

# Exploring the Role of Governance Disclosure in Curbing Artificial Income Smoothing: Evidence from Malaysian Public Listed Companies

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## Abstract

This study explores the role of governance disclosure in curbing artificial income smoothing practices among Malaysian public listed companies. Despite the presence of comprehensive regulatory frameworks such as the Malaysian Code of Corporate Governance, concerns persist regarding the effectiveness of disclosure practices in ensuring financial reporting integrity. Existing studies have largely adopted quantitative approaches, with limited attention given to the internal organizational dynamics shaping governance disclosure. This study adopts a qualitative case study approach using semi-structured interviews with professionals involved in financial reporting and governance processes. The findings indicate that governance disclosure is frequently implemented as a compliance-driven requirement rather than a value-based organizational commitment. While regulatory pressures promote reporting uniformity, the effectiveness of governance disclosure in mitigating opportunistic practices such as artificial income smoothing is influenced by internal factors including leadership orientation, board effectiveness, organizational culture, and resource constraints. The study further reveals the existence of a gap between formal disclosure and actual practices, suggesting that disclosure alone is insufficient as a control mechanism. Instead, its effectiveness depends on the extent to which governance values are genuinely internalized within organizations. This study contributes by offering qualitative insights into governance practices in the Malaysian context and provides practical implications for regulators and corporate stakeholders to enhance the effectiveness of governance disclosure.

**Keywords:** Governance Disclosure; Artificial Income Smoothing; Corporate Governance; Qualitative Case Study; Malaysia

## 1. Introduction

In the increasingly challenging era of globalization, the demand for corporate transparency and accountability has increased significantly, especially among publicly listed companies. In this context, the practice of governance disclosure plays an important role as a mechanism to ensure that organizations act transparently, ethically and responsibly. Disclosure of information related to governance structures, risk management practices, and decision-making processes not only helps reduce information asymmetry, but also increases investor and stakeholder confidence in the credibility of the organization (Ismail & Yusof, 2025; Al-Dalabih et al., 2021). In Malaysia,

efforts to strengthen corporate governance practices have been strengthened through the implementation of various guidelines and frameworks such as the Malaysian Code of Corporate Governance (MCCG), which emphasizes the importance of information disclosure as a foundation for good governance practices (Alqatawenh et al., 2023; Securities Commission Malaysia, 2022).

Despite the establishment of comprehensive frameworks and regulations, the implementation of governance disclosure among publicly listed companies in Malaysia still shows significant variations. Some organizations are seen to practice comprehensive and high-quality disclosure, while others only meet the minimum requirements set by regulators (Taib et al., 2025; Nor & Azman, 2023). This

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phenomenon reflects that the level of commitment to governance disclosure is not uniform and is still influenced by various internal and external factors of the organization. In many cases, the disclosures made are symbolic or merely to meet compliance requirements, without reflecting a real commitment to the principles of transparency and accountability (Ismail & Yusof, 2025; Ramli et al., 2025). This situation raises critical questions about the factors that influence the level of organizational commitment to governance disclosure practices, as well as the extent to which these factors affect the quality of corporate reporting (Ismail & Yusof, 2025).

Issues related to commitment to governance disclosure become increasingly significant when linked to the challenges faced by organizations in a complex and dynamic business environment. In the context of a developing country such as Malaysia, organizations often face institutional pressures such as regulatory requirements, industry norms, and diverse stakeholder expectations (Ismail & Yusof, 2025). In addition, organizational factors such as corporate culture, governance structure, and resource capabilities also play an important role in determining the level of commitment to information disclosure (Taib et al., 2025; Nor & Azman, 2023). Management factors such as leadership style, level of awareness and management attitude towards the importance of governance also influence the extent to which governance disclosure practices are internalized in the organization. Therefore, a comprehensive understanding of these factors is very important to ensure that more effective and meaningful disclosure practices can be implemented (Ramli et al., 2025; Ismail & Yusof, 2025).

However, there are several key issues that indicate that commitment to governance disclosure among publicly listed companies in Malaysia is still at a worrying level. Firstly, there is a lack of commitment among companies to implement effective governance disclosure practices, which in turn raises concerns about the level of transparency and accountability of the organization (Taib et al., 2025). This lack of commitment can be seen through incomplete, inconsistent, or non-reflective disclosures. Secondly, the level of commitment to governance disclosure is found to be too low, thus contributing to ongoing issues such as information asymmetry and potential financial reporting manipulation practices such as earnings management. This situation not only affects investor confidence, but also has a negative impact on the reputation of the Malaysian capital market globally (Latif & Mohd, 2022; Ali & Saim, 2023).

More worryingly, the factors contributing to this low level of commitment have not yet been explored in depth, particularly through qualitative approaches that can provide a more holistic and contextual understanding (Taib et al., 2025; Ismail & Yusof, 2025). Most previous studies tend to use quantitative approaches that focus on the relationship between variables, but place less emphasis on how and why a phenomenon occurs. The lack of research examining the experiences, perceptions and views of management and stakeholders has resulted in a significant knowledge gap in understanding the issue of commitment to governance disclosure (Ismail & Yusof, 2025). Therefore, there is an urgent need to conduct more in-depth research to identify the factors influencing the level of this commitment, as well as to analyze its impact

## **2. Objectives**

This study aims to explore the role of governance disclosure in curbing artificial income smoothing practices among Malaysian public listed companies. Specifically, the study seeks to identify the organizational,

institutional, and management factors that influence the effectiveness of governance disclosure practices in addressing artificial income smoothing. Furthermore, the study aims to develop a Governance Disclosure Commitment Enhancement Model (GDCEM) that can strengthen transparency, accountability, and reporting integrity by promoting a greater commitment to meaningful governance disclosure practices within organizations.

### 3. Literature Review

This literature review critically discusses the concept of governance disclosure, the factors that influence the level of organizational commitment to the practice, and the research gaps that exist in the existing literature (Ismail & Yusof, 2025). In the context of corporate governance, governance disclosure refers to the disclosure of information related to the structure, processes, and governance practices of an organization, including the composition of the board of directors, internal control mechanisms, and risk management. This disclosure is considered an important element in increasing organizational transparency and accountability, thus helping to reduce information asymmetry between management and shareholders (Nor & Azman, 2023; Hassan & Ibrahim, 2020).

From a theoretical perspective, governance disclosure practices are often explained through several main frameworks such as Agency Theory, which emphasizes the conflict of interest between management and shareholders and the role of disclosure as a control mechanism. In addition, Stakeholder Theory emphasizes that organizations are responsible for meeting the information needs of various stakeholders, while Institutional Theory explains that disclosure practices are influenced by regulatory pressures, industry norms, and competitor practices (Ismail & Yusof, 2025; Rahman & Ali, 2025). All three theories provide a solid foundation in understanding the factors that influence the level of commitment to governance disclosure (Ahmad & Lee, 2025).

Although the importance of governance disclosure has been widely recognized, previous studies have shown that the level of organizational commitment to this practice is still inconsistent. In many cases, organizations tend to implement minimal disclosure to meet regulatory requirements without truly internalizing the values of transparency and accountability (Taib et al., 2025; Nor & Azman, 2023). This phenomenon is often referred to as symbolic compliance, where organizations only focus on external compliance without strong internal commitment. This situation reflects that organizational commitment plays an important role in determining the quality and effectiveness of governance disclosure (Silva & Costa, 2025; Ismail & Yusof, 2025).

Existing literature also identifies various factors that influence the level of commitment to governance disclosure, which can be categorized into three main dimensions. First, organizational factors such as company size, board structure and corporate culture are found to influence the level of disclosure made. (Osei & Mensah, 2021; Ismail & Yusof, 2025). Second, institutional factors such as regulatory pressure, stakeholder expectations and industry norms also have a significant impact on disclosure practices (Ahmad & Lee, 2025; Rahman & Ali, 2025). Third, management factors such as leadership style, level of awareness and management ethical values play an important role in determining the extent to which governance disclosure is implemented meaningfully. However, the relationship between these factors is complex and non-uniform, indicating the need for more in-depth research (Ismail, Alwi, & Ramli, 2025; Taib et al., 2025).

In addition, previous studies also discussed the relationship between governance disclosure and organizational outcomes such as transparency, accountability and corporate performance. In general, higher levels of disclosure are associated with increased investor confidence and reduced risk of financial reporting manipulation (Latif & Mohd, 2022; Ali & Saim, 2023).. However, there are also views that state that increased disclosure does not necessarily reflect better reporting quality, especially when the disclosure is done symbolically. These differences in findings indicate that the level of organizational commitment is an important factor that needs to be paid attention to in assessing the effectiveness of governance disclosure (Silva & Costa, 2025; Ismail & Yusof, 2025).

Although many studies have been conducted, there are several important gaps in the existing literature. Most previous studies use a quantitative approach that focuses on the relationship between variables, but lack an in-depth explanation of the factors that influence the level of organizational commitment. In addition, studies that specifically focus on the concept of commitment in the context of governance disclosure are still limited, especially in the context of developing countries such as Malaysia (Hassan & Ibrahim, 2020; Ismail & Yusof,

2025). The lack of qualitative studies that explore the perspectives of management and stakeholders also means that understanding of this issue is still not comprehensive (Taib et al., 2025; Ismail, Nor, & Rahman, 2020).

Accordingly, this study proposes a conceptual framework that integrates organizational, institutional and management factors as key determinants of the level of commitment to governance disclosure. This level of commitment is in turn expected to influence organizational outcomes such as transparency, accountability and corporate reporting practices (Ismail & Yusof, 2025). By combining various theoretical perspectives and contextual factors, this study is hoped to provide a deeper understanding and contribute to the development of literature in the field of corporate governance, particularly in the Malaysian context (Ismail & Yusof, 2025; Taib et al., 2025).

#### **4. Methods**

This study uses a qualitative approach to explore in depth the phenomenon of lack of commitment to governance disclosure among publicly listed companies in Malaysia. This approach was chosen in line with the methodological gaps identified in previous literature, where most studies focus more on quantitative analysis and provide less explanation of the internal dynamics of the organization (Creswell & Poth, 2018; Lim, 2025). Therefore, a qualitative approach allows the researcher to understand more contextually how governance disclosure practices are interpreted, rationalized and implemented in the actual organizational environment (Patton, 2015).

From a research paradigm perspective, this study is based on the interpretivism paradigm which emphasizes understanding the subjective meanings and experiences of individuals in a particular social context (Creswell & Poth, 2018). In the context of this study, the reality related to commitment to governance disclosure is not considered to be absolute, but is shaped through social interactions, institutional pressures and organizational culture. This approach allows the researcher to examine how industry practitioners interpret regulatory requirements and how governance values are internalized in organizations (Lincoln & Guba, 1985).

The study design used is an exploratory qualitative case study. The choice of this design is in line with the study objective which aims to understand the phenomenon in depth in the actual context of the organization (Baxter & Jack, 2008). Case studies allow for a detailed exploration of the interactions between factors such as regulatory pressures, industry norms and organizational culture that influence the implementation of governance disclosure. In addition, this approach is also in line with the use of institutional theory as a main framework, which emphasizes the existence of phenomena such as symbolic compliance and decoupling between formal structures and actual practices in organizations (Ismail & Yusof, 2025; Silva & Costa, 2025).

The unit of analysis for this study is the organization, namely a publicly listed company in Malaysia that publishes a governance report as part of its annual report. Although data is collected through individuals, the focus of the analysis is at the organizational level, specifically how formal structures, internal cultures and institutional pressures shape the level of commitment to governance disclosure (Patton, 2015; Ismail et al., 2020).

In terms of sample selection, this study uses purposive sampling techniques, where participants are selected based on their experience and direct involvement in the financial reporting and governance disclosure processes (Robinson, 2014). This approach ensures that the data obtained is relevant, in-depth and based on the real experiences of industry practitioners. A total of fifteen (15) participants were involved in this study, consisting of individuals holding positions such as financial managers, accountants and governance officers from various industry sectors (Guest, Namey, & Chen, 2020; Patton, 2015).

The main data collection method is through semi-structured interviews. This method allows the researcher to obtain rich and flexible data, while providing space for participants to share their experiences and views in depth (Kallio et al., 2016). Interviews were conducted online using platforms such as Google Meet, with each session lasting no more than 90 minutes to ensure focus and effectiveness of the discussion (Archibald et al., 2019). Interviews were conducted in Bahasa Malaysia and English to facilitate participants in expressing their views more accurately and naturally (Squires, 2009).

All interview sessions were recorded with the participants' permission and transcribed verbatim to maintain the accuracy and authenticity of the data. To maintain confidentiality, the participants' identities were anonymized using codes such as P1 to P15. The data collected was stored securely and used for academic purposes only, in line with good ethical practice in qualitative research (Lincoln & Guba, 1985).

Next, the data was analyzed using thematic analysis methods, which aimed to identify patterns, themes and key relationships in the data obtained. This process involved several stages such as initial coding, theme grouping and interpretation of meaning based on the context of the study (Braun & Clarke, 2006). This analysis allowed the researcher to understand in depth how organizational factors, institutional pressures and governance culture influenced the level of commitment to governance disclosure (Nowell et al., 2017; Miles, Huberman, & Saldaña, 2014).

In terms of research reliability, several strategies were used including data triangulation, member checking, and audit record keeping to ensure the transparency and reliability of the research findings (Lincoln & Guba, 1985; Forero et al., 2018). In addition, ethical considerations were also given priority by ensuring informed consent was obtained, confidentiality was maintained, and participants' right to withdraw was respected throughout the research process (Carter et al., 2014; Nowell et al., 2017).

Overall, the methodological approach used in this study is in line with the study objectives and the identified literature gaps (Ismail & Yusof, 2025; Lim, 2025). The qualitative case study design based on the interpretivism paradigm and supported by institutional theory allows for an in-depth exploration of the phenomenon of commitment to governance disclosure in the real context of organizations in Malaysia, thereby contributing to a more comprehensive understanding of the field of corporate governance (Creswell & Poth, 2018; Patton, 2015).

## 5. Results

The findings of this study are supported by empirical evidence obtained from interviews with participants directly involved in the governance disclosure process (Taib et al., 2025). Overall, the analysis shows that most organizations implement governance disclosures more to meet compliance requirements than to reflect a true commitment to transparency. This can be seen through the statement of one participant who stated, "Before anything is disclosed, we discuss materiality, sensitivity, legal risk, and how investors might react. Sometimes the CEO will ask, 'Need to disclose this ah?'. This statement clearly shows that disclosure decisions are not only guided by the principle of accountability, but are also influenced by strategic considerations, reputational risk, and information sensitivity (Ismail & Yusof, 2025; Ismail et al., 2020).

In addition, the findings also show that governance disclosure practices in many organizations are routine and rely on existing templates or previous year's reports. This situation reflects the tendency of organizations to adopt a compliance-based disclosure approach, where disclosures are made to meet minimum requirements without significant efforts to improve the quality or transparency of information (Ismail & Yusof, 2025). In this context, leadership and organizational culture factors are found to play a very important role. Organizations led by management that emphasizes integrity and accountability tend to implement disclosure in a more transparent and meaningful way, while organizations that are oriented towards short-term performance are more likely to limit disclosure to avoid negative implications (Ismail, Alwi, & Ramli, 2025; Ismail & Yusof, 2025).

From a theoretical perspective, these findings support the view that organizations often respond to institutional pressures such as regulatory requirements and stakeholder expectations in order to gain legitimacy. However, this response does not necessarily reflect the internalization of true governance values (Ismail & Yusof, 2025; Nastiti & Bayangkara, 2024). Instead, it can lead to the phenomenon of symbolic compliance and decoupling, where there is a gap between the reported formal structure and the actual practices in the organization. This explains why even though the level of disclosure increases, it does not necessarily lead to increased transparency or a reduction in the practice of financial reporting manipulation (Ismail & Yusof, 2025; Aguilera & Cuervo-Cazurra, 2009, as discussed in Ismail & Yusof, 2025).

Interestingly, there is also an unexpected finding that shows that a small proportion of organizations exhibit a high level of commitment to governance disclosure, even though they operate in the same regulatory environment. In this case, leadership and organizational culture factors are found to be more dominant than external pressures in shaping disclosure practices (Taib et al., 2025). In addition, this study also finds that increasing the level of disclosure does not necessarily prevent the practice of artificial income smoothing. In some cases, organizations with high levels of disclosure still engage in opportunistic reporting practices, suggesting that the quality and sincerity of disclosure is more important than the quantity of information disclosed (Abdul Rahman & Wan Abdullah, 2023; Latif & Mohd, 2022).

Overall, the findings of this study suggest that the main issue in governance disclosure is not the lack of a formal structure, but the lack of internal commitment to implementing meaningful disclosure (Ismail & Yusof, 2025; Taib et al., 2025). Although most organizations have met regulatory requirements, the level of internalization of the values of transparency and accountability is still low. Therefore, this study emphasizes the need to shift from a compliance-based approach to a value-based approach to ensure that governance disclosure truly functions as an effective mechanism in enhancing the integrity and transparency of corporate reporting (Ismail & Yusof, 2025).

## 6. Discussion

In conclusion, this study has achieved its main objective by exploring in depth the factors that influence the level of commitment to governance disclosure among public listed companies in Malaysia and analyzing its implications for transparency, accountability and corporate reporting practices. The study findings show that although formal governance structures have been widely implemented, the level of actual commitment to disclosure is still low and more oriented towards compliance than value internalization (Ismail & Yusof, 2025; Gupta, 2025). Through thematic analysis, several main themes have been identified, including the dominance of the compliance-driven governance disclosure approach, the significant influence of leadership and organizational culture, the role of regulatory pressure as a key driver, the conditional effectiveness of governance disclosure, and the existence of a gap between formal practices and organizational reality, often referred to as decoupling (Silva & Costa, 2025; Rahman & Ali, 2025).

The discussion of the study findings shows a clear relationship between the study results and the problem statement highlighted, namely the lack of commitment and the level of commitment that is too low towards governance disclosure (Taib et al., 2025). This study proves that the main issue is not the lack of guidelines or governance frameworks, but rather the failure of organizations to internalize the values of transparency and accountability in actual practice (Ismail & Yusof, 2025; Rahman & Ali, 2025). Based on the coding process, codes such as “compliance only”, “follow template”, “tone from top”, “regulatory pressure” and “risk consideration” have formed important themes that explain how governance disclosure is implemented in the actual context of the organization (Taib et al., 2025; Gupta, 2025). These themes show that most organizations respond to external pressure to meet regulatory requirements, but do not necessarily implement substantive disclosure. At the same time, the findings also show that organizational leadership and culture play a more dominant role in determining the actual level of commitment to governance disclosure (Silva & Costa, 2025; Taib et al., 2025).

In addition, this study also found that the effectiveness of governance disclosure as a control mechanism against practices such as artificial income smoothing depends on the level of internal commitment of the organization (Latif & Mohd, 2022). Symbolic disclosures are not able to prevent the practice of financial reporting manipulation, while disclosures supported by strong organizational values and culture have the potential to increase transparency and accountability (Yusof & Wong, 2023; Latif & Mohd, 2022). These findings challenge the common assumption that increasing the level of disclosure will automatically increase the integrity of reporting, instead emphasizing the importance of quality and sincerity in such disclosures (Ismail & Yusof, 2025; Yusof & Wong, 2023).

In terms of contribution to the field, this article enriches the existing literature by offering a deeper qualitative perspective in understanding the phenomenon of governance disclosure, especially in the context of a developing country such as Malaysia (Ismail & Yusof, 2025; Gupta, 2025). This study also strengthens the application of

institutional theory by showing how regulatory pressures and industry norms shape organizational behavior, as well as how phenomena such as symbolic compliance and decoupling occur in real practice (Rahman & Ali, 2025; Silva & Costa, 2025). In addition, this study introduces a new understanding of the concept of commitment to governance disclosure, emphasizing that the effectiveness of disclosure depends not only on formal structures, but also on internal factors such as leadership, organizational culture and ethical values (Taib et al., 2025; Ismail & Yusof, 2025).

Overall, this study emphasizes the need to shift from a compliance-based approach to a value-based approach in the implementation of governance disclosure (Ismail & Yusof, 2025; Silva & Costa, 2025). This shift is important to ensure that governance disclosure not only meets regulatory requirements, but also truly functions as an effective mechanism in enhancing transparency, accountability and integrity of corporate reporting (Rahman & Ali, 2025; Yusof & Wong, 2023).

Based on the findings of the study and discussion that have been described, it is clear that the main problem identified does not stem from the lack of a governance framework or regulatory requirements, but from the lack of internal commitment within the organization to implement governance disclosure in a meaningful way (Ismail & Yusof, 2025; Taib et al., 2025). Therefore, a conceptual model named the Governance Disclosure Commitment Enhancement Model (GDCEM) is proposed to address the issue systematically and holistically (Gupta, 2025; Silva & Costa, 2025).

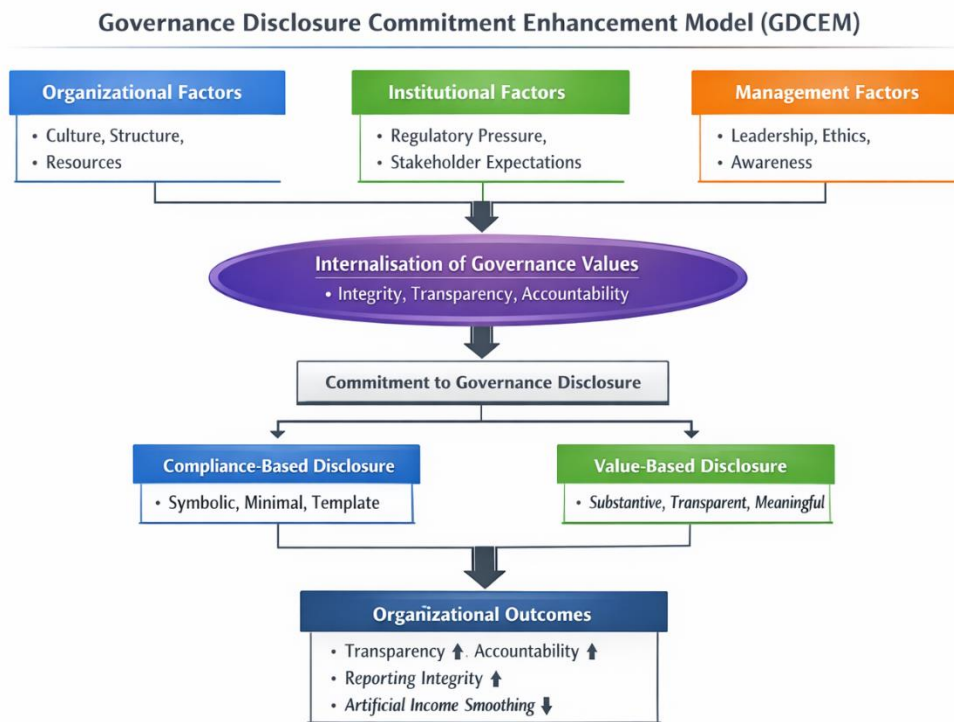
The formation of this model is based on three main dimensions identified through the coding process and thematic analysis, namely organizational factors, institutional factors and management factors. These three dimensions act as the main drivers that influence the level of commitment to governance disclosure (Taib et al., 2025). In this context, organizational factors include corporate culture, governance structure and resource availability; institutional factors involve regulatory pressures, stakeholder expectations and industry norms; while management factors refer to leadership, ethical values and management awareness of the importance of transparency (Ismail & Yusof, 2025; Rahman & Ali, 2025).

This model further introduces the concept of “Internalisation of Governance Values” as a critical mediating mechanism. The findings of the study show that although regulatory pressure can increase compliance levels, it does not necessarily lead to quality disclosure if governance values are not internalized in the organization (Ismail & Yusof, 2025). Therefore, internalizing values such as integrity, accountability and transparency are important elements in ensuring that governance disclosure is implemented substantively and not just symbolically (Silva & Costa, 2025; Taib et al., 2025).

Next, this model suggests that the level of commitment to governance disclosure will determine the form of disclosure produced, whether it is compliance-based disclosure or value-based disclosure (Gupta, 2025). Compliance-based disclosure tends to produce minimal and symbolic reporting, while value-based disclosure produces more transparent, meaningful reporting that reflects the actual practices of the organization (Silva & Costa, 2025; Ismail & Yusof, 2025).

Finally, this model shows that the level of commitment and form of disclosure will have a direct impact on organizational outcomes, especially in terms of transparency, accountability and integrity of financial reporting (Yusof & Wong, 2023; Latif & Mohd, 2022). In situations where commitment is high and disclosure is substantive, the risk of practices such as artificial income smoothing can be reduced. On the other hand, if commitment is low and disclosure is symbolic, then the effectiveness of governance will be affected (Taib et al., 2025; Ismail & Yusof, 2025).

Overall, this model contributes to solving the problem statement by emphasizing that increased governance disclosure cannot rely solely on external pressure, but needs to be supported by internal organizational transformation that emphasizes the internalization of governance values (Ismail & Yusof, 2025; Rahman & Ali, 2025).



**Figure 1: Factors Influencing Governance Disclosure Commitment**

The proposed model emphasizes that the solution to the problem of lack of commitment to governance disclosure requires a comprehensive approach, which integrates internal and external factors of the organization and emphasizes the internalization of governance values. By using this model, organizations have the potential to shift from a compliance-based approach to a value-based approach, thereby improving the effectiveness of corporate governance practices in Malaysia.

## 7. Limitations, Research and Practical Implications

This study has several limitations that need to be taken into account in interpreting the findings. First, the use of a qualitative approach with a limited sample size means that the findings of this study cannot be generalized to the entire population of publicly listed companies in Malaysia. Although this approach allows for a deeper understanding of the phenomenon under study, it still depends on the context and experiences of the individuals involved (Ismail & Yusof, 2025; Taib et al., 2025). In addition, the data collected are based on participants' perceptions, which are potentially influenced by subjective bias, personal experiences, and the tendency to provide safer or more socially acceptable answers (Alonso & Meyer, 2025). Constraints related to the sensitivity of information may also limit the level of openness of participants in sharing the actual practices of the organization, especially in issues involving governance and financial reporting. Therefore, there may be a gap between what the participants reported and the actual reality in the organization (Rahman & Ali, 2025; El Ghouli et al., 2025).

Despite these limitations, this study provides important implications for future research. The findings of this study indicate the need to expand research on governance disclosure by using a more diverse methodological approach, such as a combination of qualitative and quantitative methods (mixed methods), to test the relationships between the variables that have been identified more empirically (Ismail & Yusof, 2025; Taib et al., 2025). Large-scale quantitative studies can help confirm these findings and increase the applicability of the results in a broader context (Azmi et al., 2023). In addition, future studies can focus on other factors that have not been explored in depth in this study, such as psychosocial factors, individual management values, and more complex organizational cultural dynamics (Alonso & Meyer, 2025). The study can also be extended to various industry sectors to identify whether there are differences in governance disclosure practices based on industry type or organizational maturity level.

Furthermore, cross-country comparative studies can be conducted to understand how different institutional environments influence the level of commitment to governance disclosure, thereby contributing to the formation of a more comprehensive theory in this field (Rahman & Ali, 2025; El Ghouli et al., 2025).

From a practical perspective, the findings of this study provide significant guidance to organizations and regulators in their efforts to strengthen governance disclosure practices. This study emphasizes that improving the quality of disclosure cannot rely solely on regulatory compliance, but requires the internalization of governance values such as integrity, accountability, and transparency in the organizational culture (Alonso & Meyer, 2025). Therefore, management is advised to emphasize the formation of ethical leadership and an organizational culture that supports information openness. At the same time, regulators could consider a more holistic approach by promoting awareness and education on the importance of governance, rather than simply enforcing regulations. In this way, governance disclosure has the potential to function more effectively as a mechanism that enhances the transparency and integrity of corporate reporting (Ismail & Yusof, 2025; Azmi et al., 2023).

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