

A COMPARATIVE REVIEW ON COMPANY SPECIFIC DETERMINANTS FOR SUSTAINABILITY REPORTING IN UNITED KINGDOM (UK) AND MALAYSIA

Xue Fa Tong*

Faculty of Business, Multimedia University Melaka

ABSTRACT

This study aims to comparatively assess the effects of company-specific variables on the level of corporate social responsibility (CSR) information disclosed in publicly-traded companies from United Kingdom (UK) and Malaysia. Content analysis was applied to sampled reports from the FTSE 100 Index and FTSE Bursa KLCI against inferred meanings from the Global Reporting Initiative (GRI)-derived coding base to identify similarities and/or differences in CSR disclosure practices. The Spearman's correlation coefficients and multiple linear regressions (MLR) analyses further gauged the associations between the variables and total quantity of CSR disclosure (TQ_{CSR}); and, determined the predictive determinants on sustainability reporting.

The Spearman's correlation has identified a negative association on leverage with TQ_{CSR} for UK companies. In contrast, the TQ_{CSR} in the Malaysian sample was positively associated with directors' CSR-related experiences and profitability but negatively associated with company size. Results from MLR analyses presented company size as a significant determinant on sustainability reporting in the UK model, while directors' experiences were indicated as the crucial determinant in the Malaysian model. This first, direct cross-market sustainability reporting study highlights the importance of board of directors' CSR-relevant experience in influencing the level of CSR disclosures in publicly-traded companies.

Keywords: Sustainability reporting, Global Reporting Initiative (GRI), corporate social responsibility (CSR), board experience

INTRODUCTION

Sustainability reporting has emerged as a powerful tool in gaining long term business growth and competitive advantage. The practice to report high quality non-financial data beyond the financial bottom line helps companies to mitigate potentially material financial impact of environmental and social risk in their businesses. In May 2013, the non-mandatory G4 Sustainability Reporting Guidelines was initiated to commensurate the need for a more relevant, transparent and credible integration of sustainability indicators into sustainability reporting practices. Although the G4 framework is a useful reference in homogenising corporate social responsibility (CSR) disclosures across global market sectors, many sustainable reports are still inconsistent and reactive in nature (Jagd, 2015; Fortainer et al., 2011; PwC's Sustainability Reporting, 2008). The inconsistency in levels of non-financial CSR disclosures is predicated on the polarizing prioritisation of the "stakeholder versus shareholder" approaches in addressing societal issues (Freeman and Moutchnik, 2013), the

*Corresponding author's email: xftong@mmu.edu.my

cost of disclosing information voluntarily (Gamerschlag et al., 2011; Kytte and Ruggie, 2005; LaFond and Watts, 2008), and, the varying interpretations of the recommended guidelines.

This study intends to juxtapose the sustainability reporting agenda of publicly-traded companies from the United Kingdom (UK) and Malaysia. While there are substantial empirical researches on the determinants of CSR disclosure practice internationally, cross-market comparison on sustainability reporting activities were scarce and mainly explored the macro-effect of country-level variables and political-legal systems (Ioannou and Serafeim, 2016; Anderson and Gupta, 2009; La Porta et al., 2008). Furthermore, only a few studies on CSR determinants were relevant to the Malaysian context (Mat Nor, 2010; Amran et al., 2007). In order to better understand the readiness of Malaysian companies in pursuing the CSR agenda, a comprehensive comparative study against a developed CSR reporting regime such as the UK is necessary.

For these reasons, the aim of this study is to critically analyse and identify the key drivers for sustainability reporting of the top 30 publicly-traded companies in the UK and Malaysia. This paper extends prior research on the effect of company-level determinants in explaining voluntary CSR disclosure practices (Lan, et al., 2013; Gamerschlag et al., 2011). The study will address two fundamental research questions:

- 1) What are the company-specific characteristics associated with corporate social responsibility (CSR) disclosures?
- 2) What are the specific variables predicting the amount of CSR-related information disclosed in the sustainability reports for each country?

Data collected from publicly traded companies operating in the FTSE 100 Index and FTSE Bursa Malaysia KLCI will be subjected to in-depth two-phase analyses to corroborate and quantify the developed hypotheses. Withstanding industry classifications, the research expects a strong positive correlation to exist between the identified internal company-specific drivers (i.e. board experience, profitability, financial leverage) and the level of CSR disclosures in sustainability reporting for both countries regardless of potential cross-market differences. Findings from the study will contribute to a greater understanding on the varying degree of sustainability reporting practices in companies and progress the dimension on CSR-reporting literatures.

LITERATURE REVIEW

The Global Reporting Initiative (GRI) describes sustainable reporting as a form of comparable non-financial reporting, which communicates sustainability-related information on economic, environmental, social and governance performance of a corporation or organisation. On account of a non-existing 'one size fits all' framework, marked variations in the level of CSR disclosures was observed within the Malaysian sustainability reporting practices, which were behind that of in the UK (UNEP, 2013; Chambers et al., 2003). Despite the increased CSR awareness among Malaysian companies and noteworthy efforts to go beyond the standard industry and Bursa Malaysia reporting requirements, the quality of CSR disclosures within Malaysian annual reports is dismal to the normal scope of corporate financial reporting (MaSRA, 2013). Previous studies have suggested the importance of company-specific characteristics as proxies in inducing their disposition and responsiveness in disclosing additional CSR information voluntarily (Lan et al., 2013; Gamerschlag et al., 2011; Siegel and Vitaliano, 2007; Orlitzky et al., 2003).

Thus, this study seeks to determine the pre-existing influence of company-level variables on the level of sustainability reporting preceding the transitional implementation period of the G4 Sustainability Reporting Guidelines in 2014 and 2015. In addressing the internal organisational factors of sustainability reporting, extensive literature search indicated dearth of quantified measures on board experience as an antecedent to CSR disclosure levels. This research proposes to establish the role of board of directors with CSR-relevant experiences as a new empirically measurable variable in sustainability reporting. Figure 1 illustrates the identified determinants of sustainability reporting tested in this study.

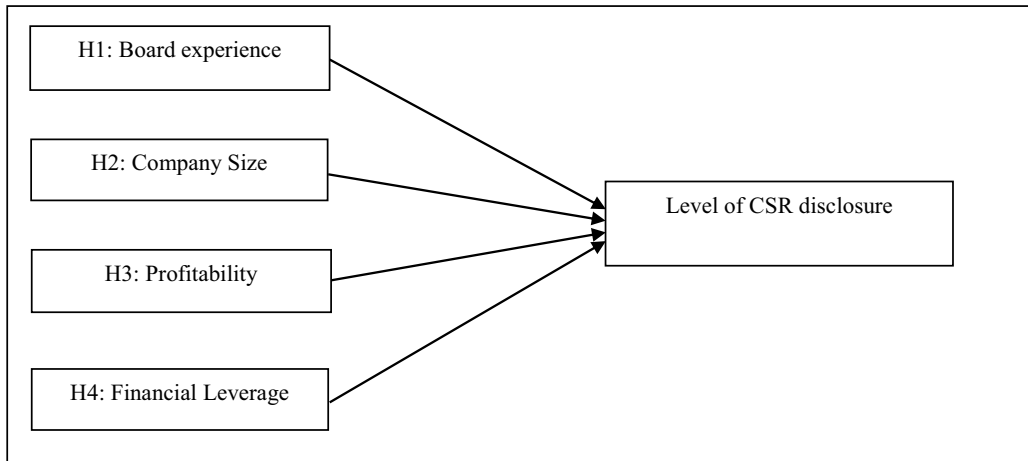


Figure 1: Framework of determinants of CSR disclosure in sustainability reporting

Board experience

Both the UK Financial Reporting Council and Securities Commission Malaysia recommends the composition of the board and its committees to comprise of an appropriate balance of skills, experience and knowledge to adapt to changing circumstances and discharge their responsibilities effectively. A direct inclusion of CSR-relevant experience, expertise, competence and reputation on the boards provide valuable perspectives on sustainability matters in corporate performance and CSR reporting (Mallin and Michelon, 2011; Carpenter and Westphal, 2001). Such presence inadvertently warrants an active incorporation of the CSR agenda into the strategic policies and decisions of companies. This study believes the overall proportion of board of directors with CSR-relevant experience is imperative to the level of CSR disclosure. An improved CSR governance and disclosure practices is achievable with the inputs from all directors during board-level strategic planning. The independence of the directors is irrelevant in considering the boards' advocacy towards CSR activities (Ratna et al., 2016; Gul and Leong, 2004; Kassinis and Vafeas, 2002). For this study, the presence of CSR-relevant board experience is determined from the corporate profiles of the board of directors. Active experience, assignment and participation in CSR-related are inferred from the directors' biographic descriptions provided in the annual report. The following hypothesis is postulated:

H1(UK/Malaysia): *The level of CSR disclosure is positively associated with a CSR relevant board experience.*

Company size

Grounded on the association of social disclosure with political visibility, Belkaoui and Karpik (1989) posit a positive association between company size and CSR disclosure. Given the scale of operations and relatively greater economic and social influence, larger companies are often exposed to recurrent public visibility from the media (Fortainer et al., 2011; Gallo and Jones Christensen, 2011; Brammer and Pavelin, 2008). Empirical studies have substantiated that larger companies tend to disclose higher levels of public information readily to ease informational and political costs associated with information asymmetry (Gamerschlag et al., 2011; Chih et al., 2009; LaFond and Watts, 2008; Reverte, 2008; Cormier and Magnan, 2003). With increased public visibility, the likelihood of companies to use a formal channel to communicate CSR activities and improve their corporate image and legitimacy increases equitably (Haniffa and Cooke, 2005). Based on substantial unanimities to reason size as a CSR indicator, company size is predicted to have a positive relationship with the amount of CSR disclosure. For this study, sampled companies will represent the constituents of the largest market capitalisation from the national equity indices of FTSE Bursa Malaysia KLCI and FTSE 100. Using the natural logarithm of total assets of the companies (Lan et al, 2013), it is hypothesised that:

H2(UK/Malaysia): *The level of CSR disclosure is positively associated with company size.*

Profitability

The disclosure of sustainability reporting is dependent on the adequacy of funding made available to companies. Generally, companies have limited available resources to respond to a wide range of stakeholder concerns. Profitable companies are more financially-abled to report socially responsible behaviours than companies with weaker financial performance (Reverte, 2008; Udayasankar, 2008; Campbell, 2007; Haniffa and Cooke, 2005). Two common financial performance indicators typically employed to measure a company's profitability are the return on equity (ROE) and return on assets (ROA). In review, although ROE inherently does not consider the financial risk of leveraging, it is relatively more stable than ROA in comparatively representing the true profitability of companies' performance quality. A higher level of disclosure to correspond with the managerial motivation to assert a company's favourable ROE with executive competencies and to progress managerial compensations (Lan et al., 2013; Gamerschlag et al., 2011). Since leverage will be analysed as a variable independently, this study will observe ROE as the representative determinant for profitability on CSR disclosure levels in maximising shareholder value. For these reasons, the following hypothesis is proposed:

H3(UK/Malaysia): *The level of CSR disclosure is positively associated with profitability.*

Financial leverage

Studies have indicated that a highly leveraged capital structure with substantial debt financing is synonymously associative to a higher level of information disclosure on account of a more demanding debt covenant and contracting cost between the company and its debt suppliers (Broberg et al., 2010; Mohd Ali et al., 2009). Managers are predisposed to disclose more information voluntarily to justify their financial position and project a positive socially responsible image to stakeholders (Cormier and Magnan, 2003). The likelihood for

companies to disclose supplementary CSR information voluntarily increases to moderate the cost of information asymmetry and to lower the cost of capital (Jagd, 2015; Lan et al., 2013). Nevertheless, Giannarakis (2014) and Reverte (2008) reason an inverse effect of leverage on disclosure levels. A high level of restrictive debt covenants in debt agreements comprehensibly reduces the need for additional disclosure in annual reports (Eng and Mak, 2003). Owing to a higher level of insolvency and debt-servicing obligations, companies are unwilling to incur extraordinary costs to invest in non-value creating CSR activities on CSR disclosure (Barnea and Rubin, 2010). Similarly, findings from Haniffa and Cooke (2005) demonstrated the irrelevance of debt financing structure on CSR disclosures in Malaysia. Using the ratio of total debt to total assets to confirm the implication of leverage on CSR disclosures, the study hypothesises:

H4(UK/Malaysia): *The level of CSR disclosure is positively associated with leverage in capital structure.*

RESEARCH METHOD

Sample and data

For comparative purpose of this study, a purposive sampling strategy is employed on the constituents from the FTSE 100 Index and FTSE Bursa Malaysia KLCI across ten key industries as classified in the FTSE Industry Classification Benchmark (ICB). The sampled constituents for each index represent the top 30 companies by market capitalisation on the Bursa Malaysia and the London Stock Exchange as at June 2014 (FTSE Group, 2014).

Sustainability reports are expected to include the required specific standard disclosures prepared 'in accordance' with the G4 Sustainability Reporting Guidelines regardless of the size, sector or location. This study will only consider electronic and web-based annual reports (both integrated and separated) provided proactively in English on the companies' websites with a reporting period ending between 30 June 2012 and 31 March 2013 as at May 2014. The defined reporting period is to allow a better comprehension on the current standing of the sampled reports prior to the revised G4 framework. Table 1 and 2 represent the subdivided constituents sampled for both countries.

Table 1. FTSE Bursa Malaysia KLCI constituents

Constituent	ICB Subsector	Rank
0001 Oil & Gas		
Petronas Gas Bhd	0533 Exploration & Production	11
Petronas Dagangan Bhd	0537 Integrated Oil & Gas	25
SapuraKencana Petroleum	0573 Oil Equipment & Services	13
1000 Basic Materials		
Petronas Chemicals Group Bhd	1353 Commodity Chemicals	9
2000 Industrials		
Sime Darby Bhd	2727 Diversified Industrials	6
MISC Bhd	2773 Marine Transportation	20
3000 Consumer Goods		
IOI Corporation Bhd	3573 Farming, Fishing & Plantations	10
Kuala Lumpur Kepong Bhd	3573 Farming, Fishing & Plantations	14
Felda Global Ventures Holdings	3573 Farming, Fishing & Plantations	24
UMW Holdings	3353 Automobiles	26
PPB Group Bhd	3577 Food Products	21

British American Tobacco (Malaysia)	3785 Tobacco	19
4000 Health Care		
IHH Healthcare	4533 Health Care Providers	18
5000 Consumer Services		
Genting Group	5753 Hotels	7
Genting Malaysia Bhd	5753 Hotels	16
Astro Malaysia Holdings	5553 Broadcasting & Entertainment	28
6000 Telecommunications		
Axiata Group Bhd	6575 Mobile Telecommunications	5
Digi.com	6575 Mobile Telecommunications	8
Maxis Berhad	6575 Mobile Telecommunications	12
Telekom Malaysia Bhd	6535 Fixed Line Telecommunications	15
7000 Utilities		
Tenaga Nasional	7537 Alternative Electricity	4
YTL Corporation	7575 Multi-utilities	22
8000 Financials		
Public Bank BHD	8355 Banks	1
Malayan Banking	8355 Banks	2
CIMB Group Holdings	8355 Banks	3
AMMB Holdings Bhd	8355 Banks	17
Hong Leong Bank	8355 Banks	23
RHB Capital	8355 Banks	27
Hong Leong Financial Group	8355 Banks	29
KLCC Prop&Reits-Stapled Sec	8633 Real Estate Holding & Development	30
9000 Technology		

Table 2. FTSE 100 constituents

Constituent	ICB Subsector	Rank
0001 Oil & Gas		
BP	0537 Integrated Oil & Gas	2
Royal Dutch Shell PLC	0537 Integrated Oil & Gas	3
BG Group	0537 Integrated Oil & Gas	11
1000 Basic Materials		
Rio Tinto	1775 General Mining	9
BHP Billiton	1775 General Mining	10
Glencore Xstrata	1775 General Mining	19
Anglo American	1775 General Mining	25
2000 Industrials		
Rolls-Royce Holdings	2713 Aerospace	24
3000 Consumer Goods		
British American Tobacco (UK)	3785 Tobacco	5
Imperial Tobacco Group	3785 Tobacco	23
SAB Miller	3533 Brewers	20
Diageo	3535 Distillers and Vintners	8
Unilever	3577 Food Products	16
Reckitt Benckiser Group	3724 Nondurable Household Products	15
4000 Health Care		
GlaxoSmithKline	4577 Pharmaceuticals	4
AstraZeneca	4577 Pharmaceuticals	7
Shire	4577 Pharmaceuticals	26
5000 Consumer Services		
Tesco	5337 Food Retailers and Wholesalers	22
WPP	5555 Media Agencies	28
Compass Group	5757 Restaurants and Bars	29

6000 Telecommunications

BT Group	6535 Fixed Line Telecommunications	18
Vodafone	6575 Mobile Telecommunications	6

7000 Utilities

SSE PLC	7535 Conventional Electricity	30
Centrica	7573 Gas Distribution	27
National Grid	7575 Multi-utilities	17

8000 Financials

HSBC Holdings	8355 Banks	1
Barclays	8355 Banks	12
Lloyds Banking Group	8355 Banks	13
Standard Chartered	8355 Banks	21
Prudential	8570 Life Insurance	14

9000 Technology

Source: FTSE Group as at 20 May 2014

The final sample includes 30 companies listed on each of the main index respectively with a spread across 9 major industries. Given market capitalisation as the basis of selection, neither the Malaysian nor the UK top constituents were represented in the technology industry. Table 3 presents the comparative percentage of industry representation of the sampled companies.

Table 3. Comparative industry distribution

Industry	Malaysia		United Kingdom (UK)	
	Number of companies	%	Number of companies	%
Oil and gas	3	10.00	3	10.00
Basic materials	1	3.33	4	13.33
Industrials	2	6.67	1	3.33
Consumer goods	6	20.00	6	20.00
Health care	1	3.33	3	10.00
Consumer services	3	10.00	3	10.00
Telecommunications	4	13.33	2	6.67
Utilities	2	6.67	3	10.00
Financials	8	26.67	5	16.67
Technology	0	0.00	0	0.00
Total	30	100.00	30	100.00

CSR construction and measures

For the first phase of the empirical study, a content analysis is applied to all 60 sampled annual reports to address cross-market similarities and differences in CSR disclosure. The context-sensitive abductive inferencing from content analysis allows a reliable and significantly meaningful informational representation of large volumes of data (Krippendorff, 1980). Thus, content analysis serves as an evocative gauge on the significance of the CSR agenda to companies. By replicating on past studies, this index study attempts to quantify specific CSR information observable in the sampled reports to examine the extent of various items' disclosures.

As stipulated in the Guidelines, the three main indicators analysed in this study are the economic, social and environmental dimensions of CSR disclosures. An aggregate measure of the quantity of disclosure for each indicator within the sustainability reports was constructed using the binary coding system. Inferred meanings from written words, sentences or paragraphs form the coding base for the disclosure indices for a more complete and meaningful dataset for subsequent analysis (Milne and Adler, 1999; Gray et al., 1995). The

coding indices are validly and reliably derived from the latest core sustainability indicators outlined in the G4 Sustainability Reporting Guidelines.

In analysing the CSR information content in the sampled reports, the PDF reader's word count function was used (Gamerschlag et al, 2011). The total quantity of CSR disclosures (TQ_{CSR}) from the analysed reports is represented by the average summative amount of the relative total scores awarded for the economic (ECN), environmental (ENV) and social (SOC) indicators:

$$TQ_{CSR (UK/Malaysia)} = SCORE_{ECN} + SCORE_{ENV} + SCORE_{SOC}$$

whereby ECN demonstrates the capital flow and economic impact of the company on its stakeholders and economic system; ENV on impacts relating to operational inputs and outputs on living and non-living natural systems; and SOC on the operational impact on the social systems.

The derived indicators used in this study are presented in Table 4. There are 14 indicators representative of the ECN dimension, 25 indicators for ENV and 38 indicators for SOC.

Table 4. Content analysis indicators

Specific Standard Disclosures		
<i>Economic:14 indicators</i>	<i>Environment:25Indicators</i>	
Economic performance	Water	Awards
Financial performance	Effluent and waste	Biodiversity
Market presence	Spills	Environmental impacts
Defined pension obligations	Greenhouse gas (GHG)	Conservation
Tax relief, credits and subsidies	Hazardous waste	
Financial assistance and incentive	Discharge	
Risk management	Recycle	
Awards	Reclaim	
Government grants	Restore	
Procurement practices	Reuse	
Domestic job support	Recovery	
Infrastructure development	Composting	
Economic development	Preservation	
Research and development	Disposal	
	Emission treatment	
	Pollution control	
	Energy consumption and saving	
	Compliance and policies	
	Protection	
	Environmental programmes	
	Costs (expenses)	

Social: 38 indicators

Employment	Employee share purchase schemes	Stakeholder engagement
Remuneration	Retirement provision / plans	Lobbying and advocacy (public policy)
Trade / labour unions	Insurance	Compliance
Collective agreement / bargaining	Healthcare	Fines / litigation / claims
Organisational communication	Disability and invalidity coverage	Sanctions
Discrimination	Training, education and skills management	Whistleblowing / ethics hotline / helpline
Child labour	Performance / career development and reviews	
Forced / compulsory labour	Corruption	
Work hazards	Personal gift	
Diversity	Anti-competitive / anti-trust behaviour	
Minorities	Product responsibility and labelling	
Equal opportunity	Customer satisfaction	
Human rights	Customer health	
Occupational safety	Customer safety	
Occupational health	Customer data and privacy	
Employee benefits	Community investment / programmes	

Source: Key themes derived from the GRI Specific Standard Disclosures and adapted to the original list used in Gamerschlag et al. (2011)

The indicators provide necessary information on the incorporation of the triple bottom line (TBL) accounting framework in a company, reflecting the performance or impacts of the ECN, ENV and SOC dimensions on stakeholders (GRI, 2013). It is essential to recognise the analysis of ECN's dimension as distinctive from fundamental financial and economic reporting examination. The reported ECN information entails concerns over organisational impact on stakeholders' economic conditions.

Adapting to the scoring measure used in Lan et al. (2013) and Botosan (1997), the relative degree of CSR disclosure for each respective indicator, i , is quantified as follows:

$$\text{SCORE}_i = \frac{\text{DSCORE}^i}{\text{MAXSCORE}} \times \frac{1}{3}$$

In the second phase of the study, three statistical analysis methods were applied to test hypotheses H1 to H6 using the IBM Statistical Package for Social Sciences (SPSS) version 21 software. Table 5 summarises the examined variables.

Table 5. Summary of variables measures

Variables		Measures
<i>Independent Variables</i>		
H1	Board experience (EXP)	Percentage of CSR-relevant experience among board of directors
H2	Company size (SZE)	Natural log of total assets
H3	Profitability (PRO)	Return on equity (ROE)
H4	Financial leverage (LVG)	Ratio of total debt to total assets
<i>Dependent Variable</i>		
Total CSR disclosure index (TQ _{CSR})		

The first statistical analysis method applies descriptive statistics analysis to measure the variables' mean, standard deviation, total quantity of CSR disclosures, and other relevant descriptions of the data. Using Pearson's correlation analysis, the relationships between the independent and dependent variables were measured. This analysis measures the strength of the relationships between the drivers of sustainability reporting and the amount of disclosed CSR information. The indicative results specify the significant values and the strength of the relationship is indicated within the range of ± 1 ; a strong correlation as between ± 0.7 to 0.9 ; a moderate correlation as between ± 0.4 to 0.6 ; and, a weak correlation as between ± 0.1 to 0.3 (Dancey & Reidy, 2004).

In the second method, the Spearman's rank correlation is used to identify the association of each individual independent variable with the total CSR disclosure (TQ_{CSR}) for its monotonic function. The Spearman's rank correlation coefficient analysis is not a measure for linear relationship between the independent and dependent variables. Spearman's coefficient is denoted by r_s and is constrained by the limit of $-1 \leq r_s \leq 1$. This nonparametric correlation analysis permits two variables to be compared for a monotonic function with no requirement of normality for the variables to be measured. A coefficient is considered significant if the p-value is less than 0.05 (1-tailed). The strength of the monotonic relationship between two variables is measured as either very weak (0.00 to 0.19); weak (0.20 to 0.39); moderate (0.40 to 0.59); strong (0.60 to 0.79); or, very strong (0.80 to 1.0) (Hauke and Kossowski, 2011). Assumption was made that there was evidence of non-linearity for secondary data. For these reasons, hypotheses H1 to H4 were tested using Spearman's rank correlation coefficient to confirm the association between the total CSR disclosure and the independent variables.

Lastly, in substantiating the variation in company-specific characteristics on CSR disclosure levels, the multiple linear regressions (MLR) analysis is applied to identify which predictors or independent variables (IVs) of the company-specific characteristics predict the outcome of the CSR disclosure levels. Accordingly, to determine the multiple effects of the independent variables on the dependent variable, the proposed multiple regression equation is surmised as:

$$TQ_{CSR} \text{ (UK/Malaysia)} = \alpha + \beta_1 \text{ EXP} + \beta_2 \text{ SIZE} + \beta_3 \text{ PRO} + \beta_4 \text{ LVG} + \varepsilon$$

where the DV for this study is the total CSR disclosure (TQ_{CSR}) of the sampled reports subjected to the IVs consisting of the proportion of the board of directors with CSR-relevant experience; the total assets owned by the companies; the profitability and adequacy of funds available; and the leverage in capital structure.

Specifics for the variables are sourced from the provided reports (both the annual and sustainability reports). In analysing the variables, this study adopted measurements from Lan et al. (2013) and Gamerschlag et al. (2011). All figures are logged at the respective companies' reported year-ends.

RESULTS

Data analysis

Content analysis

Based on the data compiled for $SCORE_{ECN}$, $SCORE_{EVN}$ and $SCORE_{SOC}$, the maximum binary scores for the economic, environment and social indicator were 14, 25 and 38 respectively.

A comparative review of the total CSR disclosure, TQ_{CSR} for both countries showed variations across different industries. In UK, the highest score of TQ_{CSR} was reported by Diageo (Consumer Goods) at 0.96, while the lowest was at 0.48 from Shire (Health Care). In Malaysia, Petronas Chemicals Group Bhd (Oil & Gas) reported the highest score at 0.69, while Hong Leong Bank (Financials) scored lowest at 0.37. Diageo's near-perfection score was considerably influenced by the company's explicit public assertion and commitment with the GRI guidelines and UN Global Compact (UNGC) to a full reporting practice in their annual audited report.

Expectedly, companies in the UK have a higher economic, environment and social SCORE than in Malaysia (see Table 6). The average total CSR disclosure TQ_{CSR} scores for UK and Malaysia were 0.76 and 0.52 respectively. On closer observation on the specific (i.e. economic, environmental, and social) TQ_{CSR} scores, it shows a well-balanced information disclosure in all three CSR indicators for the UK companies. For the Malaysia sample, the results demonstrated a bias in CSR disclosure efforts on the ECN dimension. Seemingly, the companies emphasised more on the economic aspect of the CSR reporting than the environmental and social disclosures. The worst disclosure SCORE for the Malaysian companies was at 0.13 from Petronas Gas Bhd (Oil & Gas) for the ENV indicator.

Table 6. Average total CSR disclosure ($AVGTQ_{CSR}$)

	$AVGSUM_{ECN}$	$AVGSUM_{ENV}$	$AVGSCORE_{SOC}$	$AVGTQ_{CSR}$
<i>UK</i>	0.28	0.21	0.27	0.76
<i>Malaysia</i>	0.24	0.13	0.15	0.52

The data from the first phase of the study are subjected to further analysis in the next phase to test the developed hypotheses.

Descriptive statistic

The results presented in Table 7 shows the overall descriptive statistics for the independent and dependent variables' means and standard deviations (SD).

Table 7. Descriptive statistics

	United Kingdom (UK)		Malaysia	
	Mean	Std. Deviation	Mean	Std. Deviation
ECN	0.2820	0.03089	0.2373	0.05065
ENV	0.2090	0.06830	0.1287	0.06213
SOC	0.2747	0.02980	0.1483	0.03445
TQ_{CSR}	0.7650	0.10608	0.5153	0.09325
EXP	31.9520	16.72012	20.8223	13.61406
SZE	25.0303	1.49238	24.4350	1.72155
PRO	17.4533	16.76181	35.8813	85.87423*
LVG	0.6710	0.19308	0.5823	0.28000

In Table 8, the values in the Pearson's correlation matrix indicate some significant linear relationships for the independent and dependent variable for both countries. In UK, only the

relationship for PRO and SZE was identified with a moderate negative correlation strength of -0.441. For the Malaysian model, moderate association strengths were observed for LVG and EXP, and, PRO and SZE, of -0.493, -and -0.409 respectively.

Table 8. Pearson's correlation matrix

		UK – Correlations			
EXPUK	1.000				
SZEUK	-0.169	1.000			
PROUK	-0.047	-0.441**	1.000		
LVGUK	-0.116	0.354*	-0.391*	1.000	
		Malaysia – Correlations			
EXPM	1.000				
SZEM	0.011	1.000			
PROM	-0.140	-0.409*	1.000		
LVGM	-0.493**	0.172	0.294	1.000	

Note: ** - Correlation is significant at the 0.01 level (1-tailed)
* - Correlation is significant at the 0.05 level (1-tailed)

Hypotheses testing

Spearman's rank correlation coefficient analysis

The results for hypotheses H1 to H4 for UK companies indicated only financial leverage (LVG) was significant for Spearman's rank correlation coefficient [$r_s = -0.345$, $n = 30$, $p < .05$ (1-tailed)]. This suggests that H4 is supported (see Table 9). This means the level of CSR disclosure is negatively associated with leverage in capital structure. Other hypotheses were not supported.

In the Malaysian model, H1 to H3 were supported. H1, which indicates directors' CSR-relevant experience, has a significant Spearman's coefficient of $r_s = 0.413$ [$n = 30$, $p < .05$]; while H2, for company size, presents with an $r_s = -0.315$ [$n = 30$, $p < .05$]; and H3, for profitability with the $r_s = 0.372$ [$n = 30$, $p < .05$]. H2 interestingly shows a reversed relationship. H4 was not supported. Only H1 has a moderate strength of monotonic relationship between the dependent and independent variables. Other significant variables reflect weak relationships.

Table 9. Spearman's correlation matrix of variables

		UK – Correlations				
TQCSRUK	1.000					
EXPUK	-0.062	1.000				
SZEUK	0.127	-0.092	1.000			
PROUK	0.086	-0.070	-0.527	1.000		
LVGUK	-0.345*	-0.074	0.117	-0.257	1.000	
		Malaysia – Correlations				
TQCSRM	1.000					
EXPM	0.413*	1.000				
SZEM	-0.315*	-0.187	1.000			
PROM	0.372*	-0.143	-0.414	1.000		
LVGM	-0.185	-0.446	0.291	0.351	1.000	

Ordinary regression analysis (OLS) assumptions test

When performing OLS, assumptions test is important to ensure non-normality of the variables. These can be determined by calculating the z-values the variables' skewness and

kurtosis. If the z-values are within ± 1.96 for skewness and kurtosis, it indicates some form of normality. This can be obtained by dividing skewness and standard error of skewness. Similarly, this applies to measuring kurtosis (Jöreskog, 1999). The result for the UK companies showed only one variable, PRO, has violated the rule of z-values. For the Malaysian companies, three variables (EXP, SZE, PRO) have high skewness and kurtosis values (see Table 10). These variables were transformed to log (10) in the SPSS command icon to adjust the skewness and kurtosis to near normality for analysis (Field, 2009; Bowerman & O'Connell, 1990). Upon transformation of the non-normality variables, the standard deviation spreads were acceptable (see Table 11). Comparison of the two countries using MLR indicated no violations from the assumptions tests.

Table 10. Assumptions test

UK	TQCSRUK	EXPUK	SZEUK	PROUK	LVGUK
<i>Skewness</i>	-0.466	0.462	0.782	-5.401	-0.157
<i>Std. Error of Skewness</i>	0.427	0.427	0.427	0.427	0.427
<i>Z-Value (± 1.96)</i>	-0.981	1.082	1.831	12.649	0.368
<i>Kurtosis</i>	0.485	-0.708	0.026	29.437	0.345
<i>Std. Error of Kurtosis</i>	0.833	0.833	0.833	0.833	0.833
<i>Z-Value (± 1.96)</i>	0.582	0.85	0.031	35.34	0.414
Malaysia	TQCSR	EXPM	SZEM	PROM	LVGM
<i>Skewness</i>	0.168	1.215	1.109	4.604	-0.208
<i>Std. Error of Skewness</i>	0.427	0.427	0.427	0.427	0.427
<i>Z-Value (± 1.96)</i>	0.930	2.845	2.597	10.780	-0.487
<i>Kurtosis</i>	-1.129	1.9171	2.818	22.458	-1.121
<i>Std. Error of Kurtosis</i>	0.833	0.833	0.833	0.833	0.833
<i>Z-Value (± 1.96)</i>	-1.355	2.301	3.383	26.96	1.346

Table 11. Descriptive statistics – non-normality statistics adjusted for log (10)

	UK		Malaysia		
	<i>Mean</i>	<i>Std. Deviation</i>	<i>Mean</i>	<i>Std. Deviation</i>	
PROUKLOG	0.6422	1.27453	EXPMLOG	1.2472	0.24323
			SZEMLOG	1.3870	0.02976
			PROMLOG	1.1390	0.67033

The results in Table 12 on regression coefficients for UK companies shows SZE was significant with unstandardized coefficient B at 0.045 ($p < 0.029$). For Malaysia, only EXP was significant with a B of 0.179 ($p < 0.026$). Other variables did not predict the total CSR disclosure. The VIF measures for collinearity in the data were within the limit of < 10 . Similarly, the Durbin-Watson test for correlated residuals was within the limit of 0 to 4. In Table 13, the model summary for UK has an R^2 value of 0.284 and for Malaysia, an R^2 value of 0.315. The R^2 value for UK indicated that 28.4% of the variance in dependent variable can be explained by the predictor variables; and for Malaysia, at 31.5%.

Table 12. Regression coefficients

UK – Coefficients									
Model	<i>Unstandardised coefficients</i>		<i>Standardised coefficients</i>	<i>t</i>	<i>Sig.</i>	<i>95.0% confidence interval for β</i>		<i>Collinearity statistics</i>	
	<i>B</i>	<i>Std. error</i>	β			<i>Lower bound</i>	<i>Upper bound</i>	<i>Tolerance</i>	<i>VIF</i>
(Constant)	-0.309	0.504		-0.935	0.360	-1.764	0.666		
EXPUK	0.000	0.001	0.002	0.012	0.991	-0.002	0.002	0.916	1.092
SZEUK	0.045	0.019	0.634	2.331	0.029	0.005	0.085	0.421	2.373
PROUKLOG	0.000	0.017	0.003	0.014	0.989	-0.034	0.035	0.781	1.281
LVGUK	-0.062	0.147	-0.113	-0.422	0.677	-0.366	0.242	0.434	2.302

Malaysia – Coefficients									
Model	<i>Unstandardised coefficients</i>		<i>Standardised coefficients</i>	<i>t</i>	<i>Sig.</i>	<i>95.0% confidence interval for β</i>		<i>Collinearity statistics</i>	
	<i>B</i>	<i>Std. error</i>	β			<i>Lower bound</i>	<i>Upper bound</i>	<i>Tolerance</i>	<i>VIF</i>
(Constant)	-0.235	2.197		-0.107	0.916	-4.775	4.313		
EXPMLOG	0.179	0.075	0.466	2.379	0.026	0.023	0.334	0.775	1.291
SZEMLOG	0.339	1.547	0.109	0.221	0.827	-2.857	3.540	0.122	8.180
PROMLOG	0.071	0.069	0.510	1.035	0.311	0.071	0.213	0.123	8.150
LVGM	-0.038	0.114	-0.113	-0.329	0.745	-0.274	0.199	0.253	3.960

Table 13. Model summary for the UK and Malaysia

UK – Model summary									
<i>R</i>	<i>R²</i>	<i>Adjusted R²</i>	<i>Std. Error of the Estimate</i>	<i>Change Statistics</i>					<i>Durbin-Watson</i>
				<i>R² Change</i>	<i>F Change</i>	<i>df1</i>	<i>df2</i>	<i>Sig. F Change</i>	
0.533	0.284	0.097	0.10089	0.284	1.519	6	23	0.216	1.784

Malaysia – Model summary									
<i>R</i>	<i>R²</i>	<i>Adjusted R²</i>	<i>Std. Error of the Estimate</i>	<i>Change Statistics</i>					<i>Durbin-Watson</i>
				<i>R² Change</i>	<i>F Change</i>	<i>df1</i>	<i>df2</i>	<i>Sig. F Change</i>	
0.561	0.315	0.137	0.08664	0.315	1.765	6	23	0.151	1.093

Therefore, the model equations for the two countries can be presented as follow:

$$TQ_{CSR(UK)} = -0.309 + 0.002 EXP + 0.634 SZE + 0.003 PRO - 0.113 LVG + \varepsilon$$

$$TQ_{CSR(Malaysia)} = -0.235 + 0.466 EXP + 0.109 SZE + 0.510 PRO - 0.113 LVG + \varepsilon$$

The ANOVA results indicate whether the overall models did predict the total CSR disclosure. In the UK model, the ANOVA has $F(6, 0.234) = 1.510$ [$F(df \text{ effect}, df \text{ error}) = F\text{-value}$] with $p = 0.219$; and in Malaysia, $F(6, 0.173) = 1.765$, $p = 0.151$. The non-significant values of the

ANOVA indicated the two regression models overall did not predict the total CSR disclosure (TQCSR). However, the non-normality variables from the UK and Malaysia data may have affected the p-values of the F-test as this test is sensitive to non-normality variables (Markowski and Markowski, 1990). Moreover, the ANOVA results from MLR do not indicate the individual contribution of the variables (Field, 2009). Since this exploratory study aims to review the contribution of specific regression coefficient, the non-significant value in F becomes secondary (Dallal, 2000).

Summary of hypotheses testing

The overall hypotheses results are summarised in Table 14. Results with significant values of less than 0.05 are supported and vice versa.

Table 14. Hypotheses results

Hypotheses		United Kingdom (UK)	Malaysia
H1	TQ _{CSR} vs EXP	Not supported	Supported
H2	TQ _{CSR} vs SZE	Not supported	Supported
H3	TQ _{CSR} vs PRO	Not supported	Supported
H4	TQ _{CSR} vs LVG	Supported	Not supported
Multiple regression results		Supported: SZE	Supported: EXP

FINDINGS AND DISCUSSION

This study aims to compare and assess the effects of company-specific variables on the level of CSR disclosure in United Kingdom (UK) and Malaysia's public-listed companies.

Using Spearman's correlations analysis, the total CSR disclosure TQ_{CSR} for the UK sample was found to be negatively associated with financial leverage (H4_{UK}). The result suggests that an increase in leverage would reduce the extent of CSR disclosure. This finding is consistent with recent studies by Giannarakis (2014) and reaffirms earlier literatures from Barnea and Rubin (2010) and Haniffa and Cooke (2005). Interestingly, the size of company (H2_{Malaysia}) was found to have a negative association with total CSR disclosure. This finding contrasted with previous studies whereby larger firms with increased public visibility tend to invest more in CSR reporting activities (Lan et al., 2013; Gamerschlag et al., 2011; Udayasankar, 2008).

Comparatively, the TQ_{CSR} in Malaysian companies was positively associated with the board of directors' CSR-relevant experience (H1_{Malaysia}) and company's profitability (H3_{Malaysia}). A higher balance of board of directors with the appropriate CSR knowledge and experience are able to provide better advice and advocacy on matters pertaining to corporate sustainability agendas (Financial Reporting Council, 2012; Securities Commission Malaysia, 2012; Carpenter and Westphal, 2001). Referring to Table 6, evidences from the descriptive statistics on average TQ_{CSR} (UK/Malaysia) proves an overall better quality of CSR disclosure in the UK than in Malaysia. A higher mean value for UK companies than Malaysia indicates a larger composition of board members with CSR-relevant experiences. This implicates the importance of board experiences in CSR and this factor could contribute to the academic knowledge for sustainability reporting.

In terms of profitability, this finding is consistent with most preceding studies. The results consolidate with Haniffa and Cooke (2005) s' associative study on CSR disclosures and financial performance of Malaysian companies. In signalling the discretionary non-financial commitments through reporting, companies instinctively reduces potential agency costs and gains long-term competitive advantage over their future stock liquidity (Setyroni and Ishak 2012; Cormier and Magnan, 2003).

Based on the multiple linear regression (MLR) models, the size (SZE) of company in Malaysia is found to be significant in affecting the overall level of CSR disclosure. This relationship affirmed past studies on the explanatory factor of SZE as a consistent predictor for TQ_{CSR} in both developed and developing countries (Giannarakis, 2014; Gallo and Jones Christensen, 2011; Amran et al., 2007; Haniffa and Cooke, 2005).

As a final point, in the Malaysian model, relevant CSR board experience (EXP) is a key determinant for CSR-disclosure levels. The significant EXP variable is also found to be consistent with the Spearman's correlation coefficient. While board of directors may recognise the strategic value of sustainability reporting in reducing agency costs, the incorporation of social and environmental priorities onto the core business function requires adequate CSR-relevant board experience to effectively manage CSR governance. These results undoubtedly confirmed the importance of a composition of board members with CSR-relevant experiences or skills on sustainability reporting.

Limitation and future studies

The limitations from this research are associated with industry classification and sample size. The incentive to disclose CSR information is driven by the associated cost of lobbying and stakeholder pressure. Companies from industries with a higher level of impactful environmental and social involvements are inclined to have a higher level of CSR disclosures. Due to the time constraints of the research period, a complete analysis on all industries from the entire list of companies to distinguish the effect of industrial differences is not feasible.

In regards to the limitation concerning sample size, this study was conducted using a purposive sampling strategy whereby 30 secondary datasets from the FTSE 100 Index and FTSE Bursa Malaysia KLCI each were selected for analyses. The 30 samples from each index with 95% confidence level have a confidence interval (margin of error) of ± 15.05 . This means the sample answer is true between 34.95 % [50-15.05] and 65.05% [50+15.05] (Creative Research System, 2012). For this reason, a larger sample size from each country would possibly lower confidence level and yield a higher R2 values and identify more determinants influencing CSR disclosure levels. At this level of exploratory study, the findings are not generalisable. Future research should increase the sample sizes from each country to 60 for more reassuring analyses to compare the results.

Potential implications

Implication for practice

Since the board of directors' experience was found to be the key predictor for total CSR disclosure levels, companies should attempt to increase the board's composition with

directors having CSR-relevant experiences or skills. Merely officiating CSR events or receiving CSR awards would not lead the board members' awareness on the importance of sustainability reporting. In order to endorse the importance of CSR accountability explicitly, companies could also assign a specific appointment of at least one director in the board to be responsible in CSR activities or trained in CSR-related programmes. Additionally, the appointed board member should oversee the content of the annual CSR voluntary disclosure in annual or sustainability reports.

Implication for methodology

This study has provided useful results by comparing both the developed and developing countries' sustainability reporting practices in the top 30 publicly listed companies. It provides a direct comparison in terms of the quantity and quality of CSR disclosure in both the integrated or separated sustainability reports. The comparative method allows company representatives in both countries to improve on their reporting weaknesses. Academic researchers who are interested in comparative studies would find this research thought-provoking and possibly extend the analysis further.

CONCLUSION

This research conclusively affirms the existence of specific sustainability reporting drivers in motivating the commitment on voluntary corporate social responsibility (CSR) disclosure practices for companies in the United Kingdom (UK) and Malaysia. Results from the study empirically highlighted substantially higher total quantity of CSR disclosure (TQ_{CSR}) for companies in the UK than in Malaysia. More importantly, this study has established board experience (EXP) in CSR initiatives as a pivotal determinant in the variation of results on sustainability reporting levels. Malaysian companies have much to emulate from the UK companies to improve on the CSR disclosure levels in their annual (both integrated and separated) reports.

As globalisation and trade propagates continuously, organisational stakeholders will increasingly place importance on the non-financial operational impact from companies. Sustainability reporting is no longer merely viewed as a tool to satisfy the companies' moral obligations to stakeholders. Efforts to adopt and institutionalise international sustainability reporting frameworks from the likes of the Global Reporting Initiative (GRI) or UN Global Compact helps companies to improve their operating efficiencies and CSR stewardship. In order to gain competitive advantage and achieve long-term corporate sustainability, strong affirmations from companies, particularly those from the emerging markets should exploit the adoption and gradual integration of sustainably reporting into their reporting efforts.

REFERENCES

- Amran, A., Lim, L.L. and Sofri, Y. (2007). A Study of Corporate Philanthropic Traits among Major Malaysian Corporations, *Social Responsibility Journal*, 3 (4), 21 – 30
- Anderson, A. and Gupta, P.P. (2009). A cross-country comparison of corporate governance and firm performance: Do financial structure and the legal system matter? *Journal of Contemporary Accounting & Economics*, 5, 61-69.

Association of Chartered Certified Accountants (ACCA) (2014). *Report of the judges, ACCA Malaysia Sustainability Reporting Awards (MaSRA)*. Malaysia: ACCA.

Barnea, A. and Rubin, A., (2010). Corporate social responsibility as a conflict between shareholders. *Journal of Business Ethics*, 97, 71-86.

Belkaoui, A. and Karpik, P.G., (1989). Determinants of the corporate decision to disclose social information. *Accounting, Auditing and Accountability Journal*, 2 (1), 36-51.

Botosan, C.A. (1997). Disclosure level and the cost of equity capital. *Accounting Review*, 72 (3), 323-50.

Bowerman, B.L. and O'Connell, R.T. (1990). *Liner statistical models: An applied approach* (2nd ed.), Belmont, CA: Duxbury.

Brammer, S. and Pavelin, S. (2008). Factors influencing the quality of corporate environmental disclosure. *Business Strategy and the Environment*, 17 (2), 120-36.

Broberg, P., Tagesson, T. and Collin, S., (2010). What explains variation in voluntary disclosure? A study of the annual reports of corporations listed on the Stockholm Stock Exchange. *Journal of Management & Governance*, 14, 351-77.

Campbell, J.L., (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32 (3), 946-67.

Carpenter, M.A. and Westphal, J.D. (2001), "The strategic context of external network ties: Examining the impact of director appointments on board involvement in strategic decision making", *Academy of Management Journal*, 44 (4), 639-60.

Chambers, E., Chapple, W., Moon, J. and Sullivan, M. (2003). CSR in Asia: A seven country study of CSR website reporting. *International Centre for Corporate Social Responsibility (ICCSR) Research Paper Series*, 09-2003. Nottingham: Nottingham University Business School.

Chih, H.L., Chih, H.H. and Chih, T.Z. (2009). On the determinants of corporate social responsibility: International evidence on the financial industry. *Journal of Business Ethics*, 93, 115-35.

Cormier, D., Magnan, M. (2003). Environmental reporting management: a continental European perspective. *Journal of Accounting and Public Policy*, 22, 43-62.

Creative Research System (2012). The Survey System: Sample size calculator. Available at: <<http://www.surveysystem.com/sscalc.htm>> [Accessed 31 august 2014].

Dallal, G.E. (2000), How to Read the Output From Multiple Linear Regression Analyses. Available at: <<http://www.jerrydallal.com/lhsp/regout.htm>> [Accessed 31 august 2014].

Dancey, C., & Reidy, J. (2004). *Statistics without maths for psychology: Using SPSS for Windows*, London: Prentice Hall.

Eng, L.L. and Mak Y.T. (2003). Corporate governance and voluntary disclosure. *Journal of Accounting & Public Policy*, 22, 325-345.

Field, A., (2009). Discovery statistics using SPSS (3rd ed.), SAGE Publications Ltd. London.

Financial Reporting Council (2012). UK Corporate Governance Code. Available at: <http://www.slc.co.uk/media/78872/uk-corporate-governance-code-september-2012.pdf> [Accessed 18 June 2014]

Fortainer, F., Kolk, A., Pinkse, J. (2011). Harmonization in CSR reporting: MNEs and global CSR standards. *Management International Review*, 51, 665-96.

Freeman, R.E., Moutchnik, A., 2013. Stakeholder management and CSR: questions and answers. *UmweltWirtschaftsForum: uwf*, 21, pp.5-9. Available at: [10.1007/s00550-013-0266-3](http://dx.doi.org/10.1007/s00550-013-0266-3) [Accessed 18 June 2014].

FTSE Group (2014a). FTSE 100 UK Index Series Quarterly Data – May 2014. Available at: <http://www.ftse.com/analytics/factsheets/Home/ConstituentsWeights> [Accessed 15 June 2014]

FTSE Group (2014b). FTSE Bursa Malaysia KLCI Index Series Review Changes Overview – June 2014. Available at: <http://www.ftse.com/analytics/factsheets/Home/ConstituentsWeights> [Accessed 15 June 2014]

Gallo, P.J., Jones Christensen, L. (2011). Firm size matters: an empirical investigation of organizational size and ownership on sustainability-related behaviors. *Business & Society*, 50, 315-49.

Gamerschlag, R., Moller, K. and Verbeeten, F. (2011). Determinants of voluntary CSR disclosure: Empirical evidence from Germany. *Review of Managerial Science*, 5 (2-3), 233-62.

Global Reporting Initiative (GRI), 2013. G4 Sustainability Guidelines. Available at: <https://www.globalreporting.org/resource/library/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf> [Accessed 7 April 2014].

Gray, R., Kouhy, R. and Lavers, S. (1995). Methodological Themes: Constructing a research database of social and environmental reporting by UK companies. *Accounting, Auditing & Accountability Journal*, 8 (2), 78-101.

GRI Reporting Framework, 2013. Available at: <https://www.globalreporting.org/reporting/reporting-framework-overview/Pages/default.aspx> [Accessed 14 March 2014]

Giannarakis, G. (2014) "Corporate governance and financial characteristic effects on the extent of corporate social responsibility disclosure", *Social Responsibility Journal*, 10 (4), 569-590.

Gul, F., A. and Leong, S. (2004). Board leadership, outside directors' expertise and voluntary corporate disclosures. *Journal of Accounting and Public Policy*, 23 (5), 351-79.

Haniffa, R., Cooke, T.E. (2005). The impact of culture and governance on corporate social reporting. *Journal of Accounting and Public Policy*, 24, 391-430.

Hauke, J. and Kossowski, T. (2011). Comparison of values of Pearson's and Spearman's correlation coefficients on the same sets of data. *Quaestiones Geographicae*, 30 (2), 87-93.

Jöreskog, K., G. (1999). Formula for Skewness and Kurtosis. Available at: <http://www.ssicentral.com/lisrel/techdocs/kurtosis.pdf> [Accessed 27 August 2014].

Kassinis, G. and Vafeas, N. (2002). Corporate boards and outside stakeholders as determinants of environmental litigation. *Strategic Management Journal*, 23 (5), 399-414.

Krippendorff, K. (1980). *Content analysis: An introduction to its methodology*. Beverly Hills: Sage Publications.

Kytle, B. and Ruggie, J. R. (2005). Corporate social responsibility as risk management: A model for multinationals. *Corporate Social Responsibility Initiative Working Paper 10*. Cambridge: John F. Kennedy School of Government, Harvard University.

LaFond, R. and Watts, R.L. (2008). The information role of conservatism. *Accounting Review*, 83 (2), 447-78.

La Porta, R., Lopez-de-Silanes, F. and Shleifer, A. (2008). The Economic Consequences of Legal Origins. *Journal of Economic Literature*, 46 (2), 285-332. Available at: <http://www.aeaweb.org/articles.php?doi=10.1257/jel.46.2.285> [Accessed 4 July 2014]

Lan, Y., Wang, L. and Zhang, X., (2013). Determinants and features of voluntary disclosure in the Chinese stock market. *China Journal of Accounting Research*, 6, 265-85.

Markowski, C.A. and Markowski, E.P. (1990). Conditions for the Effectiveness of a Preliminary Test of Variance, *The American Statistician*, Vol. 44, No. 4 (Nov.), 322-326

Mat Nor, F., Mohd. Shariff, F. and Ibrahim, I. (2010). The effects of concentrated ownership on the performance of the firm: Do external shareholdings and board structure matter? *Jurnal Pengurusan*, 30, 93-102.

Milne, M.J. and Adler, R.W. (1999). Exploring the reliability of social and environmental disclosures content analysis. *Accounting, Auditing and Accountability Journal*, 12 (2), 237-56.

Mohd Ali, M., Ibrahim, M.K., Mohammad, R., Zain, M.M. and Alwi, M.R. (2009). Malaysia: Value relevance of accounting numbers. In Idowu, S.O. & Filho, W.L. (Eds.), *Global Practices of Corporate Social Responsibility*, 201-230. Berlin: Springer.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24 (3), 403-441.

Ratna, N., Grantley, T., Rusminm R., Greg T., Bikram, C. (2016). Factors determining social and environmental reporting by Indian textile and apparel firms: a test of legitimacy theory. *Social Responsibility Journal*, 12 (1), 167-89.

Reverte, C. (2009). Determinants of corporate social responsibility disclosure ratings by Spanish listed firms. *Journal of Business Ethics*, 88, 351-66.

Securities Commission (SC) Malaysia (2012). Malaysian Code on Corporate Governance (MCGG). Available at:

<http://www.mia.org.my/new/downloads/circularsandresources/circulars/2012/21/MCCG_2012.pdf> [Accessed 18 June 2014]

Siegel and Vitaliano (2007). An empirical analysis of the strategic use of corporate social responsibility. *Journal of Economics & Management Strategy*, 16 (3), 773-92.

Udayasankar, K. (2008). Corporate social responsibility and firm size. *Journal of Business Ethics*, 83, 167-75.

United Nations Environment Programme (UNEP), 2013. Carrots and Sticks: Sustainability reporting policies worldwide – Today’s best practice, tomorrow’s trends. Available at: <<https://www.globalreporting.org/resource/library/Carrots-and-Sticks.pdf>> [Accessed 14 March 2014]