The Effect of Board Experience and Education on Corporate Reputation of Malaysian Public Listed Companies (PLCs)

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Abstract: The study objective is to examine and assess the effect of board composition in the boardroom and the corporate reputation of Malaysian public listed companies (PLCs) using the new derivational reputation measurement. Prior studies reported that board compositions (e.g., board experience, education, independent, board size) and company characteristics can accurately predict a stronger company reputation. However, very scarce evidence has been produced concerning these variables' effects on the new measurement method of reputation. This is particularly relevant when looking at the transparency level of corporate reputation in developing countries like Malaysia. The current study collected secondary data from the company's annual report from 2017 to 2020 and used content analysis for four years of study. A self-constructed corporate reputation checklist was used to measure company reputation. A number of statistical analyses also were employed to assess whether board composition influences reputation among Malaysian PLCs. The findings suggested that the presence of Malaysian board members with experience contributed to the public listed companies' (PLCs) reputation through a high level of transparency. Research has also shown that the experience and expertise of board members have a major impact on the organization's reputation. The findings provide useful support and proof for the management of companies in Malaysia and companies in other developing nations to have more experienced directors as a fundamental component of their strategy and reputation management. This study is one of the few papers investigating the influence of board composition and the new proxy of reputation measurement in developing countries.

Keywords: Board experience, board education, corporate reputation disclosure, transparency, Malaysian public listed companies.

1. INTRODUCTION

The notion of reputation has influenced the corporate sector during the previous few decades (Eberl & Schwaiger, 2005). The reputation issue has garnered significant attention from researchers and non-researchers. According to Bronn and Buhmann (2018), the number of media stories referencing reputation issues increased by a factor of eight in 2009, from just over 1,000 to more than 8,000. Most of them continue to examine and research all the elements of this intangible asset that organizations can use to gain strategic competitive advantages. Haywood (2002) and Sherman (1999) noted that reputation is a crucial predictor of competitiveness. According to Gotsi and Wilson (2001), reputation is the collective evaluation of a company by various stakeholders. Dozier (1993) also suggests that stakeholders' direct experiences influence reputation and serve as a means of communication. The Oxford English Dictionary defines *reputation* as the general perception or opinion about someone or something. Although the concept of reputation can vary depending on the context, it often refers to an intangible asset. As defined by Fombrun (1996), corporate reputation comprises four key attributes: credibility, reliability, responsibility, and trustworthiness. Previous research suggests that corporate reputation results from a firm's past actions and future expectations, leading to a positive assessment of the company compared to its competitors (Fombrun & Shanley, 1990).

A strong reputation can yield many benefits, such as continued trust and confidence from consumers, investors, vendors, and other stakeholders. Conversely, a poor reputation may negatively affect clients, staff, and, eventually, the company. While a business's reputation is built on factual aspects such as its products and services, strategies, management, employee efficiency, and the marketplace, effective company communication is critical to maintaining a good corporate reputation. In developing countries, corporate reputation is increasingly important as corporate and financial systems undergo development and restructuring. Emerging markets are marked by systemic changes in the private sector, which require attention to improving corporate credibility and reputation domestically and internationally (Cordeiro & Schwalbach, 2000; Zyglidopoulos & Reid, 2006; Zhang & Rezaee, 2009).

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Previous literature has emphasized advising and monitoring as two main functions of a board of directors. Although most research has focused on the monitoring function, Dass et al. (2014) in their paper has drawn attention to the role of board directors and how they are sought for their political influence, expertise, or contacts. Hence, the concept of board composition should not only simply seek representatives of particular interests, such as gender, but also should focus on the board with specific skills, knowledge, and experiences that bring unique perspectives and valuable contributions to firm decisions (van der Walt & Ingley, 2003). As also noted by Bear et al. (2010), the diversity of board resources is referred to a variety of resources, such as professional background, that directors will bring to the boardroom. This board diversity combines a mix of competencies and capabilities that represent a pool of social capital for the company (van der Walt & Ingley, 2003).

Numerous factors have been identified as contributing to a positive reputation, which can, in turn, positively impact financial performance, financial market access, institutional investment, and share prices (Beatty & Ritter, 1986). Amount of empirical evidence suggested that board composition could improve the reputation of a company (e.g., Brammer et al., 2009; Delgado-García et al., 2010; Garcia-Meca & Palacio, 2018). The interest in issues related to board composition has grown since the financial crisis, as there were concerns about the extent to which directors' lack of qualifications, skills, and expertise contributed to the collapse of corporate governance in numerous companies. In addition, a survey conducted by Mercer Investment Consulting revealed that 46% of stakeholders consider reporting of corporate governance, environmental, and social valuable information when making investment decisions (Bear et al., 2010). This indicates the significance of disclosing and being transparent about corporate governance to stakeholders, as it can enhance and protect the company's reputation. Internal and external communication significantly influences corporate reputation. It involves accumulating messages from formal and informal channels across various platforms through which the organization presents its identity to consumers and stakeholders (Gray & Balmer, 1998). Disclosure and transparency are the key methods that corporations use to communicate and gather information. The disclosure pertains to the company disseminating relevant information regarding its financial status and monitoring activities to various users.

Although corporate reputation is crucial for organizational success, evaluating a company's reputation is challenging for corporate audiences. Past studies suggest that companies should embrace greater transparency to communicate effectively with various stakeholders (Berthelot et al., 2012; Kuzey & Uyar, 2017; Loh et al., 2017). Furthermore, Kaur and Singh (2018a) have clearly stated that prior research has shown the inefficiency of qualitative measurements for reputation. There is also an argument that stakeholders face difficulty assessing a company's reputation information due to a lack of reliability and consistency (Baumgartner et al., 2020). Thus, disclosing a company's reputation is a solution to these issues, as it can meet stakeholders' growing need for non-financial information in light of the decreasing relevance and usefulness of financial disclosures (Lev, 2018; Lev, 2019; Lev & Gu, 2016). Furthermore, despite the board of directors being at the center of policy debate, research on board composition's role in a firm's reputation remains scarce and limited. Musteen et al. (2010) stated that corporate governance codes worldwide also encourage firms to comply with their good governance recommendations regarding board composition and diversity.

Many public listed companies (PLCs) in Malaysia still lack awareness and understanding the benefits of transparency (Ahamed et al., 2014; Amran et al., 2013; Tanggamani et al., 2020). Addressing these concerns is an important area for future research. Therefore, this study aims to investigate the relationship between board composition and the disclosure of corporate reputation in Malaysian PLCs. The paper is structured as follows: Section 2 discusses prior research on corporate reputation, theoretical frameworks, and hypothesis development. The next section outlines the research methods used in the study. Finally, Sections 4 and 5 present the main findings, discussion, and conclusions.

2. LITERATURE REVIEW AND HYPHOTHESES DEVELOPMENT

2.1. The Proxy of Reputation

Corporate reputation is the result of a competitive process in which organizations communicate their key characteristics to stakeholders, allowing them to evaluate the organization's strengths, strategic attributes, and ability to provide value (Fombrun & Shanley, 1990; Basdeo et al., 2006; Clark & Montgomery, 1998; Rindova & Fombrun, 1999). Corporate reputation measurement can be classified into survey-based and derivational-based methods (Esa et al., 2020; Baruah & Panda, 2020). Traditionally, prior studies have relied on survey-based methods to measure reputation due to difficulties in quantifying it. However, the susceptibility of survey-based approaches to financial bias, limited applicability, and subjectivity has led to a reassessment of reputation measurement (Brown & Perry, 1994; Fombrun, 1996; Fryxell & Wang, 1994). Survey-based methods are commonly used in other countries using tools such as Fortune Magazine's Most Admired Companies, Reputation Quotient, RepuTex, Merco Index, and RepTrakTM. This method has faced criticism due to inefficiencies in measuring reputation (Fryxell & Wang, 1994; Brown & Perry, 1994; Tomak, 2014; Kaur & Singh, 2018a; Kaur & Singh, 2019; Baumgartner et al., 2020). As a result, prior literature such as Kaur and Singh (2019), Baruah and Panda (2020), and Kaur and Singh (2018a) have called for a new measurement framework.

Another approach for measuring corporate reputation is the derivational-based method, which involves extracting information from corporate disclosure media such as annual reports, advertising, and other supplementary company reports or using accounting tools to calculate reputation. This method has a high degree of reliability since it solely focuses on the company's disclosures, which are objective and drawn mainly from the business records kept by the company. However, this method only captures a particular element of corporate reputation and is indirect, market-driven, and based on stakeholder reactions (Baruah & Panda, 2020). Nonetheless, disclosing information in annual reports can

help stakeholders better understand a company's efforts and results in building its reputation, reduce potential misinterpretations of financial disclosures, and avoid biased decisions. Therefore, companies should supplement their annual reports with thorough non-financial information regarding their corporate reputation (Raithel & Schwaiger, 2015). Disclosure or transparency is one-way companies communicate and aggregate messages from official and informal channels to express their identity to different stakeholders or customers, enhancing transparency and building trust.

The purpose of this study is to provide new insights into issues related to corporate reputation and transparency. The study utilizes the reputation disclosure index as a proxy to assess corporate reputation. Increased focus on transparency is critical for establishing trust and projecting a positive image. Transparency and better disclosure can help reduce information asymmetry between management and stakeholders (Patel et al., 2002). Therefore, disclosing information from financial statements is necessary due to its relevance, faithful representation, comparability, and understandability (IASB, 2018). Rose and Thomson (2004) also added that past performance in the company's annual report has significantly enhanced its reputation. Disclosure formats are appropriate for communicating additional decision-useful information to stakeholders about the company's resources, both in the past and present, as well as for the future. This information complements and supplements financial statements (Harrison et al., 2018). Additionally, auditors evaluate qualitative characteristics such as materiality and information consistency to ensure that disclosed information is comparable over time.

2.2. The antecedent of Corporate Reputation

Shareholders analyzing the corporate governance of their investee companies often focus on the board's composition. As direct representatives of shareholders, board members are responsible for overseeing the corporation, appointing management, and ultimately approving large-scale transactions. There is a lack of research exploring the factors influencing corporate reputation, specifically in Malaysia. This study aims to investigate the association between board composition variables such as board education, board experience, board size, independent non-executive director, firm characteristics (e.g., industry type, company size, leverage, profitability) with the reputation of companies in Malaysia. The following hypotheses are proposed to establish links between the independent variables and corporate reputation.

2.3. Board Experience, Board Education, Board Independent, Board Size and Corporate Reputation

Interest in corporate reputation is growing worldwide among both managers and academicians. Some studies have explored the impact of corporate governance variables such as board gender (Brammer et al., 2009) and ownership concentration (Delgado-García et al., 2010) on company reputation. Despite being a hotly debated topic, research on the relationship between board composition and firm reputation remains scarce and limited. Codes of corporate governance around the world are encouraging companies to comply with recommendations related to board composition and diversity (Musteen et al., 2010).

Stakeholders now widely believe that board diversity is important for effective oversight and decision-making. The definition of diversity is increasingly expanding to include a mix of skills, experience, independence, and other attributes. Board diversity is essential to ensure that the board can provide informed opinions on all relevant topics and effectively advise management on strategic decisions. The lack of diversity in the boardroom, including gaps in skills and experience, poses a significant risk. Boards that lack diversity and essential skills have been linked to reduced oversight and increased group thinking, which have been identified as contributing factors to recent corporate scandals and have negative effect on company's reputation. In addition to being a risk, a non-diverse board may also put a company at a competitive disadvantage.

Recently, boards have faced higher investor expectations to comply with legal requirements in most markets and they are expected to be more strategic, dynamic, and adaptable in the organization. This role is a departure from their conventional focus on oversight responsibilities. Investors also tend to have greater confidence that a company's long-term interests will be well-served by a board with the necessary skills and expertise to understand the business, environment, and diverse experience to inform decision-making as well as give a better reputation to company. When businesses appoint experienced boards in the field of business, it can positively impact the company's reputation. These individuals can signal to the market that the company possesses relevant attributes and has good intentions. Additionally, the prior industry experience of these business experts can enhance their ability to monitor operations, which, in turn, can influence how stakeholders assess the company's reputation.

Board members with experience provide valuable advice and specialized expertise to the management team in law, finance, insurance, and capital markets (Hillman et al., 2000). They possess functional expertise that can help improve a firm's financial, legal, and commercial transactions. These directors are known as decision supporters, while business experts are called decision controllers. Their extensive experience allows them to offer new perspectives that can benefit shareholders by improving resource utilization and strategy formulation. In addition, these directors maintain valuable networks with professional associations, which can enhance collaboration with key stakeholders (Bear et al., 2010). As decision supporters, they play an important role in monitoring and advising the management team.

Boards bring valuable knowledge and expertise to a company based on their prior experience as executives in other organizations. Stakeholders can highly value their experience in problem-solving and decision-making within the industry. Additionally, their reputation and prestige as former managers can help them secure the resources necessary for the company's successful operation (Zahra and Pearce, 1989). Garcia-Meca and Palacio (2018) also added that the presence of experienced directors is positively related to company reputation. Therefore, according to the above discussions, the first hypothesis is formulated:

H1: There is a relationship between board experience and corporate reputation.

Following the financial crisis, there has been an increased interest in issues related to the role that directors' qualifications or educations, skills, and expertise played in corporate governance failures. Accurately assessing the qualifications or educations, skills and expertise of potential board members is important as it may impact stakeholder perceptions and ultimately affect the company's reputation. Board education refers to a board's academic career and educational background and is highly valued in the labor market. Typically, individuals with higher degrees are qualified for more challenging roles with higher salaries. In corporate governance, having a well-educated board is particularly important (Sidki et al., 2023). With a high level of education, leaders can better comprehend complex situations and make more informed strategic decisions.

Prior studies found mixed results on board education background and company performance. Jalbert et al. (2002) found a significant relationship between education background and company performance (i.e., ROA and Tobin Q). On the other hand, Hau and Thum (2009) found no relationship with company performance. While Jin and Mamatzakis (2018) in their study demonstrate partially negative effect between board educational background and company performance. From these considerations, the second hypothesis is:

H2: There is a relationship between board education and corporate reputation.

The latest Malaysian code on corporate governance (MCCG) guidelines (as of 28 April 2021) recommend that having independent directors in a company is a best practice in corporate governance because independent directors are responsible for overseeing and providing objective input to the board. They have the authority to question the top management team and other executive board members to protect the company's and its shareholders' interests, particularly minority shareholders. Additionally, MCCG also requires that at least 50% of the board members be independent directors, and large companies are recommended to have a board mostly consisting of independent directors. This requirement aims to create a substantial presence of independent voices in the boardroom, enabling them to stand up and collaborate in safeguarding the company's value creation and long-term viability. Outside directors also have been claimed to have incentives in developing company reputations as experts in decision control (Fama & Jensen, 1983).

Prior literature (see for e.g., Ho & Wong, 2001; Klapper & Love, 2004; La Porta et al., 2000) refer independent directors as a tool to monitor management and mitigate opportunistic behavior. Additionally, independent or external directors are more inclined to protect shareholders' interests, mitigate conflicts of interest, and adhere to ethical standards (Prado-Lorenzo et al., 2009; Frias-Aceituno et al., 2014; Zhang, 2012). Haniffa and Cooke (2005) claimed that independent directors contribute their experience and networks to guide how a company should present its operations to the public. Consequently, they are expected to enhance the company's reputation and image in society. Mixed results have been found in previous disclosure studies (e.g., Ekhmar et al., 2013; Esa & Mohd Ghazali, 2012; Esa & Zahari, 2016a; Esa & Zahari, 2016b). Considering the arguments, the next hypothesis is formulated.

H3: There is a relationship between independent non-executive director and corporate reputation.

The composition and arrangement of boards play a significant role in shaping corporate reputation (Gabbioneta et al., 2007; Iwu-Egwuonwu, 2011). Having a larger number of members on the board provides increased avenues for managing corporate reputation and fostering connections with external stakeholders, as highlighted by Hillman et al. (2000) and Musteen et al. (2010). Previous research (Brammer et al., 2009; Musteen et al., 2010) has demonstrated an association between board size, effective governance, and high-quality decision-making. Musteen et al. (2010) asserted that an organization's greater number of directors brings forth their wealth of experience and resources, leading to improved decision-making. Such improved decision-making is reflected in the firm's performance, efficient management processes, and stakeholder relationships. Thus, establishing a connection between larger board size and an enhanced reputation (Ljubojevic & Ljubojevic, 2008; Musteen et al., 2010) becomes significant. According to the above arguments, the current study proposed the following:

H4: There is a relationship between board size and corporate reputation.

2.4. Other Control Variables

In order to test the main hypotheses, the multiple regression models incorporated four control variables, which were chosen based on a review of prior literature on disclosure and transparency. These control variables include company size, as examined in prior studies (Esa & Mohd Ghazali, 2012; Mohd Ghazali, 2007; Haniffa & Cooke, 2005; Abdul Hamid, 2004), leverage, as explored in research by Ahmed Haji and Mohd Ghazali (2013), Esa andMohd Ghazali (2012), Mohd Ghazali (2007), Haniffa and Cooke (2005); profitability, as studied in previous study (e.g., Esa & Mohd Ghazali, 2012; Abdul Hamid, 2004; Balabanis et al., 1998; Meek et al., 1995; Patten, 1991), and industry type, as examined in studies by Mohd Ghazali (2007) and Haniffa and Cooke (2005).

3. RESEARCH METHOD

In this section, the current study addresses the procedures employed for the sample selection, describes the data collection process, outlines the development of the CR checklist, and explains how the variables were measured.

3.1. Sample Selection

This study utilized a sample of the 100 largest companies listed on Bursa Malaysia, selected based on their market capitalization. The evaluation of corporate reputation disclosure methods was conducted by analyzing the annual reports of these companies for the year ending in 2017 until 2021. However, it is important to note that financial institutions were excluded from the sample due to their distinct regulatory requirements and significantly different types of operations. In Malaysia, financial institutions adhere to the Financial Services Act 2013. This exclusion of financial institutions from the sample aligns with the approach taken in pre-

vious disclosure studies. (e.g., Zahari et al., 2020; Esa & Mohd Ghazali, 2012; Esa & Zahari, 2014; Esa & Zahari, 2016a; Haniffa & Cooke, 2005; Mohd Ghazali, 2007). After excluding financial companies, as a result, the total number of 332 companies remain finally for four years period of study. Table **1** presents a summary of the companies selected for the analysis. The researchers anticipated that the sample size would be adequate for conducting empirical research to test the hypotheses of the study, drawing insights from works by Green (1991), Harris (1985), and VanVoorhis & Morgan (2007). According to VanVoorhis and Morgan (2007), a minimum of ten participants per predictor variable is recommended for regression equations with six or more predictor variables. This study aims to shed light on corporate reputation disclosure by evaluating four variables: profitability, company size, industry type, leverage, and sustainability reporting. Therefore, the final sample of 332 companies meets the requirements set by VanVoorhis and Morgan (2007) for a sufficient sample size to conduct statistical analyses such as regression and correlation. Moreover, Mohd Ghazali (2010) noted that larger companies were selected as they are actively traded in the market.

Table 1. Selection of Companies.

Largest Companies Listed On Bursa Malaysia Based Market Capitalisation	**100**
Exclusion of the companies:	
Finance	17
Final selection (4 years period of study)	332

Annual reports serve as primary communication tools for information stakeholders (Gray et al., 1995; Guthrie & Parker, 1989). Annual reports also hold a significant important source of corporate information (Stanga, 1976). The widespread circulation of published annual reports can influence investment decisions, flexible in format that can gives readers deeper insight into management's reporting philosophy. Moreover, in line with agency theory, the quality of information presented in annual reports plays a significant role in influencing investors and other stakeholders' actions through mitigating information and incentive issues.

3.2. Research instrument

In this study, an analysis of company annual reports was conducted to assess the level of reputation disclosure by the 100 largest publicly listed companies (PLCs) in Malaysia. The method employed for this analysis was content analysis, a systematic approach to examining recorded communication (Kassarjian, 1977). Content analysis is used to obtain accurate information about the data's content (Krippendorff, 1980), and it was deemed suitable for assessing the extent of disclosures in this research. Previous studies, such as Geppert & Lawrence (2008), Mohd Ghazali (2007), Esa & Mohd Ghazali (2012), Esa & Zahari (2016a), Esa & Zahari (2016b), and Zahari et al. (2020), have also employed content analysis as a research approach.

The company's annual reports for 2017 to 2020 for four years period of study on the largest PLCs in Malaysia were obtained from the Bursa Malaysia website and examined for references to reputation transparency. A reputation checklist was developed for this study to measure the company's reputation. The construction of the checklist drew upon the RepTrak Model, which encompasses seven categories: governance, leadership, innovation, product or services, workplace, citizenship, and performance. The Reputation Institute and previous studies on reputation and intangible assets, such as Abeysekera (2011), Ahmed Haji & Mohd Ghazali (2012), and Othman et al. (2011), informed the development of this checklist.

Input from industry experts was sought to refine and validate the comprehensiveness and validity of the disclosure checklist. The final reputation checklist comprises a total of 22 items. The unweighted disclosure index was utilized, assuming that all items are equally important. The dichotomous method was used as a scoring method in which each item was assigned a score of 1 if disclosed and 0 if not disclosed. The cumulative score obtained by a company indicates the level of transparency it exhibits. The reputation checklist is provided in the appendix of this study for reference. In addition to the reputation checklist, several other variables were incorporated into the current study. These variables include company size, profitability, leverage, and the type of industry.

4. FINDINGS AND DISCUSSION

This study examined the relationship of board compositions, company characteristics and company reputation for Malaysian largest PLCs. To determine factors influencing reputation, a multiple regression model employing eight independent variables was carried out. The regression model is as follows:

$$CRD = \beta_0 + \beta_1\, Bexp + \beta_2\, Bedu + \beta_3\, Ined + \beta_4\, Bsize + \beta_5\, CoSize + \beta_6\, Prof + \beta_7\, Lev + \beta_8\, IndType$$

Table **2** provides a summary of variables included in the regression model. Data for the previous variables were gathered from company annual reports.

The correlation coefficients among the variables are tabulated in Table **3**. From this table, it can be observed that independent non-executive director, board experience, board size, board education and leverage were significantly correlated with the reputation disclosure at 0.01 and 0.05 percent levels, respectively. Nonetheless, none of the correlations exceeds 0.7, as Tabachnick and Fidell (2001) suggested for the degree of collinearity to be cut off at 0.7. Collinearity is not detrimental until the coefficient approaches 0.8 or 0.9, as suggested by Gujarati (1995). The degree of collinearity affects the problem of multicollinearity. Multiple regression results can be interpreted as no correlation exceeding 0.7.

Table 2. Variables Used in Regression.

Variables	Operationalization	Acronym
Corporate reputation disclosure	Corporate reputation disclosure index	CRD
Board experience	Proportion number of directors who have occupied one of the following functions on the board: • Chief financial controller • Chief accounting officer • Management controller • External auditor • Banker • Business lawyer Other financial functions	Bexp
Board education	Proportion of directors who have qualification in university or business school degree in business and accounting on the board.	Bedu
Company size	Company size measured by total assets	CoSize
Leverage	Leverage measured by total liabilities over total assets	Lev
Profitability	Profitability measured by profit before tax over total assets	Prof
Industry type	Dummy variables, 1= manufacturing and service, 0 = otherwise	IndType
Independent non-executive director	Proportion of Independent non-executive directors on the board	Ined
Board size	Total directors on the board	Bsize

Table 3. Correlation.

	1	2	3	4	5	6	7	8
Ined	1							
BSize	-.081	1						
BEdu	-.076	.380**	1					
BExp	.221**	.509**	.194**	1				
Lev	.084	.071	-.018	.328**	1			
Prof	-.082	-.176**	.039	-.105	-.159**	1		
CoSize	-.037	-.040	.053	-.023	.187**	-.197**	1	
CRD	.284**	.139*	.110*	.341**	.336**	-.012	.082	1
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

With regards to the regression on the reputation disclosure, Table **4** shows the results of the model, which incorporates eight independent variables, namely the independent directors on the board, bord size, board education, board experience, leverage, profitability, industry type, company size is significant at the 1 percent level (sig. 0.000) and is able to explain 24.4 percent of the variations in reputation disclosure in Malaysian PLCs (R^2 of 24.4 percent). The VIFs of all independent variables are below 2. Neter et al., (1983) and Gujarati, (1995) suggest that collinearity is considered a problem only when VIF exceeds 10. These results further support the lack of presence of multicollinearity in the regression model. Independent non-executive directors, board experience and leverage are significant at the 1 percent level, while industry type is significant at the 5 percent level.

These results might imply that the variable of board composition (e.g., independent director and board experience) may explain why companies disclose more reputation information than other factors. The variable of independent director is found to affect the transparency of reputation. This might be due to companies with more independent directors are more transparent and disclosing more reputation information. The

Table 4. Multiple Regression Results.

	Beta	t	Sig.	Tolerance	VIF
(Constant)		**8.045**	**.000**		
Ined	.250	4.843	.000**	.882	1.134
Bsize	.059	.922	.357	.579	1.727
Bedu	.087	1.627	.105	.826	1.210
Bexp	.170	2.708	.007**	.592	1.690
Lev	.272	5.080	.000**	.817	1.223
Prof	.082	1.597	.111	.890	1.124
IndType	-.105	-2.076	.039*	.909	1.100
CoSize	.075	1.459	.146	.895	1.118
R^2 = 0.244 Adjusted R^2 = 0.255 F statistic = 13.035 Significance = 0.000 N = 332					
Notes: *, ** indicate statistically significant at the level of 5, and 1 percent level.					

positive and significant association between board experience and the extent of reputation disclosure implies that PLCs board experience could offer more expertise and more knowledge on accountability and transparency to the company and may have the ability to monitor effectively, which could, in turn, lead to higher disclosure on company reputation. This finding support H1 and H3. The finding also is consistent and provides some support to an earlier finding by disclosure studies (e.g., Esa & Mohd Ghazali, 2012; Said et al. 2009) and reputation study (e.g., Brammer et al., 2009; Fombrun & Shanley, 1990) leverage also is significant at the 1 percent in determining the disclosure of reputation. This result seems to suggest that PLCs would provide more disclosures to be accountable to the various stakeholders. Industry type is marginally significant at 5 percent level that shows manufacturing and service industries are regarded as crucial and significant sectors for facilitating the transition towards high-value-added activities in Malaysia (NST Business, 2017). Furthermore, these industries have played a pivotal role in driving Malaysia's economic growth since the country embarked on its journey to become an industrialized nation. The significant relationship suggests that the type of industry enhances a company's reputation through increased disclosure and transparency. This validates their corporate activities and presents a positive reputation and image through their actions concerning the environment and society.

However, four variables (i.e., board education, board size, company size and profitability) are found to be insignificant. The findings are not support H2 and H4. The results also contradict the previous findings on board education (Katmon et al., 2019; Valls et al. 2016), board size (Kaur & Singh, 2019), company size (Kaur & Singh, 2019) and profitability (Kaur & Singh, 2019; Haniffa & Cooke, 2005) on reputation and disclosure study. One possible reason might be that there are not enough variations in company’s size and profitability to explain reputation disclosure as the sample companies could be considered as the largest companies as they are all publicly listed companies. From the analysis also, the board education and board size are not significant in describing the extent of reputation disclosure, which means that board education and board size do not differ in reporting corporate reputation in Malaysia.

5. CONCLUSION, LIMITATION AND SUGGESTION FOR FUTURE RESEARCH

Does board experience and education affect the reputation of a company? Do companies become reputationally successful due to the presence of experienced and educated boards in the boardroom? The primary objective behind disclosing a company's reputation is to establish legitimacy and signal the credibility of its operations. By doing so, companies aim to justify their ongoing presence and foster greater levels of trust. The current study examined the determinants of the company's reputation using a reputation disclosure checklist as a proxy. Four antecedents are significantly associated with corporate reputation: board experience, board independence, leverage, and type of industry at the 1 and 5 percent significance levels.

A strong significant association at the 1 percent level is found between the extent of reputation disclosures and board experience, independent directors, and leverage. This finding suggests that the presence of an independent and experienced board has led companies to disclose and be more transparent, thus bringing a good reputation to the company. Having an experienced board of directors holds significant advantages, as these individuals understand the board's responsibilities more deeply. This experience equips board members with valuable skills that enhance their effectiveness in overseeing

managerial activities and contributes to building a positive reputation for the company. The significant relationship between board independent and reputation disclosures seems to imply that the presence of independent board in the boardroom disclosed significantly more reputation information than others. The finding suggests that boards that have more members with diverse experience, backgrounds and independent are more exposed to healthier and livelier discussion on enhancement of reputation and helps in taking quality decisions leading to better governance which ultimately enhances firm reputation (Brammer et al., 2009; Fombrun & Shanley, 1990; Ljubojevic & Ljubojevic, 2008).

Moreover, a significant association between a company's leverage and its reputation indicates that as a company's leverage increases, there is a corresponding rise in the level of disclosure found in its annual reports. This finding is consistent with previous disclosure studies (e.g., Ahmed Haji & Mohd Ghazali, 2013; Boshnak, 2022; Esa & Mohd Ghazali, 2012). Companies with substantial leverage tend to provide more information in their yearly reports, primarily for monitoring purposes. This aligns with the notion that highly indebted firms are more likely to disclose additional information than companies with lower leverage. The significant relationship indicates that the type of industry positively influences a company's reputation by promoting higher levels of disclosure and transparency. Manufacturing and service industries are significant in contributing to Malaysia's high-value-added activities. The industry portrays a positive reputation and image, particularly concerning its environmental and societal initiatives.

This study contributes in several ways to the existing corporate reputation study. Firstly, it addresses a research gap by exploring the antecedents of corporate reputation using a new measurement of reputation namely corporate reputation disclosure index. Previous studies in this area have predominantly focused on developed countries and used traditional methods in measuring reputation, leaving limited research conducted in this context. Thus, the findings of the present study validate prior empirical findings in the developing country context. Second, the finding of this study provides a significant positive relation between board experience, independent director, leverage, and type of industry in the extent of disclosures seems to suggest that these variables are significant determinants of voluntary disclosures of reputation irrespective of whether the focus is the largest and non-largest size of companies.

However, it is important to acknowledge certain limitations of this study, which may guide future research endeavors. Firstly, the study only focused on the largest 100 companies in Malaysia, which may be deemed appropriate. However, including a more diverse sample comprising companies of different sizes could offer a more comprehensive understanding of the relationship between governance attributes and corporate reputation. Therefore, future researchers may consider using a larger sample size and incorporating companies of various sizes to investigate corporate reputation in a longitudinal context.

Secondly, the timeframe examined in this study (2017-2020) is relatively close to the amendment of the Malaysian Code of Corporate Governance 2021. Consequently, future studies could explore extended periods, such as 2021-2022, to assess the influence of the revised corporate governance code on corporate reputation within the Malaysian context. This would further validate the revised code's impact on the corporate reputation.

APPENDIX.

List of Reputation Item Checklist.

	Governance (Company behaves ethically, open, and transparent, fair in the way it does business)
1	Adequate governance structure
	Leadership (Effectiveness of how a company is managed)
2	Appealing board of directors
3	Well organized and excellent management
4	Independent directors make up at least 50% of the board of directors
	Innovation (Innovative, first to market, adapts quickly to change)
5	Innovative company
6	Research and development
7	Launch new product
	Products & Services (Quality products and services can profoundly shape a company’s reputation)
8	External verification or certifications
9	Brand recognition
10	Brand development
11	Recognition on outstanding products or services
12	Customer satisfaction and feedback system

	Workplace (Rewards employees fairly, employee wellbeing, offer equal opportunities)
13	Employee satisfaction with employer
14	Training and career development effort
15	Number of staff employed
16	Employee recognition and appreciation
17	Employee welfare and benefit
	Citizenship (Social efforts, environmentally responsible and positive influence on society)
18	External certification for CSR initiatives
19	Any charitable endeavors
20	Certification and awards achievement relate to environmental practices
21	Environmental concern and commitment
	Performance (Overall good performance and strong growth prospects)
22	Company performance

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