

Corporate Social Responsibility in Malaysia: A Conceptual Framework for Measuring Performances

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Abstract The topic on Corporate Social Responsibility (CSR) has attracted attention all around the world. The law of nature has made its importance more prominent forcing nations to strive in maintaining sustainability. Aware of its importance, Malaysia has followed suit with other countries in its attempt to promote CSR by imposing a regulation for all public listed companies to document their CSR activities. However, since its implementation in 2007, very few companies have taken CSR seriously and they have merely reported their CSR activities in order to fulfill the requirement rather than to proactively contribute their efforts in CSR. As reported by GRI (2012), only a few companies in Malaysia have taken the liberty to go beyond the requirement. This paper intends to identify the extent and emphasis of Corporate Social Responsibility Reporting in the top 100 public listed companies in the main board of Bursa Malaysia and to assess the number of companies that abides to any existing CSR Reporting Guidelines such as GRI, Dow Jones Sustainability Index, the ISO 26000 Guidance Standard on Social Responsibility, etc. It also examines the relationship between the level of disclosure and the nature of the company for the year 2012. These companies are divided into sectors such as Construction, Finance, Trading and Services, Industrial Product, Plantation, Infrastructure Project Companies, Consumer, Properties, Real Estate and Technology. This study uses content analysis method to measure the level of CSR reporting in Annual Reports of the top 100 companies. Empirical findings show that only 12 companies published a standalone CSR or Sustainability Report each (6 follow the GRI and 1 DJSI guidelines), 7 published the excerpt of their CSR section from their Annual Report as a standalone report each; 79 reports of CSR in a section of each respective Annual Report (2 follow GRI and 1 DJSI Guidelines) while 2 did not report any CSR activities. Based on the four major quadrants of CSR activities, i.e., community, environment, marketplace, and workplace, analytical results derive the following trend. Majority (i.e., 91.2%) of the top 100 companies in Malaysia have focused on community related activities, which was followed by environmental related activities (85.1%), workplace related activities (78.7%) and marketplace related activities (64.9%). Based on the word count analysis of the CSR reporting, this

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analysis shows that companies tend to publicize more on community related activities compared to workplace and environment, but they gave less emphasis on market place.

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1. Introduction

Corporate social responsibility (CSR) has attracted enormous attention in both developed and developing world especially since early 1990s. Increasingly more and more corporate executives, shareholders, investors, employees and other corporate stakeholders, governmental agencies, non-governmental organizations, inter-governmental organizations are advocating the importance of CSR in contributing to the enhancement of social wellbeing. CSR is not a newly created concept but rather it has evolved in tandem with the progress of modern capitalism, which has transformed from personal capitalism, managerial capitalism, investor capitalism and social responsible capitalism (Henderson 2001).

Henderson (2001) described that personal capitalism centers on corporations established by individuals' money and the owners make corporate decisions with regard to investment, production, sales and other corporate activities. Managerial capitalism became dominant from 1950s. This type of capitalism separates ownership and management hence big corporations are managed by professional directors. Top management of big corporations make decision such as what are the core businesses, how much to invest in research and development, what types of new business to be expanded etc. Overtime, corporate ownership has transformed from individual shareholders to institution shareholders particularly since 1980s. As such, managerial capitalism was shifted to investors-oriented capitalism, in which top manager and board of directors put particular emphasis on more sophisticated corporate governance that delivers the highest shareholder values. The management team that fails to maximize shareholders value is easily replaced by another management team or another chief executive officer, and worst of all, that failed corporation would even be taken over by another company or other institutional investors.

In recent years, social responsible capitalism has caught enormous attention. This mode of capitalism emphasizes more on social needs and corporate's responsibility in responding to those needs than simply on maximizing shareholders value. Henderson (2001) claims that the executive branch of firms concentrates their attentions equally on three aspects, viz., financial reporting, environmental impact of their corporate activities, and social dimensions of their corporate activities vis-à-vis shareholders and other stakeholders. Equally crucial, global concern for world sustainability in recent years, be it in terms of environmental, or social issues, has pushed nations to legalize the act of social responsibility as part of business operations. Under these circumstances, capitalism has increasingly centered on social responsible capitalism.

Although CSR has become an integral part of a company's operations, methods of measuring CSR performances are diverse. For the corporate world, CSR ranges from addressing a single issue to tackling multiple areas of concerned in contributing to the betterment of social wellbeing. Furthermore, the affordability or the intensity of CSR is by and large influenced by a firm's financial capability. CSR activities in most countries are self-determined by individual firm but its CSR policies are regulated by law in order to ensure accountability of the firm's actions vis-à-vis stakeholders like shareholders, employees, suppliers, creditors, governmental agencies and communities. From these perspectives, the assessment of CSR performances is in need of the use of a multi-dimensional metric in which key factors that influence the intensity and also the impact of CSR activities are appropriately gauged. Measuring CSR performances by a multi-dimensional metric is crucial because the assessment assists a firm to draw implications about lessons learned, which in turn are the key to improve its CSR policies and practices to produce more efficient and effective results for a firm to contribute to the enhancement of social wellbeing.

Against this background, this paper attempts to design a conceptual framework that specifies a method for evaluating CSR activities implemented by public listed companies in Malaysia. In this connection, the design is based on five components consisting of domains of financial performance, marketplace, workplace, environment and community. These components were introduced by the Bursa Malaysia in their CSR framework as the guideline for public listed companies to report their CSR activities after it being announced by the prime minister of Malaysia as a mandatory requirement for all public listed companies to report CSR activities in 2007. The CSR components used are basically similar to the components of other CSR models and CSR reporting guideline initiatives that are widely used all around the world.

The rest of the paper is organized as follows. Section 2 gives an overview of CSR reporting in Malaysia as required by the regulatory agency. Section 3 examines related literature with respect to the relationship between CSR and financial performance. Section 4 illustrates the research methodology used is introduced and finally the findings are discussed. The last section concludes the paper.

2. CSR Reporting in Malaysia: Limitation and the Imperative for Assessing CSR Performances

Due to the nature of its people being interwoven with mosaic of different race, religion, beliefs and culture, CSR practices in Malaysia are influenced by the unique characteristics of "Eastern ethnic work ethos" that adhere to religious beliefs and culture as well as it being a seasonal activities such as philanthropic contributions during main religious and cultural festivals. Salleh, Zulkifli and Muhamad (2011) underscore that Malaysian companies and government leaders consider CSR is only doing good to the society through philanthropic contributions. As such, therefore, many Malaysian companies focus especially on CSR programs that have direct impact towards the community. This feature is consistent with empirical evidences derived from many studies on CSR reporting conducted in Malaysia. UNICEF Malaysia (2012) stresses

that companies overly emphasized on their philanthropic activities and their knowledge of CSR is superficial and in need of greater direction and monitoring.

Furthermore, the view and conceptual understanding of CSR are also influenced by the collectivist culture in Malaysian. Instead of a holistic approach in implementing CSR activities, most companies prefer to put emphasis on CSR programs that are of a higher visibility in order to be awarded with recognition given by government and other participating bodies that encourage contributions to the community development and specific areas of environmental concern. Consequently, however, the short term reward from supporting these types of activities produce higher chances of capturing public eyes and hence CSR has become an useful tool for marketing the corporate image.

Aware of CSR importance and benefits, Malaysia has followed suit with other countries in its attempt to promote CSR by imposing a regulation for all public listed companies to report their CSR activities. According to Malaysia's Security Commission, the intent of Bursa Malaysia's CSR reporting requirement is *"that public-listed companies are required to disclose their CSR activities. The Listing Requirements were subsequently amended to impose a new obligation on listed issuers to disclose their CSR activities in their annual reports. The new provisions require the disclosure of the CSR activities or practices undertaken by the listed issuer and its subsidiaries or if no such activities or practices are undertaken, a statement to that effect is to be made in the annual report"*³.

However, since its implementation in 2007, very few companies have taken CSR seriously and most of them merely report their CSR to fulfil the requirement. In other words, most of the public listed companies prefer to produce documentations that explain their CSR contributions instead of taking efforts in attempting to intensify their CSR activities, which could then be reflected in their CSR reports. The Global Reporting Initiatives Guideline (GRI 2012) demonstrates that only a few companies in Malaysia have undertaken more CSR activities after the introduction of reporting requirement⁴. In fact, before 2007, there were studies in early 2000s that stressed Malaysia's CSR practices were at the infancy even though there were numerous initiatives advocated by the government and non-governmental bodies (Rashid and Ibrahim, 2002; and Ramasamy and Ting, 2004).

Such kind of initial condition has indeed become an impediment for enlarging socially responsible contributions from the private sector, so much so that even the mandatory requirement for documenting CSR activities by all public listed companies, the CSR practices are still far behind those of developed countries. From this perspective, it is therefore imperative for a third party, preferably an independent body, to establish another supplementary means to motivate a public listed company to strengthen its CSR contributions—instead of just for the reason of the regulatory requirement in disclosing CSR activities—vis-à-vis the provision of employment, paying tax, making profit and other designated mandates as a profit-seeking entity. Hence this paper attempts to conceptualize a

³ <http://www.sc.com.my/corporate-responsibility/> (accessed 10 September 2015)

⁴ URL: <https://www.globalreporting.org/information/sustainability-reporting/Pages/default.aspx> (accessed 1 October 2015)

methodology to create a metric that measures CSR performances of public listed companies in Malaysia.

3. Literature Review

What is a corporate social responsibility? In order to answer this question, CSR is broken down to two components, viz., “corporation” and “social responsibility.” According to Investopedia, a corporation is defined as “a legal entity that is separate and distinct from its owners. Corporations enjoy most of the rights and responsibilities that an individual possesses; that is, a corporation has the right to enter into contracts, loan and borrow money, sue and be sued, hire employees, own assets and pay taxes. The most important aspect of a corporation is limited liability. That is, shareholders have the right to participate in the profits, through dividends and/or the appreciation of stock, but are not held personally liable for the company’s debts. A corporation is created (incorporated) by a group of shareholders who have ownership of the corporation, represented by their holding of common stock. Shareholders elect a board of directors (generally receiving one vote per share) who appoint and oversee management of the corporation. Although a corporation does not necessarily have to be for profit, the vast majority of corporations are setup with the goal of providing a return for its shareholders. When you purchase a stock you are becoming part owner in a corporation⁵.”

With regard to social responsibility, the Financial Times states that “corporations have a responsibility to those groups and individuals that they can affect, i.e., its stakeholders, and to society at large. Stakeholders are usually defined as customers, suppliers, employees, communities and shareholders or other financiers. The responsibility to society at large may well be identical with the responsibility to its various communities. Many have suggested that corporations have a special “social responsibility” over and above its business purpose. In any case, corporate responsibility consists of earning a license to operate by creating value for stakeholders, including shareholders, and society. Corporate responsibility includes being consistent with ethical principles and conduct such as honesty, integrity and respect for others. By voluntarily accepting responsibility for its actions corporations earn their license to operate in society⁶.”

From these viewpoints, CSR can be defined as the responsibility of a corporation in upholding its *raison de’etre* in maximizing profit on one hand, and shoulders broader responsibilities such as from paying taxes, employment generation to the wellbeing of its stakeholders, society and environment on the other hand. Equally important, identifying the multiple dimensions of CSR is crucial in understanding its complex components, standardizing its measurement, as well as cataloguing improvements to the existing measurements. It is also important to grasp the definition of CSR since it helps to generalize important elements and the main objective of contributing in CSR. The rapid increment of CSR research in the past three decades has made a fair contribution in shaping a refined definition of CSR.

5 <http://www.investopedia.com/terms/c/corporation.asp> (accessed 10 February 2015)

6 <http://lexicon.ft.com/Term?term=corporate-responsibility> (accessed 16 February 2015)

CSR is defined differently by different organizations. The International Organization for Standardization (2010) defines CSR “as the willingness of organizations to consider social and environmental aspects in their decision making,” whereas Bursa Malaysia (2006) defines CSR “is an open and transparent business practices that are based on ethical values and respect for the community, employees, the environment and shareholders that is designed to deliver sustainable value to society at large;” while the Commission of European Union (2011) has redefined CSR—in order to better suit current business practice—as “the responsibility of enterprises for their impacts on society⁷.” Many researchers define CSR as “the integration of environmental, social and economic considerations into an organization’s corporate culture and strategy formulation” (Lee, Fairhurst and Wesley 2009).

CSR is not a newly created concept but Milton Friedman’s (1970, 2007) negative view of investing in CSR—the sole responsibility of a business is to make profit and CSR activities only adds to additional cost—has been well argued by many researchers. Although the proponents of CSR consider Friedman’s view is narrow, they still regard profit making is still the most important goal of any businesses. CSR proponents are certain of rather than rejecting CSR, companies should embrace CSR in their daily operations because many studies have shown that there is a statistically significant positive relationship between CSR and corporate financial performance (Ekatah, Samy, Bampton and Halabi, 2011; Raza, Ilyas, Rauf, and Qamar, 2012; Karagiorgos, 2010; Peters and Mullen 2009). Noting the positive impact of CSR towards financial performance, empirical evidences show that the reverse relationship also holds because financial performance is seen as equally important and act as a determinant for a company’s ability to voluntarily contribute to CSR activities.

Moreover, studies have substantiated that investing in CSR not only improves financial performance of companies but it also plays an important role in attracting and retaining highly talented people (Knowlton 2002, Simms 2002) as well as in establishing positive relations with stakeholders through its ability of projecting good brand image (Salleh, Zulkifli and Muhamad, 2011). CSR is also viewed as a distinct strategy used by companies to develop their competitive advantage for a long-term benefit. As cited by Peters and Mullen (2009), depending on the company’s strategy in implementing their CSR be it the strategy of attaining a quality workforce, enhancing firm reputation or lowering financial risk, investing in CSR is in the long-term rewarding and it enhances competitive advantage that enables them to surpass or to converge to becoming the market leader.

The underlying rationale for promoting CSR is widespread throughout the world regardless of the local conditions. However, World Business Council for Sustainable Development (WBCSD, 1999) underlines that there is no unified standard that fits all in implementing CSR practices because those executions and also perceptions that influence the execution are strongly influenced by local factors such as culture, religion, government, legal framework and the like. In fact, many studies have shown that the perception and practice of CSR vary across places, people and time (for instance WBCSD, 1999; Campbell, 2007). From this

⁷ http://ec.europa.eu/growth/industry/corporate-social-responsibility_en (accessed 20 September 2015)

perspective, if a multi-racial society in Malaysia was compared to a homogeneous society like in Japan, even the rationale for promoting CSR in both societies are similar but their perception and practice of CSR certainly vary from each other. A multiracial society in Malaysia has a great deal of variety in terms of religion, belief, culture and customs, and hence the objective of CSR activities and their practices are to a large extent influenced by these local factors. For this reason, while the promotion of CSR has intensified in many countries, but the extent of CSR activities varies considerably across countries.

The intensity of CSR activities of a firm is, to a certain extent, correlated to the firm's financial performance. Earlier studies show that a firm has to achieve an affordable level of financial performance in order to allocate needed resources to CSR activities (Ullman 1985). Although a firm's financial affordability is the crucial driver of its CSR activities but it does not guarantee the best practice of CSR. Similarly, the impact of CSR is neither directly influenced by the volume of a firm's resources allocated for social needs. For these reasons, opponents of CSR assert that a corporate's expenditure in promoting social beneficial activities does not bring economic return that maximizes the shareholder value. This contention contradicts the views of CSR proponents.

4. Conceptualizing a Multidimensional Construct for Measuring CSR Performances

This study contends that there are three different levels of exposition for enhancing CSR. The first layer is related to factors that underpin why a company wants to undertake CSR activities. Although the method and intensity of CSR activities vary across countries and the level of economic wellbeing but the objective of CSR is by and large quite similar across countries irrespective of living standards. Presently there is a wide spectrum of common principles and guidelines that many companies around the world track to frame their CSR's objective, which in turn determines their focus. Internationally recognized principles and guidelines include those formulated by "OECD Guidelines for Multinational Enterprises," "the Global Reporting Initiatives Guideline (GRI)," "the Ten Principles of the United Nations Global Compact," "the ISO 26000 Guidance Standard on Social Responsibility," "the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy," and "the United Nations Guiding Principles on Business and Human Rights⁸." According to these principles and guidelines, CSR at least covers human rights, labor and employment practices (such as training, diversity, gender equality and employee health and wellbeing), environmental issues (such as biodiversity, climate change, resource efficiency, life-cycle assessment and pollution prevention), and combating bribery and corruption. Community involvement and development, the integration of disabled people, and consumer interests (including privacy), are also part of the CSR agenda. The promotion of social and environmental responsibility through the supply chain and the disclosure of non-financial information are also integrated as crucial cross cutting

⁸ Cited in <https://www.globalreporting.org/information/sustainability-reporting/Pages/default.aspx> (accessed 20 September 2015)

issues.

The second layer of exposition is pertained to the question of how to implement CSR activities. In order to be consistent with the objective of CSR, a company has to define its mission in promoting CSR. On that basis, a company has to conduct a needs assessment so that CSR activities can deliver desired outcome that fulfills the intent of CSR. Those appropriately identified needs in turn are useful for formulating the company's CSR strategy.

The followings are two examples for illustrating the essence of this layer of exposition. A simple approach is to provide donation to a community or an organization or a group of like-minded people for supporting the betterment of social wellbeing through activities such as education, environmental protection, community enhancement or related programs that lead to the achievement of a donor's objective of CSR. A more sophisticated approach is a joint collaboration between a company and a partner (or partners) that represents the interest of target beneficiaries. For the company, the partnership includes contribution of skills and expertise through the employee volunteering or the provision of equipment and the like. In fact, volunteering by an employee has become popular as a means of CSR contribution. Recently, the EU Commission has adopted a communication on policies and volunteering in which it acknowledges the employee volunteering as an expression of CSR instead of unpaid works.

The third layer of exposition deals with the measurement of CSR performances. By and large, CSR performances are voluntarily evaluated by utilizing CSR reports. There are several guidelines of CSR reporting that companies can refer to in reporting their CSR. In general, a report disclosing CSR activities must at least meet the following conditions: ensuring the transparency of CSR activities; demonstrating the genuine attempt to be accountable to all key stakeholders; covering both negative and positive impacts on society and environment; furnishing the detailed impacts on communities and the environment which are material to key stakeholder groups. This practice has a serious deficiency in terms of comparative assessments. Therefore it is of an utmost importance to establish a metric encompassing several key dimensions that influence CSR performances. As such, this study attempts to establish a multi-dimensional index in order to provide a holistic outcome based approach in measuring companies' active contributions in their socially responsible activities. This metric can be used to provide useful guidances in enhancing the competitive advantage for companies by disclosing their ranking and progress in social responsibilities, allowing consumers to have the upper hand in directing the market by having the power to weigh the pros and cons of their consumption decisions. It also allows companies to benchmark themselves against other companies and work on improving their social responsibility for better gains (Abdifatah, Nazli Anum, 2013).

5. Conceptual Model

CSR initially is a form of voluntary activities by the owner of a successful company. As the competition in the market place becomes intense, business activities tend to bring a lot of negative externalities. In order to reduce these externalities as well as to gain back public trust, CSR was later considered as one part of business activities. Some of the activities are carried out

as the company's responsibility rather than the voluntary activity. With increasing consumer awareness on socioeconomic sustainability, CSR activities are expected to affect consumers in making their decisions. Hence CSR disclosure by the company is seen as a new element that influences their performance. Figure 1 illustrates the conceptual model of this study. Based on the four components of CSR activities, this is useful to analyze the effect of CSR disclosure on company performance.

For this purpose, this study adopts the word count approach to analyze the CSR reports documented by companies in their annual report. However, as the nature of business is different across various sectors, this study intends to analyze their CSR activity disclosures in each different sector. This analysis also aims to examine the dominant type of CSR components across different industrial sector.

6. Empirical Evidences

To measure the extent of CSR reporting in Malaysia, we have conducted descriptive analysis of 100 Top Public Listed Companies in the main board of Bursa Malaysia for year 2012 and 2013. The analysis of larger firms is important because they have greater public visibility and higher impact on the society and thus tend to respond to the public pressure (Zainal, Zulkifli and Saleh, 2013).

Data sets being used for the analysis are selected from each company's annual report, company website, and CSR report or sustainability report. In this study, content analysis is used to examine CSR reporting. This method has been widely used in previous studies that examined CSR reportings [see Zainal, Zulkifli and Saleh, 2013; Zakaria and Dewa, 2010; Lee, Fairhurst and Wesley, 2009]

In order to derive empirical evidences to support the proposed conceptual framework, this

Figure 1 Conceptual Framework



Table 1 Descriptive analysis

Sectors	No of Company	Reports CSR in Annual Report	Reports in Standalone CSR Report	Standalone Report Part of Annual Report	Follows Universal CSR Reporting Guideline
Construction	4	4	1		1
Consumer	13	11	6		2
Finance	13	12	4	1	2
Industrial Product	9	9	1		
Infrastructure Project Company	4	3			1
Plantation	11	11			
Properties	8	7			
Real Estate Investment Trusts	4	4	1	1	
Technology	1	1			
Trading / Services	33	30	6		5
Grand Total	100	92	19	2	11

Table 2 Correlation results

CSR Dimension		Market Value	Community	Environment	Marketplace	Workplace
Community	Pearson Correlation	0.195				
	Sig.	0.064				
	N	91				
Environment	Pearson Correlation	0.132	.478**			
	Sig.	0.213	0			
	N	91	91			
Marketplace	Pearson Correlation	0.195	.569**	.474**		
	Sig.	0.065	0	0		
	N	91	91	91		
Workplace	Pearson Correlation	0.063	.416**	.527**	.659**	1
	Sig.	0.554	0	0	0	
	N	91	91	91	91	91

** Correlation is statistically significant at the 0.01 level

There is no significant relationship found between CSR components and corporate financial performance.

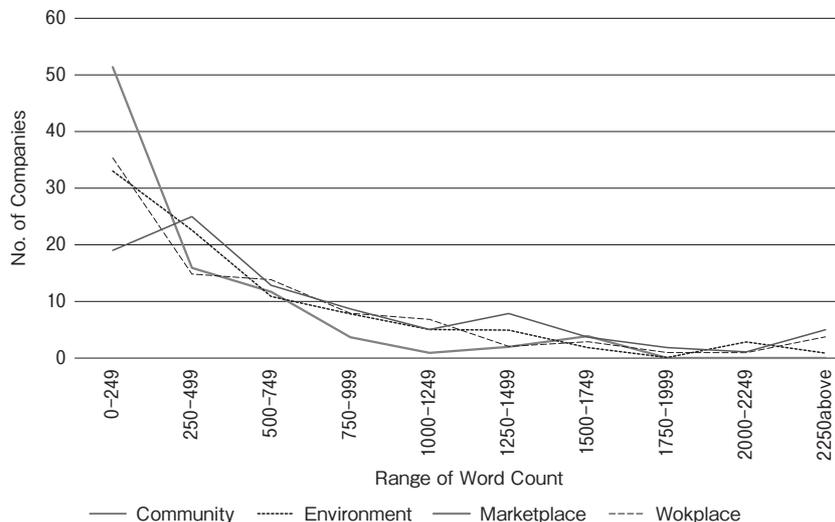
study uses content analysis method to measure the level of CSR reporting in Annual Reports of the top 100 companies. It is found that only 12 companies published a standalone CSR or Sustainability Report each (6 follows the GRI and 1 DJSI guideline), 7 published the excerpt of their CSR section from their Annual Report as a standalone report each; 79 reported CSR in a section of their Annual Report each (2 follow GRI and 1 DJSI Guideline), while 2 did not report any CSR activities. Based on the four major quadrants of CSR activities, i.e., community, environment, marketplace, and workplace, the findings derive the following trend. Majority (i.e., 91.2%) of the top 100 companies in Malaysia have focused on community related activities, follows by environmental related activities (85.1%), workplace related activities (78.7%) and marketplace related activities (64.9%). Based on the word count analysis of the CSR reporting, the result shows that companies tend to publicize more on community related activities compared to workplace and environment, but less emphasis on marketplace.

Corporate Social Responsibility in Malaysia

Table 3 Word count of CSR components across various sectors

Sector	CSR	0 -249	250 -499	500 -749	750 -999	1000 -1249	1250 -1499	1500 -1749	1750 -1999	2000 -2249	2250 above	Grand Total
Construction	Community			1	1		2					4
	Environment	1	2				1					4
	Marketplace	2	1	1								4
	Workplace		1	1		1			1			4
	Total	3	4	3	1	1	3	1				
Consumer	Community	3	5	2	1							11
	Environment	4	3	2	2							11
	Marketplace	9		1	1							11
	Workplace	6	2	2		1						11
	Total	22	10	7	4	1						
Finance	Community	1	3	3		1	1	1			2	12
	Environment	8	1	2	1							12
	Marketplace	4	3	2			1	2				12
	Workplace	3	4	1		1	1		1		1	12
	Total	16	11	8	1	2	3	3	1		3	
Industrial Product	Community	1	2	2	1	2	1					9
	Environment	1	2	1	3		1	1				9
	Marketplace	3	3	2				1				9
	Workplace	1		4	1	2		1				9
	Total	6	7	9	5	4	2	3				
Infrastructure	Community	2	1									3
	Environment	2	1									3
	Marketplace	2	1									3
	Workplace	2	1									3
	Total	8	4									
Plantation	Community	1	4	3	2		1					11
	Environment	3	2			3	1			1	1	11
	Marketplace	6	4			1						11
	Workplace	5	1	2	1	1					1	11
	Total	15	11	5	3	5	2			1	2	
Properties	Community	2	1				1	1	1		1	7
	Environment	2	2	1			1			1		7
	Marketplace	3		2	1		1					7
	Workplace	3	1		2		1					7
	Total	10	4	3	3		4	1	1	1	1	
Real Estate	Community	2	2									4
	Environment	1	1	1	1							4
	Marketplace	3	1									4
	Workplace	2	1	1								4
	Total	8	5	2	1							
Trading/Services	Community	7	7	2	4	2	2	2	1	1	2	30
	Environment	11	9	4	1	2	1	1		1		30
	Marketplace	20	3	4	2			1				30
	Workplace	14	4	3	4	1		1		1	2	30
	Total	52	23	13	11	5	3	5	1	3	4	

Figure 2 CSR disclosure of top Public Listed Companies by word count



7. Summary and Conclusions

From the findings, we can conclude that firstly, most companies do not provide any financial reports pertain to their CSR activities. Secondly, most of the companies report less than 750 words for each dimension, which means the length is equivalent to a page or so. Thirdly, the length of the report for each dimension is equally written and the content has mostly explained the concern and what each company has wished to do rather than indicating what CSR activities each company is currently doing. However, it has to be cautious to note that measuring CSR contribution by word count may not necessarily reflect specifically the level of CSR contribution accurately.

However, due to the lack of standardized reporting of CSR, word count is considered as the popularly used approach and it is taken as a feasible method to evaluate CSR reporting. The current CSR reportings being practiced by most companies in Malaysia are seen to be in a relatively slow progress compared with other developing countries. The gap, as mentioned earlier, is caused by the lack of awareness and incentive to promote and to motivate organizations in contributing proactively in CSR activities as well as CSR reportings. There are a wide spectrum of ways for organizations to support CSR activities, yet many have chosen to focus their CSR contribution towards philanthropic activities because of the reward to be gained from exposures and incentives to be generated in this area. Government and NGOs must work together in promoting all areas of social responsibility and sustainability. The analysis in this study has clearly illustrated that a standard pattern has to be established so that it increases the importance of reporting financial and non-financial implications of CSR activities.

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