

Textile Industry CSR Disclosure Trends : Reflections from India and Malaysia

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Abstract

This paper examined the Corporate Social Responsibility Disclosures of South Indian and Malaysian textile firms to understand the levels of transparency in terms of a comparison between the companies' strategic implementation of CSR vs their efforts towards public perception of their CSR efforts. Paired *t* - test and binary regression were used to measure CSR Disclosure Indexes within the textile firms, culled from their corporate website communications and annual reports. It was found that CSR disclosure practices varied significantly across strategic implementation and perceived CSR practices for both the countries, with higher levels of perceived CSR. Presently, textile firms in both countries do not seem to provide an accurate image of CSR actions and initiatives. The study is a valuable contribution to academic literature as well as textile firms and stakeholders in making the heterogeneous strategic - perceived CSR link more relevant and transparent, and thus, furthering knowledge on the relationship between CSR reporting and implementation. The study also filled the gap in academic literature in terms of highlighting a model of CSR disclosures that would enable a cross - country study of the dynamics of firms' CSR approach in terms of transparency and value - enhancement of CSR activities.

Keywords: corporate social responsibility, corporate social reporting, content analysis, CSR disclosure, website and annual report

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CSR has flourished over the years and has become a worldwide issue. Despite specific criticisms on the CSR activities, more companies in the world are inclining their strategies towards social responsibility. Most academic literature on CSR is Western - centric. CSR standardization initiatives have been undertaken by companies in Asian countries, such Global Reporting Initiative (GRI), ISO 14000, and others. Although some CSR standards are obligatory, there are others, which flow between obligatory and intentional.

The generally accepted idea of CSR is that it exists in corporate activities where the firm goes beyond company benefits and what is mandatory by law. Corporate social responsibility (CSR) terms and notions have been acknowledged significantly and addressed in both management practices and theory (Aguinis & Glavas, 2012). The essential notion of the CSR paradigm is the accountability of firms. CSR has come a long way over the six

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decades from 1950 ; though, there is still doubt as to how CSR should be defined (Dahlsrud, 2008). Dahlsrud analyzed 36 definitions and developed five congruent dimensions of CSR - the environment, social, economic, stakeholder, and voluntariness and posited that the confusion does not lie on how CSR is defined, but the social context in which it is constructed.

CSR is a balancing act of furthering stakeholder interest within the mandate of the company's strategic planning and operations (Aupperle, Carrol, & Hatfield, 1985). The Ministry of Corporate Affairs, Government of India in 2009 issued voluntary guidelines for CSR to encourage Indian corporation to improve CSR. In 2013, a Companies Bill made it compulsory for organizations to implement CSR policies, and made it compulsory for firms with a net worth of more than ₹ 500 crore or turnover of ₹ 1,000 crores to adopt CSR policies. The guideline for the private sector on CSR initiatives was endorsed by the Department of Public Enterprises (DPE). This included a section on sustainability disclosure and reporting (Ernst & Young, 2013).

Corporate Social Responsibility Disclosure - A Literature Review

Corporate Social Responsibility Disclosure (CSR/D) boosts corporate reputation through trustworthiness and support by all segments of a company's stakeholders (Ljubojević & Ljubojević, 2008). CSR reporting on the websites has become very important and crucial for evidence about CSR implementation (Vartiak, 2016). CSR disclosures have turned out to be an intriguing study among scholarly analysts, adding to the interest of stakeholders in terms of environmentally responsible corporate behaviour in the social context (Shirley, Suan, & Leng, 2009).

Companies are facing the pressure relating to disclosure of corporate social responsibility practices due to the current state of affairs of the world's economy (Yao, Wang, & Song, 2011). Researchers have shown keen interest towards CSR/D since the 1980s. The current studies confirmed that CSR/D could bring about extended benefits for reporting companies (Yao et al., 2011).

With this growing awareness and attentiveness towards CSR reporting among the firms, researchers were keen to know the reasons affecting this development (Habek & Wolniak, 2013). In the year 2000, for the first time, The Global Reporting Initiative (GRI) was announced. It is the universal and extensively used framework for assisting with CSR performance reporting and outlined essential research guidance to disclosure and reporting.

Though there is ample literature on CSR disclosure, there is no extensively acknowledged definition of a CSR disclosure linked to actual implementation. There are, likewise, numerous challenges and questions regarding the structure and the kind of data to be incorporated in a CSR disclosure report (Davis & Searcy, 2010). Notwithstanding the challenges and irregularities encompassing CSR disclosure, it is found to enhance the competitive benefits of a company, as it reveals the company's responsibility quotient (Bouten, Everaert, Van Liedekerke, De Moor, & Christiaens, 2011 ; Sutantoputra, 2009).

The Natural Resource-Based View (NRBV) of the firms (Hart, 1995) proposed benefits accrued from CSR voluntary disclosure such as signifying quality of management and financial strategy to its investors.

This voluntary reporting can strengthen the belief and integrity between stakeholders. While organizations may be hesitant to disclose poor performance, this voluntary reporting could have a cushioning effect (Epstein & Buhovac, 2008). There are different motivations and methods for a firm's CSR disclosure to stakeholders (DeTienne & Lewis, 2005).

Companies today are riding the CSR new communication wave to inform their stakeholders about their CSR activities that goes beyond reports. For example, the public now refers to corporate websites as a crucial qualitative information source for a company's CSR activities (CSR Europe, 2009), making the quantity of information disclosed irrelevant. In 2005, Adidas condensed its social and environmental report while developing its CSR website content (Epstein & Buhovac, 2008). Providing easily accessible CSR information seems to be the

mantra for companies today, leading to a fundamental shift in CSR reporting from merely informing to highly engaged communication.

According to MacDonald and Peters (2003), clarity and commitment were the major reasons for production of corporate sustainability disclosures. With increased demand for transparency in firm activities, this assertion needs to be scrutinized (Taylor, Vithayathil, & Yim, 2018).

(1) Global Trends : Chambers, Chapple, Moon, and Sullivan (2003) determined the range of CSR dissemination in seven Asian nations (India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, and Thailand). Numerous scholars posited that CSR in developing economies was at an early stage, and precise structures were not available to assure that corporations exercise CSR to focus on other initiatives rather than charity perceptive. Kemp (2001) reported the presence of barriers to corporate responsibility, mainly in several emerging nations due to an atmosphere of uncertainty in establishments and values. Chambers et al. (2003) evaluated the scope of CSR broadcasting in companies in the seven Asian countries, including Japan and found their measures much lower than that of developed countries. The notion of CSR as envisaged in developing markets vs developed nations have very dissimilar patterns.

(2) CSR Reporting in India and Malaysia : In India, the initial findings of the number of companies disclosing their CSR initiatives improved from 61% to 66% from the year 2010 - 2012. Multinational Indian corporations have started reporting their CSR programs in the past few years with the continuous growth of 15% in the past 3 years since the proposed Companies Bill in 2009. Concerning the social initiatives reporting, most of the corporations disclosed social growth activities for example agribusiness, eliminating poverty, women empowerment, sustainable livelihood, preventing job loss, and rural development, which increased from 49 % to 61% followed by education and the percentage of corporations' disclosure improved from 45% to 55%. Healthcare is another division that witnessed a significant growth in the percentage of companies' disclosure from 13% to 19% during the period of the study (Bhaduri & Selarka, 2016). Dasari (2012) outlined the relevance of CSR in India and the extent of its practice by Indian companies through qualitative (meta synthesis) and quantitative (empirical observations of information from annual reports) methodologies.

Recent studies on CSR Reporting in Malaysia (Anas, Rashid, & Annuar, 2015 ; Zainal & Zainuddin, 2013) pointed towards low and restricted reporting, primarily due to that the absence of mandatory reporting standards (Zainal & Zainuddin, 2013). In 2007, the Malaysian government ruled all publicly listed companies to print their CSR initiatives in their annual reports on a comply/explain basis. The Malaysian Government along with Bursa Malaysia (Stock Exchange) were as the primary drivers of CSR, with sustainability explicitly stated as one of the three key goals in the New Economic Model unveiled in 2010.

India is one of the world's largest producers of textiles and garments. South India is famous for its textile industry, especially Coimbatore is referred to as the Manchester of South India. Likewise, the textile industry is one of the fastest-growing and considerably contributes to the economic growth in Malaysia. A comparative study on the CSR practices in these two countries would be useful in building the strategy for successful and efficient implementation of the CSR in other developing countries, especially in the textile companies. It will be fascinating to distinguish the interpretation of CSR reporting into a practical level, and how CSR reporting emerges in these two nations comparative to execution of CSR practices (Mugiati, Muneer, Hishan, & Ramakrishnan, 2016).

(3) Research Gap (CSR Reporting) : CSR Europe (2017) claimed that the European Directive on the Disclosure of Non-financial Information led to homogeneity of CSR reporting leading to a synergy between management and business performance in Europe. The Asia Sustainability Reporting Summit (2018) reported consistency in

quantity of CSR disclosures of ASEAN's top listed companies, but a lag in quality of their reports and being transparent about their CSR activities (Shah, 2018).

Cai, Jo, and Pan (2012) had three views about CSR practices : (a) window dressing – enacting CSR to justify the manipulation of stakeholders ; (b) value - irrelevance - simply following the CSR bandwagon without giving thought to its relevance to the company/stakeholders, (c) value - enhancement - where CSR is inbuilt in the vision, mission, and values of the company, dictated by transparency with the final aim for doing good for both society and the company.

To study if a firm has the value - enhancement approach towards CSR, it is necessary to find a link between its CSR reporting and implementation through its “perceived” and “strategic” CSR. CSR reporting on the website has become very important and crucial for evidence about the firms' CSR implementation (Vartiak, 2016). Website CSR reporting can be seen as the firm's communication with the general public about its CSR efforts. Thus, the public perceives a firm to be socially responsible, that is, perceived CSR. Annual reports are another source of CSR disclosure that outlines a firm's attempts to communicate its CSR implementation to the stakeholders. It is the firm's strategic CSR communication tool, that is, strategic CSR.

Research Problem

Since CSR is no longer within the 'charity' framework and is being used for building the brand's competitive advantage (Kesavan, Bernacchi, & Mascarenhas, 2013), it creates specific intentions for CSR communication, as companies want to make their CSR recognized by their stakeholders and public (Öberseder, Schlegelmilch, & Gruber, 2011). There is a vacuum in academic literature in terms of studies that link the firm's actual strategic practice of CSR and its disclosures. Such a study could lead to a better picture of a firm's approach towards its CSR practice.

Research Objectives

- (1)** To find out if factors such as age, size, nature of the firm, and turnover affect levels of perceived and strategic CSR disclosure for Indian and Malaysian textile firms.
- (2)** To explore the link between perceived and strategic CSR of textile firms in India and Malaysia by measuring, comparing, and contrasting CSR Disclosure Indexes of their websites and annual reports.

Research Hypotheses

- ✎ **H1 :** Age, size, nature of the firm, and turnover affect levels of perceived and strategic CSR disclosures in Malaysian and Indian textile firms.
- ✎ **H2 :** There is a significant difference in CSR Disclosure Indexes of websites and annual reports in Malaysian and Indian textile firms.

Why (Textile Companies in) India and Malaysia?

While differences in the institutional milieu and difference in national approaches to CSR in Western countries are well acknowledged (Jackson & Apostolakou, 2010), there is little academic knowledge of the levels of CSR reporting in Asian markets. There are also relatively few comparative cross-country analyses that compare CSR

reporting practices in Asian markets (Schmidt & Cracau, 2015). India is one of the world's largest producers of textiles and garments. South India is famous for its textile industry, especially Coimbatore, referred to as the 'Manchester of South India' whereas Tiruppur is called the 'Dollar City'. The textile industry is also one of the fastest growing sectors and significantly contributes to the economic growth in Malaysia. It will be fascinating to interpret differences in CSR practices through a perceived vs strategic lens for the two nations along with factors that influence them.

Methodology

Academic literature on the quality of information of CSR disclosures can be divided into two : volume - based, such as textual analysis (analysis of thematic content, etc.) and quality-based, such as calculation of disclosure indexes (Hooks & van Staden, 2011; Kuo, Yen, & Yu, 2012).

Disclosure quality index measures a number of indicators (either culled from literature or emergent from certain selection parameters), the sum of which is an indicator of the level of information disclosed. This study uses annual reports and websites as units of analysis. There are many reasons why it is justified to use the annual reports and websites as a source of social and environmental information. First, they are the face of corporate communications to stakeholders and public and are widely used by firms for CSR disclosure. Second, revelations through other media (print, television, etc.) could be subject to editorial gate keeping ; whereas, company led disclosures (annual reports/websites) are entirely editorially regulated by the management.

The *Southern India Mills Association (SIMA) Directory (2017)* was used to identify and extract details of companies in South India that report their CSR activities on their websites and annual reports. Two hundred and thirty four textile and garment companies, covering Tamil Nadu, Andhra Pradesh, Karnataka, Telangana, Kerala, and Puducherry were identified as having a website presence. These were then checked for completeness of information, and a final sample of 186 companies was identified.

Similarly, the *Malaysian Knitting Association Directory (2017)* was used to identify and extract details of companies in West and East Malaysia (textile hubs) that report their CSR activities on their websites and annual reports. Out of the 130 companies that had a website presence, 98 were finally selected based on completeness of information provided.

The content analysis of websites and annual reports were undertaken during February-March 2017 for both the countries. The websites and annual reports were then analyzed for firm specific (age of company, size, whether the firm was a parent company holding subsidiaries), and financial specific information (turnover) identified from literature. These were taken as the independent variables for the study. CSR indicators (taken as the dependent variables for the study) such as employee responsibilities, shareholders' responsibilities, consumer and products, environmental/energy responsibilities, community responsibility and 'other responsibilities' (government and suppliers) were also analyzed, from which CSR Disclosure Index (CSRDI) was calculated for textile firms analyzed in India and Malaysia.

SPSS 20.0 was used to undertake a statistical analysis of data regarding the level of influence of independent variables on CSR - related information in terms of Perceived CSR Disclosure Indexes (website data) and Strategic CSR Disclosure Indexes (annual report data) for India and Malaysia.

Data Analysis and Results

The Table 1 shows the split up of the textile companies in South India as taken from the *South Indian Mills Association (SIMA) Directory (2017)*. Tamil Nadu topped the list with 163 of the total 234 textile companies followed by Andhra Pradesh (33). Out of the 234 companies, only 186 had a website presence, and thus, these formed the final sample for South India.

Table 1. Textile Companies in South India

No.	State	No. of Companies
1	Tamil Nadu	168
2	Telangana	15
3	Puducherry	3
4	Karnataka	6
5	Kerala	16
6	Andhra Pradesh	33
	Total	234
Total Website and Annual Report sample for content analysis		186

Source: Compiled from *South Indian Mills Association Directory 2017 - SIMA*

Table 2. Textile Companies in Malaysia

No.	State	No. of Companies
1	West Malaysia	127
2	East Malaysia	3
	Total	130
Total Website and Annual Report sample for content analysis		98

Source: Compiled from Malaysian Textile Manufacturers Association and *Malaysian Knitting Manufacturers Association Directory (2017)*

Table 3. State - Wise Break-Up of Textile Firms in India and Malaysia

South India	No. of Firms	Malaysia	No. of Firms
Andhra Pradesh	34	Selangor	22
Kerala	13	Johor	24
Karnataka	6	Kedah	4
Puducherry	5	Malacca	2
Telangana	14	Negeri Sembilan	2
Tamil Nadu	114	Penang	12
		Perak	7
		Terengganu	1
		Sabah	1
		Sarawak	2
Total	186	Total	98

The Table 2 outlines the break-up of Malaysian textile companies (taken from *The Malaysian Knitting Association Directory (2017)*). Of the total 130 companies in West and East Malaysia (the textile hub), 127 were from the West. Out of the total 130 companies, 98 had a website presence, and thus these formed the final sample for Malaysia.

The websites and annual reports of the 186 companies in India and 98 companies in Malaysia were checked meticulously for presence or absence of the CSR indicators - shareholder responsibilities, employee

Table 4. Dependent Variables for Measuring the Disclosure Index

1	Shareholder Responsibility (SR) (11 sub-variables) Corporate Governance, Annual Report, Financial Results, Revival Scheme, Director's Report, Code of Conduct, Whistle Blowers Policy, Risk Management, Vigil Mechanism, Shareholder Pattern, and Unaudited Results
2	Employee Responsibility (ER) (13 sub variables) Fair Employment, Health & Safety, Job Training, Education, Professional Development, Employee's Welfare, Workplace, Employees & Stakeholders, Nutritious Food, Women Employment, Accommodation, Human Resources, and Transport
3	Consumer and Products Responsibility (CP) (9 sub-variables) Product Quality, Consumer Services, Consumer Rights, Customer Satisfaction, Customer Communication, Delivery, Quality Management, Project Support, and Product Safety.
4	Environmental/Energy Responsibility (16 sub-variables) Wind Power, Sustainable Development, Green Energy (Wind Energy), Organic Farming, Energy Conservation Policy, Green Field, Environment Protection, Rainwater Harvesting, Sustainability Policy, Effluent Treatment Plant, Waste Management, Water Conservation, Water and Salt Recycling, Recovery System, Recycle Waste Paper, and Green Field Projects
5	Community Responsibility (15 sub-variables) Education ; Society Activities ; Youth & Young Professional Teachers' Training ; Amenities & Facilities ; Medical Facilities ; Women Empowerment ; Special Needs Children; Physically and Mentally Challenged ; Toilet ; Animal Conservation ; Trusts, Donation, & Funds ; Village & School Adoption ; Drinking Water & Sanitation ; Sustainable Livelihood ; and CSR Policy
6.	Other Responsibility (2 sub-variables) Government Responsibility and Suppliers' Responsibility

responsibilities, and so forth, each defined by a set of sub-variables obtained from the literature review as well as some that emerged out of the analysis.

The Table 3 shows the state-wise break-up of textile firms in India and Malaysia that were part of the final sample. The final samples were chosen based on completeness of information available on the websites of the companies.

The six dependent variables for measuring Disclosure Indexes for Annual Reports (SCSR) and web reports (PCSR) were based on measures taken from Yao et al. (2011). The Table 4 shows the dependent variables and sub variables used to define them.

The CSR Disclosure Index (CSRD) for each indicator - for example, Shareholder (SH) was calculated using the formula : $\Sigma CSR D_{SH} = \text{Number of SH sub variables} \div 6$

$$\left[\begin{array}{l} \text{Total SH Responsibilities (summation of 11 variables) / 6} \\ \text{Total ER Responsibilities (summation of 13 variables) / 6} \\ \text{Total CP Responsibilities (summation of 9 variables) / 6} \\ \text{Total EN Responsibilities (summation of 16 variables) / 6} \\ \text{Total CR Responsibilities (summation of 15 variables) / 6} \\ \text{Total OR Responsibilities (summation of 2 variables) / 6} \end{array} \right]$$

The total Perceived CSR (PCSR) and Strategic CSR (SCSR) Disclosure Indexes were calculated thus :

$$\text{Total PCSR (from website)} = CSR D_{SH} + CSR D_{ER} + CSR D_{CP} + CSR D_{EN} + CSR D_{CR} + CSR D_{OR}$$

$$\text{Total SCSR (from annual reports)} = CSR D_{SH} + CSR D_{ER} + CSR D_{CP} + CSR D_{EN} + CSR D_{CR} + CSR D_{OR}$$

From these, the SCSR and PCSR percentages were calculated, that is, $\text{total SCSR} \div 100$ and $\text{total PCSR} \div 100$.

Table 5. Descriptive Statistics for CSR Disclosure Indexes for India & Malaysia

Descriptive Statistics (India)					
CSR Indicators	N	Annual Report CSRD	Mean	Web CSRD	Mean
Shareholder Responsibility	186	1.27	.565	1.82	.501
Employee Responsibility	186	0.62	.133	0.92	.303
Consumer and Product Responsibility	186	1.00	.090	2.00	.946
Environmental/Energy Responsibility	186	0.57	.046	0.57	.193
Community Responsibility	186	1.29	.077	1.23	.341
Other Responsibility	186	1.00	.102	1.00	.526
Descriptive Statistics (Malaysia)					
CSR Indicators	N	Annual Report CSRD	Mean	Web CSRD	Mean
Shareholder Responsibility	98	1.45	.378	1.18	.221
Employee Responsibility	98	0.85	.183	1.08	.357
Consumer and Product Responsibility	98	1.11	.142	2.00	.857
Environmental/Energy Responsibility	98	0.57	.079	0.62	.205
Community Responsibility	98	0.79	.168	1.00	.197
Other Responsibility	98	1.00	.306	1.50	.724

Table 6. State Leading in CSR Disclosure in Annual Report (Strategic CSR Disclosure)

India SCSR (Annual Report Disclosure)		Malaysia SCSR (Annual Report Disclosure)	
Shareholder Responsibilities	Tamil Nadu	Shareholder Responsibilities	Kuala Lumpur
Employee Responsibilities	Telangana	Employee Responsibilities	Selangor
Consumer Responsibilities	Telangana	Consumer Responsibilities	Johor
Environmental Responsibilities	Telangana	Environmental Responsibilities	Penang
Community Responsibilities	Telangana	Community Responsibilities	Penang
Other Responsibilities	Telangana	Other Responsibilities	Kuala Lumpur

The total PCSRD and SCSR Disclosure Indexes were considered high if the percentage value was > 50 and low if < 50.

It is seen from the Table 5 that for India, the mean values for annual report CSRD, that is, the Strategic CSR Disclosure Index is the highest for shareholder responsibility (0.565) followed by employee responsibility (0.133), while for website CSRD, that is, the perceived CSR Disclosure Index is highest for consumer products (0.946) followed by other responsibilities (government and stakeholders) (0.526).

A similar pattern is observed for Malaysia in terms of high levels of Strategic Shareholder CSR Disclosure Index (0.378), Perceived Consumer Product Disclosure Index (0.857), and Perceived Other Responsibilities (Government and Stakeholders) Disclosure Index (0.724). However, these mean values are lower than the mean values observed for India.

Thus, the data from the Table 5 suggests differences in disclosure levels between Strategic CSRD and PCSRD. The state of Telangana in South India seems to lead in all Strategic CSR Disclosures except shareholder responsibility, which is highest for Tamil Nadu. For Malaysia, Penang seems to lead for environmental and community responsibility and Kuala Lumpur for shareholder and other responsibility (government and stakeholder). The Table 6 presents the details.

Table 7. State Leading in CSR Disclosure in Website (Perceived CSR Disclosure)

India PCSR (Website Disclosure)		Malaysia PCSR (Website Disclosure)	
Shareholder Responsibilities	Tamil Nadu	Shareholder Responsibilities	Selangor
Employee Responsibilities	Karnataka	Employee Responsibilities	Penang
Consumer Responsibilities	Tamil Nadu	Consumer Responsibilities	Penang
Environmental Responsibilities	Tamil Nadu	Environmental Responsibilities	Kuala Lumpur
Community Responsibilities	Tamil Nadu	Community Responsibilities	Penang
Other Responsibilities	Tamil Nadu	Other Responsibilities	Penang

The Table 7 shows details of states in India and Malaysia that lead for Perceived CSR (PCSR) Disclosures.

Comparing Tables 6 and 7, it can be noted that while Tamil Nadu (South India) leads in Perceived CSR Disclosures, Telangana leads in Strategic CSR Disclosures. Textile firms in Telangana seem to take the CSR implementation more seriously, as was observed in the detailed quality CSR content in the annual reports of the companies that were part of the sample. However, this somehow did not complement or reflect in their website communications. For Malaysia, Penang seems to have a balanced approach towards SCSR and PCSR in terms of community responsibilities.

✍ **Paired 't' - test** : The paired t - test is used to determine whether the mean of a dependent variable is the same in the two related groups. In this study, the CSR Disclosure Indexes for PCSR and SCSR variables are studied for differences in means. A paired-samples t - test was conducted to compare CSR Disclosure Indexes from the annual reports vs the website reports for Indian and Malaysian textile firms.

Indian Firms : There is a *significant* difference in the scores for :

Strategic ER Disclosure Index ($M = 0.1336$, $SD = 0.1494$) and Perceived ER Disclosure Index ($M = 0.3036$, $SD = 0.2197$), $t(-9.181) = 185$, $p = 0.000$.

Strategic CP Disclosure Index ($M = 0.0908$, $SD = 0.2272$) and Perceived CP Disclosure Index ($M = 0.9462$, $SD = 0.4882$), $t(-21.435) = 185$, $p = 0.000$.

Strategic EN Disclosure Index ($M = 0.0461$, $SD = 0.0943$) and Perceived EN Disclosure Index ($M = 0.1935$, $SD = 0.1446$), $t(-11.040) = 185$, $p = 0.000$.

Strategic CR Disclosure Index ($M = 0.0776$, $SD = 0.1747$) and Perceived CR Disclosure Index ($M = 0.3412$, $SD = 0.3117$), $t(-14.088) = 185$, $p = 0.000$.

Strategic OR Disclosure Index ($M = 0.1022$, $SD = 0.3036$) and Perceived OR Disclosure Index ($M = 0.5269$, $SD = 0.3810$), $t(-14.397) = 185$, $p = 0.000$.

There is *no significant* difference in the scores for :

Strategic SH Disclosure Index ($M = 0.5655$, $SD = 0.4655$) and Perceived SH Disclosure Index ($M = 0.5015$, $SD = 0.6043$), $t(1.694) = 185$, $p = 0.092$.

The Table 8 is a visual representation of the results obtained for the paired-samples t - test for levels of CSR Disclosures for Indian firms in terms of their SCSR vs PCSR.

Table 8. Levels of CSR Disclosures for Indian Firms - Strategic vs Perceived

Variable	Strategic CSR Disclosure		Perceived CSR Disclosure	
	High	Low	High	Low
Shareholder Responsibilities	-	-	-	-
Employee Responsibilities			✓	
Consumer & Product Responsibilities			✓	
Environmental Responsibilities			✓	
Community Responsibilities			✓	
Other Responsibilities			✓	

Malaysian Firms : There is a *significant* difference in the scores for :

Strategic SH Disclosure Index ($M = 0.3785$, $SD = 0.56051$) and Perceived SH Disclosure Index ($M = 0.2217$, $SD = 0.33942$), $t(-3.802) = 97$, $p = 0.000$.

Strategic ER Disclosure Index ($M = 0.1837$, $SD = 0.29692$) and Perceived ER Disclosure Index ($M = 0.3579$, $SD = 0.30472$), $t(-5.063) = 97$, $p = 0.000$.

Strategic CP Disclosure Index ($M = 0.1429$, $SD = 0.29289$) and Perceived CP Disclosure Index ($M = 0.8515$, $SD = 0.37551$), $t(-15.618) = 97$, $p = 0.000$.

Strategic EN Disclosure Index ($M = 0.2057$, $SD = 0.23736$) and Perceived EN Disclosure Index ($M = 0.3579$, $SD = 0.30472$), $t(-5.857) = 97$, $p = 0.000$.

Strategic OR Disclosure Index ($M = 0.3061$, $SD = 0.46325$) and Perceived OR Disclosure Index ($M = 0.7245$, $SD = 0.35262$), $t(-8.441) = 97$, $p = 0.000$.

There is *no significant* difference in the scores for :

Strategic CR Disclosure Index ($M = 0.1684$, $SD = 0.20210$) and Perceived CR Disclosure Index ($M = 0.1978$, $SD = 0.25596$), $t(-1.033) = 97$, $p = 0.304$.

The Table 9 gives a visual representation of the results obtained for the paired-samples t - test for levels of CSR disclosures for Malaysian firms in terms of their SCSR vs PCSR.

Table 9. Levels of CSR Disclosures for Malaysian Firms - Strategic vs Perceived

Variable	Strategic CSR Disclosure		Perceived CSR Disclosure	
	High	Low	High	Low
Shareholder Responsibilities	✓			
Employee Responsibilities			✓	
Consumer & Product Responsibilities			✓	
Environmental Responsibilities			✓	
Community Responsibilities	-	-	-	-
Other Responsibilities			✓	

Table 10. Binary Regression (Indian Firm) - Independent Variables with High Strategic CSR (SCSR) Disclosure

High SCSR disclosure	B	S.E.	Wald	df	Sig.	Exp(B)/Odds ratio
Age	.016	.005	9.073	1	.003	1.016
Turnover	.000	.000	.001	1	.979	1.000
Number of Employees (firm size)	.000	.000	2.088	1	.148	1.000
Parent Company	-1.257	.399	9.926	1	.002	.284
Constant	-.718	.359	3.988	1	.046	.488

Model $\chi^2 = 30.353$, Pseudo $R^2 = 0.156$, $N = 186$

Table 11. Binary Regression (Indian Firm) - Independent Variables with High Perceived CSR (PCSR) Disclosure

High PCSR Disclosure	B	S.E.	Wald	df	Sig.	Exp (B) /Odds ratio
Age	.017	.005	10.139	1	.001	1.018
Turnover	.001	.000	8.032	1	.005	1.001
Number of Employees	.000	.000	.421	1	.516	1.000
Parent Company	-.863	.375	5.307	1	.021	.422
Constant	-1.152	.371	9.645	1	.002	.316

Model $\chi^2 = 30.353$, Pseudo $R^2 = 0.203$, $N = 186$.

Table 12. Binary Regression (Malaysian Firm) - Independent Variables with High Strategic CSR (SCSR) Disclosure

High SCSR disclosure	B	S.E.	Wald	df	Sig.	Exp (B)
Age	.013	.016	.669	1	.413	1.013
Turnover	.000	.000	.000	1	.985	1.000
Number of Employees	.000	.000	.232	1	.630	1.000
Parent Company	-.200	.983	.042	1	.839	.818
Constant	-1.273	.524	5.891	1	.015	.280

A binomial logistic regression predicts the probability that an observation falls into one of two categories of a dichotomous dependent variable (in this study, PCSR or SCSR - high/low) based on one or more independent variables (in this study - age, size, turnover of the company, and if the company is a parent company, that is, holding subsidiaries under it). The Tables 10 and 11 present the results for Indian firms.

From the Tables 10 and 11, it can be inferred that the results of the binary logistic regression indicate that there is a significant association between age and being a parent company with high Strategic CSR Disclosure ($\chi^2(1) = 30.353, p < .001$) for Indian firms. There is also a significant association between age, turnover, and firm being a parent company with high Perceived CSR Disclosure ($\chi^2(1) = 30.353, p < .001$).

The Tables 12 and 13 present the results for binary regression for Malaysian firms. The results of the binary logistic regression indicate that there is no significant association between independent variables and high Strategic CSR Disclosure. There is a significant association between age and number of employees with high Perceived CSR disclosure ($\chi^2(1) = 1.180, p > .005; N = 98$).

Table 13. Binary Regression (Malaysian Firm) - Independent Variables with High Strategic CSR (SCSR) Disclosure

High PCSR Disclosure	<i>B</i>	S.E.	Wald	<i>df</i>	Sig.	Exp (<i>B</i>)
Age	.054	.018	9.309	1	.002	1.056
Turnover	.000	.000	1.221	1	.269	1.000
Number of Employees	.001	.000	2.425	1	.050	1.001
Parent Company	.950	1.265	.563	1	.453	2.585
Constant	-1.761	.558	9.962	1	.002	.172

Model $\chi^2 = 17.605$, Pseudo $R^2 = 0.219$, $N = 98$

Discussion

Malaysia leads in Strategic Shareholder Responsibility Disclosures. This indicates that Malaysian textile firms are not only aware of their responsibilities towards their shareholders, but also implement them as a strategic shareholder philanthropy responsibility. It is not just a cosmetic trend but of internal CSR value creation for Malaysian textile firms. India and Malaysia, however, do not show value enhancement in terms of employee responsibilities, consumer and product responsibilities, environmental responsibilities, and community responsibilities because the Perceived CSR Disclosures are higher than Strategic CSR Disclosures. This proves that, in reality, there is more importance given to the marketplace than the human resources. Indian and Malaysian textile companies probably resorted to window dressing when it came to human resource driven CSR disclosures, since the same was not reflected in their strategic practice/implementation. Thus, H2 is proved to be true.

Ramesh and Peswani's (2017) study found that successful Indian firms contributed towards CSR as required by the Company's Act, 2013. The 2017 CSR reporting survey by KPMG also showed that overall CSR spending saw improvement compared to previous years in India, but our study shows that despite this encouraging trend, there is a practice amongst Indian textile firms to exaggerate their CSR disclosure on the company websites. This points to the fact that the relevance of the information provided in the assessed website reports in our study is at the higher level than its credibility. This trend is also seen in Malaysian textile companies.

For Indian firms, Strategic and Perceived CSR Disclosures are influenced by age, parent company status with only turnover being the differentiating factor of influence for perceived CSR disclosure. Thus, Indian subsidiary companies do not engage in 'decoupling' and parallel engaging in CSR. Only the parent company takes on the CSR mantle. The results also show that Indian textile firms with a high turnover are under pressure to glorify their CSR activities to the public. Thus, the dichotomous mantra of 'doing good (corporate giving) while doing well (performance)' is in place here with a significant symbiotic relationship. This highlights the fact that the CSR concept is a transaction between socio - capitalistic ideologies (Singh, 2013).

Previous studies have shown how consumers tend to be more favourable of the companies that engage in social causes (Singh & Verma, 2016). Older and larger companies in Malaysia are also seen as cosmetically projecting their CSR activities so that the public could perceive them as socially conscious. This brings into focus their low commitment to CSR showing up through discrepancies between actual CSR (Strategic CSR) and the messages communicated to the public (Perceived CSR). Thus, H1 is proved partially true (the exception being SCSR disclosure for Malaysian firms).

Bagnoli and Watts (2003) found an inverse relationship between intensity of competition in the market and Strategic CSR. The textile industries in Malaysia and India are facing heavy competition from countries such as Vietnam, Cambodia, and Bangladesh (Mehta, 2017 ; Ravichandran, 2018), and hence, we see lower Strategic

CSR implementation in our study. However, they are also seen to indulge in an exaggeration of CSR practices on their websites so as to give out a perception to the public as being CSR relevant.

Managerial Implications

The study is a valuable contribution to academic literature as well as to textile firms and stakeholders in making the heterogeneous Strategic-Perceived CSR link more relevant and transparent and thus furthering knowledge on the relationship between CSR reporting and implementation. Textile firms can also use the findings to fine-tune the link between CSR disclosures on their websites and annual reports so as to have a value - enhancement approach towards CSR.

Limitations of the Study and Scope for Further Research

This study is limited in the sense that only textile firms with a website presence offering complete data could be analyzed for a comparison between Perceived and Strategic CSR. More firm specific and financial specific characteristics of the firm could be included in future studies to analyze their influence over strategic and perceived CSR. The study is a cross comparative study between Malaysian and Indian textile firms. This study could be replicated across multiple countries along multiple industry types.

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