

A Systematic Review - Determinants of Forward-Looking Information Disclosure by Malaysian Companies

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ABSTRACT

This paper focuses on the determinants of forward-looking information (FLI) disclosure in annual reports among the Malaysian public listed companies. FLI disclosure has gained prominent attention due to benefits it offered to various parties. This has attracted the interest of researchers for studies to be conducted on the determinants of FLI in annual reports. However, empirical evidence from previous studies failed to produce definite result. Therefore, this paper serves to examine the research pattern on determinants of FLI disclosure by reviewing the existing literatures. This study was guided by the Preferred Reporting Items for Systematic reviews and Meta-Analyses (PRISMA) and utilised two main databases known as Web of Science and Scopus. Consequently, nine relevant articles were retrieved which resulted in four categories of determinants (ownership structure, board of directors' characteristics, financial ratios, and other) under the internal factors and one category (auditors' type) under the external factor. The main categories produced another 17 sub-categories in total. Lastly, future researchers are recommended to conduct more studies by employing a approach and to adopt citation tracking to complement the current searching technique which is solely dependent on keywords search only.

Keywords: *systematic review; forward-looking; disclosure; annual report*

INTRODUCTION

The information disclosed in annual reports is generally categorised into two types known as mandatory disclosure and voluntary disclosure (Gunawan & Lina, 2015). Mandatory disclosure includes compulsory information obligated by the stock exchange listing requirement, related accounting standards, and statutory requirements, such as, Companies Act (Ghazali, 2008). Meanwhile, voluntary disclosure includes non-compulsory information that goes beyond the minimum requirements of the capital market regulations (Gunawan & Lina, 2015). The information is disclosed on a voluntary basis by companies based on the management discretion.

Forward-looking information (FLI) found in annual report of a company falls under the type of voluntary disclosure. There are few similar terms of FLI as recognised in past studies which include “future-oriented information” (Broberg, Tagesson, & Collin, 2009), “projected information” (Elsayed & Hoque, 2010) and “future prospects” (Lim, Matolcsy, & Chow, 2007). This type of information is identified easily with the existence of words such as “estimate”, “forecast”, “future”, and “outlook”. Most FLI disclosures can be assessed in the Management Discussion and Analysis (MD&A) section of Malaysian public listed companies’ annual reports. As stated by Bursa Malaysia (2017), the MD&A section is compulsory to be disclosed by Malaysian public companies to discuss various types of information. This includes information on the company’s business operation, financial condition or position, risk exposure, strategies, and prospects (Bursa Malaysia, 2017).

The disclosure of FLI in annual reports offered few benefits not only to the company itself but also various stakeholders. Firstly, Hassanein and Hussainey (2015) stated that the disclosure of FLI is able to reduce the level of information asymmetry between companies and stakeholders. This is at the favour of company because it is able to benefit from lower costs of capital and external financing costs. As for the investors, FLI can be used to guide the investments decision making. Secondly, company disclosed FLI as one of the strategies to create competitive advantage with the purpose of sustaining the business and outperforming its rivalry (Alqatamin, Aribi, & Arun, 2017). Lastly, comprehensive FLI disclosure is a reflection that the company is practicing good corporate governance (Lokman, Mula, &

Cotter, 2011). The management is motivated to provide more FLI even though the disclosure is not mandated.

In response to the benefits offered by FLI disclosure to companies, shareholders, and various stakeholders, studies have / had been conducted to examine its determinants. Some studies were conducted by integrating both internal and external factors to examine the level of FLI disclosure. For example, Mohammadi and Jamali (2017) studied the effect of leverage, profitability, and size (internal factors) and auditor's type (external factor) with FLI disclosure in Tehran. Numerous studies had also been conducted to focus on the internal factors only which include Alqatamin *et al.* (2017) and Dzaraly, Lokman, and Othman (2018). As argued by past studies, corporate governance mechanisms are identified to be the most influential factors that affect FLI disclosure (Qu, Ee, Liu, Wise, & Carey, 2015). Higher disclosures of FLI are always affiliated with the effectiveness of the management. Additionally, Agyei-Mensah (2018) stated that the disclosure decisions lies heavily on the management's discretion.

The Need for a Systematic Review

A systematic review can be defined as summarising, analysing, and combining accessible or available study findings to produce robust result to the research question which is done either quantitatively or qualitatively (Petrosino, Boruch, Soydan, Duggan, & Sanchez-Meca, 2001). The main purpose of systematic review is to locate and synthesize related research or previous study comprehensively by adopting organized, transparent, and replicable procedure throughout each step in the process (Samsuddin, Shaffril, & Fauzi, 2020).

As compared to traditional ways of literature review, systematic review provides several benefits. Mallett, Hagen-Zanker, Slater, and Duvendack (2012) identified three benefits of systematic review. Firstly, systematic review is able to reduce implicit bias among researchers. This is because the review is conducted by adopting broad search strategies, predefined search string, and consistent inclusion and exclusion criteria and forced researchers to analyse previous studies beyond own subject areas. Consequently, this increases the chances of producing clearer and objective answer to the formulated research question. Secondly, systematic review encourages researchers to prioritize on empirical evidence rather than

preconceived knowledge. This leads to a more quality and robust result since systematic review focuses heavily on evidence, impact, validity, and causality. Thirdly, systematic review adopts the use of clearer protocol to guide researchers throughout the review process. Gough and Elbourne (2002) indicated that the adoption of registered protocol in systematic review improves the methodological transparency and allow replication in future researches.

A considerable amount of studies had been conducted around the globe to examine influential factors that affect FLI disclosure in annual reports among companies. For examples, studies by Mahboub (2019), Mousa and Elamir (2018), Elgammal, Hussainey, and Ahmed (2018), and Qu *et al.* (2015) were conducted in Lebanon, Bahrain, Qatar, and China, respectively. A considerable amount of studies had also been conducted in Malaysia with regard to voluntary disclosure which includes FLI. This includes studies by Md Zaini, Sharma, Samkin, and Davey (2019), Dzaraly *et al.* (2018), and Embong (2014). Notwithstanding the fact that few studies were conducted in Malaysia on FLI disclosure, the efforts to systematically review these studies are still lacking. Therefore, this paper is an attempt to systematically review existing literature to identify the factors that influence FLI disclosure among Malaysian companies.

This study is crucial because of a few reasons. Firstly, Mathuva (2012) indicated that the factors included in previous studies had to deliver conclusive results and were uncertain. Due to this reason, this study is conducted to reveal information on the most influential factors from existing literature that affect FLI disclosure. Consequently, information obtained from this study can be utilised by companies to improve their FLI disclosure. Secondly, since there is lack of systematic review on FLI disclosure in Malaysia, available detailed review procedures are limited to future researchers which include keywords used, article screening and eligibility, inclusion and exclusion criteria, and database used. Greenhalgh and Peacock (2005) argued that this can prevent future researchers from reproducing the study, confirm the interpretation, and analyse the comprehensiveness. Hence, this study is conducted to enable adaptation by future researchers in the same area for improvement. Thirdly, this study provides information on the extent of focus of existing literature related to determinants of FLI disclosure among Malaysian companies. The information obtained provides future researchers with areas that need to be focused on and require more attention.

In order to develop a relevant systematic review, this paper was guided by the main research question – how is the research pattern on factors that influence the extent of FLI disclosure in Malaysian public listed companies' annual reports? The main focus of this study was on FLI disclosure. This study focuses particularly on FLI because this type of disclosure is among the most requested disclosures by investors and other stakeholders in the annual reports (Nylander, 2015; Xin, 2015). In addition, attention was given to Malaysian companies because the level of FLI disclosure is still lacking (Md Zaini *et al.*, 2019). Embong (2014) also concluded that FLI is the least to be disclosed in annual report if compared to other types of information. This study is an attempt to analyse the existing literature on the factors that influence FLI disclosure in the annual reports of Malaysian public listed companies.

METHODOLOGY

This section discusses the method used to retrieve articles related to FLI disclosure among Malaysian public listed companies. The PRISMA method was used to perform the systematic review which includes resources, systematic review process, and data abstraction and analysis.

PRISMA

The review is guided by PRISMA or Preferred Reporting Items for Systematic reviews and Meta-Analyses. PRISMA is a published standard with the purpose to guide researchers in conducting a systematic literature review. According to Shaffril, Abu Samah, Samsuddin, and Ali (2019), publication standards are necessary to provide guidance to researchers with useful information in evaluating and examining the quality and rigour of a review. Shaffril, Krauss, and Samsuddin (2018) stated that PRISMA offered few unique benefits which are 1) clarify research questions that allows a systematic research, 2) determine clear inclusion and exclusion criteria, and 3) allow large database of scientific literature to be examined in a defined time. PRISMA guideline allows thorough search of terms related to the factors that influence FLI disclosure among Malaysian public companies. The flow of the study can be referred in Figure 1.

Resources

The review is conducted by using two databases known as Scopus and Web of Science (WoS). These two databases are known as the leading indexing systems for citations with the coverage of more than 256 disciplines which include environmental science, social science, and agriculture and biological sciences (Samsuddin *et al.*, 2020). Even though Scopus and WoS are known as leading indexed databases, Shaffril *et al.* (2019) stated that no database is comprehensive or perfect. Due to this reason, Younger (2010) suggested researchers to consider using more databases in the searching process. This helps to increase the possibility of retrieving more relevant articles related to the study. Hence, this study conducted a manual searching from Google Scholar. Younger (2010) stated that the search process via Google Scholar is easier and offers few advantages. Google Scholar index items published in peer-reviewed and academic journals. In addition, Google Scholar is multidisciplinary in nature where it includes disciplines, such as, education, management, and other subjects.

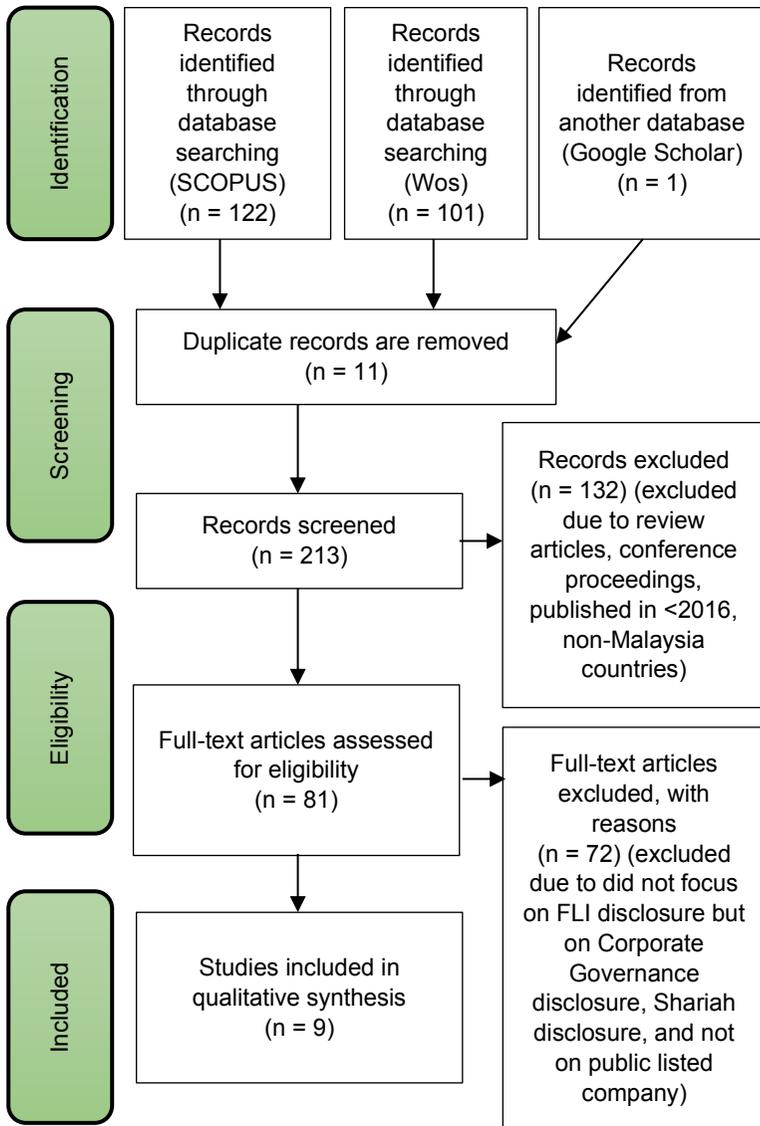


Figure 1: Flow Diagram of the Study
 (Adapted from Shaffril *et al.*, 2019)

Systematic Review Process

Systematic review process involved four stages known as identification, screening, eligibility, and inclusion.

Identification

In the identification stage, keywords and related terms on forward-looking information were identified from previous literature or past searches for the purpose of information searching. Search strings were developed in May 2020 (Refer Table 1) by combining identified keywords and related terms.

Table 1: Keywords and Search Strings

Databases	Keywords Used
Scopus	TITLE-ABS-KEY ((“voluntar* disclos*” OR “forward looking information*” OR “forward-looking information*” OR “future oriented information*” OR “projected information*” OR “future prospect*” OR “strategic disclos*” OR “strategic management disclos*” OR “management and discussion commentary*” OR “management* discussion* and analysis” OR “ management* discussion* & analysis” OR “corporate governance”) AND (“annual report*” AND “Malaysia*”))
Web of Science	TS = ((“voluntar* disclos*” OR “forward looking information*” OR “forward-looking information*” OR “future oriented information*” OR “projected information*” OR “future prospect*” OR “strategic disclos*” OR “strategic management disclos*” OR “management and discussion commentary*” OR “management* discussion* and analysis” OR “ management* discussion* & analysis” OR “corporate governance”) AND (annual report* AND Malaysia*))

The search strings were used in Scopus and WoS to search for articles. The search strings used in the databases successfully retrieved 122 articles from Scopus and another 101 articles from WoS. Subsequently, manual searching on Google Scholar was conducted by using similar keywords. As a result, an additional of one relevant article was retrieved from the manual searching process. The total documents retrieved in identification process were 224 articles.

Screening

In the screening stage, duplicate articles from the two databases were removed. A total of 11 articles were removed during the first screening process leaving a remaining of 213 articles. The remaining 213 articles were further screened based on the inclusion and exclusion criteria determined earlier in this stage (Refer Table 2). The first inclusion and exclusion criteria was on the literature type. Journals which include review articles, books, book chapters and conference proceedings were not chosen in this study because these types of journals were not considered as primary sources (Samsuddin *et al.*, 2020). Secondly, with regard to timeline, research papers from year 2016 until 2020 (five years) were selected to be reviewed. The five years period of researches were considered as latest and current studies. Thirdly, in line with the objective of the study which focuses on Malaysian public listed companies, only articles on Malaysia country were included. The fourth inclusion and exclusion criteria is language. All articles in English were included in the study. Any non-English articles were excluded. This is to avoid confusion which may lead to misleading information. The other reason is to avoid difficulty in translations which may acquire extra effort and time consuming. After the screening process was conducted based on the inclusion and exclusion criteria, a total of 132 articles were excluded from the evaluation.

Table 2: The Inclusion and Exclusion Criteria

Criterion	Inclusion	Exclusion
Literature type	Journals (research articles)	Journals (review articles, books, book chapters, conference proceedings)
Timeline	Between 2016 and 2020	< 2016
Country	Malaysia	Non-Malaysia
Language	English	Non-English

Eligibility

In the eligibility stage, articles were manually included and excluded accordingly with authors' specific criteria (Shaffril *et al.*, 2019). In order to ensure the appropriateness of articles employed in the study and fulfil the inclusion criteria, the remaining 81 articles were examined thoroughly on

the titles, abstracts, and main contents. As a result, 73 articles were excluded because the focus was not on FLI disclosure but rather on environmental, social, and governance (ESG) disclosure, corporate governance (CG) disclosure, Shariah disclosure, and not public listed company. In eligibility process, a total number of 72 articles were excluded.

Inclusion

After going through the first three stages of systematic review process, inclusion stage is where the final articles were ready to be reviewed and analysed. Out of 224 articles retrieved from the identification stage, a total of 215 articles had been excluded as a result of systematic review process. Therefore, the final remaining articles available for analysis were nine articles.

Data Abstraction and Analysis

The remaining articles were assessed and examined to find answer to the formulated research question. Information from remaining articles was extracted by firstly examining the abstracts. The next step involved reading full articles to identify suitable category on determinants of FLI disclosure. The determinants identified were categorised into a few categories by performing the qualitative content analysis technique. The next section will discuss further on categories identified from the systematic review.

FINDINGS

The systematic review resulted in two factors that affect the extent of FLI disclosure, namely the internal factors and external factor (Refer Table 3). Internal factors are divided into four categories known as ownership structure (four sub-categories), board of directors' characteristics (ten sub-categories), financial ratios (one sub-category), and other (one sub-category). This made up a total of 16 sub-categories that fall under internal factors. Meanwhile, the external factor only consists of one category which is auditors' type.

Under internal factors, a total number of four studies included ownership structure as the factors that affect FLI disclosure (Md Zaini *et al.*, 2019; Said, Abdul Rahim, & Hassan, 2018; Dzaraly *et al.*, 2018; Sallehuddin, Rosli, Saad & Gorondutse, 2017). The board of directors' characteristics were examined by six studies (Said *et al.*, 2018; Musa, Ali, & Haron., 2018; Darussamin, Ali, Ghani, & Gunardi, 2018; Dzaraly *et al.*, 2018; Abdullah, Abdul-Shukor & Rahmat, 2017; Sallehuddin, Rosli, Saad & Gorondutse, 2017), financial ratio by three studies (Wardhani, 2019; Darussamin *et al.*, 2018; Abdullah *et al.*, 2017), and 'other' by one previous study (Musa *et al.*, 2018). On the other hand, external factors of FLI disclosure were examined by three studies (Wardhani, 2019; Jaffar, Norand, & Selamat, 2019; Darussamin *et al.*, 2018).

Out of nine remaining studies being reviewed in this paper, only one was employing mixed methods (qualitative and quantitative) approach. One study was found to have employed qualitative approach to examine the factors that influence FLI disclosure among Malaysian public listed companies. The remaining seven articles employed the analysis approach. In relation to the year of publication, three articles were published in 2019, other four articles were published in 2018, and the remaining two articles were published in 2017.

As for the scope of study, the years ranging from 2009 until 2016 in previous studies were included. Md Zaini *et al.* (2019) study selected year 2009 until 2013 which include the sample of 30 public listed companies. Meanwhile, a study by Abdullah *et al.*, (2017) selected year 2011 was analysed with a sample of 395 public listed companies. The year 2012 was selected by Sallehuddin *et al.* (2017) where 50 companies were included in the sample. Three out of nine studies (Said *et al.*, 2018; Musa *et al.*, 2018; Darussamin *et al.*, 2018) selected year 2014 which include the sample of 150, 279, and 36 public listed companies, respectively. Two studies selected year 2016 with sample of 603 public listed companies (Jaffar *et al.*, 2019) and 230 public listed companies (Dzaraly *et al.*, 2018). Lastly, only a study by Wardhani (2019) selected year 2016 to be analysed with a sample of 377 public listed companies.

Table 3: Table of Findings

Authors	Study Design	Sample Companies	Unit of Analysis (year)	Internal Factors								
				Ownership Structure				Board of Directors' Characteristics				
				FC	NFC	MO	FO	BS	BI	BI		
Md Zaini <i>et al.</i> (2019)	MM	30	2009 - 2013	✓	✓							
Wardhani (2019)	QL	377	2016									
Jaffar <i>et al.</i> (2019)	QN	603	2015									
Said <i>et al.</i> (2018)	QN	150	2014				✓			✓		✓
Musa <i>et al.</i> (2018)	QN	279	2014									✓
Darussamin <i>et al.</i> (2018)	QN	36	2014							✓		✓
Dzaraly <i>et al.</i> (2018)	QN	230	2015					✓				✓
Abdullah <i>et al.</i> (2017)	QN	395	2011									
Sallehuddin <i>et al.</i> (2017)	QN	50	2012					✓				✓
Total				1	1	1	2	1	3	5		

Authors	Study Design	Sample Companies	Unit of Analysis (year)	Internal Factors (Continued)							
				Board of Directors' Characteristics (Continued)							
				BR	BEB	BT	RD	ACS	ACI		
Md Zaini <i>et al.</i> (2019)	MM	30	2009 - 2013								
Wardhani (2019)	QL	377	2016								
Jaffar <i>et al.</i> (2019)	QN	603	2015								
Said <i>et al.</i> (2018)	QN	150	2014	✓							
Musa <i>et al.</i> (2018)	QN	279	2014		✓		✓				
Darussamin <i>et al.</i> (2018)	QN	36	2014	✓							
Dzaraly <i>et al.</i> (2018)	QN	230	2015	✓				✓			
Abdullah <i>et al.</i> (2017)	QN	395	2011		✓			✓		✓	
Sallehuddin <i>et al.</i> (2017)	QN	50	2012					✓			
Total				1	3	1	1	3	1	1	

Table 3: Table of Findings (Continued)

Authors	Study Design	Sample Companies	Unit of Analysis (year)	Internal Factors (Continued)						External Factor
				Board of Directors' Characteristics (Continued)			Financial Ratio		Other	
				RMC	MD	Lev	PBC	AT		
Md Zaini et al. (2019)	MM	30	2009 - 2013				✓			✓
Wardhani (2019)	QL	377	2016							✓
Jaffar et al. (2019)	QN	603	2015							
Said et al. (2018)	QN	150	2014							
Musa et al. (2018)	QN	279	2014						✓	
Darussamin et al. (2018)	QN	36	2014		✓			✓		✓
Dzaraly et al. (2018)	QN	230	2015							
Abdullah et al. (2017)	QN	395	2011		✓			✓		
Sallehuddin et al. (2017)	QN	50	2012							
			Total	2	1		3	1		3

Internal Factors: FC-Family-controlled, NFC-Non-family-controlled, MO-Managerial ownership, FO-Foreign ownership, BS-Board size, BI-Board independence, BR-Board remuneration, BEB-Board educational background, BT-board tenure, RD-Role duality, ACS-Audit committee size, ACI-Audit committee independence, RMC-Risk management committee, MD-Multiple directorships, Lev-Leverage, PBC-Published board charter, and External Factor: AT-Auditor's type

DISCUSSION

The findings obtained from this systematic review was summarised and presented in Table 3. This section highlights the research pattern on the determinants of FLI disclosure among Malaysian companies. The research pattern includes internal factors and external factor. The section below provides a detailed explanation on each category.

Internal Factor

Internal factors include categories of ownership structure, board of directors' characteristics, financial ratios, and 'other'.

Ownership structure

The category of ownership structure consists of four sub-categories known as family-controlled companies, non-family-controlled companies, managerial ownership, and foreign ownership. A considerable amount of studies had been employed to examine the relationship between ownership structure and FLI disclosure. Md Zaini *et al.* (2019) analysed the impact of both family-controlled companies and non-family-controlled companies with the extent of voluntary disclosure which include forward-looking and risk information. Meanwhile, Sallehuddin *et al.* (2017) and Dzaraly *et al.* (2018) analysed the effect of managerial ownership on the level of disclosure for projected information and FLI respectively. As for foreign ownership, only Said *et al.* (2018) conducted the study to examine its effect on management commentary disclosure. As stated by Allegrini and Greco (2013), ownership structure is where an organisation provides setting to execute daily business activities which include reporting at the control and responsibility of the management. Alhazaimeh, Palaniappan and Almsafir (2014) also stated that the quality of disclosure among companies is greatly influenced by the ownership and management structure.

Board of directors' characteristics

Board of directors' characteristics (BODs' characteristics) were found to be the favourite category to be examined by previous studies. Ten sub-categories emerged under BODs' characteristics namely, board size, board independence, board remuneration, board educational background. board

tenure, role duality, audit committee size, audit committee independence, risk management committee, and multiple directorships. Out of nine studies, a total of seven incorporated BODs' characteristics as factors to be analysed. Even though this category has always been a favourite topic in FLI disclosure determinants, there was only one study being conducted on the sub-categories of board remuneration (Dzaraly *et al.*, 2018), board tenure and role duality (Musa *et al.*, 2018), multiple directorship (Darussamin *et al.*, 2018), and audit committee independence (Abdullah *et al.*, 2017). As for other sub-categories, few studies examined board size (Sallehuddin *et al.*, 2017; Said *et al.*, 2018; Darussamin *et al.*, 2018), board educational background (Said *et al.*, 2018; Darussamin *et al.*, 2018; Abdullah *et al.*, 2017), audit committee size (Sallehuddin *et al.*, 2017; Dzaraly *et al.*, 2018; Abdullah *et al.*, 2017) and risk management committee (Darussamin *et al.*, 2018; Abdullah *et al.*, 2017). Board independence was the most examined under this category which include studies by Sallehuddin *et al.* (2017), Said *et al.* (2018), Musa *et al.* (2018), Darussamin *et al.* (2018), and Dzaraly *et al.* (2018). Esa and Zahari (2016) indicated that the BODs are the most important party that is able to oversee the companies' management and act in the best interests of shareholders to maximise wealth. Furthermore, Fama and Jensen (1983) stated that the involvement of BODs in the monitoring and consulting processes had an impact on the level of corporate disclosure. This statement underpins a situation when more studies tend to focus on BODs characteristics regarding FLI disclosure.

Financial ratios

Under the category of financial ratios, several studies considered only leverage to be examined on the effect it might bring to FLI disclosure among Malaysian companies. This includes the studies by Wardhani (2019), Darussamin *et al.* (2018), and Abdullah *et al.* (2017). Few arguments had been made on the effect of leverage on the level of information disclosed in annual reports. An argument was made by Mahboub (2017) that high leverage companies tend to disclose more information in their corporate reporting because they were more accountable to various stakeholders. By disclosing more information, related stakeholders, such as, creditors are able to use the information to assess the companies' performance and capability in settling the loan granted. In addition, companies with higher leverage increased the level of disclosure to reduce conflict of interest and control cost with stakeholders (Zare, Kiafar, Rasouli, Sadeghi, & Behbahani, 2013).

Previous studies were conducted to consider leverage as one of the factors that determine FLI disclosure based on these few arguments.

Other

There is only one sub-category under ‘other’ which is published board charter. From the number of studies being conducted, only one study published board charter. According to Musa *et al.* (2018), no study has yet been conducted to include published board charter as one of the variables. This is because board charter has been newly introduced in the Malaysian Code on Corporate Governance (MCCG) in 2012. The only study on board charter was conducted by Musa *et al.* (2018). According to the study, board charter serves a purpose to clarify the roles and responsibilities of board committees. The information being published in board charter includes key values, principles, and code of company. Musa *et al.* (2018) argued that regular publishing of board charter through the company’s website positively affect the level of disclosure.

External Factor

There is only one determinant that falls under external factor which is type of auditor. A total of three studies examined the influence of auditor’s type on the level of FLI disclosure. The studies include Wardhani (2019), Jaffar *et al.* (2019), and Darussamin *et al.* (2018). All these three studies examined whether the types of auditor can influence the level of disclosure. Comparisons were made by differentiating whether the companies were audited by the big four audit firms or non-big four audit firms. Past studies had shown how the types of auditor affect the level of FLI disclosure. Companies being audited by the big four firms were expected to provide high quality of audit thus, able to encourage and advise companies to increase the level of disclosure (Skinner & Srinivasan, 2012). Moreover, due to their reputation and highly capable personnel, the big four audit firms were expected to be better in identifying and detecting material misstatements (Francis & Yu, 2009).

CONCLUSION

The term FLI disclosure has been gaining prominent attention from companies, shareholders, and various stakeholders. However, the determinants of such disclosure were found to be uncertain and inconclusive among companies. This paper aims to examine the research pattern on determinants of FLI disclosure by reviewing the existing literatures in relation to the statement. Based on the result obtained, a conclusion can be drawn that the objective of this paper has been achieved. As a result of the systematic review, two general factors had been identified, namely, internal factors and external factor. Internal factors had been grouped into three categories such as ownership structure, BODs characteristics, financial ratios, and 'other'. These categories were extended to another 16 sub-categories. As for the external factor, the category is known as auditors' type.

In relation to the result of the systematic review, several implications are provided. Companies should consider focusing on multiple angles with regard to FLI disclosure. Companies need to integrate both the internal and external factors in an effort to improve the FLI disclosure. Moreover, this study provides a summary of research patterns of FLI disclosure conducted in Malaysia. Based on the summary, researchers might consider engaging studies that incorporate new variable such as published board charter (Musa *et al.*, 2018). In addition, this study suggests that FLI disclosure should be examined in different perspectives such as firm's age (Uyar, Kilic, & Bayyurt, 2013) and fixed assets in place (Shams Koloukhia, Mehrazeen, Massihabadee, & Shorvarzi, 2018) which are not analysed in Malaysian existing studies.

This paper is not without any limitations. Firstly, this systematic review depends solely on the determinants of FLI in the annual reports. Other channels of disclosures such as company's website and press release are excluded. Hence, pertinent determinants of FLI disclosed in other forms of communication channel are not detected. Secondly, this paper is limited to the Malaysian public listed companies only. Therefore, the identified research patterns cannot be generalised to other countries. Thirdly, this study is conducted by using only three databases known as Scopus, WoS, and Google Scholar. Due to limited used of database to conduct the study, additional number of relevant articles might have been omitted.

From the result of this systematic review, a few recommendations have been arrived at that can be worthwhile for future researches. Firstly, most of the articles retrieved for this review employed quantitative approach (seven out of nine studies) and only one study each for qualitative and mixed methods. More studies should be conducted to employ a qualitative approach as it offers in-depth analysis and comprehensive insights of determinants of FLI disclosure among Malaysian public companies. Secondly, future researchers should complement the current searching technique, which is heavily reliant on electronic keywords search, with citation tracking (Wright, Golder, & Rodriguez-Lopez, 2014). Citation tracking is done by identifying related articles from the papers being studied. Articles obtained from citation tracking can supplement the existing articles retrieved from current searching techniques. This is because the techniques might locate supplementary articles that cannot be identified from database searches due to bibliographic or limited vocabulary (Wright *et al.*, 2014).

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