CAPITAL UNIVERSITY OF SCIENCE AND TECHNOLOGY, ISLAMABAD

Ownership Structure and Corporate Social Resposibility: A Comparative Analysis of Pakistani and Malaysian Non-Financial Firms

by

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A thesis submitted in partial fulfillment for the degree of Master of Science

in the

Faculty of Management & Social Sciences
Department of Management Sciences

2019

This thesis is dedicated to my father Syed Zeeshan Haider Naqvi and my mother. Their persistent encouragement and moral support has made the difference in helping me persevere towards the completion of this journey. I pay my deep regard to my beloved Parents whose care, love devotion and prayers have made me able to achieve this goal. May Allah bless them all.

CERTIFICATE OF APPROVAL

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Acknowledgements

First of all I would like to thanks Almighty Allah who gave me courage to complete this thesis. I would like to express my sincere thanks to a number of people who have made the completion of this thesis possible. I am extremely grateful to all of them.

I would like to thank my supervisor **Mr. Zia Ul Islam**, Faculty of Management Social Sciences, Capital University of Science Technology, Islamabad, Pakistan, who has provided valuable instruction, mentorship and encouragement throughout the thesis journey.

I wish to show my deep gratitude to my friends. Their persistent encouragement and moral support has made the difference in helping me persevere towards the completion of this journey. Finally, I pay my deep regard to my beloved Parents whose care, love devotion and prayers have made me able to achieve this goal. May Allah bless them all.

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Abstract

The objective of study is to investigate the influence of ownership structure on CSR (Corporate Social Responsibility) with a comparison between Pakistani and Malaysian non-financial firms. Very few studies on CSR (Corporate Social Responsibility) have been conducted in Asian countries. This study attempts to fill this gap in the literature as no comparative has been conducted between these countries. This thesis also includes director ownership for the first time in Pakistan to study corporate social responsibility variations.

The study uses two independent variables for comparative study i.e. concentrated ownership and director ownership. This study also examines family ownership, institutional ownership and foreign ownership only in Pakistani context. The data was collected from annual and sustainability reports for the period of five years 2014-2018. For this purpose this study uses panel data analysis. This study uses size leverage and profitability as a control variable.

This study found that there is no significant influence of concentrated ownership and director ownership on corporate social responsibility in Pakistan while in Malaysia, concentrated ownership has no significant influence on corporate social responsibility but director ownership has a significant negative influence on corporate social responsibility. The findings of the other ownership variables show that family ownership and institutional ownership have positive and significant impact on corporate social responsibility in Pakistan.

This study contributes to the growing literature on the Asian economies. This study also has implications for policy makers that strict policies should be made regarding corporate social responsibility so that companies are compelled to have engagement in CSR practices.

Key words: Ownership structure, CSR, Concentrated Ownership, Director Ownership, Family Ownership, Foreign Ownership, Institutional Ownership

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Abbreviations

CSR	Corporate Social Resposnibility
CO	Concentrated Ownership
DO	Director Ownership
FO	Foreign Ownership
FMO	Family Ownership
IO	Institutional Ownership
SECP	Securities and Exchange Commission of Pakistan
SDPI	Sustainable Development Policy Institute Institute
WBCSD	World Bank Council for Sustainable Development

Chapter 1

Introduction

1.1 Background of the Study

In recent year corporate social responsibility has become main focus of researcher, academicians, government and non government organizations (NGOs). The importance of CSR increasing day by day with increasing globalized trade, high corporate reputations and relationship among the stakeholders. In the early twentieth the concept of corporate social responsibility (CSR) originated. Many researchers have found different origin of corporate social responsibility. According to (Carroll and Shabana, 2010) the root of CSR has come before World War II. Murphy (1998) found four different era of CSR history. First Era was philanthropic Era which was started from 1950. In this Era charities and donation was to be considered as CSR engagement. Second, Era was Awareness Era which was started from the period of 1950 to 1967. In Awareness Era corporations became aware about the concepts, perspectives and useful of CSR. Third Era was Issues Era; its duration was from 1968 to 1973. In this Era some issues of CSR became problematic which was focused by corporations related to environmental issues, racial discrimination, etc. The last fourth and current Era is Responsiveness Era which started from 1973 onward. In this Era corporations meet the demand of CSR and companies are taking serious actions to address the issues of CSR. The CSR has become a corporate strategy through which a company can maintain good and strong relationship with stakeholders by meeting their expectation in business practices. The CSR activities include incorporating social features into the product as well as in manufacturing process, implementing productive practices of human resource management, through recycling achieving higher level of environmental performance, reduced pollution and achieving objective for the society.

The question arises that whether CSR has been defined in proper way or not and that the discussion on CSR is enough to be accepted across the globe? Unfortunately, the answer is no. CSR has not been defined properly, in a way that it has a universal acceptance. Many definitions of CSR have been proposed but still there is still no clear definition. Corporate social reporting defines to stake holders that how corporate social practices should be disclosed and published in annual reports. Different CSR explanations are not obvious and are interpreted differently (Valor, 2005). Recently WBCSD (World Bank Council for Sustainable Development) defines CSR as "It is the commitment of business with the society to behave ethically to contribute in the economic development of the country and improve the quality of life of workforce and their families as well as also community or society".

Other researchers like (McWilliams and Siegel, 2001) also elaborate definition of CSR as " The procedure which brings some additional benefits to the people of the society which is not mandatory by law without neglecting the interest of the organization". One more definition of CSR defined as by (Mughal, 2014) "CSR comes under the supervision of corporate governance practices which is related to business operations, community, ethical and legal practices, with the concentrate on protecting rights of the investors. The above definition explains an important point that CSR means taking any willful action by the organization that is not imposed by law for the betterment of society. It means that organization should do work for women and minorities not only to obey the law but they should do it as social activity. In 2001, Commission of the European Communities defines the most common definition of CSR as "Corporate social responsibility is the incorporation of social activities by company in his business operation with their partners on voluntarily basis".

CSR concept is new in emerging economies like Pakistan (Mughal, 2014). Pakistan CSR concept is in early stages and quite limited research has been done on CSR in Pakistan. Very fewer companies give attention to CSR, mostly multinational companies concentrate on CSR standards and strategies. In Pakistan firms and public are less aware about the rights and responsibilities. Companies take social activities as a liability and not a source of long term profitably. In Pakistan research on CSR began a decade ago. In Pakistan Sustainable Development Policy Institute SDPI (2002) published a report. The purpose of this report was to give attention on the issues of CSR and natural disasters in Pakistan. This white paper report demonstrates that when disasters occur in businesses then businesses become reactive and only those businesses help who are involved in disaster and they help the society by public private partnership. This report also recommends that in Pakistan businesses are not aware of CSR concepts and mostly external factors enforced on CSR practices. This report also identifies that in Pakistan multinational companies are more engaged in short term investments which are billboards, landscaping and cultural events for better image and reputation.

If we discuss about the broader view of CSR then Malaysia is the country which explores provoking comparison.Very few studies on CSR have been done in Asian countries so there was a research Gap for our study (Syed Butt, 2017). The novelty of this study is that no comparative study has been done between Pakistan and Malaysia regarding CSR. Pakistan and Malaysia both are Muslim countries. Malaysia has unique business environment that's why researchers interestingly focus on this country. The major feature of Malaysian business environment is private companies having government shareholdings. In Malaysia, government implemented privatization program in 1983 (Ghazali, 2007). The purpose of privatization program is to promote CSR activities and to strengthen the commitment of companies for CSR practices. Mostly firms have concentrated ownership in Malaysia. According to the World Bank report top largest shareholders of Malaysia hold more than sixty percent of company equity. More ever (Claessens et al., 2000) found family owned companies hold 67.2 percent and Government hold 13.4 percent ownership in companies in Malaysia. Few firms are engaged in CSR activities and focus on community (Saleh, 2010). In Malaysia companies contribute to CSR activities only 0.31 percent of its total income. This percentage of CSR contribution in Malaysia is still very less as compared to European countries who contribute 1 percent of their profit for CSR activities (Prathaban, 2005). Malaysian companies are increasingly engaged in CSR activities (Zulkifli and Amran, 2006).

In twentieth century, globalization is spreading quickly so it is essential for every business to engage in social activities but the basic aim of the business is to maximize profit after allocating all its resources. A firm can achieve its goals and objectives by interacting with customers, suppliers and employees and also with the society so, if the firm ignores the society then firm cannot sustain in the market so that's why a firm should pay attention to society, because it's very important for firm's progress. Paying attention to society means to engage in social activities such as community development, health and education, green environmental policies, good employee and customer relations, fair policy in business and contribution in governmental development programs. Harjoto and Jo (2011) describe why firm participate in CSR: first to gain good reputation (Barnea, 2010) second , CSR is a good strategy in the mind of executives to get support from all stakeholders (CESPA, 2007); third, firm can give message of quality to all world through CSR (SIEGEL, 2007); and last but the most important one that firm use CSR activities as a strategy to decrease the conflict of interest between the owner and manager (Scherer et al., 2006; Payne, 2003; Jensen, 2001).

In the last few years the growth of multinational companies and globalization increases extensively and because of this a lot of problem creates to increase public awareness. Most of the companies are doing their best for the progress of community but the problem is they are becoming cause of social and environmental issues which have negative impact on society. Mitra, S, Dhar S and Agarwal KM (2008) examined CSR and its scope which includes, long term company power, safety at the work place, health for employers and employees, environmental protection, waste management and product quality. The basic objective of the corporation is not to maximize profit but also serve the broad community that includes environment, interest groups and society. Through well managed disclosure policy a company can gain economic benefits (Williams, 2006). Therefore, disclosure of information is a strategic tool which is used to increase the capital of the company at lowest cost (Healy, P. M. and Palepu, 1993).

Most of the researchers shed light on the benefits of participating in CSR, to improve the goodwill of the firms, improving their integrity and accountability, increasing the share price, and eliminating stakeholder's pressure on firms and pleasing them. Butt (2014) indicated that the CSR, term includes all those activities that an organization did voluntarily to focus on the interest of their shareholders and the well-being of the firm's employees and also give them positive signal that CSR practices not only for the purpose of profit but also considering the whole society and their interest.

CSR network.org (2006) is UK's most reputed consultancies explain that those firms who have engagement in corporate social activities improve brand image and reputation, financial performance, decrease operating cost, excess capital, increase sales, customer loyalty, improve productivity and product quality. Social practices are not produced in vacuum, but environment and other factors influence the companies and their mangers (Adhikari and Tondkar, 1992). Disclosure practices are impacted by many environmental factors which are adopted by (Williams, 2000; Gray, 1988). Environmental determinism theory referred to as factors that include the enforcement mechanisms, capital market, economy, accounting and regulatory framework and culture (Cooke and Wallace, 1990). The company decision directly influences on company disclosure policy. The corporate disclosure policy is also influence by corporate governance elements which are managers, management structure, remuneration, ownership structure (Chen and Jaggi, 2000; Huafang and Jianguo, 2007).

It is well known that the decision of CSR engagement is to be taken by management of organization. Managers of the organization usually consider their personal interest first. The owner of the organization has interest in increasing share value and manger usually works for personal benefits, so a conflict of interests arises.

Ownership structure is that particular percentage of ownership type of firm matters in decision making of the firm.

The Corporate Governance is defined by (Cadbury, 2006). According to Cadbury (2006) " Corporate Governance is the mechanism in which firms are control and directed". Does ownership structure influence the decision of CSR? This study investigates this question. Many past researches have been done to explore the relationship between ownership structure and firm performance and decision making.

Past researchers have found that ownership structure influence on firm motivation, power and decision making (Hart, O., 1990). CSR is used as a tool to resolve principal agent conflict because management can take some productive initiative to reduce agency costs that can substitute the stakeholder relationship (Hart, O., 1990). Therefore these stakeholders can make investment in the company to become owners so that the relationship is strengthened and stakeholders give indication that they are loyal and committed. In corporate world many firms are owned by families (Cadbury, 2006). Ownership structure effects on different level of firm decisions such as RD spending, innovation, capital structure and diversification (Baysinger et al., 1991; Eisenmann, 2002). Other researchers suggested to public limited companies that companies should only focus on maximizing profit and shareholder values they did not need to involve in social activities. It means that listed companies should not sacrifice their economic goals which are maximizing the profit and shareholder value. That is the reality no firm sacrifice their economic goals for the sake of society. In corporate governance the main scope is ownership structure.

In all over the world there is diversity in shareholding patterns of companies. For example, in Europe (60-80%) companies are hold by institutions (Faccio and Lang, 2002), But in developing countries like Pakistan, Bangladesh, India, etc., most of the ownership is hold by families (Khan et al., 2012) and in UK and US there is control ownership (Porta et al., 1999). Economies which are rich usually have concentrated ownership in this type of ownership groups of companies control the decisions of the firm and take part actively in the management of the organization (Anderson and Reeb, 2003).

Past studies have linked the relationship of structure of shareholding and corporate social responsibility (Graves and Waddock, 1994). This study addresses the question that does ownership structure has influence on CSR in Asian countries like (Pakistan and Malaysia). Previous studies showed that ownership structure has an impact on voluntary disclosure of CSR (Haniffa and Cooke, 2002; Mohd Ghazali and Weetman, 2006). But very little studies showed relationship between ownership structure and CSR (Amran and Devi, 2008; Ghazali, 2007; Saleh, 2010). However fewer studies have been done on influence of ownership structure on CSR. The current study examines the impact of ownership structure on CSR between Pakistan and Malaysia.

1.2 Gap Analysis

The objective of the study is to investigate the influence of ownership structure on CSR a comparative study between non financial sector of Pakistan and Malaysia. Very few studies on CSR have been done in Asian countries so there was a research Gap for our study (Syed and Butt, 2017). The novelty of this study is that no comparative study has been done between Pakistan and Malaysia regarding CSR. This study also finds to fill the research gap by examining director ownership first time in Pakistan literature to study CSR variations. These two countries having almost similar industrial structure and culture, there hasn't been any comparative study conducted yet. There exists a gap in the literature on a comparative study for these two economies as various comparative studies have been done on other countries e.g. (Aguilera et al., 2006) comparison of UK and US, Comparison of the UK and the USA (Holland and Foo, 2003) , Britain and Germany (Silberhorn and Warren, 2007), the UK and Germany (Adams and Kuasirikun, 2000).

1.3 Problem Statement

The engagement in CSR activities is beneficial for a firm. A firm can engage in CSR activities to build high reputation, company image and to reduce agency problem. Those companies, who are engaged in CSR practices, have some advantages: First, through engagement in CSR build good reputation and high profitability. Second, engagement in CSR leads to customer retention. Third, Principal and agent conflict reduced through CSR practices. However it is necessary to analyze that there is any relationship between ownership structure and CSR and if relationship exists then how it influences CSR. In Asian countries, very few studies have been done on extent and nature of CSR disclosure (Syed and Butt, 2017). So there is a research Gap to extend CSR literature and there hasn't been any comparative study conducted yet between two Asian counties Pakistan and Malaysia. Buhr and Freedman (2001) found that CSR practices are different in different countries. In Pakistan mostly firms are concentrated, family owned. According to Aslam (2006) mostly companies of Karachi Stock Exchange have family ownership and about 80% of KSE companies are family owned. If we compare Muslim country Malaysia with Pakistan, it also has similar culture and industrial structure. According to Malaysian Review and Update: (2001) corporate ownership in Malaysia is also highly concentrated and family owned. Furthermore, according to the World Bank report, in Malaysia more than fifty percent of public listed companies are owned by five large shareholders with more than sixty percent equity. Claessens et al. (2000) further found that 67.2 percent of the Malaysian companies were owned by families out of 238 Malaysian listed companies.

Pakistan and Malaysia are the focus of this study because of the following similarities between both countries. First, both countries have similar industrial structure and culture. Second, the economy of both countries link with emerging market and their capital market is growing day by day. Third, both countries' economy are mainly based on SME's (Khalique, 2011a; Khalique et al., 2011).

There exists a gap in the literature on a comparative study for these two economies as various comparative studies have been done on other European countries e.g.

(Aguilera et al., 2006) comparison of UK and US, Comparison of the UK and the USA (Holland and Foo, 2003) , Britain and Germany (Silberhorn and Warren, 2007), the UK and Germany (Adams and Kuasirikun, 2000).

1.4 Research Questions

This study tries to address following questions:

Research Question 1

Does ownership structure influence practices of CSR?

Research Question 2

Does concentrated ownership influence practices of CSR?

Research Question 3

Does director ownership influence practices of CSR?

Research Question 4

Does family ownership influence practices of CSR?

Research Question 5

Does institutional ownership influence practices of CSR?

Research Question 6

Does foreign ownership influence practices of CSR?

1.5 Objectives of the Study

The study has the following objectives:

Research Objective 1

To investigate the impact of ownership structure on CSR

Research Objective 2

To investigate the influence of concentrated ownership on CSR

Research Objective 3

To investigate the influence of director ownership on CSR

Research Objective 4

To investigate the influence of family ownership on CSR

Research Objective 5

To investigate the influence of Institutional ownership on CSR

Research Objective 6

To investigate the influence of foreign ownership on CSR

1.6 Comparative Analysis

In Asia Pakistan and Malaysia are two Muslim developing countries. Both countries' economy is mainly based on SMEs (Khalique, 2011a; Khalique et al., 2011). Both countries' economies are taking advantage in trading, economic development, consultancy services and social and cultural benefits in their strong long term relationship. Malaysia and Pakistan are promoting their common values, culture and religious believes so they present a provoking comparison (Khalique, 2011b).

Past research of (Williams, 2000) found that culture plays key role in describing the variation in CSR disclosure practices across countries. Lam et al. (1994) and Gray (1988) furthermore found that in Asian countries disclosure of firm is significantly influenced by cultural environment in which they are operating. Hofstede (1983) and Arifeen (2010) reported that Malaysia and Pakistan are in same cultural group.

1.7 Significance of the Study

The corporate social responsibility policies are different in different ownership structure. According to the knowledge of the author, this study is the first one in this context which has never been studied yet in Pakistan and Malaysia. Very few studies on CSR have been done in Asian countries so there was research gap for our study.

This study has several contributions to the literature. First, it provides empirical evidence on the ownership structure and CSR in the emerging literature. Second, it provides comparison between Pakistan and Malaysia regarding to CSR because very little work has been done in existing literature to examining the relation between ownership and CSR in Asian countries. Third, this is the first ever study which examines director ownership first time in Pakistan literature to study CSR variations. Fourth, our study also investigates additional ownership variable in Pakistan in CSR context which are institutional ownership, family ownership and foreign ownership. Fifth, many comparative past studies have been done on CSR in developed countries e.g. (Aguilera et al., 2006) comparison of UK and US, Comparison of the UK and the USA (Holland and Foo, 2003), Britain and Germany (Silberhorn and Warren, 2007), the UK and Germany (Adams and Kuasirikun, 2000). But very less work has been done on the extent and nature of CSR in Asian countries. So this study contributes additional knowledge in CSR literature in Asia.

This study provides a new look about investment portfolios and CSR to the firms, investors, and stakeholders. This information will be useful for the investor as well as much effective of policies in the direction of corporate engagement. In addition this study provides a guideline to practitioner academia, policy makers and top management of non financial firm. This study also plays important role to remove that thought from the minds of the firms that CSR reduce their profit. However in reality CSR is source of maximization of profit and capturing shareholder value.

This study provides guideline for government of both countries to reshape industrial structure of the firms for the growth of CSR practices. This study result will be useful for policy makers to implement well organized fiscal policy and also emphasis on environment, Health and education, employee welfare, health and safety, marketing and good corporate governance. Our study results also provide useful information for regulatory authorities of both Asian countries Pakistan and Malaysia.

1.8 Plan of the Study

Our plan of study consists into five chapters. First chapter is based on Introduction, research gap, significance and background of the study, Second chapter is based on literature review and hypothesis development, Third chapter is based on Methodology, data description and sample description. Fourth chapter is based on results and discussion and Fifth or last chapter is based on conclusion recommendation and Future directions.

Chapter 2

Literature Review

This section is based on three parts theoretical framework, literature review and development of hypothesis of the study. Our first part is consists on theoretical framework in which we define legitimacy and stakeholder theories which are related to CSR literature. Our second part is consist on literature review in which we study all past studies which have been conducted in developed and non developed countries and which are related to CSR literature. Third part is consists on hypothesis of study.

2.1 Theoretical Framework

Before development of hypothesis we have to explain theories which support our hypothesis the legitimacy and stakeholder theories are appropriate for CSR study. Legitimacy theory is also used by (Majeed et al., 2015; Syed and Butt, 2017) and stakeholder theory is used by (Moneva and Pajares, 2018). This section of the study reviews the basic theories that are link with the relationship of ownership structure and corporate social disclosure. These theoretical models suggest that how and why the shareholder and manager convinced to either to allocate resources that are firm specific to practices of CSR or are discouraged to do so. Similarly some theories are suggested that how the interest of investor and manger are aligned, that might be robust determinant in CSR involvement decisions. On the basis of these theoretical models and the developed hypotheses are tested subsequently. Two of the important and relevant theories are discussed as follows:

2.1.1 Legitimacy Theory

Many of past studies which are linked with the social and environmental reporting used legitimacy theory (Ieng et al., 2012). Companies should perform with in the boundary of social accepted behavior to maintain legitimacy status (Ieng et al., 2012). Legitimacy theory is linked with the organization and society relationship in this way organization seek to operate within the bound and norms of the society. Organizations always try to secure legitimation through activities. In CSR literature legitimacy theory is usually used to explain motivation for disclosure of CSR and this study investigate the impact of different ownership structures on CSR. So from theoretical point of view we are taking ownership structure as motivation for CSR. Many past studies used legitimacy theory to explain motivation for companies to disclosure CSR activities in annual and sustainability reports (Adams et al., 1998; Patten, 1992; Walden and Schwartz, 1997).

According to Suchman (1995) legitimacy is the belief of society that an organization actions are proper, desirable and appropriate within the values and norms of society. A firm can gain legitimacy by proper interaction with the society. The concept of legitimacy theory is social contract which bound the firm actions within the social boundaries (Huner et al., 1996). The Legitimacy theory believes that actions of the company effects on the environment in which it operates. Companies' activities directly influence the society and community. If the activities of the firm are harmful for the society then it impacts the community or society and they react negatively by boycotting company's product and pressure the Government for intervene. According to Lindbolm (1994) there are four strategies in legitimation. First, to educate and inform stakeholder about the performance of the company second, change the perception of stakeholder without change of behavior third, distract the attention of stakeholders from concern issues and fourth change the expectation about the performance. This theory explains variation in CSR

2.1.2 Stakeholder Theory

Stakeholder theory is defined by (Freeman, 1984) as "Individual or group of stakeholders who can effect and can be influence by the achievement of the firm goals". Stakeholder theory is used to analytical and empirical analysis of the firm and as well as the environment in which firm operate. The concept behind it that many stakeholder groups which include customers, creditors, shareholders, employee's government and local community have interest in firm activities. Ansoff (1965) used stakeholder theory first time in defining the goals and objective of the company. Freeman (1984) describes the stakeholders that how they influence on corporate decisions. In this study we explore the impact of ownership structure on CSR to analyze that which corporate structure is more involved in CSR practices. The main aim of the corporate is to meet the demand of stakeholders in order to achieve corporate strategic goals. As the power of stakeholder increases the importance of stakeholder demand also increases.

Deegan et al. (2006) explains the two branches of stakeholder theory first branch is called ethical branch or moral branch and second branch is called positive or managerial branch. The moral or ethical branch describe that an organization should treated well with their all stakeholders and managers should take interest for the benefits of all stakeholders. Managers of the organizations have responsibility to disclose information to all stakeholders. This branch of theory believes that companies should disclose information to all stakeholder groups because of moral obligations. On the other hand the second branch of the theory is positive or managerial branch. Managerial branch believes that those companies whose stakeholders group have power and control over the resources of the company are more likely to disclose information for the all stakeholders group. An organization cannot satisfy all stakeholders equally but it can satisfy those stakeholders who have more power and control over organization resources.

2.2 CSR and Ownership Structure

Around the world many past studies have been conducted on CSR. CSR is an strategic tool for firm and companies take those actions reduced his costs or enhanced benefits (Gamerschlag et al., 2011). Mostly past studies on CSR disclosure conducted in developed countries dominantly and they examined the factors influence on CSR disclosure by content analysis (Fifka, 2013). Many less studies focus on CSR in developing countries which include South Africa, Malaysia , Singapore, China and their results also in line with the past studies (Belal and Momin, 2009; Fifka, 2013).

According to McManus (2008) now a day's CSR is main focus of studies and profitable companies pay attention to it. Good corporate governance is the base of good CSR practices (Welford, 2007). Those companies who have engagement in social responsible activities disclose more information than companies who are less engaged in CSR activities (Wang et al., 2016). According to Sutantoputra (2009) companies have requirement to disclose social impact on stakeholders in sustainability report. Most current studies analysis on the relation between ownership pattern and CSR. Recent study of Hu et al. (2018) did analysis on the relationship between ownership structure patterns and its influence on disclosure of CSR reporting. One more recent study of Elgergeni et al. (2018) also studied the influence of ownership structure on CSR activities. The data of this study was collected from UK listed companies during austerity conditions. Further, Laidroo (2009) analysis the relation between public announcement and ownership patterns. The data was investigated from 2000 to 2005 and the three European emerging capital markets of Baltics were included.

Kolsi (2017) identifies the factors which influences on policy of voluntary disclosure in UAE listed companies on Abu Dhabi stock market. The data was collected of 25 UAE companies from 2010 to 2014. He used three factors to measure voluntary disclosure items and apply weighted disclosure index. Their result shows that government sectors and foreign shareholdings have positive influence on voluntary disclosure while block holder and industrial sector shows negative influence on voluntary disclosure.

Barako et al. (2006) examines the components which effect the company voluntary disclosure in Kenya. The data was collected yearly reports of the companies for the period of 1992 to 2001. This study analyzed the impact of elements of corporate and ownership patterns on voluntary disclosure. Chau and Gray (2002) also investigated the relationship between ownership structure and voluntary disclosure of companies in Hong Kong and Singapore.

Oh et al. (2011) investigate association between ownership patterns and corporate social responsibility in Korea. This study gives argument that commitment to CSR activities is depended on type of share holders and their motivations. They study on different types of ownership structure which include institutional, managerial and foreign ownership.

2.3 CSR in Pakistan

CSR concept is new in emerging economics like in Pakistan (Mughal, 2014). In Pakistan CSR concept is in early stages and very less research has been done on CSR in Pakistan. Very fewer companies give attention to CSR, mostly multinational companies concentrate on CSR standards and strategies. In Pakistan firms and public are less aware about the rights and responsibilities. Companies take social activities as a liability not a source of long term profitably. In Pakistan research on CSR began in a decade ago. The first study was conducted on CSR by (Ray, 2000). It was comparative study between Pakistan and Peru which focused on child labor and basic determinants. This study consist of two hypothesis first was related with the income of family and child labor and second was link with the adult labor. This study shows more difference in Pakistan and Peru children. The study reveals positive relationship between family income and child labor and found negative relationship between school children and poverty. This study both hypotheses rejected in Peru. The conclusion of this study was that child labor in

Pakistan significantly decreases because of increase in literacy rate in females and infrastructure.

In Pakistan Sustainable Development Policy Institute SDPI (2002) published a report. The purpose of the report was to give attention to the issues of CSR and natural disasters in Pakistan. This white paper report demonstrates that when disasters occurs in businesses then businesses becomes reactive and only those businesses help who are involved in disaster and they help the society by public private partnership. This report also recommends that in Pakistan business are not aware of CSR concepts and mostly external factors enforced on CSR practices. This report also identify that in Pakistan multinational companies are more engaged in short term investments which are billboards, landscaping and cultural events for better image and reputation. Reports also explore those companies who are engaged in CSR activities which include Sell, Nike, Reebok, Engro chemical Pakistan and Liver Brothers Pakistan.

One case study on child labor in Pakistan presented by (Hussain-Khaliq, 2004) to analysis the efforts of International Child labor Organization (ILO) and SAGA Sports to remove the child labor in the football sewing industry of Pakistan. In Pakistan child labor issue is eliminated because of the joint effort of ILO and SEGA sports. More ever, in this issue other CSR labor rights and corporate social activities improved and SEGA sports eliminated the issue of child labor in Pakistan. Children who lack awareness of local industry of Pakistan try to move to another industry. Another study on Pakistan is conducted by 'Security Exchange Commission of Pakistan' (SECP) in 2005 on behalf of Government of Pakistan. This report describes the evaluation which is related to CSR in Pakistan and its implementation strategy. This report reveals the extend of less knowledge of CSR in Pakistan and even firms are still in their early phases of development and implementation of CSR.

In Pakistan companies consider CSR activity as Philanthropic activity and very small amount of companies know the concept of CSR which is provision of social responsible business practices (SRBP) for the companies. Another research on CSR in Pakistan has been conducted by (Lund-Thomsen, 2004). He explore that failure of social and environmental responsibility is not because of corporate governance some external factors like political and economic impacts CSR. He highlights the issue of Kasoor in Pakistan which was business community conflict. He tries to link this critical conceptual framework to analyzing the case in Kasoor (Pakistan) as a business community conflict. In addition, this study found international politics and economic forces as cause of pollution. This study concluded that cheap labor in Kasoor (Pakistan) attract the North America leader industry and because of this local industry of Pakistan suffering from environmental hazard. He also concluded that more research should be done on corporate social environmental responsibility CSER.

The researcher Mughal (2014) attempted to identify the Corporate Social responsibility on petroleum industry and Oil Industry in Pakistan. The purpose of this study was to analyze which operational procedure is harmful for employees and environment. He describe that companies are struggling to maintain good reputation and image in the mind of the stakeholders. Companies are publishing their sustainability report, annual reports and disclose CSR related activities or events to maintain good reputation, image and good will in the mind of its stakeholders. This research was consists of three case studies which were on Attock Refinery Limited, National Refinery Limited and Pakistan Refinery Limited. All reports of the companies are investigated to explore how companies take part in social practices and voluntary mention CSR information on annual basis in annual reports.

Several studies have been conducted on CSR. Javaid Lone et al. (2016) analyzed the relation of corporate governance and CSR disclosure in Pakistan. This research used secondary data to analyze the association between corporate governance and corporate social responsibility disclosure. The information of CSR and corporate governance was gathered from the yearly and sustainability reports of companies which are listed at Pakistan stock exchange (PSX). Companies gathered from eight different areas which are commercial banks, textile, cement, fertilizer, power generation, oil and gas and technology and communication. Majeed et al. (2015) also examined the impact of elements of corporate governance and CSR disclosure on the firms which are listed on KSE. The data was gathered from the yearly and sustainability reports of the companies for the period of 2007 to 2011.

Some Islamic countries like Pakistan and Malaysia in which the true CSR concept in not provided by religion. Islam prohibited the some business activities like usury (Riba). According to Jedrzej George Frynas (2006) religions factors are not motivated by Pakistan and Malaysia companies. Jedrzej George Frynas (2006) concluded fact that those companies which have stabilize economy and favorable working environment are more engaged in CSR activities.

2.4 CSR in Malaysia

Malaysia has unique business environment that's why researchers interestingly focus on this country. The major feature of Malaysia business environment is that private companies have government shareholdings. In Malaysia, government implemented privatization program in 1983 (Ghazali, 2007). The purpose of privatization program is to promote CSR activities and to strong the commitment of companies for CSR practices. Few firms are engaged in CSR activities and focus on community (Saleh, 2010). In Malaysia companies contribute to CSR activities only 0.31 percent of his total income. This percentage of CSR contribution in Malaysia is still very less as compared to European countries which contribute 1 percent of their profit for CSR activities (Prathaban, 2005). Malaysian companies are increasingly engaged in CSR activities (Zulkifli and Amran, 2006). Said et al. (2009) analyzed the association between characteristics of corporate governance and the disclosure of corporate social activities in Malaysia. They include board size, duality, board independence, audit committee, managerial ownership, foreign ownership, government ownership and concentrated ownership. The data was gathered from the yearly and sustainability reports of the Malaysian firms for the time period of 1 year 2006. The sample size was based on 250 Malaysian companies which are listed on bursa Malaysia.

Haji (2013) investigated the CSR disclosure over a period of time in Malaysia. This study also examined the factors that influence CSR. They measure the quality of

CSR by self constructed checklist. They used unweighted approach in which 1 score to the item if item is disclosed otherwise 0. The data was gathered from the yearly reports of 85 listed companies of Bursa Malaysia. Their result reveals that government shareholdings, director shareholdings and firm size have significant influence on quality of CSR disclosure. Esa and Ghazali (2012) conducted research on government linked companies before 2005 and 2007 with publish of Silver book in Malaysia. They adopted checklist of past research of (Ghazali, 2007) to measure CSR where 1 score was given if the item was mention other wise 0. The silver book in introduced in 2006 and the result shows that government linked companies have improved disclosure of CSR after publish of Silver book.

Different Studies use different methods to measure CSR. Majority of U.S. studies used Archival ratings and taken CSR as dependent variable and measure CSR from KLD ratings (Arora and Dharwadkar, 2011). Oh et al. (2011) use index of KEJI to measure CSR, Prado-Lorenzo et al. (2009) engage GRI dataset, while Ghazali (2007) measure CSR by CSR disclosure checklist in Malaysia which is consist on twenty items. Hu et al. (2018) used the probit model and used sample size of 1839 Chinese listed companies. That study was based on ownership influence on CSR and measure CSR by using dichotomous approach in which if company discloses CSR item then it awarded with 1 and other wise 0.

Whereas Elgergeni et al. (2018) used panel data analysis in his paper. They used BITC (Business in the Community) data source of CSR ratings. This study sample size was based on 117 U.K companies which influence the society and reported in CSR activities index. The index of CSR index classifies corporate social performance into four bands: First one is Platinum band which includes those companies who score 95%, Second is Gold band in which companies score is 90%, third is Silver band in which companies score 80% and the fourth band is Bronze band in which those companies are listed whose score 70%. That study analysis the CSR involvement from CR index 2008 to 2012 study, it classifies companies into 5 ranking group in which the highest rank is Platinum which is 4 and lowest rank is 0.

Javaid Lone et al. (2016) study measure CSR disclosure by content analysis method for this purpose the data was gathered from the yearly and sustainability reports of the firms. Khan (2010) developed self made CSR index for measurement of disclosure of CSR. The CSR items consist on seven themes which are contribution to health sectors, employee welfare, product and services, education sector, natural disaster, environmental and other donations. Laidroo (2009) study also used panel data analysis. They run regression by Ordinary Least square (OLS) and Panel method. They measure dependent variable by allotting maximum score to disclosure is 6 and those companies who have greater score the disclosure quality also greater. Those weighted score is more appropriate which improve the results. Majeed et al. (2015) study used multiple regressions in investigation of effect of elements of corporate governance on CSR reporting. Majeed et al. (2015) used content analysis for his research. The final checklist instrument based on 40 disclosure items of CSR used in this research. The items of CSR disclosure consist on seven themes education sector, health sector, natural calamities, employees, product or services statement and other environmental issues. de Souza Gonçalves et al. (2014) study aimed to develop and validating an index designed to analyze the CSR practices on firms which are listed on Brazilian stock market. The index of social disclosure is composed of 13 items distributed in three dimensions: past information, prospective actions, and accessibility. Chau and Gray (2002) study run multiple regressions to investigate the effect of ownership structure on corporate voluntary disclosure.

Oh et al. (2011) analyzed the quality of CSR rating of each company by creating Audit committee which is consists of different public accountants. They apply KEJI index of 2006 which has score of 75 and this present the 2005 CSR rating. KEJI index is depending on different data sources for analysis. The data was gathered in organize manner from different firms, government and non government organizations, media sources. Companies rate by standard values which is consist on scale (A,B,C,D,E) with seven themes which are Community, Corporate Integrity, Corporate Governance, Environment, Customer satisfaction, long term guidance and Employee relations.

Elgergeni et al. (2018) found in their results that those companies which have institutional ownership and non CEO ownership have higher engagement in voluntary CSR activities. Laidroo (2009) study result shows that concentrated ownership and foreign ownership has negative effect on CSR and positive effect with institutional ownership. Javaid Lone et al. (2016) found that after publication of Guidelines of CSR the level of CSR disclosure increases in Pakistani companies. Majeed et al. (2015) analyzed the effect of elements of corporate governance on CSR. Their research found positive effect of board size, institutional ownership and size of firm on CSR reporting. Their research also found inverse association between women director, foreign director and CSR reporting. Barako et al. (2006) results also shows that foreign shareholders and institutional shareholders have positive effect on voluntary disclosure. The data was collected from 1992 to 2001 from the annual reports of listed firms. Their research found that companies which are listed disclose more information. Chau and Gray (2010) study results shows positive effect of ownership patterns on corporate voluntary disclosure. Hu et al. (2018) found that Chinese stock exchange emphasis on companies to produce CSR report. Oh et al. (2011) results indicates positive and significant association between foreign owners and CSR rating. They also reveal that the participation of high level managers has negative influence on CSR of the company, while participation of external director is insignificant. They concluded in their study that various types of ownership patterns have different effect on CSR engagement.

2.5 Hypothesis of the Study

2.5.1 CSR and Concentrated Ownership

Our research question address does concentrated ownership influence on CSR? To answer this question we study concentrated relevant literature. Ownership concentration is important element of corporate governance (Habib, 2009). Corporate Governance literature shows that ownership patterns are significant determinant of voluntary disclosure of firm and block holders influence management decisions because of their substantial voting power. Concentrated ownership is referred to as the majority shares of the company are hold by the few largest shareholders. It is also known as Block holder ownership. Block holder are the shareholder who have hold large amount of shares in the company (El-gazzar, 1998). According to Eng and Mak (2003) shares hold by substantial shareholders 5 percent or more is known as concentrated ownership.

It is observation that the interest of the company is different for small and large shareholders and shareholders who hold small amount of shares are less protected and they have less control over the decisions of the management (Dam and Scholtens, 2013). Shareholder who hold large shareholdings of the company have more control over the operation and strategic decisions of the management (Shleifer and Vishny, 1997). According to Porta et al. (1999) companies those have concentrated ownership has negative influence on investor protection and small shareholder is important in those countries who fail to protect investor rights. Gomes (2005) explain that large shareholders are primary focus of the company and they have rights in the company. Due to more power, more incentives and more effective monitoring the large shareholders have more influence on company (Dam and Scholtens, 2013).

Our attention is to find the association between concentrated ownership and CSR. Several previous studies have been done on it. Theoretically, the association between concentrated ownership and CSR could be positive or negative in both ways. Past studies found negative association between concentrated ownership and voluntary disclosure (Mitchell et al., 1995). According to El-gazzar (1998) those companies whose have higher concentration of institutional ownership encourage management to disclosure voluntary disclosure to maintain good reputation. Graves and Waddock (1994) found firms those have more institutional shareholdings has significant and positive effect on corporate social performance. Habib (2009) conducted study to analyze the effect of different concentrated ownership patterns on corporate voluntary disclosure in New Zealand. The data was gathered from the listed firms of New Zealand for the period of 2001 to 2005. They used panel data analysis and two stage least square analysis for study. He found positive effect of concentrated ownership on corporate voluntary disclosure.

Graves and Waddock (1994) did research on 66 US companies and found that powerful and strong owner has negative influence on corporate social activity. Atkinson et al. (1988); Brammer and Millington (2005) also found negative association between concentrated ownership and CSR in US. However, Galaskiewicz (1997) and Adams et al. (1998) did not found any effect between concentrated ownership and CSR in US and UK. According to Brammer and Millington (2005) companies those have highly concentrated ownership have significantly low in charitable donations.

Hossain et al. (1994) also shows negative relation of concentrated ownership and disclosure. Kathy et al. (2012) also shows negative relation between environmental reporting and concentrated ownership. According to Marston and Polei (2004) those investors who have large shareholdings in a company can have approach to inside information. So, close held firms have less disclosure of information because their shareholders can have approach to inside information. Companies whose shareholders have low shareholdings in the firm more likely to disclose information because company want to maintain confidence and trust of investors (Marston and Polei, 2004). While shareholders who hold large shareholdings in the company can access information from the company with direct communication.

Few past researches did not find any association between concentrated ownership and CSR. Huse and Morten (1997) found that there is no impact of ownership concentration on corporate environmental reporting in annual reports. Mohd Ghazali and Weetman (2006) also found that concentrated ownership is not significant for explaining CSR disclosure. Galaskiewicz (1997) and Adams et al. (1998) did not found any effect between concentrated ownership and CSR in US and UK.

Prior studies on voluntary disclosure show negative connection between block holder ownership and voluntary disclosure (Haniffa and Cooke, 2002). Similarly, Hussainey and Aljifri (2012) found that block holder who owns 5 to 10 percent shares of the company have positive association between voluntary disclosures while block holders who owns more than 10 percent have negative association with voluntary disclosure. Moreover, closely held companies less voluntary disclosure of information the reason is that their shareholders have direct approach to information. Gamerschlag et al. (2011) also found association between concentrated ownership and CSR voluntary disclosure. In addition those firms which have few large shareholders like family owned companies relatively low in disclosure of information.

Young and Chang (2014) argued CEO's of companies have pressure when there is greater block holder ownership because power full shareholders put pressure on CEO to show desirable financial outcomes. This is why that is difficult for CEO to get engagement in CSR when there is block holder ownership. In Addition, if CEO is old and did not meet the expectation of block holder then the block holders possibly penalize him by lowering his compensation or by terminating him from CEO position (La et al., 2010). While the pressure of block holders on young CEO is relatively low because he can easily move to another executive position. Therefore, the old CEO makes decisions that are aligned with the benefits of block holders and power full shareholders have influence on the decisions of the company that is why literature shows lower CSR engagement in block holder ownership structure. On the basis of past researched we hypothesis that concentrate ownership negatively influence on CSR. On the basis of past studies we purpose the hypothesis as follow:

H_1 Concentrated Ownership has negative influence on CSR

2.5.2 CSR and Director Ownership

Our research question address does director ownership influence on CSR? To answer this question we study director ownership relevant literature. A company whose director, managers, CEO and executives hold maximum percentage of company holding is said to be director ownership or managerial ownership (Eng and Mak, 2003). From a long time accounting research has interested in to find the impact of managerial owners on voluntary disclosure. Less managerial ownership also leads to Agency issue (Eng and Mak, 2003). When director ownership exists then the agency problem is reduced because the company owners maximize the firm long term value (Md. Abdul Kaium Masud and Bae, 2018). Executive directors who hold substantial shareholdings of the company have less principal and agent conflict (Jensen, M.C.; Meckling, 1976) so the pressure of disclosure of additional information for insider is also reduced.

Directors disclose social practices and environment information to aligned strategies and policies with the expectations of society's and norms. More ever directors are impacted by the institutions, activist groups and government values in a more complicated political environment (Md. Abdul Kaium Masud and Bae, 2018). According to Shirodkar et al. (2016) director always try to reduce political cost by revealing more social and environment information. In western countries director is more influenced by shareholders as compare to non western countries. In non western countries directors less engage in social actives and they always take part in short term decision making to gain personal benefits (Faller and zu Knyphausen-Aufseß, 2016; Oh et al., 2011). Directors become more power full when there is lack of transparency and accountability.

Previous literature found that companies those have director ownership tend to make decisions in favor of corporate social activities to gain shareholder attention and also show them company is achieving their social and environment responsibilities (Khan et al., 2012). Previous studies found that directors which have large shareholdings may have more power and directors likely to involve increasing their own benefits rather to maximize share holder wealth value (Md. Abdul Kaium Masud and Bae, 2018). Many past studies found negative relation between director owners and corporate voluntary disclosure (Khan et al., 2012). Chau and Gray (2010) found negative impact of managerial owners on voluntary disclosure. Paek et al. (2013) found significant negative relationship of managerial ownership with CSR. Eng and Mak (2003) also demonstrate significant association relation between managerial owners and CSR. Oh et al. (2011) demonstrate significant negative association between managerial owners and CSR in Korea. Their research reveals that directors did not interest to disclose social and environmental disclosure so its negative effect on benefits and compensation.

In Addition, Khan et al. (2012) found significant negative relationship between director owners and CSR disclosure in Bangladesh. Companies those have director ownership have less public accountability because public has less interest in those companies (Eng and Mak, 2003). More ever these companies usually less engage in social activities because public has less interest in close held corporations. In simple words, manager of these companies did not invest heavy amount on social practices the reason is that social activities cost decrease the benefits of the mangers. While some past researches found positive connection between managerial owner and CSR. Babío Arcay and Muiño Vázquez (2005) shows positive connection between managerial owner and CSR. Laidroo (2009) also found positive association between managerial owners and disclosure quality. According to Farooque et al. (2007) boards of member are usually consists of family members. This type of ownership has less accountability because outsider has relatively less interest. So the public disclosure in director owned companies is low that is why director owned companies has less engaged in corporate social activities. In other words in director ownership manager did not invest heavy amount on social activities because the cost on investment is reduced their potential benefit.

So we hypotheses that:

H_2 Director Ownership has negative influence on CSR

2.5.3 CSR and Institutional Ownership

Our research question address does institutional ownership influence on CSR? To answer this question we study institutional ownership relevant literature. Mostly researchers found that Institutional ownership has significant impact on organization decisions. Institutional owners hold large shareholdings of the firm that is why they have incentive to disclosure corporate practices. So, Managers voluntary disclose information for large stakeholders. Institutional owners involve in companies activities actively than non institution owner because they have more power and information of the company (Brickley et al., 1988). In Addition institutional owners have significant percentage of company stock so they cannot sell it easily that's why the institutional owners give more attention in company strategic decisions than other shareholders.

Institutions which are listed on stock market and invest in a company referred to as institutional investor or institutional ownership and they are the largest shareholders in term of categories in most countries (Dam and Scholtens, 2012). Institutional investors are long term shareholders of the company and they need information about the company and their risk management strategies (Welford, 2007). The investment criteria of institutional investor is that they demand transparency, accountability and making good corporate governance (Welford, 2007). Insurance companies, pension funds, mutual funds are types of institutional investors. Institutions invest their funds in stock. Dam and Scholtens (2012) argue that investors invest on the behalf of the employees to transform the risks. Therefore, the investors are motivated by the financial performance regarding their objectives of investment.

In this context previous research found positive association between institutional owners and CSR (Dam and Scholtens, 2012). The institutional investor always seeks to get long term benefits from companies who are engage in CSR activities (Greening, Daniel W, Turban, 1997). Some researcher found positive connection between institutional owners and ranking of disclosure (Bushee & Christopher, 2000). Cox et al. (2004) also examined the association between institutional owners and CSR. They found positive association between institutional owners and CSR. Carson, E. and Simnett (1997) found positive relation between institutional ownership and voluntarily disclosure in listed companies of Australia. More ever According to Graves and Waddock (1994) the institutional owners should have positive impact on CSR in good management theory. Through good management practices the long term performance of firm increases. The institutional owners are always support most of the activities which are related to CSR. SIEGEL (2007) argued that why institutional investors support social activities. According to him institutional investors which are insurance companies, funds and banks provide trustworthy services to its customers. Institutional investors have one another way to maintain CSR rating through investing in social responsible business to give positive signal to its customers that institutional investor is responsible and reliable so in this way they differentiate their services (Oh et al., 2011).

Past studies also found positive relation between institutional owners and CSR. According to Hal Yap Teoh (1990) the institutional investors invest in those firms who are engaged in CSR practices. Graves and Waddock (1994) reveals that institutions investors always invest in those firms who have more social performance. They also found that those companies whose mostly shares hold by institutions have positive impact on CSR rating of the firm. One more study has been done on UK 500 companies by (Cox et al., 2004) to examined the pattern of ownership and its relationship with corporate social performance. They found that those institutional investors who invest for long term are positive effect on firm social performance. On the basis of past studies we purpose the hypothesis as follow:

H_3 Institutional Ownership has positive influence on CSR

2.5.4 CSR and Foreign Ownership

Our research question address does foreign ownership influence on CSR? To answer this question we study foreign ownership relevant literature. It is assumed social practices are influence when foreign shareholding rises in a company. According to Chapple and Moon (2005) in Asia countries CSR engagement is increases when globalization increases. According to Oh et al. (2011) in Asia the current CSR practices is affected by foreign investment and globalization. Many foreign investors are multinational corporations who invest in local companies and they also have much knowledge and values because of foreign market exposure (Muttakin, 2015). Foreign investors take part in those investments which are risk free and they also expose to their customers that they are reputable (SIEGEL, 2007). Bradbury (1991) argued that corporate social disclosure demands high foreign share holders because of geographical location.

Some past researches did not find any connection between foreign ownership and CSR. Elinda Esa (2016) conducted research on ownership pattern and found no association between foreign ownership and CSR in Malaysia. Said et al. (2009); Siregar and Bachtiar (2010); Zulkifli and Amran (2006) also found no effect of foreign ownership on CSR.

Many past researches have been investigated in emerging market to analyze the relationship between foreign ownership and CSR. Haniffa and Cooke (2002) result shows significant association between foreign investors and voluntary disclosure in Malaysia. So that foreign share holders feel confidence in those companies who disclosure information. Similarly, Singhvi (1968) results reveals that firms which have foreign ownership disclose high quality of information than Indian firms. More ever they also reveal the score of mean disclosure of family owned companies and local owned companies. They compute (40.66) score for foreign owned firms and (34.82) score for local firms. This indicates that foreign ownership has significant impact on corporate governance practices and on CSR practices. Schipper (1981) and Bradbury (1991) describe that those companies who have foreign ownership likely to disclosure more information because of separation between management and owner.

Further foreign investors have more foreign market exposure because of because of different values and culture. So that those companies who have foreign ownership have more social and environmental disclosure and they also helps them in decision making. Chambers et al. (2003) analyzed on CSR website reporting on Asian economies. This study explores the CSR website reporting in Asian economies. Chambers et al. (2003) found companies in Asian countries have lower CSR reporting than UK and Japan companies. The results of seven Asian economies demonstrate 41 percent score which is lower than half as compared to 98 percent in UK and 96 percent in Japan. Oh et al. (2011) examined the association between ownership structure and CSR. This study also found positive effect of foreign ownership on CSR. So that foreign owners always invest in those companies who have engagement in CSR activities because the foreign owners always try to reduce their risk. The foreign investors pressure the company managers to take decision in favor of CSR activities Thus; foreigner ownership can has significant effect on level of corporate social disclosure. On the basis of past studies we purpose the hypothesis as follow:

H_4 Foreign Ownership has positive influence on CSR

2.5.5 CSR and Family Ownership

Our research question address does family ownership influence on CSR? To answer this question we study family relevant literature. A company owner's hold maximum percentage of company holding is said to be family owned companies. The top managers of the family owned firms are mostly family members and CSR engagement is different in family owned companies as compare to other companies (He et al., 2015). Haniffa and Cooke (2002) found family ownership may also have impact on CSR practices. Family ownership may constraint the quality disclosure of CSR and it may have less transparent disclosure of information in its annual report (Ho and Wong, 2001). The logic behind this that firm board members and substantial holding of the company is hold by family and they have easy access to all types of information of the firm so they have less need for disclosure.

Past researches found negative relation between family ownership and CSR. Previous studies examined that characteristics and management practices is different in family owned companies and other companies (He et al., 2015). Those companies which owned by families are neglected companies and they did not improve relationship between company and stakeholders (He et al., 2015). According to Nicholls and Ahmed (1995) those countries that have substantial family ownership have distance between the owners of the company and the manager of the capital. More ever company owners do not trust on public disclosure because they have direct approach to company internal information (**?**). So, that the accountability of public is low in family owned firms. According to Chau and Gray (2002) in Malaysia mostly listed companies are owned by families and they appoint their family members as boards, executive directors and manager. So in family owned companies disclosure is very low.

Eng and Mak (2003) investigate the impact of ownership patterns on social disclosure in Singaporean listed firms. Their results revels negative impact of family owners on CSR disclosure. Further, Ghazali (2007) investigate the ownership patterns and CSR disclosure on Malaysian companies. Results reveals that family ownership is very familiar in Malaysia and there is less public accountability is required because outsiders relatively have less interest. Family owned companies did not invest more in social practices because the cost to invest in social practices is reduced the potential benefits of the owner of the companies. One more research conducted by (De La Cruz Déniz Déniz and Suárez, 2005) on 112 Spanish family firms to analyze the corporate social responsibility of Spanish firms. They found that corporate social responsibility is varies different in different family firms and firm associated positively and negatively with its stakeholders. Cabeza-García et al. (2017) build socio emotional wealth perceptive and they hypothesize that the family owners impact on corporate social disclosure. Their result shows that family owners or family governance has negative effect on corporate social disclosure. Rees and Rodionova (2014) analyzed the impact of family holding on CSR and investigate the mediating effect of corporate governance between family owned companies and CSR. Their result also shows that family owned companies have negative Influence on CSR.

Some other researcher also shows positive impact of family owned firms on CSR disclosure. Dou et al. (2014) also investigated the engagement of family ownership in firm charitable donations. Their finding reveals that family owned firms positively impact on charitable donation but when new generation comes then the positive influence of family ownership towards charitable donation becomes weaker. Campopiano et al. (2014) analyzed how family firms have involvement in Philanthropic activities. Their result shows that family firms positively influence the philanthropic activities. Dam and Scholtens (2012) investigate the different type of owner and its influence on CSR. They take sample 691 European companies. Their result shows that employees and individual owner have negative effect on social activities while banks and institutional investors relatively neutral in social activities. Harjoto and Jo (2011) analyzed the effect between corporate governance and CSR with mediating effect of family ownership. They found that family ownership is weaker towards to CSR. On the basis of past studies we purpose the hypothesis as follow:

H_5 Family Ownership has negative influence on CSR

2.6 Hypothesis Statement

H_1 Concentrated Ownership has negative influence on CSR

H_2 Director Ownership has negative influence on CSR

H_3 Institutional Ownership has positive influence on CSR

H_4 Foreign Ownership has positive influence on CSR

H_5 Family Ownership has negative influence on CSR

Chapter 3

Methodology

This is regression model that is to be applied in this study which is written as follows:

3.1 Econometric Model

$$\text{CSR}_{(i,j\ ,t\ )} = \beta_o + \beta_1 CO_{(i,j\ ,t\ )} + \beta_2 DO_{(i,j\ ,t\ )} + \beta_3 S_{(i,j\ ,t\ )} + \beta_4 LEV_{(i,j\ ,t\ )} + \beta_5 ROA_{(i,j\ ,t\ )} + \mu \ldots\ldots \quad (3.1)$$

$$\text{CSR}_{(i,t\ )} = \beta_o + \beta_1 CO_{(i,t\ )} + \beta_2 DO_{(i,t\ )} + \beta_3 FMO_{,t\ )} + \beta_4 FO_{(i,t\ )} + \beta_5 INST_{(i,t\ )} + \beta_6 S_{(i,t\ )} + \beta_7 LEV_{(i,t\ )} + \beta_8 ROA_{(i,t\ )} + \mu \ldots\ldots \quad (3.2)$$

Where:

CSR is Corporate Social Responsibility of firm i at time t, β_o is Constant, $\beta 1$ to 9 are independent variables, CO is percentage of share owned by few top large shareholders of form i at time t, DO is percentage of shares owned by directors and executives of the firm i at time t ,FMO percentage of shares of firm i owned by family members at time t, FO percentage of shares of firm i owned by foreign firms at time t, INST percentage of shares of firm i owned by institutions at time t.

In this study we used control variables which are firm size i at time t, leverage of firm LEV i at time t and profitability of firm ROA i at time t.

This study computed size by natural log of total assets which also measured by past studies (Javaid Lone et al., 2016; Eng and Mak, 2003; Haniffa and Cooke, 2005; Majeed et al., 2015; Syed and Butt, 2017). Profitability is computed by net profit divided by total assets which is also used by past studies of (Majeed et al., 2015; Said et al., 2009). Leverage is measured by total debt to total asset which is also used by (Javaid Lone et al., 2016).

3.2 Data Description

The purpose of the study was to investigate the influence of ownership structure on CSR between two Asian countries Pakistan and Malaysia. Secondary data was used for this study which is collected from the annual reports, sustainability reports and company's websites listed from PSX and Bursa Malaysia. The annual reports were collected from the stock exchange websites of both countries which are PSX and Bursa Malaysia. This study took KSE 30 index non financial companies listed on PSX and Bursa 30 index non financial companies listed on Kuala Lumpur Stock Exchange FTSE (Bursa Malaysia). The reason of taking non financial firms was that the existence of all relevant material for checklist used in measuring the CSR but some of themes are not directly relevant to financial firms such as information regarding to environment and production (Haniffa and Cooke, 2002). Due to time constraint, availability of data and service oriented companies the researcher used KSE 30 and Bursa 30 index.

Karachi stock exchange was introduced in 1947 and incorporates in 1949. PSX stock exchange is largest stock exchange in Pakistan. The KSE 30 index base value is 10,000 points and it is incorporated on September 1, 2006. It is consists of 30 largest companies of Pakistan. Kuala Lumpur Stock Exchange was introduced in 1986 with base value of 100. After in 2006 Bursa Malaysia joint with FTSE for creation of new indices for Malaysia. Bursa Malaysia FTSE was replaced KLCI. Bursa 30 index based on Malaysia 30 largest companies. This study selected 24 non financial companies from KSE 30 index from which 22 companies data was available and after 3 companies data was not considered because of outliers in data and 20 non financial companies was selected from Bursa Malaysia from which 3 companies data was not considered because of outliers in data. The data was collected for the period of five years from 2014-2018. Table 1 represents the description of data.

Table 3.1: Sample Classification

Bursa Malaysia 30 Index		**Pakistan KSE 30 Index**		
Total Firms	**Selected**	**Total Firms**	**Selected**	**Data Available**
30	17	30	24	19

3.3 Measurement of Variable

3.3.1 Dependent Variable

Corporate Social Responsibility

In this study CSR is dependent variable. This study used content data analysis to measure CSR disclosure from annual and sustainability reports. Many past studies used this analysis as well in CSR literature (Javaid Lone et al., 2016; Jizi, 2013; Lanis and Richardson, 2013).

To find the disclosure of CSR in annual reports, a check list is constructed which is consists of 20 items shown in (Appendix A). We follow the past studies (Haniffa and Cooke, 2002, 2005; Khan et al., 2012). Since (Ghazali, 2007) and (Haniffa and Cooke, 2002, 2005) used this checklist in Malaysian companies however, the economy of Pakistan and Malaysia is mainly based on small medium enterprises (Khalique, 2011a; Khalique et al., 2011). So we can use this checklist in Pakistani companies as well because both countries have similar industrial structure.

In 20 items check list is consist on five different themes which includes environmental information, employee information, community involvement, product and service and valued added information. We are using dichotomous approach through in which a company is scored 1 if an item is disclosed if not disclose then item scored 0. According to Ghazali (2007) CSR index is measured by ratio of actual computed score divided by total maximum score which is 20. The index is applied each year for each company.

CSR index used by (Haniffa and Cooke, 2002) given as following was used:

$$\text{CSR}_i \text{ index} = \sum_{t=1}^{n} \text{X}_i, j / \text{ N}_j$$

Where:

CSR index = Corporate Social Responsibility Index for ith firm

Ni = number if items expected for ith firm, where N $\leq$ 20 firm, nj,

$\text{X}_i j$ = 1 if i the item disclosed for firm j, 0 if i th item not disclosed, so that 0 $\leq$ Ij $\leq$ 1.

3.3.2 Independent Variables

Concentrated Ownership

Concentrated ownership is referred to as the majority shares of the company are hold by the few largest shareholders. Concentrated ownership is also known as Block holder ownership. Block holder are the shareholder who hold large amount of shares in the company (El-gazzar, 1998). According to Eng and Mak (2003) percentage of shares owned by substantial shareholders 5 percent or more is known as block holder ownership. Concentrated ownership can be measure at 5 percent, 10 percent and 20 percent level. The data of concentrated ownership is fetched from the shareholding patterns of annual reports of each company.

Director Ownership

A company whose director managers, CEO and executives hold maximum percentage of company holding is said to be director ownership or managerial ownership. When there is director ownership agency problem is reduced because the company owners maximize the firm long term value (Md. Abdul Kaium Masud and Bae, 2018). Executive directors who hold substantial shareholding of the company have less principal and agent conflict (Jensen, M.C.; Meckling, 1976) so the pressure of disclosure of additional information for insider is also reduced. The data of director ownership is fetched from the shareholding patterns of annual reports of each company.

Foreign Ownership

Foreign ownership is ownership type in which foreign investor hold large portion of the company shares. According to Dam and Scholtens (2012) firms those have higher foreign ownership are more involved in CSR activities such as environmental and social actions which may help foreign investors in decision making. Singhvi (1968) found that those companies who have more foreign ownership likely to disclose more information then Indian firms. He further discovers that the difference between the mean disclosure score of foreign owned and local own companies. Singhvi (1968) also found that foreign and local has significant impact on quality disclosure of information. The data of foreign ownership is fetched from the shareholding patterns of annual reports of each company.

Institutional Ownership

Institutional ownership is a form of ownership patterns in which large institutions hold the shares of the company. Institutional investors are mostly insurance companies, mutual funds and pension funds. Institutions which are listed on stock market and invest in a company referred to as institutional investor or institutional ownership and they are the largest shareholder in term of categories in most countries (Dam and Scholtens, 2012). Institutional normally hold large block of the company and it has also influence on the management of the company. The data of institutional ownership is fetched from the shareholding patterns of annual reports of each company.

Family Ownership

A company whose owners hold maximum percentage of company holding is said to be family owned companies. In these companies the top managers of the company will be always family member and CSR engagement is different in family owned companies or other companies (He et al., 2015). Our hypothesis refer that Family ownership exerts negative influence on CSR. The data of family ownership is fetched from the shareholding patterns of annual reports of each company.

3.3.3 Control Variables

We used control variables which are size, profitability and leverage. Past studies show positive relationship of firm size, profitability and leverage in regard to CSR. Ghazali (2007); Haniffa and Cooke (2005) researches found positive relation of firm size with corporate voluntary disclosure. Those firms which are large in size have more engagement in CSR activities because they have more financial resources so they can afford to invest in CSR activities. Other researches Haniffa and Cooke (2005); Said et al. (2009) also found positive association of profitability with CSR reporting. Firms which are profitable have more engagement in corporate voluntary disclosure to show the contribution for the society (Ho, L.C.J. and Taylor, 2007). Those companies who have high leverage ratio disclose more information because they are showed to their creditors that company is less deny to their claim (Naser et al., 2002).

This study computed size by natural log of total assets which also measured by past studies (Javaid Lone et al., 2016; Eng and Mak, 2003; Haniffa and Cooke, 2005; Majeed et al., 2015; Syed and Butt, 2017). Profitability is computed by net profit divided by total assets which is also used by past studies of (Majeed et al., 2015; Said et al., 2009). Leverage is measured by total debt to total asset which is also used by (Javaid Lone et al., 2016).

3.4 Method

This research analyzed the data of 19 non financial companies of KSE 30 index for Pakistan and 17 non financial companies of Bursa 30 index for Malaysia. The data is collected for the time period of 5 years from 2014 to 2018. This study is based on cross sectional and time series data. Panel data analysis is used on cross sectional and time series data. This technique was used to control the issue the endogeneity and heterogeneity issues. First of all Hausman test is run to check which model is better for estimation. Panel data analysis can be run from these models which include common effect, fixed effect and random effect model.

3.4.1 Hausman Test

Before selecting fixed and random or fixed effect model we used hausman test to check which model is appropriate for this study. The alternative hypothesis of hausman test is inconsistent and inefficient but our null hypothesis of hausman test is consistent and efficient then fixed effect model will be more appropriate for our study. The null hypothesis of Housman test is random model is consistent and efficient and the alternative hypothesis of random model is inconsistent and inefficient then our null hypothesis is accepted then random model will be more appropriate for this study.

3.4.2 Common Effect Model

In this model there is no difference in intercept and cross section. If that data is same then intercept will be similar for cross sections. So, common effect model is good measure for analysis.

3.4.3 Fixed Effect Model

In this model intercept is not same in all cross sections. It will have separate cross section. Dummy can be also used for this model. The decision of applying fixed effect model is based on Hausman test. If the probability value of hausman test is significant than fixed is applied otherwise random will be applied.

3.4.4 Random Effect Model

It is same like fixed effect model it is apply when different intercept for all time series and cross sections. This selection of this model based on Hausman test. Hausman test is decided which model is best between random and fixed. If the probability value of hausman test is significant at (0.05) fixed effect model will be use and if it is insignificant then random effect model will be used.

Chapter 4

Results and Discussions

The focus of this study is to find the impact of ownership structure on CSR between Pakistan and Malaysia. This chapter consists into two parts. The first part is base on descriptive statistics, correlation matrix and regression results. This part shows the analysis results of the comparative study between Pakistan and Malaysia. The second part is base on discussion of results.

4.1 Descriptive Statistics

In this section the description of dependent, independent and control variables is presented in below Table 4.1. We used KSE 30 index for non financial firms of Pakistan for the period from 2014 to 2018. The following results of descriptive statistics of Pakistan with other ownership structure variables are as follow:

The descriptive statistics of Pakistan table 4.1 shows that average score of CSR of Pakistani firms is 62.52% and minimum is 45% and Maximum is 85% which shows that companies focus 62.52% on CSR practices in Pakistan. The variation in CSR is 9% which shows less variation in Pakistan.

Our independent variables are CO (Concentrated ownership), DO (Director Ownership), family ownership, foreign ownership and institution ownership.

Table 4.1: Descriptive Statistics of Pakistan

Variables	Mean	Maximum	Minimum	Std. Dev.
CSR	0.6252	0.8500	0.4500	0.0900
CO	0.5676	0.9272	0.2647	0.1850
DO	0.0764	0.5775	0.0000	0.1406
FMO	0.0035	0.0457	0.0000	0.0118
FO	0.0937	0.5100	0.0000	0.1246
IO	0.5668	0.9098	0.1117	0.2504
LEV	0.4704	0.8059	0.1729	0.1839
SIZE	18.1079	20.3175	15.7114	1.1521
ROA	0.1144	0.3000	0.0106	0.0672

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership ; LEV: Leverage ; ROA :Profitability ; and SIZE: Size, Pakistan Observations : 82

Their descriptive statistics shows that average score of CO in Pakistan almost 57% and minimum is 26% and maximum is 92% which shows that mostly companies in Pakistan have more concentrated ownership structure. The volatility of concentrated ownership in Pakistan is approximately 18% which is more. The average score of director ownership is approximately 7% and minimum is 0 and maximum is 57% which shows that in Pakistani companies have less director ownership. The volatility of director ownership in Pakistan is 14% which is very low. The average score of family ownership is approximately 0.03% and minimum is 0 and maximum is 5% which shows that firms in Pakistan have very low family ownership. The volatility is still low 1.1%. The average score of foreign ownership is approximately 9.37% and minimum is 0 and maximum is 51% which shows that firms in Pakistan have less foreign shareholdings. The volatility is approximately 12%. The average score of institutional ownership is approximately 56% and minimum is 11% and maximum is 91% which shows that mostly Pakistani firms have institutional shareholdings.

We have control variables which are leverage, size and profitability. The leverage average score of leverage is 0.47% and minimum is 17% and maximum is 81%

and which means that some firms of Pakistan using more debt than equity in financing their assets as compared to Malaysian firms. The volatility of leverage in Pakistan is 18%. The average Profitability of firms in Pakistan is almost 11% and. The minimum is 1% and maximum is 30% profitability which shows that few companies in Pakistan have less profitability. The variation in profitability is approximately 7% in Pakistan. The average size log of total asset 18.16, minimum is 15.71 and maximum is 20.3. The volatility of firms is 1.15.

4.1.1 Descriptive Statistics of Malaysia

In this section the description of dependent, independent and control variables is presented in below Table 4.2. We used Bursa 30 index for non financial firms of Malaysia for the period from 2014 to 2018. The following results of descriptive statistics of Malaysia are as follow:

Table 4.2: Descriptive Statistics of Malaysia

Variables	Mean	Maximum	Minimum	Std. Dev.
CSR	0.6616	0.9500	0.2000	0.1292
CO	0.6304	0.8231	0.4000	0.1132
DO	0.0231	0.3165	0.0000	0.0689
LEV	0.3274	0.7079	0.0002	0.1855
SIZE	13.9296	18.0710	9.1892	3.1683
ROA	0.0767	0.4917	0.0093	0.0695

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; LEV: Leverage ; ROA :Profitability ; and SIZE: Size Malaysia Observations: 69

The descriptive statistics table shows that average score of CSR of Malaysian firms is 66% and minimum is 20% and Maximum is 95% which shows that companies focus 66.52% on CSR practices in Malaysian. The variation in CSR is 12% which shows less variation in Malaysia.

Our independent variables are CO (Concentrated ownership) and DO (Director Ownership). Their descriptive statistics shows that average score of CO in

Malaysia almost 63% and minimum is 40% and maximum is 82% which shows that mostly companies in Malaysia have more concentrated ownership structure. The volatility of concentrated ownership in Malaysian is approximately 11% which is less. The average score of director ownership is approximately 2.3% and minimum is 0 and maximum is 32% which shows that in Malaysian companies have less director ownership. The volatility of director ownership in Malaysia is 7% which is very low.

We have control variables which are leverage, size and profitability. The leverage average score of leverage is 0.32% and minimum is 0 and maximum is 70% and which means that some firms of Malaysia using more debt than equity in financing their assets as compared to Malaysian firms. The volatility of leverage in Malaysia is 18%. The average Profitability of firms in Malaysian is almost 8% and the minimum is 0 and maximum is 49% profitability which shows that few companies in Malaysia have less profitability. The variation in profitability is approximately 7% in Malaysia. The average size log of total asset 14, minimum is 9 and maximum is 18. The volatility of firms is 3.16.

4.1.2 Descriptive Statistics of Pakistan and Malaysia

In this section the descriptive statistics of all variables are presented in below Table 4.3. We used KSE 30 index for Pakistan and used Bursa 30 index for Malaysia for the period of 2014 to 2018. The following results of descriptive statistics of Pakistan and Malaysia as follow:

The descriptive statistics table shows that average score of CSR of Pakistani firms is 62.52% and average score of CSR in Malaysia is 66.16% which shows that in Malaysian firms are more engaged in CSR activities than Pakistani firms. In Pakistan minimum 45% and Maximum 85% CSR activities have been performed While in Malaysia minimum 20% and maximum 95% CSR activities is performed which means Malaysian firms more focus on CSR activities than Pakistani firms. In Malaysia variation in CSR is 13% which is more than Pakistan CSR variations which is 9%.

Table 4.3: Descriptive Statistics of Pakistan and Malaysia

Variables	Pakistan Mean	Malaysia Mean	Pakistan Max.	Malaysia Max.	Pakistan Min.	Malaysia Min.	Pakistan SD	Malaysia SD
CSR	0.6252	0.6616	0.8500	0.9500	0.4500	0.2000	0.0900	0.1292
CO	0.5676	0.6304	0.9272	0.8231	0.2647	0.4000	0.1850	0.1132
DO	0.0764	0.0231	0.5775	0.3165	0.0000	0.0000	0.1406	0.0689
LEV	0.4704	0.3274	0.8059	0.7079	0.1729	0.0002	0.1839	0.1855
ROA	0.1144	0.0767	0.3000	0.4917	0.0106	0.0093	0.0672	0.0695
S	18.1079	13.9296	20.3175	18.0710	15.7110	9.1892	1.1521	3.1683

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership ; LEV: Leverage ; ROA :Profitability ; and SIZE: Size, Pakistan Observations : 82, Malaysia Observations : 69.

Our independent variables are CO (Concentrated ownership) and DO (Director Ownership). The descriptive statistics shows that average score of CO in Pakistan almost 57% and in Malaysia average score of CO is 63% which shows that Malaysian firms have more concentrated ownership structure as compared to Pakistani firms. In Pakistan minimum 26% and maximum 92% concentrated ownership in firms while in Malaysia firms minimum 40% and maximum 82% concentrated ownership in firms which shows in Pakistani firms have less concentrated ownership structure but few firms have greater concentrated ownership. The volatility of concentrated ownership in Pakistan is approximately 18% which is more than volatility in Malaysia which is 11%.

The average score of director ownership is approximately 7% in Pakistan and approximately 2% in Malaysia which means director shareholdings is more in Pakistani firms. The maximum value of director ownership 57% and minimum is 0 while in Malaysia maximum value 31% and minimum is 0. The volatility of director ownership in Pakistan is 18%.

We have control variables which are Leverage, size and profitability. The leverage average score of leverage is 47% and minimum is 17% and maximum is 80% in Pakistan and in Malaysia average score of leverage is approximately 33% , minimum 0 and Maximum 71% which shows that mostly firms of Pakistan using more debt than equity in financing their assets as compared to Malaysian firms. The volatility of leverage in Pakistan is 18% while variation in leverage in Malaysian firms is 18% which is more than Pakistani firms. The average Profitability of firms in Pakistan is almost 11% and in Malaysia 8% which indicates that Malaysian firms are less profitable than Pakistani firms. The minimum is 0.01 and maximum is 0.30 profitability in Pakistan firms while in Malaysia minimum is 0.09 and maximum is 0.49 which means that few firms of Malaysia are more profitable. The variation in profitability is approximately 7% in Pakistan and 7% in Malaysia which is less. The average size log of total asset 18.16, minimum is 14 and maximum is 20.3 While in Malaysia average size is 13.96, minimum is 9 and maximum is 18. The volatility of firms is 1.15 and 3.16 in both countries.

4.2 Correlation Matrix

Correlation matrix is used to investigate the relationship between independent variable whether the independent variables have bivariate relationship and this relationship is strong or weak and positive or negative. If the strong relationship exists between independent variables then the multicollinearity issue exists in the variables. The results of correlation matrix are given as follow.

In below **Table: 4.4** correlation matrix shows that all independent variables are less than (0.7) and less correlated with each other. If the coefficient value of independent variables are more than (0.7) than there is high correlation between variables. In below table we can see that director ownership is (-0.40) which is negative correlated with concentrated ownership.

Table 4.4: Correlation Matrix for Pakistan

Variables	**CO**	**DO**	**LEV**	**ROA**	**SIZE**
CO	1.00				
DO	-0.41	1.00			
LEV	0.08	-0.27	1.00		
ROA	0.03	0.11	-0.48	1.00	
SIZE	0.03	-0.23	0.03	-0.30	1.00

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; LEV: Leverage; ROA: Profitability; and SIZE: Size, Pakistan Observations: 82 .

Our study control variables are leverage, profitability and size. Leverage is (0.086) which is positive correlated with concentrated ownership and (-0.26) negative correlated with director ownership. Profitability is positive correlated with (0.037) concentrated ownership and (0.037) director ownership and (-0.48) negative correlated with leverage. Size is (0.03) positive correlated with concentrated ownership and (0.038) leverage but negative correlated (-0.22) with director ownership and (-0.30) with profitability.

Table 4.5: Correlation Matrix for Malaysia

	CO	**DO**	**LEV**	**ROA**	**SIZE**
CO	1.00				
DO	-0.35	1.00			
LEV	-0.35	0.02	1.00		
ROA	0.40	0.00	-0.28	1.00	
SIZE	0.45	0.04	0.05	-0.05	1.00

CSR: Corporate Social Responsibility; CO: concentrated Ownership; DO: Director Owner ship; LEV; Leverage; ROA: Profitability; and SIZE: Size, Malaysia Observations: 69.

In above **Table: 4.5**, correlation matrix shows that all independent is less than 0.7 and lower correlated with each other. In Malaysia director ownership is (0.35) negative correlated with concentrated ownership. Our control variable leverage is negative correlated with concentrated ownership and (0.022) positive correlated with director ownership. Profitability is positive correlated (0.40) with concentrated ownership and (0.009) director ownership and (-0.28) negative correlated with leverage. Size is (0.45) positive correlated with concentrated, (0.044) director ownership and (0.05) leverage and (-0.046) negative correlated with profitability.

TABLE 4.6: Correlation Matrix for Pakistan with other variables

Variables	CO	DO	FMO	FO	IO	LEV	ROA	SIZE
CO	1.00							
DO	-0.41	1.00						
FMO	-0.11	0.42	1.00					
FO	-0.07	0.18	0.02	1.00				
IO	0.17	-0.57	-0.21	-0.41	1.00			
LEV	0.08	-0.27	-0.02	-0.31	0.20	1.00		
ROA	0.03	0.11	-0.07	0.18	-0.09	-0.48	1.00	
SIZE	0.03	-0.23	-0.08	-0.13	-0.24	0.03	-0.30	1.00

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; FMO: Family ownership; FO: Foreign Ownership; IO: Institutional ownership; LEV: Leverage; Profitability; and SIZE: Size, Observations: 82.

In above **Table: 4.6**, correlation matrix shows that correlation between all independent variables is less than 0.7 and less correlated with each other. Director ownership is (-0.40) negative correlated with concentrated ownership. Family ownership is (-0.10) negative correlated with concentrated ownership and (0.42) positive correlated with director ownership. Foreign ownership is (-0.07) negative correlated with concentrated ownership and (0.42) positive correlated with director ownership and (0.02) family ownership. Institutional ownership is (-0.56) negative correlated with director, (-0.21) family and (-0.40) foreign ownership and (0.17) positive correlated with concentrated ownership.

Our control variables are leverage, profitability and size. Leverage is negative correlated with director, family and foreign ownership and positive correlated with concentrated ownership and Institutional ownership. Profitability is (-0.06) negative correlated with family ownership, (-0.08) institutional ownership and (-0.48) leverage but (0.037) positive correlated with concentrated ownership, (0.11) director ownership and (0.18) foreign ownership. Size is negative (-0.22) correlated with director ownership, (-0.07) family ownership, (-0.24) institutional ownership and (-0.30) profitability but (0.03) positive correlated with concentrated ownership, (0.038) leverage, (0.12) foreign ownership.

Table 4.7: Variance Inflation Factor

	PAKISTAN	**MALAYSIA**
Variables	**Centered VIF**	**Centered VIF**
C	NA	NA
DO	2.14	1.32
CO	1.58	2.24
LEV	1.49	1.12
S	2.26	1.61
ROA	1.63	1.41
FMO	2.15	NA
FO	1.80	NA
IO	3.22	NA

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; FMO: Family ownership; FO: Foreign Ownership; IO: Institutional ownership; LEV: Leverage; Profitability; and SIZE: Size, Malaysia Observations: 69, Pakistan Observation 82.

In above **Table 4.7** shows that all values of centered VIF are less than 5 which mean there is no issue of multicollinearity in the data.

4.3 Regression Analysis

Our study is based on comparative analysis between Pakistan and Malaysia and we have data which is based on time series and cross sectional. When we have both data time series and cross sectional at a time then we use Panel data analysis. To find the influence of ownership structure on CSR we conduct panel data estimations. Through panel data analysis we conduct analysis by three panel model which includes common effect model, fixed effect model and random effect model. The most appropriate model for our sample is random effect model which is applied on the base of Hausman test.

4.3.1 Hausman Test

The alternative hypothesis of Hausman test is inconsistent and inefficient but our null hypothesis of Hausman test is consistent and efficient. The null hypothesis of Housman test is random model is consistent and efficient and the alternative hypothesis of random model is inconsistent and inefficient. Table 4.8 Hausman test for Pakistan shows that probability of random effect model is insignificant so that our null hypothesis is accepted and random model is more appropriate for Pakistan. Table 4.9 and Table 4.10 shows that random effect model is significant so that our null hypothesis is rejected and fixed effect model is more appropriate for Malaysia and Dummy variable. So we use random effect model for Pakistan and fixed effect model for Malaysia and dummy.

Table 4.8: Hausman Test for Pakistan

Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. D .F.**	**Prob.**
Cross-section random	4.7468	7	0.7235

Table 4.9: Hausman Test for Malaysia

Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. D .F.**	**Prob.**
Cross-section random	10.34	5	0.066

Table 4.10: Hausman Test for pool dummy estimation

Test Summary	Chi-Sq. Statistic	Chi-Sq. D .F.	Prob.
Cross-section random	13.80	6	0.031

The results of Hausman test shows that probability is insignificant > 0.05 for Pakistan and < 0.05 for Malaysia. So we used fixed effect model for Malaysia and for Dummy estimation.

4.3.2 Random effect Model for Pakistan

The regression analysis is applied on 19 non financial companies which are listed on Pakistan KSE 30 index and 17 non financial firms which are listed on Bursa Malaysia 30 index data for the period of five years from 2014 to 2018.

Table 4.11: Random effect Model for Pakistan

Variable	Coefficient	t-Statistic	Prob.
C	-0.1525	-0.6767	0.5007
CO	-0.0486	-0.8479	0.3992
DO	0.0417	0.3099	0.7575
FO	0.2261**	2.0337	0.0456
IO	0.1006	1.2629	0.2106
FMO	2.2630**	2.1496	0.0349
SIZE	0.0389***.	3.8848	0.0002
ROA	0.0977	0.6960	0.4886
Adjusted R^2	0.3030		
F-statistic	6.0310		
Prob(F-stat)	0.0000		
Durbin-Watson	1.8969		

CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; FMO: Family ownership; FO: Foreign Ownership; IO: Institutional ownership; LEV: Leverage;

*ROA: Profitability; and SIZE: Size, Pakistan Observation 82, **. Coefficient significant at < 0.05 ***. Coefficient significant at < 0.01.*

Table 4.11 demonstrates regression results for Pakistan. Adjusted R^2 is 30.30 percent which means 30.30 percent changes in CSR explained by other exogenous variables. The Durban Watson is1.89, probability of F. Statistic is significant with (p) value of (0.000014).

Regression results for Pakistan shows that concentrated ownership coefficient is negative (-0.04856) with (p) value of (0.3992) which means concentrated ownership is insignificant and does not impact on CSR in Pakistan. The coefficient value of director ownership is positive (0.041697) and insignificant with (p) value of (0.7575) and institutional ownership (IO) is also insignificant. Our two independent variables foreign ownership (FO) and family ownership (FMO) have positive coefficient (0.22611) and (2.26) with significant (p) value of (0.04) and (0.03) which means that foreign ownership and family ownership significantly and positively impact on CSR in Pakistan. Our control variable size is positive significant which means size positively and significantly impact on CSR in Pakistan. However ROA is insignificant.

4.3.3 Fixed Effect Model for Malaysia

Table 4.12 shows the results of regression for Malaysia. The result show that adjusted R^2 approximately 30 percent in Malaysia which shows that 30 percent changes in dependent variable is just because of other variables in Malaysia. The Durbin Watson is (2.30) and F statistic (2.71) and probability of F statistics is (0.003) in Malaysia.

Regression results for Malaysia shows that concentrated ownership coefficient is negative coefficient of (0.39) and insignificant (p) value (0.16) which reveals that concentrated ownership does not impact on CSR in Malaysia. The director ownership coefficient is negative (9.78) and significant with (p) value of (0.004) which shows that director ownership significantly and positively impact on CSR in Malaysia. Leverage is significant Control variables results show that ROA coefficient is positive (0.38) with insignificant (p) value of (0.36) and leverage also has positive coefficient (0.31) and significant with (p) value of (0.02) which demonstrate that leverage positively and significantly impact on CSR in Malaysia.

Table 4.12: Fixed Effect Model for Malaysia

Variables	**Coefficient**	**t-Statistic**	**Prob.**
C	0.2206	1.0055	0.3197
CO	0.3949	1.4001	0.1679
DO	9.7843***	3.0170	0.0041
ROA	0.3863	0.9234	0.3604
LEV	0.3190**	2.3299	0.0241
Adjusted R^2	0.2999		
F-statistic	2.7133		
Prob(F-stat)	0.0039		
Durbin-Watson	2.3009		

*CSR: Corporate Social Responsibility; CO: Concentrated Ownership; DO: Director Ownership; LEV: Leverage; ROA: Profitability; Pakistan Observation 82, **. Coefficient significant at < 0.05 ***. Coefficient significant at < 0.01.*

4.3.4 Panel Data Estimation for Pakistan and Malaysia

The regression analysis is applied on 19 non financial companies which are listed on Pakistan KSE 30 index and 17 non financial companies which are listed on Bursa Malaysia 30 index data for the period of five years from 2014 to 2018.

Table 4.13 shows the results of regression for Pakistan and Malaysia. The results show that adjusted R^2 in Pakistan is 30.30 percent and approximately 30 percent in Malaysia which shows that only 30.30 percent changes in dependent variable is just because of other variables in Pakistan and 30 percent changes in dependent variable is because of other variables in Malaysia. The Durbin Watson is (3) and F statistic (6.03) and probability of F statistics is (0.00001) in Pakistan.

TABLE 4.13: Influence of Ownership structure on CSR

Regression Analysis for Pakistan				**Regression Analysis for Malaysia**			
Random Effects Model				**Fixed Effects Model**			
Variables	**Coefficient**	**t-Statistic**	**Prob.**	**Variables**	**Coefficient**	**t-Statistic**	**Prob.**
C	-0.1525	-0.6767	0.5007	**C**	0.2206	1.0055	0.3197
CO	-0.0486	-0.8479	0.3992	**CO**	0.3949	1.4001	0.1679
DO	0.0417	0.3099	0.7575	**DO**	9.7843***	3.0170	0.0041
ROA	0.0977	0.6960	0.4886	**ROA**	0.3863	0.9234	0.3604
SIZE	0.0389***	3.8848	0.0002	**LEV**	0.3190**	2.3299	0.0241
Adjusted R^2	0.3030			**Adjusted R^2**	0.2998		
F-statistic	6.031			**F-statistic**	2.7132		
Prob(F-stat)	0.0000			**Prob(F-stat)**	0.0038		
Durbin-Watson	1.8969			**Durbin-Watson**	2.3008		

*CSR: Corporate Social Responsibility; CO: concentrated Ownership; DO: Director Ownership; LEV; Leverage; ROA: Profitability; and SIZE: Size **. Coefficient significant at < 0.05 ***. Coefficient significant at < 0.01*

The Durbin Watson is (2.30) and F statistics is (0.003) and probability of F statistics is (2.71) in Malaysia. In above **Table 4.13** shows that the concentrated ownership is insignificant (p) value (0.3992) with negative coefficient of (-0.048) and which means that concentrated ownership does impact on CSR in Pakistan. The coefficient value of Director Ownership is (0.04) and it is also insignificant with (p) value of (0.7575). Our control variable profitability (ROA) has positive coefficient (0.09) and insignificant impact on CSR by (p) value (0.488) and size is significant which means size has an impact on CSR.

Regression results for Malaysia shows that concentrated ownership coefficient is negative coefficient of (0.39) and insignificant (p) value (0.16) which reveals that concentrated ownership does not impact on CSR in Malaysia. The director ownership coefficient is negative (9.78) and significant with (p) value of (0.004) which shows that director ownership significantly and positively impact on CSR in Malaysia. Control variables results show that ROA coefficient is positive (0.38) with insignificant (p) value of (0.36) and leverage also has positive coefficient (0.31) and significant with (p) value of (0.02) which demonstrate that leverage positively and significantly impact on CSR in Malaysia.

4.3.5 Panel Data Estimation with Dummy

Table 4.14 is the result of 19 KSE non financial companies and 17 non financial companies of Bursa Malaysia for the period of five years from 2014 to 2018.

Table 4.14 shows the results of regression with pool dummy estimation. The results show that adjusted R^2 35.69 percent changes in dependent variable is just because of other variables. The Durbin Watson is (2.11) and F statistic (3.31) and probability of F statistics is (0.000001).

Our dummy variable is significant which shows that impact of ownership structure on CSR is different in Pakistan and Malaysia. So our null hypothesis is accepted. Table 4.14 shows the result of pool dummy estimation which shows that concentrated ownership is significant with negative coefficient which means that concentrated ownership has negative impact on CSR.

Table 4.14: Pooled dummy regression estimation

Variables	Coefficient	t-Statistic	Prob.
C	0.6463	5.2958	0.0000
CO	-0.2569	-3.2633	0.0015
DO	-0.0046	-0.0324	0.9742
LEV	0.1156*	1.8383	0.0686
ROA	0.4364***	2.8669	0.0049
SIZE	0.0104*	1.8017	0.0742
SER01	-0.2009**	-2.3559	0.0202
Adjusted R^2	0.3569		
F-statistic	3.3128		
Prob(F-stat)	0.0000		
Durbin-Watson	2.1145		

*CSR: Corporate Social Responsibility; CO: concentrated Ownership; DO: Director Ownership; LEV: Leverage; ROA: Profitability; and SIZE: Size SER01: Pakistan Dummy ***. Coefficient significant at < 0.01 **. Coefficient significant at < 0.05 *. Coefficient significant at < 0.1*

Our first hypothesis was concentrated ownership has negative influence on CSR. As we can see in above table 4.14 our first hypothesis is accepted and concentrated ownership has significant and negatively impact on CSR. Our Second Hypothesis was Director Ownership has negative influence on CSR. Result shows that director ownership is insignificant. So our second hypothesis is not accepted.

4.4 Discussion of Results

This section of study is based on general discussion of empirical results of Table 4.11, 4.13 and 4.14. The purpose of this section is to analysis our study results whether these results consistent with the past studies. This section provides justification about the results of study with respect to Pakistan as well as Malaysia. It is necessary that our results should be consistent with the previous literature studies. The empirical results of our study shows that different ownership structure has impact on corporate decisions. We did comparative analysis between Pakistan and Malaysia to explain the relation between ownership structure and CSR.

In **Table 4.13** shows that concentrated ownership and director ownership is insignificant which means concentrated ownership and director ownership has no impact on CSR in Pakistan. Our study result of concentrated ownership is consistent with the past studies of (Ehsan et al., 2012; Elinda Esa, 2016; Majeed et al., 2015). They also found insignificant relationship between concentrated ownership and CSR. The director ownership is insignificant which shows director ownership has no impact on CSR in Pakistan. Director ownership still did not study in Pakistan in CSR literature but our result is consistent with the study of (Said et al., 2009). Our control variable ROA is insignificant and size is significant impact on CSR. Our ROA result is consistent with the study of (Javaid Lone et al., 2016). Size result is consistent with the study of Syed and Butt (2017) which is conducted in Pakistan.

The result of Malaysian firms shows that concentrated ownership has negative and insignificant impact which means concentrated ownership has no impact in Malaysia. The director ownership has negatively and significantly influenced on CSR in Malaysia. Companies those share hold by director and executives less engagement in CSR activities and public accountability of these companies are also very low. Our concentrated ownership variable result is consistent with the past studies of (Ehsan et al., 2012; Eng and Mak, 2003; Ghazali, 2007) and our director ownership result is consistent with the studies of (Eng and Mak, 2003; Ghazali, 2007; Mohd Ghazali and Weetman, 2006). The reason behind it that director ownership and government ownership is common attribute in Malaysia. However the concentrated ownership is still insignificant influence on CSR in Malaysia (Ghazali, 2007). Our control variable ROA is insignificant and leverage (LEV) is positively and significantly impact on CSR and Our control variable ROA results is consistent with the past studies of (Haniffa and Cooke, 2002; Khan et al., 2012; Mohd Ghazali and Weetman, 2006; Said et al., 2009) and leverage result is consistent with the studies of (Esa and Ghazali, 2012; Saleh, 2010). The reason is companies those have higher leverage likely to disclose more information because company want to take creditors and shareholders in confidence (Ferguson and Lee, 2002). Firms those who have higher leverage likely to disclose more CSR information. Companies in Malaysia have private and government shareholding that's why even high leverage firms have positive impact on CSR. Leverage is also significant at the 0.1 percent level. However, the relationship is positive.

Table 4.11 shows that the result of concentrated ownership, director ownership, foreign ownership, institutional ownership and family ownership. Our study result of concentrated ownership is consistent with the past studies of (Ehsan et al., 2012; Elinda Esa, 2016; Majeed et al., 2015). They also found insignificant relationship between concentrated ownership and CSR. The director ownership is insignificant which shows director ownership has no impact on CSR in Pakistan. Director ownership still did not study in Pakistan in CSR literature but our result is consistent with the study of (Said et al., 2009). The reason is that in Malaysia director ownership is common feature and companies those who are managed by directors or managers have less accountability and public interest is very low as well. Director owned companies less involve in CSR activities because cost of involving in CSR activities reduced his personal benefit (Ghazali, 2007). Foreign ownership result shows positive and significant impact on CSR which means that foreign ownership has an impact on CSR in Pakistan. The reason is defined by (Oh et al., 2011) that foreign investors always pressure on firms to engage in social practices because they want to give positive signal to their clients that investors are reliable and responsible. Our result of foreign ownership is consistent with the study of (Haniffa and Cooke, 2005; Hu et al., 2018; Khan et al., 2012; Laidroo, 2009; Oh et al., 2011). Institutional ownership result is insignificant which means institutional ownership has no impact on CSR and it is consistent with the study of (Cox et al., 2004; Dam and Scholtens, 2012; Hu et al., 2018). According to (Cox et al., 2004) define the reason is institutional investor always prefer to invest in social activities. Family ownership is positive and significant which shows that family ownership has significant and positive impact on CSR in Pakistan our result is consistent with the study of (Syed and Butt, 2017). The reason of positive and significant impact on CSR in Pakistan is define by (Syed and Butt, 2017) that those firms which are owned by families are worried about the reputation and social image in the society therefore family owned firms are more engaged in CSR activities in Pakistan. Our fourth and fifth hypothesis is accepted but third hypothesis is rejected.

Table 4.14 shows the result of pool dummy estimation which shows that concentrated ownership is significant with negative coefficient which means that concentrated ownership has negative impact on CSR. This result of concentrated ownership is consistent with the past studies of (Ho, L.C.J. and Taylor, 2007; Laidroo, 2009). Director ownership is insignificant which is consistent with the result of past study of (Said et al., 2009).

Our control variables leverage, ROA and size are positively significant. The result of leverage is consistent with the past studies of (Esa and Ghazali, 2012; Saleh, 2010). The result of ROA is consistent with the past study of (Syed and Butt, 2017). The result of size is consistent with the past studies of (Majeed et al., 2015; Syed and Butt, 2017).

Chapter 5

Conclusion and Recommendation

5.1 Conclusion

Many developing countries know the importance of CSR but in Asia especially in Pakistan CSR is in initial stage. Firms are less aware from the scope of CSR. The firms take CSR as liability, and not a source of earning good reputation and higher profitability. So there is need to explore the CSR practices in Asian countries. This study explores the impact of different ownership patterns on corporate social responsibility. Our study's main objective was to differentiate ownership patterns and CSR practices in Pakistan and Malaysia. This study emphasizes that firms need to engage in CSR practices otherwise firms will lose reputation that will result in scarcity of resources and low profitability. This study also defines that how much firm focuses on CSR in Pakistan as well as in Malaysia. The main aim of the study is to investigate the relationship between ownership structure and CSR. For this purpose we used 20 item checklists to measure CSR in both Asian countries. We took concentrated ownership and director ownership for comparative analysis and we also investigated additional ownership variables institutional ownership, family ownership and foreign ownership for individual study for Pakistan. We used size, profitability and leverage as control variables. Our study used KSE 30 index form Pakistan and Bursa 30 Index from Malaysia. We selected 19 companies which are related to non financial sectors from KSE 30 index and 17 companies from Bursa 30 index. The data was collected from the annual reports, sustainability reports and websites of the companies for the period of five years. This study dummy is significant which shows that ownership structure differently influence on CSR in Pakistan as well as in Malaysia. It answers this study first research question. Our dummy estimation empirical results found that Director Ownership has no impact on CSR in Pakistan .The reason behind it is that director ownership and government ownership is a common attribute in Malaysia. However the concentrated ownership is significant influence on CSR in Malaysia (Ghazali, 2007). Our results show adjusted R^2 is 35.69 percent which means that 35.69% of the variations in CSR are explained by these variables. Results of adjusted R^2 of both countries represented that CSR activities are low in Pakistan as compared to Malaysia. We also analyzed additional ownership structure variables to investigate their impact on CSR in Pakistan which are family ownership, institutional ownership and foreign ownership. Our findings show that foreign ownership and family ownership have a significant positive impact on CSR in Pakistan. The reason is defined by (Oh et al., 2011) that foreign investors always pressure on firms to engage in social practices because they want to give positive signal to their clients that investors are reliable and responsible. Our study found positive relationship between family-owned firms and CSR. The reason of positive influence on CSR in Pakistan is define by (Syed and Butt, 2017) that those firms which are owned by families are worried about the reputation and social image in the society therefore family owned firms are more engage in CSR activities in Pakistan.

5.2 Recommendations

Our results clearly show that different ownership structures have different impacts on CSR. Our study is useful for policy makers as well as society. Our study's results have number of implication for policy maker for good and effective corporate governance. The government of both countries should make some strict polices for promoting CSR that compel the companies to perform social activities. Firms need to have diverse ownership structure for accountability from general public, government, institutions and foreign investors. This study also plays important role in changing the mindset of firm managers that CSR reduces the profit. However in reality CSR is a source of maximization of profit and capturing shareholder value. This study provides a new look about investment portfolios and CSR to firms, investors, and stakeholders. In addition this study provides a guideline to practitioner academia, policy makers and top management of non financial firm. Furthermore, the companies should take the practices of CSR as a responsibility towards profit maximization and consumer loyalty.

The positive impact of control variable (size, leverage, profitability) recommends government to reshape industry policy to stable business environment. Government should implement well organized fiscal policy and also emphasis on environment, health and education, employee welfare, health and safety, marketing and good corporate governance. Security Exchange Commission of Pakistan (SECP) is the regulatory authority in Pakistan which makes polices for corporate governance. SECP should make polices regarding CSR practices. Our institutional ownership has positive impact on CSR so policy makers make polices which encourage the institutions to invest in companies. Policy maker should also encourage foreign investors to participate in CSR activities. Government of both countries should provide CSR training secessions for Managers, Accountants and Auditors. Companies of both countries should participate in CSR activities and always disclose more CSR information in order to attract the foreign investors.

5.3 Future Research Directions

Our study's objective was to investigate the influence of ownership pattern on CSR decisions i.e. comparative study between non financial sector of Pakistan and Malaysia. For future research, researchers can conduct research on other Asian countries because very less work has been done on CSR in Asian countries. Due to time constraint our sample size was small which was KSE 30 index and Bursa 30 index. In future research we can conduct comparative analysis between other Asian countries and also extend the sample size by using KSE 100 index for more appropriate results. We examine the data of non financial firms in this study. In future, researchers can also included financial companies in their analysis. In our study we used composite index to analysis the five themes of CSR. Future research can be done to investigate each theme separately as well to know the CSR engagement of companies.

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Appendix-A

CSR Disclosure Items

CSR Disclosure Check List

I Community Involvement
1 Charitable donations and subscriptions 2 Sponsorships and advertising 3 Community program (Health and Education)
II Environmental
1 Environmental Policies
III Employees Information
1 Number of Employees/Human resource 2 Employees relations 3 Employee welfare 4 Employee education 5 Employee training and development 6 Employee profit sharing 7 Managerial remuneration 8 Worker's occupational health and safety 9 Child labor and related actions
IV Product and Service Information
1 Types of products disclosed 2 Product development and research 3 Product quality and safety 4 Discussion of marketing network 5 Focus on customer service and satisfaction 6 Customer Award/Rating Received
V Value Added Information
1 Value added statement