

A Comparative Analysis of Corporate Social Disclosure of Top listed Companies in China and Malaysia

Lijie Yang¹ and Zulnaidi Bin Yaacob²

Corporate social responsibility (CSR) receives increasing public attention nowadays. The level of corporate social responsibility disclosure (CSD) is considered an important approach to evaluate CSR development. This study aims to compare the level and focus of CSD between Malaysian and Chinese top listed companies. This empirical study focuses on the year 2010. The data is collected from top 10 listed companies respectively from Shanghai Stock Exchange China and Bursa Malaysia according to their market capitalization. The findings show that Chinese top listed companies have a relatively higher level of CSD. Philanthropic activities, education, and employees training rank the first three sub-themes concerned by Chinese listed companies. While in Malaysia, the top three concerned sub-themes are education, pollution, and philanthropic activities. The study also finds that the significant differences exist in the sub-themes of consumer and philanthropic activities by conducting t-tests. The reason and implication of the findings are discussed.

JEL Codes: M14

1. Introduction

The reform and opening up policy of China has brought a rapid economic growth in the past 30 years. However, rapid economic growth is accompanied by a number of problems, including consumer fraud, environmental pollution, food contamination, and so on. These negative effects, according to Wang and Juslin (2009) could “be partly explained by the lack of CSR involvement, as well as adding intense pressure to develop corporate social responsibility (CSR) in China.” Activities and researches on CSR are on the upsurge in China just as they were in the western countries years ago. Wright (2008) pointed out that the growing global interest in CSR, along with the rapid rise of Asian economies and economic globalization, was spreading to Asia. The issue of social responsibility also exists in other Asian countries even though the content and focus of CSR could be diverse due to political system, cultural and social environment (Li, Fetscherin, Alon, Lattemann, & Yeh, 2010a; Übius & Alas, 2009).

Though extensive research has been conducted on CSR in the developed countries, not much about CSR has been done in the developing countries is known (Li, et al., 2010b). So study on CSR in developing countries, certainly include developing countries in Asia, is urgently needed, not only as separate studies, but also as comparison studies among countries.

1 School of Management, Hebei University, China; PhD candidate of USM, Malaysia, Email: ylj_hd@126.com.

2 School of Distance Education, Universiti Sains Malaysia, Malaysia.

Yang & Yaacob

Malaysia's trade ties with China have grown faster than those with other countries, particularly since the financial crisis in 1997-1998 (Li, 2006). Both Malaysia and China are positioned at the "core" of network trade, it is not surprising that international production systems dominate in merchandise trade between both countries, resulting in the expansion of trade in intermediate inputs and capital goods vis-à-vis that in finished goods (Devadason, 2009). China, competing with Malaysia, becomes a more favourable location for developed countries in outsourcing activities or even for procurement purposes (Devadason, 2009). Devadason (2007) cited that the specialization pattern of China is becoming almost similar to that of Malaysia, given the rapid rate of imitation in the latter which has shortened the product cycle tremendously (Tham, 2005).

Malaysia and China have maintained a long-term close bilateral relation. China's economic influence and social links in Southeast Asia have long historical roots. Chinese, during British colonial rule in the 19 century, emigrated to British Malaya and made important contributions to the growth of industries (Yusof, 2002). About 28 percent of Malaysia's population of 23 million is Chinese. Malaysia remains China's largest trading partner within ASEAN with total trade amounting to US\$74.215 billion in 2010. Since 2009, China has become Malaysia's largest trading partner (Zhang, 2011).

The CSR globalizing and the inevitable competing and collaborating of the two countries in the world market make it necessary to know each other in economic and social fields, including CSR that multinational companies concern when choosing suppliers.

Researchers have referred to the level of corporate social disclosure (CSD) as an indicator of CSR development due to increasing public attention it receives in Asia (Bala & Hung, 2004).

This study aims to compare the content of CSR between Malaysian and Chinese companies by investigating CSD of Chinese and Malaysian top 10 listed companies. This paper proceeds as follows: The next section presents a literature review concerning CSD and develops hypotheses, followed by research methodology in section 3. Section 4 reports the findings of the study. Section 5 discusses the findings. Section 6 provides the limitation and direction for future research. The final section concludes the study.

2. Literature Review

The concept of "Corporate Social Responsibility" (CSR) has been concerned for several decades since it was originated by Oliver Sheldon in 1924. Only for few decades is corporate social responsibility disclosure (CSD) concentrate on along with the development of company's information disclosure. CSD gives information about a company's activities that relate to the community to the public (Hasnah Haron, Sofri Yahya, Sharon Manasseh, & Ismail, 2006). Hackston and Milne (1996). mentioned that corporate social disclosures include details of the physical environment, energy, human resources, community matters, and so on.

Previous studies have focused mostly on CSR or CSD within one country. A few studies compared CSR among countries in Asia. For example, Andrew, Guthrie and

Yang & Yaacob

Teoh (1989) mentioned CSR practices in developing countries based on the case of Malaysia and Singapore. Bala, et al. (2004) compared corporate responsibility awareness between Malaysian and Singaporean firms. Williams and Pei (1999) compared website CSR reporting of four nations within the Asia-Pacific region, namely Australia, Singapore, Malaysia and Hong Kong. Chapple and Moon (2005) have studied CSR website reporting of seven countries in Asia. The seven countries studied were India, Indonesia, Malaysia, Philippines, South Korea, Singapore, and Thailand. Naeem and Welford (2009) measured in their paper the sensitivity to CSR amongst businesses operating in Bangladesh and Pakistan, through a review of written policies of both listed local firms and multinational corporations operating there. Comparison studies were also conducted between Asia and other geographical regions by Baughn, Bodie and McIntosh (2007). In their study, China and Malaysia were all involved in the same group of Asia, so were not compared directly to each other. Frost (2006) classified stories related to CSR that happened in Malaysia, Thailand, India, and China into four categories being mostly reported: the environment, workplace practices, the business environment and product responsibility, but he did not compare the difference between the countries. No research has compared CSD of Malaysia with that of China. As important economic entities and developing countries in Asia, China and Malaysia are important trade partners. Are they similar or different in CSR? What is the relative level of their CSR? There is still an interesting research phenomenon to be investigated.

Due to the existing gap identified from the literature, this current study examines how Chinese and Malaysian firms disclose their CSR information and what the focus of their CSD is, to find whether there is a difference in the level and focus of CSD between the two countries.

In Malaysia, Shireenjit and Zuaini (1998) studied the general level of social responsibility disclosures by the corporations listed on the KLSE (named Bursa Malaysia). Their findings revealed that the overall social responsibility reporting status for Malaysia was very low. Previous studies led to the conclusion that CSD in Malaysia is still in its infancy, although there have been many positive developments (ACCA, 2004; Foo & Tan, 1988; Thomson, 2002).

Thompson and Zakaria (2004) studied 250 largest companies listed on the KLSE, found that the main reason for the low level of corporate environment report in Malaysia was the lack of pressure and expectation coming from various stakeholders to provide such information. Similarly, Amran and Devi (2007) considered that there was relatively no pressure from the community for local corporations to undertake CSR in Malaysia.

In China, the requirement of CSR appeared in the Corporation Law issued 2005. The first CSR guideline issued by Shenzhen Stock Exchange in 2006 encouraged listed companies to report CSR voluntarily. Shanghai Stock Exchange announced its CSR guideline in 2008, and required a mandatory CSD to part of listed companies. From then on, CSD of Chinese companies increased greatly in number and level, as well as the quantity of disclosure and the areas of coverage. But, there were no generally accepted standards and guidelines yet in China, and the information disclosed were largely incomparable (Zhang, Simon. Gao, & Zhang, 2007). The level of CSD was still low (Shen, 2010). When interviewed on 17 December 2010, Zhang jieer, a leader of a CSR organization in China, summed up the characteristic of corporate

Yang & Yaacob

social responsibility report (CSR) of listed companies in China as follows: “firstly, the number of company which voluntarily disclosing CSR went up greatly; secondly, the number of high quality CSR increased greatly; and there was more qualitative statement, but less quantitative.” Another phenomenon emphasized more by Chinese researchers was the deletion of bad news. Most CSD information was positive in nature in China (Zhang & Gan, 2010).

The low level of CSD in both two countries was mentioned by researchers. Are the CSD levels of top listed companies the same in the two countries? Are they both low?

Previous studies showed that the extent, content, and communications intensity of CSR differed across corporations, regions, and countries (Baughn, et al. 2007; Maignan and Ralston, 2002). CSR in Asia is characterized not only by the cultural context, but also by the economic and political conditions (Li, et al., 2010). The following hypothesis is developed:

H1: The CSD levels are low, but there is significant difference in CSD levels between listed companies in China and Malaysia.

Hasnah, et al., (2006) considered that the choice of social issues disclosed tends to reflect the Malaysian government’s priority or the particular obligations which companies have. Minimum standards are set in Malaysia by the government to administer CSR practices, particularly in the areas of environmental protection, society, and health and safety (Zulkifli and Amran, 2006). The government played a significant role in the development of CSR of companies being dependent on the government or with significant government shareholding, and that employee and environmental themes were mostly disclosed by those companies (Amran, et al. 2007a). In another article, Amran, et al. (2007b) investigated motivations that influence CSR by interviewing senior management of Malaysian companies practicing CSR. The result showed that coercive, mimetic, and normative pressures were three mechanisms influencing companies to practice CSR. For example, some management mentioned the role of the accounting standards and KLSE requirement; some company only emulates annual report of good examples like Shell or MNC.

A survey of 143 companies in China showed that market orientation was the most significant predictor of CSR followed by government regulations (Qu, 2007). According to Feng (2009) and Yang (2009), corporate social responsibility was not significantly affected by external factors such as intensification of market competition, enhancing of government intervention, as well as changing of legal environment. China’s CSR depends mainly on internal factors, including enterprises’ innovation capacity, export behavior, level of management, and financial status. CSR in China is significantly associated with export behavior.

Zhang, Wang , and Wang (2010) found in their study that company’s CSD was affected significantly by the company’s characteristics of firm size, financial performance, industry, and the final ownership, not by the structure of ownership and board of directors. This result is almost consistent with the finding of Ma and Zhao (2007). While Du (2009) and Hou and Wang (2009) confirmed that CSD had no significant relations with firm performance.

Yang & Yaacob

In Malaysia, Amran, et al. (2007a) measured extent of CSD using a theme which consists of environment, energy, products/consumer, community, employee or human resources, general or others, meanwhile in China, several researchers estimated CSD by measuring the following contents: environment, employees, customers, community, and others (e. g, Fu and Zhu, 2010; Zhang, et al., 2010).

According to the findings from those studies, the factors that have influenced CSR were known to be different in China and Malaysia. However, the content of CSD was described in similar words in the two countries. Is there any difference in focus of CSD contents between the two countries? This study supposes that:

H2: The focus of CSD is different between listed companies in China and Malaysia.

3. The Methodology

Previous findings discovered that firm size is the most significant factor among firm characteristics related to CSD (Andrew, et al., 1989; Du, 2009; Thompson, et al., 2004). Chapple, et al. (2005) suggested that large corporations tended to be precursors to the integration of CSR. This study selects top listed companies as samples. A list of top 10 companies listed in Bursa Malaysia based on market capitalization on 16 April 2010 was found on website <http://www.wangtool.com> on 20 April 2011. The reliability of the list was confirmed by comparing the market capitalization of listed companies on the website of Bursa Malaysia, <http://www.bursamalaysia.com>. The top 10 companies listed in Shanghai Stock Exchange China were selected by searching “market capitalization on 16 April 2010” on <http://www.cnlist.com> and comparing to the data on the website of Shanghai Stock Exchange, <http://www.sse.com.cn> (all top companies showed in appendix). This study chose information of 2010 because that was the latest data available when this study was conducted.

The market capitalization of the biggest company is two times that of the ranking tenth company listed on Bursa Malaysia. In China, the amount is ten times. So, the top 10 companies have relative large coverage of listed companies in firm size. Internet is now common place for corporations to achieve a variety of business purposes. Owning and occupying internet space is almost essential for companies, either as a place to do business or as a place to exchange information about business (Zhang, et al., 2007).

Since the website is so popularly used all over the world, data on companies' website were used. Sources for CSR communications include corporate websites, annual reports, and CSR reports, if available (Esrock and Leichty, 2000). As Chapple, et al. (2005) mentioned, websites were still among the best and most reliable sources of information about companies' CSR activities.

The level of CSD is assessed from three aspects. First, whether CSR information is easy or difficult to obtain (named location); second, the amount of CSR information disclosure; and third, the extent of CSR information disclosed. The higher the company's CSR awareness, the easier the CSR information being obtained. More information means more details being disclosed. The more themes disclosed means that more aspects are taken into account (Amran, 2007).

Yang & Yaacob

The level of corporate social responsibility disclosure should be judged by the three dimensions:

First, this study used “location” as a dimension when evaluating CSD. The location of CSD were coded and classified into two different items: (a) homepage; (b) standalone CSR report. When the title of “corporate social responsibility” (same as corporate responsibility, social and environment) is listed on the homepage of a company’s website, or a company has a standalone corporate social responsibility report (CSRR) (same as sustainability report), it will be seen as CSR information being easy to get.

Second, the amount of CSR disclosure is measured by pages of content under the title of corporate social responsibility on the website, as well as in annual report and CSRR being seen on website. This study uses “pages” rather than “words” or “sentences” as a measure of amount of CSR disclosure. To count pages is easy and mistakes are seldom made. To count words is usually confusing because of words repeated or synonyms. When using a sentence counting method, it is not relatively accurate as one sentence may include one or many themes. It is very interesting to find that all the respondents’ CSD are either less than 22 pages or more than 40 pages. So the amount of 30 pages is considered the boundary line between score zero (0) and one (1).

Third, the extent of disclosure is represented by the dimensions of themes disclosed. Content analysis is a popular method used to judge the themes and measure the extent.

Combined use of counting sub-themes and pages, as well as information quantification of CSD would be more exercisable than counting words or sentences. There is no consensus when it comes to defining CSR. So, there is no clear boundary of CSR scope. Referring to GRI (Global Reporting Initiative), SHSEG (Shanghai Stock Exchange Guideline to CSR of listed company), SZSEG (Shenzhen Stock Exchange Guideline on corporate environmental information disclosure of listed company), and BMRF (Bursa Malaysia Responsibility Framework), this study was mainly concerned with four aspects of CSD. They are environment, workplace, marketplace, and community.

GRI is a partnership and coalition among businesses, non-governmental organizations (NGOs), the International Labour Organization (ILO), United Nations Environment Programme (UNEP), and accounting societies. The coalition has pioneered the development of reporting guidelines. It developed the voluntary reporting guidelines through discussions with stakeholders at meetings held in Asia, Europe, and the Americas. According to Adams et al. (2006), GRI Sustainability Reporting Guidelines are the dominant guidelines for reporting and Naeem, et al. (2009) observed an increasing trend of adoption of GRI guidelines in the business sector. Along with GRI, the guidelines or framework of stock exchange houses where companies listed were concerned for the purpose of comparability.

In this study, the dimensions of themes were identified to include environment, marketplace, workplace, community, and others. Environment theme includes sub-themes of energy, natural resources, pollution; marketplace is separated into consumer and production as sub-themes; health and safety along with employees

Yang & Yaacob

training are included in workplace; sub-themes education, arts or sports, philanthropic activities are involved in community issues.

When quantifying the CSR information, the possible points that show one company's level of CSD ranges from 0 to 25 (see Table 1).

Table 1: Points of CSD

Aspects	Items		Involve themes		Quantification
			No	Yes	
Location (2)	Homepage		0	1	-
	CSRR		0	1	-
Amount (1)	Above 30 pages		0	1	-
Extent (22)	Environment	energy	0	1	1
		natural resources	0	1	1
		pollution	0	1	1
	Marketplace	production	0	1	1
		consumer	0	1	1
	Workplace,	health and safety	0	1	1
		employees training	0	1	1
	Community	education,	0	1	1
		arts or sports	0	1	1
		philanthropic activities	0	1	1
	Others	Volunteer, etc	0	1	1
	Total			25	

Two (2) points come from the locations where the title CSR appears at the homepage of website getting one (1) point, other pages zero (0) point. Existing standalone CSRR gives one (1) point, non CSRR zero (0) point. Another one (1) point is concerned with the amount of CSR disclosure measured by pages, less than 30 pages zero (0) point, above 30 pages one (1) point. The total number of sub-themes which were commonly mentioned, along with the "others" that belonged to CSR, but not included in the sub-themes above, make up to the extent of the company's CSRD. For every item, the item does not appear, zero (0) point, appear, one (1) point, Furthermore, if the information released quantification, another one (1) point should be added. So the total score is twenty two (22) points, representing the extent of CSD. This assignment scoring method is following Zhang, et al. (2010) who cited Waddock, e al. (1997), Hillman, et al. (2001), and Maigman, et al. (2002).

Every respondent's website was logged in to check whether the phrase "corporate social responsibility" appeared on the homepage. Then search continues the company's annual report and CSR report of the year 2009 was downloaded. Every report was read twice to find sub-themes and the number of pages that under the title of CSR was counted. Every respondent got a score according to the three dimensions mentioned.

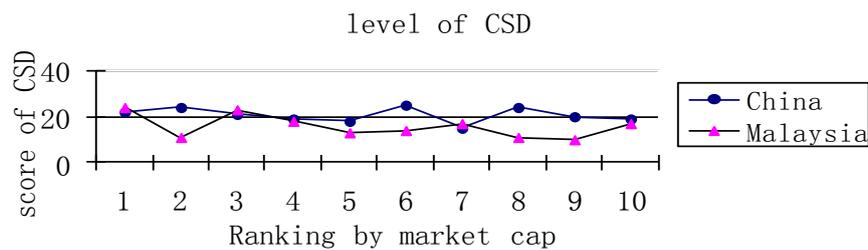
4. The Findings

This section presents the score of every respondent get and results of data analysis. All respondents disclosed CSR information. Table 2 shows the total scores of every respondent. Figure 1 shows the difference between Chinese and Malaysian respondents in CSD level. But for a rational estimate, statistical analysis is conducted using SPSS issue 18.0 as a tool. The result of the independent-sample t-test shows the significant difference between Chinese and Malaysian top listed companies in CSD level at the .05 significance level ($p < .05$, significance = .016). Chinese top listed companies obtain a mean score of 20.7 higher than Malaysian companies' 15.8 (see Table 3 and Table 4).

Table 2: Score of Respondents

Respondents (ranking by market cap)	1	2	3	4	5	6	7	8	9	10
China	22	24	21	19	18	25	15	24	20	19
Malaysia	24	11	23	18	13	14	17	11	10	17

Figure 1: Score of Respondents



H1 proposition was partly supported. There is sufficient evidence at the 0.05 level of significance to show that the CSD levels of the two countries are different. The level of CSD of Chinese companies is relatively higher than that of the Malaysian companies. Comparing to a full mark of 25 points, 20.7 points is not a very low score. So, this study considers that Chinese top listed companies have a high level of CSD.

Table 3: Group Statistics

Nation	N	Mean	Std. Deviation	Std. Error Mean
China	10	20.7	3.129	.989
Malaysia	10	15.8	4.917	1.555

Yang & Yaacob

Table 4: Independent-Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig.(2-tailed)	Mean Difference
CSD	Equal variances assumed	2.434	.136	2.659	18	.016	4.900
	Equal variances not assumed			2.659	15.261	.018	4.900

Chinese companies score 9 points in “amount of CSD.” It is more than three times higher than that of Malaysian companies (2 points). This means that there are 90% of Chinese top listed companies released more than 30 pages of CSR information, while only 20% of Malaysian top companies did the same.

With regard to location, 9 of 10 Chinese companies have their standalone CSR while only 3 Malaysian companies have it. Half of Malaysian companies (5 of them) released CSR information at the very beginning of their websites while only 3 Chinese companies did so. (Scores showed in Table 5).

Table 5: Score of Location and Amount of CSD

Items		China	Malaysia
Location	homepage	3	5
	CSRR	9	3
Amount	above 30 pages	9	2

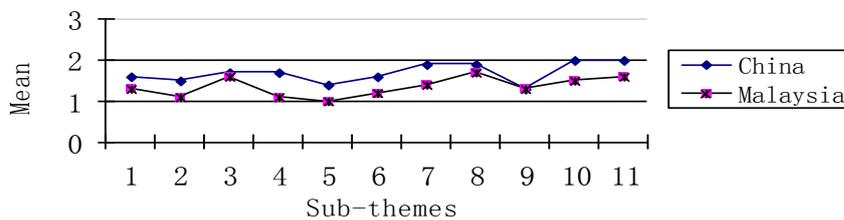
As to the extent being reported, Chinese companies scored obviously higher than Malaysian companies in every sub-theme except for “arts and sports.” Both countries got the same mean point of 1.3 in “art and sports.” Table 6 and Figure 2 show the difference between the two countries. Both sub-theme “philanthropic activities” and “others” got scores of 20. They are the most concerned two sub-theme disclosed by Chinese listed companies. “Education” scored 17 points. It is the focus of CSD of Malaysian listed companies. These findings support the H2 hypothesis: the focus of CSD is different between listed companies in China and Malaysia.

Yang & Yaacob

Table 6: Extent of CSD

	Items	N	Companies Involve the Theme		Mean		Sig. (2-tailed)
			China	Malaysia	China	Malaysia	
Extent	energy	10	10	8	1.6	1.3	.342
	natural resources	10	9	9	1.5	1.1	.180
	pollution	10	<u>10</u>	<u>10</u>	1.7	1.6	.660
	consumer	10	10	8	1.7	1.1	.045
	production	10	9	9	1.4	1.0	.153
	health and safety	10	10	8	1.6	1.2	.196
	employees training	10	10	8	1.9	1.4	.106
	education	10	<u>10</u>	<u>10</u>	1.9	<u>1.7</u>	.290
	arts and sports	10	7	8	1.3	1.3	1.000
	philanthropic activities	10	10	9	<u>2.0</u>	1.5	.052
	others	10	10	10	2.0	1.6	.037

Figure 2: Sub-themes concerned



To move forward a step further, the study shows that philanthropic activities, education, and employees training rank the first three sub-themes concerned by Chinese listed companies, while in Malaysia the subthemes are education, pollution, and philanthropic activities. So, the significant difference between respondents from the two countries may not exist in education and philanthropic activities but employee training and population.

There are other similarities between respondents of the two countries. Pollution and education are the two sub-themes disclosed by all respondents. This result shows the importance of the two sub-themes in both countries. Chinese companies scored higher marks in this two sub-themes based mainly in information quantification.

Regardless of quantification, environment pollution, and education were the two sub-themes reported by all respondents, and scored highly. All 10 Chinese respondents reported energy, consumer, health and safety, employees training, and philanthropic activities while 5 Malaysian companies reported all of them. The only sub-theme being reported by more Malaysian companies than Chinese companies was arts and sports. Malaysian companies attached relatively greater importance to the sub-

Yang & Yaacob

theme supporting sports than Chinese companies. Most of the other sub-themes were a little more reported by Chinese companies than Malaysian companies.

By conducting two independent samples t-tests, the study finds that significant differences exist in sub-theme “consumer” (significance = .045) and “others” (significance = .037), all at the $p < .05$ level. CSD on “philanthropic activities” can also be regarded as significantly different since the significance value .052 is very near to .05.

5. The Discussions

Although measure of CSD may not capture a company’s “real” or “realized” CSR activities, it does measure what the company wants to portray to the various stakeholders (Li, et al., 2010).

There is sufficient evidence at the .05 level of significance to show that the CSD level is different between the two countries. The level of CSD of Chinese companies is relatively higher than Malaysian companies. Comparing to a full mark of 25 points, 20.7 points is not a very low score. So H1 proposition was partly supported.

The findings are inconsistent with that of previous studies. Most studies showed low level of CSD in China as mentioned in literature review. This may be mainly due to the sample. Top listed companies are all big. Big firms have more resources to practice more CSR activities than small firms. So, if the top listed companies show high level of CSD it is reasonable. The level of CSD of Chinese top listed companies is higher than that of Malaysian companies. Firm size could not completely explain this phenomenon because all companies are big, even though market capitalization of Chinese companies was obviously higher than that of Malaysian companies. In recent years, many issues such as “Sanlu milk scandal” were exposed frequently. Public and media paid higher attention to CSR problems. Under this pressure, companies’ CSR awareness was being strengthened in China.

Philanthropic activities rank first in the CSD of Chinese listed companies while placed third in Malaysian listed companies’ CSD. The reason for Chinese companies disclosing more information about philanthropic activities lies in two aspects: first, philanthropic activities as traditional good thing to do in China are being more likely regarded as CSR than other themes; second, there were serious disasters that struck China in recent years (e.g., Wenchuan earthquake in 2008), companies did more philanthropic activities and disclosed quantize information.

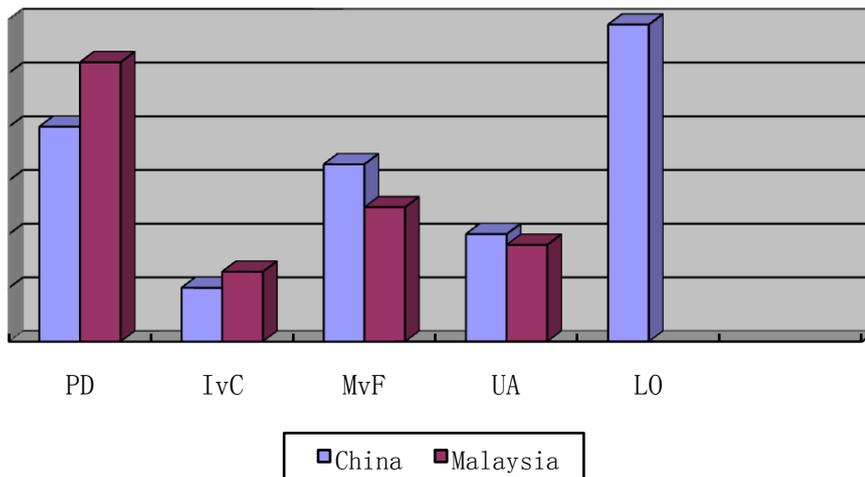
Consumer and employees training as sub-themes were content being focused on more often by Chinese companies than Malaysian companies due to the people-oriented culture. The foundation of Chinese culture is Confucianism. Confucianism focuses on interpersonal harmony. Businessmen, following the prevalent principle of running business “Consumer is the God,” attempt to construct good relationship with consumers.

When compared with the culture of Malaysian to that of the Chinese, Hofstede (2003) stated that Malaysia has the highest score (104) in power distance among Asian countries (China score 80), and a higher score (26) in individualism (versus collectivism) compared to China (score 20) (see Figure 3). In the other two culture

Yang & Yaacob

dimensions, masculinity (versus femininity) and uncertainty avoidance, China scored (66 and 40) higher than Malaysia (50 and 36). Additionally, China got the highest score in long-term orientation (118) while no data were found for Malaysia in this dimension.

Figure 3: Culture comparison of China and Malaysia



Sub-themes consumer and employee training are more important in China may be partly due to uncertainty avoidance and long-term orientation culture of the Chinese. Firms can get confidence and reputation by focusing on consumer's benefits in the market, and get employee loyalty as well as advantage of competitiveness in the long-run.

China and Malaysia are different in terms of their political system that is directly related to CSR. For example, there are differences in laws and policies between the two governments as shown in Table 7. Malaysian government

Table 7: Law and Policies Related to CSR

China		Malaysia	
Name	Time	Name	Time
1. Company Law	2005	1. The Silver Book	2006
2. Shenzhen Stock Exchange guidelines to CSR of listed company	2006	2. Bursa Malaysia CSR Framework	2006
3. Shanghai Stock Exchange guidelines on corporate environmental information disclosure of listed company	2008	3. Fund for green technology development	2010
4. Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling CSR	2007	4. tax incentives to businesses that implement broad CSR programs	
		5. state-owned investment funds CSR investment	
		6. Business Sustainability Program	

Yang & Yaacob

launched a variety of frameworks or policies, but there is no law for implementation of CSR initiatives for the country's businesses. No sanction has been used if the frameworks are not followed. Policies are all conducted to stimulate CSR activities of firms but are not forced. Chinese companies are required by The Company Law to fulfill CSR, but there are no details to follow. Guidelines in China are mandatory to some sorts of listed company, just like in Malaysia, but all without any effective punishment followed. So, all CSR activities occur on a voluntary basis practically. It seems that government policies cannot be used to explain the differences of CSD between the two countries.

Legal systems differ in the two countries. Laws referring to CSR themes, such as The Consumer Protection Law and The Labor Law, concern relatively more rights of labors and consumer in China. Malaysia opposed ratifying the UN Human Rights Conventions such as "Abolition of all Forms of Racial Discrimination," "Covenant on Economic, Social and Cultural Rights," "Covenant on Civil and Political Rights," "Combating Torture and Other Forms of Inhuman Punishment", and the ILO core conventions "Abolition of Discrimination on the Basis of Occupation" while China ratified all of them. So, consumer and employee themes are more likely to be mentioned by Chinese companies due to its legal circumstance.

Sports supporting project was content being disclosed more frequently by Malaysian companies than Chinese companies. This is because sports supporting is mostly regard as a kind of business activity similar to promotion or advertising rather than CSR practice in China.

Environment pollution and education were the two sub-themes reported by all respondents of both countries. Environment pollution is the most common problem which generally occurs when the economy is developing rapidly. Education is the foundation and weakness link of developing countries. The importance of the two issues was deeply noticed in both countries.

6. Limitation and Direction for Future Research

This study is conducted with several limitations. The first limitation lies in the small sample size. The results' generalization must be restricted because of the underrepresentation in small number of respondents. Further study should be conducted with a relative larger sample size. The second limitation is sole reliance on website in determining the quantity and the extent of CSD. Some companies use variety of methods to release CSR information. Other media, such as newspapers and TV programmes should be taken into account in future study. Limitation also lies in the subjectivity of content analysis method being conducted to determine sub-themes of disclosure. The fourth limitation exists in the weighting determination. Judging by the amount of pages and determining the sub-theme by experiential knowing are not accurate. Or rather, it would be more dependable if a survey has been conducted before quantifying the location, the amount, and the extent of CSD. And the explaining of the different level of CSD should be proved by empirical approach in further study.

This study used information at one point of time, of 2010. So, generalizations made in this study may not be appropriate for other periods of time. Lognitudinal studies are needed to find the trend of CSR too.

Yang & Yaacob

Although there are some limitations, this study contributes to knowledge and method to literature. Based on the contribution of this study, future research can be conducted by extending sample size to enhance the representativeness of the conclusion. Further research can also be carried out taking industry into account. The influence of industry to CSD has been proved by many researchers (e.g., Tsang, 1998; Feng, 2009; Yang, 2009; Zhang et al., 2010). So, taking count of industry factors must be significant. Investigating other factors that influence CSD in the two countries is useful too.

7. Conclusions

This paper exposed the difference in the level and content emphasis of CSDs between Malaysian and Chinese top listed companies by a three aspect evaluation of CSD. It provided a certain degrees of the situation about CSR of the two countries, at the same time made a contribution to the literature by suggesting a new standpoint for evaluating and comparing CSD.

The level and focus of CSD of the two countries' top listed companies may show the tendency of CSR development, because large companies are more likely to be imitated (Amran et al., 2007b) by other firms. Knowing the CSR of top listed companies can help companies of the two countries to choose acceptable CSD strategy when operating in the other country.

It is important to know the other country's CSD condition to both countries' firms, especially to Malaysian firms. First, CSR requirements to suppliers have been increasing in international market after "Nike labor scandal". Facing to growing competition from China, Malaysian firms may use CSR as a tool to raise their competitive power. Malaysian companies should pay more attention on their CSR work, especially on employee training and consumer sub-themes. Second, some companies in Malaysia have relocated their operations to China to take advantage of the lower labor cost (e.g., Philips Electronics, Sony Electronics, Motorola), and another option for Malaysian to respond to the competition from China, suggested by authorities, is to establish Malaysian-owned operations in China (Yusof, 2002). Either multinational corporations or Malaysian-owned operations all need to aware of CSR situation in China.

There are two other contributions that should be highlighted in this study. First, this study improves previous studies by adding "location" to the measurement of CSD. Most researchers were more concerned about the content only while ignored the form of CSD. Actually, companies' CSR information is noticed only because of its easy to reach sometimes. Second, this study throws light on the difference of the two governments' legal system and policies related to CSR. The government has the potential of playing a significant role in spearheading CSR practice more intensively (Amran, 2007). The other implication of the study may be to suggest to governments of both countries to learn from each other in pushing CSR development. Malaysia should do something on its legal system and more motive policies may do good to China's CSR construction. More important, governments of both countries should make sure that CSR guidelines are followed by some coercive measures.

Endnotes

ⁱ http://www.norway.org.my/News_and_events/Business/Bedriftenes-Samfunnsansvar/
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