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# A Systematic Review on Corporate Philanthropy Disclosure by Malaysian Companies

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## Abstract

Corporate philanthropy is a subset of the corporate social responsibility. To improve the image of company as a socially responsible organization, corporate philanthropy activities need to be disclosed to stakeholders. There are several factors influencing the corporate philanthropy disclosure. In the current literature, there is still a lack of initiative to systematically review the disclosure of corporate philanthropy in annual reports. The aim of this study is to analyze the existing literature on factors influencing the corporate philanthropy disclosure by Malaysian companies. This paper was guided by the four phase of PRISMA Statement (Preferred Reporting Items for Systematic reviews and Meta-Analyses) review method and utilized Scopus and Web of Science as the main journal databases. This paper identified 17 related studies (out of 230 papers) that could be analyzed systematically. Most importantly, the review managed to formulate four main themes i.e., factors influencing the corporate philanthropy disclosure, namely ownership structure, board of directors' characteristics, financial performance and 'others'. These four themes further resulted in a total of 25 sub-themes. Finally, a number of recommendations were presented at the end of this research which corresponded to potential significant opportunities for future research, either quantitative or qualitative study. This study offers a guide for future studies and thus hopes to encourage more scholarly interest for this intriguing phenomenon at the crossroads of business and society. In the review, the studies included only articles that studied on corporate disclosure in annual reports of Malaysian companies. A comparison between two or more countries can also be conducted in contributing to the body of knowledge.

**Keywords:** Annual Report, Corporate Philanthropy, Disclosure, Systematic Review

## Introduction

An annual report is an integrated report covering different aspects of a company's financial and non-financial performances. Typically, the report consists of accounting policies, financial

statements, chairman's letter, auditor's report and the company's business vision for the future. Hence, the disclosure of reliable, detailed and timely information is essential for a successful stock market to work (Pivac et al., 2017).

An annual report has long been recognized as an important public document. There are two types of information provided in an annual report of a company, which comprises of mandatory and voluntary disclosure. Mandatory information refers to information required by the Companies Act, relevant accounting standards, and stock exchange listing requirements (for listed companies) in a particular country. Voluntary disclosures are disclosures in excess of requirements which represent free choices on the part of company managements to provide accounting and other information deemed relevant to the decision needs of users of their annual reports. However, some companies have incentives to provide voluntary disclosures in their annual reports (Meek et al., 1995; Ghazali, 2008).

Nowadays, there is a rising amount of focus on the annual report on voluntary disclosures. Therefore, company's annual reports have been paired by many companies with annual corporate social responsibility (CSR) and sustainability reports to show in detail the company's programs and commitment to social and environmental causes (Chalmeta & Viinikka, 2017). Corporate philanthropy (CP) is one of the main topics covered in non-financial or CSR reports (Chen et al., 2008; Holder-Webb et al., 2009).

The information on CP found in a company's annual report falls under the type of voluntary disclosure. CP has been considered from a strategic point of view, in the sense that philanthropic activities can be put at the heart of the business, along with other strategies aimed at objectives beyond enhancing financial performance, such as sustainability, growth, long-term permanence, enhancement of corporate identity or creation of shared value (Arco-Castro et al., 2020). Therefore, companies engaging in CP, should disclose information about such activities publicly in their annual reports since CP is a part of overall business strategy.

A natural presumption would be that corporations participating in CP practices disclose their philanthropic information. Under normal cases, it is in their benefit to do so because of the positive effects of CP on stakeholder involvement. In 2005, Godfrey discussed three principles that should underlie a firm's processes: transparency, stability, and responsiveness. Transparency requires the firm to disclose details of the firm's philanthropic portfolio. Stability argues that for the firm to have the most moral capital resulting from the philanthropy, it needs to show a pattern of consistent philanthropic activity. This consistency, it is argued, squelches the idea that the firm is engaging in philanthropy for purely opportunistic reasons. Responsiveness means that decisions about the philanthropy changes as economic and social conditions change.

Therefore, the purpose of this paper is to review the current academic literature on disclosure of CP by Malaysian companies, to synthesize and analyze its main results and to identify gaps that could lead to new and exciting research avenues for academics from different backgrounds. This paper, therefore conducts what is, to our knowledge, among the first attempt review on CP disclosure, guided by PRISMA Statement (Preferred Reporting Items for Systematic reviews and Meta-Analyses) review method and utilized Scopus and Web of Science as the main journal databases. Toward this goal, this study examined a final total of 17 academic papers (out of the original 230 papers) and hypothesized that four main factors affected the extent of disclosure of CP in the annual report, namely, 'ownership structure', 'board of directors' characteristics', 'financial performance' and 'others'.

### **Prior Research**

Specifically, in relation to the disclosure of CP in the annual reports, to the best of our knowledge, there appears to be very limited Systematic Literature Reviews (SLRs).

One of the most recent survey papers in the realm of CP disclosure was carried out by Probohudono et al (2020) and explained by using institutional theory. This study aimed to measure the extent of CP disclosure and the impact of foreign ownership, managerial ownership, the proportion of independent directors, and company size on CP disclosure in annual reports of State-Owned Enterprises (SOEs) in Indonesia. Study results indicated that company size has a significant positive effect on CP disclosure and managerial ownership has a moderate effect. In addition, the results also showed that the control variable, Public Company (Perum), has a significant effect on CP disclosure in Indonesia SOEs. This study provides a helpful start to fellow researchers who may be interested in CP disclosure in annual reports. Apart from that, in relation to CP and its wider impact, a small number of studies had also been published, and this paper will review the related articles below so that the identification of research gap can be allowed.

Towards the end of 2013, Liket and Simaens conducted a SLR containing 122 journal articles on CP. The study identified six interrelated but distinctive research themes in the literature: concept, motives, determinants, practices, business outcomes, and social outcomes. Dividing the literature on CP into six research themes creates an insightful comprehensive map of this intellectual terrain. They found that the conceptualization is limited; the research is mostly quantitative; the effects of CP on society are severely under-researched; and there is a lack of multilevel analyses. They recommended a detailed future research agenda including specific suggestions for research designs and measurements.

Gautier and Pache conducted a review and assessment on CP in 2013 to review some 30 years of academic researches on CP, whereby they identified the current state of research about the rising practice, identifying gaps and puzzles that deserve further investigation. They highlighted the growing scholarly interest in CP as a growing phenomenon of global importance. Over the course of 30 years, academic research has drawn a rich and complex picture of firms as philanthropic actors, pointing to who they are, what may motivate them, how they may behave and what their impact may be.

Godfrey and Williamson conducted a SLR in 2020 to determine the impact of economic crises on philanthropic funding to, and fundraising by, non-profit organizations and surprisingly, it is an under-researched field. Findings from the studies stated that losses of funding are not as uniform nor as sustained as media coverage would suggest and that different sectors are impacted in different ways. Interestingly, they highlighted philanthropic sources including individuals, trusts and foundations, and CP vary in the timing of their responses to economic crises. Nevertheless, they did not look at the broader effects of CP disclosure in annual reports in general.

All the previous studies mentioned above answer questions related to the wider use of CP, but they did not examine specifically the factors affecting the extent of CP disclosure in annual reports. In contrast to CP, the research field has a comparatively brief history and is advancing rapidly. Therefore, it is necessary to provide a fresh summary of the more recent research works, in particular in the realm of CP disclosure, so as to guide new research activities.

### **The Need for a Systematic Review**

A systematic literature review is conducted for a number of reasons. It is conducted in order to provide a balanced and objective summary that is relevant to meeting a specific information need. A systematic literature review is “a means of evaluating and interpreting all available research relevant to a particular research question or topic area or phenomenon of interest” (Kitchenham, 2004). Kitchenham (2007) also stated that SLR is a repeatable process combining all existing research literature related to a specific topic or particular research question.

The academic articles summarized in the review are referred to as primary reviews, while a secondary study is the review itself. The accumulation of evidence through secondary studies can be very valuable in offering new insights or in identifying where an issue might be clarified by additional primary studies (Brereton et al., 2007). The primary objective of carrying out this method of research is to collect, summarize and review information relating to a particular field. This is undertaken so as to discover any research gaps within existing studies, thereby allowing for the recommendation of further research, and allowing for greater insight and deeper understanding into the phenomenon being addressed (Unterkalmsteiner et al., 2012).

Although SLRs are not synonymous with CP disclosure, the aggregation of research results related to CP disclosure is an important part of it. Furthermore, this paper is an effort to systematically examine current literature which is related to CP disclosure, i.e., CSR disclosure, society disclosure or voluntary disclosure in annual reports to determine the factors that affect CP disclosure among companies in Malaysia. In Malaysia, there are considerable amount of studies on CSR disclosure, society disclosure and voluntary disclosure but the efforts to systematically review CP disclosure are still lacking. The only recent studies on CP disclosure in Malaysia was conducted by Hashim et al. (2016). Therefore, this study is crucial since there is a lack of systematic review of CP disclosure in Malaysia where existing literatures are limited to future researchers, including keywords used, articles screening and eligibility, inclusion and exclusion criteria, and databases used. This study is also being carried out in order to enable future scholars to respond to the same areas of transition. Hence, this study provides information related to determinants of CP disclosure among Malaysian companies. The knowledge gathered provides prospective researchers with fields that require more effort and consideration.

### **Methodology**

In order to develop a relevant systematic review, this paper was guided by the main research question – How is the research pattern on factors that influence the extent of CP disclosure in Malaysian companies’ annual reports? Therefore, this study is an attempt to analyze the existing literature on CP disclosure by Malaysian companies.

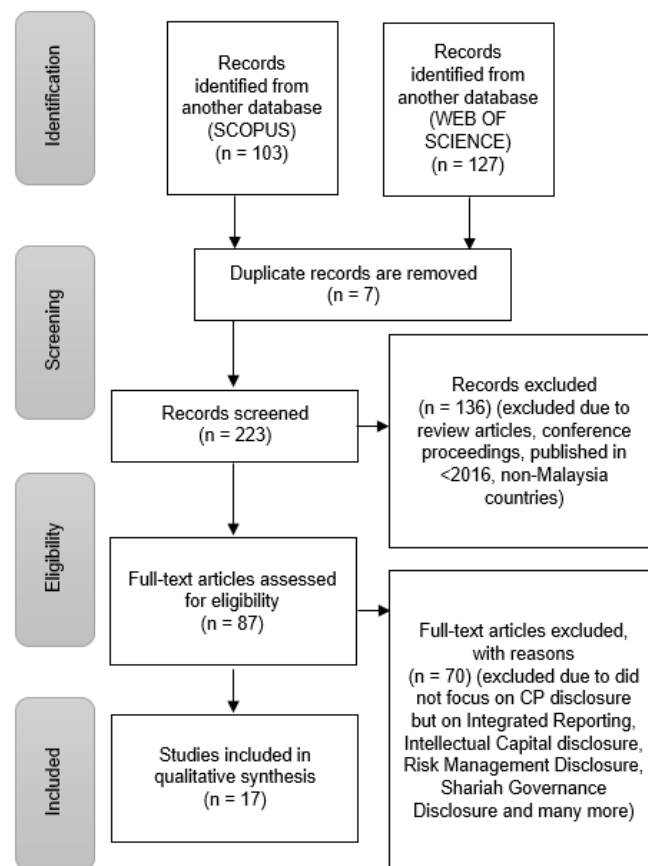
### **Prisma Statement**

To achieve the objective of answering the research question, we conducted the SLR by using PRISMA method. PRISMA or Preferred Reporting Items for Systematic reviews and Meta-Analyses is a published standard to conduct a SLR. As cited by Sierra-Correa et al. (2015), this paper adopted the definition used by The Cochrane Collaboration (2011): A systematic review is an examination of a clearly formulated question using systematic and explicit methods to identify, select, and evaluate relevant research and to collect and analyze data from the studies used in the review.

Generally, publication standards are required to guide authors with related and necessary information that will enable them to evaluate and examine the quality of a review (Shaffril et al., 2019). This paper sought to move through the identification, screening, eligibility and inclusion phases of the review in iterations to allow for thorough evaluation of the SLR. Under PRISMA method, the process comprised of three ways:

1. Defining clear research questions, not only the research question but also the question that allows a systematic search.
2. Identifying inclusion and exclusion criteria. In general, reviews in CP never include the criteria that allow other researchers to replicate the search and analysis.
3. Aiming to assess the largest amount of relevant and available scientific literature possible in defined time.

By using explicit techniques, a systematic review seeks to eliminate bias and define gaps and new avenues for future study. The process of using PRISMA method for this paper is explained in Figure 1.



**Figure 1: Systematic review process including number of papers reviewed in every step (n) of each phase**

### Databases

For this study, two leading indexed databases were used, SCOPUS and WEB OF SCIENCE (WoS). Both databases are considered the leading indexing systems for citations. WoS is a scientific citation indexing tool that can only be accessed via institutional subscription-based services and offers a robust citation search functionality. The database consists of approximately 12,515 journals with coverage of over 236 disciplines. The other database, SCOPUS, is one of the largest abstracts and citation databases of peer-reviewed literature

With over 75 million records and 24,600 titles from 5000 publishers worldwide. These two indexed databases were chosen for their prominence, which is important to ensure the accuracy of the articles examined in this paper.

### Eligibility, Inclusion and Exclusion Criteria

Multiple conditions for eligibility, inclusion and exclusion were determined. First, concerning timeline, the year of 2016 to 2020 (5 years period of time) was selected, which was based on a total number of related publications retrieved to be reviewed. Second, with regard to literature type, only article journal with empirical data was selected which means review article, book series, book, chapter in book and conference proceeding were all excluded. The third criterion for the inclusion and exclusion criteria was language. In order to prevent misunderstanding and problems in the translation work of this paper, all non-English language texts had been excluded. Lastly, only articles focusing on Malaysia were selected as samples (see Table 1).

**Table 1: The Inclusion and Exclusion Criteria**

Criterion	Inclusion	Exclusion
<b>Timeline</b>	2016 – 2020	< 2016
<b>Literature Type</b>	Journals (research articles)	Journals (review articles, books, book chapters, conference proceedings)
<b>Language</b>	English	Non – English
<b>Country</b>	Malaysia	Non - Malaysia

### Systematic Review Process - Selecting the Articles

The literature review procedure involved a four-phase flow diagram (Figure 1). The review process was performed in November 2020. The first phase identified the keywords for use in the search process and referred to records found through database searching (Table 2). At this stage, after careful screening, two duplicate articles were removed.

The second stage was screening. At this stage, out of 230 articles eligible to be reviewed, a total of 160 articles were removed since the full texts differed from the scientific questions. The third stage is eligibility, where the full articles were accessed. After careful examination, a total of 70 articles were excluded, due to the fact that they did not focus on CP disclosure but on integrated reporting, intellectual capital disclosure, risk management disclosure, shariah governance disclosure and many more. The last stage of review resulted in a total of 17 articles that were used for the qualitative analysis (see Figure 1).

**Table 2: The Search string used for the systematic review process**

Databases	Keywords used
<b>SCOPUS</b>	TITLE-ABS-KEY ( ( "voluntar* disclos*" OR "corporate philanthropy*" OR "philanthrop*" OR "corporate giv*" OR "corporate social responsibility*" OR "philanthropy disclos*" OR "corporate giving disclos*" OR "corporate philanthropy communicat*" ) AND ( "annual report*" AND "Malaysia*" ) )
<b>WEB OF SCIENCE</b>	TS=((voluntar* disclos* OR corporate philanthropy* OR philanthrop* OR corporate giv* OR corporate social responsibility* OR philanthropy disclos* OR corporate giving disclos* OR corporate philanthropy communicat*) AND (annual report* AND Malaysia*))

### **Data Abstraction and Analysis**

The remaining 17 articles were assessed and analyzed. Review undertaken was based on related studies which responded to the formulated question. Therefore, when the entire texts diverted from the scientific questions, these articles were excluded. Next, qualitative data were extracted and analysis was performed using content analysis to identify key themes and sub-themes. Each article was read in-depth and coded.

## **Results**

### **General Findings and Background of The Studies Included in The Review**

The analysis produced a total of four themes and 25 sub-themes related to disclosure in annual reports. As presented in Table 4, the four themes are ownership structure (8 sub-themes), board of directors' (BODs) characteristics (7 sub-themes), financial performance (2 sub-themes) and others (8 sub-themes).

More specifically, it should be noted that a total number of eight studies included ownership structure as the factor that affects voluntary disclosure, environmental disclosure and CSR disclosure (Zaini et al., 2020; Chang et al., 2019; Ong et al., 2019; Alazzani et al., 2019; Mohamed Adnan et al., 2018; Ismail et al., 2018; Said et al., 2018; Sadou et al., 2017). The board of directors' characteristics were examined by nine studies (Jamil et al., 2020; Janang et al., 2020; San Ong et al., 2019; Alazzani et al., 2019; Ismail & Latiff, 2019; Mohamed Adnan et al., 2018; Abd Rahman & Ku Ismail, 2018; Said et al., 2018; Sadou et al., 2017). Financial performance was examined by five studies (Abdullah et al., 2020; Yusoff et al., 2018; Ismail et al., 2018; Sadou et al., 2017; Wahab et al., 2017). Lastly, others factors were examined by eight studies (Janang et al., 2020; Chang et al., 2019; San Ong et al., 2019; Mohamed Adnan et al., 2018; Yusoff et al., 2018; Hamzah & Abdullah, 2018; Ismail et al., 2018; Talpur et al., 2018).

In the case of the present study, in terms of the year of publication, four articles were published in 2020 (Jamil et al., 2020; Abdullah et al., 2020; Janang et al., 2020; Md Zaini et al., 2020); four articles were published in 2019 (Chang et al., 2019; San Ong et al., 2019; Alazzani et al., 2019; and Ismail & Latiff, 2019); seven articles were published in 2018 (Mohamed Adnan et al., 2018; Yusoff et al., 2018; Hamzah & Abdullah, 2018; Abd Rahman & Ku Ismail, 2018; Ismail et al., 2018; Said et al., 2018; Talpur et al., 2018); and two articles were published in 2017 (Sadou et al., 2017; Wahab et al., 2017).

From the 17 studies, twelve types of theories were being examined. Legitimacy theory had been used the most in eight studies (Abdullah et al., 2020; Janang et al., 2020; Md Zaini et al., 2020; Chang et al., 2019; San Ong et al., 2019; Yusoff et al., 2018; Ismail et al., 2018; Sadou et al., 2017). Agency theory was used by six studies (Jamil et al., 2020; Chang et al., 2019; San Ong et al., 2019; Said et al., 2018; Talpur et al., 2018; Sadou et al., 2017). Stakeholder theory is used by five studies (Ismail & Latiff, 2019; Yusoff et al., 2018; Hamzah & Abdullah, 2018; Ismail et al., 2018; Wahab et al., 2017). Next, Resource Dependence theory was used by two studies (Jamil et al., 2020; Talpur et al., 2018); and Institutional theory was being used by two studies (Chang et al., 2019; Mohamed Adnan et al., 2018). Lastly, the least theory being used were Attribution theory (Abdullah et al., 2020), Accountability theory (Abdullah et al., 2020), Upper echelons theory (Alazzani et al., 2019), Resource-Based View (RBV) theory (Ismail & Latiff, 2019), Transformational Leadership theory (Abd Rahman & Ku Ismail, 2018), Cultural theory (Abd Rahman & Ku Ismail, 2018), and Political economy theory (Ismail et al., 2018) where only one article examined each of the theories.



All the research samples and theories used are listed in Table 3.

**Table 3: Table of Findings 1**

Authors, Publication Year	Sample	Research Theory	Unit of Analysis (Year)	Research Title
(Jamil et al., 2020)	126	<ul style="list-style-type: none"> <li>Agency Theory</li> <li>Resource Dependence Theory</li> </ul>	2010 - 2014	The Influence of Corporate Governance Structure on Sustainability Reporting in Malaysia.
(Abdullah et al., 2020)	204	<ul style="list-style-type: none"> <li>Attribution theory</li> <li>Accountability theory</li> <li>Legitimacy theory</li> </ul>	2013 - 2017	The Southeast Asian Haze: The Quality of Environmental Disclosures and Firm Performance.
(Janaung et al., 2020)	234	<ul style="list-style-type: none"> <li>Legitimacy theory</li> </ul>	2014 - 2016	Corporate Governance And Corporate Social Responsibility Society Disclosure: The Application Of Legitimacy Theory
(Md Zaini et al., 2020)	30	<ul style="list-style-type: none"> <li>Legitimacy theory</li> </ul>	2009 - 2013	Impact of ownership structure on the level of voluntary disclosure: a study of listed family-controlled companies in Malaysia
(Chang et al., 2019)	100	<ul style="list-style-type: none"> <li>Institutional theory</li> <li>Legitimacy theory</li> <li>Agency Theory</li> </ul>	2016	Drivers Of Sustainability Reporting Quality: Financial Institution Perspective
(San Ong et al., 2019.)	102	<ul style="list-style-type: none"> <li>Legitimacy theory</li> <li>Agency Theory</li> </ul>	2012 - 2016	The Relationship Between Corporate Governance Attributes and Environmental Disclosure Quality of Malaysian Public Listed Companies
(Alazzani et al., 2019)	133	<ul style="list-style-type: none"> <li>Upper echelons theory</li> </ul>	2009	Muslim CEO, Women on Boards and Corporate Responsibility Reporting: Some Evidence from Malaysia
(Ismail & Latiff, 2019)	38	<ul style="list-style-type: none"> <li>Stakeholder theory</li> <li>Resource-based view (RBV) theory</li> </ul>	2010 - 2016	Board diversity and corporate sustainability practices: Evidence on environmental, social and governance (ESG) reporting
(Mohamed Adnan et al., 2018)	51	<ul style="list-style-type: none"> <li>Institutional theory</li> </ul>	-	The Influence of Culture and Corporate Governance on Corporate Social Responsibility Disclosure: A Cross Country Analysis
(Yusoff et al., 2018)	50	<ul style="list-style-type: none"> <li>Legitimacy theory</li> <li>Stakeholder theory</li> </ul>	2002 -2003 2009-2010	Environmental Reporting Practices of Top Public Listed Companies: Analyzing Pre-Post Corporate Social Responsibility Framework
(Hamzah & Abdullah, 2018)	50	<ul style="list-style-type: none"> <li>Stakeholder theory</li> </ul>	2012- 2016	Stakeholder Power towards Corporate Social and Environmental Responsibility Disclosure: Evidence from Malaysia
(Abd Rahman & Ku Ismail, 2018)	300	<ul style="list-style-type: none"> <li>Transformational Leadership theory</li> <li>Cultural theory</li> </ul>	2013	The moderating effect of culture on the relationship between women directors and CSR disclosure in Malaysia
(Ismail et al., 2018)	116	<ul style="list-style-type: none"> <li>Political economy theory</li> <li>Stakeholder theory</li> <li>Legitimacy theory</li> </ul>	-	Determinants of corporate environmental disclosure quality of oil and gas industry in developing countries
(Said et al., 2018)	150	<ul style="list-style-type: none"> <li>Agency theory</li> </ul>	2014	Exploring the effects of corporate governance and human governance on management commentary disclosure
(Taipur et al., 2018)	95	<ul style="list-style-type: none"> <li>Resource dependency theory</li> <li>Agency theory</li> </ul>	2016	Do audit committee structure increases influence the level of voluntary corporate governance disclosures?
(Sadou et al., 2017)	71	<ul style="list-style-type: none"> <li>Legitimacy theory</li> <li>Agency Theory</li> </ul>	2011-2014	Corporate social responsibility disclosures in Malaysia: Evidence from large companies
(Wahab et al., 2017)	99	<ul style="list-style-type: none"> <li>Stakeholder theory</li> </ul>	2003 - 2013	Corporate Social Responsibility Disclosure (CSR) and company financial performance for environmental sensitive companies in Malaysia

Table 4: Table of Findings 2

Authors	Internal Factors																									
	Ownership Structure						Board of Directors' Characteristics						Financial Performance				Others									
	FC	NFC	MO	FO	GO	PO	MDO	OC	ID	BS	BI	BC	BD	DO	BEB	PRO	LEV	FS	CO	NCEO	CC	SC	MM	IS	ACS	
(Jamil et al., 2020)										✓	✓															
(Abdullah et al., 2020)																✓										
(Janang et al., 2020)									✓																	✓
(Md Zaini et al., 2020)	✓																									
(Chang et al., 2019)				✓															✓							
(San Ong et al., 2019)			✓						✓												✓					
(Alazzani et al., 2019)							✓					✓														
(Ismail & Latiff, 2019)									✓			✓														
(Mohamed Adnan et al., 2018)												✓									✓					
(Yusoff et al., 2018)																										
(Hamzah & Abdullah, 2018)																										
(Abd Rahman & Ku Ismail, 2018)												✓														
(Ismail et al., 2018)			✓																							
(Said et al., 2018)			✓																							
(Talpur et al., 2018)																										
(Sadou et al., 2017)					✓				✓					✓												
(Wahab et al., 2017)																										
	1	1	2	1	3	1	2	1	4	5	1	4	3	1	2	3	3	3	1	1	1	1	1	1	1	2

Ownership Structure	Board of Directors' Characteristics	Financial Performance	Others
FC – Family-controlled, NFC – Non-family-controlled, MO – Managerial ownership, FO – Foreign ownership, GO – Government owned PO – Private owned institutions MDO – Muslim director ownership OC – Ownership concentration	ID – Independent director BS – Board size, BI – Board independence, BC – Board Capital BD – Board Diversity DO – Director ownership BEB – Board educational background,	PRO – Profitability LEV – Leverage	FS – Firm size CO – Country of origin NCEO – Nonduality of CEO CC – CSR Communities SC – Stockholder Concern MM – Membership of industry's associations IS – Industry sector ACS – Audit committee size.

### **Main Findings**

In this section, the discussion revolves around four main themes namely ownership structure, BODs characteristics, financial performance and others factors enforcement along with the emerging 25 sub-themes (refer Table 4).

### **Ownership Structure**

The ownership structure of firms is a crucial variable when studying CP. Along with the growth of global businesses especially big companies which is marked by a separation of ownership and power, different interests between owners and managers have produced extensive business literature. Therefore, the more dispersed the ownership, the more discretionary power for managers to use resources for preferred expenditures—including CP (Bartkus et al. 2002).

A total of eight previous studies were found to focus on the ownership structure, particularly in their disclosure in annual reports. It consists of eight sub-categories known as family-controlled, non-family-controlled, managerial ownership, foreign ownership, government owned, private owned institutions, Muslim director ownership and ownership concentration. Zaini et al (2020) analyzed voluntary disclosure practiced by family - controlled companies and non - family controlled companies. Chang et al (2019) examined sustainability reporting on government owned, private owned institutions, and Muslim director ownership. San Ong et al (2019) studied environmental disclosure on managerial ownership. As for Alazzani et al. (2019), they focused on Muslim director ownership in CSR reporting. Mohamed Adnan et al (2018); Sadou et al (2017) researched on government owned structure in CSR reporting. Ismail et al (2018) studied foreign ownership for corporate environmental disclosure. Said et al (2018) examined managerial ownership for the effects of corporate governance and human governance on management commentary disclosure.

As a conclusion, government owned structure is the most examined category under ownership structure theme. The least being examined under ownership structure are family-controlled, non-family-controlled, foreign ownership, private owned institutions and ownership concentration where only one study was done for each sub-theme.

### **Board of Directors' Characteristics**

A related yet distinct determinant is BODs characteristics namely independent director, board size, board independence, board capital, board diversity, director ownership and board educational background. Board of directors' characteristics became the most discussed as thirteen out of seventeen studies incorporated this theme as a factor to be analyzed.

Jamil et al (2020) examined the effect of board independence and board capital on sustainability reporting. Janang et al (2020); San Ong et al (2019) and Sadou et al. (2017) examined independent director and board size. While Alazzani et al (2019); Abd Rahman and Ku Ismail (2018) focused on the impact of board diversity on CSR reporting. Ismail and Latiff (2019) narrowed down on four sub-themes which were independent director, board capital, board diversity, and board educational background. Mohamed Adnan et al. (2018) examined board size and board capital. Said et al (2018) focused on board size, board capital, and board educational background. Lastly, only Sadou et al (2017) examined the effect of director ownership on CSR disclosure.

For conclusion, under BODs characteristics theme, board size is the most being examined sub-theme under BODs characteristics that is included in five studies. The least

being examined sub-themes are board independence and director ownership where only one study was found to examine each sub-theme.

### **Financial Performance**

Another stream of studies documents the link between financial performance and the level of voluntary disclosure, environmental disclosure and CSR disclosure which can be related to CP disclosure. These studies include profitability and leverage under this category. Both sub-themes were being examined by three studies where three studies discussed on profitability (Abdullah et al., 2020; Yusoff et al., 2018; Ismail et al., 2018). Leverage was examined by Ismail et al. (2018), Sadou et al., (2017) and Wahab et al. (2017).

Gautier and Pache (2013) criticized the rise of CSR in an essay in 1970, which is fully relevant for CP as well. According to Friedman who is a famous detractor of CSR, Nobel-prize winner economist, whether one is concerned with principles or consequences, one should reject “social responsibility” of businesses and instead call for individual responsibility within firms, especially for managers to use shareholders’ money wisely. Therefore, Friedman’s critique of any forms of corporate expenditure that does not maximize shareholder value has had a tremendous impact. However, other scholars adopting an extended view of neoclassical arguments consider CP as a way to actually increase profits. Since the 1970s, and contrary to Friedman’s predictions, firms have increased both their levels of profits and of corporate donations. Therefore, profitability is considered as one of the factors that determines CP disclosure based on this argument.

### **Others**

There are eight determinants that fall under this category: firm size, country of origin, nonduality of CEO, CSR communities, stockholder concern, membership of industry’s associations, industry sector and audit committee size. All eight determinants had been examined by eight studies (Janang et al., 2020; Chang et al., 2019; San Ong et al., 2019; Mohamed Adnan et al., 2018; Yusoff et al., 2018; Hamzah & Abdullah, 2018; Ismail et al., 2018; Talpur et al., 2018).

Janang et al. (2020) found that audit committee, independent directors, and size are significantly associated with the level of society disclosure. Chang et al. (2019) showed that the quality of sustainability reports is higher among financial institutions in developed countries. San Ong et al (2019) found that the proportion of independent directors and nonduality of CEO are significant in improving the environmental disclosure quality of Malaysian listed companies. Mohamed Adnan et al. (2018) found that CSR reporting is enhanced by corporate governance in the form of social responsibility board committees. Hamzah and Abdullah (2018) provided evidence that stakeholders, particularly government and non-government organizations, show their concern on the importance of social and environmental disclosures. This concern may be one of the driving factors that influences companies to reveal a large amount of corporate social and environmental responsibility (CSER) disclosure information related to the society and environmental aspects. Their findings indicated that present secondary stakeholders play a crucial part in compelling organizations to disclose CSER information.

Under this theme, firm size is the most being discussed which is by three studies and the least being examined are country of origin, nonduality of CEO, CSR communities, stockholder concern, membership of industry’s associations, and industry sector where only one study examined each sub-theme.

### **Recommendations**

Little effort has been made to document the disclosure of CP in companies' annual reports as most literature covered only on voluntary disclosure, environmental disclosure and CSR disclosure. Gautier and Pache (2013) stated that this lack of scholarly interest for the way corporate contributions affect recipients does not reflect a rising trend in the philanthropic sector: the difficult but crucial task to evaluate and quantify performance of activities that are not directly measurable by financial means, also known as "impact measurement" (Duncan 2004; Maas & Liket 2011).

It should be noted that several improvements can be made to the current searching technique. Most of the studies rely on electronic keyword searches as this technique is acknowledged as the best searching method for a systematic review. Among techniques that can be considered are citation tracking, reference searching, and snowballing. Citation tracking refers to efforts to identify related articles based on those papers citing the paper being studied. This technique allows researchers to follow research leads both forwards and backwards in time. Reference searching is done by examining the reference lists in the selected articles for other articles. Horsley et al. (2011) further noted that in a situation where researchers face challenges in finding related information, examining the reference lists potentially might reduce the risk of missing relevant information. Snowballing can be divided into two types – forward snowballing and backward snowballing and is similar to citation tracking and reference searching. It must be noted that the main disadvantage of citation tracking, references searching and snowballing system is that it can get out of control, retrieving more articles than it is feasible to appraise manually (Tsafnat et al., 2014).

In the review, the studies included only articles that studied on CP disclosure in annual reports of Malaysian companies. A comparison between two or more countries can also be conducted in contributing to the body of knowledge.

### **Conclusion**

This paper review reflects the growing scholarly interest in the phenomena of CP that are now institutionalized. Therefore, this study aimed to analyze the existing literature on CP disclosure by Malaysian companies. To address this objective, a SLR was performed on two well-regarded digital databases following specific protocols to identify appropriate articles to be reviewed. The findings were used to summarize existing knowledge on CP disclosure whereby past and current thematic patterns in scholarly study in this field were outlined and encapsulated.

This paper experiences of attempting SLR have confirmed that the basic steps in the systematic review process appeared as relevant to voluntary disclosure, environmental disclosure and CSR disclosure which also led to CP disclosure. Therefore, after performing several steps within the systematic process, 17 studies were selected. Based on the results obtained, it can be inferred that the purpose of this paper has been accomplished. As shown in this review's results, the selected 17 studies have been categorized through four themes of studies, as internal factors for CP disclosure. These included ownership structure, BODs characteristics, financial performance and 'others' along with the emerging 25 sub-themes.

This finding leads to the conclusion that a large number of studies have focused on BODs characteristics, followed by ownership structure, others factors and financial performance. Furthermore, theories such as Legitimacy theory, Agency theory and Stakeholder theory have been most frequently used in voluntary disclosure, environmental disclosure and CSR disclosure. Based on the results, researchers might consider engaging into

studies that incorporate new variables such as tax avoidance (Zerah et al., 2018) or sub-themes that are being examined the least in previous studies such as foreign ownership under ownership structure theme, director ownership under BODs characteristics and country of origin under 'others' theme.

Lastly, this study offers a guide for future studies and thus hopes to encourage more scholarly interest for this intriguing phenomenon at the crossroads of business and society.

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