

THE IMPACT OF CORPORATE CHARACTERISTICS ON HUMAN RIGHTS DISCLOSURE: CONSTRUCTION COMPANIES IN MALAYSIA

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ABSTRACT

The need for a more holistic dimension of corporate operations on social interest has driven this study to explore the specific area of human rights reporting. Drawing upon institutional theory of organizations, we hypothesized that leverage, the presence of international operations and the government ownership influenced human rights disclosure (with size and profitability as control variables). Based on the data collected from the annual reports of construction firms in 2009, our findings reveals that the explanatory variables predicted in the hypothesis are not significantly related to the human rights disclosure. However, it was found that size to be significant regressors that help to explain the variability in the human rights disclosure. Our study contributes to regulators and standard setting bodies especially when evaluating corporate disclosure with regard on the specific issue of human rights.

KEYWORDS: *Human rights, corporate voluntary disclosure, institutional theory, construction companies, Malaysia*

1.0 INTRODUCTION

Human rights today have emerged out of the humanitarian catastrophes, based on three important elements namely: (1) Subjective rights of individuals entitling them to certain fundamental life conditions under no circumstances to be taken away; (2) These rights are claimable against a ruling majority's decision making; (3) Human rights enforcement was taken to apply universally and as moral claims in countries whose laws do not embrace positive human rights norms (Gallhofer *et.al.*, 2011). Human rights have become ingrained in the new world order, their claims adopted, absorbed and reflexively insured against challenge.