

**CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE
AMONG MESDAQ LISTED COMPANIES**

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I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

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ABSTRAK (BAHASA MALAYSIA)

Matlamat kajian ini adalah untuk mengkaji pengaruh saiz, keuntungan, “Gearing”, jenis industri dan kebergantungan kepada kerajaan keatas tanggungjawab social korporat (CSR) dalam pembangunan ekonomi, di mana kesedaran CSR adalah rendah dan kekurangan pengiktirafan lengkap bahawa penyertaan dalam pelaksanaan CSR dalam operasi-operasi perniagaan.

Kaedah digunakan dalam kertas ini ialah satu kajian keratan lintang, yang menumpukan pada maklumat terkandung dalam laporan-laporan tahunan untuk 2006. Kajian ini menggunakan analisis kandungan “content analysis” sebagai satu kaedah mengukur darjah CSR.

Penemuan-penemuan adalah berdasarkan analisis regresi, kajian menunjukkan keberkesanan pengaruh kerajaan, seperti kebergantungan kepada kontrak-kontrak kerajaan. Penginstitusian Kerajaan keinginan dan komitmen untuk tanggungjawab sosial korporat barangkali paling sesuai untuk menghuraikan rakyat Malaysia amalan-amalan CSR.

Terdapat dua had kajian ini. Pertama, kajian memeriksa laporan-laporan tahunan untuk satu tahun sahaja, iaitu laporan tahunan bagi tahun 2006. Keduanya, kajian ini ialah berdasarkan laporan-laporan tahunan sahaja. Ia tidak mengambilkira laporan-laporan tambahan yang dibuat oleh syarikat berkaitan sosial dan alam sekitar.

ABSTRACT (ENGLISH)

The aims of this study to investigate influence of size, profit, gearing and industry type, and dependence on government on Corporate Social Responsibility (CSR) disclosure in MESDAQ listed companies, where CSR is the low awareness and lack of recognition that participation in the implementation of CSR in business operations.

The methodology used in this paper is a cross-sectional study, which focuses on the information contained in annual reports for the year 2006. The study uses score index as a method to measure the degree of CSR.

The findings are based on regression analysis, the study demonstrated the effectiveness of government influence, as dependence on government contracts. Institutionalization the Government of desire and commitment to CSR is perhaps the most appropriate to describe Malaysian CSR practices.

There are two limitations of this study. First, the study examines the annual reports for one year, which is annual report for year 2006. Secondly, this study is the annual reports based. It does not consider any additional reports that the company may have made on society and the environment.

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ABBREVIATIONS

ACCA	Association Chartered Certified Accountants
CSR	Corporate Social Responsibility
CSD	Corporate Social Disclosure
FDI	Foreign Direct Investment
GLCs	Government Linked Companies
MESDAQ	Malaysian Exchange of Securities Dealing & Automated Quotation
MIA	Malaysian Institute of Accountants
SPSS	Statistical Package for Social Science

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Corporate Social Responsibility (CSR) disclosure is continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life for workers and their families, as well as local communities and society as a whole (WBCSD, 1998). In recent years, most of professional accounting bodies such as Association Chartered Certified Accountants (ACCA), KPMG, and Malaysian Institute of Accountants (MIA) have many studies about development of CSR disclosure in annual report. This phenomenon dispread generally around the world and especially in Malaysia where there are other factors effect on the disclosure (Che Zuriana *et al.*, 2001, Thompson and Zakaria, 2004; Haniffa and Cooke, 2002). The factors effect on the CSR disclosure such as development, the impact and role of government.

According to Gray, Owen and Maunders (1987), CSR is defined as the *'process of communicating the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large.* Another definition describes CSR as *'a business organization's configuration of principles of social responsiveness, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships* (Wood, 1991). Consequently, Habisch and Jonker (2005) stated that CSR is the extent to which the way in which an organization consciously assumes responsibility for and justifies its actions and non-actions and assesses the impact of those actions

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