

Volume 2 No. 1 / 2004

# National Accounting Research Journal



REKOR & PANDUKALAN DATA  
SHAH ALAM  
2004  
TERIMA



FACULTY OF  
ACCOUNTANCY

UNIVERSITI TEKNOLOGI MARA

*Hadiah*

**UiTM**

(PERAKAUNAN)

ISSN 1675-753X



# **National Accounting Research Journal**

Volume 2 • No.1 / 2004

**FACULTY OF ACCOUNTANCY**  
**Universiti Teknologi MARA**

# Contents

<b>UiTM AT A GLANCE</b>	<b>i</b>
<b>The Self-assessment System And Its Compliance Costs</b> Muzainah Mansor, Natrah Saad, Idawati Ibrahim	<b>1</b>
<b>Perceptions Towards Accounting Career Among Malaysian Undergraduates</b> Jamaliah Said, Erlane K. Ghani, Afizah Hashim, Noraini Mohd Nasir	<b>17</b>
<b>A Study On The Awareness Of E-Commerce Amongst The Bachelor Of Accountancy Students In Public Universities In Klang Valley</b> Siti Noor Hayati Mohamed Zawawi, Sharifah Norzehan Syed Yusuf, Norziaton Ismail Khan	<b>31</b>
<b>Awareness Of MRSM's Students Towards Accountancy As A Profession</b> Mohamad Azmi B. Nias Ahmad	<b>43</b>
<b>An Exploratory Study On English Language Proficiency And Academic Performance In The Context Of Globalization Of Accounting Education</b> Sharifah Khadijah AlHaddad, Mahfudzah Mohamed, Syed Musa AlHabshi	<b>55</b>
<b>Language And Content Complexities Encountered By Students In Taxation Courses</b> Loo Ern Chen, Ho Juan Keng	<b>73</b>
<b>The Driving Forces Behind Malaysian Corporate Social Reporting</b> Mustaffa Mohamed Zain	<b>89</b>

## UiTM AT A GLANCE

**UNIVERSITI TEKNOLOGI MARA (UiTM)** started as a college known as Kolej RIDA in 1956. Incidentally, accounting programs such as LCCI, Australian Society of Accountants (ASA) and Institute of Cost and Work Accountants (ICWA) were among the pioneer programs offered by the then, School of Accountancy. Kolej RIDA continued to expand and in 1967 it was further upgraded and its name was changed to Institut Teknologi MARA (ITM).

As an Institute, ITM continued to add other accounting programs: Diploma in Accountancy (DIA), Malaysian Association of Certified Public Accountants (MACPA), Association of Certified and Chartered Accountants (ACCA), Chartered Institute of Management Accountants (CIMA) and the Advanced Diploma in Accountancy (ADIA) to its portfolio. What started, as a humble beginning in a small campus in Petaling Jaya, was later expanded to other areas throughout the country. In 1996, the ITM Act was amended to allow the Institute to offer various programs, viz, first degrees, Masters degrees and PhD programs. To commensurate with the university type of programs that the Institute was offering, ITM was officially conferred the university status in 1999. With effect from 26 August 1999, the Institute was known as Universiti Teknologi MARA or UiTM with 18 faculties and 13 branch campuses to its credit.

Today, being one of the most dynamic faculties in UiTM, the Faculty of Accountancy is also offering other accounting programs such as the Certified Accounting Technicians (CAT-UK), CPA Australia, Institute of Chartered Secretaries and Administration (ICSA-UK), Master of Accountancy and Doctor of Philosophy (PhD Accounting). Within the next year, several new programs such as Accounting Information System (AIS), Taxation, Management Accounting, Internal Auditing, Corporate Governance and Forensic Accounting and the newly known Malaysian Institute of Certified Public Accountants (MICPA) will be offered.

The Faculty's two-tier mission allows it to focus on two important aspects; nurturing of professional accounting graduates as well as becoming a renowned Centre of Excellence in Accounting Research & Consultancy. In tandem with its two-tier mission, the Faculty of Accountancy strives to produce quality graduates and quality research & consultancy.

# *The Driving Forces Behind Malaysian Corporate Social Reporting*

**Mustaffa Mohamed Zain**

*Faculty of Accountancy*

Universiti Teknologi MARA, Cawangan Terengganu

## **Abstract**

Corporate social disclosure has, since the early seventies, attracted the interest of various user groups. As a result, a long history of research into corporate social disclosure practice is observable in developed countries particularly the United States and Western Europe. However, very little attention has been focused on developing countries. This paper seeks to understand why corporations in Malaysia are disclosing social information in their annual report. Semi structured personal interviews were conducted on ten companies from various sectors to find out the reasons for disclosure. A group of financial analysts were also interviewed to understand the need for information by third party. The interviews revealed that most companies are disclosing social information due to top management awareness together with a desire to comply with the government's social policy and enhance corporate image. The study also highlights that while accountability seems to be the main emphasis for disclosing social information, legitimization of business cannot be ingored due to different market pressures, government policy and values from those of western countries.

Keyword: Corporate social reporting, Environmental reporting, Financial disclosure

## 1.0 Introduction

Concentration of research on the current 'state of the art' of corporate social reporting in Malaysia has been on the increase (see for example; Teoh and Thong, 1984; Andrew, Gul and Teoh, 1987; Mohamed Zain, 1999). Most researches attempted to provide evidence of the relationship between certain corporation characteristics and social disclosure. However, only corporate size appears to have a significant impact upon total disclosure, whereas profitability, industry group and country of ownership seem to have no significant influence. Human resource is the most favorite theme reported by companies followed by community disclosure.

Apart from establishing the current state of the art of corporate social reporting, there is no research investigating the driving forces behind CSR in Malaysia and, in particular, the perceptions (i.e. opinions on the current state of play) and more importantly the future prospects for the development of CSR. Whilst the importance of user groups other than capital providers in the development of social reporting is acknowledged, it is felt that at this stage in the development of the Malaysian economy, financial analysts are likely to have more clearly articulated information needs, particularly as regards to 'accounting based' information. Furthermore, capital markets clearly have an important role to play in directing investment towards socially responsible corporate activities. To achieve this aim of the study, a programme of personal interviews with preparers of CSR and the presumed key user group was carried out.

The main aim of this paper is to find out the reason why Malaysian companies are disclosing corporate social information. This paper is divided into four sections. The first section provides four basic social contract theories, which forms the theoretical background of the paper. The second explains the methodology of interviewing process, which apart from identifying and selecting the choice of participants and outlining the time taken for each interview, also determines the overall view of the respondents on corporate social reporting. The third section deals with the key issues of the paper such as why are the companies disclosing social information, what are the key disclosure areas and the reasons for their importance. The final section presents a discussion where the theoretical framework developed earlier is brought to bear to explain Malaysian social disclosure practice.

## 2.0 Theoretical Framework

The emergence of corporate social reporting has given rise to many theoretical and empirical investigations in the area. Despite the multiplicity of articles, they seem to deliberate about the one 'true' theoretical perspective of social disclosure. Some think that it is for the purpose of legitimizing the corporation (for example, Abbot and Monson, 1979; Patten 1992) while others are of the opinion that

disclosures of social information are an integral part discharging accountability (Gray et. al.1987, 1988, 1991, 1996; Laughlin, 1990; Roberts, 1991). There are those who believe that disclosure can be seen as part of the management's strategy of giving information to users so as to maintain or continue the success of the company (Roberts, 1992) whilst others argue that accounting reports are social, political and economic documents representing a proactive attempt by an organization to portray its own view of its social and political constituency (Gray et. al, 1995a). In sum, corporate social reporting has yet to find a unifying paradigm.

## **2.1 Social contract**

The theories of social contract have been widely used in the social responsibility literature and are emerging strongly as a focal point in social accounting studies (see Patten, 1992; Roberts, 1992; Gray et al., 1987). The concept of the social contract in corporate social reporting assumes that (a) society is dynamic and is forever changing and evolving, and (b) power is unequally distributed between corporations/institutions and society. Therefore, in order to achieve collective goals, society accepts some degree of overriding control over individual freedoms whilst the failure to deliver the expected outcomes may justify a revolt on the part of the general society.

The social contract is an invisible covenant between the public and the organization whereby the organization is expected to deliver desirable ends to the public as a result of a transfer of legal rights from the public to the organization. It is also reflected in the notion of human rights where a firm agrees to perform certain function in return for certain desirable rewards. Individuals within society are therefore prepared to allow business organizations to exist because they provide benefits to the society. Business on the other hand needs to be able to use resources from the society such as capital, labor and raw materials. Having identified the meaning of the term social contract, we turn our attention to accountability.

## **2.2 Accountability**

Gray et al. (1987) introduced accountability theory in the field of social accounting, and then proceeded to construct a general framework of social reporting based upon the concepts of accountability and the existence of a social contract between the organization and various user groups in a neo-pluralistic society.

Accountability theory explains information disclosure practice in terms of rights and obligations of information providers and users or receivers. Accountability theory goes beyond the traditional accounting role of providing information for business decision-making. It also goes beyond the traditional stewardship function. It is concerned with providing information that satisfies a broader set of users (see Gray et al., 1987, 1988, 1991, 1996; Laughlin, 1990; Roberts, 1991). Gray et al.



(1996) see corporate social disclosure as a constantly changing notion designed to fill the gap between responsibility and accountability where the account or/ agent and accountee/principal can have several relationships and also change and swap places. A corporation, for example, is accountable to the members of the community. Members of the community on the other hand may be the employees of the business and are accountable for their performance to the management while the management is accountable to the employees for complying with labor law.

Accountability theory establishes the users' rights and the provider's obligation to furnish information. Users of information should play an active role in asking for what is needed. The company then is to provide the necessary information. The company role on the other hand, needs to be a passive one. The company should furnish information when and only when needed (via a social contract) by the users. The company should not go beyond the scope of requirement, that is providing or disclosing more than what is needed. When a company plays a more active role in disclosing information, then it becomes legitimacy. For example, if an agent discloses information freely beyond what is required, then it should not be thought as acknowledging and discharging a non-existent accountability (see Gray et al. 1996) but is rather for the purpose of legitimizing business.

Accountability theory assumes that we live in a perfect world. It assumes that the organization will supply, no more and no less, whatever information demanded by the users. However, this is not always the case. Companies often play an active role as information providers. This will lead us to legitimacy.

### **2.3 Legitimacy theory**

If a company is to survive, it must legitimize its existence in the eyes of the society. Social disclosure is an attempt to legitimize the company by projecting an image to society that the company is socially aware (Abbot and Monson, 1979; Patten 1992). Legitimacy theory assumes that social or environmental information is disclosed as a result of a reaction to external factors. These factors may be social, economic or political. To legitimize the organization's actions, social and environmental disclosures are made. Patten (1992), for example, has linked the international rise in environmental disclosure, particularly within the petroleum industry, with a concern with legitimization. We can therefore see that social disclosures made by corporations are designed to please the readers or users of the financial statements. It is a form of advertising to promote or to enhance the organization's image. It is no different from 'window dressing', or an attempt to attract the attention of users of information to a particular issue while the diverting attention from the major issue.

The disclosure could also be seen as a reaction to a potential threat, for example, public pressure that may lead to legislation. The growth of environmental disclosure in the late 1980's and 1990's can be seen as an attempt to act as if in response to environmental pressure but actually represents an attempt to control the environmental agenda in order to permit business to make profit (see Gray et al., 1995). Gray et al. (1988) nicely summarized that financial accounting does not need legitimacy because it is bounded by law but corporate social reporting on the other hand is not bounded by law, it therefore needs legitimacy.

Management could easily distort social and environmental information. Company's accounts can be a powerful tool in constructing an image of the company's behavior. Managers therefore may seek to use these tool in an attempt to legitimate their behavior where actual behavior is at variance with stakeholders' expectations. Ullmann (1985) stated that what companies report in their accounts with regard to social and environmental activities is not always an accurate portrayal of performance (see also Rockness, 1985; Wiseman, 1982; Ingram and Frazier, 1980).

## 2.4 Stakeholder theory

A stakeholder is defined as 'any group or individual who can affect or is affected by the achievement of the firm's objectives (Freeman, 1984). Gray et. al (1987), state that:

*"Stakeholder (community with respect to social concerns, community with respects to environmental concerns, employees, and consumers) has a right to particular information for a particular decision. Those with a 'social' interest or 'stake' in the organization should be provided with relevant information in social reports" (page 17).*

Gray et al (1991) determined several users' needs characteristics. In stakeholder theory the parties are the organization and users of information, which are determined by habit, convention or assumption and the rights to information determined by assumption or equated need. Stakeholder theory, as explained by Ullmann (1985) and Roberts (1992), is the management's' perspective of giving information to users so as to maintain or continue the success of the company. The corporation's continued existence and success need the constant support of the stakeholders. Since it is the stakeholders who hold the power over the company's resources, it is therefore crucial that the approval of stakeholders is obtained and the corporation's activities need to be adjusted to gain that approval.

Basically stakeholder theory identifies the ability of management to evaluate and supply social and environmental information according to the demands of the more influential users. These demands are met when management identifies that the

information is useful in decision-making. Failure to do so could result in overflow of information. Organisations are continually seeking ways to manage new and emerging issues with their stakeholders while attempting to assess the extent of the power of those stakeholders (Roberts, 1992). We can therefore see that stakeholder theory goes beyond traditional decision usefulness theory and is more applicable to corporate social reporting. In decision usefulness theory, information is provided to the main users of the financial statements namely the financial analysts, creditors and bankers. Stakeholder theory advances a few steps further by recognising external influences. These external influences may include society, consumers, lobby groups and environmentalists.

## 2.5 Political economy theory

In essence, the 'political economy' is the social, political and economic framework within which human life takes place (Gray et al., 1996). Cooper and Sherer (1984) stated that a political economy of accounting emphasizes the infrastructure, the fundamental relations between classes in society. Political economy recognizes the institutional environment that supports the existing system of corporate reporting and subjects to critical scrutiny those issues (such as the assumed importance of shareholders and the securities market). It represents a proactive attempt by the organization to portray its own view of its social and political constituency. Guthrie and Parker's (1990) political economy approach observes accounting reports as social, political and economic documents. They serve as a tool for constructing sustaining and legitimizing economic themes, which contribute to the corporation's private interest.

Corporations use these reports to provide information that serves the corporation's political or ideological goals. Corporations at times use these disclosures to define themselves and project beliefs, norms, values and perceptions. If such is the reason for disclosure, then why is it during economic slowdown corporations are not disclosing as much? Could it be that the company is not participating as much, or could it be that the company, during the 'lean years' does not believe that such disclosure is necessary? It could be argued, if such is the case, that information disclosed by corporations is only intended to attract public attention or enhance corporate image. On the other hand, if disclosure is intended to project a company's beliefs, norms, values and perception, then the information could have little or no value to the stakeholders in making economic decisions. Of course some companies may be disclosing information because of ethical reasons but this tends to lead us into perceiving that the company is trying to deflect attention to escape pressures - organizations may want to be left alone by public pressure, governments, environmentalists and others. These groups, on the other hand, want to exert more control upon the organization via disclosure.

### **3.0 Methodology**

A major aim of this study is to investigate the driving forces behind corporate social reporting and, in particular, to explore the perceptions of two actors in the exchange of social information between companies and capital markets - the 'preparers' and financial analysts. Whilst the importance of user groups other than capital providers in the development of social reporting is acknowledged it is felt that at this stage in the development of the Malaysian economy, financial analysts are likely to have more clearly articulated information needs, particularly as regards 'accounting based' information. Personal interviews were conducted to investigate the firm's motive and perceived need for disclosing.

#### **3.1 Sample selection**

Two groups of respondents were selected. To determine why corporations are disclosing social information, a number of companies' disclosing social information were selected as the first group. This group is further divided according to industry membership, country of ultimate ownership and size. In each industry, two respondents were selected. One would be a Malaysian company and the other, a foreign-owned company, if possible. In order to understand the effect of company size, one large company and one small company were selected (according to market capitalization). The second group is the financial analysts. Since they are one of the most important users of the financial statements, they were selected to find out if they need or use social information for decision making. Because of the poor response from financial analysts, invitations were extended to unit trust managers and credit rating agencies. Finally, only five respondents from this extended group agreed to be interviewed.

#### **3.2 Interviewing process**

Efforts were made to use interviewing techniques based on cues of interests in what the interviewee was saying to encourage more elaboration on sensitive issues (see, for example, Mishler, 1986; Moser and Kalton, 1985). The interviews were mostly recorded on tape. Some of the interviewees, however, were reluctant to be taped for fear that the tape could be used against them, and some said that it is against company policy to tape conversations. The structure of enquiry was guided by an open-ended questionnaire and the respondents were free to explore their views on any issues related to social disclosure. As there are two groups of respondents, two separate open-ended questionnaires were used (see Appendix 1). Apart from the two sets of individually tailored questionnaires, a list of questions that are directly related to each industry was also utilized. The reason behind this is that not all questions are suited to each group. Therefore to be objective a separate questionnaire is logical. This open-ended questioning method is suited for dealing with the complex ethical and moral issues concerning social information.

All the recorded interview tapes were transcribed verbatim for analysis. As the respondents freely discussed the ideas, the frequency of each idea being mentioned may be accepted as an appropriate indicator of its relative significance. The 'main-stream' thinking thereby identified together with answers to the simple closed questions was analyzed quantitatively.

Fourteen financial directors participated in the interview. The amount of time for each interview varied from one director to another (see Table 1). The total amount of time taken from this group is fourteen hours and seven minutes with an average of one hour per interview.

Most of the financial analysts from the securities firms contacted turned down the request for an interview on the grounds of being 'too busy'. Only three out of ten analysts contacted agreed to be interviewed. Since most of the original group of financial analysts contacted turned down the interview, one analyst from a bond credit rating agency and one from a trust fund company were selected to participate in order to make the total respondents interviewed five. The average time per interview is about one hour (see Table 2).

**Table 1: Group 1 - Companies Disclosing Social Information**

	<b>Company Name</b>	<b>Industry</b>	<b>Country of Owner-ship</b>	<b>Market Capitalization**</b>	<b>Duration of Interview</b>
1.	Communication Berhad*	Trading	Malaysia	High	56 min
2.	Malaysian Airline System	Trading	Malaysia	High	1 hr 15 min
3.	Bank A Berhad*	Finance	Malaysia	High	45 min
4.	Bank Islam Malaysia Berhad	Finance	Malaysia	Low	1 hr 10 min
5.	Sime UEP Berhad	Properties	Malaysia	Low	1 hr 20 min
6.	Land and General	Properties	Malaysia	High	1 hr 00 min
7.	Golden Hope Plantation	Plantation	Malaysia	High	1 hr 05 min
8.	Guthrie Berhad	Plantation	Malaysia	High	58 min
9.	Consumer Berhad*	Consumer	Europe	High	40 min
10.	Automotive Bhd*	Consumer	Malaysia	High	1 hr 10 min
11.	Oxygen Berhad*	Manufacturing	Malaysia	Low	1 hr 03 min
12.	Shell Refining Bhd	Manufacturing	Europe	High	50 min
13.	Construction A*	Construction	Malaysia	Low	1 hr 00 min
14.	Construction B*	Construction	Malaysia	Low	45 min
	<b>TOTAL</b>				<b>14 hours 7 min</b>

\* Companies concerned requested confidentiality.

\*\* Initial ranking was based on market capitalization. To preserve confidentiality, companies rated 1-50 in terms of market capitalization are marked 'high', below 50 - 'low'.

Table 2: Group 2 - Financial Analysts

	Company Name	Type	Duration of Interview
1.	Rating Agency, Malaysia.	Bond Rating Agency	1 hr 5 mins
2.	Bank Islam Research & Training	Trust Fund	1 hr 15 mins
3.	Capital Corporation	Securities	55 mins
4.	Mohaini Securities	Securities	57 mins
5.	Sarawak Securities	Securities	45 mins
	<b>TOTAL</b>		<b>4 hours 57 mins</b>

#### 4.0 Key Issues In Corporate Social Reporting

Although numerous studies have been conducted on corporate social reporting, the key issues, particularly in the developing countries, such as why companies are disclosing social information, the key disclosure areas and the reasons for their importance have still not been adequately explored. This section deals with such issues. The first addresses the issue of why the companies are disclosing. The second deals with the key area of disclosures and their relative importance.

##### 4.1 Why disclose?

Companies are disclosing social information for many various reasons. However, they can be classified under three broad categories: pressure from the government and the market, enhancing corporate image and top management awareness.

##### 4.1a Pressure from government and market

Considering the number of crises that have captured the limelight in recent years, it was initially thought that companies are disclosing social information as a result of direct pressures from certain groups or quarters. Surprisingly, the interviews suggested otherwise. All the companies interviewed said that they are not being directly pressured from shareholders, government or any advocacy groups to disclose social information. Land and General noted,

*“We address issues that the people, the public and the consumers are concerned about. For example, we are also in timber and forestry, in recent years there have been a lot of awareness created (about the environment). As a company, we need to take a certain stand and inform the people what our stand is. Whatever additional information we provide is usually given because we feel that there is a need for it. No pressure from activist groups or the public. The public rarely read or analyze our report.”*

Whilst they are under no pressure from the public or the shareholders to disclose social information, the introduction of Vision 2020 in the late eighties and the Caring Society in the early nineties have influenced a number of companies in disclosing social information (eight out of fourteen disclosers) in their annual reports. It is interesting to note that this is especially true for those companies whose main shareholders are the investment arms of the government or government controlled organizations<sup>1</sup>. The obligation to participate more in social activities has prompted some companies to disclose more social information. Guthrie (plantation) for example explained that:

*"We are a public company with many shareholders. Our majority shareholder is PUNB, which is a government investment arm. Therefore, automatically, we need to be socially responsible to the public. Being what we are, we have to play that role. Yes, we respond to the government policies but we are not bound to it. With the caring society policy we are obliged to do more. When you do more, you tend to disclose more."*

Automobile Berhad, another company whose ownership is controlled by the government, identified that the government caring policy has influenced the company to participate in additional activities such as taking care of the environment and the community, which are eventually reported. Its financial director said;

*"Yes, the government has always been, and will always be, a standard that we follow. We have an obligation not only to the shareholders but also to society at large (the Stakeholders). We are one of the government's tools for developing society. Through the privatization scheme, our job is not only to distribute wealth back to the society but also to educate society via participation in activities about the environment, caring for one another and many more. With the government's caring policy, we disclose more social information since we participate more and through our report we can inform and educate the public."*

The influence of government policy is also strong for companies whose ownership is not controlled by the government. These companies felt that they should support the government policy of a caring society to show that they do indeed care. Land and General (a property company) for example stated that:

*"Yes, we are very in tune with our government policy. We follow very closely what the leaders want. We also want to do our part in promoting a caring society. Recently, L&G passed a special resolution to place one per cent of profit before tax into a fund governed by some trustees for the purpose of*

---

<sup>1</sup> Five disclosing companies interviewed had a majority ownership belonging to the government. Permodalan Nasional Berhad (PUNB), Amanah Saham Nasional (ASN) and Amanah Saham Bumiputra (ASB) are some of the examples of the government's investment arms.

*charitable organisation. This is one way of showing that we care and these are the things that are mooted from the top management. We want to do something. Even though other companies also do these things, we make special provision for that."*

Another example of the influence of government policy on corporate social disclosure is from Construction B, which stated that, the policy 'opened their eyes' towards contributing more to the society;

*"Yes the policy did have an effect on our disclosure. Since the introduction of the caring society, it opened our eyes to the fact that our aim is not only to make profit. We've never disclosed this information before because we've never participated in any (social) activities. With the caring policy, we participated in a lot of social activities. So we report."*

Five companies stated that the government policy introduced did not trigger their social disclosure, however, it encouraged them to disclose more. Interestingly, most of these companies are foreign owned companies who stated that they had been disclosing social information long before the introduction of such policies. Oxygen Berhad for example said that:

*"We have been disclosing information on social matters for quite some time now. The government's caring policy only came about a few years ago. We have been disclosing (social information) even before the policy was introduced. However, it does encourage us to participate and disclose more."*

Evidence from the interviews suggests that there is no pressure from the traditional stakeholder group (capital providers) for companies to disclose social information. This may seem odd from a stakeholder perspective considering the emerging Malaysian share market, the growth of advocacy groups and increased public awareness. However, the introduction of government policies has prompted a lot of companies to participate in social activities and disclose information on such activities, which, could suggest that companies are, after all, under at least indirect pressure from the government to disclose social information.

#### **4.1b Enhancing corporate image**

The capital market plays a vital role in the development of the Malaysian economy. Even though Malaysian investors are not as sophisticated as their counterparts in the Western world, they are moving towards that. Significantly, the annual report serves as a public advertising document. The annual report is taken as an opportunity to project the 'image' of the company. More than two thirds of the companies in the first group interviewed considered the annual report to be a



marketing tool. Ten companies from the first group took this view. A European company, Consumer A Berhad, for example expressed the view that;

*“World wide, Consumer A has been a very responsible company. We put extra effort into being socially responsible and provide products that are of the highest quality and standard... By disclosing this information we are also able to project our image.”*

The financial analysts also support this view. Three out of five financial analysts believed that companies are disclosing social information for the purpose of enhancing their corporate image, as a public relation exercises, or a marketing gimmick, which is aimed at attracting investors. Bank Islam Research and Training for example stated that;

*“Companies are disclosing such information as a pretence of meeting social obligations so that investors will be interested in the company. Their marketing strategy could be to attract potential investors. If the government is talking about a caring society, greening the earth, employment etc., then companies will disclose this information so that the investors will be attracted to invest in the company. No doubt that the company will do all those things they disclosed such as opening new factories, creating employment, planting trees, but their priority is more on the business profit. The disclosure will therefore be to enhance the corporate image.”*

#### **4.1c Top management's awareness and accountability**

The awareness by, and conscience of, top management are crucial factors in the disclosure of social information. Top management's awareness is instilled in the company policy. Without their awareness and consent (all the companies interviewed stated that the final say on the content of the annual report rests with their top management), social information would not be disclosed. Significantly, all financial directors from the first group mentioned the fact that top management's awareness and the company's policy are the main reasons why they are disclosing social information. A good example is from Consumer A:

*“Company policy has been the main reason why we are disclosing (social information). For example, recently we committed ourselves to waste water treatment and to invest in machines to burn excess coffee, which cost us fifteen million ringgit. It all depends on top management awareness and the company policy. We do not get any benefit out of that personally, but being a responsible company, we do it.”*

Automotive Berhad believes that disclosing social information is for the purpose of discharging accountability, creating awareness and educating the public concerning the company's obligations and responsibilities.

*“We disclose (social information) because we want to educate the public about our responsibility as well as theirs. But others who do not understand may perceive it as us trying to project or improve our corporate image. We are the biggest and the first car manufacturing company in Malaysia, we do not need to project our image. The public knows.”*

Two financial analysts believed that companies are participating in social activities as part of the social obligations of companies towards the community and the discharging of accountability. Sarawak Securities explained;

*“More and more companies are disclosing social information in their annual report. Normally they would report on the human resource and the community. Companies are accountable not only to the shareholders but also to the general public. Companies need to be socially responsible; they have to participate in social events etc. As they participate, they will disclose the information in the annual report. I think it is the philosophy of the management. As they are becoming more aware of societal needs, they will participate more. The caring society could also be another reason why companies are disclosing more. Maybe they are complying more with the government’s policy to show that they care.”*

#### **4.1d Other reasons for disclosure**

Other than enhancing corporate image, disclosure of social information is also for the purpose of informing the public. Bank Islam Malaysia Berhad (Finance) in particular said that:

*“Social information is disclosed to spread Islamic teachings or ‘Dakwah’. Everybody does it (promoting or enhancing the corporate image) whether intentionally or not. To a certain extent, our bank also does the same especially in the early stage of our operation. We, for example distribute pamphlets and brochures to the public to let them know the Islamic banking practices and the services that we offer. In our annual report, we disclose social information as a sort of Dakwah in the financial world which underlines our philosophy and corporate mission.”*

Four companies said that they disclose social information because other companies are disclosing. To keep pace with their competitors, they look into other company’s annual reports in order to improve their own. Construction A, for example, said:

*“To some extent, we do look at other companies’ annual reports. We need to know what our competitors are doing. To be competitive, we need to know our competitor.”*

Lindblom's (1984) legitimacy theory framework recognized manipulation of perception by deflecting attention from contentious issues in order to manipulate the relevant public to focus on other matters. To test this assertion, financial directors were posed the question of the possibility of social information being disclosed as a camouflage for other activities or events. Only four financial directors and one financial analyst believed that some companies are disclosing social information as a 'cover-up' or as a camouflage for other activities. Mohaini Securities for example believes that:

*"It is a camouflage. Genting for example, did a lot of social work but at the same time see what they have done to the environment. What we read and what we see is different. It could be that they are hiding what they have done to the environment. So we don't really bother about this other social information."*

Most financial directors rejected camouflaging as the reason for social disclosure. Since companies are disclosing social information voluntarily, they are under no pressure to disclose. They are disclosing social information honestly and without prejudice. Although some of the directors do agree that they may be disclosing to enhance their corporate image, disclosing social information to hide or distract public from negative matters is a complete NO. Sime UEP for example is of the opinion that:

*"People cannot disclose that kind of information unless they are under some pressure, that they are obligated or mandated to do certain things they have not done. (If so) then they would go all out to disclose with a view to protecting their backside. If they are doing it out of conscience and free will, they are not under pressure from anybody to camouflage anything. I can only speak for Sime. We disclose information not to camouflage but we feel that these are things that are worthy of note."*

## 4.2 Key disclosure areas

All previous studies noted that human resource as the most popular theme for social disclosure. Since most companies consider their human resources as their most prized asset and strength without which the company could not exist and operate, much stress is placed upon disclosure in this area. Construction A's reply is similar to others:

*"We concentrate more on the human resource. It is our most valuable asset so we always provide training programs. Job satisfaction (is ensured) by providing a conducive working environment and less office politicking."*

Oxygen Berhad for example noted that:

*“Our main asset is our employee. So we report mainly on our employees. In fact we have a very low staff turn over. We even have staff that has worked for us for twenty years ... We believe in taking care of our employees. We go all the way to make our people happy. Happy employees, apart from having a pleasant working environment, are more productive.”*

Whilst the reason for companies disclosing human asset information seems to be because they are considered as the company's main asset and strength, influencing investors could be the ultimate aim. It is interesting to note that even though employee appreciation and awards is the most popular human resource sub-category disclosed, the information presented does not seem to be directed to the employees. Most mentions were largely in the form of passing reference contained in the acknowledgement or appreciation section of the Chairman's Statement with no more than a small paragraph or a sentence or even just a phrase. This could indicate that human resource information provided is not simply to please the employees. The lack of information on employee welfare and employee share option schemes supports this view. Malaysian Airline System noted that:

*“Financial analysts always analyze the human resource information provided, especially in term of productivity. The growth, the number of staff, the capacity of operating staff, how many passengers per member of staff are always related to the company's performance. As the business expands, the most important factor is the productivity of staff and their morale. The analysts would want to see whether MAS staff is more productive or not which will of course reduce the staff cost. To achieve this, they will look into training and staff development.”*

Feedback from financial analysts confirms this view. While most analysts interviewed believe that social information, particularly information on communities, has little value, they seem to agree that information on human resources has some importance, especially information on training and development, the ability of the company to retain its key people and employee turnover. Rating Agency Malaysia for example said:

*“Social information in general is not taken much into consideration. However, for credit rating purposes, we do look at the human resource. We would scan through what type of programs they have for their employees etc. What is more important when the credit analysts visit the company is finding out how companies are managing on the aspect of human resources. A lot of companies have a problem retaining their employees. Employees are the most important resources of the company; therefore we do ask the company about their ability in retaining key people. If the company is able to motivate*

*and retain its key people that would be a favorable factor for the company. Yes, we do look at what the company does in human resource terms. It is no good if we just see the glossy part of the annual report where they said that they are providing training, career paths etc. but when we go and see the management, we see that the key people keep on changing."*

Next to human resources, information on the community is the most popular disclosure theme. Financial directors interviewed indicated that little importance is attracted to community information. Those who do disclose said that they did so because they participated in social activities. Golden Plantation for example noted:

*"In 1993, disclosure was more directed towards the human resource, however, it is not our main concern. If you were to look at our 1994 and 1995 annual reports, we did improve our annual report year in and year out. As we progress, we add more and more information. If we do participate in a lot of community activities, that is what we will report."*

An interesting answer about the reason for community disclosure came from a major communication company, whose ownership is controlled by the government, which intimated that community disclosure was designed to please the politicians:

*"(Community information is particularly stressed) ... to satisfy the politicians. It is part of and parcel of our company's objective. Since we are a government company, we need to be in line with the government's policy. With the introduction of a caring policy, we have to be aware and participate in respect of our staff and the community."*

For some of the stakeholders, community information may not be critical. But in the eyes of the government, they are interested and want to see what the company is doing. This is one way of conveying to the government or other agencies as to what companies do.

Information on products and the environment achieves little prominence amongst disclosing companies. Those who do disclose mentioned that a reason for disclosure is to follow what their counterparts are doing. A consumer company for example noted:

*"World wide, we have been a responsible company. We put extra effort into being socially responsible and provide products that are of the highest quality and standard. We need to follow our counterparts in disclosure."*

Guthrie on the other hand provided environmental information because they feel that their shareholders should know that they are adhering to government regulations and standards.

*“Our government are very concerned about approving projects which have an impact on the environment. The government is really stressing on the environment and corporations have to comply. For example, we are trying to establish a medium density type of plant in Kulim. Before approval is granted, we must make sure that our plant is environmentally friendly. We have to buy a lot of environmentally friendly equipment to make sure that dust is being sucked in and circulated and not allowed to fly in the air. Approval is no longer automatic. We disclose social information to make sure that our shareholders are informed that we are adhering and complying to all government regulations and standards.”*

## **5.0 Discussions And Conclusion**

Generally, amongst interviewees there is support for corporate social reporting. Most financial directors from the group of disclosing companies indicated that the driving force for social disclosure comes via indirect pressure from government. Enhancing the corporate image in order to take advantage of market opportunities is also a major factor in companies disclosing social information. Top management awareness and accountability were suggested by a majority of directors as an additional reason for disclosure. However, the two previous issues could influence this latter reason. Financial analysts on the other hand believe that companies are disclosing social information largely as a promotional tool.

Human resource information is the most popular area for disclosure because most companies consider their employees as their main asset and strength. However, human resource information disclosed in the annual report does not seem to be targeted to the employees but is rather designed to catch shareholders' or potential investors' attention. This finding is confirmed by financial analysts' responses noting that they are using human resource information for decision-making. Information on the community is also well covered by most disclosing companies. Whilst most directors noted that they disclose this information because they participate in a lot of social activities, an interesting additional reason for disclosure is that they wanted to please the politicians. This is particularly true for government-controlled companies. Information on products and the environment is largely still lacking. Financial analysts indicated that they would like more information on products and the environment to be included in the annual report. For the few companies disclosing information, competitive pressures appear to be the driving force, whilst in the case of the environment the apparent aim is to inform shareholders that the company is complying with regulations.

An interesting dimension that could influence corporate social reporting in Malaysia in future is from the government controlled organizations. In Malaysia, although many companies have been privatized, a controlling share is still held by the

government. Apart from making profit, these companies are also expected to fulfill the government's social obligations. The government has introduced policies that encourage companies to be accountable not only to the shareholder but also to the general public. These companies are expected to participate in social activities, discharge accountability and be transparent through disclosing social information.

So what is driving corporate social disclosure? Basically the driving forces for corporate social disclosure in Malaysia could be identified under several inter-related categories; market, government pressure, and culture. The influence for disclosure has somewhat followed the US pattern of development that is a reaction to market forces. The rapidly growing capital market in Malaysia has seen Malaysian society climbing the ladder of individualism. As a considerable number of Malaysian companies are still considered 'young' and small, many companies are focusing their strategy on strengthening their business by attracting more investors and increasing profit. Users of annual reports, particularly institutional investors, apart from using traditional information for decision making, are also asking for social information as indicated by some financial analysts. Reacting to market needs, a strategy adopted by many companies is to give the information demanded by these investors. Only two companies openly admitted adopting this strategy. Even though other companies interviewed denied adopting such a strategy, the focus of annual reports toward investors and the confirmation by financial analysts that they are using the information suggests otherwise. This is especially true of sensitive industries, for example the timber industry, particularly if they are trying to capture or maintain Western markets. The financial analysts also support this view. This might suggest that companies are disclosing social information, consciously or unconsciously, as a result of pressure or demand.

Whereas most financial directors interviewed denied that they were under pressure to disclose social information from any quarter, their reaction to the market and introduction of government policy suggests otherwise. Many directors agreed that the introduction of government policy had prompted them to participate in more social activities and to disclose more social information. This is quite different from the Western scenario. In Malaysia, the government appears to have a strong influence over companies. Policies introduced by the government have greatly influenced companies towards becoming socially responsible, participating in social activities and consequently disclosing social information. This suggests that companies are supplying social information to satisfy the stakeholder demands.

In Malaysia, even though the Malaysian government does not specifically ask for social information, the introduction of the caring policy has, unconsciously, pressured companies to disclose their activities, to show that they (companies) are in tune with the policy and participate in social activities. Conversely the demands of the less powerful stakeholders, such as the employees and advocacy

groups, are not properly met. The lack of information on products and the environment by consumer and trading companies, together with the focus of human resource information towards the investors rather than the employee provides evidence to support this view.

A majority of directors indicated that they disclose social information in order to discharge accountability. Accountability in contrast to stakeholder theory, is the responsibility to account for actions for which one has social responsibility under an established contract (Gray et al., 1987). Traditionally, Malaysia has practiced the culture of a close-knit community, helping and caring for one another. Islamic teaching where it is the responsibility of the stronger to help the weak further reinforces this culture. Many companies in their objectives and mission have adopted this culture, unique to Malaysia and other Muslim countries. Companies adopting this culture believe that they are accountable not only to the shareholders but also to the wider public. They believe that they have the additional responsibility to attend to the human, environmental and other social consequences of business activities that affect employees, consumers and local communities. In order to discharge accountability, companies adopting this culture are participating in many social activities and consequently disclosing social information.

Accountability theory also assumes that the inclusion of social and environmental data in the annual report provides more than just information (see Williams, 1987; Lehman, 1995), "it establishes and articulates an accountability relationship between corporations and others" (Lehman, 1995, page 408). Gray et al. (1996) explain that formal information provided would increase organization transparency, which will in turn have the effect of:

1. Helping society to reconstruct the organization (see, for example, Hines, 1988). More aspects of organizational life will be made visible and the consequences of organizational activity and the actions of society with respect to the organization will become more transparent.
2. The information will tend to cause 'information inductance' whereby the type of information one is required to report tends to influence the behavior of not just the recipient of the information but also the creator and transmitter of the information.
3. The transparency engendered by accountability can have the effect of bringing the organization and the results of the actions of the organization into closer conjunction, that is, accountability is a result of responsibility and, in turn, increases responsibility (Gray et al., 1996, page 43)

Accountability, thus, is essentially a mechanism, the development of which contributes to the normative position of a more justly organized and better-informed society. Several companies interviewed believed that the reason for disclosure is to influence recipients' behavior. This is consistent with Gray et al.'s (1996)



accountability theory of 'information inductance' whereby the type of information one reports could influence the behavior of not just the recipient of the information but the creator and transmitter of the information. Social information, according to these directors, is for the purpose of educating the public concerning corporate and public responsibility - discharging accountability.

From the interviews, it appears that many companies are disclosing social information because they want to help reconstruct the society by making themselves visible in the public eye. However, how genuine are the companies' intentions? This belief is also consistent with the political economy approach where a corporation uses disclosure to define itself and projects its beliefs, norms, values and perceptions in order to serve its own political or ideological goals (Tinker and Niemark, 1985). Companies may disclose social information under the pretence of accountability but are in fact trying to project their image or trying to influence investors. Companies under the pretence of discharging accountability to the employees, for example, provided human resource information. However, it is already noted that appreciation to the employees, even though were disclosed by most companies, is mentioned just as a passing statement, which suggests that employees are not their targets. This information, according to the financial directors interviewed, is to satisfy the need of other users, particularly the financial analysts. Whilst the inclusion of community activities information in the annual report was said to help society reconstruct the organization and make more aspects of organizational life visible and transparent, it could also be interpreted as being for the purpose of enhancing the corporate image thus legitimizing business.

There is a very thin line that separates accountability and legitimacy theory. If a company plays an active role in providing more information than is required by the users, rather than acknowledging and discharging a non-existent accountability it is for the purpose of legitimizing business (Gray et al., 1996). It is evident that some companies are disclosing information that is not required by the users, for example, information on the community. Some financial directors stated that providing this information has a dual impact; apart from discharging accountability it also helps to promote the company's image.

Similar to their Western counterparts, companies would do almost anything to legitimize business. In a capitalistic world, companies take every opportunity to promote their corporate image. Since annual reports are considered the most accessible public document, they are good vehicles to legitimize the business by projecting the image that the company is aware of the social and political environment. They can also be used to hide/reduce the exposed side of the company to these same environments. Many directors interviewed admitted that one of the reasons for disclosing social information is to enhance their corporate image or as a marketing tool. The annual report is considered a public advertising document, which is widely exploited by a range of companies in the sample. Some

financial directors and financial analysts also suggested that there could be a possibility, though remote, that companies are disclosing social information to camouflage their other activities.

Some companies disclosing social information suggested that the government policy of Vision 2020 and the caring society also influenced their disclosure. The introduction of government policy even though it does not trigger social disclosure as indicated by many foreign owned companies, does encourage them to disclose more. Apart from disclosing social information in order to discharge accountability, this action could also be interpreted as trying to take a proactive approach towards influencing the public policy arena. It could provide a platform to lobby for policy changes and air managerial views.

Identifying the real intention behind corporate social disclosure is very difficult. The decision to disclose could be made for a variety of reasons. The corporate social reporting theoretical frameworks may shed some light. Political economy theory cannot be dismissed outright because the corporations' action could be interpreted as trying to influence the public policy arena. Moreover, the companies' action of projecting their beliefs and perceptions could be premised on political economy grounds. Legitimacy theory also cannot be dismissed because of evidence found in the interviews that companies are also disclosing social information to enhance their corporate image and possibly camouflaging their activities. Gray et al.'s (1996) accountability framework may suggest that social disclosure is both viable and may contribute towards an understanding of social disclosure practices in Malaysia, however, whether the genuine intention behind disclosing social information is discharging accountability is questionable. Even though initially social information disclosure is not a response to pressure, which contradicts stakeholder theory, further probing suggests otherwise. The introduction of government policy and market demand has pressured companies into disclosing social information. Stakeholder theory may be viable and may contribute towards an understanding corporate social disclosure practice in Malaysia after all.

## References

- Abbot, W.F. and Monson, R.J., (1979) 'On the measurement of corporate social responsibility: self-reported disclosure as a method of measuring corporate social involvement', *Academy of Management Journal*, Vol. 22, No.3, pp.501-515.
- Adams, C.A., Hill, W.H. and Roberts, C.B., (1995), *Environmental, Employee and Ethical Reporting in Europe*, ACCA Research Report, London, ACCA.
- Andrew, B.H., Gul, F.A., Guthrie, J.E., and Teoh, H.Y., (1989). 'A note on corporate social disclosure practices in developing countries: the case of Malaysia and Singapore'. *British Accounting Review*. Vol. 21, pp. 377-380.
- Cooper, D.J. and Sherer, M., (1984), 'The value of corporate accounting reports - arguments for a political economy of accounting', *Accounting, Organisation and Society*, Vol. 9, No.3/4, pp.207-302.
- Freeman, R., (1984), *Strategic Management: A Stakeholder Approach*, Marshall, MA.
- Gray, R., (1990), *The Greening of Accountancy: The Profession After Pearce*, Certified Research Report No. 17, Chartered Association of Certified Accountants, London.
- Gray, R., (1992), 'Accounting and Environmentalism: an exploration of the challenge of gently accounting for accountability, transparency and sustainability', *Accounting, Organisation and Society*, Vol. 17, No. 5, pp. 399-425.
- Gray, R., (1993), 'Current practice in environmental reporting', *Social and Environmental Accounting*, Vol. 13, No.1, pp. 6-9
- Gray, R., Kouhy, R., Lavers, S. (1995a), 'Corporate social and environmental reporting', *Accounting, Auditing and Accountability Journal*, Volume 8, No. 2, pp. 44-77.
- Gray, R., Kouhy, R., Lavers, S. (1995b), 'Constructing a research database of social and environmental reporting by UK companies', *Accounting, Auditing and Accountability Journal*, Volume 8, No. 2, pp. 78-101.
- Gray, R. and Owen, D., (1993), 'The rocky road to reporting', *Certified Accountant*, March, pp. 36-38.
- Gray, R., Owen, D.L. and Maunders, K., (1986), 'Corporate social reporting: the way forward', *Accounting Review*, December, pp. 108-109.
- Gray, R., Owen, D.L. and Maunders, K., (1987), *Corporate Social Reporting: Accounting and Accountability*, Prentice-Hall International, London.
- Gray, R., Owen, D.L. and Maunders, K., (1988), 'Corporate social reporting: emerging trends in accountability and the social contract', *Accounting, Auditing and Accountability Journal*, Vol.1, No.1, pp.6-20.
- Gray, R., Owen, D.L. and Maunders, K., (1991), 'Accountability, corporate social reporting and the external social audits', *Advances in Public Interest Accounting*, Vol. IV, 1991, pp.1-22.
- Gray, R., Owen, D.L. and Adams, C., (1996), *Accounting and Accountability*, Prentice-Hall, Europe.
- Gray, S.J., (1988), 'Towards a theory of cultural influence on the development of accounting system interculturally', *ABACUS*, March, pp. 1-36.
- Guthrie, J. and Parker, L.D., (1989), 'Corporate social reporting: a rebuttal of legitimacy theory', *Accounting, and Business Research*, Vol. 9, No. 76, pp. 343-352.
- Guthrie, J. and Parker, L.D., (1990), 'Corporate social disclosure practice: a comparative international analysis', *Advances in Public Interest Accounting*, Vol III, pp.159-176.
- Hines, R.D., (1988), 'Financial accounting: in communicating reality, we construct reality', *Accounting, Organisation and Society*, Vol. 13, No.3, pp. 251-261.
- Ingram, R. and Frazier, K., (1980), 'Environmental performances and corporate disclosure', *Journal of Accounting Research*, Autumn, pp. 614-622.
- Laughlin, R., (1995), 'Methodological themes empirical research in accounting: alternative approaches and a case for middle-range thinking', *Accounting, Auditing and Accountability*, Vol. 8, No. 1, pp. 63-87.
- Lehman, G. (1995), 'A legitimate concern for environmental accounting', *Critical Perspectives on Accounting*, Vol 6, pp. 393-412.

- Lindblom, C.K., (1984), *Organisation Legitimacy: Implications for Corporate Social Disclosure*, Working Paper, University of Connecticut, May.
- Lindblom, C.K., (1994), 'The implications of organisational legitimacy for corporate social performance and disclosure', paper presented at the *Critical Perspectives on Accounting Conference*, New York.
- Mishler E. G., (1986), *Research Interviewing: Context and Narrative*, London, Harvard University Press.
- Mohamed Zain, M. (1999), *Corporate Social Reporting in Malaysia: Current and Future Prospects*, PhD Thesis, University of Sheffield
- Moser and Kalton, (1985), *Survey Methods in Social Investigation*, London, Gower.
- Owen, D.L., Gray, R. and Maunders, K., (1987), 'Researching the information content of social responsibility disclosure: a comment', *British Accounting Review*, Vol. 19, No. 2, pp. 169-176.
- Paton, W.A., (1922), *Accounting Theory*, The Ronald Press, New York.
- Patten, D.M., (1992), 'Intra-industry environmental disclosure in response to the Alaskan oil spill: a note on legitimacy theory', *Accounting, Organisation and Society*, Vol. 17, No. 5, pp. 471-475.
- Roberts, J., (1991), 'The possibilities of accountability', *Accounting, Organisation and Society*, Vol. 16, No. 4, pp. 355-370.
- Roberts, C.B., (1990), *International Trends in Social and Employee Reporting*, Occasional Research Paper No.6, ACCA, London.
- Roberts, C.B., (1991), 'Environmental disclosures: a note on reporting practices in mainland Europe', *Accounting, Auditing and Accountability Journal*, Vol.3, pp.62-71.
- Roberts, R.W., (1992), 'Determinants of corporate social responsibility disclosure: an application of stakeholder theory', *Accounting, Organisation and Society*, Vol. 17, No. 6, pp.595-612.
- Rockness, J., (1985), 'An assessment of the relationship between US corporate environmental performance and disclosure', *Journal of Business Finance and Accounting*, Vol. 12, No. 3, pp. 339-354.
- Singh, D.R. and Ajuha, J.M., (1983), 'Corporate social reporting in India', *The International Journal of Accounting*, Vol.18, No.2, pp. 151-169.
- Teoh, H.Y. and Thong, G., (1984), 'Another look at corporate social responsibility and reporting: an empirical study in a developing country', *Accounting, Organisation and Society*, Vol.9, No. 2, pp. 189-206.
- Ulmann, A.A., (1985), 'Data in search of a theory: a critical examination of the relationships among social performance, social disclosure, and economic performance of US firms', *Academy of Management Review*, January, pp.112-134.
- Williams, P.F., (1987), 'The legitimate concern with fairness', *Accounting, Organisation and Society*, Vol.12, No.2, pp. 169-189
- Wiseman, J. (1982), 'An evaluation of environmental disclosure made in corporate annual reports', *Accounting, Organisation and Society*, Vol. 7, No. 1, pp. 53-64.

This page is intentionally  
left blank.

***Journal Administrators***

Ms. Zuraeda Ibrahim

Ms. Nor Zetty Hasniza Abd Kadir

Associate. Prof. Tew You Hoo

Associate. Prof. Wong Him Yien

Ms. Usha Rani a/p P. Chelliah

Ms Bedah Ahmad

Ms Zarinah Abd Rasit

Universiti Teknologi MARA

Universiti Teknologi MARA

Universiti Teknologi MARA

Universiti Teknologi MARA

Universiti Teknologi MARA

Universiti Teknologi MARA

Universiti Teknologi MARA

***Language Consultants***

Associate. Prof. Jane Ambrose Lazar

Associate. Prof. Chang Kwong Lee

Ms. Frances Penafort Ponn

Universiti Teknologi MARA

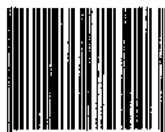
Universiti Teknologi MARA

Universiti Teknologi MARA

# Contents

- 1. The Self-assessment System And Its Compliance Costs**  
Muzainah Mansor, Natrah Saad, Idawati Ibrahim
- 2. Perceptions Towards Accounting Career Among Malaysian Undergraduates**  
Jamaliah Said, Erlene K. Ghani, Afizah Hashim, Noraini Mohd Nasir
- 3. A Study On The Awareness Of E-Commerce Amongst The Bachelor Of Accountancy Students In Public Universities In Klang Valley**  
Siti Noor Hayati Mohamed Zawawi, Sharifah Norzehan Syed Yusuf, Norziation Ismail Khan
- 4. Awareness Of MRSM's Students Towards Accountancy As A Profession**  
Mohamad Azmi B. Nias Ahmad
- 5. An Exploratory Study On English Language Proficiency And Academic Performance In The Context Of Globalization Of Accounting Education**  
Sharifah Khadijah AlHaddad, Mahfudzah Mohamed, Syed Musa AlHabshi
- 6. Language And Content Complexities Encountered By Students In Taxation Courses**  
Loo Em Chen, Ho Juan Keng
- 7. The Driving Forces Behind Malaysian Corporate Social Reporting**  
Mustaffa Mohamed Zain

ISSN 1675-753X



9 771675 753003

*For further information and submission of manuscript,  
please send all correspondence to:*

Journal Administrator  
**National Accounting Research Journal**  
Faculty of Accountancy  
11th Floor Menara Sultan Abdul Aziz Shah  
Universiti Teknologi MARA  
40450 Shah Alam  
Selangor Darul Ehsan

Tel : 03 - 5544 4920, 5544 4922, 5522 5391  
Fax : 03 - 5544 4921/ 5522 5399

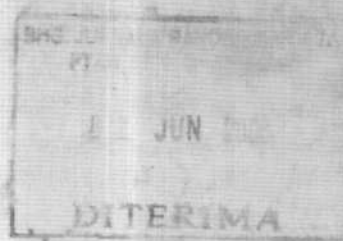
# Contents

- 1. The Self-assessment System And Its Compliance Costs**  
Muzainah Mansor, Natrah Saad, Idawati Ibrahim
- 2. Perceptions Towards Accounting Career Among Malaysian Undergraduates**  
Jamaliah Said, Erlane K. Ghani, Afizah Hashim, Noraini Mohd Nasir
- 3. A Study On The Awareness Of E-Commerce Amongst The Bachelor Of Accountancy Students In Public Universities In Klang Valley**  
Siti Noor Hayati Mohamed Zawawi, Sharifah Norzehan Syed Yusuf, Norziation Ismail Khan
- 4. Awareness Of MRSM's Students Towards Accountancy As A Profession**  
Mohamad Azmi B. Nias Ahmad
- 5. An Exploratory Study On English Language Proficiency And Academic Performance In The Context Of Globalization Of Accounting Education**  
Sharifah Khadijah AlHaddad, Mahfudzah Mohamed, Syed Musa AlHabshi
- 6. Language And Content Complexities Encountered By Students In Taxation Courses**  
Loo Ern Chen, Ho Juan Keng
- 7. The Driving Forces Behind Malaysian Corporate Social Reporting**  
Mustafa Mohamed Zain

ISSN 1675-753X



9 771675 753003



*For further information and submission of manuscript,  
please send all correspondence to:*

Journal Administrator  
**National Accounting Research Journal**  
Faculty of Accountancy  
11th Floor Menara Sultan Abdul Aziz Shah  
Universiti Teknologi MARA  
40450 Shah Alam  
Selangor Darul Ehsan

Tel : 03 - 5544 4920, 5544 4922, 5522 5391  
Fax : 03 - 5544 4921/ 5522 5399