BOARD MEETING FREQUENCY AND CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING: EVIDENCE FROM MALAYSIA

Nurulyasmin Binti Ju Ahmad*, Afzalur Rashid*, Jeff Gow**

*School of Commerce, University of Southern Queensland, Australia
**School of Commerce, University of Southern Queensland, Australia; Department of Agricultural Economics, Stellenbosch University, Stellenbosch, South Africa

How to cite this paper: Ju Ahmad, N. B., Rashid, A., & Gow, J. (2017). Board meeting frequency and corporate social responsibility (CSR) reporting: Evidence from Malaysia. *Corporate Board: role, duties and composition, 13(1-1),* 87-99. http://dx.doi.org/10.22495/cbv13i1c1art3

ISSN Online: 2312-2722
ISSN Print: 1810-8601

Received: 10.01.2017
Accepted: 16.04.2017

JEL Classification: G30, G34, G38
DOI: 10.22495/cbv13i1c1art3

Abstract

This study aims at determining the effectiveness of board meeting frequency on Corporate Social Responsibility (CSR) reporting by public listed companies on the Main Market of Bursa Malaysia. A CSR reporting index consisting of 51 items was developed based on six themes: General, Community, Environment, Human Resource, Marketplace and Other. A content analysis was used to determine the extent of CSR reporting. An Ordinary Least Square (OLS) regression was employed in determining the association between board meeting frequency and CSR reporting. The finding of the study is that advising tendency (frequency of board meetings) is not associated with CSR reporting. Overall this study strengthens the idea that advising tendency of the board is essential to companies in order to safeguard all stakeholders' interests. Accordingly, regulators and policymakers should be more stringent in monitoring company's conformance towards regulations. This study provides a new avenue of knowledge and contributes to the literature on the practices of the board of directors and corporate social responsibility reporting in the context of a semi-developed country.

Keywords: Corporate Social Responsibility, Board Meeting, Resource Dependence Theory, Malaysia

Acknowledgements: This research is financially supported by the Malaysian Government. The authors express their appreciation and thanks for the financial support.

1. INTRODUCTION

Corporate Social Responsibility (CSR) reporting has received increased attention from corporate sectors as it exhibits to stakeholders a company's accountability and transparency. The relevance and reliability of CSR information reported by companies are very much influenced by the company's various internal governance mechanisms (Karamanou and Vafeas, 2005). Effective corporate governance ensures that management acts in the interest of shareholders including CSR reporting. Following mega corporate collapses around the world company operation and its relevant reporting, including CSR reporting, has attracted a renewed attention to all the stakeholders.

Much of the empirical literature is concentrated in a few developed countries (Vafeas, 1999; Kent and Stewart, 2008). However, due to differences in institutional contexts, legal and corporate governance practices in developing countries, variations in company CSR reporting are expected. Directors in developed countries normally opt for better CSR practices as a way of promoting their undiversified human capital and also to increase share price, thus maximising shareholders' returns. Nevertheless, since considering stakeholders' welfare and interests has become part of directors' fiduciary responsibility, directors who fail to practise CSR is likely to face legal actions (Devinney *et. al.*, 2013). Nonetheless, with various benefits of CSR, the practice is currently on the rise. Besides, better-governed companies are often associated with better CSR practices (Ntim and Soobaroyen, 2013). Hence, conducting this study will provide a better understanding of the effectiveness of board meeting on enhancing company CSR reporting.

Malaysia provides a good setting for investigating the relationship between reporting and corporate governance attributes because its legal system is reasonably well developed but surrounded by limited information environment (Ball *et al.*, 2003). Malaysia is a semi-developed country that has a CSR Framework promulgated by Bursa Malaysia in 2007. It is a voluntary self–regulated model for existing PLCs. Thus, based on a different governance landscape, it is expected that the variation in CSR reporting in Malaysia is likely to be attributed to corporate governance following the revisions of the Malaysian Code on Corporate Governance (MCCG) in 2007 and 2012. Meanwhile, an earlier revision of MCCG in 2007 recommends frequent board meetings as one of the best practices. It keeps the board engaged in the company's operations besides connecting with other directors. Based on the emphasis given by the regulator on the board meeting, it clearly demonstrates the importance of board meeting in assisting companies to achieve their objectives. This would include meeting their social responsibilities towards stakeholders. Hence, this study is carried out with the aim of investigating the effect of the board of directors meeting on the extent of CSR reporting of PLCs in Malaysia.

Against the backdrop of current efforts to regulate the structure and functions of corporate boards, results of this study are likely to be of interest to policy makers because they believe that certain board attributes are systematically associated with the quality of reporting. Secondly, these results extend academic research by enhancing the understanding of the connection between CSR reporting and board of directors, and, more generally, by providing additional evidence on the role of corporate governance mechanisms in aligning the interest of management and shareholders. Finally, the results can be potentially valuable to directors because their credibility in making good decisions during a board meeting is indirectly being assessed. Generally, this study proposes a potential path for directors wishing to enhance the quality and credibility of their CSR reporting.

The remainder of this paper is structured as follows. The next section discusses the literature review and development of a hypothesis. The third section briefly explores corporate governance and CSR reporting in Malaysia. This is followed by a discussion on the theoretical framework. The fifth section describes the research method. The results of this study are reported in the sixth section while in the final section conclusions are drawn and implications of the results are discussed.

2. LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESIS

Arguably, the directors of the company should meet regularly as all decisions can be made after thorough discussion, fruitful debates and detailed analysis. When boards hold regular meetings, they are more likely to remain informed and knowledgeable about the relevant performance of the company leading them to take or influence and direct the appropriate action to address the issue (Ponnu and Karthigeyan, 2010). Vafeas (1999) suggested that the number of board meetings attended is actually a very good proxy for directors' monitoring effort. The frequent board meeting is also expected to be a remedy to the problem of limited director interaction. This applies to the independent directors who have limited interaction time to perform their monitoring role. This opinion is reinforced by criticisms of directors who spread their time too thin by taking on too many outside directorships, confounding their ability to attend meetings regularly and, therefore, to monitor management well (Vafeas, 1999). A clear implication of this is that directors in boards who meet more frequently are more likely to perform their duties in accordance with shareholders' interests. Boards of directors need to be active to meet their corporate governance commitments, particularly in ensuring high quality and transparent reporting in annual reports (Kent and Stewart, 2008). The notion is that an active board may be a better monitor than the inactive board. Additionally, frequent meetings interacted with informal sideline communications can create and strengthen cohesive bonds among directors (Lipton and Lorsch, 1992). This contributes to effective collaboration among directors and better company performance. Taken together, boards that meet frequently are more likely to perform their duties diligently and effectively (Lipton and Lorsch, 1992; Vafeas, 1999).

While many agreed that diligent boards are likely to enhance the oversight level of company's reporting, there seems to be no consensus on the frequency of meeting. It must be acknowledged that useful decision control is unlikely to occur if meetings take place only once per year or no meetings at all are held (Menon and Williams, 1994). Hahn and Lasfer (2015) suggest that the frequency of board meetings to be a function of company-specific factors, namely, remuneration, company performance, complexity, financial distress, and corporate governance. The agency and stewardship, theories suggest that board meeting frequency is correlated with challenges. Companies with greater scale, more diversified activities, and/or larger staff are likely to have more monitoring and advisory needs and require more board meetings. Similarly, during crisis times, the board of directors tend to increase meeting frequency (Hahn and Lasfer, 2015). Market performance and investor issues, are also expected to influence boards of directors to act, and such action may increase, or decrease, their meeting frequency (Vafeas, 1999). For instance, weakening company dynamics may require immediate board consent or approval on key strategic issues, hence demanding increased full board meetings. Vafeas (1999) argue that company's performance is an important determinant of the board meeting, as poor prior performance increases the need for monitoring to turn around the company. Vafeas (1999) and Raheja (2005) propose that, as boards become more independent, their meeting frequency increases to reflect the need to access information by other channels and the increased efforts needed for information coordination. However, to date, the appropriate number of board meetings still remains a question. The code on corporate governance such as Cadbury Report 1993 and MCCG 2007 propose that companies self-determine their board meeting frequencies according to their monitoring and advising needs. As a result, the number of board meetings selected by a company appears to be a random event as boards chose different meeting frequencies. Hahn and Lasfer (2015)'s study seem to suggest that board meeting frequency is becoming less distinctive to the company and seemingly determined as a more convenient or publicly acceptable number.

Despite the collective agreement that active monitoring through board meeting enhances company's performance including reporting, research on this issue contains contradicting arguments. Jensen (1993) considers board meetings not necessarily useful due to the limited time independent directors spend with the company and consider such time could be better utilised for a more meaningful exchange of ideas with the management. Besides, routine tasks absorb much of the meetings, limiting opportunities for independent directors to exercise meaningful control over management. Companies are also likely to limit the board meeting frequency because it is a costly monitoring alternative (Vafeas, 1999) involving managerial time and increase travel expenses, administrative support requirements and directors' meeting fees. This may affect enterprise activities within the companies as resources are being channelled towards less productive activities (Evans *et al.*, 2002). A study conducted by Johl (2006) in the U.K among the FTSE 100 companies found there was a negative relationship between the frequency of board meetings and entrepreneurial activities in companies. In support of less number of the board meeting, Jensen (1993) contends that establishing a system that can respond to specific challenges is likely to be more profitable for boards in well-functioning companies. Since this type of companies normally exhibits little conflict, directors can increase the frequency of meetings during a crisis or when shareholders' interests are visibly in danger (Ntim and Osei, 2013).

The issue on board meeting has attracted the attention of many researchers. A review of prior studies reveals the association of board meetings with various elements such as company's earnings management (Xie *et al.*, 2003); financial reporting (Kent and Stewart, 2008); company fraud (Uzun *et al.*, 2004) and also company performance (Chou *et al.*, 2013; Vafeas, 1999). However, the literature is inconsistent. Vafeas (1999) found empirical evidence that boards meet more frequently after crises and that performance increases as a result. He suggests that board meeting frequency is a proxy for the time directors have to monitor management. However, it is not clear as to whether the frequent board meetings represent increased monitoring efforts or more of educating the independent directors. Brick and Chidambaran (2010) confirmed that companies holding more board and committee meetings tend to have greater value. Francis *et al.* (2015) indicated that companies with poor board attendance at meetings perform significantly worse than boards which have good attendance during the financial crisis. Ntim and Osei (2013) in South Africa also suggested similar findings between the frequency of board meetings and corporate performance where boards that meet more frequently tend to generate higher financial performance. Boards that meet more frequently have increased capacity to effectively advise, monitor and discipline management, and thereby improving corporate financial performance. Uzun *et al.* (2004) did not find a significant relation between financial reporting fraud and the meeting frequency of board and audit committee. With regard to the disclosure practices, a positive association between the board frequency of meeting and disclosure on the executive compensation practices has been reported by Laksmana (2008). In the same vein, Allegrini and Greco (2013) agreed on the fact that both the boards and the audit committees' diligence are positively associated with voluntary disclosure. Examining Australian companies' attitude on financial disclosure following the introduction of AIFRS, Kent and Stewart (2008) found that companies with more frequent board and audit committee meetings tend to have more disclosure about the impact of AIFRSs. On the contrary, Haji (2013) failed to find any significant relationship between a board meeting and sustainability reporting of Malaysian PLCs., Karamanou and Vafeas (2005) have concluded there is no relation between the activity of the board and the quality of financial information disclosed.

In short, a board meeting is one of the mechanisms that directors can utilise to collectively decide and determine the direction of the company, resolve any arising problem, taking strategic action, review the performance of the company and oversights the company's operation. It is seemingly the right platform for directors to discharge their responsibility effectively and thus increasing company performance. With CSR issues becoming increasingly important, the board meetings is likely to be associated with more CSR duties, such as CSR reporting. Therefore, based on the reviewed literature, it is hypothesised that:

H1: Frequency of board meeting is positively associated with company CSR reporting.

3. CORPORATE GOVERNANCE AND CSR REPORTING IN MALAYSIA

The MCCG was released in March 2000. The core of MCCG is to achieve excellence in corporate governance through strengthening self and market discipline and promoting good compliance and corporate governance culture. In 2007, the Code was revamped. It explicitly recommends that the board should meet frequently, with due notice of issues to be discussed and should record its conclusions. However, the frequency of board meeting depends very much on company's interpretation and requirement. Further to that, the Code also requires the company to disclose the number of board meetings held in a year together with the details of attendance of each individual director in respect of meetings held. These are viewed as evidence of the directors' accountability towards shareholders.

A second revision was made in 2012. It emphasises the importance of the board in ensuring the company's strategies promote sustainability especially in the area of environmental, social and governance. It is also required of companies to disclose policies pertaining to sustainability and its implementation in the annual report and corporate website. As a result, there is consistent growth in CSR practices in Malaysia although there are still sharp differences in reporting outcomes across companies. Companies are allowed to report information they think is appropriate and useful to stakeholders based on the themes outlined by the Bursa Malaysia CSR framework. Overall, this phenomenon appears to suggest the link between the good practice of corporate governance and the level of CSR reporting.

4. THEORETICAL DEVELOPMENT

Various theories have been used to explain the association between advising tendency of the board or board meeting frequency and company disclosure practices; among others is resource dependence theory. The resource dependence theory rests on the notion that board of directors are a key resource to a company (Pfeffer and Salancik, 1978). Accordingly, they are expected to bring different types of resources to the companies. Hillman and Dalziel (2003) introduce the concept of board capital as the sum of individual directors' human and social capital and use board capital as a proxy for a board's ability to monitor and provide resources for company strategy. de Villiers, Naiker and van Staden (2011) assert that directors who are resource rich, for instance through multiple directorship, being experts in their fields, or having long-term director experience, have more human and social capital. On the same vein, Kor and Sundaramurthy (2009) believe that human capital can be developed through education, training, and experience. Hillman and Dalziel (2003) note that board capital is needed for effective resource monitoring and provision because it provides four benefits discussed by Pfeffer and Salancik (1978): (1) advice and counsel, (2) legitimacy and reputation, (3) channels of communication and information between the company and external organizations, and (4) resources from important elements outside the company. Inevitably, the board of directors plays an important advisory role in corporate strategic decisions. Through the provision of advice and social support to the CEO as well as counsel to the company, the board of directors can enhance the strategic decision-making process. Boards are anticipated to review and evaluate analyses and proposed changes in company strategies. By actively involved in the formulation and implementation steps, they contribute directly to better strategic decision making (Chen, 2014).

As explained earlier, boards of directors are groups of competent people that help managers to enhance their decision-making process. Through their experiences, competencies and different viewpoints, they are able to contribute to the boardroom debate. With a critical attitude and a willingness to ask the management discerning questions during board meetings allows board members to exert effective behavioural and strategic control (Huse, 2005). Critical debate facilitates the exchange of diverse information among the board members, thus enhance decision quality. Consequently, this may lead the CEO to provide more detailed information and explanations on his conduct and decision-making. Apart from that, the critical debate may be perceived by the CEO as a signal of board power, and the CEO may thus be more prone to prepare the information needed before meetings and to take into account the interests of shareholders (Chen, 2014). Clearly, this contributes to a better board monitoring performance. With a frequent board meeting, competent directors are able to use their expertise in assisting the management to make better decisions that are beneficial to both the company as well as shareholders. Moreover, it is the responsibility of the board of directors to meet and safeguard the interests of shareholders.

Table 1. Sample of company characteristics

No	*Sector*	*Number of firms in the sample*	*Observed firm years*	*Observation in %*
1	Agricultural Production - Crops	25	150	5.56
2	Agricultural Production - Livestock	5	30	1.11
3	Fishing, Hunting and Trapping	1	6	0.22
4	Metal Mining	3	18	0.67
5	Oil and Gas Extraction	4	24	0.89
6	Food and Kindered Products	32	192	7.11
7	Tobacco Products	1	6	0.22
8	Textile Mill Products	2	12	0.44
9	Apparel and Other Textile Products	8	48	1.78
10	Lumber and Wood Products	25	150	5.56
11	Furniture and Fixtures	13	78	2.89
12	Paper and Allied Products	19	114	4.22
13	Printing and Publishing	7	42	1.56
14	Chemicals and Allied Products	11	66	2.44
15	Petroleum and Coal Products	4	24	0.89
16	Rubber and Misc. Plastics Products	18	108	4.00
17	Leather and Leather Products	1	6	0.22
18	Stone, Clay and Glass Products	21	126	4.67
19	Primary Metal Industries	23	138	5.11
20	Fabricated Metal Products	6	36	1.33
21	Industrial, Machinery and Equipment	15	90	3.33
22	Electronic and Other Electric Equipment	24	144	5.33
23	Transportation Equipment	11	66	2.44
24	Misc. Manufacturing Industries	23	138	5.11
25	Electricity, Gas and Sanitary Services	5	30	1.11
26	General Building Contractors	21	126	4.67
27	Heavy Construction, Ex. Building	14	84	3.11
28	Wholesale Trade- Durable Goods	11	66	2.44
29	Wholesale Trade- Non-Durable Goods	9	54	2.00
30	General Merchandise Stores	4	24	0.89
31	Food Stores	1	6	0.22
32	Automotive Dealers and Service Stations	3	18	0.67
33	Apparel and Accessory Stores	2	12	0.44
34	Eating and Drinking Places	1	6	0.22
35	Hotels and Other Lodging Places	8	48	1.78
36	Trucking and Warehousing	4	24	0.89
37	Water Transportation	11	66	2.44
38	Transportation By Air	1	6	0.22
39	Transportation Services	6	36	1.33
40	Communications	7	42	1.56
41	Real Estate	11	66	2.44
42	Business Services	18	108	4.00
43	Educational Services	1	6	0.22
44	Health Services	8	48	1.78
45	Amusement and Recreational Services	2	12	0.44
	Total	*450*	*2700*	*100.00*

5. METHODS

5.1. Data

The sample of this study is taken from non-financial companies listed on the Main Market of Bursa Malaysia. This study spans from 2008 until 2013 which permits an investigation of CSR reporting trends in Malaysia. The company must be continuously listed on Bursa Malaysia for each year in the six-year period as well as producing an annual report within the stipulated time. There were 813 companies listed on the Main Market as at 31st December 2013. However, only 613 companies met the criteria. In this study, 136 finance companies were excluded from the sample along with 27 companies with incomplete data. 450 companies were finally included in this study as demonstrated in Table 1.

This study relies on panel data which provides multiple observations on each company in the sample. Panel data usually give the researcher a large number of data points, increasing the degrees of freedom and reducing the collinearity among explanatory variables (Hsiao, 2007). These advantages help to improve the efficiency of econometric estimates. It also allows controlling for omitted (unobserved or mismeasured) variables (Hsiao, 2007). More importantly, panel data allows a researcher to analyse a number of important economic questions that cannot be addressed using cross-sectional or time-series data sets. Given these advantages, this study uses panel data based on its ability to portray more reliable company CSR reporting trends (Sartawi *et. al.*, 2014).

5.2. Variable definitions

5.2.1. Dependent variable

In measuring the extent of CSR reporting, content analysis was applied in this study. Many earlier studies (e.g. Chan *et al.*, 2014; Abdullah *et al.*, 2011; Haji, 2013) opted this technique to investigate CSR reporting. Content analysis is a technique to measure objectively and systematically the content of communication (Naser et. al., 2006). This technique changes information disclosed in annual reports into scores using qualitative and quantitative methods (Djajadikerta and Trireksani, 2012).

A checklist of items was constructed by examining previous CSR reporting checklists (e.g. Barako and Brown, 2008). Additionally, specific Malaysian checklists were also referenced (e.g. Abdullah *et al.*, 2011; Haji, 2013) apart from the framework launched by Bursa Malaysia in 2006. The focus of the framework was fourfold: Environment, Community, Marketplace and Workplace. The content under each heading is left to management discretion. For the purpose of this study, a checklist of 22 items of CSR developed by Abdullah *et al.* (2011) has been made as the benchmark. This checklist was used to measure CSR reporting index of companies in Malaysia during 2007. Their checklist was an adoption of the work of Mohd Ghazali (2007) with some changes according to the checklists by Ng (1985). The final checklist containing 51 items is in Table 2.

A dichotomous procedure is used to compute a disclosure score for each company. Each disclosure item is assigned a score of "1" if it is disclosed and "0" if it is not disclosed. This measurement would address the presence or absence of CSR information (Mohd Ghazali, 2007) and has been extensively employed previously (e.g. Haji, 2013; Haniffa and Cooke, 2005; Rashid and Lodh, 2008). The disclosure scores of each company were divided by the maximum possible score (i.e. 1 x 51= 51) to arrive at CSR index. This approach has been commonly applied by many scholars of this area.

$$\text{CSRI} = \frac{\sum_{t=1}^{nj} X_{ij}}{n_j} \quad (1)$$

Where: CSRI = CSR reporting index; *nj* = number of items expected for *j*th company; *Xij* = 1 if *i*th item disclosed; 0 if *i*th item not disclosed.

5.2.2. Independent and control variables

The independent variable is the frequency of board meetings. The board meeting is often held at a definite interval to consider policy issues and major problems. Claimed to be a proxy for board diligence, it is a decisive dimension to improve the effectiveness of a board and the level of monitoring activity delivered (Laksmana, 2008). The frequency of board meetings (BFREQUENCY) is measured as the natural logarithm of a number of the board meeting held throughout the financial year. This is following the study by Ntim and Osei (2011).

Numerous studies have shown that CSR reporting is influenced by various governance attributes and company's characteristics. Hence, to eliminate their impact on the level of reporting, this study considered board independence, board size, directors' ownership, debt ratio, liquidity, company age, company size, profitability, company growth and market capitalization as control variables. As per Bursa Malaysia, 2006 board independence refers to independent directors who have no affiliation with the company except for their directorship. As such, they have an important impact on monitoring activities (Fama and Jensen, 1983). Independent directors are also presumed to put the company's best interest ahead of their personal best interest. Accordingly, they act as effective agents of change. With the anticipation that independent directors represent the interest of shareholders and stakeholders, they might have considerable influence on CSR reporting (Haniffa and Cooke, 2005). This study referred board independence (BIND) to the number of independent directors on the board relative to the total number of directors. This is consistent with the work of Arora and Dharwadkar (2011), and Das *et al.* (2015).Board size refers to the number of directors to make up the board (Ntim and Soobaroyen, 2013). Board size (BSIZE) is defined as the natural logarithm of a total number of directors as used by Rashid (2013). Allegedly, directors' ownership determines their willingness to monitor managers and enhances shareholders' value (Shleifer and Vishny, 1997). It motivates directors to do their monitoring job effectively. Directors' ownership (DIROWN) is expressed as the ratio of total director shareholdings to a total number of shares. This is consistent with Bathala and Rao (1995) and Rashid (2013).

Table 2. CSR reporting checklist

	CSR Reporting Items
A	***General (maximum 7 scores)***
1	Acknowledgement or management of corporate social responsibility
2	Disclosure of corporate objectives or policies with regard to corporate social responsibility
3	Company's strategy for addressing sustainability
4	Mission/ values/ codes of conduct relevant to CSR topics
5	Commitments to external initiatives (e.g. membership)
6	Awards received relating to social, environmental and best practices
7	Discussion on stakeholder engagement
B	***Community (maximum 9 scores)***
8	Charitable donations and activities (such as donations of cash, products or employee services to support established community activities, events, organisations, education and the arts)
9	Supporting government/ non-governmental organisation campaign (such as supporting national pride/government-sponsored campaigns)
10	Support for public health/ volunteerism (such as blood donation, sponsoring public health or recreational projects)
11	Aid medical research
12	Sponsoring educational programs/ scholarship (such as sponsoring educational conferences, seminars or art exhibits, funding scholarship programs or activities)
13	Discussion on public policy involvement
14	Graduate employment
15	Sponsoring sports project
16	Acquisition from local suppliers
C	***Environment (maximum 14 scores)***
17	Statements indicating that pollution from operations have been or will be reduced
18	Discussion on recycling efforts (such as recycled inputs/ recycled waste)
19	Preventing waste
20	Disclosure on significant spills/ environmental accidents
21	Hazardous waste disclosure
22	Fines/ sanction for non-compliance
23	Design facilities that are harmonious with the environment/ landscaping (such as contributions in terms of cash or art/sculptures to beautify the environment, restoring historical buildings and structures)
24	Impacts on biodiversity
25	Strategies/ plans for managing impacts on biodiversity (such as wildlife conservation, protection of the environment, e.g., pest controls)
26	Environmental review and audit (such as reference to environmental review, scoping, audit, and assessment including independent attestation)
27	Conservation of energy in the conduct of business operations (using energy more efficiently during the manufacturing process)
28	Utilising waste materials for energy production
29	Disclosure of carbon/ green gas emissions
30	Initiatives to reduce carbon/ green gas emissions
D	***Workplace (maximum 14 scores)***
31	Employee profiles (such as number of employees in the company and/or at each branch/ subsidiary, information on the qualifications and experience of employees recruited)
32	Employee appreciation (such as information on purchase scheme/ pension program)
33	Discussion of significant benefit program provided (such as remuneration, providing staff accommodation or ownership schemes)
34	Employee training (such as through in-house training, establishing training centres)
35	Support to employee education (such as giving financial assistance to employees in educational institutions; continuing education courses)
36	Information on management-employee relationship/ efforts to improve job satisfaction (such as providing information about communication with employees on management styles and management programs which may directly affect the employees)
37	Employee diversity (such as disclosing the percentage or number of minority and/or women employees in the workforce and/or in the various managerial levels)
38	Employee receiving regular reviews
39	Recreational activities/ facilities
40	Establishment of a safety department/ committee/ policy
41	Provision of health care for employee
42	Compliance to health and safety standards and regulations
43	Award for health and safety
44	Rates of work-related injury/ illness/ deaths (such as disclosing accident statistics)
E	***Marketplace (maximum 5 scores)***
45	Information on any research project set up by the company to improve its products in any way (such as the amount/percentage figures of research and development expenditure and/or its benefits)
46	Verifiable information that the quality of the firm's products has increased (such as ISO9000)
47	Disclosure of products meeting applicable safety standards (such as information on the safety of the firm's product)
48	Product sustainability/ use of child labour
49	Customer service improvements/ awards/ ratings
F	***Other (maximum 2 scores)***
50	Value added statements
51	Value added ratios

There are mixed results pertaining to leverage in relation to CSR reporting. On the one hand, Barnea and Rubin (2010) believed that the need for managers of highly leveraged companies to generate and retain cash to service the debt might reduce their ability to fund CSR activities. Their study suggests a negative relationship between leverage and CSR disclosure. On the other hand, companies with high debt levels are expected to incur high monitoring costs. Alternatively, they disclose more information to reduce the costs (Esa and Mohd Ghazali, 2012) and to meet the needs of their lenders (Abdullah *et al.*, 2011). Following Wan Abd Rahman *et al.* (2011), leverage (DR) was measured by the ratio of total liabilities to total assets.

Highly liquid companies have stronger incentives to communicate more information to the public as compared to companies with lower liquidity. Company liquidity (LIQ) is measured as a current ratio (Rashid, 2013, 2014).Company age (AGE) was represented by the number of years it has been listed on Bursa Malaysia, expressed in natural logarithm (Rashid,2009). The level of CSR reporting escalates as company age increases. Khan *et. al.* (2013) point out that a more mature company is likely to report more on CSR activities due to its reputational apprehension. Meanwhile, many researchers agree that both company size and the extent of disclosures made for information users are closely linked. Among others, studies by Cormier *et al.* (2011) confirmed that size is one of the major factors determining CSR reporting. Availability of money and expertise in large companies enable them to engage in more activities (including CSR activities), produce more information on these activities and their implications, and bear the cost of such processes (Andrew *et al.*, 1989). This study employed natural logarithm of total assets as the proxy for company size (SIZE) consistent with Das *et al.* (2015), Sartawi *et al.* (2014) and Rashid (2014).

CSR practices are also associated with profitability. Highly profitable companies have the ability to bear CSR costs, hence disseminate more information to the stakeholders. Profitability was proxied by Return on Assets (ROA) following Rashid (2014) and Sartawi *et al.* (2014). When companies grow rapidly, they tend to seek outside financing. This creates an obligation to the companies to provide better disclosure to fulfil the financial providers' demand (Naser *et al.*, 2006). Alongside, growth companies are also believed to have greater information asymmetry and agency costs (Eng and Mak, 2003). To reduce those problems, companies are expected to disclose more information. Following Rashid (2013), company growth (GROWTH) is expressed as a percentage of annual change in sales. Market capitalization (CAP) is expressed in its natural logarithm. Given that view, companies that are highly capitalised usually opt for higher CSR disclosure in an attempt to minimise public pressure expecting them to be socially responsible and the possibility of facing greater regulation (Watts and Zimmerman, 1990). Table 3 summarises the variables in this study.

Table 3. Summary of variables

Variable name	*Variable acronym*	*Variable type*	*Measurement*
The extent of sustainability reporting	CSRI	Dependent	An unweighted measure of extent of sustainability reporting with score of "0" and "1"
Board activity	BFREQUENCY	Independent	Number of board meeting held for the financial year
Board independence	BIND	Control	Percentage of non-executive directors to total directors
Board size	BSIZE	Control	Number of directors on the board
Directors' ownership	DIROWN	Control	Percentage of shares owned by directors on board to total number of shares issued
Leverage	DR	Control	Total liabilities over total assets
Liquidity	LIQ	Control	Current assets over current liabilities
Company age	AGE	Control	Number of years listed on Bursa Malaysia
Company size	SIZE	Control	Natural logarithm of total assets
Profitability	ROA	Control	Proportion of profit after tax over total assets
Growth	GROWTH	Control	Percentage of annual change in sales
Market capitalization	CAP	Control	Natural logarithm of market capitalization

5.3. The Model

The following model is estimated based on an Ordinary Least Square regression technique to examine the relationship between board meeting frequency and the extent of CSR reporting of Malaysian PLCs:

$$CSRI_{i,t} = \alpha + \beta_1 FREQUENCY_{i,t} + \beta_2 BIND_{i,t} + \beta_3 BSIZE_{i,t} + \beta_4 DIROWN_{i,t} + \beta_5 DR_{i,t} + \beta_6 LIQ_{i,t} + \beta_7 AGE_{i,t} + \beta_8 SIZE_{i,t} + \beta_9 ROA_{i,t} + \beta_{10} GROWTH_{i,t} + \beta_{11} CAP_{i,t} + \varepsilon_{i,t} \quad (2)$$

Where for ith company at time *t* $CSRI_{i,t}$ is CSR index, $FREQUENCY_{i,t}$ is the natural logarithm of number of board meetings, $BIND_{i,t}$ is number of independence director to total number of directors, $BSIZE_{i,t}$ is the total number of directors, $DIROWN_{i,t}$ is percentage of director ownership, $DR_{i,t}$ is debt ratio, $LIQ_{i,t}$ is liquidity ratio, $AGE_{i,t}$ is number of listed years on Bursa Malaysia, $SIZE_{i,t}$ is natural logarithm of total assets, $ROA_{i,t}$ is profitability, $GROWTH_{i,t}$ is the company growth in sales, $CAP_{i,t}$ is the market capitalization, α is the intercept, β is the regression coefficient and ε is the error term.

Prior to analyses, various data testing were conducted such as tests of normality, multicollinearity, heteroscedasticity and endogeneity. Based on Residual Test/Histogram-Normality Test, data conformed to the assumption. Gujarati (2003) suggests that when the correlation is greater than 0.8, multicollinearity exists. The correlation matrix presented in Table 4 demonstrates the highest correlation is 0.839 between company size and market capitalization; suggestive of multicollinearity problem. To reconfirm the problem, the Variance Inflation Factor (VIF) for each independent variable was measured. A VIF value exceeding 10 indicates multicollinearity (Gujarati, 2003). Nevertheless, VIF values fall below 10, proving the absence of multicollinearity problem.

To check whether or not homoscedasticity assumption is violated, the scatter plot of the residuals (ZRESID) against the predicted value (ZPRED) of the model is examined. A classic cone-shaped pattern indicates heteroscedasticity.

Further, the Breusch-Pagan test was conducted and both the Chi-square and corresponding p value also demonstrated heteroscedasticity. To correct it, heteroscedasticity-consistent standard errors of the White (1980)'s method has been applied. When there is a correlation between independent variables and the error terms, endogeneity occurs. This causes biases in the Ordinary Least Square (OLS) regression coefficients. To overcome this problem, Instrumental Variable regression can be employed. The F-test for the predicted value of board meeting in this model turns out to be insignificant. Following Rashid (2014), when CSR index was used as a proxy for CSR reporting, F = 10.75 with p = 0.0011. The results showed that: (1) endogeneity is not problematic; (2) OLS and Instrumental Variable regression are consistent.

Table 4. Correlation matrix of the explanatory variables

		1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*VIF*
1	BFREQUENCY	1.000											1.105
2	BIND	0.098**	1.000										1.280
3	BSIZE	0.098**	-0.414**	1.000									1.405
4	DIROWN	-0.018	0.057**	-0.089**	1.000								1.056
5	DR	0.170**	0.044*	0.029	-0.038*	1.000							1.511
6	LIQ	-0.063**	0.009	-0.025	-0.007	-0.508**	1.000						1.369
7	AGE	0.047*	0.151**	-0.011	-0.177**	0.014	-0.018	1.000					1.202
8	SIZE	0.236**	-0.053**	0.339**	-0.181**	0.148**	-0.101**	0.337**	1.000				4.414
9	ROA	-0.047*	-0.009	0.084**	-0.073**	-0.207**	0.107**	0.051**	0.111**	1.000			1.084
10	GROWTH	-0.037	-0.029	0.025	-0.009	0.048*	-0.029	0.000	0.073**	0.039	1.000		1.013
11	CAP	0.174**	-0.063**	0.321**	-0.156**	-0.067**	0.066**	0.268**	0.839**	0.174**	0.071**	1.000	4.013

**Correlation is significant at the 0.05 level (2-tailed).*
***Correlation is significant at the 0.01 level (2-tailed).*

Table 5. CSR reporting over time

	2008	*2009*	*2010*	*2011*	*2012*	*2013*
	%	%	%	%	%	%
Agriculture, Forestry and Fishing	22.45	22.96	22.71	24.54	24.98	25.75
Mining	15.69	16.53	16.25	16.53	17.93	20.45
Manufacturing	19.63	20.55	20.89	21.37	21.73	22.36
Electricity, Gas & Water Supply	37.65	40	41.57	42.35	42.74	48.63
Construction	21.4	20.67	21.74	21.01	22.8	24.03
Wholesale Trade	18.04	18.53	19.41	18.24	19.02	20.79
Retail Trade	16.86	20	20.2	20	22.16	22.55
Accommodation, Cafes and Restaurants	28.98	31.59	32.68	31.59	31.59	33.11
Transport and Storage	19.61	17.65	19.07	20.41	22.28	21.21
Communication Services	34.17	30.53	35.01	29.69	34.45	36.69
Property and Business Services	17.24	18.53	18.46	18.73	18.53	19.07
Health and Community Services	21.81	21.82	24.27	23.53	22.79	26.23
Overall	*20.29*	*20.91*	*21.43*	*21.70*	*22.34*	*23.16*

6. RESULTS

Based on the content analysis, Table 5 demonstrates the trend of CSR reporting by various industries in this study.

Apparently, there is a steady increment of CSR reporting over the study period and it is consistent with earlier studies (e.g. Mustaffa and Tamoi, 2006; Esa and Ghazali, 2012; Haji, 2013). Increased in CSR reporting may be attributed to the introduction of various incentives and awards (Anas *et. al.*, 2015) as well as mandating CSR reporting to PLCs (Haji, 2013). In addition, a series of corporate governance revision is also likely to contribute to the reporting increment (Haji, 2013). These revisions which are generally aimed at improving the governance practices of companies include the emphasis on the board meeting.

The descriptive statistics of CSR reporting and the independent variables are displayed in Table 6.

Table 6. Descriptive statistics of the variables

	Mean	*Median*	*Minimum*	*Maximum*	*SD*
CSRI	0.2167	0.1961	0.0392	0.7255	0.1198
BFREQUENCY	5.1018	4.9530	2.0138	27.1126	1.3442
BIND	0.4519	0.4300	0.1700	1.0000	0.1281
BSIZE	7.2360	6.6859	3.0042	18.1741	1.2960
DIROWN	0.0438	0.0030	0.0000	0.5680	0.0879
DR	0.3956	0.3775	0.0030	5.1030	0.2458
LIQ	2.2001	1.7845	0.0070	10.3760	1.6831
AGE	13.9782	15.0293	6.0000	52.9845	1.6403
SIZE (log TA)	12.8784	12.6500	9.3690	18.4110	1.4467
ROA	0.06192	0.0580	-2.8980	5.5470	0.1782
GROWTH	0.0533	0.0265	-4.9410	8.5780	0.4777
CAP (log CAP)	18.7976	18.5030	12.3710	24.8100	1.8112

The average CSR reporting level is 21.7%. This indicates that CSR reporting level in Malaysia remains moderately low (Lu and Castka, 2009). There is a huge difference between the highest and the lowest level of reporting; suggesting CSR practices in Malaysia generally lacking awareness, expectation and standards even though there are continuous efforts by the regulators to promote CSR. Culture is also an issue when explaining CSR reporting. By and large, transparency and reporting are uncommon practices in the Asia (Aaijaz and Ibrahim, 2012). The mean of board meeting frequency reveals that companies conduct approximately 5 meetings per year and a maximum of 27 meetings. The result is much lower compared to studies by Jallow and Al-Najjar (2012) (7 meetings), Brick and Chidambaran (2010) and Saiful *et al.* (2007) (8 meetings) and Boyle and Ji (2013) (11 times). Nevertheless, this finding is in line with proponents of board meeting who suggested meetings should be handled more frequently to keep up with the evolving business environment. Besides, more board meetings reflect better monitoring by directors. As for board independence, on average, the board comprises 45.2%, independent directors. This finding demonstrates the company's trust on the capability of independent directors to monitor the board effectively and ensuring every decision is favourable to shareholders. Although Amran *et al.* (2010)'s study on Malaysia recorded a board with an average of 63% independent directors, the result of this study still indicates that PLCs in Malaysia are consistent with the MCCG recommendation of having a board with independent directors occupying at least one-third of the seats. On the whole, companies have an average board size of 7 directors, assuming that a moderately large size of the board is preferable. Again, this finding is comparable to the study of Amran *et al.* (2010). Ownership by directors is surprisingly low with an average of 4.4% shares owned by directors while large ownership by directors is evident only in certain companies.

To provide evidence on the association of advising tendency of the board and CSR reporting, a panel data analysis has been performed using an OLS regression technique. The adjusted R^2 value for the model presented in Panel A of Table 7 indicates that the disparity in the extent of CSR reporting is explainable by the independent variables by a considerably high value of 37.6%. *H1* expected a positive relationship between the frequency of board meeting and the extent of CSR reporting. Contrary to the expectation, the result in Panel A shows that board meeting is negatively related to the level of CSR and it is not significant. This result is consistent with Haji (2013) also in Malaysia. Although meeting frequency has been associated with better company performance and higher reporting, it can turn out to be less beneficial especially when the meeting is filled with work discussion instead of crucial agendas that have the potential to increase company performance. Opportunities for independent directors to exercise meaningful control over management are impaired when the meeting agendas have been pre-set by chief executive officers (Jensen, 1993).Hence, *H1* is rejected.

Table 7. Relationship between board meeting frequency and CSR reporting

	Dependent variable	
	Panel A (before controlling for industry)	***Panel B (after controlling for industry and year)***
	CSRI	*CSRI*
Intercept	-0.547	-0.559
	(-19.234)***	(-17.277)***
BFREQUENCY	-0.002	-0.007
	(-0.296)	(-1.073)
BIND	0.033	0.021
	(1.873)*	(1.247)
BSIZE	0.042	0.029
	(4.570)***	(3.269)***
DIROWN	-0.044	-0.019
	(-1.866)*	(-0.820)
DR	0.013	0.020
	(1.311)	(1.989)*
LIQ	-0.000	-0.000
	(-0.548)	(-0.292)
AGE	0.022	0.026
	(4.636)***	(5.371)***
SIZE	0.026	0.035
	(9.026)***	(12.113)***
ROA	0.061	0.048
	(5.571)***	(4.574)***
GROWTH	-0.001	-0.001
	(-0.281)	(-0.289)
CAP	0.015	0.001
	(6.620)***	(4.014)***
F-statistic	122.667	34.752
Adjusted R^2	0.376	0.461

*The t tests are presented in the parentheses * p< 0.10; ** p< 0.010; *** p< 0.001*

Moving on to control variables, independent directors, board size, ownership by directors, company age, company size, ROA and market capitalization are found to be significantly related to CSR reporting. Independent directors have the ability to effectively monitor management due to its independence from the board. This reduces the opportunist behaviour of top management, thus increases the level of disclosure. The finding reinforces Barako and Brown (2008) and Rashid and Lodh (2008). This outcome matches those observed in studies by Ntim and Soobaroyen (2013) and Akhtaruddin *et al.* (2009). Directors' ownership proves to enhance CSR reporting, similar to the findings of Nasir and Abdullah (2004). It supports the statement by Jensen and Meckling (1976) that director ownership helps in harmonising the interests between the directors and the shareholders. As predicted, the mature company tends to disclose more CSR information to demonstrate high reputation. Likewise, larger companies have the ability to report more CSR activities since costs of disclosures are funded by profits (Brammer and Pavelin, 2008). Furthermore, they are more visible to the public and tend to be subject to greater political and regulatory pressures from external interest groups (Watts and Zimmerman, 1990). To reduce these (potential) political costs, large companies disclose more information to demonstrate that their actions are legitimate and consistent with good corporate citizenship (Brammer and Pavelin, 2008). Similarly, companies that are highly profitable are able to absorb the associated costs, hence disclosing more information to the stakeholders. With regard to market capitalization, consistent with expectation, companies with high market capitalization are likely to produce high CSR reporting; conceivably as part of their image building exercise.

6.1. Robustness test

Wallace *et al.* (1994) mentioned that different industries may provide a different disclosure level because of the unique characteristics of each industry. Earlier studies have confirmed a significant systematic disparity across industries concerning their inclination to make CSR reporting (Brammer and Pavelin, 2008). Companies with consumer visibility, a high level of political risk or concentrated intense competition disclosed significantly more CSR information in their annual report (Mohd Ghazali, 2007). Following this, it is imperative to control the effect of industry on reporting activities as the sample in this study constitutes of companies from multiple industries. Hence, the model was altered by adding INDUSTRY dummies. This study uses a two-digit industrial classification (SIC) codes to classify the companies. To further test the robustness of the results, the model has also been controlled for year effect through the addition of YEAR dummies. The new regression model reads as follows:

$$CSRI_{i,t} = \alpha + \beta_1 FREQUENCY_{i,t} + \beta_2 BIND_{i,t} + \beta_3 BSIZE_{i,t} + \beta_4 DIROWN_{i,t} + \beta_5 DR_{i,t} + \beta_6 LIQ_{i,t} + \beta_7 AGE_{i,t} + \beta_8 SIZE_{i,t} + \beta_9 ROA_{i,t} + \beta_{10} GROWTH_{i,t} + \beta 11CAPi,t + \Omega YEAR + yINDUSTRY + \varepsilon_{i,t} \quad (3)$$

The regression coefficients are shown in Panel B of Table 7. As observed, there are some slight changes to the results when industry and year are controlled. Independent directors have become insignificant; supporting Haji (2013). This result implies that the effectiveness of independent directors in increasing the level of CSR reporting might be hampered, plausibly due to lack of knowledge and experience in relation to the type of industry. Correspondingly directors' ownership has become insignificant. Contrarily, leverage has become significant with the inclusion of industry and year. This indicates that in certain industries, companies with high leverage tend to disclose more CSR information. Companies may gain their creditors' confidence by attempting to provide more information (Abdullah *et. al.*, 2011). At the same time, Esaand Mohd Ghazali (2012) postulate that extensive information may help in reducing the cost of capital. Nevertheless, board meeting remains to be negatively correlated to CSR reporting and insignificant. This might suggest that too many board meeting can impair company's level of reporting irrespective of industry type. Both board meeting and reporting are known to be costly. Accordingly, the company might opt for more board meeting at the sacrifice of a better level of reporting. This finding is consistent with Johl *et al.* (2013) and Vafeas (1999).

7. DISCUSSION AND CONCLUSION

This study examined whether the frequency of board meetings is a primary determinant of company CSR reporting. 450 listed companies were sampled. Inconsistent with expectations, the OLS model reveals that board meeting frequency does not influence firm CSR reporting. This result suggests that company's level of CSR reporting remains indifferent despite the number of board meetings held. The result seems to repudiate the common belief that resource-rich board of directors contributes to better reporting.

Although board meeting is assumed to be the platform to protect shareholders' interests, it has not been well demonstrated in the Malaysian context. Vafeas (1999) suggested that board meetings should be reactive, rather than proactive measures. Companies need to consider how board meetings are used. Higher frequency may indicate that the company requires many board meetings to resolve its problems. The frequency of board meeting is seen as only a rough estimation of board activity as it does not indicate the work accomplished during the meeting (Menon and Williams, 1994). Board meeting frequency may also be associated insignificantly with the size of the board. Larger board size is correlated with longer meeting times (Vafeas, 1999). Hence, more board meeting does not necessarily mean more decisions being taken. Further, Malaysia is known for its family-owned companies. It is very common to see the same individuals serving as managers and board of directors. This results in conflicts and inefficiencies in making a strategic decision during the board meeting.

This study attempted to relate frequency of board meetings with resource dependence theory. In general, companies may not have all the skills and expertise needed to operate effectively and continuously in an ever-changing environment. To accommodate the shortfall, the focus shifted to the board of directors. Apart from bringing expertise from various fields, directors bring along business contacts and networks which may be relevant especially for start-ups and high-growth companies. Theoretically, the board of directors should be a set of experienced, engaged and helpful advisors who can assist the management to focus strategically on the business. Ideally, board meetings should be a place and time for the directors to provide the most help and assistance they can. Yet, based on the grounds stated above, directors have failed to channel their expertise and network effectively through board meetings. Evidently, the finding of this study does not lend support to resource dependence theory. In closing, the results suggest that frequent board meeting fails to provide stakeholders with better CSR information.

Inevitably, embracing good corporate governance and upholding transparency at the highest value is vital for company's survival. Broadly, board meeting frequency is synonymous with increasing board monitoring function. Yet, the results here suggest otherwise. In relation to the finding of this study, companies might want to revise their corporate conduct especially pertaining to the board meeting. If the impetus behind increased board meeting were simply the need to comply with regulation and the fear of shareholders litigation, it is likely that increases in board meeting will impact negatively on company's value. Perhaps it is better for the company to keep the meeting frequency moderately low but not compromising the effectiveness. The result also signals the need for the authorities to be more stringent in monitoring company's compliance with the corporate governance code. It is vital in strengthening the reliability and confidence of the shareholders towards the role of the board of directors.

The generalisability of the findings is subject to several limitations. Analysis of the annual reports is not free from subjective influences. This might reduce the reliability of the results. Alternatively, future studies may attempt to adopt approaches such as questionnaire survey or interviews in order to reduce the subjectivity of the annual report disclosure analysis. Besides, interviewing board members will provide further insights on the effects of board characteristics and CSR reporting. Relying on the annual report only might be insufficient although it has been regarded as the primary source of information to stakeholders (Tilt, 2001). Therefore, examining other corporate information channels is highly recommended. Future research may also consider investigating other corporate governance attributes such as foreign directors, community influential members, CEO duality and ownership structure in relation to CSR reporting. While these governance attributes may have a significant impact on company reporting behaviour, they were not included in this study due to word restraint. It is also worth investigating the board meeting process in determining its quality. Board meeting that is run efficiently helps to enhance board effectiveness (Saiful *et al.*, 2007). In return, companies are able to demonstrate better performance. In addition, with the increasing importance of CSR reporting, it is essential to ensure that CSR reports are sufficient enough to meet stakeholders' information needs and subsequently help them hold companies to account. One way of doing it is by obtaining their perspectives on the issue. While this information may inform the future development of CSR reporting practices, O'Dwyer *et. al.* (2005) mentioned that views of non-managerial stakeholders are largely absent. Hence, future studies may want to carry out surveys on various stakeholders to examine the adequacy of CSR reporting.

REFERENCES

1. Aaijaz, N. and Ibrahim, M. (2012). CSR Inflections: An overview on CSR global strategies adopted by companies in Malaysia and other Asian countries. *Journal of Southeast Asian Research,* 12(1), 1-16.
2. Abdullah, S.N., Mohamad, N.R. and Mokhtar, M.Z. (2011). Board independence, ownership and CSR of Malaysian large firms. *Corporate Ownership & Control,* 8(3), 417-431.
3. Akhtaruddin, M., Hossain, M.A., Hossain, M. and Yao, L. (2009). Corporate governance and voluntary disclosure in corporate annual reports of Malaysian listed firms. *Journal of Applied Management Accounting Research,* 7(1), 1-19.
4. Allegrini, M. and Greco, G. (2013). Corporate boards, audit committees and voluntary disclosure: Evidence from Italian listed companies. *Journal of Management & Governance,* 17(1), 187-216.
5. Amran, A., Ishak, M.S., Zulkafli, A.H. and Nejati, M. (2010). Board structure and extent of corporate governance statement. *International Journal of Managerial and Financial Accounting,* 2(4), 383-400.
6. Andrew, B., Gul, F., Guthrie, J. and Teoh, H.Y. (1989). A note on corporate social disclosure practices in developing countries: The case of Malaysia and Singapore. *The British Accounting Review,* 21(4), 371-376.
7. Arora, P. and Dharwadkar, R. (2011). Corporate governance and corporate social responsibility (CSR): The moderating roles of attainment discrepancy and organization slack. *Corporate governance: an international review,* 19(2), 136-152.
8. Ball, R., Robin, A. and Wu, J.S. (2003). Incentives versus standards: Properties of accounting income in four East Asian countries. *Journal of accounting and economics,* 36(1), 235-270.
9. Barako, D.G. and Brown, A.M. (2008). Corporate social reporting and board representation: Evidence from the Kenyan banking sector. *Journal of Management & Governance,* 12(4), 309-324.
10. Barnea, A. and Rubin, A. (2010). Corporate social responsibility as a conflict between shareholders. *Journal of business ethics,* 97(1), 71-86.
11. Bathala, C.T. and Rao, R.P. (1995). The determinants of board composition: An agency theory perspective. *Managerial and decision economics,* 16(1), 59-69.
12. Boyle, G. and Ji, X. (2013). New Zealand corporate boards in transition: Composition, activity and incentives between 1995 and 2010. *Pacific Accounting Review,* 25(3), 235-258.
13. Brammer, S. and Pavelin, S. (2008). Factors influencing the quality of corporate environmental disclosure. *Business Strategy and the Environment,* 17(2), 120-136.
14. Brick, I.E. and Chidambaran, N. (2010). Board meetings, committee structure, and firm value. *Journal of corporate finance,* 16(4), 533-553.
15. Chan, M.C., Watson, J. and Woodliff, D. (2014). Corporate governance quality and CSR disclosures. *Journal of Business Ethics,* 125(1), 59-73.

16. Chen, H.L. (2014). Board capital, CEO power and R&D investment in electronics firms. *Corporate Governance: An International Review*, 22(5), 422-436.
17. Chou, H.-I., Chung, H. and Yin, X. (2013). Attendance of board meetings and company performance: Evidence from Taiwan. *Journal of Banking & Finance,* 37(11), 4157-4171.
18. Cormier, D., Ledoux, M.-J. and Magnan, M. (2011). The informational contribution of social and environmental disclosures for investors. *Management Decision,* 49(8), 1276-1304.
19. Das, S., Dixon, R. and Michael, A. (2015). Corporate social responsibility reporting: A longitudinal study of listed banking companies in Bangladesh. *World review of business research,* 5(1), 130-154.
20. De Villiers, C., Naiker, V. and Van Staden, C.J. (2011). The effect of board characteristics on firm environmental performance. *Journal of Management*, 37(6), 1636-1663.
21. Devinney, T.M., Schwalbach, J. and Williams, C.A. (2013). Corporate social responsibility and corporate governance: Comparative perspectives. *Corporate Governance: An International Review*, 21(5), 413-419.
22. Djajadikerta, H.G. and Trireksani, T. (2012). Corporate social and environmental disclosure by Indonesian listed companies on their corporate web sites. *Journal of applied accounting research,* 13(1), 21-36.
23. Eng, L.L. and Mak, Y.T. (2003). Corporate governance and voluntary disclosure. *Journal of accounting and public policy,* 22(4), 325-345.
24. Esa, E. and Mohd Ghazali, N.A. (2012). Corporate social responsibility and corporate governance in Malaysian government-linked companies. *Corporate Governance: The international journal of business in society,* 12(3), 292-305.
25. Evans, J., Evans, R. and Loh, S. (2002). Corporate governance and declining firm performance. *International Journal of Business Studies,* 10(1), 1-18.
26. Fama, E.F. and Jensen, M.C. (1983). Separation of ownership and control. *Journal of law and economics*, 301-325.
27. Francis, B., Hasan, I. and Wu, Q. (2015). Professors in the boardroom and their impact on corporate governance and firm performance. *Financial Management,* 44(3), 547-581.
28. Gujarati, D.N. (2003), *Basic Econometrics*, 4th. New York: McGraw-Hill.
29. Hahn, P.D. and Lasfer, M. (2015). Impact of foreign directors on board meeting frequency. *International Review of Financial Analysis,* 1(1), 1-14.
30. Haji, A.A. (2013). Corporate social responsibility disclosures over time: Evidence from Malaysia. *Managerial Auditing Journal,* 28(7), 647-676.
31. Haniffa, R.M. and Cooke, T.E. (2005). The impact of culture and governance on corporate social reporting. *Journal of accounting and public policy,* 24(5), 391-430.
32. Hillman, A.J. and Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28(3), 383-396.
33. Hsiao, C., (2007). *Panel data analysis – advantages and challenges,* Test, 16(1), 1-22.
34. Huse, M. (2005). Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. *British Journal of Management*, 16(1), 65-79.
35. Jallow, K. and Al-Najjar, B. (2012). The determinants of board meetings: Evidence from categorical analysis. *Journal of Applied Accounting Research,* 13(2), 178-190.
36. Jensen, M.C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The Journal of Finance,* 48(3), 831-880.
37. Jensen, M.C. and Meckling, W.H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics,* 3(4), 305-360.
38. Johl, S.K. (2006). *Corporate Entrepreneurship and Corporate Governance: An Empirical Analysis*, Phd Thesis, University of Nottingham.
39. Johl, S.K., Kaur, S. and Cooper, B.J. (2013). Board characteristics and firm performance: Evidence from Malaysian public listed firms. *Journal of Economics, Business and Management,* 3(2), 239-243.
40. Karamanou, I. and Vafeas, N. (2005). The association between corporate boards, audit committees, and management earnings forecasts: An empirical analysis. *Journal of Accounting research,* 43(3), 453-486.
41. Kent, P. and Stewart, J. (2008). Corporate governance and disclosures on the transition to International Financial Reporting Standards. *Accounting & Finance,* 48(4), 649-671.
42. Khan, H.U.Z. (2010). The effect of corporate governance elements on corporate social responsibility (CSR) reporting: Empirical evidence from private commercial banks of Bangladesh. *International Journal of Law and Management,* 52(2), 82-109.
43. Kor, Y.Y. and Sundaramurthy, C. (2009). Experience-based human capital and social capital of outside directors. *Journal of Management,* 35, 981-1006.
44. Laksmana, I. (2008). Corporate board governance and voluntary disclosure of executive compensation practices. *Contemporary Accounting Research,* 25(4), 1147-1182.
45. Lipton, M. and Lorsch, J.W. (1992). A modest proposal for improved corporate governance. *The business lawyer,* 59-77.
46. Lu, J.Y. and Castka, P. (2009). Corporate social responsibility in Malaysia–experts' views and perspectives. *Corporate Social Responsibility and Environmental Management,* 16(3), 146-154.
47. Menon, K. and Williams, J.D. (1994). The use of audit committees for monitoring. *Journal of Accounting and Public Policy,* 13(2), 121-139.
48. Mohd Ghazali, N.A. (2007). Ownership structure and corporate social responsibility disclosure: Some Malaysian evidence. *Corporate Governance: The International Journal of Business in Society,* 7(3), 251-266.
49. Naser, K., Al-Hussaini, A., Al-Kwari, D. and Nuseibeh, R. (2006). Determinants of corporate social disclosure in developing countries: The case of Qatar. *Advances in International Accounting,* 19, 1-23.
50. Nasir, N.M. and Abdullah, S.-N. (2004). Voluntary disclosure and corporate governance among financially distressed firms in Malaysia. *Financial Reporting, Regulation and Governance,* 3(1), 95-139.
51. Naser, K., Al-Hussaini, A., Al-Kwari, D. and Nuseibeh, R. (2006). Determinants of corporate social disclosure in developing countries: The case of Qatar. *Advances in International Accounting*, 19, 1-23.
52. Ng, L.W. (1985). *Social responsibility disclosures of selected New Zealand companies for 1981, 1982 and 1983,* Faculty of Business, Massey University.
53. Ntim, C.G. and Osei, K.A. (2013). The impact of corporate board meetings on corporate

performance in South Africa. *African Review of Economics and Finance,* 2(2), 83-103.
54. Ntim, C.G. and Soobaroyen, T. (2013). Black economic empowerment disclosures by South African listed corporations: The influence of ownership and board characteristics. *Journal of business ethics,* 116(1), 121-138.
55. O'Dwyer, B., Unerman, J. and Hession, E. (2005). User needs in sustainability reporting: perspectives of stakeholders in Ireland. *European Accounting Review*, 14(4), 759-787.
56. Pfeffer, J.S., and Salancik, G. (1978). The external control of organizations: a resource dependence perspective. Harper and Row, New York.
57. Ponnu, C. and Karthigeyan, R. (2010). Board independence and corporate performance: Evidence from Malaysia. *African Journal of Business Management,* 4(6), 858.
58. Raheja, C.G. (2005). Determinants of board size and composition: A theory of corporate boards. *Journal of Financial and Quantitative Analysis,* 40(2), 283-306.
59. Rashid, A. (2013). CEO duality and agency cost: Evidence from Bangladesh. *Journal of Management & Governance,* 17(4), 989-1008.
60. Rashid, A. (2014). Revisiting agency theory: Evidence of board independence and agency cost from Bangladesh. *Journal of Business Ethics,* 1-18.
61. Rashid, A. and Lodh, S.C. (2008). The influence of ownership structures and board practices on corporate social disclosures in Bangladesh. *Research in Accounting in Emerging Economies,* 8(1), 211-237.
62. Rashid, M. (2009). Corporate governance in developing countries: a case study of Bangladesh. University of Wollongong.
63. Saiful, A., Puteh Salin, A., Abd Rahman, R., Omar, N., Wee, S.H., Ismail, A.H., Devanesam, J. and Samuel, E.J. (2007). The quality of the board meetings among top 100 public listed companies in Malaysia. *1st Terengganu International Business & Economics Conference (1st TiBEC), Terengganu, Malaysia*, 356-362.
64. Sartawi, I.I.M., Hindawi, R.M., Bsoul, R. and Ali, A. E.J. (2014). Board composition, firm characteristics, and voluntary disclosure: The case of Jordanian firms listed on the Amman Stock Exchange. *International Business Research,* 7(6), 67-82.
65. Tilt, C.A. (2001). The content and disclosure of Australian corporate environmental policies. *Accounting, Auditing & Accountability Journal,* 14(2), 190-212.
66. Uzun, H., Szewczyk, S.H. and Varma, R. (2004). Board composition and corporate fraud. *Financial Analysts Journal,* 60(3), 33-43.
67. Vafeas, N. (1999). Board meeting frequency and firm performance. *Journal of Financial Economics,* 53(1), 113-142.
68. Wallace, R.O., Naser, K. and Mora, A. (1994). The relationship between the comprehensiveness of corporate annual reports and firm characteristics in Spain. *Accounting and Business Research,* 25(97), 41-53.
69. Wan Abd Rahman, N.H., Mohamed Zain, M. and Yaakop Yahaya Al-Haj, N.H. (2011). CSR disclosures and its determinants: Evidence from Malaysian government link companies. *Social Responsibility Journal,* 7(2), 181-201.
70. Watts, R.L. and Zimmerman, J.L. (1990). Positive accounting theory: A ten year perspective. *Accounting review,* 131-156.
71. White, H. (1980). A heteroskedasticity-consistent covariance matrix estimator and a direct test for heteroskedasticity. *Econometrica: Journal of the Econometric Society,* 817-838.
72. Xie, B., Davidson, W.N. and Dadalt, P.J. (2003). Earnings management and corporate governance: The role of the board and the audit committee. *Journal of Corporate Finance,* 9(3), 295-316.