

**UNIVERSITI TEKNOLOGI MARA**

**STAKEHOLDERS' ENGAGEMENT  
DISCLOSURES ON MALAYSIAN  
LOCAL AUTHORITIES' WEBSITES:  
INSTITUTIONAL PERSPECTIVE**

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Thesis submitted in fulfilment  
of the requirements for the degree of  
**Master of Science**

**Faculty of Accountancy**

May 2017

## ABSTRACT

Stakeholder engagement has grown in importance today and has become one of the important elements in advancing sustainability agenda in public sectors. This study aims to determine: 1) the extent of stakeholder engagement disclosure, and 2) factors influencing the disclosure (public sector reform initiatives), which include internal goals, e-community, E-pbt star rating, ISO commitment and council's size on Malaysian local authorities' websites using an institutional theory framework. Adopting a modified stakeholder engagement index to measure the extent of stakeholder engagement disclosure, the unit of analysis for this study consisted of 108 Malaysian local council websites. To reduce any subjectivity, the disclosure index was unweighted that encompassed 40 items. Based on the findings, it appears that there were low-level disclosures of stakeholder engagement information on the Malaysian local authorities' websites, which were inclusive of only 12 out of 40 items (30%). In addition, all factors were found to have significant relationships with the extent of stakeholder engagement disclosure. One of the most significant contributions from this study is that, it was found that e-pbt star rating and e-community significantly influenced the extent of disclosure, which established the evidence of coercive pressure from the stakeholders, particularly the public and higher levels of government. In addition, institutional isomorphism also contributes in understanding factors, such as internal goals and ISO commitment (normative isomorphism), which may influence the extent of stakeholder engagement website disclosures by local authorities. The study provides insights into the websites stakeholder engagement disclosure in a developing country and adds support to institutional isomorphism as a valid theoretical framework within this context. One of the most important practical implications is to highlight the ability of local governments in developing countries such as Malaysia for being able to disseminate stakeholder engagement information through their websites to increase greater transparency and accountability, which in turn, advancing sustainable development in public sectors.

## ACKNOWLEDGEMENT

Firstly, I wish to thank God for giving me the opportunity to embark my Master and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Assoc. Prof. Dr. Corina Joseph, and co-supervisor, Prof. Dr. Nafsiah Mohamed. The door to Assoc. Prof Dr. Corina office was always open whenever I ran into trouble spot or had a question about my research or writing. Thank you for your support, patience and ideas in assisting me with this thesis.

I would also like to express my gratitude to the staff of the Institute of Postgraduate Study UiTM Shah Alam for providing the facilities, knowledge and assistance.

Finally, I would also like to express my very profound gratitude to my parents and to my husband Gordon Nicolaus Jemat Anchang and daughter Gabriella Mariesol Anchang for providing me with unfailing support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis. This accomplishment would not have been possible without them. Thank you.

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