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THE EXTENT OF CORPORATE SOCIAL RESPONSIBILITY REPORTING AMONG MALAYSIAN FIRMS: EVIDENCE FROM PAST STUDIES

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ABSTRACT

Corporate Social Responsibility (CSR) reporting signifies a significant spectrum of issues ranging from corporate governance, Global Reporting Initiative (GRI), codes and regulation, business ethics, company characteristics, Socially Responsible Investing, (SRI) and environmental sustainability as well as community investment. Studies have shown that CSR reporting practice are encouraging in developing countries specifically in Malaysia. This implies the fact that CSR reporting has been viewed as a vital and inevitable part of a business strategy that promotes firm's sustainability. However, there are some areas of disclosure that are still lagged behind and need attention from interested parties such as companies and regulatory bodies for improvement. The main objective of this study is aimed at providing insight into the extent of CSR reporting among Malaysian companies with special focus on the factors that constitutes the lag of the disclosure. Thus, the lingering issues that constitute the lag of CSR disclosure include; corporate governance characteristics, company characteristics, CSR reports awareness and perception among Malaysian firms, as well as the practice of legitimacy theory. The four key areas by which all Malaysian Public listed companies (PLCs) is required to report and publish CSR activities are marketplace, workplace, community and environment. Findings revealed that the highest and least disclosures areas were community and marketplace respectively, and that the four mentioned dimensions have significant relationships with the CSR reporting while the industry type was not significantly linked with CSR disclosure.

Keywords: Bursa Malaysia, company characteristics, corporate governance, corporate social responsibility, legitimacy theory.

INTRODUCTION

Corporate Social Responsibility (CSR) reporting connotes a series of significant spectrum of issues stemming from codes and regulation, corporate governance, Global Reporting Initiative (GRI), business ethics, company characteristics, Socially Responsible Investing, (SRI) and environmental sustainability as well as community investment. In order to ensure sustainability, CSR reporting has been viewed as a vital and inevitable part of a business strategy.

From the vast streams of literature on CSR, it is crystal clear that extensive studies on CSR activities in Malaysia have been carried out. Nonetheless, the general fact of the matter is that studies have indicated that CSR reporting practice are still lagging behind for certain areas in the developing countries especially Malaysia. The present study attempts to review past studies that addresses the lingering issues that contribute to the extent of CSR reporting practices, especially in terms of the impact of corporate governance characteristics, company characteristics, CSR reports awareness and perception among Malaysian firms**,** as well as the practice of legitimacy theory. Thus, the motivation of this study stems from the fact that there are some inconsistencies from the various findings of past studies regarding the extent of CSR reporting among Malaysian firms.

With the significant rise in awareness and global trend coupled with the concerns for improvement in CSR reporting practices, companies have sort for several ways or means to adopt and incorporate CSR into their management practices. From a Malaysian context, CSR refers to as "an open and transparent business practices that have its basis emanating from ethical values and respect for community, employees, environment, shareholders and other stakeholders respectively (Bursa Malaysia, 2006)". Thus, as a requirement, all Malaysian Public listed companies (PLCs) is required to report and publish CSR activities in their annual report basically into four key areas namely; marketplace, workplace, community and environment respectively.

The remaining part of this paper is structured as follows: The next section provides an overview of CSR development in Malaysia, which serves as the basis for discussion on CSR reporting among Malaysian firms, next is the research method employed, followed by the discussion on the factors influencing CSR reports in Malaysia and lastly, the conclusion.

CSR DEVELOPMENT IN MALAYSIA

The concept of CSR has emerged as encompassing the way businesses act towards concerns raised in the society by various stakeholders (Griseri & Seppala, 2010). The concept of CSR has gained popularity since 1960s and until now has remained a relevant concept that covers social responsibilities towards the environment, consumers, employees, communities, shareholders and other stakeholders (Griseri & Seppala, 2010). Currently, more than 8000 companies across 162 diverse countries, including Malaysia, have opted to adopt the "United Nation's Global Compact Policy, which is a policy that is committed in aligning business operations with a set of standards of socially responsible behaviours (UN Global Compact, 2015)". Generally, the evolvement of CSR stems from the concern for business to meet the needs and wants of the society and the environment. During the early era, before the concept changed from corporate social performance (CSP) and social responsibility (SR) to CSR, it was defined as the obligations of businessmen to pursue those policies, to make those decisions, and/or to follow those lines of action, that are desirable especially with respect to the objectives, and values of the society (Bowen (1953) and Corrall, (1999). On this basis, business is expected to be responsible both in their decision and actions to the host community especially with regards to ethical, legal, economic, and philanthropic (societal) responsibilities.

Essentially, the development of CSR in Malaysia started as early as 1974. CSR framework was developed and designed to primarily deliver a sustainable value to the society at large. In an effort to inculcate the culture of CSR into business commencing from 2007, the Malaysian Government made it a requirement for all public listed companies (PLCs) to report CSR activities in their annual report to the Securities Commission (SC).This new policy affected more than 1,000 Malaysian companies. Recently, Bursa Malaysia published a reporting framework for PLCs, which outlines potential CSR initiatives in the categories of environment, community, marketplace and workplace. The guidelines are meant to be flexible and required only minimum disclosure which is aimed at ensuring whether a company is practicing CSR activities or the other way round. Moreover, the main reason for the regulatory authority is to raise the awareness of CSR and encourage PLCs to integrate the practice of CSR as part of the way they work and think.

Further, CSR was meant to support triple bottom line disclosure which places more emphasis on the economic, social and environmental overall bottom-line wellness. Corporate social disclosure (CSD) is generally regarded as a voluntary disclosures because it is not required by any accounting standards, financial disclosure regime, the Malaysian companies act and the stock exchange rules and regulations.

Also, CSR practices have been incorporated into the government plans and extending to the 10th Malaysian Plan (2011-2015), Government-linked Companies (GLC), Transformation Plan as well as in the national budget. Moreover, the Malaysian government has also incorporated CSR as an integral part of the Malaysia's vision 2020 and that of the National Integrity Plan (Malaysian 10th Plan).This shows that CSR reporting is beyond the traditional reporting boundary of Malaysian companies. Thus, this confirms Nordin, Abdullah, and Abdul (2012) comparative research that some Malaysian companies are somewhat concerned about CSR practices despite the few numbers of practicing company.

The present paper aims to provide insight and understanding into the extent of CSR reporting among Malaysian firms, by focusing on reviewingrelated streams of extant literature on CSR disclosure from a Malaysian perspective**.**

BURSA MALAYSIA'S CSR FRAMEWORK

As a requirement, all PLCs is expected to report their CSR activities in the company's annual report into four focus areas namely marketplace, workplace, community and environment. Most of the papers reviewed in this study, focused on sampling firms that are listed in Bursa Malaysia PLCs, and used the following framework as a basis for reporting CSR, because most of the CSR reporting by Malaysian firms concentrated more on these four main dimensions/categories, as depicted in the framework below.

Fig. 1: Bursa Malaysia's CSR Framework

The above framework suggests that Bursa Malaysia is highly committed to driving a CSR and sustainability agenda especially for itself and amongst Malaysian companies.

LITERATURE REVIEW

CSR Reporting among Malaysian Firms

In this study, the term CSR reporting will be used interchangeably with CSR disclosure. The term CSR report can also be referred to as stand-alone sustainability report, sustainability report, environmental report, Social Responsible Investment (SRI), and corporate social disclosure. Recently, CSR disclosures have been of great interest among practicing accountants and the academic researchers. This is due to the increasing concern in the business community with regards to the significance of major stakeholders resulting to the need for a socially and environmentally display of responsible corporate behaviour (Zadek, 1998). CSR disclosure has been defined in several ways by many scholars, for example, Deegan & Rankin (1996, p.51), defines CSR disclosures as “disclosures relating to the interaction between an organization and its physical and social environment inclusive of disclosures relating to human resources, community involvement, the natural environment, energy and product safety.”

In general, several studies have shown that CSR disclosure practices in Asia are still lagging behind as compared to the western countries (KPMG, 2005).Few studies have focused on examining CSR disclosure practices in the Asian countries. For example, studies in Malaysia, Bangladesh, Jordan, Indonesia and Singapore have been carried out by several researchers (Tsang, 1998; Abu-Baker & Naser, 2000; Imam, 2000; Belal, 2001;Aditya, Praptapa, &

Setyorini, 2015) among others. Conversely, significant empirical studies on CSR disclosure, particularly studies on the content of CSR disclosures in annual reports has been heavily conducted in developed countries such as the U.S., U.K., Canada, Australia and Western Europe (Guthrie & Parker, 1990; Roberts, 1992).

According to Abdulrazak and Ahmad (2014) they find that the extent of disclosure among the Top100 companies in all the sectors was quite low. The disclosure level for every year was below 30% over the past few years. Their studies also revealed that the extent of CSR reporting is presently increasing as a result of certain factors such as pressure group's increased demand for social responsible action and ethical investors, legislation enforcement, awards for good CSR practice by companies, increase in CSR activities and societal awareness.

Studies conducted by Chan, and Hawkins, (2010),on CSR web reporting by 117 second board companies listed on Bursa Malaysia reveals that the focus is more on the community rather than any other areas like marketplace. However, this finding is not consistent with the outcome in other developing countries perhaps is due to contextual factors in the developed country.

Ina more recent study among Top 100 listed Malaysian companies conducted by Rosli, Fauzib, Mohd, Azamicand Saide (2016), they identified four factors such as company size, profitability, share return, and industry which determine the CSR disclosure. However, the most higher and least disclosures areas were community and marketplace respectively. Although, they further explained that the four mentioned dimensions have significant relationships with the CSR reporting except for the two extreme results.

Similarly, Senawi et al. (2016) carried out a study "on CSR practices among Malaysia top property developers". The findings of their studies revealed that marketplace dimension shows the least disclosure among the four dimensions while community dimension has priority CSR disclosure. It was also recorded that philanthropic activities are the most widely reported by the companies. The study conducted by Yam (2013),revealed that of all the categories of CSR activities, philanthropic activities tends to be the most widely reported followed by human resource initiatives. According to Abdulrazak and Ahmad (2014) the most frequent themes disclosed by Malaysian firms were community involvement, human resources, and environment.

Furthermore, in a related study by Yusoff and Adamu (2016), the finding indicates that most of the relationship that exist between CSR activities (i.e. environment, community, marketplace and workplace), with measures of financial performance such as ROE and ROA conducted in the study, showed positive relationship. Moreover, virtually all the companies that actively engaged in the four categories of CSR activities actually enhanced their general performance, especially in terms of the CSR performance report on the community.

FACTORS INFLUENCING CSR REPORTING IN MALAYSIA

Legitimacy theory

Legitimacy theory views companies as being bound by a social contract for a socially desired action for an approval of their existence, rewards, and goals of their activities (Guthrie &

Parker, 1989). According to Adityaand Setyorini (2015) a company's performance is said to be legitimate when it becomes socially acceptable. Similarly, O'Donovan (2002) supported this view by highlighting that organizations must act in a manner that the society deems as socially acceptable so as to ensure a continuous and successful operation. Thus, legitimacy is essential to firms and can be considered as a resource for the life of any firm (Dowling & Pfeffer, 1975).

Furthermore, it is suggested that legitimacy theory has a significant role to play in CSR reporting. Haniffin and Cooke (2005), pointed out that legitimacy theory provides a vivid description and explanation of the pattern of social disclosure in organizations. Legitimacy theory describes the legitimate motive behind the implementation of CSR disclosure in organizations (Olagoke, 2015). In a nutshell, legitimacy simply means aligning companies' operational actions and performance in a friendly way to the host community by deliberately taking the growth of the community into consideration (Wilmshurst & Frost 2000).For example, community is one of the dimension by which every Malaysian firm is required to report its CSR activities, so as to be socially responsible to their host community.

Dowling and Preffer (1975) explanation of the four strategies that could be employed in legitimating the behaviours of companies was improved upon by Cormier and Gordon (2001). The first thing to do is to continually educate the community on the intention of the firms to change its legitimate behaviour and its actions. Secondly, the firm has to change the views and perception of the society concerning the firm's action without changing the action of the firms itself. Thirdly, the firm has to avert the attention of the host community away from the alternative issues relating to their action and lastly is to work on changing the expectation of the society from the performance of the firm (Cormier & Gordon, 2001).

Company Characteristics

Companies composition is one of the major factor that determines the impact of CSR disclosure among Malaysian firms. Thus, company characteristics include; company size, profitability, share return and industry type (Rosli, et al., 2016). It has been established also by Hassan, (2010) that larger organizations are more prone to several scrutinies by various stakeholders, because they face more intense pressure of disclosing their social activities especially in terms of legally and social responsibility. Similarly, larger organizations that embark on more activities tend to have a greater impact on society (Haniffa & Cooke 2005). Moreover studies have shown that company size is positively related to CSR reporting (Hassan, & Syafri 2010; Amran & Devi 2008; and Thompson & Zakaria 2004)

Profitability is interrelated and positively influences CSR disclosure (Smith & Westerbeek, 2007). Also, Kartadjumena, Hadi, and Budiana (2011) findings reveals that profit is both positively and highly correlated tofirm's level of CSR disclosure in their annual reports. Similarly, in a related study of 156 listed companies in Shanghai Stock Exchange by Sarkis, & Zhu, (2011), findings showed a positive relationship between CSR and corporate profitability. Additionally, studies by Choi, Kwak, and Choe (2010) revealed a positive and significant correlation between the stakeholder weighted CSR index and corporate financial performance.

Previous studies have shown that there is relationship between CSR reporting and share return and that higher earnings per share (EPS) also leads to better CSR reporting (Frankel and Lee, 1999). Firms that has higher EPS tend to report more CSR activities because it attracts more investment, at the same time it helps to reduce the cost of equity capital (Dhaliwal, et al. 2011). Ioannou and Serafeim (2011) findings indicates that the level of business transparency increases when CSR activities are disclosed. Fiori, Donato and Izzo (2009) stressed that the relationship between stock return and CSR disclosure is flexible, (i.e.is neither positive nor negative). Companies that have higher share returns tend to prefer disclosing CSR activities concerning their employees, even though they may not like disclosing CSR activities on environment and community due to the fact that these elements may be negatively related to the firms' stock prices.

Industry type also have effect on CSR disclosure, for example, Rosli et al. (2016) and Zulkifli and Amran (2006)came up with similar findings which suggest that the community dimension tends to dominates other CSR dimension, especially where the sample firm is telecommunication industry. Zulkifli and Amran, (2006) also reported that CSR activities among Malaysian companies are often carried out in virtually similar fields as regards to their respective business activities. Thus, the study revealed that community dimension has the highest CSR disclosure. Hassan and Ibrahim (2012) supported this view by stressing that the highest CSR disclosure frequency is regarding community involvement. Porter and Krammer (2002) studies shows that industries that are more prone to public scrutiny tend to have a keener attitude towards their CSR activities.

Most prior studies also found a positive relationship between company size and CSR reporting (Deegan &Gordon, 1996; Goyal, & Joshi, 2011).Various findings such as Galani, D., Alexandridis, & Stavropoulos, (2011); Goyal, & Joshi,(2011) and Barbu et al., (2014) confirm that company size is usually positively significant when associated with CSRD and hence the performance of such firms.

Corporate Governance Characteristics

In general, corporate governance (CG) serves as the internal control mechanism for virtually all the listed company. In terms of CG in Malaysia, the emphasis and focus is more on Cadbury Report of 1992. Here, the Audit Committee functions as a watchdog. As mentioned earlier, CSR is known to reflect a firm commitment in ensuring the importance of all stakeholders (Jamali, Jamali, Hallal, & Abdallah, 2010; Buniamin, Alrazi, Johari & Abd Rahman, 2011). In order to ensure effective CG, firms must establish a strong and functional board of directors (BOD) (e.g. board composition, board independence, board diversity) saddled with the responsibilities of aligning both financial and social needs in establishing and achieving the firm's objective (Janggu, Darus, Zain, & Sawani, 2014).

Barnhart, Mar, and Rosenstein (1994), highlighted that the BOD is one of the internal governance tools that could closely align the objectives of shareholders and managers. Similarly, the BOD can also enforce management's policy to align with the legislator's requirements. Zahra, &Pearce (1989) stressed that CG especially in terms of BOD can assume a significant role in enhancing CSR performance.

In terms of board size, Janggu et al. (2014) findings reveals that board size is positively related to CSR reporting. Similarly, a significant number of studies have indicated that larger boards may exert significant influence on the CSRD in firm’s annual report (Fauziah, Khairunnisa, Siti Zubaidah, & Agamuthu, (2009); Buniamin et al., 2011). Also, the number of the independent director or board member, can determine the extent or level of CSR disclosure (e.g., Htay, Ab. Rashid, Adnan and Meera, 2012; Salehuddin & Fadzil, 2013). However, Salehuddin and Fadzil (2014) and Htay et al. (2012), found out that independent non-executive directors tend to have a positive relationship with CSRD.

Furthermore, studies have indicated that the use of board diversity such as gender (e.g.,Miller & Triana, 2009), age (e.g., Ibrahim & Hanefah, 2016), ethnic and religion (e.g. Alarussi, Hanefah & Selamat, 2009, Paino, Bahari & Abu Bakar, 2011) constitute one of the corporate governance characteristics. Prior studies have also revealed that board diversity is positively related to CSR disclosure (Paino et al., 2011; Ibrahim & Hanefah, 2016).

According to Bear, Rahman, and Post, (2010)the number of women on boards has an impact on the company's CSR rating because it influences the company's reputation. Thus, the study took sample companies from Fortune's 2009 Most Admired List and found out that the higher the number of women on boards, the higher the ratings of CSR and the company’s reputation. Hence, this encourages the boards to disclose more information about the company to stakeholders voluntarily. Similarly, the result of Ismail, Abdallah and Nachum (2013), studies on using women as board members as its attributes indicated that CSR disclosures significantly influenced by board gender.

CSR Reporting Awareness and Perception

Recent studies have indicated that one of the major reasons why developing countries are still lagging behind in CSR disclosure is due to firm’s level of awareness and perception especially in Malaysia. This led to the recent Malaysia Code of Corporate Governance (MCCG) to implement a new policy that will ensure that most of the large Malaysian firm adhere to this policy, especially the PLCs, GLCs and the listed companies in Malaysia.

The findings of Abdulrazak, and Ahmad, (2014) reveal that the theory of CSR is based on values and beliefs especially when its emanates from a Western-centric point of view, it may not be well-suited to Malaysian context. But rather, the recommendation offered is that Malaysian firms can adopt the CSR reporting ‘shared value’ approach because this would eventually allow the firms to focus more on enhancing and increasing their competitive advantage, while positively contributing to the society and the environment at large. Similarly, Hooghiemstra (2000), highlighted that firms uses CSR disclosure as a communication instrument which serves as a means of creating CSR reporting awareness.

CSR Adoption

In terms of CSR disclosure or practice, as mentioned earlier, Malaysia companies is lagging behind when compared to its counterparts from other Asian countries such as Indonesia, Singapore and Thailand. The simple reason for this standpoint is that presently, there is no standing stringent regulation in Malaysia that requires the company to disclose CSR reports **(**Ramasamy and Ting, 2004;Said, Zainuddin, & Haron, 2009**;** Haniffa and Cooke, 2002;Thompson and Zakaria, 2004; Haron, Yahya, Manasseh, & Ismail, 2006). Hence, CSR disclosure is still voluntary, especially in terms of thestand-alone report. Also, according to Abdulrazak, and Ahmad, (2014), found out that the extent of CSR disclosure among 100 listed Malaysian companies in all the sectors was below 30%. A similar result was discovered in a recent study conducted by Mohammad (2016).Although, Bursa Malaysia in their website has given guidelines for CSR reporting, this is based on Global Reporting Initiative (GRI), Integrated Reporting (IR), G4 Guidelines and standard by Sustainability Accounting Standards Board (SASB).However, according to Kruger (2009), there is no any legal binding for reporting, since CSR is all about welfares and firm choices that is unobservable.

RESULTS AND DISCUSSION

Prior empirical studies have identified that among the four dimensions of CSR reporting the highest and least disclosures were community and marketplace respectively, and that the four mentioned factors (environment, community marketplace, and workplace) have significant relationships with CSR disclosure(Chan et al. 2009;Rosli, et al. 2016; Abdulrazak, & Ahmad, 2014;Senawi et al. 2016;Yam, 2013;Yusoff, & Adamu, 2016).

Company characteristics include; company size, profitability, share return and industry type (Rosli, et al. 2016) also influence the level of CSR disclosure. Hassan, (2010) disclosure and Haniffa and Cooke (2005) have revealed that larger organizations are more prone to several scrutinies's by various stakeholders, because they face more intense pressure of disclosing their social activities especially in terms of legally and social responsibility. Hence, company size has shown to be positively related to CSR reporting due to the fact that it si more prone to public scrutiny (Thompson & Zakaria 2004; Amran & Devi 2008; and Hassan 2010).

Also, in terms of the relationship between profitability or corporate financial performance and CSR disclosure, finding suggests that they are interrelated and positively influence each other because firms that reports its CSR activities tend to attract more customer to the company which invariably increases revenue (Rosli et al., 2015; Smith et al., 2007; Kartadjumena, et al., 2011; Zhu 2011; Choi, et al.,2010).

Similarly, prior studies have indicated that the relationship that exist between share return and CSR disclosure depends on the firm's earnings per share (EPS) and the extent of firm's transparency while other studies perceive the relationship to be flexible that is neither positive nor negative (Frankel & Lee, 1999;Ioannou & Serafeim 2011; Dhaliwal et al. 2011; Fiori, Donato & Izzo 2009). Thus, this relationship depends to a large extent on the volition of firms to embark on CSR activities with respect to its share return.

In terms of industry type, the relationship between CSR disclosure and industry type depends on the type of firm, hence in almost all the cases community has shown to have the highest effect (Rosli et al. 2015; Hassan et al. 2012)

The second factor that has an influence on Malaysian firm CSR disclosure is corporate governance especially in terms of the board of directors.BOD includes board composition, board independence, and board diversity that is saddled with the responsibilities of aligning both financial and social needs in establishing and achieving the firm's objective (Janggu, Darus, Zain, & Sawani, 2014). The results from prior studies have shown that there is a positive relationship between Malaysian CSR disclosure and CG (Janggu et al. 2014; Zubaidah et al., 2009; Buniamin et al., 2011;Salehuddin & Fadzil 2014; Htay et al. 2014Paino et al., 2011; Ibrahim & Hanefah, 2014). Reasons being that a good CG require firms to be socially responsible by reporting its CSR activities. Also, board composition such as board gender, especially in terms of women, several studies has pointed out that it has a significant influence on CSR disclosures due to the believe that women tend to be more concerned about the impact of the firms activities in the society (Bear et al. 2010; Ismail et al, 2013).

The third factor influencing CSR disclosure among Malaysian firms is CSR reporting awareness and perception. Although, there is limited study on this aspect, but studies by Abdulrazak, and Ahmad, (2014) offered a recommendation that Malaysian firms can adopt the CSR reporting 'shared value' approach because this would eventually allow the firms to focus more on enhancing and increasing their competitive advantage, while positively contributing to the society and the environment at large. A related study was also conducted by (Hooghiemstra 2000).

Another factor that influences CSR disclosure among Malaysian firms, is CSR adoption, which is still considered as voluntary due to the fact that there still no any stringent stipulation for firms to embark on disclosing their CSR activities but only a few(Kruger 2009).According to Abdulrazak, and Ahmad, (2014), findings, the extent of CSR disclosure among 100 listed Malaysian companies in all the sectors was below 30%. Moreover, a similar result was discovered in a recent study conducted by Mohammad (2016).

Legitimacy theory has also shown to have a significant impact on the firms CSR disclosure because it describes the legitimate motive behind the implementation of CSR in organizations (Olagoke, Ilesanmi 2015). Thus, several studies have indicated that legitimact theory has positive relationship with CSR disclosure **(**O'Dwyer 2002**;** Deegan and Rankin, 1997**;** Brown and Deegan, 1998; Wilmshurst and Frost, 2000). Additionally, this theory also assists inaligning companies' operational actions and performance in a friendly way to the host community by deliberately taking the growth of the community into consideration (Wilmshurst & Frost 2000).

CONCLUSION

This paper focused on providing insight and understanding into the factors that determine the extent of CSR reporting among Malaysian companies. CSR has been defined as an open and transparent business practices that have its basis emanating from ethical values and respect for community, employees, environment, shareholders and other stakeholders respectively (Bursa Malaysia, 2006).Thus, this paper attempted to identify the key issues that are responsible for the insignificant number of the firms that are involved in CSR reporting and the extent of such disclosure. These key issues include; corporate governance characteristics, company characteristics, CSR reporting awareness and perception among Malaysian firms**,** as well as the practice of legitimacy theory.

This study confirms the findings of various prior studies which indicates that the four dimensions of CSR disclosure (i.e environment, community, marketplace and workplace) among Malaysian companies have significant relationships with the CSR reporting while the industry type was not significantly linked with CSR reporting. Specifically, further findings revealed that the most highest and least disclosures areas were community and marketplace. Moreover, this study also revealed that the extent of CSR reporting among Malaysian firms is still lacking just like other comparable developing countries in contrast to the western world (e.g. America, UK, Australia, etc.).

From studying the various streams of extant literature, it is suggested that the more firms in Malaysia embark on CSR reporting, the greater their respective performance and the higher they become socially responsible and accepted by the society in which they operate, all things being equal. Hence, CSR reporting has been viewed as a vital and inevitable part of a business strategy that promotes firm's sustainability.

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