

THE EXTENT OF ONLINE CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE: THE MALAYSIAN CONTEXT

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Abstract

Online CSR Disclosure (OCSRDR) provides timely information as it meets stakeholders' demands for greater speed and volume of information disclosure. However, this reporting method is under-utilized as it is voluntary and non-mandatory. The aim of this study is to investigate the current extent of OCSRDR among public listed companies in Malaysia, with particular reference to "community", "workplace", "marketplace" and "environment" disclosures. It seeks to explore the variations in OCSRDR by using a disclosure index. In investigating this issue, 100 corporate websites from top Malaysian public listed companies ranked according to their revenue values as of 31st December 2015, were examined, checked against a CSR checklist. The results show that Malaysian companies' extent of OCSRDR is low and the majority of companies do not fully utilize their websites to disseminate CSR information, although all the companies have their own websites. This study contributes to knowledge and extend the literature in CSR/sustainability and disclosure studies. It has comprehensively captured the level of disclosure and specific CSR items currently being disclosed in Malaysia. Additionally, it offers a newly developed disclosure index containing 60 items, including four newly discovered items which have not been employed before in prior studies

Keywords: online, disclosure, corporate social responsibility

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Introduction and Research Aim

Online CSR Disclosure (OCSRDR) which is CSR reporting via the internet, has emerged voluntarily from many large companies worldwide. It involves communicating any CSR/sustainability information via the internet, particularly on websites (Amran, 2012; Branco & Rodrigues, 2006; Chapple & Moon, 2005). However, many companies are not fully utilizing and leveraging this web-based application in their reporting and information disclosure practices. Previous literature shows that the use of only the annual report for measuring disclosure provides a distorted picture of CSR practices within companies (Haji, 2013; Rouf, 2011). Nonetheless, most companies are still using only the conventional annual reports to disclose corporate information. In Malaysia for instance, companies are not

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leveraging their existing ICT facilities to the full advantage. As a result, it is found that the findings in a study in the year 2012 (Che Hassan et al., 2012) reveals similar results with a study in the year 2005 (Hamid, 2005) which indicates that for eight years, the use of the internet has not been fully utilized and is still low for CSR information disclosure. In fact, this also reflects that there has been little or no improvement in OCSRSD in Malaysia.

Elsayed (2010) highlights that in directing attention to the changes in the information technology, emerging markets have begun to execute some reforms to implement good corporate governance systems and fulfil the required disclosure and transparency needs. Malaysia as an emerging market is not losing out on this for the Malaysian government has launched a mandatory requirement of CSR reporting to improve corporate reporting and disclosure requirements while *Bursa Malaysia*, the Malaysian stock exchange has developed an Environmental, Social and Governance (ESG) index for the Malaysian market. The index, launched on 22 December 2014, supports investors in making ESG investments among the Malaysian listed companies, to increase the profile and exposure for companies with leading ESG practices, to encourage best practice disclosure and to help the transition to a lower carbon and more sustainable economy (*Bursa Malaysia*, 2015). This demonstrates the significance and timeliness of OCSRSD as this online communication fulfils the demands of investors and other stakeholders for more and faster, data as well as information about responsible and sustainable companies.

The purpose of this paper is to provide a clear picture about the current practice of OCSRSD and its components in the Malaysian context. By doing so, it seeks to find out to what extent the websites of the Malaysian public listed companies reflect CSR information disclosures. It attempts to answer the following research questions: 1) What is the current level of OCSRSD among the Malaysian public listed companies?; 2) What are the kinds of CSR information disclosed on the websites of the Malaysian public listed companies?; and 3) What are the most and the least disclosed CSR information on the websites of the Malaysian public listed companies?

Since the use of online CSR communication has been noted to be generally low, this study would be useful to organizations and statutory bodies in Malaysia to take into consideration online communication that may enhance CSR disclosure practices. The government, regulators and corporate players can determine how important it is that a company is able to sustain their resources but at the same time is able to communicate better with their stakeholders by disseminating information digitally on the internet such as using companies' websites.

This paper is organized into several sections. The first section provides the literature review. The subsequent section outlines the research method, consisting of the disclosure index and its reliability. This is then followed by the evaluation of Malaysian companies' websites to determine the extent of OCSRSD and its components. Subsequently, this is followed by the contributions and implications, and finally, the conclusions and recommendations for future studies.

Literature Review

Researchers have documented varying CSR disclosure practices by firms both within a particular country and across countries over time (Bowrin, 2013; Haniffa & Cooke, 2005). Researchers use descriptive analysis to offer a general overview of the current state of online CSR reporting and disclosure in different countries. As an example, in order to have a full picture of CSR online communication of SMEs in Finland, Lakatos et al. (2012) analyse the availability of companies' websites and the manner companies communicate CSR activities on the websites. Similarly, Moreno and Capriotti (2009) look at CSR communication on corporate websites in order to analyse the way in which top Spanish companies communicated their CSR practices. They found that the web has become an essential instrument for the communication of CSR issues, although its use was limited to certain content.

Subsequently, the majority of prior studies concentrate on the level or extent of internet CSR disclosures. These studies include Sobhani et al. (2012), Rouf (2011), Amran (2012), Che Hassan et al. (2012), Haji (2013) and Bowrin (2013). Bowrin (2013) examines OCSR of public listed Caribbean companies and discovered that the level of disclosure in the Caribbean was relatively low. In most studies it is also revealed that the highly disclosed CSR theme is community issues (Branco & Rodrigues, 2006; Che Hassan et al., 2012; Moreno & Capriotti, 2009). Although these studies view the presence (level of disclosure) of CSR information on the website as an essential place to diffuse CSR information, it is inadequate.

Since most annual reports become readily available on corporate websites, most prior studies focus more on CSR disclosure practices using the annual reports than the websites. These include Thompson and Zakaria (2004), Ghazali (2007) and Haji (2013). This is probably due to the fact that annual report is considered an official and audited document of a company, hence, the credibility and the accuracy of the information contained in the annual report would be highly reliable than the ones published on the website itself.

Similarly, Branco and Rodrigues (2006) investigate the communication of CSR by Portuguese banks to see whether the Portuguese banks used their websites as a medium to disclose CSR information. They found that Portuguese banks attributed more emphasis on annual reports than on internet reporting. Sobhani et al. (2012) examine the status of CSR disclosure practices in the annual reports and corporate websites of the banking industry in Bangladesh. They discovered that the annual report surpassed the corporate website in the disclosure of all categories of CSR disclosure practices.

Prior studies have examined the practice of OCSR in different countries. In recent years, there has been a substantial advancement in this reporting practice in the developed countries including United States, United Kingdom, Continental Europe and Australia. Among the European countries, studies are conducted in Portugal (Branco & Rodrigues, 2006), in Spain (Moreno & Capriotti, 2009) and Finland (Lakatos et al., 2012). In the Middle East, researches have been done in Egypt (Elsayed, 2010). Studies have also been conducted in the Asian countries, such as Malaysia (Amran, 2012; Ghazali, 2007; Haji, 2013; Said et al., 2009) and Bangladesh (Rouf, 2011; Sobhani et al., 2012). Some studies not only examine OCSR across countries but compare them. As an example, Chapple and Moon (2005) investigate CSR website reporting in seven Asian countries which include India, Indonesia,

Malaysia, the Philippines, Singapore, South Korea, and Thailand. The study reveals that OCSR practices do vary considerably among countries. Nonetheless, studies on OCSR in the emerging markets and developing countries are still scarce, thus, such studies in the Malaysian context is important.

Related disclosure studies in Malaysia

A review of previous studies show that there are a growing number of studies that focus on comprehensive reporting in developed countries, however studies in developing countries such as Malaysia are still scarce (Ismail & Abu Bakar, 2011). Empirical studies have demonstrated an increasing trend of CSR disclosures in Malaysia (Esa & Ghazali, 2012; Haji, 2013; Haji & Ghazali, 2012; Haniffa & Cooke, 2005). This indicates that CSR disclosure development in Malaysia are in the emerging stage.

However, the OCSR practice in Malaysia is still in its infancy level with low incidences of reporting and the disclosures are mainly descriptive in nature (Amran, 2012; Che Hassan et al., 2012). A number of studies emphasize on the state of CSR disclosure in Malaysia (Amran, 2012; Che Hassan et al., 2012; Ghazali, 2007; Haji, 2013; Haniffa & Cooke, 2005). Prior studies either specifically examine the extent of disclosure on the annual reports (Ghazali, 2007; Saleh et al., 2010; Thompson & Zakaria, 2004) or website reporting (Chapple & Moon, 2005; Che Hassan et al., 2012). Said et al. (2009) expanded their study to include both annual reports and website reporting. Similarly, Amran (2012) explores both OCSR on annual reports and financial reporting. Both studies conclude that the adoption of online mechanism to report CSR is still low among the Malaysian companies.

The low level of CSR disclosure is due to lack of government and public pressures, lack of perceived benefits and the widely held view that companies do not affect the environment (Thompson & Zakaria, 2004). Amran (2012) supports that Malaysian companies are involved in CSR disclosures because of the pressures from the government. Government interventions may generate pressures for companies to disclose additional information because the government is a body that is trusted by the public (Said et al., 2009). The influence on foreign business partners is also seen as a contributory factor for engaging in CSR disclosure (Saleh et al., 2010). Other possible reasons why CSR disclosure in Malaysia is still low are the lack of legislation on OCSR and the perception of companies that they will not receive any benefit from the investor or the community.

Methodology

Sample

Previous literature provides consensus that large companies are generally good reporters (Hackston & Milne, 1996; Patten, 1992). This study examines the top 100 companies listed on *Bursa Malaysia*, ranked according to their revenue values as of 31st December 2015, the most up-to-date source of information available at the time the study is initially conducted. The sample is used for two reasons: first, it is anticipated that large firms would be more likely to have the resources to implement reporting on websites (Chapple & Moon, 2005) in which only companies in Malaysia endowed with ample financial resources tend to invest in CSR disclosure using the internet (Che Hassan et al., 2012). Second, it is also anticipated that large companies would face greater political and public pressures than

small companies due to the resources and profits generated. It is decided to focus on these types of companies because actively traded and large companies are more in the public eyes and therefore can be expected to engage in some socially responsible activities (Ghazali, 2007). Thus, CSR issues should be more prominent in large companies than they would be in smaller companies.

Disclosure index

This study employs a newly developed disclosure index of 60 items based on the frameworks of previous studies (Bowrin, 2013; Branco & Rodrigues, 2006; Che Hassan et al., 2012; Esa & Ghazali, 2012; Ghazali, 2007; Haji, 2013). The index is developed based on four CSR dimensions proposed by *Bursa Malaysia*, the stock exchange of Malaysia. After going through a series of revisions and amendments, the finalized version of the disclosure index encompasses 16 items on “Community”, 18 items on “Workplace”, 11 items on “Marketplace” and 15 items on “Environment”.

The community items consist of various CSR initiatives for the public including activities with the communities where the companies are operating. The workplace items indicates the kinds of CSR initiatives the companies provide for their workforces and employees. The marketplace depicts CSR initiatives for specific groups of stakeholders, for example, the suppliers, customers and vendors. The environment reflects the initiatives for conserving the environment. In addition, items unique to the Malaysian setting, for example, a special school adoption program called *Pintar* Programme and Leadership programs for aspiring employees are added to the new index.

This study uses a self-constructed checklist as a research instrument to determine the extent of OCSRSD in the Malaysian context. Both OCSRSD and its main components are measured by unweighted disclosure indices which rely on a dichotomous approach. By describing the frequencies of OCSRSD and its components for the Malaysian public listed companies, a better understanding could be obtained about the extent of OCSRSD, which would demonstrate the greatest number of disclosed items via the company’s website and those businesses with the highest and fewest disclosed items. Determining the level of OCSRSD may also help the Malaysian public listed companies understand the items which should be of more concern in satisfying the various needs of stakeholders.

Assessment of CSR categories reliabilities

The reliability of the CSR categories is tested statistically. One of the most common measures of reliability is the measure of internal consistency test. Internal consistency means the degree to which all items work together and measure the same underlying attributes which can be commonly measured using the Cronbach alpha coefficient in which values range from zero (0) to one (1), with higher values indicating greater reliability. Table 1 shows that the values of Cronbach alpha of all the disclosure categories are at least 0.70. This means that the disclosure items within each group of disclosure are correlated and the item groups are reliable. This also indicates that the CSR items in the disclosure index are acceptable as all the items are consistent and measure the same underlying attributes.

Table 1: The results of reliability test for each disclosure category

	N of items	Cronbach alpha
1 st category: Community	16	0.874
2 nd category: Workplace	18	0.824
3 rd category: Marketplace	11	0.689
4 th category: Environment	15	0.893
Total	60	0.932

Identifying keywords associated with CSR

According to Baele (2012), the condition for CSR reporting is the presence of a distinct section on the company’s website dealing with the topic of CSR. Sections that are considered as dealing with CSR are headed “sustainability”, “corporate social responsibility”, “corporate responsibility”, “sustainable development” or other headings relating to similar topics. The information provided on the websites should only be considered as CSR reporting, when the company itself perceived it as CSR reporting in which case this is done by having specific sections in the corporate website dedicated to the CSR topic. The reason for this is that companies should only be taken into account when they really have the intention to report on CSR topics (Baele, 2012). However, for the purpose of this study, the entire website and web-pages are examined. All website links are followed except for online copies of the annual reports as well as online copies of stand-alone reports. This practice is consistent with that of a study by Che Hassan et al. (2012).

Table 2: Keywords associated with CSR

Category	Keywords
CSR strict	Corporate social responsibility, CSR, Corporate responsibility, CR, Social responsibility
CSR synonyms	Sustainability, Sustainable, Citizenship, Ethics, Stakeholder, Triple Bottom Line, Stewardship
Compliance and compliance related terms	Compliance, Governance, Business conduct
CSR related terms	Health, Safety, Environment, Community, Diversity, Inclusive, External, Relations, External affairs, Philanthropy, Green, Renewable
Others	Achievement, Awards, Accolade, Career, Work, Milestone, Press, Media, Investor Relations, Investors, About Us

In this study, the word “CSR” is used as an “umbrella term” following the work of Strand (2013). This is to minimize confusion and ambiguity as well as to support the data collection process from the 100 websites of the companies. Strand (2013) in his study constructed four distinct categories of keywords which are: “CSR strict”, “CSR synonyms”, “Compliance and compliance related terms” and “CSR related terms”. Accordingly, five categories with associated keywords are developed, following the work of Strand (2013) but with the addition of a new category “Others”. This newly developed category is assigned for other CSR related keywords that could be found in the websites of the Malaysian companies

for example in the web pages of “achievement”, “awards”, “accolades”, “careers”, “work with us”, “milestone” and “press release”. The list of the keywords is listed in Table 2.

Results and Discussion

Figure 1 illustrates the proportion of Malaysian companies with and without CSR section in their corporate websites. It is revealed that most public listed companies in Malaysia (82%) have a specific section on CSR in their corporate websites, while the rest (18%) do not have any CSR section in their websites. This is consistent with a study by Moreno and Capriotti (2009) in which more than half (68.6%) of the companies studied in Spain have a specific CSR section on their websites.

The extent of disclosure

The percentage score is calculated for each company by dividing the actual number of items disclosed by each company by 60 which is the maximum number of items applicable to the companies and multiplying them by 100. Therefore, a company which have all the items on its website would achieve 100% and a company which have less items would achieve a score less than 100%. Although this information is non-financial, nevertheless it would help stakeholders in making investment decisions. Table 3 summarizes the results while Table 4 shows the frequency distribution of the disclosure scores between the companies.



Figure 1: Proportions of Malaysian companies' websites

Table 3: Summary of the disclosure scores

Mean (%)	S.D. (%)	Median (%)	Min. (%)	Max. (%)	Range (%)
36.47	20.45	37	2	87	85

Table 4: Frequency distribution of online CSR disclosure between companies

Disclosure score (%)	Frequency (no. of companies)	Percent (%)
Less than 10	14	14
10-20	10	24
20-30	11	35
30-40	20	55
40-50	16	71
Greater than 50	29	100
Total	100	

As seen in Table 3, the highest and lowest scores are 87% and 2%, with a range of 85%. This indicates that there is a big gap between the companies which disclosed the highest level of CSR information on the website compared to the company which disclosed the lowest level of CSR on its website. Ultimately, of all the 60 items in the disclosure index, at least one item is disclosed as represented by the companies having the lowest OCSR score.

Table 3 above shows the mean disclosure which reveals that on average, a company disclosed only 36.5% CSR information on the websites. Likewise, this indicates that the level of OCSR is below 50%, implying that the Malaysian public listed companies do not fully utilize the internet capability, specifically their own corporate websites to disseminate CSR information to their stakeholders. Table 4 equally shows that there are only 29 out of 100 companies (29%) that have disclosure scores of 50% or more. This confirms the preceding result in Table 3 denoting that not all companies in Malaysia are using the website to its fullest capacity to disclose CSR information. As a result of this, there is a considerable variation in the level of OCSR between companies which are clearly shown in Table 4 indicating the differences in the level of disclosure between companies in Malaysia.

Evaluation of disclosure item groups

It is shown previously that the Malaysian companies disclosed at least one CSR item in their corporate websites. However, this is inadequate as it reflects a very low disclosure level. Therefore, further examination was carried out to identify the extent of disclosure for each of the CSR disclosure categories. Such an item-by-item analysis provides a tool to evaluate the disclosure practices among companies and at the same time highlights the items which should be of more concern in satisfying the various needs of stakeholders. The next subsections will discuss the grouping of the disclosure index and the extent of disclosure for each group which constitute the disclosure index.

In evaluating each of the disclosure categories (item groups), comprising community, workplace, marketplace and environment, the level of disclosure is measured through item-wise disclosure. A disclosure index for each of the disclosure category is calculated as the number of items that are actually disclosed divided by the total number of items on the each score-sheet (Ismail & Abu Bakar, 2011; Sobhani et al., 2012). The study identifies how many items are disclosed by each disclosure theme or category as designated by the scores obtained in the research instrument (Cooke, 1998; Sobhani et al., 2012). Therefore, a disclosure index

close to one (1) would signify that almost all the items are disclosed while a disclosure index closed to zero (0) would mean that less items are disclosed. Mean disclosures are calculated as the number of items disclosed divided by the number of companies (Ismail & Abu Bakar, 2011; Sobhani et al., 2012). This helps to identify the average score for each company based on the disclosure categories.

Table 5: The extent of disclosure of each group

Disclosure category (group)	Community	Workplace	Marketplace	Environment
No of items	16	18	11	15
Score obtained	626	540	530	493
Percentage	28.6	24.7	24.2	22.5
Mean score	39.1	30	48.2	32.9
Maximum score	54	63	83	62
Minimum score	21	10	16	11

Table 5 reveals the extent of disclosure for each of the CSR categories and it is revealed that much of the disclosed CSR information is related to community issues whereas environmental issues are the least disclosed. The results revealed that 28.6% of the CSR information disclosed on the websites revolved around community issues, followed by 24.7% related to workplace issues, 24.2% related to marketplace issues and 22.5% related to environment issues. The detailed item-wise disclosure of CSR information of the public listed companies in Malaysia is presented in the subsequent table.

Table 6: The extent of disclosure for each of the disclosure category

CSR disclosure category (N=100)	Community	Workplace	Marketplace	Environment
Total score	626	540	530	493
Mean disclosure	6.26	5.4	5.3	4.93
Standard deviation in disclosure	10.26	15.33	24.02	12.28
Disclosure index	0.1	0.09	0.09	0.08

Table 6 shows four different groups of CSR disclosure items. The first group included all items related to the community. The community element of CSR encourages companies to balance business and societal needs. The community dimension of CSR is related to the impact of an organization on the community within which it operates. This can be implemented in investing in community initiatives to improve lives, creating meaningful impact to the society and the communities involved. In this study, information disclosures of community agendas are represented by 16 items. Out of the 16 items associated with community development, “providing relief to victims of natural disasters or war” is the most disclosed information by the companies in Malaysia, followed by “sponsorship of educational conferences, seminars or art exhibits”. “Adopting or maintenance of old age homes, homes for the poor, underprivileged, single parents, disabled or orphanage” are the least reported information on the websites of the companies. The community disclosure index indicates a score of 10% of the CSR items have been disclosed on the corporate websites by the public listed companies. Generally, out of the 16 community-related items, Malaysian companies disclosed about 6 items on their websites.

As responsible employers, companies should strive to ensure that the workplace is safe, supportive and nurturing as well as reward achievements and balance work-life of employees. The result reveals that employee trainings are the most widely disclosed information on the websites pertaining to workplace issues, followed by information on promoting employee safety, physical or mental health. The least disclosed information is on staff accommodation. This is evident by the fact that out of 100 companies studied, only 10 companies in Malaysia disclosed this type of information in their websites. The disclosure index for workplace indicates that only 9% of the overall CSR items have been disclosed on the corporate websites. Moreover, the finding reveals that on average Malaysian companies published about 5 workplace disclosure items on their websites.

The third category is the marketplace which contains elements of CSR initiatives aimed at creating a better place for consumers, buyers, sellers, suppliers, vendors and many more. Table 5 depicts 11 items related to the marketplace dimension of CSR. Out of these items, the most highly disclosed information is about disclosing improved procedures in the processing and preparation of products. The second highest information is on green products, followed by information on developments related to the company's products including its packaging such as making containers reusable. Items such as information about consumer complaints or satisfaction and other types of feedback are the least reported on corporate websites. The marketplace disclosure index indicates that 9% of the CSR items from the checklist, have been disclosed whereas the mean marketplace disclosure is 5.3. This reveals that on average the companies in Malaysia published about 5 marketplace disclosure items on their websites.

“Environment” issue concerns the environmental sustainability of an organization particularly its impact on living and non-living natural systems including land, air and water. Items regarding conservation of natural resources such as rivers, recycling glass, metals, oil, water, paper, and using recycled materials are the preferred areas of CSR disclosure. However, issues on water and environmental studies or environmental surveys are the least preferred items to be disclosed on the Malaysian companies’ websites. As depicted in Table 6, the environmental disclosure index indicates that only 8% of the overall CSR disclosure items are disclosed on the websites, which is the least disclosed compared to the rest of the disclosure categories; community, workplace and marketplace. Although it is not a popular issue to be disclosed online by the Malaysian companies, the result suggests that on average the Malaysian companies are disclosing about 5 items on environmental issues on their websites.

Contributions and Implications

This study provides evidence on the current status quo of OCSR in one of the emerging economies, Malaysia. It extends CSR/sustainability and disclosure literature by contributing to the practice of OCSR in a developing country with Malaysia as the focus of the study. Although the literature on this practice is growing, studies on Malaysia are still scarce. This study also adds to the literature on the utilization of internet technologies, which may be used to measure the extent of companies demonstrating CSR on the internet. It highlights to what extent the Malaysian companies disclosed CSR information on their websites. The findings might be of interest and useful to regulators, professional bodies and

investors at local and international levels, as well as regulators of other countries which have similar profiles to Malaysia.

The different levels of OCSR D among the public listed companies reflect companies' commitment and readiness to adopt the online reporting as part of their business processes. It was clearly evident from this research that the Malaysian companies are not fully committed and are not yet ready. A possible cause for this is that such reporting method is voluntary and not mandatory in Malaysia. Hence, companies hesitate to employ it as part of their business process and part of their CSR strategy. Policy makers such as *Bursa Malaysia* and governmental bodies should set new reporting regulations for companies to encourage them to use this reporting method.

This research makes an implication towards policy making, in which policy makers and regulators such as *Bursa Malaysia*, should not only prescribe the items a company should disclose but should also focus on the different information types that should be provided in regard to each specific item. However, it seems unlikely that the Malaysian government would imminently pass a law on OCSR D because no precursory voluntary standards, codes or guidelines for CSR reporting have been developed to encourage companies to report online. Therefore, it is important that policy makers and regulators try to enhance comprehensive reporting by communicating better through both channels, conventional and online mechanisms. This could be done by conveying to companies the idea that different information types need to be provided for each CSR item and to different people, not only to investors, hence the use of OCSR D is pertinent.

It is found that the highly disclosed CSR information on the websites is community issues. This reflects that the Malaysian companies paid more attention to the communities, and less attention to other stakeholders such as suppliers, employees and customers, as there are fewer disclosures with regards to workplace, marketplace and environment agendas. Environmental issues are the least disclosed on the websites which portrays that Malaysian companies do not pay enough attention to this agenda and take this matter lightly. Conserving the environment, the use of eco-friendly materials are also important. Companies need to pay similar consideration to other CSR dimensions too.

The low level of OCSR D in Malaysia and lack of full utilisation of online communication effectively to discharge corporate information could probably be due to the online system itself. Companies therefore need to appoint service providers that can provide excellent and prompt service to the users when they face difficulties in using the system. The companies also need to ensure that the web design is of exceptional quality to ensure easy application. This will encourage more users such as the managers themselves to accept and use the system, hence helping to increase the level of disclosures.

Conclusions and Recommendations

This study examines OCSR D of the top 100 public listed companies in Malaysia. Apparently, Malaysian companies are not yet ready and something needs to be done to put the online reporting in place. Average disclosure rate is 36% which is low but increasing. It is discovered that only 29% among the sampled Malaysian public listed companies disclosed at least 50% of CSR information on their websites, while 71% companies disclosed less than

50% information online. This reflects lack of internet usage as a CSR information disseminating tool among the Malaysian companies. The most disclosed CSR issue is the community issues and the least disclosed is the environmental issues.

This study offers several recommendations for future research and it is hoped that this study will trigger further debate. First, the CSR items included in the disclosure index should not be considered as a complete list of items a company should report on. Rather, it is a list of CSR items that, following the existing literature, contained the items that could be disclosed by the Malaysian companies. Undoubtedly, some items that may be relevant for a specific company are not recorded in the newly developed disclosure index. Future research could further scrutinize the detailed CSR information and to study the extent to which these items are disclosed. Second, this study focuses on the disclosure of CSR information on the websites only and excluded any reports uploaded on the websites such as annual report and stand-alone report. It is interesting to compare the level of disclosure on the websites with the ones on the annual reports or the stand-alone reports. The results from this comparison could provide different insights into the methods companies use to convey CSR information to stakeholders and the difference in term of levels of disclosure as well as the issues disclosed. Finally, this study identifies the level of OCSR based on a disclosure index by scoring the index when any of the CSR items appeared on the websites. However, it did not look at other components of the CSR information disseminated online such as the content, the presentation, the quality or the length, all of which could offer better understanding and deeper insights into the practices of OCSR in Malaysia. It is recommended for future researchers to extend the study by including these elements such as the quality of disclosure which could be interesting, not only it would reveal the level of disclosures but provide indication on the quality of the disclosures.

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