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Voluntary and Mandatory Corporate Social Responsibility Reporting (Csrr): a Developing Country Perspective

[1]Goh Ie Chieh, [2]Norhayah Zulkifli and [2]Dalilawati Zaina
[1]Graduate School of Business, University of Malaya, 50603, Kuala Lumpur, Malaysia
[2]Faculty of Business and Accountancy, University of Malaya, 50603, Kuala Lumpur, Malaysia

Abstract: This study examines the development of Corporate Social Responsibility Reporting (CSRR) practices in Malaysia, pre-and post-mandatory CSRR implementation by the mandate of government and Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange). This research is conducted within the context of explaining and comparing the depths and extents of CSRR for 2 year, 2006 (voluntary) and 2008 (mandatory) in annual reports of 50 companies listed in Bursa Malaysia by which the influence of government intervention is then accessed in accordance to the Bursa Malaysia Corporate Social Responsibility (CSR) Framework. An examination of CSRR disclosed in these 100 annual reports (50 companies for two year) via content analysis and sample t-tests within the perspective of political economy theory and stakeholder theory revealed very little influence of the government mandate towards the depth and extent of CSRR disclosed by the sampled companies. The findings indicate that CSRR practices between the two year, though may seem to have increased in general; however it is not significant as companies are seen to be more incline to focus specifically on activities relating to their external stakeholders such as market players (e.g., customers, shareholders, suppliers) and community. In addition, although this study does not give emphasis on company's size and market capitalization, there is an apparent trend observed in the results obtained indicating that larger companies seem to have better quality of CSRR. Overall, findings from this study call for more active engagement between the companies and the relevant authorities to further improve the existing CSRR regulation in the country. This study contributes to the existing CSRR literature by presenting the trend of CSRR in two different reporting regimes (e.g. voluntary and mandatory) from the developing countries' perspective.

Key words: Corporate social responsibility reporting, mandatory reporting, reporting regulation and developing country

INTRODUCTION

Increased public awareness towards social and environmental impact of businesses activities has made corporations respond through the implementation of social and environmental-related activities (Schrempf-Stirling *et al*., 2015). The corporations have been in the limelight, as they contribute towards the economic development as well as criticized for creating environmental and social problems (Putrevu *et al*., 2012). Issues such as increased cases of pollution, waste productions, natural resources depletion, climate change, global warming, human rights abuses, living conditions of the working class and the globalization of the world economy are fast affecting the ways corporations conduct their operations (CSR Asia, 2010; Putrevu *et al*., 2012). Following that, there is a greater call for the corporations to consider social and environmental issues in managing their businesses which in turn lead to the emergence of CSR and CSRR.

Many years ago organizations are only expected to operate within the means of business core importance that focus on profit maximization. Nowadays, they are expected to fulfill the social and environmental accountability whilst maximizing profit (Freeman, 1994; Scherer and Palazzo, 2011). In its earlier stage of establishment, research on CSRR are more likely documented in western industrialized and developed countries such as in Europe, United States and Australia. Even international comparative studies of CSRR concentrate their analyses based in these countries (Fifka, 2013). However, the recognition of CSRR as a mainstream tool in business has attracted more studies to be conducted in emerging and developing countries, especially those confront with many social and environmental challenges.

The KPMG Survey of Corporate Responsibility Reporting in 2013 reported an overwhelming response of corporations towards CSRR, whereby 76% of companies

Coressponding Author: Goh Ie Chieh, Graduate School of Business, University of Malaya, 50603, Kuala Lumpur, Malaysia

in the Americas report on CSR, 73% in Europe and 71% in Asia Pacific. For the Asia Pacific region, there is an increase of 22% of reporting companies in 2013, as compared to the statistics of 2011 (KPMG, 2013). These statistics may partly indicate an increased corporation's acceptance toward the extended social and environmental obligation that go beyond the regulatory compliances.

In Malaysia, considerable growth in its economy strongly affects how companies are structured, their obligations, roles and status. These in turn brought and ignite strong public concern about unfair business practices, human rights abuses on minorities and women, quality of goods and the need for a cleaner environment. Although there is noticeable increase in the state of CSRR in Malaysia over time, there are still companies that are reluctant to take part in such practice. The CSR Status Report of 2007 revealed poor CSR involvement, especially by public listed companies (PLCs) in Malaysia. This clearly calls for a proper implementation of CSR in the country, as CSR is now recognized by most corporations to ensure long-term business success. Bursa Malaysia launched the Bursa Malaysia's CSR framework in September 2006, later made CSRR mandatory upon all PLCs under the Bursa Malaysia with effect from financial year 2007. Following the listing requirement/regulation set by the Bursa Malaysia, all PLCs in Malaysia are expected to disclose their CSR activities in the annual reports to indicate their compliance towards the new regulation.

CSRR has many facets and is now endorsed its importance via mandatory statement in the case of Malaysia. The extent of corporations disclosing CSR-related information appears to be very much on a voluntary basis in both developed and developing countries. Following the implementation of CSRR regulation in Malaysia with effect from year 2007, the interest to compare the amount, extent and depth of CSRR during pre-and post-mandatory regulation arises. This is to gauge the effectiveness of the newly imposed CSRR regulation by the Malaysian government and Bursa Malaysia. Findings from this study may provide inputs for the regulators to further improve the existing CSRR regulation. Stakeholders, as a whole may be informed of the current status of CSRR in Malaysia.

Despite a number of literature discussed the voluntary CSRR, very little evidence documented on the mandatory CSRR (Criado-Jimenez *et al*., 2008; Jeffrey and Perkins, 2014; Yusoff and Adamu, 2016). Therefore, this study aims to compare the depth and extent of CSR information disclosed in companies' annual reports during pre (year 2006) and post mandatory (year 2008) CSRR period, specifically in the context of Malaysia. This study also aims to examine the influences of government intervention (mandatory implementation) in the disclosure practices. Particularly, the objective of this study is to compare the CSRR of PLCs in Malaysia during pre-and post-mandatory implementation period. In addition, the study examines the influences of government regulations (mandatory implementation) towards the CSRR practices of PLCs in Malaysia.

Literature review: CSR has become an important business concept as it carries an extensive meaning to the business community. It demands the business entities to act responsibly by being transparent to the stakeholders that include the society (Welford, 2004). With the current development and awareness of issues of global concern, the need for corporations to take lead in developing improved CSR strategies for their business operations has never been more apparent (Chapple and Moon, 2005). These issues among others include financial stability, governance, climate change, poverty, the spread of infectious diseases, ongoing scandals over product responsibility and widespread corruption.

Following the new challenges, there is a need for the companies to have broader communication and consideration to be socially responsible. Now a days, many companies are recognizing the need to communicate, disclose and promote information pertaining to their CSR's activities voluntarily to meet the society's expectations. One of the ways to communicate CSR information to the stakeholders is through the CSRR disclosed in the companies' annual reports.

CSRR has been in the limelight of substantial academic research for the past 30 years. Researchers are interested to examine the extents of CSRR and its link to economic performance; third parties' influence on the disclosure (e.g., institutional power by government intervention or foreign ownership); and the motivations behind such reporting, to name a few (Fifka, 2013). The developments of CSRR research since the years 1970s has been well documented with different themes concerned at the point of time, for examples social reporting, environmental reporting, corporate social responsibility reporting, triple bottom line reporting and sustainability reporting (Fifka, 2013; Tschopp and Nastanski, 2014). The progress of CSRR research revolves within four broad categories, namely employees, environment, community and customers (Fifka, 2013). Several European countries have also made CSRR as mandatory items to be disclosed in companies' annual reports (Criado-Jimenez *et al*., 2008; Jeffrey and Perkins, 2014). Though there have been a number of studies conducted on CSRR in the western and developed countries, CSRR developments in Asia are slowly catching up (Chapple and Moon, 2005; KPMG, 2013; Khatun *et al*., 2015).

In the context of Malaysia, the government's initiative with regards to CSR and CSRR has been evident. It begins with the 'Agenda 21' that calls for sustainable development practices in the national planning processes, setting up ethical funds to promote socially responsible investments and awards to recognize companies with best practice of CSRR (Lu and Castka, 2009). Prior CSRR research in Malaysia has generally documented an infancy stage of CSRR in Malaysia. CSRR seems to focus on its selected categories only (e.g., employees, product/services). CSRR also seems evident in large and foreign-owned corporations in comparison to its counterparts (Amran *et al*., 2013). The low reporting level among companies in Malaysia is due to several reasons, among others low level of legislation/government pressure, lack of perceived benefits for the companies and costly to implement (Thompson and Zakaria, 2004). Perhaps, the change in pattern of CSRR can be observed through the examination of the extent of CSRR disclosed during pre-and post-mandatory CSRR period. This is in line with the increasing public awareness on the importance of CSR that urge corporations to be socially and environmentally responsible.

Failure to address stakeholders' pressure may cause corporations lose their 'license to operate' (Chapple and Moon, 2005). The changing role of corporations has made CSR become an important agenda to maintain their competitive edge, retain talents, satisfy customers and be responsible to the society (Gardiner *et al*., 2003). Even though corporations in Malaysia have started to realize the importance of practicing CSRR, the state of practices is still purely on voluntary basis. Questions remain on the sufficiency of the amount of CSR information reported, as there is no reporting regulation provided by the authorities prior to 2007. In order to improve the current status of CSRR in Malaysia, the Bursa Malaysia has made CSRR compulsory to all PLCs in the country. Based on the CSRR guideline/framework provided by the Bursa Malaysia, there are four dimensions of CSRR, namely environment, workplace, community and marketplace (Bursa Malaysia, 2007). With the imposition of such regulation, it is expected that corporations will disclose more CSR-related information in post-mandatory CSRR period. This is to demonstrate their compliance to the existing regulation, as well as avoiding stricter CSRR-related regulations imposed in the future.

Whilst there have been many studies conducted to determine the extent, depth and influential factors for the development and practices of the voluntary CSSR in Malaysia, not many studies have actually explored the role of the Malaysian government and its influence on the state of CSRR in the country, especially post mandatory implementation (Zainal *et al*., 2013). Therefore this study, taking into consideration of post-mandatory implementation, aims to investigate the status and different levels of CSRR in Malaysia during pre-and post-mandatory implementation.

Williams (1999) listed organizational size industry type, cultural factors interest group pressures and the political and civil systems in the country residing, as the factors that influenced the levels of CSRR disclosed. This is supported by Walden and Schwartz (1997) and Neu *et al*. (1998), who documented a positive relationship between the increased in the amount of environmental and social reporting disclosed voluntarily by organizations with the emergence of well-organized and vocal interest groups.

CSRR also serve as a mechanism to enhance corporations' image. It appears to reflect public social priorities, respond to government pressure, accommodate to environmental pressures and sectional interests to protect corporate images (Guthrie and Parker, 1990). With this in mind, the state of CSRR disclosed stands with reasonable doubts. Questions arise as to how genuine, true and accurate are the information disclosed by the corporations, given the state by which information disclosed are on a voluntary basis and pressured by various factors. This subsequently questions the quality of CSRR disclosed, as reporting companies tend to highlight the CSR-related activities that reflect the corporations' positive image rather than the opposite.

In this context, it is believed that government invention (mandatory implementation of CSRR) may promote greater corporate transparency in disclosing their CSRR. Government interventions may generate pressure for companies to disclose more CSR information as the government is a body entrusted by the public. The ruling party or government defines a country, hence public's attention and concern is always geared towards how a government places their agenda towards the betterment of a society as a whole.

This study examines and compares the status and depth of CSRR in Malaysia during pre-and post-mandatory CSRR's implementation (influence of government). It explains CSRR using the Political Economy Theory, supported by the Stakeholder's Theory. Political Economy Theory encompasses theoretical studies in relations to the role of economic processes in shaping the society (Foley, 1999). In today's society, this theory is used to refer to a broader context such as politics, cultural, social and environmental processes. This theory is used in examining how political forces can affect the choices of policies made within

a country or an organization (Foley, 1999; Amran and Devi, 2007).

In the context of the present paper, 'political forces' means how government legislations/mandatory requirements influence Malaysian companies to understand CSRR as pivotal in their business operations; and to practice disclosing CSR-related information in their annual reports. This theory explains that companies will be under the pressure of legislation; hence lead the companies to comply with the mandated requirements by disclosing CSR information in the annual reports as required (Foley, 1999, Amran and Devi, 2007).

The term 'stakeholder' refers to a group or individuals in an organization or society with specific interests. Without the stakeholders' support, an organization cannot contribute to its value chain and achieve its objectives (Freeman, 1994; Samy *et al*., 2010). Stakeholder's theory historically is apart of a group of societal systems-based theories and in fact originally derived as a management theory (Freeman, 1994; orij, 2010). This theory is generally used to explain the relations between the stakeholders and the organization in various aspects, more importantly within the context of the organization's operations. Smith *et al*. (2005) explained that stakeholder theory could be used to describe the relations between a corporation and its stakeholders which is also applicable in examining the state of CSRR. In the context of the present paper, stakeholder theory is used to support and explain the underlying reasons as to why companies need to engage themselves in socially responsible activities; that is as a strategy to maintain market position, particularly under the influence of government mandatory legislation.

MATERIALS AND METHODS

This study adopts random sampling method in selecting the sample companies. The selection of sample companies however differs from those of previous research (e.g., Hackston and Milne, 1996; Thompson and Zakaria, 2004; Zainal *et al*., 2013), whereby the samples concentrated on top listed companies. Concentrating on top listed companies defeats the purpose intended in the present research, as top listing companies are more likely to be visible in the eyes of the public; hence are more susceptible in being more socially and environmentally responsible.

Therefore, for the purpose of this study, random samples of a mixed group of companies with variety of segments and sizes would be useful in determining the influence of CSRR's mandatory implementation for all Malaysian PLCs. 50 companies were drawn randomly from the main market category in Bursa Malaysia. Companies with at least annual reports compiled from year 2004 onwards in Bursa Company listing were selected and annual reports for these companies were downloaded for years 2006 and 2008. Table 1 summarizes the sampling used in this study.

This study uses annual reports of companies that are listed in Bursa Malaysia for the year 2006 and 2008. CSRR is made mandatory upon all PLCs with effect from year 2007. Therefore, it is appropriate to note and examine the changes prior and after the mandatory implementation of CSRR in Malaysia. Annual report is selected as the source of information for this study because it is regarded as the company's main source of communication to the public, conveniently available on a regular basis.

In the context of political economy theory, annual report is also viewed as a proactive document that constructs and projects a particular image targeted to audiences ranging from the public and other responding groups (Stanton and Stanton, 2002). Annual report is also viewed as a statement of propaganda, whereby it is used to develop and maintain a particular image by mentioning and reporting favorable information as much as possible. Following these, it is made to understand that government's calling and mandatory requirements may in fact influence the matters and depth of information and disclosure reported by these companies to the public (Graves *et al*., 1996).

Consistent with previous research, content analysis approach is adopted to measure and analyze the amount and depth of disclosures in the selected annual reports (Haniffa and Cooke, 2005). This includes measuring the amount of words, sentences or pages recorded in the annual report (Kripendoff, 1980). Content analysis is defined as a method of codifying the text or content of a piece of writing into various groups or categories, depending upon selected criteria (Weber, 1988). The selection and development of these categories are essential as it involves a process by which these categories can later be classified in quantitative units (Milne and Adler, 1999).

Following this, the measurement category of this study is in agreement with the Bursa Malaysia CSR Framework by which 4 main categories are tested with 29 subcategories as mentioned in Table 2. Each category and sub-category listed in the framework is given a code and the number of sentences for each category or themes noted on the annual reports is calculated. Definitions of contents in each category or sub category are specified in Table 2. A general category (GR) was added for all 4

Table 1: Sampling

Items	Details
Years	2006 and 2008 (pre and post mandatory implementation)
Number of companies	50
Number of annual Reports	100
Market selection	Main market
Industries	Consumer Products (12) Properties (11) Constructions (3) Plantations and Mining (8) Technology (3) Hotels and Services (9) General (4) *
Criteria selection	Companies with annual reports at least from years 2004 and above

Note: *Out of 50 companies, 4 companies were randomly selected from the existing industries.

Table 2: Definition of themes in the Bursa Malaysia CSR Framework77

Theme andub Category (Code)	Definition
Environment	
Climatec change (C)	Any mention of carbon (CO2) management; carbon renewal generation; O2 renewal.
Energy (E)	Any mention of activities with renewable energy involve, methods or application in the company that encourages energy efficiency i.e. solar system, energy safety system and biofuel activity generation or renewable generation.
Waste Management (WM)	Any mention of waste management in terms of waste production handling, recycling programs, activities or efforts made in the organization, awareness amongst employees.
Biodiversity (BD)	Any mention activities to reserve bio-culture of the environment i.e. tree planting activities, biological researches or technology on bio life and etc.
Endangered Wildlife (EW)	Any mention activities that encourages reservation of wildlife i.e. donation activities for WWF etc.
General-Environmental (GRE)	Any mention activities that promote environmental protection and conservation.
Workplace	
Employee Involvement (EI)	Any mention of employee related activities i.e. employees opinion on operations of company, employee=s opinion of system improvement and etc.
Workplace Diversity (WD)	Any mention of activities that improves the dynamics of employees in the workplace.
Gender Issue (GI)	Any mention of rules and regulations to protect the welfare of employees i.e. female, working parents, sexual harassment acts and etc.
Human Capital Development (HR)	Any mention of activities to enhance employee=s skills and knowledge via training, certification, seminars, employee benefits and etc.
Quality of Life (QL)	Any mention of activities or application that helps improve the quality of life for employees i.e. benefit schemes, flexible working hours and etc.
Labour Rights (LR)	Any mention of activities with regards to labour implementation, discussion with labour parties and etc.
Human Rights (HU)	Any mention of activities with regards to human rights i.e. child labour, employee abuse and etc.
Health & Safety (HS)	Any mention of activities with regards to health and safety measures by company for employees well being.
General-Workplace (GRW)	Any other mention activities that relate to employees.
Community	
Employee Volunteerism (EV)	Any mention of employee related activities i.e. employee=s opinion on operations of company, employees opinion of system improvement and etc.
Education (EDU)	Any mention of activities that improves the dynamics of employees in the workplace.
Youth Development (YD)	Any mention of rules and regulations to protect the welfare of employees i.e. female, working parents, sexual harassment acts and etc.
Underprivileged (U)	Any mention of activities to enhance employee=s skills and knowledge via training, certification, seminars, employee benefits and etc.
Graduate Employment Programs (GP)	Any mention of activities or application that helps improve the quality of life for employees i.e. benefit schemes, flexible working hours and etc.
Children well-being (T)	Any mention of activities with regards to labour implementation, discussion with labour parties and etc.
General-Community (GRC)	Any other mention activities that relate to community.
Marketplace	
Green products (G)	Any mention of activities that encourages usage or production of green products, environmental friendly products.
Stakeholder mengagement (SE)	Any mention of activities that encourages communication with stakeholders i.e. stakeholder dialogues etc.
Supplier Management (SM)	Any mention of activities to improve supplier management i.e. improving delivery and services.
Vendor development (V)	Any mention of activities to improve and enhance services by vendors.

Table 2:Continue

Theme andub Category (Code)	Definition
Social Branding (SB)	Any mention of activities or application associates the companies products with positive image and lifestyle in society.
Corporate Governance (CG)	Any mention of activities with regards to corporate governance, statement of governance and etc.
General-Marketplace (GRM)	Any other mention activities that relate to marketplace.

4 themes in light of any mentioned areas with regards to the environment, workplace, community and marketplace noted in the annual reports.

This study uses the number of sentences disclosed in annual reports as the unit of measurement. According to Unerman (2000), sentences are easily identifiable, less subject to inter-code variations and have been used as an appropriate measuring unit in a number of prior studies. The annual reports were analyzed and read by which any mentioned in sentences of activities in relation to the definitions stated in Tables 2 are calculated in number units. For example in an annual report, there is a sentence mentioning a company's employees involvement in a charity event e.g. blood donation drive, that particular sentence will be calculated as 1 sentence mentioned under the category community theme, specifically Employee Volunteerism (EV). If in any case, there are incidents whereby in one sentence there are two or more themes mentioned, selection is based on whichever theme or category most emphasized.

In quantifying the CSRR disclosed, researchers may apply either weighted or unweighted scoring method. Given the recent implementation of the mandatory CSRR in Malaysia, this study adopts an unweighted scoring method in quantifying the CSRR disclosed. In other words, all types of CSRR, either qualitative or quantitative, are treated as equally important. Therefore, the more themes/categories disclosed, the better the quality of CSRR is assumed.

RESULTS

A total of 100 reports (50 companies, pre-and post-mandatory CSRR) were analyzed for the number of sentences disclosed in annual reports via themes according to the Bursa Malaysia CSR Framework. Details of these reports are stated in the respective tables.

Table 3 reported the number of CSR-related sentences disclosed by companies in the annual reports for the year 2006 and 2008. Of the 50 companies investigated, a total of 11,538 sentences and 14,084 sentences were disclosed respectively for the year 2006 and 2008. Average sentences disclosed per company for year 2006 is 231 sentences and 282 sentences for year 2008. Generally, there is an increase in the number of CSR-related sentences disclosed by companies after the implementation of the mandatory CSRR. The finding indicates companies' compliance towards the mandatory CSRR requirement. This is consistent with the findings by Criado-Jimenez *et al*. (2008) that documented an improved CSRR after the introduction of mandatory reporting in Spain.

'Marketplace' is the mostly disclosed theme with 10,324 sentences in 2006 and 11,786 sentences in 2008. The least disclosed theme is the 'environment whereby only 289 sentences disclosed in 2006 and 532 s'sentences in 2008. 'Workplace' theme (483 sentences) seems to receive a slightly greater attention from the companies in comparison with 'community' theme (443 sentences) during the voluntary CSRR regime. However, the companies seem to focus more on 'community' (990 sentences) rather than 'workplace' (776 sentences) theme during the mandatory regime of CSRR. Based on these findings, companies' preference towards selected CSRR themes is evident. Companies are seen to focus more on their relationship with the market players such as customers, suppliers and shareholders. Least attention is given to CSR activities that relate to environmental protection. Following the mandatory CSRR requirement, companies are also observed to give more attention to the 'community' related activities compared to the 'workplace' issues. The increased pressure from the community to act responsibly may motivate companies to contribute more for the cause of the society.

At least 17 companies made disclosures for all four CSRR themes noted in Bursa Malaysia's CSR Framework during the voluntary reporting regime. This figure is seen to increase during the mandatory CSRR regime whereby a total of 32 companies made disclosures for all four CSRR themes. Such improvement is expected and in line with the introduction of mandatory CSRR regulation with effect from year 2007. As mentioned in Amran and Devi (2007). government plays a significant role towards promoting CSR and CSRR to a higher degree of importance.

The detailed disclosure of CSR-information according to subthemes is showed in Table 4. Under the 'environmental' theme, more attention is given to matters related to biodiversity (2006: 97 sentences; 2008: 131 sentences) and waste management (2006: 82 sentences; 2008: 171 sentences). A growing awareness on climate

Table 3: Number of sentences disclosed for all 50 companies (100 reports)

Items	2006 (pre- mandatory)	2008 (post- mandatory)
Total sentences disclosed	11,538	14,084
Average sentences disclosed per company	231	282
Number of Sentences Disclosed Per Theme / Category		
Environment	289	532
Workplace	483	776
Community	442	990
Marketplace	10,324	11,786
Average Sentences Disclosed Per Theme / Category		
Environment	6	11
Workplace	10	16
Community	9	20
Marketplace	206	236
Number of Companies Make Disclosure by Theme / Category		
Environmental	19	34
Workplace	40	44
Community	28	43
Marketplace	50	50
Average number of companies disclosing themes or categories (no priority in order)		
1 (any 1 theme)	3	0
2 (any 2 themes)	23	11
3 (any 3 themes)	7	7
4 (all 4 themes)	17	32

Table 4: Number of sentences disclosed for all 50 companies (Subtheme)

ENVIRONMENTAL	2006 (pre mandatory)	2008 (post mandatory)
C-Climate change	29	96
E B energy	24	56
WM-Waste Management	82	171
BD Diversity	97	131
EW-Endangered Wildlife	5	16
GRE - General-Environmental	52	62
WORKPLACE		
EI-Employee Involvement	23	60
WD- Workplace Diversity	49	105
GI-Gender Issue	0	10
HR-Human Capital Development	264	307
QL-Quality of Life	32	69
LR-Labour Rights	5	31
HU-Human Rights	0	9
HS-Health and Safety	103	172
GRW-General-Workplace	7	13
COMMUNITY		
EV - Employee Volunteerism	69	221
EDU - Education	113	248
YD - Youth Development	51	72
U - Underprivileged	117	269
GP - Graduate Employee Program	3	19
T - Children Well Being	17	31
GRC - General-Community	72	130
MARKETPLACE		
G - Green Product	2	6
SE - Stakeholders Engagement	60	118
SM - Supplier Management	43	84
V - Vendor Management	7	12
SB - Social Branding	92	161
CG - Corporate Governance	10,113	11,403
GRM - General-Marketplace	7	2

change issue is also observed whereby companies reported 29 sentences during the voluntary CSRR period and 96 sentences during the mandatory CSRR period. On the 'workplace' theme, companies are more incline to disclose about their activities related to human capital development, employees' health and safety and workplace diversity issues.

Companies' efforts towards the 'community' theme concentrated more on education and underprivileged. However, there is an improving trend for employees' involvement in voluntary works (2006: 69 sentences; 2008: 221 sentences). The 'marketplace' theme

Table 5: T-Test results

Items	2006 (pre mandatory)	2008 (post mandatory)	T B test Significance
Environment	2.5%(289)	3.8%(532)	Not significant
Workplace	4.2%(483)	5.5%(776)	Not significant
Community	3.8%(442)	7.0%(990)	Significant at 1%(p <0.01)
Marketplace	89.5%(10,324)	83.7%(11,786)	Significant at 5% (p<0.05)*
Overall disclosure = not significant			

was dominated by the disclosure on corporate governance with 10,113 sentences disclosed in 2006 and 11,403 sentences in 2008. There is a minimal increase in the number of sentences that relate to corporate governance. However, the improvement in disclosure of stakeholder engagement and social branding is encouraging. Overall, there have been various aspects of CSRR disclosed by companies, with more disclosure made during the mandatory CSRR period. Such variation has been acknowledged in a number of prior literature (Haniffa and Cooke, 2005; Zainal *et al*., 2013).

Independent sample t-test was also conducted to measure and determine the significant differences between the numbers of sentences disclosed by companies during the voluntary and mandatory CSRR regime. Details of results are stated in Table 5. Overall disclosures of CSRR indicated no significant difference in the number of sentences disclosed between the voluntary and mandatory reporting regime. Consistent with the argument by Thompson and Zakaria (2004) and Amran and Devi (2007), this finding may indicate the infancy stage of CSRR in Malaysia.

Even though the mandatory reporting requirement has been introduced in year 2007, its effect has not been apparent yet. Perhaps, the companies need more time to adapt and comply with the recent mandatory CSRR requirement. After all, the implementation of CSR activities requires certain amount of resources allocation and proper planning to ensure the effectiveness and success of the program. However, there are significant differences revealed for specific CSRR theme, namely the 'community' (p-value<0.01) and 'marketplace' (p-value<0.05) themes, respectively. This result may indicate the focus of companies on selected CSRR themes, specifically on the external stakeholders. Perhaps, a more balanced CSR strategies can be designed to ensure the welfare of the overall stakeholders are taken care of. In order to achieve this, continuous collaborations and discussions between companies and the relevant authorities are needed.

DISCUSSIONS

This studyexamines the status and depth of CSRR of PLCs in Malaysia pre-(2006) and post-(2008) mandatory implementation. It examines the relationship between government intervention via mandatory implementation towards the extent and depth of information disclosed of all sample companies from the perspective of two theories, namely the stakeholder theory and political economy theory.

Generally, the reporting practices of these sample companies showed very little support with regards to both theories, since no significant difference were noted for disclosures in pre-and post-mandatory CSRR implementation's period. Although findings indicated an increase in the number of sentences disclosed from the year 2006 -2008, reporting status in Malaysia is noted to be still on an infancy stage.

There are probably a number of reasons as to why CSRR practices are noted low, even after the implementation of the CSRR regulation in year 2007. Given the research is conducted in the period by which implementation is still new, many companies are not ready to prepare themselves to engage in all CSR activities/themes outlined in the Bursa Malaysia CSR's Framework. Some companies are seen to report their activities in terms of employee benefits. This often adds up to only one or two sentences mentioned in their entire annual report about their awareness in CSR. Moreover, the introduction to the Bursa Malaysia's CSR Framework is seen as a guideline for companies to practice CSRR only. There is no strict regulation as to whether these companies should be or are to be engaging in all of the themes listed in the framework. Therefore, not all companies see this as a very crucial change especially in PLCs operating with a smaller market capitalization, scale and operation.

Although this research has not placed a weightage on the company size or the rankings of the companies, there is however an apparent pattern of reporting between bigger and smaller companies. The larger companies tend to have more structured CSRR hereby the CSR's information are properly segmented according to themes mentioned in the framework. Some of the companies are also seen to have a separate/stand-alone report entirely reporting on their CSR activities only. Smaller companies are noted to mention their intention and plans to involve in CSR activities only in the future, mostly in their chairman's statement. This is quite consistent with findings of prior studies such as Thompson and Zakaria (2004) and Amran and Devi (2007) to name a few whereby

large companies do seem likely to be more committed in CSR activities and reporting.

CSRR has in the past garnered increasing attention over the past two decades on its importance and role in corporations. CSRR has been dubbed with many definitions and though there is no definite meaning of CSR and determining what makes a good practice in CSRR or rules to determine what should and should not be reported, it is universally understood that CSRR represents a conduct of responsibilities held accountable for organizations operating within a country by society and environment. A company's activities and the morale of their activities are justified by society and whether these companies are genuinely being responsible towards their shareholders, environment and society.

Malaysia, though awareness is slowly picking up to pace with the competitive and developed countries, there are still more to be seen and improve. As mentioned earlier, the year 2007 marks a milestone for the country in terms of CSRR practices whereby Bursa Malaysia seeks to 'mandatorily' encourage its listed companies to imply CSRR practices within their organizations. Given that the scenario of implementation is still rather new for both years being researched in this study, many companies see this as a part of their 'to-do' list in fulfilling the requirements for listing in the Bursa Malaysia. Findings from this study revealed very little and insignificant differences in CSRR's patterns and CSRR are noted very briefly, especially in smaller companies.

The development and progress of CSRR reporting in the country indeed has a lot more to catch up in comparison with other developed nations who have long been practicing CSRR in their corporate environments. The government role is deemed important should Malaysia want to move forward in championing CSRR in the region. Although the country's leaders have largely emphasized this mandate organizations are yet to realize the importance of practicing of CSRR and tend to focus in a broader perspective of CSRR (e.g., in environmental and community in general). Stronger and stricter implementation of the mandate should be implemented should CSRR practices are intended to be taken up to another level all together in the near future.

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