

Environmental Disclosure Performance and Firm Value in Malaysia

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ABSTRACT

Lately, the question of how socially responsible behaviour may affect a firm's value has gained the interest of regulators, academicians and researchers. Earlier, scholar like Friedman (1970) claim that the objective of firms is to maximise profits to their shareholders, as such, additional costs incurred on environment conservation or socially responsible activities are detrimental to firm value. However, recently, there is a wind of change to this ideology. The concern on business sustainability has inspired firms to channel resources to tackle the environmental issues, to resist actions or activities which are harmful to consumers or employees. Overall, firms are expected contribute to social well-being in order to be acceptable by the society (Zuraida, Houqe & Van-Zijl, 2016). Product differentiation can be achieved by firms through their involvement in social responsibility programmes and eventually translate to better firm value (Wahba & Elsayed, 2015).

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