

The Media Coverage and Sustainability Performance: Untying the Node in Malaysian Public Listed Companies

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ABSTRACT

Corporate sustainability is one of the concepts that is prominently discussed all over the world. Striving for corporate longevity and sustainability has become an imperative agenda, especially in the post-COVID-19 era. The public perception depends so much on what the company is doing. Therefore, the media plays an important role in highlighting the sustainability performance of corporations and influencing public perception. Given the significant influence of media coverage, it is necessary to investigate its impact on CSP, which remains under-researched in the sustainability performance literature. Therefore, this study investigates the relationship between media coverage and corporate sustainability performance (CSP) among Malaysian public listed companies, grounded in agenda-setting theory. This study employed a quantitative research approach with a longitudinal design, analysing data from 254 firms across eleven industries listed on Bursa Malaysia over the period 2020–2022. Media coverage was measured using net scores derived from positive and negative news reported in *The Edge Malaysia*, while CSP was assessed through a content analysis of firms' annual reports, incorporating economic, environmental, and social dimensions. The findings reveal a significant and positive association between media coverage and CSP, indicating that greater media attention enhances firms' commitment to sustainability. This study contributes to the literature by extending the application of agenda-setting theory to the accounting domain and highlighting the media's role as an external governance mechanism. The results offer practical implications for managers, regulators, and policymakers in enhancing transparency, accountability and long-term corporate sustainability strategies in ensuring corporate longevity.

Keywords: Media Coverage; Corporate Governance; Agenda-Setting Theory; Corporate Sustainability Performance

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INTRODUCTION

The corporate sustainability performance originated from the sustainable development concept but has been narrowed down to the firm level. The World Commission on Environment and Development (WCED) defines corporate sustainability as development that meets the current needs without compromising the ability of future generations to meet their needs. Thus, corporate sustainability can be defined as the firm's ability to address and respond to future business needs, markets and operating environments (Tasleem, Khan & Nisar 2019). The involvement of firms in sustainability practices may contribute significantly to society as well as environmental improvements, such as reducing negative effects on the environment and decreasing the emission of greenhouse gases. Sustainability has become one of the focuses of the 11th Malaysian Plan as a driving policy of national development efforts. Malaysia is one of the 192 nations that have embraced the 2030 agenda for sustainable development, aimed at advancing towards a route characterised by sustainable, resilient and inclusive growth. This requires strengthening sustainable development's social, economic and environmental dimensions.

Additionally, the explosive growth of digital information in recent years has transformed the role of media coverage in society. These days, the media plays a critical role in disseminating information about the firm to various stakeholders. From the firms' perspective, news reported by the media reduces information asymmetry. At the same time, media reporting creates unnecessary external pressure on boards to effectively monitor and influence management to respond accordingly. Wang & Zhang (2021) agreed that strong media visibility is considered a powerful external governance tool that can shape both the board and management strategic direction of a firm. The media's ability to shape public discourse, amplify stakeholder concerns, and frame sustainability issues significantly in managerial decision-making. By highlighting certain issues, the media can influence what stakeholders (such as shareholders, employees, customers, and regulators) see as the most important governance issues. This can, in turn, influence corporate behaviour and policy toward sustainability. Thus, media coverage is a powerful tool to influence managers to take necessary action that improve the firm's performance. Consequently, strong media visibility can influence both financial and social performance of a firm, even during crises (Cheng et al., 2022).

The next section of this paper discusses the literature review of the issues, followed by the discussion of the research methodology used to carry out this study. Next, this paper discusses the results of the study and the research limitations and implications.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Corporate Sustainability Performance

Corporate sustainability refers to voluntary firm activities that include social and environmental concerns in business operations and how they interact with stakeholders (Marcel van Marrewijk, 2003). It is also described as a firm's deliberate approach to creating long-term stakeholder value through adopting and implementing a social, environmental, economic and ethically sound

business strategy. It is rooted in the principle that firms must deal with short-term gains while mitigating negative environmental and social effects on the business landscape (Frempong et al., 2021). At the firm level, sustainability activities, which include financial and social activities, help firms evaluate their performance against their peers and identify priorities for sustainable improvement (Getacher et al., 2018). Thus, corporate sustainability can be defined as a broader performance concept than one-dimensional financial performance (Radu, Smaili & Constantinescu, 2022). Corporate sustainability performance is concerned with blending business interests with public pursuits, which are profit-making, societal uplift and environmental stewardship. Therefore, the triple bottom line consists of economy, environment and social, which are the three interdependent elements used to reference sustainability performance (Yusliza et al. 2020).

Media Coverage

The word media is the plural form of the word medium. They are Latin in origin. Medium refers to an agency or a means of accomplishing something. In other words, it can be described as a means, method, way, form, agency, avenue, channel, vehicle, organ, instrument, or mechanism. Thus, media coverage can be defined as a means/medium to transfer message/ information to the audience and can be accessed through newspapers or magazines, online or on television or in general or specialist publications. Media coverage can be favourable or unfavourable, apart from being positive, negative, or neutral.

The media is an important information intermediary (Gao et al., 2021). Independent media reports can guide public opinion and reduce the cost of access to information to help investors make investment decisions (Xue & Cheng, 2017). The intensive media coverage communicates firms' activities to various stakeholders, including investors, which narrows the information asymmetry investors face (Zaman et al., 2018). This will benefit the firms in terms of profitable investment opportunities, contributing to long-term investment success (Du et al., 2016). With technological advancement and communication channels, social media such as Twitter and Facebook could also provide specific information or direct stakeholders to the firms' related information. Social media platforms and web-based tools like forums can be used to engage with various stakeholders and personalise the information to their specific needs.

Firms' media coverage can affect public perception and shape stakeholders' opinions (Lee & Riffe, 2017). Hassan and Lahyani (2019) posited that the media build public expectations and shape a firm's image. For example, media coverage of managerial irregularities encourages directors to act in the best interests of their shareholders (Gao et al., 2021), facilitating corporate governance improvements and reducing agency conflicts. In addition, media coverage can influence corporate reputation (Qin et al., 2020). Higher media coverage can help sensationalise negative news (Chih & Chih, 2014), damaging the corporate reputation. A large amount of negative news is detrimental to firm performance (Dong et al., 2021). Therefore, firms must ensure a good image to preserve their reputation (Truong, Mazloomi & Berrone, 2020). A firm should immediately apologise for the negative effect, control the situation and strive for public understanding to minimise reputation loss (Song et al., 2021). The negative media coverage can be said as negative performance feedback, which may push firms to seek solutions to prevent reputation loss (Wang & Zhang,

2021). The negative news may impact a firm's survival as it harms the reputation of the firm. Since reputation is an intangible asset of a firm, reputation loss may prevent a firm from achieving sustainable performance.

Agenda-Setting Theory

This study utilised agenda-setting theory to investigate the association between media coverage and corporate sustainability performance among public listed firms in Malaysia. The agenda-setting theory is an important theory about media pressure on a firm's behaviour. The main idea is that items reported in the media can become public agendas and influence society's perception (Garcia-Sanchez, Cuadrado-Ballesteros & Sepulveda, 2014). Society tends to believe more about what they read or see in the media and relies on leading media news to shape its perception and ascertain topics or individuals that are deemed most significant to meet their expectations. The agenda-setting theory states that the media is an influential third party that forms and reflects public opinion about firm issues, thus reducing information asymmetry by providing cues to firm directors (Burke, 2022). Lunenberg, Gosselt & De Jong (2016) stated that media tone is one of the basic concepts central to presenting topics and issues. By focusing on the tone of news coverage using a positive, neutral or negative tone, journalists may influence how the public perceives firms and their corporate social responsibility activities.

Carroll and McCombs (2003) attempted to elucidate the agenda-setting theory in the business environment since the theory was initially more popular in the political communication area. Carroll and McCombs (2003) explained the media's influence on public corporate reputation. To manage the firm's reputation, the management will actively strengthen corporate governance, reduce self-interest behaviour and improve corporate performance. Besides the firm's reputation, the managers will also try to preserve their reputation. Therefore, they will choose to cater to the media, give up the behaviour that damages the interests of investors, regulate their behaviour and strive to improve firm performance (Cuadrado-Ballesteros, Frías-Aceituno & Martínez-Ferrero, 2014). In a nutshell, the media is one of the most important institutional mechanisms that can shape a firm's image in society and establish social expectations with its management. Thus, it is suggested that firms can manage these expectations by adopting corporate transparency and strategic disclosure mechanisms.

Media Coverage and Corporate Sustainability Performance

The higher volume of media coverage represents higher information content, which is beneficial for a firm in improving its performance level. A firm that is exposed to more intense media coverage is more likely to commit to a higher level of action on sustainability practices to ensure its long-term survival. This is because media coverage of a firm attracts more diverse stakeholders and may affect a firm's direction and strategies toward sustainability.

Positive Media Coverage

Hassan and Lahyani (2019) assessed the media's effect on social and environmental disclosure in the United Arab Emirates (UAE) from 2009 until 2016. No relationship was observed between media coverage and strategy disclosure. Strategy disclosure, which plays a similar function to sustainability information, is a voluntary disclosure of a firm that differentiates it from competitors by disseminating information about its vision, mission and strategy. The information will be used by the firm's external constituents, such as customers, investors, legislators, the public, and the media, in their decision-making. The results found in the study discarded the media agenda-setting stand on the effect of media on performance. The agenda-setting theories state that the media's reporting would reduce information asymmetry and create public discourse, which pressures firms to conform to the media by disclosing more sustainability-related activities.

Solikhah and Subowo (2020) evaluated the relationship between media coverage and environmental disclosure in Indonesian listed firms from 2012 to 2016 and discovered a positive and significant effect of media coverage on the quality of environmental disclosure. This finding supported the legitimacy theory, which states that the firm would operate based on the social norms and values of the community to gain legitimacy from the community. It means that, to be accepted by the public, the firm will carry out beneficial and favourable activities for the public and, consequently, will be reported by the media. The media coverage plays a role by highlighting good practices, including sustainability practices, and making stakeholders aware of the firm's existence. In addition, media coverage can amplify stakeholders' expectations regarding a firm's sustainability practices, including customers, investors, employees and the general public, increasing pressure on organisations to perform sustainably.

Negative Media Coverage

Dong et al. (2021) investigated the effects of negative media coverage on China's firm financial performance from 2013 to 2019. The study applied negative financial reports as negative news and found that a limited amount of negative news may have a positive impact on the firm by increasing public awareness, attracting investors' attention, and increasing stock purchases. However, when negative news reports become too large, investors become less optimistic about the firm's prospects. Traditionally, negative news has been harmful to corporate reputation and firm value, but there is also evidence of the positive impact of negative news on firm performance. Tavakolifar et al. (2021) investigated the effect of moderate media coverage and corporate commitment to climate change. The study found that the media enhances corporate response to climate issues by eliminating activities that will harm the environment. However, a limited amount of negative news may positively impact the firm by increasing public awareness, attracting investors' attention and increasing stock purchases (Dong et al. 2021). On the other hand, massive negative news could catch investors' and other stakeholders' attention, damaging the firm's perception and reputation.

The role of media coverage can be considered a two-edged sword. The good news from media coverage can improve a firm's reputation and legitimise its existence. On the contrary, the negative news may damage the firm's reputation and hamper sustainable performance. According to

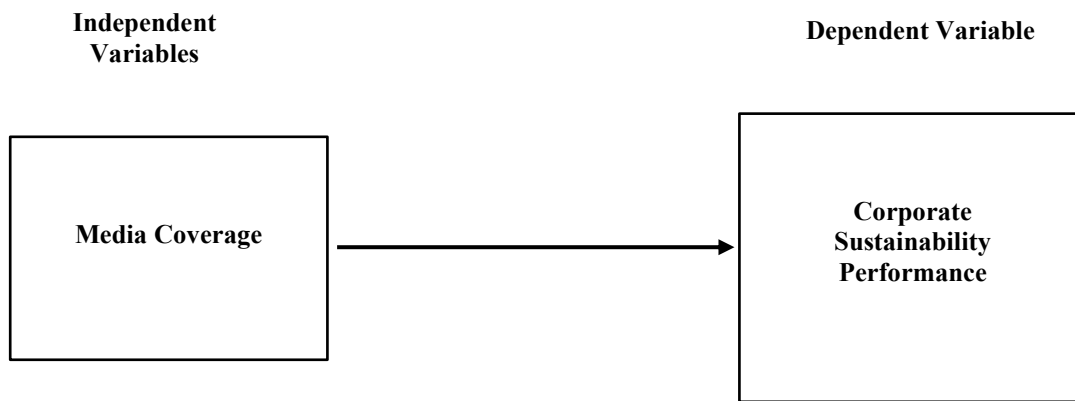
agenda-setting theory, media coverage may influence the public perception of firms. Therefore, greater media coverage may influence firm strategic decisions and actions, eventually enhancing corporate sustainability performance. Therefore, this study hypothesises that:

H1: The media coverage has a positive and significant relationship with corporate sustainability performance.

CONCEPTUAL FRAMEWORK

Figure 1

The Relationship Between Media Coverage and Corporate Sustainability Performance



RESEARCH DESIGN AND METHODOLOGY

This study used a quantitative research approach to address the research questions. This study was designed as a quantitative study to examine the relationship between media coverage and corporate sustainability performance. This study was also designed as a longitudinal study that involved observing the same firms for three years. The study collected secondary data from the firm's annual report in Bursa Malaysia. After all the data had been collected and extracted, the extracted information was scored and transformed into an index using the content analysis method. Finally, all the data were analysed using Stata Software.

Sample and Data Collection

Listed firms were chosen owing to the legal requirements imposed on publishing sustainability reports (Barroso-Castro et al., 2020). The year chosen was 2020 to 2022 as the most recent time frame to shed light on sustainability trends and practices. Furthermore, these years mark a unique period when the global COVID-19 pandemic significantly impacted business agendas,

sustainability programs, and media attention. The Covid-19 pandemic has significantly impacted firms worldwide. The Covid-19 pandemic caused many firms to shut down due to their inability to sustain and survive during difficult times with the control movement order. The firm's sustainability initiatives were also affected because investing in society and the environment incurs costs that can reduce the firm's short-term profits and limit the potential income of the shareholders. Therefore, the challenges posed by the Covid-19 pandemic likely fostered a sense of belonging to a larger social community, which may have resulted in greater adherence to social norms regarding public health and safety and, as a result, sustainable performance. Examining these periods could show how businesses responded to media coverage and its influence on corporate sustainability.

Table 1 summarises the total population of the study. Firms from the financial sector were excluded due to different rules and procedures governing them, which makes a total of 734. This study followed the Krejcie and Morgan (1970) in determining the sample size. The application of the Krejcie and Morgan table is appropriate in this study as the population of public listed companies in Bursa Malaysia constitutes a finite and identifiable population. The table enables the researcher to derive a statistically representative sample size capable of producing reliable and generalisable results while minimising sampling error. As a result, the sample size of this study included 254 firms from 750 firms, considering that the total publicly listed firms are within this range.

Table 1

Total Population

	Number of firms
Total Public Listed Firms of Bursa Malaysia as of 19th January 2023	785
Less: Finance, REITS and closed-end fund	(51)
Total Public Listed Firms	734

The stratified sampling technique was used to choose a sample in this study. The stratified sampling technique divides the population into strata (subgroups), and a random sample is taken from each subgroup. A subgroup in this study was the industrial type. Stratified sampling is often used when there is variation within a population to ensure that every industry is adequately represented. Table 2 illustrates the sample selection and total observations for this study. The total number of observations was 762 taken for three years, namely 2020, 2021 and 2022. Equation (1) was used to determine the total number of firms in each industry to be selected as a sample study. For example, to determine the sample from the Industrial Product & Services, the number of firms in the Industrial Product & Services (225) was divided by the total number of firms (734) and then multiplied by the required sample size (254), resulting in a total of 77 sample firms. The 77 sample firms were randomly selected from a list of firms that had been arranged alphabetically according to industry types.

$$Sample\ in\ industry = \frac{total\ firm\ in\ industry}{total\ firms\ (734)} \times Sample\ size\ (254) \quad (1)$$

Table 2
Sample Selection and Total Observations

Num	Industry	Number of Firms	Proportionate Sampling	Total Observations (3 years)	% of Samples
1	Industrial Products & Services	225	77	231	30
2	Consumer Products & Services	168	58	174	23
3	Property	98	34	102	13
4	Construction	50	17	51	7
5	Technology	46	17	51	7
6	Plantation	41	14	42	6
7	Transportation & Logistics	31	11	33	4
8	Energy	30	10	30	4
9	Telecommunications & Media	16	6	18	2
10	Health Care	17	6	18	2
11	Utilities	12	4	12	2
	Total	734	254	762	100

Source: Author's Computation

Data Collection

Content analysis was used in this study due to the common approach used by researchers in the accounting field, as most research investigating corporate disclosure uses the content analysis technique (Zaid et al., 2020b). Content analysis refers to a method of textual examination that analyses the messages or features of a text to derive meaning. This conceptual analysis approach identifies the frequency of concepts, such as words or phrases (Landrum & Ohsowski, 2018). It codifies the words into several elements to suit the criteria or elements in the study. The content analysis approach enables the researchers to draw conclusions from the data, explain the messages, and analyse document patterns and trends to quantify the data. This study relied on the annual reports to evaluate the corporate sustainability performance. The sustainability performance data was collected through content analysis, a widely used tool in social science research for extracting information from a published report (Laskar & Gopal Maji, 2018).

The firm's media coverage was collected using Google's news tool, with each firm's name in quotation marks as the search term. The "advanced Google tool search" and the "News" options were used to identify the media coverage for the specific firms. Google Tools News was chosen for this study because of its practicability, accessibility, and comprehensiveness, which make it convenient to gather data on media coverage in Malaysia. This Google tool news is not an ordinary

Google search engine because it has systematic queries and filtration aligned with the study's objective. The news was filtered for the years 2020 to the year 2023 with news from the Edge. In the present study, the media coverage was limited only to reporting found in *The Edge Malaysia*, a leading business newspaper in Malaysia, since more firm business activities were reported in *The Edge Malaysia* than in any other newspaper publication (Ghuslan et al., 2021). Lastly, the total number of news items about each firm in a particular year was counted and taken as a proxy for media coverage (Zaman et al., 2018).

This study acknowledged other factors that may influence the data. Thus, this study included control variables to control for noise that may influence the analysis results. Data for control variables such as firm size, firm age, leverage and growth were extracted from the Eikon database. Data on audit quality proxied by the firm audited were collected in the annual report.

Measurement of Variables

A content analysis technique was applied to measure corporate sustainability performance (CSP) based on the disclosure of the firm's actual performance in the annual report. The content analysis technique was commonly used in past studies (Zaid et al., 2020) to measure corporate sustainability performance. A dichotomous scoring methodology was used to score each firm's sustainability performance. The dichotomous scoring methodology is commonly used in past studies (Cooke 1989). The dichotomous scoring approach was chosen to collectively measure all three dimensions quantitatively to represent one variable: the corporate sustainability performance score. The unweighted approach was adopted to calculate the disclosure items' score because it can measure voluntary disclosure without bias and reduce subjectivity in assessing the items' weights (Alodat et al. 2022). In the scoring process, a score of 1 is assigned when a firm discloses actual performance improvement. The score of 1 was only given if there was evidence that sustainability gives positive corporate performance. For instance, the increment in the return on equity or Tobin's Q. In contrast, a score of 0 is given if the firms merely report sustainability activities without demonstrating evidence of improvement. A similar method was used when the score of 0 was given. For instance, there was a decline in the return on equity or Tobin's Q. The present study calculated the overall CSP score by adding the actual performance in each dimension. Finally, the CSP index was computed by dividing the overall CSP score by the maximum score, which is 13.

The media coverage is computed by the number of articles with a negative tone subtracted from those with a positive tone (Chih & Chih, 2014). The firm's name must be the headline of the news. The calculation of news articles was limited to *The Edge Malaysia*, the leading business newspaper in Malaysia. It was confirmed that most firms' activities are reported more frequently in *The Edge Malaysia* than in other media reports (Ghuslan et al., 2021). Positive media coverage includes good comments about the firm (Shipilov, Greve & Rowley, 2019), such as receiving awards and recognition or improving employee welfare and business expansions. On the other hand, the negative news includes the condemnation and criticism of the corporate problems (Li, Shi & Zhou, 2021). A positive net score indicates more positive than negative news, indicating favourable media coverage. In contrast, the negative net score suggested the opposite, with the negative news being more than the positive news. The net score was used in this study because it provides a

simple yet effective way to measure overall media coverage by quantifying both positive and negative news. The overall media coverage has been captured in the net score, providing a more direct measure of media influence. Past studies (Chih & Chih, 2014; Garcia-Sanchez, Cuadrado-Ballesteros & Sepulveda, 2014; Ghuslan et al., 2021) used a similar approach to measure media coverage. This study thus follows a methodology similar to existing literature, ensuring comparability while still considering methodological simplicity.

Data Analysis

The current study utilised the STATA version 17 for data analysis. It involved descriptive statistics for each variable employed in this study to determine the relationship between media coverage and CSP. Descriptive statistics represented all variables' minimum, maximum, average and standard deviation. Moreover, this study provided a correlation matrix that depicts each variable's correlation with all other variables. It also involved regression analysis in establishing a statistical relationship among the variables. It allowed for analysing whether an empirical relationship aligns with what has been predicted.

FINDINGS AND DISCUSSION

Descriptive Statistics for Corporate Sustainability Performance

This study reported the corporate sustainability performance index by incorporating all three dimensions: economic, environmental and social. Table 3 displays the descriptive statistics of corporate sustainability performance based on three dimensions and yearly breakdowns. The mean value for the economic dimension was 1.017, with a minimum value of 0 and a maximum of 2. The mean value for the economic dimension is the lowest, followed by the environmental dimension, and the highest mean score is the social dimension, with a mean value of 1.462 and 3.442, respectively. The lowest means score in the economic dimension showed modest economic performance, indicating firms facing economic challenges in aligning business strategies towards sustainability, which may reflect economic difficulties during the pandemic.

The second dimension of corporate sustainability performance is the environmental dimension. The maximum value of 5 shows that firms perform in the environmental dimension by fully satisfying five items in the environmental performance. In contrast, the minimum value of 0 shows that firms do not perform in the environmental dimension. However, the high standard deviation (1.507) indicates significant differences in environmental performance across firms. The finding suggests that while some firms perform well in the environmental dimension, others may still fail to strategize their business towards environmental sustainability. The last dimension of corporate sustainability performance is the social dimension. The mean value was 3.442, with a minimum value of 0 and a maximum of 6. It was higher than that obtained by Alazzani et al. (2017), which was 1.361. The higher score indicates an improvement in social performance over time. The result might be explained by the increasing pressure and awareness by stakeholders regarding social issues such as community, stakeholder relationships and employability, which make the social

dimension the main priority of the firms. In the meantime, the maximum value of 6 indicates that firms perform well in the social dimension by fully satisfying six social performance items. In contrast, a minimum value of 0 indicates that firms did not perform well in the social dimension.

Overall, the corporate sustainability performance yielded a mean score of 5.921, about half of the 13 items, with a minimum score of 1 and a maximum score of 12. The result also shows that the corporate sustainability performance index's mean value was 0.455, equal to 45.5%. The mean score indicates that the firm performed moderately well in terms of sustainability performance. Considering Malaysia is still in the early stages towards sustainable development, the results are not surprising.

Table 3
Corporate Sustainability Performance Index

Dimension	Mean	S. D	Min	Max	Year		
					2020	2021	2022
Overall					2020	2021	2022
Economic	1.017	0.707	0.000	2.000	1.067	0.980	1.000
Environment	1.462	1.507	0.000	5.000	1.440	1.457	1.488
Social	3.442	1.240	0.000	6.000	3.445	3.440	3.440
Corporate sustainability performance	5.921	2.545	1.000	12.000	5.952	5.878	5.929
Corporate Sustainability Performance Index	0.455	0.196	0.077	0.923	0.458	0.452	0.456

Descriptive Statistics for Media Coverage

Table 4 presents the descriptive statistics for media coverage, which include net scores, frequencies and percentage distribution of 762 firms' observations. This study calculates the net score for media coverage by subtracting the number of negative news from positive news. The net scores range between -4 and 13. Most of the scores tend to cluster around the positive value, for example, a net score 1 comprised 27.17% of the total data set, or 207 observations, suggesting a tendency towards positive media coverage. Additionally, net scores of -1 (13.52%) and 2 (14.70%) are more prevalent, indicating that the distribution is well balanced between neutral and moderately positive areas. Extreme net scores value such as -4 or high positive net scores (9 - 13), make up less than 1% of the data. A net score of 0 represents 81 occurrences with 10.63%. This neutral score signifies the balanced presentation of the data, where neither strongly negative nor strongly positive is dominant.

Table 4
Raw Data on Media Coverage

Net score	Frequencies	Percentage
-4	8	1.05
-3	16	2.10
-2	34	4.46
-1	103	13.52
0	81	10.63
1	207	27.17
2	112	14.70
3	86	11.29
4	42	5.51
5	28	3.67
6	18	2.36
7	16	2.10
8	3	0.39
9	3	0.39
10	1	0.13
11	2	0.26
12	1	0.13
13	1	0.13
Total	762	100.00

Table 5 shows the descriptive statistics of media coverage. The mean value for the actual score was 1.409, with a minimum value of -4 and a maximum value of 13. It was slightly higher than a study by Ghuslan et al. (2021) that reported a mean value of 0.96 with a minimum of 0 and a maximum of 20. Their study measured news coverage for publicly listed Malaysian firms from 2017 to 2018. Furthermore, the mean number of positive news was 2.324, indicating that, on average, firms' positive news has been reported about 2 times during the three years (2020-2022) in Edge Malaysia, with a minimum value of 0 and a maximum of 15 news. The mean value for negative news was 0.915, suggesting that firms' negative news has been reported once during the 3 years in Edge Malaysia. The minimum number of negative news was 0, and the maximum number of negative news was 6. The yearly net score showed an increasing trend, which indicated an increase in the media's news reports.

The finding shows a significant increment in media attention towards firm activities from 2020 to 2023, considering the impact of the Covid-19 pandemic on business operations. Businesses face challenges that require the necessary strategies to sustain themselves in the market. The strategies must be visible to gain support from stakeholders. In addition, the broader minimum and maximum

values, as compared to Ghuslan et al. (2021), show a more diverse range of media sentiments that are being influenced by changing corporate strategies towards sustainable development and public perceptions during that period.

Table 5
Descriptive Statistics for Media Coverage

Year	Variable	Mean	Std. Dev.	Min	Max
Panel A: Overall					
Overall (n= 762)	Positive	2.324	2.275	0.000	15.000
	Negative	0.915	1.179	0.000	6.000
	Net score	1.409	2.383	-4.000	13.000
Panel B: Media coverage based on year					
2020 (n=254)	Positive	1.701	1.845	0.000	12.000
	Negative	0.740	1.035	0.000	5.000
	Net score	0.961	2.056	-4.000	10.000
2021(n=254)	Positive	2.484	2.325	0.000	13.000
	Negative	1.043	1.261	0.000	5.000
	Net score	1.441	2.523	-4.000	11.000
2022 (n=254)	Positive	2.787	2.474	0.000	15.000
	Negative	0.961	1.212	0.000	6.000
	Net score	1.827	2.471	-4.000	13.000

This study predicted that media coverage has a significant and positive relationship towards CSP. The regression results are shown in Table 6. The result demonstrated that media coverage moderately affected CSP positively, at a coefficient of 0.010 ($p < 0.10$, $t = 1.869$). The net positive score (shown in Table 5) indicates that the media plays a positive role as an external governance mechanism that influences sustainability performance. Positive media coverage may pressure firms towards better sustainability performance. The media also might influence firms to disclose more impactful sustainability initiatives to ensure a good reputation.

Table 6
Regression Result Between Media Coverage and Corporate Sustainability Performance

	CSP
Intercept	-0.344*** (-5.122)
MEDIA	0.010* (1.869)
FSIZE	0.057*** (12.632)
FAGE	-0.001

	(-0.098)
LEV	0.013***
	(3.301)
GROWTH	0.359***
	(2.675)
BIG4	0.076***

	(5.474)
R2	0.3942
Adj. R ²	0.3787
N	762
F-stat	33.599
Prob>F	0.0000

The result is supported by the findings of Garcia-Sanchez, Cuadrado-Ballesteros and Sepulveda (2014) and Li et al. (2022). Greater media coverage represents more information content, which is beneficial for a firm in improving its performance level (Qin et al. 2020). The agency and media agenda-setting theories state that the media would reduce information asymmetry and create public discourse, eventually forcing firms to disclose more sustainability-related activities. Eventually, it may improve firm performance. Therefore, the result supports the proposition that media coverage has a positive and significant relationship with corporate sustainability performance. The result of the present study supported an agenda-setting theory portraying media coverage as an external mechanism that can improve firm sustainability performance. Greater news coverage makes the firm visible to the public and, therefore, may influence the firm's reputation in stakeholder perceptions.

Additional Analysis

The Relationship Between Media Tone (Positive and Negative News) and Corporate Sustainability Performance

An additional analysis was carried out to test the effect of media on CSP by classifying the media coverage into positive and negative news. Table 7 shows the relationship between both positive and negative news towards CSP. Results in Model (a) showed that the relationship between positive news and CSP is a positive but insignificant relationship with a coefficient of 0.008 ($p > 0.05$, $t = 0.797$). In contrast, results Model (b) showed that negative news has a significant positive relationship with CSP at a coefficient of 0.043 ($p < 0.05$, $t = 2.225$). This indicates that negative news improves sustainability performance, as negative media coverage can put firms under reputational pressure. However, greater media coverage can lead to strong negative market reactions and damage firm performance. The negative media coverage prompts the firm to adopt more responsible environmental behaviours to restore legitimacy and stakeholder trust. Consequently, negative media coverage can act as an informal governance mechanism, compelling firms to adopt more responsible environmental behaviours which ensure their long-term performance.

Table 7
The Impact of Media Tone on Corporate Sustainability Performance

	Model (a)	Model (b)
	CSP	CSP
Intercept	0.314*** (4.570)	0.403*** (5.817)
Positive	0.008 (0.797)	
Negative		0.043** (2.225)
FSIZE	0.054*** (11.987)	0.058*** (13.302)
FAGE	0.000 (0.048)	-0.000 (-0.025)
LEV	0.013*** (3.351)	0.013*** (3.448)
Growth	0.340*** (2.663)	0.381*** (2.888)
BIG4	0.076*** (5.542)	0.075*** (5.450)
R2	0.4011	0.3969
Adj.R2	0.3849	0.3807
N	762	762
F-stat	30.953	32.461
Prob>F	0.0000	0.0000

The Relationship Between Media and The Dimensions of Corporate Sustainability Performance

An additional analysis was carried out to identify the impact of the media coverage on the three dimensions of corporate sustainability performance. The three dimensions of CSP are economic, environmental and social dimensions that cover both financial and non-financial indicators of CSP. Table 8 showed a positive and significant relationship between media coverage and economic dimension, with a coefficient of 0.031 ($p < 0.01, t = 2.924$). Similarly, there was a significant and positive relationship between media coverage and social dimension, with a coefficient of 0.011 ($p < 0.10, t = 1.883$). The findings indicate that the greater media coverage makes firms more visible to stakeholders and enhances the economic and social dimensions. It is because greater visibility will enhance higher market valuation and impact the economic performance. Additionally, greater media coverage creates public pressure and reinforces a firm's legitimacy and acceptance in society by prioritising the social initiatives, which include relationships with local communities, employees, customers and other stakeholders. On the contrary, the impact of

media coverage on the environment dimension shows an insignificant and positive relationship with a coefficient of 0.005 ($p > 0.05$, $t = 0.628$). The finding implies that media coverage alone is inadequate to drive a firm towards environmental strategies that may improve firm performance. It is due to environmental reporting and performance improvements requiring long-term strategic changes, which may not be immediately influenced by short-term fluctuations in media coverage.

Table 8

The Impact of Media Coverage on Dimensions of Corporate Sustainability Performance

	Economic	Environment	Social
Intercept	0.137 (0.879)	-0.641*** (-5.587)	-0.157* (-1.896)
MEDIA	0.031*** (2.924)	0.005 (0.628)	0.011* (1.883)
FSIZE	0.047*** (4.555)	0.078*** (10.149)	0.048*** (9.336)
FAGE	-0.029 (-1.262)	-0.001 (-0.029)	0.003 (0.280)
LEV	0.074*** (8.408)	0.006 (1.136)	0.001 (0.229)
Growth	0.452 (1.335)	0.574** (2.104)	0.260* (1.846)
BIG4	0.055** (2.077)	0.088*** (3.818)	0.060*** (3.677)
R2	0.2638	0.3196	0.2600
Adj.R2	0.2459	0.3031	0.2421
N	762	762	762
F-stat	16.724	28.427	20.127
Prob>F	0.0000	0.0000	0.0000

CONCLUSION

The motivation for this study lies in the desire to assess whether media coverage affects corporate sustainability performance. The study found that media coverage positively and significantly influences corporate sustainability performance. The findings indicated that the media plays a positive role as an external governance mechanism that influences sustainability performance. Several additional tests were carried out to gain further understanding on the impact of media tone (positive and negative news coverage) towards sustainability performance. The findings show that the negative news has a significant positive relationship with sustainability performance. This indicates that negative news improves sustainability performance, as negative media coverage can put firms under reputational pressure, which encourages more sustainability initiatives carried out by the company. Finally, the additional analysis was carried out to investigate the relationship between media coverage and the three dimensions of sustainability performance. The study found that media coverage has a positive and significant relationship with economic and social dimensions. However, there was an insignificant relationship between media coverage and the environmental dimension. The finding implies that media coverage alone is inadequate to drive a firm towards environmental strategies that may improve firm performance. It is also due to firms

responding more strongly to economic or mandatory requirements than to media attention in shaping their environmental practices.

Through the agenda-setting theory, this study adds to the existing body of knowledge by introducing media coverage, which has rarely been explored in the accounting literature. The empirical evidence sheds light on whether the media can function as an external governance mechanism. It was consistent with the agenda-setting theory originally proposed by Maxwell McCombs and Donald Shaw in the context of political communication. By highlighting certain issues, the media can influence what stakeholders (such as shareholders, employees, customers, and regulators) see as the most important governance issues. This can, in turn, influence corporate behaviour and policy toward sustainability. Additionally, this study extended the existing studies on corporate sustainability performance by incorporating three dimensions: economic, environmental and social into the corporate sustainability performance index. Hence, the CSP measurement in this study provided a more comprehensive measurement that included financial and non-financial performance. Past studies measured sustainability performance independently or focused on the financial performance, which is insufficient to gauge a complete sustainability performance that should comprise the financial and non-financial dimensions. It was suggested that the firm take necessary action to ensure that the news reported by the media was handled effectively. One of the possible ways to handle this is to ensure a transparent and accountable communication mechanism so that stakeholders are aware of the firm's activities, which may help reduce negative perceptions and preserve the firm's image. This research has several limitations, highlighting the need for subsequent studies. First, a three-year study period (2020-2022) may be a relatively short window, and the limitations cannot be generalised beyond that period. Future studies should include extended periods of study to include the post-pandemic Covid-19 period. It is interesting to explore whether media coverage impacts corporate sustainability performance. Finally, this study included Malaysian public firms listed in the main market, which cannot be generalised to other countries or markets. Expanding the study to other countries or markets may bring different findings, as the nature of the business environment will affect the overall firm performance. The developed and developing countries may give different perspectives on the relationship between media coverage and corporate sustainability.

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