

UNIVERSITI TEKNOLOGI MARA

**AUDIT COMMITTEE
CHARACTERISTICS, WOMEN
DIRECTOR, AND CORPORATE
SOCIAL RESPONSIBILITY
DISCLOSURE IN MALAYSIA**

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MSc

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AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

Corporate social responsibility (CSR) is one of the topics that academics, employers, researchers, communities, and governments around the world place the most emphasis on. Despite the fact that corporate social responsibility participation varies across economies and cultures, mandatory and voluntary CSR reporting is becoming increasingly important throughout the world as a result of pressure from various stakeholders, particularly the government, international organisations, and local communities. The corporate social reporting of Malaysian businesses has improved over time and is currently the best in the ASEAN countries. This study examines the relationship between the women director and audit committee's characteristics on corporate social responsibility disclosure of companies listed in Bursa Malaysia. Using the agency and legitimacy theory, the study provides empirical evidence on the significant contributions of women directors and audit committee's size and independent, towards the CSR disclosure in 100 companies. The results reveal that women directors and audit committee's size have significant and positive impact on the level of CSR disclosure, while audit committee's independent, has no impact. Insights gained from the study are useful for industrial practitioners and scholars of related fields.

Keywords: Corporate social responsibility, audit committee characteristics, women directors, corporate governance

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CHAPTER ONE

INTRODUCTION

1.1 Research Background

This chapter contains the research background, problem statement, research objectives, research questions, significant of study and the scope the study.

1.2 Research Background

In recent years, there has been a growing interest in corporate social responsibility (CSR). As a result, there have been extensive calls for companies to address social responsibility in their business policies and practices and disclose what they are doing and how well they are doing. The provision of information about human resource aspects, products, and services, as involvement in community projects including philanthropic activities and environmental matters, is referred to as CSR disclosure. It can also be thought of as a framework that describes the interaction between businesses and society. CSR has become a common trend in a culture where organizing a program related to social projects is a vital issue in every business. Why has CSR become such a viral factor that certain businesses are becoming interested in these concerns is because it is one of the best efforts for business growth and could lead to increased productivity in numerous areas.

Corporate voluntary disclosure is defined to reduce information asymmetry between businesses and outside investors resulting in lower agency costs and improved corporate reporting transparency (Jiang et. al. 2011). Akhtaruddin and Haron (2010) state that transparency and sufficient disclosure are also thought to be vital in ensuring the interests of minority shareholders are protected (Jiang et al., 2011). This is because voluntary disclosure displays management's accountability and transparency in conducting business (Li et al. 2012). Malaysia has recently experienced remarkable growth in terms of corporate social responsibility, and the country has emerged as one of the most active rising economies in the field. However, the definition of corporate