



## The sustainable business growth of corporation hinges on to the fiduciary accountability of directors

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### **R e s e a r c h   H i g h l i g h t s**

This study is the importance of fiduciary accountability of directors in making sure sustainable business growth is achieved by means of engaging innovation and creating new markets. Having read the literature, there is inadequate study on fiduciary accountability of directors where their decision is decisive for innovation and creating new markets. This is because innovating new machines and new products would add to the corporation budget. To find out to what degree fiduciary accountability have the causal link to business growth; and market orientation causal link to innovation and business growth, hypothesis is developed to test it. As for instance hypothesis is about fiduciary accountability ensures innovation which contributes to sustainable business growth, second hypothesis is market orientation directly contributes to sustainable business growth and thirdly market orientation has the causal link between the innovation and sustainable business growth.

The research finding is encouraging for a listed corporation and SMEs in the context of Malaysia.

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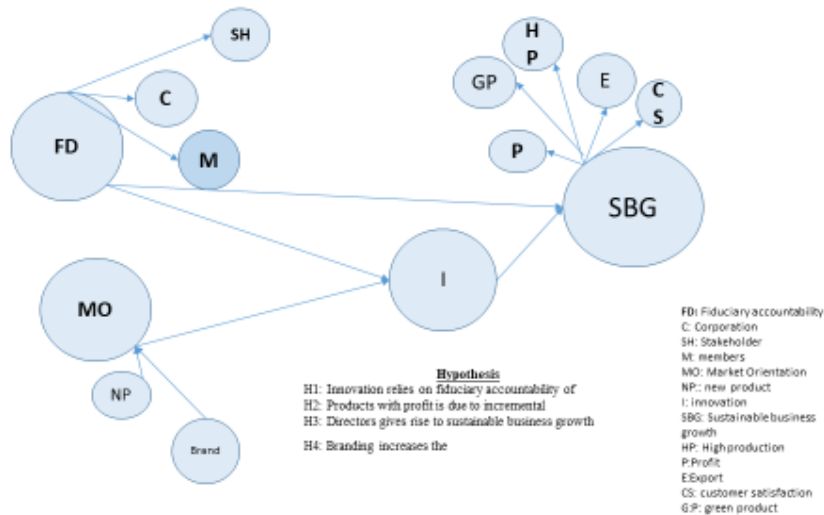


Figure1: Findings

## Research Objectives

The aim of research is the desire to find out the unexplored area of interest notably the accountability of directors’ fiduciary role towards the corporation. Undoubtedly, studies had been carried out mainly how managers derived the decision-making. This study is not about the decision making but more on what the directors account their achievement to the corporation. Currently, most countries have legislated corporate law such as Companies Act of 2016 of Malaysia which makes directors more accountable to their fiduciary responsibilities. Moreover, studying on this particular area would throw some light give us a sound understanding that any steps taken by a company to innovate incrementally or radically directors have to account their success or failure to the corporation and thereafter to the other stakeholders.

In the objectives sense, I hope to find out how directors are accountable while performing the fiduciary functions to the corporation. However, to find out the how the directors are accountable for the corporation growth or failure in both listed corporation and SMEs proper study has to be explored and test the research questions and hypothesis.

Studying on the fiduciary accountability of directors would contribute academic study and further scholarly research. In the past it is not explored but other variables such as innovation and marketing contribute to business growth. However, the backdrop is not explored and any study would go a long way academically



## Methodology

Owing to limited time frame, it is idealistic to communicate the concerned persons vide telephone conversation to furnish information relevant to this study. Another mode used was the Skype after some arrangements with the company's secretary. To avoid any mental fatigue, care was taken to cut the conversation and informed them that alternative date, time would be given to their choice.

Telephone conversation may cause tiredness. This is because of no visual contact and personal way of expression. Whilst interviewing, questions raised depend on how the respondent reacted and this could only be identified by his/her voice tone (Amirav & Higginbottom, 2014). In order to have perpetual conversation, care was taken to address the respondent politely and allowed him/her to speak without any interruption (Mathers, Fox, & Hunn, 2002).

Consequently, the questions posed to the interviewees were narrowed down so that the respondents would respond to the question with ease. During the conversations most of them were cordial and provided the answers relevant to the aforesaid study. The questions raised confined to the areas of directors' function and relationship, innovation, export, any new machines purchased or incrementally innovated (Hee Song Ng & Kee, 2018), branding of the products, customers need and advertisement through social media. In short respondents spoke freely. In short respondents spoke freely and in some instances they advised me to contact the secretary to provide more detail information without trespassing confidential matters of the company.

## Results

Insofar a listed corporation is concerned, the fiduciary accountability is vested in the board of directors. They drew policies for the corporation, investment plan after consultation and meet the managerial levels to find out the corporation performance. In this case, it is consumer product manufacturer which is widely used as main ingredient for daily household use, and food and drink manufacturers. Regarding about innovation, the aforesaid corporation indulged in innovating incrementally (O'Connor, 2006) because processing machines were purchased in the past and still in good and workable condition. Besides, products are marketed locally and increase in export among the Arab nations the manufacturer increase its production with increase of workforce. The company is able to sustain its business with profit and shareholders are assured of dividends.

In comparison, the SMEs is mostly private limited having more than 500 workers in two corporations and rest having less than 50 workers. No matter whatever size, the directors, of course, have accounted their fiduciary success by yearly profit, exporting overseas and branding their products to meet the customers' need. Moreover, new products are now posted on the Facebook and other social media



## Findings

In both listed corporation and SMEs, directors' functions had contributed to the sustainable business growth. They played pivotal role in designing policies for the best interest of the corporation. Also directors were prudent because of the present economy conditions. As they do not want their corporation to face more liabilities over assets of the company, this is in line of fiduciary accountability of directors.

Since they are concerned about their customers, products manufactured complied to the International standard, research is carried out to ensure quality and customers enjoy their products without any side-effect.

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