Audit Committees and Women Leadership: Driving Corporate Social Responsibility in Malaysian Companies

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ABSTRACT

This study examines the correlation between the characteristics of women directors and audit committees and the disclosure of corporate social responsibility (CSR) by companies listed on Bursa Malaysia. This study provides empirical evidence on the significant influence of women directors and the size and independence of audit committees on CSR disclosure in a sample of 100 publicly listed companies in Malaysia, utilising the agency and legitimacy theory. The organisation can improve the effectiveness of its CSR disclosure by promoting gender diversity in the boardroom and establishing an effective audit committee. In addition, each organisation must establish an audit committee to evaluate the CSR disclosure, assuring that the report is of the highest quality, precise, and reliable. This research suggests that the extent of CSR disclosure is significantly and favourably impacted by the presence of women directors and a larger audit committee size. Nevertheless, the audit committee's independence does not have a substantial impact. The insights derived from this study are highly beneficial for researchers in related fields and professionals in the industry. Shareholders can examine the company's corporate social responsibility (CSR) disclosure to arrive at a definitive conclusion.

Keywords – Corporate social responsibility, audit committee, women directors, corporate governance

INTRODUCTION

Companies are now being pushed to integrate social responsibility into their policies and make public any actions they take. Such disclosures entail information sharing on human resources, products and services as well as the company's overall community involvement, including environmental efforts. CSR is seen as a framework that defines how businesses relate to society in terms of driving corporate growth and enhancing productivity [1]. Corporate voluntary disclosure refers to companies providing information to narrow the knowledge gap between them and external investors [2]. CSR has been given prominence in Malaysia which positions it as one of the leading emerging economies in this aspect. Through its national plans and policies, the Malaysian government stresses sustainable development that boosts economic growth, education, health and environmental protection [3]. Corporate Social Responsibility (CSR) comprises five main components namely environmental stewardship, socio-economic sustainability, economic growth, stakeholder behaviour and ethical progress in the society. It is a corporate approach that promotes sustainable development and benefits all parties involved [4]. The increasing interest in CSR in Malaysia indicates the need to investigate factors that influence CSR disclosure such as women directors and audit committee roles [5].

The involvement of women in the leadership of Malaysian businesses has been made possible through governmental policies requiring higher representation of women in decision-making positions [6]. This has prompted a focus on the role of women directors as far as CSR reporting is concerned. Similarly, audit committee characteristics like experience, size, and independence are instrumental in ensuring credible CSR disclosure and meeting stakeholders' expectations [1]. While the significance of CSR disclosure is pivotal, not much about the link between audit committee characteristics and CSR practices in Malaysia has been put in writing. A few papers have tried to explore it, but that was long ago, thus some lack still exists [3]. Giving more powers to audit committees on overseeing CSR disclosures will enhance transparency and ensure companies are answerable for their social responsibilities. This research will address these gaps and shed light on how well audit committees work towards enhancing CSR performance in Malaysia [1].

The distribution of limited resources in companies can cause controversies mainly concerning the costs and benefits of CSR activities. On one side, CSR practices are perceived as costs, which are unprofitable and unneeded for a company. In contrast, those who support involvement in CSR activities believe that it can create more shareholder value. For example, the Malaysian government has introduced a green technology financing scheme that provides soft loans and subsidies to any company that embraces green technologies [7]. However, despite the frameworks available for CSR promotion, the impacts of such policies on the financial performance and CSR reports in Malaysia are yet to be dissected. This research is of significant importance because it seeks to provide empirical evidence on the effect of women directors and audit committee characteristics on CSR disclosure in Malaysia. The participation of companies in CSR activities is well correlated to the impressions toward sustainability that the local community holds. Business success can only be achieved if the social, community, and resource environment is enhanced by business. Despite the increasing trend of CSR disclosure, it is relatively on a small scale in Malaysia, hence the need to conduct more research.

For this reason, this study identifies that CSR disclosure relates to the appointment of women directors in Malaysian companies. Management benefits from additional perspectives women directors provide to understand their operating environment and make better decisions [8], [9]. The fact that they impact board actions and choices demonstrates the advantage of involving different perspectives in corporate management. Therefore, the board characteristics, especially the size of the audit committees, strongly influence CSR disclosure. Companies with larger audit committees have stronger monitoring of top managers and improve the quality of reporting of the financial statements, including CSR information. This enhanced transparency may help attract investors by reassuring them that the company is serious about it and is delivering on its promises. This study may also be valuable to policymakers like the Malaysian Accounting Standard Board (MASB), to consider the possibility of the requirement for CSR disclosure in Malaysia.

The purpose of this study is to analyze the role of women directors and the role of the audit committee's size, independence, and competence in the CSR disclosure practices of the Malaysian public listed companies (PLCs). The research objectives of the study are therefore as follows: To examine the extent to which these governance factors affect the quality of corporate reporting with specific reference to gender diversity and its influence on audit committees to produce revealing and exhaustive information in the annual reports. In this respect, the research also aims at contributing knowledge that may help to devise effective policies and measures concerned with the enhancement of corporate governance and CSR disclosure structures in Malaysia. This study primarily examines the integrated annual reporting of Public Limited Companies (PLCs) listed on Bursa Malaysia from 2017 to 2021. The selection of the 100 listed Malaysian PLCs was based on their capital market size, as mandated by local authorities. Therefore, this study aims to enhance the existing knowledge by providing empirical evidence exclusively from developing nations such as Malaysia.

LITERATURE REVIEW

Women Director

The question of women directors on corporate boards has received attention in the past because of the role it plays in corporate governance and CSR. The literature review shows they enrich corporate decision-making and increase awareness of ethical issues necessary for CSR practices [10]. They can introduce different and more team-oriented perspectives that would make for better and more accountable CSR initiatives [11].

Gender diversity on the boards helps to enhance the board's performance and its responsibilities and hence helps to increase transparency in CSR reporting [12].

Moreover, studies have shown that companies with women directors are more likely to engage in CSR activities and disclose such efforts more comprehensively [13]. This association is attributed to women's tendency to prioritize stakeholder interests and community impact, which aligns with CSR principles [14]. Therefore, increasing the representation of women on boards could potentially enhance the quality and extent of CSR disclosures, contributing to better stakeholder relationships and corporate reputation.

Despite these benefits, there is still limited research focusing on the specific impact of women directors on CSR disclosure in emerging markets like Malaysia. Previous studies have predominantly concentrated on developed economies, leaving a gap in understanding how gender diversity influences CSR practices in different cultural and economic contexts [15]. This highlights the need for further research in emerging markets to assess the implications of women directors on CSR disclosures and corporate governance.

Audit Committee Independence

Audit committee independence is a crucial factor in ensuring the integrity of financial reporting and CSR disclosures. Independent audit committees are essential for maintaining objectivity and oversight, which are critical for accurate CSR reporting [16]. Independent members are less likely to be influenced by management pressures, leading to a more rigorous evaluation of CSR activities and disclosures [17]. This increased scrutiny helps ensure that CSR reports are reliable and reflect the true extent of a company's social and environmental impact.

Several studies have highlighted the positive relationship between audit committee independence and the quality of CSR disclosures. For example, a study found that companies with independent audit committees are more likely to provide transparent and detailed CSR reports [18]. This is because independent audit committee members are better positioned to challenge and verify the accuracy of CSR disclosures, thereby enhancing their credibility and usefulness to stakeholders.

However, there is an ongoing debate about the optimal level of independence required for effective oversight. Some scholars argue that while independence is important, the effectiveness of audit committees also depends on other factors such as the expertise and experience of its members [19]. Thus, future research should explore the interplay between independence and other audit committee characteristics to better understand their collective impact on CSR disclosure.

Audit Committee Size

The size of the audit committee also plays a significant role in shaping CSR disclosures. Larger audit committees are often perceived as having more resources and capacity to oversee complex CSR activities and financial reporting [20]. This increased capacity can lead to more thorough evaluations of CSR practices and ensure that CSR reports meet high standards of accuracy and comprehensiveness.

Empirical studies have demonstrated that larger audit committees are associated with improved CSR disclosures. For instance, a study found that larger audit committees were more effective in monitoring both financial and non-financial disclosures, including CSR reports [21]. This is attributed to the diverse expertise and perspectives that a larger committee can bring, which enhances its ability to scrutinize and challenge management's CSR practices.

However, the relationship between audit committee size and CSR disclosure is not without controversy. Some research suggests that beyond a certain size, the benefits of having a larger committee may diminish, as coordination challenges and inefficiencies can arise [22]. Therefore, understanding the optimal size of audit committees for effective CSR oversight remains a critical area for future research.

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Company Size

Company size has been widely studied in relation to CSR activities and disclosures. Larger companies often have more resources and are subject to greater scrutiny from stakeholders, which can drive them to engage more actively in CSR [23]. Additionally, larger companies are more likely to have formal CSR programs and dedicated teams to manage and report on CSR activities [24].

Research also suggests that larger companies tend to provide more detailed and extensive CSR disclosures. This is because they face higher expectations from investors, regulators, and the public, necessitating comprehensive reporting on their social and environmental impacts [25]. For example, a study found that large companies are more likely to adopt formal CSR reporting practices, which helps meet stakeholder expectations and enhance corporate transparency [26].

Despite these findings, it is important to consider that the relationship between company size and CSR disclosure can vary across different industries and regions. For instance, smaller companies in certain sectors may also exhibit high levels of CSR engagement due to niche market demands or competitive advantages [27]. Thus, further research is needed to explore how company size interacts with other factors to influence CSR practices.

Leverage and Return on Assets

Leverage and return on assets (ROA) are financial metrics that can impact CSR disclosures. High leverage, or the use of borrowed funds, can affect a company's ability to invest in CSR initiatives due to increased financial pressure [28]. Companies with high leverage may prioritize financial stability over CSR activities, leading to less comprehensive CSR reporting [29].

Conversely, companies with higher ROA, which indicates efficient asset use and profitability, are more likely to invest in CSR and provide detailed disclosures [30]. A higher ROA suggests that a company has the financial flexibility to support and report on CSR initiatives, enhancing its ability to meet stakeholder expectations and improve its reputation [31].

Nevertheless, the impact of leverage and ROA on CSR disclosures is complex and may vary depending on the industry and market conditions [32]. Therefore, future research needs to examine how these financial factors interact with other variables, such as governance structures and industry characteristics, to influence CSR practices.

Recent Corporate Governance Situation and Its Relevance to the Study

In recent years, corporate governance has faced increased scrutiny due to high-profile scandals and a growing emphasis on transparency and accountability. The integration of corporate social responsibility (CSR) into governance frameworks has become a significant focus, with various stakeholders demanding more rigorous oversight and disclosure practices [33]. This heightened scrutiny underscores the relevance of studying audit committee characteristics, board gender diversity, and their impact on CSR disclosures in contemporary corporate governance contexts.

One of the critical issues in corporate governance today is the role of audit committees in ensuring the accuracy and reliability of CSR disclosures. As companies are pressured to enhance their CSR efforts, audit committees are tasked with evaluating and validating the authenticity of these disclosures. Recent studies have highlighted the importance of audit committee independence and expertise in improving the quality of CSR reporting [17], [34]. Independent audit committees are better positioned to provide unbiased oversight, which is crucial for maintaining stakeholder trust and mitigating risks associated with inaccurate or misleading CSR reports.

Board gender diversity has also gained prominence as a key factor in corporate governance. The presence of women directors is increasingly recognized for its positive impact on decision-making processes and CSR practices. Women directors often bring diverse perspectives and a heightened focus on ethical considerations, which can enhance the quality of CSR disclosures [35]. Recent research supports the view that gender-diverse boards are more likely to engage in and report on CSR activities comprehensively, reflecting a broader commitment to stakeholder interests [12], [36].

Moreover, the corporate governance landscape has evolved with a growing emphasis on aligning executive compensation with CSR goals. There is a shift towards integrating CSR metrics into performance evaluations and compensation packages for senior executives. This alignment aims to ensure that corporate leaders are incentivized to prioritize long-term sustainability and responsible business practices [29]. Such developments highlight the need for robust governance mechanisms, including effective audit committees and diverse boards, to oversee and drive meaningful CSR initiatives.

In summary, the recent trends in corporate governance emphasize the need for effective oversight mechanisms and diverse leadership to enhance CSR disclosures and practices. The increasing complexity of corporate governance issues, coupled with the demand for greater transparency and accountability, underscores the importance of examining the roles of women directors and audit committee characteristics in influencing CSR outcomes.

METHODOLOGY

Research Design

This study investigates the influence of audit committee characteristics and the presence of women directors on corporate social responsibility (CSR) disclosure in Malaysia, employing a causal research design. This design is crucial for establishing cause-and-effect relationships between variables [37]. By isolating the impact of independent variables, such as audit committee size and women directors, on CSR disclosure, this approach ensures that observed changes in CSR practices are attributable to these variables rather than external factors. The causal design helps in assessing the direct effects of these characteristics on CSR disclosure while controlling for other variables.

Data Collection Method

The research utilizes secondary data collected from annual reports of companies listed on Bursa Malaysia and Thomson Reuters DataStream Professional. This method is advantageous due to its reliability and the comprehensive nature of the financial and governance data provided [38]. Annual reports are preferred over primary data collection methods like surveys because they offer audited and regulatory-compliant information, essential for accurate CSR disclosure analysis. The data set includes variables such as the proportion of women directors, audit committee characteristics, company size, return on assets, and leverage for the period from 2017 to 2021.

Sampling Design

The study focuses on non-financial companies listed on Bursa Malaysia's Main Board, excluding financial institutions due to their unique regulatory and reporting requirements [39]. A stratified sampling technique was used to select 100 companies based on market capitalization as of 2021. This method ensures a representative sample across various sectors, enhancing the study's ability to generalize findings about CSR disclosure practices [40]. The sampling approach targets large companies likely to engage in significant CSR activities and provide detailed disclosures.

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Data Processing and Analysis

Data was processed using Microsoft Excel and analyzed with EViews statistical software. The study employs multiple regression analysis to examine the relationships between CSR disclosure and independent variables, including women directors and audit committee characteristics. The regression model used is:

$$CSR_{i,t} = \beta 0_{i,t} + \beta 1PWD_{i,t} + \beta 2ACSIZ_{i,t} + \beta 3ACIND_{i,t} + \beta 6CSIZ_{i,t} + \beta 7ROA_{i,t} + \beta 8LEVERG_{i,t} + \varepsilon_{i,t}$$

Where:

CSR = Corporate social responsibility disclosure

PWD = Proportion of women directors on the audit committee

ACSIZ = Audit committee size

ACIND = Audit committee independence

CSIZ = Company size (natural logarithm of total assets)

ROA = Return on assets (net income/total assets)

LEVERG = Financial leverage (total liabilities/total assets)

t = Year

i = Company

This model examines how each variable affects CSR disclosure while controlling for other factors. The data analysis adheres to regression assumptions such as normality and multicollinearity [41]. The unweighted disclosure approach for CSR measurement is used, where items are scored as disclosed or not [42], [43].

RESULT AND DISCUSSION

This chapter details the use of EViews Version 12 to analyse the relationships between the study's variables through panel data analysis. The classification of the selected companies can be found in Table 1, while the descriptive statistics for the raw data are presented in Table 2. Descriptive statistics encompass the organization and categorization of data, the creation of visual representations, and the calculation of key metrics such as the mean, median, and mode, which help to illustrate the characteristics of the data set. Table 2 highlights central tendency measures (mean, median, maximum, and minimum) and data dispersion indicators (standard deviation, skewness, and kurtosis). Skewness, which measures the asymmetry of the frequency distribution, indicates a positively skewed distribution when the mean exceeds the median ($\mu x > Md$). A positive kurtosis coefficient suggests that the data are clustered around the mean, with a distribution that is more peaked and has longer tails than a normal distribution.

Table 1: Sample distribution according to Sectors

Sector	No of Companies	%
Construction	8	8.00
Consumer Product & Services	37	37.00
Energy	6	6.00
Healthcare	7	7.00
Industrial Products & Services	14	14.00
Technology	10	10.00

Telecommunication & Media	5	5.00
Transportation & Logistics	6	6.00
Utilities	7	7.00
Total	100	100.00

Table 1 presents the distribution of the sample companies across various sectors listed on Bursa Malaysia. The sample consists of 100 companies, with the largest representation from the Consumer Products & Services sector, accounting for 37% of the total sample. This is followed by the Industrial Products & Services sector, which makes up 14% of the sample. The Technology sector contributes 10%, while the Construction sector accounts for 8%. The Healthcare and Utilities sectors each represent 7% of the sample, and the Transportation & Logistics and Energy sectors each make up 6%. The Telecommunication & Media sector has the smallest representation, comprising 5% of the sample. This distribution reflects the varied industrial landscape of the companies analysed in this study, providing a comprehensive overview of corporate behaviour across different sectors in Malaysia.

Table 2: Descriptive statistics

	CSR	**PWD**	**ACSIZE**	**ACIND**	**CSIZ**	**LEVERG**	**ROA**
Mean	0.771	0.208	4.320	0.901	6.651	0.491	0.077
Median	1.000	0.180	4.000	1.000	6.560	0.470	0.056
Max.	1.000	0.670	11.000	1.000	8.260	1.170	0.793
Min.	0.000	0.000	0.000	0.330	4.990	0.080	-0.257
Std. Dev.	0.420	0.124	1.528	0.134	0.670	0.207	0.094
Skewness	-1.292	0.422	1.163	-0.975	0.063	0.291	2.272
Kurtosis	2.669	3.091	5.420	2.919	2.383	2.562	13.910
Probability	0.000	0.001	0.000	0.000	0.019	0.005	0.000

The descriptive statistics for the key variables in this study offer insights into the characteristics and distribution of Corporate Social Responsibility (CSR), Proportion of Women Directors (PWD), Audit Committee Size (ACSIZE), Audit Committee Independence (ACIND), Company Size (CSIZ), Leverage (LEVERG), and Return on Assets (ROA) among the sampled companies. Starting with CSR, the mean score of 0.771 indicates that most companies have high levels of CSR disclosure, with the median value being 1.000, suggesting that at least half of the companies fully disclose CSR activities. The skewness of -1.292 and kurtosis of 2.669 reveal a left-skewed distribution, with a significant portion of companies displaying full CSR compliance.

For the Proportion of Women Directors (PWD), the average stands at 20.8%, with a median of 18%. This suggests that a majority of companies have about a fifth of their board members as women. The distribution is fairly symmetrical, with a slight positive skew (0.422) and kurtosis (3.091), indicating moderate variability in the representation of women on boards across companies.

Audit Committee Size (ACSIZE) averages 4.320 members, with a median of 4.000, reflecting that many companies have small to medium-sized audit committees. The skewness of 1.163 and kurtosis of 5.420 indicate a right-skewed distribution, suggesting that smaller audit committees are more common, though a few companies have significantly larger ones. Meanwhile, Audit Committee Independence (ACIND) shows a high mean of 90.1%, with most companies having fully independent committees, as indicated by the median of

100%. The negative skewness (-0.975) and kurtosis of 2.919 further support the concentration of companies with high audit committee independence.

Company Size (CSIZ) has an average value of 6.651 (logarithmic scale), with a median of 6.560, suggesting that company sizes are fairly consistent across the sample. The slight positive skew (0.063) and kurtosis of 2.383 imply a nearly symmetric distribution, with no extreme variations in company size. Leverage (LEVERG) presents a mean of 0.491 and a median of 0.470, indicating that companies typically finance about half of their assets through debt. The distribution is close to normal, as reflected in its skewness (0.291) and kurtosis (2.562).

Finally, Return on Assets (ROA) has a mean of 0.077, indicating modest profitability, with a median of 0.056, slightly lower than the mean. This variable exhibits significant right-skewness (2.272) and a high kurtosis of 13.910, suggesting that while most companies have low profitability, a few outliers exhibit much higher returns. The wide range of ROA, from -0.257 to 0.793, highlights substantial disparities in profitability among the sampled company.

Table 3: Correlation Analysis

	CSR	PWD	ACSIZE	ACIND	CSIZ	LEVERG	ROA
CSR		0.102	0.091	0.134	0.387	0.163	-0.020
PWD	0.084		0.225	0.038	0.114	0.122	0.134
ACSIZE	0.092	0.216		-0.200	0.178	0.160	-0.024
ACIND	0.122	0.029	-0.133		0.213	-0.059	-0.053
CSIZ	0.396	0.132	0.141	0.215		0.326	-0.454
LEVERG	0.167	0.142	0.144	-0.055	0.318		-0.319
ROA	-0.008	0.214	0.078	-0.100	-0.328	-0.183	

The correlation analysis in Table 3 provides an analysis of the relationships between Corporate Social Responsibility (CSR), Proportion of Women Directors (PWD), Audit Committee Size (ACSIZE), Audit Committee Independence (ACIND), Company Size (CSIZ), Leverage (LEVERG), and Return on Assets (ROA) using both Pearson and Spearman correlation coefficients.

CSR exhibits a moderate positive correlation with Company Size (CSIZ), with Pearson and Spearman coefficients of 0.396 and 0.387, respectively. This suggests that larger companies are likely to engage more in CSR activities. Additionally, CSR shows a weaker positive correlation with Leverage (LEVERG) (0.167 Pearson, 0.163 Spearman), indicating that companies with higher leverage might be somewhat more involved in CSR, possibly to enhance their reputation or mitigate risks. However, CSR's correlation with the Proportion of Women Directors (PWD) and Audit Committee Size (ACSIZE) is relatively weak, suggesting limited direct influence.

The Proportion of Women Directors (PWD) demonstrates a moderate positive correlation with Audit Committee Size (ACSIZE) (0.216 Pearson, 0.225 Spearman), implying that boards with more women directors tend to have larger audit committees. There is also a positive correlation between PWD and Return on Assets (ROA) (0.214 Spearman), which may suggest that a higher proportion of women directors could be associated with better financial performance. However, the correlations of PWD with other variables like Company Size and Leverage are weak, indicating that the presence of women directors does not strongly impact these factors.
Audit Committee Size (ACSIZE) has a moderate positive correlation with Company Size (0.178 Pearson, 0.141 Spearman) and Leverage (0.160 Pearson, 0.144 Spearman), suggesting that larger and more leveraged

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companies tend to have larger audit committees. Nevertheless, ACSIZE shows a weak negative correlation with ROA (-0.024 Pearson, -0.024 Spearman), implying that larger audit committees may not necessarily improve financial performance. Audit Committee Independence (ACIND) has weak correlations with most variables, including a minor negative correlation with ROA (-0.053 Pearson, -0.059 Spearman), indicating limited influence of audit committee independence on financial outcomes.

Company Size (CSIZ) is strongly negatively correlated with Return on Assets (ROA) (-0.454 Pearson, -0.328 Spearman), which may suggest that larger companies experience lower returns on assets, potentially due to operational inefficiencies or diminishing returns to scale. Leverage (LEVERG) also shows a moderate negative correlation with ROA (-0.319 Pearson, -0.183 Spearman), indicating that higher leverage might be associated with reduced profitability. Overall, Return on Assets (ROA) exhibits weak or negative correlations with other variables, underscoring that factors such as company size and leverage play a more significant role in determining profitability within this sample.

This correlation analysis highlights some expected relationships, such as the positive association between CSR and company size and the negative correlation between leverage and financial performance. The weak correlations involving the proportion of women directors suggest that while diversity might have some effects, these are not strongly linear or monotonic in this context. Differences between Pearson and Spearman coefficients suggest that the relationships might be more complex than what linear models alone can capture, warranting further investigation with more sophisticated statistical methods.

The correlation table reveals some insights into potential multicollinearity issues among the variables in the study. Moderate correlations are observed between several pairs of variables, which could suggest potential multicollinearity. For instance, the correlation between Corporate Social Responsibility (CSR) and Company Size (CSIZ) is relatively strong, with Pearson's coefficient at 0.396 and Spearman's at 0.387. This moderate positive correlation indicates that if both CSR and CSIZ are used as predictors in a regression model, multicollinearity could be a concern.

Similarly, there is a notable negative correlation between Company Size (CSIZ) and Return on Assets (ROA), with a Pearson coefficient of -0.454. This strong negative correlation suggests that larger companies might have lower returns, which could impact the reliability of regression estimates if CSIZ and ROA are included together in a model. Another moderate negative correlation is seen between Leverage (LEVERG) and ROA (-0.319), which further suggests a potential for multicollinearity if LEVERG and ROA are both predictors.

However, many correlations between other variables, such as between Proportion of Women Directors (PWD) and CSR, are relatively weak, indicating that these variables are less likely to contribute to multicollinearity issues. The correlations are generally below the critical threshold of 0.80, commonly used to identify severe multicollinearity. Despite this, the observed moderate correlations warrant caution. For a more thorough assessment of multicollinearity, further diagnostics such as the Variance Inflation Factor (VIF) should be conducted, where a VIF value above 10 would indicate significant multicollinearity concerns. The VIF value for the regression model is 1.317.

Table 4: Multivariate Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.918	0.389	2.359	0.019
PWD	0.154	0.075	2.051	0.041
ACSIZE	0.015	0.006	2.334	0.020
ACIND	-0.094	0.068	-1.394	0.164

CSIZ	0.003	0.060	0.048	0.962
LEVERG	0.305	-0.089	-3.430	0.001
ROA	-0.355	0.090	-3.934	0.000
R-squared	0.963			
Adjusted R-squared	0.953			
F-statistic	94.153			
Prob(F-statistic)	0.000			

The regression analysis reveals several important insights into the relationships between the dependent variable CSR and the independent variables, including the proportion of women directors (PWD), audit committee size (ACSIZE), audit committee independence (ACIND), company size (CSIZ), leverage (LEVERG), and return on assets (ROA).

First, the positive and statistically significant coefficient for PWD (0.154, $p = 0.041$) suggests that increasing the proportion of women directors is associated with a higher value of the dependent variable. This finding underscores the potential positive impact of gender diversity on corporate outcomes. Similarly, ACSIZE has a positive and significant coefficient (0.015, $p = 0.020$), indicating that larger audit committees contribute positively to the dependent variable, possibly reflecting better oversight and governance.

In contrast, the coefficient for ACIND is negative (-0.094) but not statistically significant ($p = 0.164$), suggesting that audit committee independence does not have a strong or reliable impact on the dependent variable in this context. The coefficient for CSIZ is positive (0.003), yet its insignificance ($p = 0.962$) implies that company size does not meaningfully influence the outcome in this model.

Notably, LEVERG and ROA exhibit statistically significant negative coefficients (-0.305, $p = 0.001$ and -0.355, $p = 0.000$, respectively), indicating that higher leverage and profitability are associated with lower values of the dependent variable. This suggests that companies with higher financial risk or profitability may engage less in the outcome measured, possibly due to resource constraints or differing strategic priorities.

The model's R-squared value of 0.963 indicates that 96.3% of the variance in the dependent variable is explained by the independent variables, demonstrating strong explanatory power. The adjusted R-squared of 0.953 confirms this robustness, even after accounting for the number of predictors. The overall model is statistically significant, as indicated by the F-statistic (94.153) and its associated p-value (0.000).

In summary, this regression analysis highlights the importance of governance structures, such as gender diversity and audit committee size, in influencing corporate outcomes. However, the negative impact of leverage and profitability suggests a complex interplay between financial factors and the dependent variable, warranting further investigation.

CONCLUSION

This study investigates the impact of women directors and audit committee characteristics on corporate voluntary disclosure within Malaysian publicly traded companies. The findings reveal a significant relationship between the presence of women directors and audit committee size and the extent of corporate voluntary disclosure. This suggests that larger audit committees and a higher proportion of women on these committees enhance the quality and extent of voluntary disclosures. However, the study found no significant impact of audit committee independence on voluntary disclosure. These results underscore the importance of audit committee size and gender diversity in shaping effective corporate reporting practices, aligning with the view that audit committees play a crucial role in overseeing and improving corporate transparency.

The study's insights are particularly valuable for investors, decision-makers, and accounting professionals, providing a robust foundation for understanding and enhancing the effectiveness of audit committees. The research contributes to existing literature by highlighting how audit committee characteristics influence corporate disclosure practices, with a particular focus on the role of women directors. However, the applicability of these findings to other contexts may be limited due to the study's focus on Malaysian companies. Future research should explore additional factors, such as the nationality and gender diversity of directors and their tenure, to broaden the understanding of audit committee dynamics. Examining interactions between audit committee characteristics and other forms of corporate reporting, such as integrated and intellectual capital reporting, could also yield valuable insights.

This study has several limitations. Firstly, it relies solely on corporate annual reports for CSR measurement, while companies also utilize websites and corporate letters to communicate with stakeholders. Incorporating data from these additional sources could provide a more comprehensive view of CSR activities. Secondly, the focus on non-financial companies restricts the generalizability of the findings. Including financial institutions in future studies would enhance the applicability of the results across different sectors. Despite these limitations, the study provides valuable insights into the role of audit committee members in CSR disclosures and opens avenues for further research, including longitudinal studies and an exploration of additional audit committee characteristics.

From a theoretical perspective, the study supports the notion that a higher proportion of women directors on boards enhances both board effectiveness and corporate legitimacy, particularly in CSR reporting. Agency theory suggests that board gender diversity helps reduce information asymmetry and resolve agency conflicts [44]. Legitimacy theory also supports this view, indicating that women directors contribute to CSR reporting as part of a broader strategy to legitimize corporate actions and align with stakeholder expectations [45].

Future research should build on this study by investigating whether women directors' higher attendance at board meetings correlates with improved sustainability-related decision-making. Exploring the impact of women’s presence on committees dealing with climate change and other environmental issues could provide deeper insights into how gender diversity influences corporate sustainability efforts. Additionally, examining broader dimensions of diversity, such as ethnic background, could offer a more comprehensive understanding of how various forms of diversity impact CSR practices.

This study recommends that scholars focus on elucidating how board composition affects CSR practices [46]. Specifically, research should explore how strategic involvement and monitoring roles of boards influence CSR. Our findings suggest that further investigation into the relationship between board composition and board effectiveness is warranted, with a particular emphasis on identifying characteristics that enhance boards' focus on CSR-related duties [47][48].

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