# The Importance of Workplace Disclosure: Perspectives of Management and Employees

*Y. Yusri*[*,1,a] *and A. Amran*[2,b]

[1]Faculty of Economics and Management, Universiti Putra Malaysia, Serdang Selangor Malaysia
[2]Graduate School of Business, Universiti Sains Malaysia, Pulau Pinang Malaysia
[a]*atieyy@upm.edu.my,* [b]*azlan_amran@usm.my*

**Abstract** – *This paper explores management and employees perspective on the importance to disclose workplace and human resource information in annual report. Workplace disclosure is one of the four components of Corporate Social Reporting (CSR). Thirteen managers from 5 GLC and 5 non GLCs and 22 employees were interviewed to gain their awareness and perceptions on the importance to disclose workplace and human resource disclosure in annual report. The findings from the interview analysis showed that there were less significant differences between the management and employees concerning their understanding with respect to CSR and workplace disclosure. The findings revealed that although the interviewees were aware about the CSR concept, their understanding was limited to the company's responsibility towards the community and the environment. Little significant difference in the opinion was also discovered concerning certain issues comprising the importance of workplace information and the reason for disclosure. The interviewees from employees group perceived that disclosure of workplace information is important and gives advantages to the company but too much disclosure can create a competitive threat to the company.* ***Copyright © 2015 Penerbit Akademia Baru - All rights reserved.***

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## 1.0 INTRODUCTION

The concept of corporate social responsibility (CSR) and CSR reporting has become a topic of interest in business and academic research since the early 1970s [1] and still continues to gain attention in the corporate agenda [2]. Based on the definition by Bursa Malaysia, CSR refers to the process of businesses trying to be more transparent and showing their greater responsibility towards other stakeholders besides the owners/shareholders. This responsibility is based on the values of ethics and on compliance with legal requirements. Specifically, Bursa Malaysia (2006) [3] defined CSR as:

'*.. open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders. It is designed to deliver sustainable value to society at large*'. (p.1).

In order to be transparent and responsible towards internal and external stakeholders, all important activities that might have an impact on the environment or community should be

reported and disclosed. This action leads to the new reporting practice, which Gray et al. [4] refers to as social reporting. Social reporting is defined as:

*'…the process of communicating the social and environmental effect of organisations' economic actions to particular interest groups within the society and to society at large… extending the accountability of organisations beyond the traditional role of providing a financial account to the owner of capital...'* ([4], p. 9)

In the Malaysian context, the involvement of corporations in CSR activities is voluntary. The government encourages public listed companies (PLCs) to participate and disclose their CSR activities to stakeholders. As mentioned by the previous Prime Minister of Malaysia, Datuk Seri Abdullah Ahmad Badawi (2006) [5], in the Budget Speech 2007:

*"…to inculcate the culture of Corporate Social Responsibility* (CSR), *PLCs are required to disclose their CSR activities in line with the nation's socio-economic objectives"* (p.22).

Subsequent to the announcement, for financial year 2007, PLCs were required to disclose their CSR activities to stakeholders and this requirement has been put in the Bursa Malaysia Listing Requirements (Chapter 9: Continuing Disclosure, Appendix 9C, para 29) for PLCs to comply. Bursa Malaysia also introduced a CSR Framework for PLCs [6], which emphasises good economic performance, good social practices and good environmental practices as a guide for reporting practices by corporations. Specifically, the framework provides four dimensions of corporate responsibility, which include responsibility towards the marketplace, the environment, the community as well as towards a better workplace environment.

Workplace and human resource information has been reported to be the most disclosed theme in corporate annual reports [7] compared to other CSR themes – product, community and environment. There is no definite definition of workplace reporting. According to ACCA [8], workplace reporting refers to the disclosure of information relating to workplace diversity, health and safety, employee welfare, employee training and development, equal employment opportunity, human capital and also information about the quality of work-life balance. This study defined workplace disclosure as disclosure of information relating to workplace and human capital information. Furthermore, in 2007, the government requested PLCs to disclose their racial composition in their business organisation [5].

This requirement to disclose racial composition in business organisations promotes equal opportunities to the diverse backgrounds of employees and further increases the importance of workplace issues. However, workplace reporting has been given less emphasis by corporations in their annual reports. The issue of corporate reporting on diversity has received little attention [9] and disclosure relating to diversity and the issue of equal opportunities is limited [10]. Adams et al. [10] define equal opportunities reporting as the disclosure of any policy, activity, opinion, monitoring or outcome concerned with equal rights and employment rights for all individuals in the Corporate Annual Report. In the Malaysian situation, it is reported that organisations give inadequate attention to gender and ethnic diversity, and the trend in employment is biased at the management level [6].

In addition, the issue of workplace health and safety and work life balance has been given greater attention by the Malaysian government and the general public. The Labour Department of the Ministry of Human Resources of Malaysia encourages employers to establish child-care centres, in order to provide a more employee-friendly workplace environment [11]. As such,

greater attention by the government and general public is expected to exert pressure on the local companies to carefully address the issues of the workplace. However, according to Bursa Malaysia [6], only a few corporations have a work life balance policy for their employees, such as the implementation of flexible working hours, working from remote places, providing childcare service centres and diversity in training. As an employer, businesses can offer a range of different programmes and initiatives, such as flexible working arrangements to their employees in the form of flexible working hours, part time job, informal working conditions or telecommuting work in order to reduce stress in the workplace. Workers who are satisfied with their work or workplace or employer are likely to be happier social citizens and more productive. A healthy working environment will reduce the problem of stress, which can affect the productivity of employees [12].

As a multi-ethnic country, proper workplace reporting and a higher level of transparency can reduce the sense of suspicion among the different ethnic groups. It is important for potential and current employees to know and examine information about the welfare and benefits for employees, as well as the organisation's current and future development plans for human capital. This will help them make a wise decision for their future with the organisation. Gray [13] states that, employees are the most important stakeholders who will benefit from the development in workplace reporting; therefore, workplace reporting is seen as a tool to attract and retain a talented and diverse workforce in the organisation.

Furthermore, an organisation's social policies and programmes serve as a signal of the working conditions in the organisation, and, thus, may attract potential applicants and prospective employees to join the organisation [14]. For the government, workplace information can be used to develop and plan development programmes equally and fairly for the nation. Therefore, the practice of social and workplace reporting helps employees and other relevant stakeholders to assess the accountability and transparency of an organisation.

Accordingly, this study focuses on the workplace and human capital dimension of the CSR reporting framework, as it is the most popular theme disclosed by companies [15, 16, 17, 18, 19]. Furthermore human capital is regarded as the most valuable asset of an organisation [13]. Therefore, as the most disclosed theme, compared to the marketplace, community and environmental information, this study seeks to explore the understanding and the perception of employees and management towards the importance of workplace and human capital disclosure.

## 2.0 METHODOLOGY

### 2.1 Collection and Data Analysis

This study seeks the understanding, acceptance and perception of the employees and management concerning corporate workplace and human capital disclosure. Management perceptions on the disclosure will be compared with the perceptions of the employees in order to understand and extract the components of the perception gap between the management and the employees with regard to the disclosure of information.

The interviews with the management team were conducted with six general managers and seven senior managers from ten PLCs. The total number of participants from management was 13. The participants mostly hold a position of senior manager or general manager from the

Corporate Communication Department, Corporate Affairs Department or from the Human Resource or Human Capital Department. They are deemed to be the most appropriate persons for the interview due to the fact that the Corporate Communication Department deals directly with the corporate reporting activities and the Human Resource or Human Capital Department is directly responsible in providing information relating to workplace and human capital activities.

In understanding the views and perceptions of employees concerning corporate social responsibility disclosure, especially disclosure on workplace and human capital information, a total of 22 semi-structured interviews were conducted with employees from different levels and functions, from eight companies. From the 22 interviewees, eight hold a position of manager or senior manager, 11 are executives or senior executives and three are from the non-executive level. One of the non-executives is a vice president of the Malaysian Trade Union Council (MTUC). The employees were selected by the management of the companies that were willing to cooperate in this study. Table 1 summarizes the interviewees' profile from the managers and employee's group.

**Table 1:** Managers' and Employees' demographic profile

|         |                            | Managers | Employees |
|---------|----------------------------|----------|-----------|
| Gander: | Male                       | 7        | 12        |
|         | Female                     | 6        | 10        |
| Ethnics | Malay                      | 6        | 12        |
|         | Chinese                    | 7        | 4         |
|         | Indian                     | -        | 5         |
| Position | General Manager/Director  | 10       | -         |
|         | Senior Manager/Manager     | 3        | -         |
|         | Senior Manager/ manager    | -        | 8         |
|         | Executive/senior executive | -        | 11        |
|         | Non-executive              | -        | 3         |
| Age     | 21-30                      | -        | 6         |
|         | 31-40                      | 7        | 12        |
|         | 41-50                      | 5        | 3         |
|         | 51-60                      | 1        | 1         |
| **Total** |                          | **13**   | **22**    |

All interviews were tape recorded. Consent from interviewees was put forward at beginning of each interview. All the tape-recorded interviews were transcribed verbatim. All interviews were conducted individually except for the interview with two employees and three managers from one of the company in the sample who were conducted simultaneously. The time allocated for the interviews was between twenty minutes to one hour, with an average time of approximately 25 minutes each. The main issues addressed as part of the interviews was centred on the three research aims that are to obtain perceptions regarding: 1) understanding on the concepts of CSR and disclosure of workplace and human resource information, 2) the importance of workplace and human resource disclosure and 3) medium to disseminate information about workplace and human resources to internal and external stakeholders. The interview questions were open-ended and supported with a list of probing questions to enable the researcher to take active control of the interview.

## 3.0 RESULT AND DISCUSSION

The interview evidence reported in this paper relates to the management and employees' perceptions of the importance and the advantages of workplace and human resource disclosure as part of the CSR disclosure in annual reports and in other medium of communication. Throughout the interviews, it was apparent that respondents realized the importance of the disclosure; however, some of the respondents especially from employees group perceived that workplace and human resource disclosure in annual reports was not designed for them. The information disclosed in annual reports is more to attract shareholders and potential investors' attention [20]. Though annual report is a report prepared for internal and external stakeholders, its significance from employees' perspective is low. Employees were more comfortable with internal communication in gathering and accessing for information about their organisation. Furthermore, employees perceived that internal communication is more convenient and practical to them and it provides more detailed information about workplace and human resource compared to annual reports.

### 3.1 Management Perspective and Understanding of the CSR Concept

All the managers interviewed gave positive responses when they were asked about their understanding of the CSR concept. One interviewee, namely, the General Manager of Corporate Communication from the Plantation Company (C1) gave a good argument on the CSR concept. She is highly aware of the concepts and stressed that CSR is an 'in-thing' for most companies nowadays. The company's tag-line for CSR is 'Continuous Development for the *Ummah* (i.e. Muslim Community)'. It focuses on company responsibility towards four main aspects: environment, community, employees and shareholders. She mentioned that the company (C1) has dropped the word 'social' in CSR because the word *'social'* has the stigma of 'charity activities', which is not applicable in the business environment. With the dropping of the word 'social', the activities pertaining to the four CSR dimensions should be embedded in and be part of the business activity to the stakeholders, as she mentioned in the quote below:

> *When we take away the word 'social', it (corporate responsibility) is supposed to be embedded as part and parcel of our business activity. (M1)*

However, 12 out of the 13 managers interviewed referred to CSR as responsibility to the outsiders and how the organisation is involved and takes part in CSR activities or programmes. Below are some of the quotations from the managers when they were asked about the concept of CSR. The senior manager of the Human Resource Department from (C2) emphasised his company's responsibility towards outsiders by giving an example of the 'Firefly Initiative' at Kuala Selangor. As he mentioned this:

> *Actually, there are a lot of CSR activities that we do but most of them we do for outsiders like our big initiative for the firefly programme at Kuala Selangor which our company is known for and famous. (M2a)*

Furthermore, the Senior Vice President of Business Development and the General Manager of the Human Resource Department from two different Property Developer Companies (C8 and C10) articulated their understanding as follows:

> *CSR, well I mean it is not just about making money, it is about doing whatever we can to help, I mean generally to the community at large. I think this is just a social*

*obligation, which is very much encouraged and promoted by the government. (M8)*

*What I understand about CSR at the moment is that more outside CSR, means that we are helping other organisations like charitable homes, underprivileged children. We support two main [organisations]; 'Desa Amal Jariah' [Charitable Organisation] and also 'Good Shepherd Home'. So that is, that is CSR towards external. Internally, we don't really consider it as CSR but we have done... like family days, go out for movies... so that is what we do. (M10)*

The understanding of CSR among the managers focuses more on the company's responsibility towards outsiders, the community and society. The involvement and contribution of the company towards society and the community is seen as an important aspect to be highlighted in their CSR activities. It is also reflected in their reporting practices; in the annual report, newsletter or in any other available company bulletin. It was also clear from the above analysis, that most of the interviewees did not realize that what companies do and provide for their employees is part of the company's social responsibility. CSR is usually perceived as a responsibility of the company towards the community and outsiders. Employees are aware of the current trend that most organisations do implement CSR but they do not really understand about the overall concept of CSR. CSR is only perceived as the corporate social activities outside the organisation. The interviewees (management and employees) understanding are in line with the study by Lu and Castka [21] who report that the Malaysian organisations generally concentrate on philanthropy and the public relation aspects of CSR.

### 3.2 Employees Perspective and Understanding of the CSR Concept

All of the respondents indicated that CSR is the responsibility of corporation towards outsiders and the primary focus was on corporate donation, philanthropy and sponsorship activities. The respondents perceived that CSR is more directed to the involvement of organisation towards the community and society. This is conveyed by the following quotes:

*CSR is how company can contribute back to the society, donation to the welfare foundation and usually what we heard is about donation. (EX2- Corporate Planning Department).*

*From my understanding CSR is about donation, society and philanthropy. It is about responsibility of the organisation towards other people. It is not about staff. Responsibility for staff is more towards staff benefits, but when we talk about CSR, my understanding, I'm more towards CR towards community and environment, but for workplace I'm not really aware about it (EX3- Purchasing).*

*Obviously we are profit corporation, but then we don't just make money for ourselves, but we have to be responsible to our society, to external parties, do charities, people in need. In C8, we focus on medical care and education and low income people and also we have responsibility towards internal staffs our people as well. We do both; external and internal too. (EX9- Corporate Communication).*

The managers, the executives and non-executives views were the same. The focus of CSR was mainly towards the community outside the organisation. Excerpts below come from the managers and non-executives' respondents:

> *Not sure about the concept [CSR], for me it is more towards community and employees. As what I knew, in C4 we have CSR for internal and also for outsiders, for example flood, how C4 staffs can help the flood victims (M3-Human Capital).*

> *My understanding of CSR is where corporate identity basically gives back (the profit) to the society by taking various initiatives to share their profits or share in good gesture to support the society and the country. Good examples of CSR initiatives is, you can see where by most of the large corporation in Malaysia will provide scholarship and various types of funding for the people, Malaysian citizens (M8-Marketing).*

> *What I understand is that company give job and something that involves external parties like donation, sponsorship and adopt school. Some things like that. (Non- Executive 1).*

The excerpts above were received from respondents from different functions with different levels of position and from different companies. It shows that there is lack of awareness and the same outline of understanding about CSR among employees. CSR is perceived as a responsibility of company towards community and outsiders. Employees are aware of the current trend that most organisations do implement CSR but they do not really understand the overall concept of CSR. Even though the understanding of the CSR concepts might not be high among the respondents, especially with regards to the CSR dimensions, it should not be mistaken that they do not know and are not aware about their company's CSR activities. Employees understanding were in line with what the experts understand about CSR based on Lu and Castka [21] study. Majority of the experts in Lu and Castka study agreed that Malaysian organisations generally concentrate on philanthropy and Public Relation aspect of CSR. While the understanding from the executives and managers about CSR focused on community and society, MTUC representatives clearly stated workplace dimension in their comments. They focused more on the issue directly related to employees like terms and conditions for employment, employees' rights and safety issues. MTUC Vice-President, who is a staff of Energy Company, strongly emphasised on the issues of terms and conditions for employment especially on the issue of "minimum salary". His comment is as below:

> *If we talk about CSR, actually it discuss on the public. For staff, we did not call it CSR. CSR is only for the public, in terms of staff, they are more concern on terms and conditions to work... if you asked what's employees' expectation towards CSR, there is nothing more except they will look at terms and conditions of the employment (MTUC Vice President).*

Additionally, the MTUC executive discussed CSR from the perspective of International Labour Organisation (ILO). He argued that CSR for organisation is different with CSR for ILO. ILO perceived CSR as how companies comply with Labour Law. He also mentioned the right of employees to be involved in unionisation. MTUC will always ensure and fight for the members' rights in relation to the employment policy and working environment.

Elaborating on the concept of CSR towards workplace, the question further addressed the respondents' awareness on CSR towards workplace and issues in the workplace that should be emphasised by companies. As mentioned, majority of the respondents did not realise that what companies did and provided for their employees are part of the company's social responsibility. To them, CSR is more towards community and environment. As for company's responsibility towards workplace and human resource, majority of the respondents mentioned staff benefits and welfare in terms of monetary and salary. Excerpts below illustrate what managers perceived about corporate responsibility towards workplace:

> *What company provide for is the benefit of their staffs, how the company shows it's caring towards its staff. For example, C4 has child care centre for staff's children, we provide food court for staff to have lunch near the office. (M3).*

> *For me, CSR is more towards welfare of staff not only in terms of monetary, but also staff awareness about health and wellness and work life balance. I believe in work life balance. That is very important. (M6).*

Manager of Risk Management department from Energy Company (M2) mentioned about health and safety issues as part of the company's CSR. Being in the department for more than three years, and having worked at the power plant unit for more than ten years before joining the new department, she is really concerned with the health and safety issue in the workplace. The safety issues for human resource are the most important issues that the company should prioritise. Executive of Risk Management and Internal audit from construction company (E7) also mentioned health and safety

issues that the company should focus on. The study found that employees' benefits, health and safety are the most important issues from employees' views that the company should emphasise.

### 3.3 Awareness of CSR towards the Workplace

Further questions were put to the management about their awareness concerning the four components of the CSR Framework issued by Bursa Malaysia in 2006, especially responsibility towards the employees and workplace. Of the 13 managers interviewed 10 of them (except M5, M2a and M10) expressed their awareness about the four CSR components in the framework. The only difference is basically the practice of disclosure. Different companies stress and give emphasis to different components in their CSR report. M1 clearly stated how the company deals with the four dimensions of Bursa Malaysia CSR Framework, which are marketplace, environment, workplace and community. The following quote demonstrates these points:

> *Technically, corporate responsibility is divided into four. We have our responsibility towards the environment; we have our responsibility towards community; we have our responsibility towards our employees, as well as our shareholders. We are not saying that this segment is better than another segment ...but you have to be able to appreciate our responsibility in totality. (M1)*

On the other hand, M4, the Director of the Human Resource Department (HRD) of C4 mentioned that CSR is something that all companies must undertake, and she stressed that profit maximisation can no longer ensure corporate success and sustainability. As she said:

*We focus on all the four components of CSR: community, employees, environment and marketplace. Our CSR value is strengthened by our corporate mission: i.e. to provide customers with excellent product and services. (M4)*

Furthermore, all three representatives from C9 agreed that the Bursa Malaysia CSR framework is the starting point for PLCs to have a proper guideline for CSR reporting. One of the managers replied that the company had undertaken a lot of CSR activities long before the framework existed, and that since the introduction of the framework the company has been reporting more and more information in terms of CSR in annual report. Three of the interviewees were not aware of CSR towards the workplace or had not even heard the term before. The following excerpts demonstrate the point:

*What is CSR towards the workplace? What do you mean by that? (M5)*

*Are there any companies that do CSR for workplace, can you give me some examples? (M2a)*

*No. I'm not aware of this CSR framework. (M10)*

Therefore, the researcher needed to briefly explain the CSR framework and its components to these interviewees. When the researcher explained that CSR towards the workplace includes providing a safe working environment, fair benefits and remuneration to employees, responsibility towards employees training and development programme, their reactions were good and showed their understanding. The reaction of M2a is illustrated in the following quote:

*Ooo... that counts as CSR...to develop the people, then it is easy, we do have it. (M2a)*

Nevertheless, other interviewees showed high awareness of the concept of CSR towards the workplace. M1 and M4 explained the concepts clearly by focusing on the company responsibility towards their most valuable assets – employees. For M1, the company has a consistent system for human resources, which applies the same rules and policies at the headquarters, subsidiaries and other companies that they managed. As she stated in the following quote:

*As for employees, whatever we do at headquarters (HQ) is also being duplicated at other companies that we manage....at HQ what we try and do is to provide employees with a career path vis-à-vis a job, in the sense that the allocation that we have for training is quite big. (M1)*

Previous studies on CSR disclosure reported that employees' related information is the most disclosed information by many companies in Malaysia [19, 7, 22]. Employee related information falls under the workplace component of the CSR Framework. In the context of CSR towards the workplace, corporations have a responsibility to provide a pleasant and conducive working environment for their employees and offer a good and reasonable salary system, as well as attractive career development programmes. From the analysis of interviews with the management and employees, it reveals that some of the managers were aware of CSR towards employees but some of them did not realise that such responsibilities are under the CSR concept. For this group, CSR is more towards the community and society, which needs to be highlighted and communicated to the outsiders. Meanwhile, the activities and responsibility of the company towards the workplace and employees is not seen as something

that needs to be reported and disclosed formally. The following section reports the management and employees perceptions concerning the importance of workplace and human resource disclosure.

### 3.4 Importance of Workplace and Human Resource Disclosure

The interviewees were asked about the importance of disclosing information about workplace and human resources as part of CSR disclosure to the internal and external stakeholders. All the interviewees expressed their positive opinions concerning the importance to disclose workplace and human resource information. They stressed the importance to disclose information exceeding the minimal mandatory required information as it can enhance the understanding about the company as well as increase corporate transparency. The interview findings reveal that disclosure of workplace information for internal and external stakeholders is basically done for different purposes.

For example, all interviewees stated that employees are their most important stakeholders and valuable asset in the organisation. Companies are trying their very best to satisfy employees as well as they are able. By making human resource information transparent to all members of the organisation, it will help the company to build a good relationship and retain their most valuable asset in the business. The Director of Human Resource (M4) from the insurance company said that her company's main business activity totally depends on human capital, and, thus, it is very important for the company to ensure that the staff are happy to work with the company. As she demonstrates in the quote below:

> *Employees are our greatest resource. Without employees there will be no organisation. We are proud of what we have done for our people. Responsibility towards staff is important because we need to build a good relationship with our people, take care of their wellbeing and benefits and make sure they are happy. If we have a good relationship with our people then we can succeed. (M4)*

As the Director and Head of Human Resource, concern is shown by the management about the staff to ensure that the staff are working and getting the best from the company. She (M4) also mentioned that for the insurance industry, it is hard to get people to join the business. Thus, according to her, disclosure of workplace and human resource information can be a tool to attract potential employees and investors to the company. As she mentioned:

> *By disclosing this (workplace and HR) information we can attract people out there to join us and invest in our company. (M4)*

In addition, M8 from the Property Development Company expressed the issue of transparency, which makes disclosure of workplace and human capital information important. M8 is a general manager of group of human resource of C8. According to him, the company's disclosure practices show the company's transparency policy to its stakeholders. He stated that by being transparent, it can create a sense of trust between the employer and employees.

> *Definitely it is important, because transparency is very key... by disclosing a lot of information and being more transparent, you can create a sense of trust...trustworthiness between employer and employees. (M8)*

Furthermore, M8 also revealed that in the property development industry, the market is saturated with skilled employees, thus disclosure of workplace and human resource

information is important as a selling point for the company to recruit talented and experienced people. His point was also supported by other managers who validate this view:

> *By disclosing how we treat our staff and provide a pleasant working environment, we can build a good reputation of our company to people outside. People will not join the insurance industry as their profession, but when it happens they will move on with their career in this line. It is not like the banking industry that they want to join. So it is one of the ways to attract people to join us. (M4)*

A few managers, when asked about the importance of workplace and human resource disclosure, basically focused and referred to the importance of disclosing voluntary information, i.e. CSR in general. Their answers are illustrated in the following extracts:

> *For me, it is of course to attract our shareholders. Besides the annual report, which is mostly the financial information, CSR is a supportive document. The CSR report is basically for our branding on how to portray the company in the community, and build image. Most people can easily understand the report (CSR). It is simple, discuss about the environment. If we produce a separate report, especially when the report is attractively printed, people can easily read and are interested to read. (M6)*

> *It is important in a way, especially I think for PLCs as a company owned by shareholders; therefore from the perspective of all the stakeholders it is only fair and transparent for organisations to disclose relevant information for people to be aware. This is how the company has been doing and how the company has been taking that level of responsibility and care towards the employees, the environment and the society at large, besides making money. So, I think that is really important. (M7)*

In addition, the general manager of Corporate Affairs (M5) expressed that disclosure of CSR activity is for the purpose of being at par with the industry practice and is seen as a communication strategy for the company to inform its stakeholders about the activities being done by the company. The following quotes demonstrate these points:

> *As part of our comprehensive communication strategy to keep our stakeholders informed that the company's various initiatives and activities are in line with the industry best practices as well as in accordance with our Corporate Sustainability Framework. It is indeed important to disclose relevant workplace information via the appropriate channels. For example, we have been regularly publishing our Sustainability Report since 2007, which is accessible to the public through our website. (M5)*

The Marketing Manager from Property Company (Em13) mentioned that management can take advantage of the practice of disclosure of workplace and human resource information as a recruitment policy and strategy. Good disclosure concerning how the company treats employees and a good working culture in the organisation can become a good strategy to attract new talent as well as retain existing talent. The Assistant General Manager from the Programme Management Office of the Telecommunications Company (Em10) stated that disclosing information to outsiders result in an advantage to the company by signalling to the public about the working culture of the organisation, and will also provide the public with a better

understanding about the company. Table 2 summarizes the advantages for voluntary workplace disclosure from the interview findings.

**Table 2**: Benefits and advantages of workplace and human capital disclosure

| |
|---|
| i.   Good image and good brand |
| ii.  Showing public that the company cares/demonstrating that the company is socially responsible |
| iii. Good recruitment policy and strategy |
|     ○ Attract new talent/employees |
|     ○ Retain existing talent/employees |
| iv.  Appreciation and rewarding employees/as a motivation for employees |
| v.   Promote a reputation for transparent reporting |
| vi.  Mutual trust/create trustworthiness with stakeholders |
| vii. Increase employees' awareness |
| viii. Create a sense of trust with employees |

The Human Resource Manager, M3, from C3, has a similar view to the above employees and expressed that the management should be selective about the human resource information included in the annual report. The annual report covers many things and basically it is prepared to inform the shareholders and the public about the company performance. As he stated below:

> *I think if there is an interest to shareholders, there is a need (to disclose workplace and human resource information). If no, no need to put in annual report because there are a lot of things to be put in the annual report. (M3)*

Most of the interviewees from the employees group were of the opinion that it needs to be seen whether or not disclosing workplace and human resource information to external stakeholders brings benefits to the company. If disclosing the information proves advantageous to the company, such as attracting new investors and improving the corporate image in the eyes of the public, then it should be disclosed to both external and internal stakeholders. However, if disclosure of the information results in more disadvantages than advantages, then it should only be disclosed to the internal stakeholders. These views are demonstrated in the following comments:

> *If it is positive (news), it is important to disclose in the annual report, but if it does not give benefit to staff, it may not be necessary to highlight in the annual report (Em3).*

> *At the moment internal disclosure is sufficient. To the public it depends on the benefits to the company and if there is a demand for the information. (Em17)*

> *If you are talking about the benefits, the remuneration, can we disclose it to public? I don't think so. If the company has good and impressive benefits and remuneration for their employees, then it might attract people. In my personal opinion I don't see anything great about telling outsiders what we offer to employees. (Em19)*

The interviewees expressed that too much disclosure of information that is not important or necessary can expose the organisation to competitive threats. Some information is not very

informative and just for the sake of reporting and sometimes does not portray the real situation in the organisation. Thus, management have to be aware and selective in their disclosure practices and should not create an information overload for users when disclosing human resource and workplace information to the public.

The above findings show some evidence from the management and employees views that disclosure of voluntary CSR information, which includes workplace and human resource information, is important. Internally, disclosure of workplace and human resource information would increase employee awareness about workplace development and create trustworthiness among employees as well as mutual trust with other stakeholders. Disclosure can also motivate and encourage employees to be actively involved in the activities planned by management for their staff, thus creating a good relationship between the management and employees.

However, disclosure of workplace and human resource information to external stakeholders is important in building the company's reputation and image in the eyes of the public. Workplace disclosure is also used as a tool to enhance or promote the 'employer brand' and as a competitive tool to attract and search out talented people to join the company. This finding supports the link between social responsibility disclosure (which includes the attention the company dedicates to its employees) and company reputation and image, which has been addressed in the literature. For example, Branco & Rodrigues [23] maintain that disclosure of information concerning a company's behaviour and outcome regarding social responsibility may help build a positive image with employees. Furthermore, Castelo and Lima [24] uphold that fulfilling social responsibility can generate internal benefits as well as external benefits by improving the company's relationship with employees and external stakeholders, and, therefore, increase corporate reputation.

## 3.5 Workplace Disclosure Preference

The interviewees were asked about the most important items/issues of the workplace and their preference for human capital information among the eight categories: corporate information, employment relations, labour relations, employee benefits, staff engagement and work-life balance, diversity and equal opportunity, training and development, and health and safety. The study shows that from the management point of view, they focus more on the issues pertaining to employees training and development, and health and safety issues of their employees, while the employees give emphasis to employees' benefits, staff engagement and work-life balance issues.

For example, both managers from C2 stressed that information about employees training and development, and information about workplace safety and health as important issues in the workplace environment. C2 was represented by senior managers from the Human Resources Department and Risk Management Department. M2b, from the Risk Management Department, mentioned about health and safety issues as being part of company CSR. Being in the department for more than three years, and having worked at the power plant unit for more than ten years, she was really concerned with the issue of health and safety in the workplace. She stressed the importance of disclosing information about any accident that occurred inside the business premises that involved the employees. Such information is important for the employees to know for them to take a precautionary measure to avoid the same incident happening in the future. Thus, safety issues are the most important issues that the company should prioritize. As demonstrated in the following comments:

*Yes, it is important, when people know about their training status, and all about safety, of course they will appreciate that kind of information. Because at least they know that the company is spending money, and if too many accidents happen, there must be something wrong somewhere. If they know, it is good. (M2a)*

*When an accident happens on your premises, you need to notify the employees because they must be in the know. Because if they know, they will take precautionary measures to avoid the same incident from happening again (M2b)*

Other managers, from C1 and C4, stressed the information about the training of employees and the development of employees' skills and knowledge. It is important to provide employees with a programme that can develop not only their skill towards their job but also develop their career path in the future. As a director of the Human Resource Department, M4 sees and ensures that all employees will undergo at least one training programme a year in order to expose them to the latest developments in the industry. Her response is demonstrated in the following quote:

*What we do have for our employees? Okay, we have...in the Headquarters (HQ) what we try and do is to provide an employee with a career path vis-à-vis a job. The allocation that we have for training is quite big; okay, if you feel that you want to learn we have our training calendar whereby our HR will then identify your strengths and training needs analysis and they will send you on various courses from which you will learn. (M1)*

From the employees' perspective, the first answers from the interviewees concerned the benefits and employee welfare issues. Employees are really concerned about their benefits and their welfare. When discussing about CSR, at the end of the day, it will go back to the benefits and remuneration. The excerpts below illustrate what employees perceived about corporate responsibility in the workplace:

*What the company provides for is the benefit of their staff, how the company shows that it cares for its staff; for example, C6 has a childcare centre for the children of staff, we provide a food court for staff to have lunch near the office. (Em7)*

*For me, CSR is more about the welfare of the staff not only in terms of monetary, but also staff awareness about health and wellbeing and work life balance. I believe work life balance is very important. (Em14)*

In addition, the MTUC executives clearly mentioned the workplace dimension in their comments. They focused more on the issues directly relating to the employees, such as the terms and conditions of employment, employees' rights and safety issues. The MTUC Vice-President of Energy Company strongly emphasised the issues of the terms and conditions of employment, especially the issue of "minimum salary". His comment is as below:

*If we talk about CSR, actually it is for the public. For staff, we do not call it CSR. CSR is only for the public, in terms of staff, they are more concerned about the terms and conditions of work... if you ask about the employees expectations concerning CSR, there is nothing more except they will look at the terms and conditions of the employment. They want to have a clear career path and medical and retirement benefits. (MTUC 1)*

The MTUC executive discussed CSR from the perspective of the International Labour Organisation. He argued that CSR for organisations is different from CSR for the ILO. The ILO perceives CSR as how a company complies with the Labour Law. He also mentioned the right of employees to be involved in a union. MTUC will always ensure and fight for the members' rights in relation to the employment and working environment.

The study found that from the employees' point of view, the issues of employees' benefits is the most important issue that the company should emphasise. However, besides employees' benefits, employees are also concerned about the training and safety issues as well as staff engagement issues. For them employee training will keep them updated with the industry requirements as well as increase their skill in their related job. In addition, employees really appreciate two-way communication with the management, either through face-to-face discussion or online discussion with their superior.

## 4.0 CONCLUSION

The aim of this chapter is to explore the perceptions of the management and employees concerning the concept of CSR towards the workplace. Empirical evidence was collected through interviews with 13 managers from ten PLCs and 22 employees. The companies were selected from the top 100 companies by market capitalization, and which also participated in the NACRA and Prime Minister CSR Awards. The findings from the interview analysis showed that there were less significant differences between the management and employees concerning their understanding with respect to CSR and workplace disclosure. Little significant difference in the opinion was also discovered concerning certain issues comprising the importance of workplace information and the reason for disclosure. The interviewees perceived that disclosure of workplace information is important and gives advantages to the company but that too much disclosure can create a competitive threat to the company. However, the findings revealed that although the interviewees were aware about the CSR concept, their understanding was limited to the company's responsibility towards the community and the environment. Initially, they could not relate CSR to the workplace and employees until it was explained to them.

A further analysis of the findings indicated that the workplace information reported in the annual report was targeted at the shareholder and to the general public. It is also considered that employees are the most important internal stakeholder for the workplace information. This study also suggests that employees really appreciate disclosure of workplace and human capital information internally. Employees receive workplace and corporate information through internal communications, such as via the company's portal, website, emails, bulletins and magazines. Concerning the involvement of employees in the workplace disclosure process, the study revealed that although employees do not have any influence on the process, their opinions and requests for information are always given priority by the management. Employees have the opportunity to voice their opinion and request information through many channels, and really valued the opportunity for face-to-face events with the top management level. Indeed, the voice of the employees through unionization is seen as a threat to the organisation.

The findings of the study are subject to some limitations that provide initiatives for future research. First, the study only managed to interview 13 people from management group and 23 employees from eight companies who were willing to participate in this study and the respondents have been determined and chosen by the management. Interviews should cover a

large number of participants with a balanced distribution among employees from different levels and functions. It is rather interesting to investigate whether other employees would provide similar responses. Second, the study employs qualitative methods with the aims to explore and understand employees' views and perception with regards to workplace and human resource disclosure. Future studies could employ quantitative techniques such as questionnaires to investigate employees' perceptions on issues associated with workplace disclosure. For example, questionnaires can be used to measure the importance of selected issues in workplace to enhance findings of this study.

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