Corporate Social Responsibility Reporting of Firms Listed on the KLSE: Empirical Evidence

Zarina binti Zakaria

Bachelor of Science in Accounting
University of Wales College of Cardiff
United Kingdom
1996

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Abstract

This study reports on the results of a study on social responsibility reporting practices of 257 listed companies on the Kuala Lumpur Stock Exchange. In addition or providing an up-to-date description of such practices, this study also examines some new potential determinants of corporate social responsibility reporting practices, namely the type of audit firm and financial leverage. It replicates a recent New Zealand study (Hackston and Milne, 1996). Makes improvement on other studies in Malaysia by measuring the amount of disclosures as a continuous variables using number of sentences, page measurement and derived page measurement. Consistent with Hackston and Milne (1996), the results indicated that both number of sentences and page measurement are highly correlated. This study provides empirical evidence that both company size and type of industry are significantly associated with social disclosures, whilst profitability, the type of audit firm employed and financial leverage are not. This study has also proved that companies commended for good reporting by NACRA disclose significantly more social information in their annual reports than those non-commended companies.
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