

CORPORATE SOCIAL REPORTING AND FINANCIAL PERFORMANCE IN BURSA SAHAM MALAYSIA FROM 2002 TO 2004

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ABSTRACT

In the ever changing of business world today, the way of running the business has changed rapidly, methods that works for yesterday business, might expired tomorrow. Emerging trend of the business today has shown, they are not only restricted themselves to responsible only to the investor/owner of the company, but also to their surrounding where their business is located as well, like, employees, community, environmental and government too. Today consumers, investors, governments and even employees are more aware of good corporate behavior. Some organizations have skillfully figured out how to use corporate social responsibilities (CSR) to their strategic advantage. This paper examines the corporate social reporting and financial performance of the Malaysia's companies from the year 2002 to 2004, by investigating the corporate financial performance, the accounting ratios and share return are used to determine it. Besides that, this research also compares the share return between the companies which disclose and does not disclose the social information. The empirical results of this study show that there is a significant relationship between corporate social responsibility and corporate financial performance only for the year 2004. Moreover, there is a significant difference on the share return between the companies which disclose and do not disclose the social information only for the year 2004 also. However, the overall results show that the corporate social responsibility do not significantly correlated with the corporate financial performance. The results of this study this study basically do not consistent with previous researches which done in overseas.