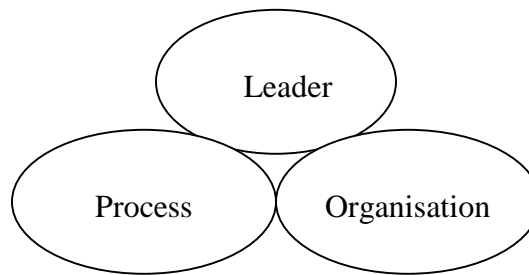
Corporate administration as a support service

Chartered secretaryship adds value to organisational chain by providing corporate administration services.

Value chain divides organisational activities into two categories: primary and secondary.



Three Requirements of 21st Century Leadership



The leader – The leader should exhibit these characteristics: Janusian, the dualistic, the value-based educational, sensational. Having the power of collective genius, mastery, and mindset. The leader therefore searches, acts, and makes the dream real.

The processes – Processes refer to the actions, skills, and strategies that the leader needs to be able to compete in the future. The leader should focus on four core practices: grass-root education, fire prevention, direct interaction, and effective globalisation.

The organisation – The leader helps create people because they are responsible to create and destroy organisation; assesses return on talent = knowledge generated; develops human resource, searches relentlessly for innovation. He creates a customised workplace, the creative web, and kaleidoscope thinking.

The concept of best practice

Best practices are “the best way to perform a business process.” Leading companies use this process to achieve top performance, and they serve as goals for other companies, which are striving for excellence.

According to PricewaterhouseCoopers, best practices are “ a source of creative insight for business improvement.” Best practices do not give definitive answers to the organisation’s problems. They allow organisation to adapt the best practices to improve their performance. By studying best practices, an organisation may evaluate its current business processes using new ways

Learning Outcomes

- Students should be able to define corporate administration.
- Students should be able to appreciate the importance of corporate administrator
- Students should be able to differentiate between classifications of roles of chartered secretaries.

Basic Reading

1. Chartered Secretaries Malaysia, Good Governance Guides, http://www.maicsa.org.my/good_governance/ updated 16 March 2004.
2. ICSA UK Guidance Notes and Best Practice Guides, http://www.icsa.org.uk/news/guidance_uk.php

Revision Questions

1. Define corporate administration.
2. Describe briefly the job scope of a corporate administrator.
3. What is the relationship between strategists, functionalists, and chartered secretaries?
4. Identify three elements required for a leader in the 21st century.