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The Moderating Effect of Culture on the Relationship between Women Directors and CSR Disclosure in Malaysia

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ABSTRACT

This study examines the moderating effect of culture on the relationship between women directors and CSR disclosure. The reason for examining this issue is twofold. First, the effort and focus to improve the representation of women on corporate boards in Malaysia is continually being discussed since 2011. Thus, having women on corporate boards may affect company's CSR disclosure differently if compared to when boards are dominated by men. Second, having multi-ethnic boards may also influence the decision-making process in that different ethnic groups would react differently in the decision making process related to CSR disclosures, for example it is assumed that boards dominated by Malays would react differently if compared to boards dominated by other ethnic groups. Data for this study is collected from company's annual report for the year 2013. Three hundred (300) companies were used as the sample of this study. Two theories were applied in this study: transformational leadership theory and cultural theory. Using a hierarchical regression analysis, this study finds that culture influences CSR disclosure, and moderates the effects of women directors on companies' CSR disclosure. The moderating effect could be interpreted that women directors positively influence companies' CSR disclosure and are able to exercise their transformational leadership style when boards are dominated by Malay directors. The findings of this study support the efforts taken by the government at increasing the Malay (or Bumiputra) and women participation at decision-making level.

Keywords: Women directors; CSR disclosure; board culture; corporate governance; transformational leadership

Introduction

Many efforts have been taken by governments and authorities around the globe to encourage companies to report their corporate social responsibility (CSR) activities in their annual reports. In Malaysia, the initiatives include, among others, the requirement for listed companies in Bursa Malaysia to disclose: their CSR information in the annual reports starting in 2007, a tax relief, an introduction of Environmental, Social, and Governance (ESG) Index, an investment allocation from National Investment Companies (ValueCap), and the ACCA Malaysia Sustainability Reporting Awards (MaSRA). The proactive efforts taken by the authorities come as a result of the anticipation of long-term companies' benefits by providing CSR disclosure. Prior studies such as Amran and Siti-Nabiha (2009), Kahreh, Babania, Tive and Mirmehdi (2014), Cahan, Chen, Chen and Nguyen (2015), and Usman and Amran (2015) provided evidence that CSR disclosure is able to improve financial performance and company's core values, as well as enhance brand image and company's reputation. However, studies conducted by Othman, Darus and Arshad (2011), Ahmed Haji (2013) and Fatima, Abdullah and Sulaiman (2015) found a low level of CSR and environmental disclosure provided by companies listed on Bursa Malaysia.

In examining issues related to CSR disclosure, researchers relate corporate governance characteristics with CSR disclosure. Among others, Said, Zainuddin and Haron (2009), Esa and Mohd Ghazali (2012), and Ahmed Haji (2013) conducted studies using data of listed companies in Bursa Malaysia; while Bowrin (2013), Shamil, Shaikh, Ho and Krishnan (2014), and Yekini, Adelopo, Andrikopoulos and Yekini (2015) conducted their studies of companies in other countries. Corporate governance characteristics, which normally bring a significant influence to CSR disclosure are: director independence, board size, and audit committee characteristics.

Besides efforts taken to improve CSR disclosure, jurisdictions around the world have also been making efforts to improve the representation of women directors on corporate boards. The efforts to increase the number of women in the decision-making levels in the public and private sectors is based on the notion that women have the capabilities and abilities to contribute to economic benefits of the companies and also to the country as a whole (Abdullah, Ku Ismail & Nachum 2016). The difference in attitude, characteristics and leadership style of women may also bring benefits to companies. Prior studies such as Carter, Simkins and Simpson (2003), Adams and Ferreira (2009), Konrad, Kramer and Erkut (2008) and Choudhury (2015) found that having women on corporate boards improve boards monitoring and independence, bring a different perspective on the decision-making process and complement men directors as a valuable resource to the companies. The Malaysian government announced in 2011 that listed companies should have 30% women directors by 2016 (Abdullah et al. 2016). Following that, the revised Malaysian Code on Corporate Governance (MCCG) 2012 and 2017 recommends that companies must disclose in the annual reports: their gender diversity policy, the targets to increase the number of women directors, and measures taken to meet those targets. Subsequent to the MCCG 2012 recommendation until now, Bursa Malaysia has added this disclosure in its Listing Requirements. Further, in 2016, the government, through the Security Commissions, requires that the gender diversity index be included in the annual report of private companies to measure the extent to which the policy of 30% women at the decision-making level has been achieved.

As a newly focused area in Malaysia, studies that examine the effects of women directors on corporate disclosure are quite limited. Many of the studies examine if women directors improve firm performance (for e.g. Abdullah et al., 2016) and firm value (Ku Ismail & Abdul Manaf 2016). One most recent studies that examines the effects of women directors on CSR disclosure is by Alazzani, Wan-Hussin and Jones (2014). The authors used data from companies grouped in the Capital Market Development Fund-Bursa Malaysia Scheme (CBRS). The study found that women directors bring greater effect on CSR disclosure when there are more women on the corporate boards. In other countries, studies examining the effects of women directors on CSR disclosure found mixed evidence. Studies that found a positive effect of women directors on CSR disclosure include Jia and Zhang (2012), Marquis and Lee (2013), and Giannarakis, Konteos, and Sariannidis (2014). Meanwhile, Handajani, Subroto, Sutrisno and Saraswati (2014), Shamil et al. (2014), and Muttakin, Khan and Subramanian (2015) discovered a negative effect of women directors in CSR disclosure. On the other hand, Bowrin (2013) and Giannarakis (2014) found that women directors did not significantly affect CSR activities and environmental disclosure.

The objectives of this study are twofold. First, this study examines the effect of woman directorship on CSR disclosure. Due to the mixed evidence on the impact of women directors on CSR disclosure found in previous studies, this study further proposes that culture could moderate the relationship, especially when there are multi-ethnic groups in the country. In this context, ethnicity or ethnic group refers to the identity or membership in a particular racial or cultural group, while culture, according to Hofstede (1984), refers to society or nation as a whole. Thus, the second objective of this study is to determine if culture moderates the relationship between women on boards and CSR disclosure. According to Gray's (1988) accounting values and Hofstede's (1984; 1991) cultural dimensions, accounting disclosure and cultural influences are two sides of the same coin (Haniffa & Cooke 2005). Malaysia is an appropriate platform to conduct this study. First, it is a multicultural country where each ethnic group (the Malay, the Chinese and the Indians) has its own cultural preferences (Sendut 1991; Lim, 1998; Rashid & Ibrahim 2008; Zawawi 2008) and this might affect their decisions on certain issues in some ways (Abdul Wahab, Pitchay & Ali 2015). Moreover, the values instilled in each ethnic group might affect a director's leadership style (Jogulu 2010). Hence, the assumption could be made that directors of different ethnicities could affect CSR disclosure differently. Incorporating culture as a moderating variable helps to explain the issue better.

This study contributes to existing literature in several ways. First, this study contributes to the impact of having women directors on CSR disclosure from the perspective of emerging economies. As stated earlier, prior studies focused more on other corporate governance factors that may influence CSR (or voluntary disclosure), for examples board size, board or director independence and audit committee characteristics. As for women directors, the focus on increasing the representation of women on corporate board is new in Malaysia. Prior studies that make women directors as the main focus of the study may be limited, especially in Malaysia. As the behavior or characteristics of women differ from men, examining how they react to CSR issues may contribute to the body of knowledge. Second, this study adds to the literature as it explains the effects of women directors on CSR disclosure, using transformational leadership theory. As stated in Appelbaum, Shapiro, Didus, Luongo and Paz (2013) and Powell (2011), women directors are more associated with transformational leadership style, and the characteristics that they have, for example, concern for others, may make them handle certain CSR issues differently. Thus, using a transformational leadership theory may help explain the issue more clearly. Third, incorporating culture as a moderating variable helps explain the mixed findings of prior studies that examined the effect of women directors on CSR disclosure, and may also provide a better understanding especially when multi-ethnic groups exist in a country. Fourth, findings of this study might provide evidence on how women directors could improve their influences to provide higher quality CSR disclosure, in situation where culture may play a role in the decision-making process. Lastly, findings of this study might also support the efforts taken by the government in increasing women and Malay (or *Bumiputra*) participation at the decision-making level.

This paper is organised as follows. The next section discusses relevant theories and hypothesis development, followed by a discussion on research methods. Next, this paper reports the findings and discussion, and the last section concludes the paper.

Theories and Hypothesis Development

In explaining the effects of women directors on CSR disclosure, this study refers to leadership theory. McWilliams, Siegel,Wright (2006) stated that *"understanding the role of leadership could be extended to understanding the decision-making process and how decisions about CSR activity are affected by demands from multiple stakeholders"* (p. 8-9). CSR disclosure is voluntary in nature, where decisions to disclose CSR information depend on the management. In this situation, directors may use their leadership style in dealing with certain CSR issues (Waldman, Siegel & Javidan 2004), and their leadership does matter to corporate responsibility (Mazutis & Zintel 2015).

Specifically, this study refers to transformational leadership theory proposed by Bass (1985) and Waldman et al. (2004). As mentioned in Waldman et al. (2004), Bass has been a strong proponent of transformational leadership as a model for understanding extraordinary efforts and performance in organisations. Leaders with transformational leadership style are typically inspiring and more concerned over the well-being of stakeholders and would try their best to establish and maintain a good relationship with the communities (Du, Swaen, Lindgreen & Sen 2013; Mazutis & Zintel 2015; Ng & Burke 2010). Appelbaum et al. (2013) and Powell (2011) highlighted that transformational leadership style appears to be more congruent with feminine gender role. It is positively associated with nurturance and agreeableness, and negatively associated with aggressiveness. As stated in Appelbaum et al. (2013) and Powell (2011), women directors have characteristics of being concerned for, respectful and compassionate to others. These characteristics may encourage women directors to perform more CSR activities as it is a way of giving back to others, and they may also decide to disclose more information about CSR activities that the companies have performed. Referring to this statement made by Appelbaum et al. (2013) and Powell (2011), it is assumed that women directors handle CSR differently compared to men directors, indirectly affecting CSR activities and disclosure.

As transformational leadership style is associated with feminine gender role, which can also be related to women directors, it may be assumed that the use of transformational leadership theory in explaining the effects of women directors on CSR disclosure is appropriate, and would bring another view of the issue being studied. Prior studies such as Ng and Burke (2010), Du et al. (2013), and Mazutis and Zintel (2015) found that directors with transformational leadership style bring positive impacts on CSR disclosure. However, findings with regards to the effects of women directors on CSR disclosure is quite limited in Malaysia. As explained earlier, studies conducted in other countries found mixed evidence about the impact of women directors on CSR disclosure. Based on the findings of prior studies and transformational leadership theory, this study develops its first hypothesis.

H: Women directors influence CSR disclosure.

Next, in explaining the moderating effect of culture on the relationship between women directors and CSR disclosure, this study refers to cultural theory developed by Hofstede (1984; 1991). Using Hofstede's (1984) cultural index, Malaysia can be classified as a country with high power distance and a nation of collectivists. From this classification, it is assumed that people in Malaysia generally (i) prefer a hierarchical organisation, (ii) like to act based on a proper set of instructions given by their superior, (iii) are more comfortable working in groups, and (iv) are more attached with companies they work for.

In Malaysia, the largest ethnic group is the Malays, followed by the Chinese and Indians. This racial identification may also relate to religion, where the Malays are Muslims, Chinese are Buddhists, Taoist and Christians while the Indians are mostly Hindus (Musa 2008). The Malays have strong beliefs in the concept of Supreme Being – Allah the Almighty (Rashid & Ibrahim 2008; Zawawi 2008), in which the belief guides their action and relationship with others.

Besides racial and religion identification, each ethnicity has its own values and cultural preferences. This might also affect their behaviour, attitude, and decision-making (Rashid & Ibrahim 2008; Abdul Wahab et al., 2015). According to Sendut (1991), Lim (1998), Rashid and Ibrahim (2008) and Zawawi (2008), ethnic Malays are more oriented towards building relationship, valuing relationships, preferring stability, and honouring traditions. The Chinese are perceived to be more materialistic or motivated by financial rewards, value hard work and adapt better to risk. By these distinct characteristics between the Malays and the Chinese, it is assumed that a corporate board dominated by one ethnic group of directors may act differently from that of another ethnic group.

Prior studies by Archambault and Archambault (2003), García-Sánchez, Rodríguez-Ariza and Frías-Aceituno (2013), Waldman et al. (2006), and Mohamed Adnan, Staden and Hay (2010) argued that culture could influence CSR (and voluntary) disclosure and decision-making process. Khlif, Hussainey, and Achek (2015) found that culture has a positive moderating effect on the relationship between profitability and environmental disclosure. Measuring specifically on the studies performed in Malaysia, Haniffa and Cooke (2005) found that Malay directors and Malay shareholders bring positive impacts to the company especially in terms of CSR disclosure. On the other hand, a research conducted by Abdul Wahab et al. (2015) found that the Malays are more secretive and individualistic. Based on Hofstede's cultural dimensions and findings of prior studies, this study proposes the second and third hypotheses as follows:

H_2: Culture has an impact on CSR disclosure.
H_3: Culture moderates the relationship between women directors and CSR disclosure.

Research Methods

This study collects data from the 2013 annual reports of 300 companies that were listed on the Main Market of Bursa Malaysia. Samples for this study were selected using stratified random sampling technique. The use of annual reports in data collection is in line with prior studies that examined CSR (and voluntary) disclosure (Ahmed Haji

2013; Embong 2014; Fatima et al. 2015; Haniffa & Cooke 2005; Yekini et al. 2015). The year 2013 was chosen because of the data availability when this study started. Furthermore, the requirement to have 30% women directors was more prevalent starting in 2011. Meanwhile, the use of one-year data is deemed sufficient, as supported by prior studies such as Ahmed Haji (2013), Embong (2014) and Fatima et al. (2015). These authors found an insignificant increase of voluntary disclosure in the few years after the disclosure requirements made by Bursa Malaysia. This study also uses a one-year data because the intention is to look at trends of CSR disclosure, but only to study the data in the chosen year. The use of companies listed in Bursa Malaysia is appropriate as the improvement made to MCCG 2012 and also the newly revised MCCG 2017 provides an opportunity to examine the newly focused area, which is women directorship. Furthermore, Malaysia being a unique and multicultural country, other factors such as culture may affect the decision-making process in its companies. Thus, incorporating culture as one of the study's variables provides better insights into the issues being studied and would complement the results of prior studies.

CSR disclosure information was collected based on CSR disclosure checklist developed by this study. Prior to that, this study reviewed disclosure checklists used in prior studies and Bursa Malaysia's CSR framework. The CSR disclosure checklist consists of 25 items. This study uses a three-point scale in measuring each CSR item. The use of scale or a weighted measure helped this study to examine the quality of CSR disclosure made by the sample companies. A score of zero (0) is given for non-disclosure, one (1) for an item disclosed in general terms, and two (2) for an item disclosed in more detail, including costs attributed to CSR activities performed by the companies. The total CSR score for each company was then divided by its possible total score (25 items multiply by two).

Women on boards is measured using the actual number of women directors on a board. Culture is proxied by Malay-majority board members. The classification is made using a simple majority grouping, where a score of one (1) was given to companies with 51% or more Malay directors on boards, and zero (0) for boards dominated by other cultures (or ethnicities). Reference made to only one cultural (or ethnic) group is similar to studies by Haniffa and Cooke (2005) and Abdul Wahab et al. (2015). In addition, as argued by Abdul Wahab et al. (2015), the use of one ethnic group is appropriate based on a well-established study by Hofstede-Gray framework.

This study employs six control variables: company size (measured by total assets), profitability, leverage, board size, proportion of independent directors, and industry classification. These variables are normally used as control variables in the past, for example, Ahmed Haji (2013), Alazzani et al. (2014) and Shamil et al. (2014), and are deemed important in examining the issue of corporate disclosure. In analysing the hypotheses, this study construct the following regression equation:

$$\begin{aligned} CSRD = {} & \beta_0 + \beta_1 WMN + \beta_2 CULT + \beta_3 WMN{*}CULT \\ & + \beta_4 SIZE + \beta_5 PROFIT + \beta_6 LEV + \beta_7 BIND \\ & + \beta_8 BSZE + \sum INDMY + \varepsilon_{it} \end{aligned}$$

Where:

CSRD	=	CSR disclosure
WMN	=	Actual number of women directors on the corporate board
CULT	=	Culture of board of directors (proxied by Malay-majority members)
SIZE	=	Size of the companies (natural log of total assets)
PROFIT	=	Profitability (net income/total assets)
LEV	=	Leverage (total liability/total assets)
BIND	=	Proportion of independent directors on the board
BSZE	=	Board size (number of directors on the corporate board)
INDMY	=	Dummy variables for industry type
ε_{it}	=	Error term

Following the suggestions made by Jaccard, Turrisi, and Wan (1990) and Cohen, Cohen, West and Aiken (2003), the actual number of women directors is centred prior to performing the regression analysis as centring helps increase interpretability and reduce multicollinearity problems. In analysing the data, this study performs a four-step hierarchical regression analysis. This study entered all control variables in the first block (Step 1), the number of women directors in the second block (Step 2), culture in the third block (Step 3), and the interaction variable between women directors and culture in the last block (Step 4). The steps enable this study to clearly see the impact of adding new variables in the regression analysis. As for the size of the companies, this study uses a natural log to make the coefficient comparable to other variables' coefficient.

Findings and Discussion

Table 1 shows the distribution of companies according to board culture and industry type, the latter based on Bursa Malaysia classification. As for culture, a majority of the boards (79.7%) are non-Malay majority boards; only 20.3% of the boards are Malay-majority. A majority of the companies belong to the industrial products (31%), trading and services (24.3%), and consumer products (16.3%).

The descriptive statistics for the continuous variables are shown in Table 2. It is observed that the minimum and the mean score for CSR disclosure are 0 and 0.24, respectively. This shows that there are companies that did not provide any CSR disclosure in the annual reports, or they used other methods of disclosure, such as pictures of CSR activities which are not accounted in this study. The minimum score of women directors is zero, with a maximum number of five (5) women directors on the corporate boards. The mean value for company size, profitability, and leverage is MYR452 million, MYR0.0396

TABLE 1. Distribution of companies by Culture and Industry Type

Variable	Frequency	Percentage
Culture of Board of Directors		
Malay Majority Board	61	20.3
Non-Malay Majority Board	239	79.7
Industry type		
Construction	17	5.7
Consumer	49	16.3
Industrial products	93	31.0
Plantation	16	5.3
Properties	35	11.7
Trading and services	73	24.3
Other	17	5.7

TABLE 2. Descriptive statistics for continuous variables

Construct	Operation Measure	Mean/(SD)	Max	Min
1. CSR Disclosure	Three-point scale	.24 / (.1637)	.86	.00
2. Women directors	Actual	0.7 (.915)	5	0
3. Company size	Natural log of total assets	19.9328 / (1.5525)	25.32	17.02
4. Profitability	Net income/total assets	.0396 / (.1073)	.832	-.408
5. Leverage	Total liability/total assets	.3811 / (.2044)	.98	.0029
6. Board Independence	Proportion of independent directors	.483 / (.134)	1.00	.25
7. Board size	Number of directors on boards	7 / (1.839)	17	4

and MYR0.3811, respectively. The minimum number of 0.25 for board independence shows that there are companies that did not comply with the rule of having 30% independent directors. Lastly, the board size ranges from 4 to 17, with a mean of 7 directors.

Table 3 reports the correlation analysis for the study. The actual number of women directors, company size, profitability, leverage, and board size are positively associated with CSR disclosure. The positive association shows the ability of these variables to help improve the quality of CSR disclosure. The correlation coefficients among other independent variables show the value of less than 0.4. This indicates a less-than-moderate association among independent variables, and it shows that these variables are free from multicollinearity problem.

In analysing the impact brought by different cultural groups on CSR disclosure, this study performed an independent sample t-test which results are reported in Table 4. Results show that the mean of CSR disclosure for Malay-majority directors is 0.30, and higher than the

TABLE 3. Correlation Analysis for the Study

Construct	1	2	3	4	5	6
1. CSR Disclosure						
2. Actual number of women directors	.095*					
3. Company size	.559***	.131**				
4. Profitability	.131**	.122**	.203***			
5. Leverage	.127**	-.004	.261***	-.262***		
6. Board size	.232***	.218**	.340***	.094	.132**	
7. Board independence	-.050	-.133**	-.052	-.152***	-.016	-.368**

****p* <.01, ***p* <.05, **p* <.10 (two-tailed)

Notes: N= 300. Descriptive statistics and correlation coefficients for each industry are available from the authors upon request.

TABLE 4. Independent Sample t-test between Two Cultural Groups and CSR Disclosure

Culture	N	Mean / (SD)
Malay-majority boards	61	.3000 / (.2073)
Other-majority boards	239	.2280 / (.1476)
Sig. (2-tailed): 0.013		

mean of CSR disclosure for other ethnic-majority directors (0.2280). The mean difference is significant at $p < 0.05$. The Malay majority boards disclose more CSR information than other ethnic majority boards. This result is in line with that found by Haniffa and Cooke (2005), and supports the argument that culture influences CSR disclosure.

Next, this study reports the results of hierarchical regression analysis in Table 5. The result of analysis of variance (ANOVA) represented by F statistics shows that all four models are significant at $p < .01$ in predicting CSR disclosure. The change in adjusted R^2 in Model 2 when the variable of women directors was entered is insignificant. When culture, proxied by Malay-majority board members, was entered in Model 3, the adjusted R^2 is .326 and the change is significant at $p < .05$. In the last model, where interaction effects of women directors and culture were entered into the model, the adjusted R^2 increases to .351 and the change is significant at $p < .01$.

The coefficient for women directors is not significant in all three blocks; thus H_1 is not supported. While the results in the correlation analysis provide some support that women directors positively influence the CSR disclosure, the effect could be lessened if other variables are accounted and controlled in the regression analysis. The insignificant effect of women directors on CSR disclosure is similar to prior studies like Bowrin (2013) and Giannarakis (2014). This shows that women directors are generally unable to apply their transformational leadership style and implement their feminine characteristics in improving CSR disclosure, as found by past studies such as Ng and Burke (2010), Du et al. (2013) and Mazutis and Zintel (2015).

The number of women directors' representation on corporate boards might affect their influence in the decision-making process. Referring to statistics provided by the Minority Shareholder Watchdog Group (MSWG) in 2015, the representation of women directors on corporate boards is still low: 8.6% in 2012 and 2013; 9.1% in 2014; and 9.9% in 2015. Further, in October 2017, the 30% Club reported that the representation of women directors on the top 100 companies listed on Bursa Malaysia was only 19.1%. Despite the slight increase in the number of women appointed to the corporate boards, their low representation may cause their voice and opinions to be hardly heard, and would directly require them to adapt to men directors' leadership style. Thus, the women directors would not be able to influence others to improve the quality of CSR disclosure.

The direct effect of culture could also be seen in Model 3 and Model 4. The coefficient values in both models are significant at $p < .05$, thus supporting H_2 which hypothesises that culture influences CSR disclosure. This finding is similar to those found by Haniffa and Cooke (2005), Waldman et al. (2006), Archambault and Archambault (2013), García-Sánchez et al. (in press), Mohamed Adnan et al. (2010), and Khlif et al. (2015). The positive and significant effect of culture on CSR disclosure indicates that Malay-majority board members provide better CSR disclosure, supporting the view of Sendut (1991), Lim (1998), Rashid and Ibrahin (2008) and Zawawi (2008) that

TABLE 5. Results of Hierarchical Regression Analysis (Dependent Variable = CSRD)

	Model 1	Model 2	Model 3	Model 4
Women directors [H_1]		.005	.003	-.010
		(.567)	(.373)	(-1.091)
Malay Majority Board [H_2]			.046	.041
			(2.190)**	(2.000)**
Women directors*Malay majority board [H_3]				.074
				(3.461)***
Natural log of total assets	.063	.063	.061	.057
	(10.052)***	(9.987)***	(9.756)***	(8.983)***
Profitability (ROA)	.017	.014	.031	.037
	(.217)	(.177)	(.392)	(.466)
Leverage	-.019	-.018	-.026	-.018
	(-.416)	(.401)	(-.570)	(-.412)
Board size	.002	.001	.002	.001
	(.353)	(.252)	(.336)	(.149)
Proportion of independent directors	-.006	-.004	-.028	-.037
	(-.091)	(-.068)	(-.434)	(-.577)
Constant	-1.019	-1.013	-.981	-.887
	(-8.428)***	(-8.337)***	(-8.068)***	(-7.257)***
Adjusted R^2	.319	.317	.326	.351
Sig. F Change	.000	.571	.029	.001
F Statistics (for model summary)	13.706***	12.561***	12.117***	12.539***
Durbin-Watson	1.855			

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$

Notes: N= 299. Descriptive statistics and correlation coefficients for industries are available from the authors upon request.

the Malays are more oriented towards relationship building. Providing better quality CSR disclosure might help maintain good relationship because the companies show that they are responsible to the stakeholders, especially towards the societies, and do not just focus on maximising their revenues and profits.

The interaction effect of women directors and culture on CSR disclosure shows that the coefficient value is .074 and is significant at p <.01, thus supporting H_3. The positive moderating effects indicate that women directors are able to provide better CSR disclosure when the corporate boards are dominated by Malay directors. This situation happens because women directors and Malay directors share the same values, demonstrating their high concern in keeping good relationships with others, which is what transformational leadership is. This implies that the transformational leadership style that women possess works well in promoting CSR activities when they are in a Malay-culture board. This study supports the findings by Jogulu (2010) who found different cultural settings would have different preferred leadership styles in accordance to customs, traditions, norms, and values of the people of the nation, or in our case the ethnic group. Moreover, the positive moderating effect might be explained under the premise that as Malay directors are all Muslims, they have a greater sense of responsibility to God (God-consciousness), the environment, as well as the people and the community.

Conclusion

The objective of this study is to examine and explore the effects of women directors on CSR disclosure, as well as to analyse the moderating effect of culture on the relationship between women directors and CSR disclosure. From a sample of 300 non-financial companies listed in Bursa Malaysia for the year 2013, this study found that board culture has a direct and moderating effect on CSR disclosure. Companies with Malay-majority directors provide better quality of CSR disclosure, and companies with women directors provide better quality of CSR disclosure when the boards are dominated by Malay directors. These findings support the view put forward by Hofstede (1984), Haniffa and Cooke (2005), Rashid and Ibrahim (2008) and Zawawi (2008) that the values that "concern for others" and greater sense of accountability to God help the Malay directors to provide better quality of CSR disclosure. Further, these values that are instilled in the Malay directors may also help women directors to perform their role effectively when deciding CSR activities to be performed and information to be disclosed.

As for the effect of having women on corporate board on CSR disclosure, this study was unable to find any support for the direct effect of women directors on CSR disclosure in the regression analysis, even though this study found some support that women directors positively influence CSR disclosure in the univariate analysis. A positive mild support found for the relationship between women directors and CSR disclosure indicates that women directors may be able to perform their leadership style and feminine characteristics when deciding what CSR information to be disclosed in the annual reports. However, the insignificant result found in the full regression analysis may indicate that women directors need more time to really implement their leadership style especially when their representation on corporate boards is low.

Findings from this study contribute to the body of knowledge as they provide views from an emerging economies. The mild support found for the relationship between women directors and CSR disclosure may support the efforts taken by the government and authoritative bodies in increasing the number of women on corporate boards. However, the benefit that may arise from having women on corporate boards may be realised over time as women need time to implement their leadership style and feminine characteristics in performing their role.

As for the significant direct and moderating effect of culture found in this study, it supports the affirmative action taken by the government to include more Malays (or *Bumiputra*) on corporate boards. Other than to correct economic imbalances and to give more opportunities to the Malays to get actively involved in business, their representation on corporate boards may also complement directors from other ethnic or cultural groups especially in the decision-making process. In the case of CSR disclosure, the values that are instilled in Malay directors may help them to look at certain issues differently as they believe in taking care of others and valuing relationship.

However, this study was also subjected to several limitations. First, this study does not classify CSR disclosure according to CSR's themes i.e. human resource, community, environment, as well as product and services. As argued in Du et al. (2013), institutional CSR which consists of community and environment depends highly on the discretions of the decision-maker, thus leadership might affect the decisions in some ways. On the other hand, technical CSR, consisting of human resource and products and services are less influenced by decision makers because the implementation is nearly compulsory. Second, information for the study is gathered solely from companies' annual reports and uses a one-year data, making the results and discussions less enriching, and may limit the test that can be performed by this study in comparison to using panel data (data of more than one year). Third, this study uses only one proxy for culture that is Malay-majority corporate boards. Future researchers may look into classifying CSR items according to themes, for this would provide better insights into the effects women directors have on CSR information disclosure. Furthermore, it is recommended for future studies to conduct interviews with women directors to get their views on the decision-making process in promoting CSR activities.

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