

Whistleblowing Policy Disclosure among Malaysian Listed Shariah-Compliant Companies

Syahrul Ahmar Ahmad ^a, Noraisah Sungip ^b, Halil Paino ^c, Rahimah Mohamed Yunos ^d

^{a,d} Faculty of Accountancy, Universiti Teknologi MARA, Cawangan Johor Kampus Segamat, Johor, Malaysia

^{b,c} Faculty of Accountancy, Universiti Teknologi MARA, Cawangan Selangor Kampus Puncak Alam, Selangor, Malaysia

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ABSTRACT

According to Islamic beliefs, commercial operations must be directed by fairness, equality, and morality, as dictated by Shariah requirements. As a result, Shariah-compliant companies must include a religious dimension in their disclosures for the benefit of Muslim stakeholders. Recent research on these Shariah-compliant corporations has focused on their corporate social responsibility disclosures (Said et al., 2018) or the quality of these companies' voluntary disclosure policies in Malaysia (Ousama & Fatima, 2010). The Islamic perspective of disclosure is based on the concept of social accountability and the full disclosure concept (Baydoun and Willett, 1997, Haniffa and Hudaib, 2002). In Islamic accounting, the companies are said to be accountable to the society (Baydoun and Willett, 1997) hence they should disclose information, which can help discharge this accountability. As such, Haniffa and Hudaib (2002) argued that the full disclosure of relevant and reliable information is needed to allow users in making both economic and religious decisions while fulfilling their accountability to God and society. However, studies have shown that the level of disclosures of these Sharia-compliant companies is low (Che Azmi et al., 2016; Ousama & Fatima, 2010) and the findings were unexpected as these types of companies are generally expected to disclose more information voluntarily.

Keywords: corporate governance, disclosure level, whistleblowing policy.