

THE INFLUENCE OF GOVERNANCE STRUCTURE ON SUSTAINABILITY DISCLOSURE: EMPIRICAL EVIDENCE FROM FEDERAL STATUTORY BODIES

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ABSTRACT

The federal statutory bodies which were established to support and deliver the Federal Government objectives have the responsibility to ensure that their policies and activities are aligned with that of the government sustainable development agenda. The aim of this study is to examine the influence of board characteristics, namely the board size, women directors on board, and board designation on sustainability information disclosure by the federal statutory bodies in Malaysia. The release of sustainability information by federal statutory bodies provides an indication of their commitment towards sustainability issues. A sustainability disclosure index was used to examine 112 Malaysian federal statutory bodies' websites for the year 2015. The agency theory was used to explain the relationships of the variables in this study. The overall results from the study revealed that the extent of sustainability information disclosed by Malaysian federal statutory bodies was still low. The results of the multiple regression analysis revealed that board designation had a significant positive influence on the disclosure of sustainability information by federal statutory bodies in Malaysia, suggesting that influential and reputable board members can put pressure on the management of federal statutory bodies to reveal their sustainability information to the public.

Keywords: *sustainability reporting, federal statutory bodies, website reporting*

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INTRODUCTION

The public sector as an arm of the government plays a significant role in supporting the government's commitment towards sustainable development. This role involves taking the necessary steps to realise the government's vision of stimulating economic growth without compromising sustainability-related issues such as protection of the community, workplace, marketplace and the environment. The public sector is recognized as one of the key players in addressing sustainable development (Jones, 2010; UNICEF, 2013).

The Federation of European Accountants (2009) has highlighted that:

“The public sector should report on sustainability as part of its normal accountability as this should go beyond financial terms. Government policy needs to be linked to key non-financial and to financial indicators in combination. The concept of sustainability and the related reporting concepts need to be better developed in public sector.” (p.2).

In Malaysia, sustainability development issues in the public sector have become a priority for the Malaysian government and such matters have been embedded in the Government Transformation Programme (GTP) and in the Malaysian Plan (RMK-10, RMK-11) (BHonline, 2015; UNICEF, 2013). The Eleventh Malaysian Plan (RMK-11) acts as a 'blueprint' for the government strategic plan in realising Vision 2020. Such actions have resulted in Malaysia being one of the three countries besides Hong Kong and South Korea in the Asian market that has the largest sustainable investment (GSIA, 2014).

Federal statutory bodies as an important arm of the government in this context are responsible for making sure that their policies and activities contribute towards the implementation of the government's national agenda. The establishment of the federal statutory bodies in Malaysia is to support and deliver the Federal Government's objectives. According to the Statutory Bodies (Account and Annual Reports) 1980 (Act 240), a federal statutory body is defined as (MNAD, 2013), page 13:

“An association incorporated under the federal laws. Federal Statutory Bodies are Government agencies which are incorporated by law for the purpose of the Federal Government but do not include local authorities or corporations which are incorporated under the Companies Act 1965.”

Therefore, the role of the federal statutory bodies in addressing these sustainability issues is critical as they also set examples for the business community and the market as a whole towards supporting the government’s national agenda. The disclosure of sustainability information by the federal statutory bodies is an indication of their commitment towards sustainability issues in the organisations. In this respect, it is expected that the role of the board of directors in influencing such organisations to uphold the federal government’s agenda is critical in motivating the implementation of such policies and activities. Prior literature has revealed that the board characteristics play a significant role in influencing the extent of sustainability information disclosure in the private sector (Handajani, Subroto, & Erwin, 2014; Janggu, Darus, Zain, & Sawani, 2014; Michelin & Parbonetti, 2012; Said, Zainuddin, & Haron, 2009). However, to date, there is limited literature on the relationship between the role of the board of directors and sustainability information disclosures in the public sector.

Therefore, this study aims to examine the influence of board characteristics, namely the board size, women directors on board, and board designation on the sustainability information disclosed by the federal statutory bodies in Malaysia. Content analyses of sustainable information communicated via the websites of these federal statutory bodies were undertaken for the year 2014. Two commonly used medium by the federal statutory bodies to communicate sustainability agenda to the public are through their annual reports and the websites. However, due to the limited availability of information that could be extracted from the annual reports and because of the development of IT in the public sector in Malaysia, this study examined the sustainability information as disclosed through the federal statutory bodies’ websites as a medium to analyse the sustainability information disclosed. In 2013, 92% of the Malaysian government agencies portals and websites including those of the federal statutory bodies were rated 3-star and above as compared to only 8% in 2005 (Multimedia Development Corporation, 2013). The ratings indicate that the government

agencies' portals and websites in Malaysia have improved and are being used to provide two-way communications between the government and the citizens. Prior studies on sustainability information disclosure of the public sector have also used websites as a medium to extract sustainability information (Joseph, Pilcher, & Taplin, 2014; Lodhia, 2014; Rorissa & Demissie, 2010).

In summary, this study seeks to answer the following research questions:

1. What is the extent of the sustainability information disclosed on the websites of federal statutory bodies in Malaysia?
2. Do board characteristics influence the sustainability information disclosure of federal statutory bodies in Malaysia?

The findings from this study will contribute towards the limited literature on sustainability information disclosure by public sectors, especially in Malaysia. The information about the state of sustainability efforts undertaken by government agencies is very limited and the research to understand the efforts of the public sector in addressing sustainable issues is scarce (Joseph, Pilcher, & Taplin, 2014). The findings from the study will provide valuable input on the influence of the governance structure of the federal statutory bodies in supporting the government's sustainability agenda. The agency theory was used to underpin arguments on the role of the board directors in advancing sustainability information disclosure by the federal statutory bodies.

The remainder of this paper is organised as follows. The next section provides the literature review while Section 3 elaborates on the research methodology employed in this study. Section 4 offers the findings and discussion of the study while the last part highlights the concluding remarks.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Studies on corporate social responsibility (CSR) have used various theories to underpin arguments on motivations for organizations to undertake CSR practices. Stakeholder pressure has commonly been cited as one of the reasons for organizations to disclose CSR information (Yusoff & Darus 2012). In this study, the Agency theory is used to underpin arguments for the motivation of the federal statutory bodies to disclose sustainability information. An agency relationship in the public sector differs from the private sector (Malmir, Shirvani, Rashidpour & Soltani, 2014). In the public sector, citizens or voters act as the principal and political manager as an agent. The agency relationship in the public sector is bounded by the demand of the political manager to be accountable and transparent in managing public funds. Meanwhile, in the private sector, manager acts as an agent and shareholders or owner as the principal (Jensen & Meckling, 1976). Prior studies argued that the agency theory is applicable in explaining the relationship between the government and citizen. An article written by Kivisto (2005) has introduced the agency theory to the field of higher education research. The researcher argued that agency theory in the public sector context can illustrate the general problems about control mechanism and governance, for example the problems with adverse selection and moral hazard on a contractual agreement like issues on research funding between higher education and the government. Agency conflict caused by information asymmetries between the government and higher education can be resolved through signaling and screening. Both the information asymmetry and divergence of interest that caused agency problem are inherent in the agency relationship.

From another perspective, Malmir, Shirvani, Rashidpour and Soltani (2014) highlighted that agency theory is one of the factors for citizen relationship management. According to them, a good practice of corporate governance leads to a better stakeholders' engagement. In the corporate sector, the existence of a corporate governance mechanism is a reflection for managing agency conflict and to reduce the agency cost (Jensen & Meckling, 1976). The board of directors appointed through shareholders' approval enable the business entities to be monitored in line with the shareholders and others stakeholders' interest. This appointment makes the

board of directors accountable to the shareholders. However, in the public sector, the government or public officer are responsible to users like citizens, investors, taxpayers and business entities in managing public funds from various kinds of taxes.

Studies on the relationship between corporate governance and sustainable development have become prominent in the corporate sector over the years (Darus, Hamzah, & Yusoff, 2013; Janggu, Darus, Zain, & Sawani, 2014; Said, Zainuddin & Haron, 2009). The relationship between good corporate governance practices in improving the corporate relationship with their stakeholders has been proven (Chan, Watson, & Woodliff, 2014) since better corporate governance practices lead to higher concerns on sustainability development. An increase in sustainability disclosure has been linked with excellent corporate governance (Chan, Watson & Woodliff, 2014).

Board Size

In Malaysia, Janggu, Darus, Zain and Sawani (2014) have confirmed that corporate governance mechanism from the agency theory's perspective plays a significant role in sustainability disclosure. A larger board represents a significant influence in sustainability disclosure (Janggu, Darus, Zain, & Sawani, 2014) because they can provide more efficiency in decision making, communication as well as co-ordination with the company (Said, Zainuddin, & Haron, 2009). This finding is also similar to other prior studies such as Dalton & Dalton, (2005) and Handajani, Subroto, and Erwin (2014). They argued that a larger board can provide a more diverse area of expertise, wider experience, and can influence the business environment, hence improving corporate ethical behavior and sustainability concern. In Malaysia, studies on the relationship between board size and the motivation to disclose sustainability information among public organizations are limited. The composition of the board of director's function and characteristics in federal statutory bodies which is relatively similar to Malaysian corporate entities is the fundamental reason to investigate this variable. In line with previous studies in the corporate sector (Dalton & Dalton, 2005; Handajani, Subroto, & Erwin, 2014) more generally, continue to capture the attention of practitioners and scholars alike. There are now several reports, such as the Higgs Review, that offer both descriptions of past board structures and

practices, and prescriptions for effective corporate governance practices going forward. This paper provides an overview of a series of research in which we have been involved that investigated the relationships between board structures (i.e. board composition, board leadership structure, board size and board member equity ownership, board size is expected to have a significant positive relationship with sustainability concern in the public sector. Therefore, the first hypothesis developed is as follows:

H₁: Board size has a significant positive relationship with sustainability information disclosure.

Woman Directors on Board

The dominance and concern towards the board's gender composition are proven to be positively significant in relation to the ethical and environmental concerns (Bear, Rahman, & Post, 2010; Bernardi & Threadgill, 2010; Larkin, Bernardi, & Bosco, 2012). However, there are also studies that found a negative relationship (Handajani, Subroto, & Erwin, 2014). These researchers argued that the presence of women directors on board is one of the factors that influence the corporate board's decision towards social and environmental concerns. Krüger (2009) highlighted that a higher number of women directors on board leads to a better social behavior concern. Therefore, the trend of board composition regarding gender indicates a positive influence in the decision making of public agencies towards the disclosure of sustainability information. Therefore, the second hypothesis developed is as follows:

H₂: Women directors on board have a significant positive relationship with sustainability information disclosure.

Board Designation

Janggu, Darus, Zain and Sawani (2014) found that board designation and board professionalism significantly influence the extent of sustainability disclosure in annual reports. Janggu, Darus, Zain and Sawani (2014) found that board designation positively impacts the quality and level of sustainability disclosure in annual reports. In the public sector, there are limited studies that have been conducted to examine such relationships.

Hence, further research in this area is necessary. The association between board designation and sustainability disclosure is expected to be significant since the board with some form of titles is indirectly being pressured to maintain their good reputation. Also, addressing and enhancing public reputation is essential (Luoma-aho, 2008) to gain stakeholders' support and to gain legitimacy. Therefore, the third hypothesis developed is as follows:

H₃: Board designation has a significant positive relationship with sustainability information disclosure.

RESEARCH DESIGN AND METHODOLOGY

Population, Sample Formulation and Data Collection

This study used secondary data in analyzing the sustainability information being disclosed on the federal statutory bodies' websites. The total population of the federal statutory bodies in Malaysia is 127. Therefore, the unit of analysis is the federal statutory bodies' websites. A list of federal statutory bodies was derived from the General Auditor Report 2013. During the data collection, the relevant websites were accessed only once to avoid bias in assessment starting from 13 April 2015 until 1 May 2015. The reason is that information on websites keeps on changing and is being regularly updated. Any websites that cannot be accessed during the designated period were assessed again on 4 May 2015. Any change in information after the period was not considered.

Websites were chosen as a medium to extract sustainability information for the federal statutory bodies because of the lack of such information being disclosed in annual reports. However, the development of websites by government agencies provides a platform for these organisations to communicate their sustainable development information through these websites. This choice is consistent with prior studies where websites were used to analyse sustainability information (Alcaraz-Quiles, Navarro-Galera, & Ortiz-Rodríguez, 2014; Darus, Hamzah, & Yusoff, 2013; Joseph, Pilcher, & Taplin, 2014; Lodhia, 2014; Rorissa & Demissie, 2010). Furthermore, the website is one of the most interactive reporting media since it can provide real-time data and immediate updates of events (Darus, Hamzah, & Yusoff, 2013).

Three assumptions were developed following a study by Joseph, Pilcher and Taplin (2014) in analysing the website contents. First, annual report and any relevant publications were ignored because the main objective of this study was to analyse the sustainability information on websites only. Second, the relevant section such as online services provided by federal statutory bodies, downloadable forms (PDF & Word), laws, frequently asked questions (FAQs), and any application procedures were ignored due to their irrelevancies to the definition of sustainable development. Third, any links to other organisation websites and their relevant information were excluded, for example, links to MyGovernment Portal and related ministry portals or websites. According to Joseph, Pilcher and Taplin (2014), these assumptions are necessary for addressing the issue of reliability. These assumptions must be made clear to minimize the limitations and threats of website analysis such as personal researcher’s bias in judging the level of communication over the website and numerous assessments of link and volume of websites.

After analysing the websites, it was found that only 112 federal statutory bodies’ websites (88% of total population) were available as sample for further analysis. 15 federal statutory bodies were excluded due to non-accessibility of information on the websites; no independent websites, wrong URL, or the websites were under maintenance. Table 1 below summarizes the sample selection of accessible and non-accessible websites. However, after the exclusion of outliers, only the data for 80 federal statutory bodies were used for the descriptive and regression analyses (refer to Table 3).

Table 1: Sample Selection for the Study

Websites	Total	Percentage
Accessible	112	88.2
Non-accessible	15	11.8
TOTAL	127	100

Variable, Measurement and Data Analysis

The dependent variable for the study is the extent of sustainability information disclosed on the website. A disclosure index adopted from

Joseph (2010) and Joseph, Pilcher and Taplin (2014) with some modifications was used as a checklist for the sustainability information published on the federal statutory bodies' websites. The modifications included changing the terms used for some of the items to suit the context of federal statutory bodies. One item, 'awards', was added for each theme after a preliminary examination of ten federal statutory bodies websites was carried out and a review of prior literature was undertaken (Joseph, Pilcher, & Taplin, 2014). The presence of the sustainability items was identified by browsing and observing the content of the federal statutory bodies' websites. If an item from the checklist was disclosed, a score of '1' was given, and '0' if otherwise. The instrument checklist was applied equally to all samples (refer to Appendix 1).

The independent variables comprise of the board size, women directors on board, and board designation. Board size refers to the total number of board members or council members on the board. Women directors on board refer to the total number of women directors from the total number of board members. Meanwhile, for board designation, board members with some form of titles like Yang Berhormat (YB), Tan Sri or Puan Sri, and Datuk or Datin were given a score of 1. After the data have been collected, the IBM Statistical Package for Social Science (SPSS) version 21 was used to test the hypotheses. The multiple regression model used for the study is shown as follows:

$$\text{Sustainability disclosure} = \alpha + \beta_1 \text{ Board size} + \beta_2 \text{ Board women} + \beta_3 \text{ Board designation} + \epsilon t$$

Where,

Sustainability disclosure = Total score of disclosure index

- α = Intercept
- Board size = Total number of board members
- Board women = Total women directors / Board size
- Board Designation = Total board members with designation / Board size
- ϵt = error term

RESULTS AND DISCUSSION

Descriptive Statistics and Normality Tests

Table 2 presents the descriptive analysis of the dependent and independent variables for the study.

Table 2: Descriptive Analysis of the Dependent and Independent Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Sustainability Disclosure	80	5	47	22.15	10.514
Board Size	80	3	17	9.39	2.679
Women directors on board	80	0.00	0.45	0.1511	0.11428
Board Designation	80	0.36	1.00	0.8200	0.17442

The results from Table 2 revealed that the extent of sustainability information disclosed on the website of Malaysian federal statutory bodies was still low ($M=22.15$), where 22 items (37%) out of a possible 60 items were disclosed. The lowest total disclosure is 5 items, and the highest disclosure is 47 items. On average, the total board size of Malaysian federal statutory bodies is 9 ($M=9.39$). The lowest total board size is 3, and the highest is 17 total members of the board. The values for women directors on board and board designation were divided against the board size to get the proportion of women on board and the proportion of board members with some form of title. The results from Table 2 revealed that on average, there were only 15% ($M=0.1511$) of women directors on the board of federal statutory bodies in Malaysia. The minimum value of (0.00) indicated that some federal statutory bodies did not have any woman director on board. The highest representation of women on board is 45% ($Max = 0.45$). Therefore, on average, women's participation in the public sector is still considered below the policy targeted of having at least 30% of women representation on the board of directors in public companies by 2016 (NAM Institute for the Empowerment of Women, 2014). The average mean score of 82% ($M=0.8200$) for board members having some form of title is rather high, suggesting that 82% of board members of the federal statutory bodies in Malaysia have some form of designation. A maximum

score of 1.00 indicated that some boards have members where all of them have some form of designated titles. The result suggests that the federal statutory bodies in Malaysia are concerned that their board members be comprised of distinguished members of the society.

Table 3 shows the summary of the results of normality tests generated using descriptive statistics and the Shapiro-Wilk test of normality.

Table 3: Variables Normality Test

Variables	Descriptive		Shapiro-Wilk test of normality
	Skewness	Kurtosis	Normality test (<i>p</i> -value)
Sustainability information disclosure	.540	-.730	0.002
Board Size	.091	.338	0.043
Board Female/Board Size	.510	-.188	0.001
Board Designation/Board Size	-.749	-.404	0.000

Shapiro-Wilk rule states that if ($p < 0.05$), the data is not normal. Based on the table, all the variables have values of ($p < 0.05$), which indicate that all the variables are not normal. However, Pallant (2007) argued that as long as the skewness value is between ± 1 , the data can be considered normal. Therefore, the data above is considered normal since all the variables under the descriptive skewness have values between ± 1 .

Correlation Matrix

Table 4 presents the correlation matrix between the dependent and independent variables. The results of the correlations matrix were used to identify the strength of the relationship between two variables and as a preliminary indication for multicollinearity (Field, 2013; Pallant, 2007). Multicollinearity is considered to be present if there are substantial correlations ($r > 0.9$) between predictors (Field, 2013).

Table 4: Correlations Matrix

		Sustainability Development	Board Size	Board Female/ Board Size	Board Designation/ Board Size
Sustainability information Disclosure	Pearson Correlation	1	-.201	-.242*	.222*
	Sig. (2-tailed)		.074	.030	.048
	N	80	80	80	80
Board Size	Pearson Correlation	-.201	1	.022	.113
	Sig. (2-tailed)	.074		.848	.318
	N	80	80	80	80
Board Female/ Board Size	Pearson Correlation	-.242*	.022	1	-.061
	Sig. (2-tailed)	.030	.848		.593
	N	80	80	80	80
Board Designation/ Board Size	Pearson Correlation	.222*	.113	-.061	1
	Sig. (2-tailed)	.048	.318	.593	
	N	80	80	80	80

*. Correlation is significant at the 0.05 level (2-tailed)

Based on Table 4 above, there is no multicollinearity present between the predictors ($r < 0.9$). The correlation results revealed that the correlation between sustainability website disclosure and board size is negative ($r = -0.201$) and not significant ($p > 0.05$). The second correlation between sustainability website disclosure and board female is negative ($r = -0.242$) and significant ($p < 0.05$). Meanwhile, the third correlation between sustainability website disclosure and board designation is positive ($r = 0.222$) and significant ($p < 0.05$).

Regression Results

Table 5 and Table 6 present the results of the multiple regression analysis. A multicollinearity test was done, and no multicollinearity issue was observed. The model is significant at 0.006, while the R^2 coefficient is 0.151.

Table 5: Model Summary

Construct	
R	0.388
R ²	0.151
Adjusted R ²	0.117
Sig.	0.006

Table 6: Coefficients

	B	β	t	Sig.	Hypotheses
Constant	21.926		3.365	p = 0.001*	
Board Size	-0.874	-0.223	-2.092	p = 0.040*	Rejected
Board Female/Board size	-20.550	-0.223	-2.108	p = 0.038*	Rejected
Board Designation/ Board Size	14.063	0.233	2.188	p = 0.032*	Accepted

*Significant at ($p < 0.05$)

The results from Table 6 revealed that there is a negative coefficient value ($B = -0.874$) for board size, even though it is significant at 5% ($p < 0.05$). Therefore, H1 is rejected. Even though the variable is significant, it is not in the predicted direction. This finding is not consistent with the findings from prior studies on public listed companies where board size was found to have a significant positive relationship with sustainability or CSR disclosures (Dalton & Dalton, 2005; Handajani, Subroto, & Erwin, 2014; Jangu, Darus, Zain, & Sawani, 2014) more generally, continue to capture the attention of practitioners and scholars alike. There are now several reports, such as the Higgs Review, that offer both descriptions of past board structures and practices, and prescriptions for effective corporate governance practices going forward. This paper provides an overview of a series of research in which we have been involved that investigated the relationships between board structures (i.e. board composition, board leadership structure, board size and board member equity ownership). The negative relationship suggests that an increase in the number of board members of federal statutory bodies could reduce the sustainability information disclosed on the website. This negative relationship could be due to the different objectives and goals between the public and private sectors which may warrant further

investigation. Besides that, the negative coefficient value ($B = -20.550$) for women directors on board is also not in the predicted direction, even though it is significant at 5% ($p < 0.05$). Therefore, the second hypothesis is also rejected. The results suggest that the relationship between sustainability disclosure and women directors on board is negative in the public sector. This result also warrants further investigation.

On the other hand, board designation shows a positive coefficient value ($B = 14.063$) and is significant at 5% ($p < 0.05$). Thus, the third hypothesis is accepted. The positive relationship indicated that board designation has a significant effect on sustainability disclosure for federal statutory bodies. This finding is supported by a previous study by Janggu, Darus, Zain and Sawani (2014) which indicated that board designation is one of the key determinants for sustainability disclosure for public listed companies. Therefore, based on the results, board designation seemed to also affect the extent of sustainability disclosure for the public sector.

In relation to the agency theory, the significant positive relationship between board designation and sustainability disclosure suggest that the higher the number of directors with some form of titles, the better the sustainability disclosure would be. The findings imply that the public (principal) are more confident with reputable directors (agents) since most of their titles were given based on the directors' contribution to the society. Besides that, perhaps, investors would be more confident in dealing with public agencies with acclaimed directors. The positive relationship also could indicate that having reputable directors (agents) result in the federal statutory bodies being more transparent, accountable and willing to share more information about sustainability development to public stakeholders. Therefore, they are able to minimize the agency conflict and information asymmetry between the agents (directors) and the principal (citizen) (Jensen & Meckling, 1976).

CONCLUSION

The aim of the study is to examine the extent of sustainability information disclosed by federal statutory bodies in Malaysia and the role of the board directors towards the disclosure of such information. The overall results from

the study revealed that the extent of sustainability information disclosed by Malaysian federal statutory bodies was still low. The results of the multiple regression analysis revealed that board designation had a significant positive influence on the disclosure of sustainability information by federal statutory bodies in Malaysia, suggesting that influential and reputable board members were able to put pressure on the management of federal statutory bodies to reveal their sustainability information to the public.

However, the significant negative relationship between board size and sustainability disclosure and women directors and sustainability disclosure found in this study warrant further investigation as such findings are not consistent with prior findings for public listed companies. It could be due to the uniqueness of the public sector where larger board size results in less efficient communication and less concern towards sustainability issues. For women directors on the board, the number of women directors on federal statutory bodies' board on average was only 15%. There is still room for improvement to increase the number of woman directors on the board of federal statutory bodies. However, the negative relationship between the number of women directors and the amount of sustainability information disclosed is a concern that warrants further investigation.

As a conclusion, behavioural changes to internalize the sustainability agenda by the federal statutory bodies are needed if such government agencies are expected to play their role in supporting the government's sustainability agenda. Darus (2012) suggested that such behavioural change can benefit not only the long-term interest of the organization, but the society as a whole which will ultimately ensure the sustainability of the nation.

LIMITATION OF STUDY

The main limitation of this study is that no control variables were used. There are two reasons for this. First, there is diversity in terms of size, function, and nature of the federal statutory bodies constraining such variables to be used as control variables. Second, federal statutory bodies are directly governed and monitored by the federal government through the relevant ministries, hence restricting their roles based on the national agenda as set out by the federal government.

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APPENDIX

Disclosure Index Instrument

Themes	No	Items	Source
Environment	1	General statement or policy	(Joseph, 2010)
	2	Client charter	
	3	Any mention about the environment issues in vision, mission statement, objective, function and other forms e.g. core value, theme or philosophy	
	4	Any strategy related to environmental issues i.e. recycling, replanting, environmental control, redevelopment of land, landscape, conservation area etc.	
	5	Any mention about the environment as part of a continuous improvement process such as research and development, quality management system etc.	
	6	Any mention about predetermined environmental targets and objectives	
	7	Any mention about the environmental in a foreword by the chairman or managing director	
	8	Individual environmental department	
	9	Combined environmental department and other departments	
	10	Environmental activities and programs such as awareness campaign, replanting and education	
	11	Environmental services (landscape, consultation, and seminar)	
	12	Head of department of the environment, and contact details	
	13	Promotion of environmental issues	
	14	Stakeholders engagement on environmental issues by forum and feedback	
	15	Financial information on environmental issues	
	16	Materials that are recycled	
	17	Strategies of recycling	
	18	Performance indicators	
	19	Type of waste	
	20	Methods of waste management	
	21	Award*	Website & (Joseph, Pilcher, & Taplin, 2014)

Themes	No	Items	Source
Social	22	General statement or policy	(Joseph, 2010)
	23	Client charter	
	24	Any mention about social issues in vision, mission statement, objective, function and other forms e.g. core value, theme or philosophy	
	25	Any strategy related to social issues i.e. health, staff training, safety etc.	
	26	Any mention about social issues as part of a continuous improvement process such as research and development, quality management system etc.	
	27	Any mention about predetermined social targets	
	28	Any mention about social issues in a foreword by the chairman or managing director	
	29	Individual social department	
	30	Combined social department and other department	
	31	Social activities and programs such as education, sport/ recreational, society contribution etc.	
	32	Social services	
	33	Head of department of social, and contact details	
	34	Promotion of social issues via news	
	35	Stakeholders' engagement on social issues by forum and feedback	
	36	Any special sustainable department unit or division	
	37	Any special committee on sustainable development	
	38	Financial information on social issues	
	39	Number of employee	
	40	Local employment	
	41	Performance indicators	
42	Awards*	Website (Joseph, Pilcher, & Taplin, 2014)	

THE INFLUENCE OF GOVERNANCE STRUCTURE ON SUSTAINABILITY DISCLOSURE

Themes	No	Items	Source
Economy	43	General statement or policy (economy)*	(Joseph, 2010)
	44	Client charter (economy)*	
	45	Any mention about the economy issues in vision, mission statement, objective, function and other forms e.g. core value, theme or philosophy	
	46	Any strategy related to economic issues entrepreneur seminar and modal assistant	
	47	Any mention about the economy as part of a continuous improvement process such as research and development, quality management system etc.	
	48	Any mention about predetermined economic targets	
	49	Any mention about the economy in a foreword by the chairman or managing director	
	50	Economy department	
	51	Economy activities or programs such as entrepreneur seminar	
	52	Economy services such as assessment and payment	
	53	Head of department of economy, and contact details	
	54	Promotion of economic issues	
	55	Stakeholders engagement on economic issues by forum and feedback	
	56	Financial information	
	57	Tender and quotation	
	58	Performance indicators	
	59	Rental charge	
60	Award*	Website (Joseph, Pilcher, & Taplin, 2014)	