Board Dynamics and Integrity Transparency in Healthcare: A Conceptual Framework for Online Disclosure Governance in Malaysian Private Hospitals

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ABSTRACT

Ethical transparency in the private healthcare sector is a growing concern, particularly in Malaysia, where governance disclosures on hospital websites remain inconsistent. Despite regulatory advancements, limited studies have examined the influence of board-level governance and human governance attributes on the disclosure of integrity-related information in digital platforms. This study aims to conceptualize a governance-integrity framework that integrates board characteristics, human governance, audit risk committee effectiveness, and ownership concentration as key drivers of online integrity disclosure. Using a narrative review methodology, the study systematically analysed 19 peer-reviewed articles sourced from the Scopus database. Thematic synthesis was applied to identify conceptual patterns across governance practices, ethical leadership traits, and digital reporting behaviours. Findings suggest that while board structure and independence play foundational roles, human governance which include ethical values and professional background of board members, exerts a significant yet underexplored influence. The audit risk committee was found to mediate governance effectiveness, while ownership concentration moderated transparency outcomes. This framework contributes theoretically by extending agency and stakeholder theory into the digital disclosure. Practically, it recommends the formal integration of human governance indicators into board assessment tools and the strategic implementation of digital integrity dashboards on hospital websites. This study offers new insight into how healthcare institutions can improve ethical accountability by addressing governance mechanisms holistically.

Keywords: Corporate Governance; Integrity Disclosure; Audit Risk Committee; Human Governance; Healthcare Transparency

INTRODUCTION

In recent years, corporate governance in the healthcare sector has drawn increased attention, particularly in relation to transparency and ethical accountability. The global rise in public demand for integrity, coupled with several corporate failures, has elevated the need for mechanisms that foster ethical governance. In the Malaysian context, this concern becomes more critical due to the limited enforcement of integrity disclosure frameworks, particularly among private hospitals. Although the healthcare industry is inherently associated with ethical obligations, many private institutions fail to reflect such principles in their online reporting practices, thereby eroding public trust and institutional credibility.

Prior research has focused extensively on traditional corporate governance attributes such as board independence, audit committee structure, and ownership concentration. While these elements remain crucial, a growing body of literature argues that structural compliance alone is insufficient to ensure transparent governance. Emerging discussions around "human governance" suggest that the values, ethics, and personal integrity of board members significantly influence organizational disclosure practices. Yet, empirical and conceptual investigations exploring how human governance interacts with formal governance structures to shape online integrity disclosure remain scarce.

Corporate governance has long been positioned to safeguard organizational accountability, particularly through mechanisms such as board size, board independence, and the establishment of audit committees (Fama & Jensen, 1983; Said, Zainuddin & Haron, 2018).

These structures are intended to monitor managerial behaviour and uphold fiduciary responsibility. In the Malaysian context, legislative reforms such as Section 17A of the MACC Act 2009 have introduced corporate liability for corruption, amplifying the need for effective board oversight. Yet, despite these frameworks, reported cases of professional misconduct—including false insurance claims and surgical malpractice—suggest that governance structures alone may not suffice in ensuring the ethical integrity of healthcare services (Sean, 2020).

Emerging research in governance studies indicates that while board characteristics may influence disclosure behaviour, their effect is often indirect and mediated through specialized sub-committees such as the Audit Risk Committee. These committees play a unique role in translating strategic governance intent into operational oversight, particularly concerning ethical risk, compliance, and internal controls (Ng, Chong & Ismail, 2012). However, within the literature on integrity disclosure, particularly in the healthcare sector, the mediating role of audit risk committees has received limited theoretical and empirical attention. Existing studies tend to focus on financial reporting or sustainability disclosures (Said et al., 2018; Agyei-Mensah, 2017), with little emphasis on integrity-specific content communicated via websites.

This conceptual paper addresses that gap by proposing a governance-based framework that links board characteristics—namely board size, board independence, and audit committee presence—with the extent of integrity information disclosed on hospital websites. It further introduces the effectiveness of the audit risk committee as a mediating variable that operationalizes board intent into measurable transparency outcomes. This framework is grounded in Agency Theory, which positions boards as oversight agents safeguarding stakeholder interests (Jensen & Meckling, 1976), and Legitimacy Theory, which explains voluntary disclosure as a strategic response to social expectations (Deegan, 2002). Additionally, elements of Resource Dependence Theory support the idea that committee composition and expertise influence the quality of ethical governance.

Addressing this gap, the present study develops a conceptual framework that integrates both structural and behavioural dimensions of governance. By examining how board characteristics and human governance affect online integrity disclosure, and by considering the mediating role of audit risk committee effectiveness and the moderating role of ownership concentration, this paper contributes a multidimensional model grounded in agency and stakeholder theory. This framework is grounded in Agency Theory, which positions boards as oversight agents safeguarding stakeholder interests (Jensen & Meckling, 1976), and Legitimacy Theory, which explains voluntary disclosure as a strategic response to social expectations (Deegan, 2002). Additionally, elements of Resource Dependence Theory support the idea that committee composition and expertise influence the quality of ethical governance.

The study is significant not only in offering a novel perspective but also in advancing discourse on ethical governance in digital contexts. Structurally, this paper begins with a review of the relevant literature, followed by a discussion of the theoretical framework, methodological approach, and proposition development. It concludes with theoretical and practical implications and outlines future research directions. By examining the structural and procedural dimensions of governance, this study contributes to a deeper understanding of how internal board mechanisms influence integrity reporting practices in Malaysian private hospitals. The significance of this work lies in its potential to inform both academic inquiry and practical reform. For scholars, it offers a novel integrative model connecting structural governance features to ethical communication outcomes. For practitioners and policymakers, it provides strategic insights for enhancing transparency and compliance in an increasingly digitized healthcare environment.

LITERATURE REVIEW

The corporate governance landscape has evolved significantly in response to growing demands for transparency and accountability, particularly within high-stakes sectors such as healthcare. Governance frameworks, both internal and external, are designed to prevent unethical practices and promote trust among stakeholders. In Malaysia, the corporate governance structure has been progressively shaped by regulatory initiatives, such as the Malaysian Code of Corporate Governance (MCCG) and the Malaysian Anti-Corruption Commission (MACC) Act's Section 17A, which imposes corporate liability on directors and top management for corruption committed within an organization. Within the healthcare sector, private hospitals are increasingly expected to uphold higher ethical standards—not only in clinical care but also in their disclosure practices. Web-based integrity information disclosure, encompassing transparency about ethics, anti-corruption policies, and corporate responsibility, is an emerging measure of such commitment (Said & Joseph, 2020). However, the determinants of integrity-related disclosures on digital platforms remain inadequately explored, especially concerning the governance structure of hospital boards.

Corporate governance characteristics, notably board size**,** board independence**,** and the presence of an audit committee, have been widely discussed in the literature as predictors of organizational transparency and ethical conduct. Fama and Jensen (1983) emphasized the board of directors' role in monitoring managerial actions and aligning them with stakeholder interests, laying the foundation for modern agency theory. Large boards can provide diverse perspectives and broader oversight, although some scholars argue that excessive size may reduce effectiveness due to coordination challenges (Lipton & Lorsch, 1992). Board independence, meanwhile, introduces external accountability by incorporating non-executive directors who are less likely to be influenced by internal politics (Kiel & Nicholson, 2002). Similarly, the existence of an audit committee is widely seen as a control mechanism ensuring the accuracy and reliability of financial and non-financial disclosures (Abbott, Park, & Parker, 2004). Despite these theoretical insights, empirical studies focusing on non-financial, integrity-specific disclosures, especially through digital means, are still relatively scarce.

While board characteristics are central to corporate governance, their influence on integrity disclosure may not be direct. This study proposes the effectiveness of the audit risk committee as a key mediating variable, acting as a bridge between governance intent and operational implementation. The audit risk committee plays a vital role in overseeing risk exposure, including reputational and ethical risks, and ensuring that internal controls align with governance policies (Ng, Chong, & Ismail, 2012). In healthcare institutions where risks are not only financial but also reputational and clinical, the audit risk committee's role becomes especially important in safeguarding the organization's ethical standards. The effectiveness of this committee, measured by its independence, frequency of meetings, and expertise, can significantly determine the quality and depth of integrity information disclosed on websites. Hence, this mediating role deserves greater conceptual and empirical attention in the discourse on healthcare governance.

Corporate boards play a central role in setting the tone for transparency and ethical conduct within organisations. Attributes such as board independence, size, gender diversity, and CEO duality have been widely examined in corporate governance literature. Independent directors are perceived as neutral monitors, promoting accountability and restraining opportunistic behaviours (Agyei-Mensah, 2017). Larger boards may offer broader expertise, while gender diversity brings inclusive decision-making perspectives that can positively influence disclosure practices. Conversely, CEO duality—where the same individual holds both CEO and Chair roles—often leads to power concentration, reducing board independence and, potentially, transparency (Jaggi et al., 2009). These characteristics form the structural base from which board governance influences public reporting and integrity disclosure, particularly in regulated environments such as healthcare.

Adding another layer to this framework is the influence of ownership concentration, which this study introduces as a moderating variable. Ownership structure in Malaysian private hospitals often involves family-owned or closely held entities. High ownership concentration may strengthen internal control but also potentially limit transparency if dominant owners prioritize privacy or resist disclosures that could invite public scrutiny

(Claessens, Djankov, & Lang, 2000). In contrast, dispersed ownership may demand higher levels of transparency to assure minority shareholders and external stakeholders. The moderating effect of ownership concentration could therefore enhance or weaken the relationship between audit risk committee effectiveness and integrity disclosure. Understanding this relationship is particularly critical in a context like Malaysia, where varying ownership models exist within the private healthcare sector.

Ownership concentration, particularly in family-owned or closely held institutions, often determines the degree of voluntary disclosure. High ownership concentration may reduce the incentive to disclose integrity-related information, especially if controlling shareholders prioritize private control benefits over public accountability. Claessens et al. (2000) argue that in such environments, information asymmetry can be strategically maintained, making external scrutiny more difficult. However, from a stakeholder theory perspective, broader ownership dispersion may enhance transparency due to the need to satisfy multiple stakeholder expectations. This dynamic is particularly critical in private hospitals, where patient trust and public perception are essential to institutional legitimacy.

While traditional governance mechanisms focus on structure and compliance, human governance introduces a behavioural and ethical lens to board performance. It refers to the integrity, moral character, and values-based leadership demonstrated by board members in guiding the organisation's strategic direction (Salleh & Ahmad, 2012). Unlike formal governance tools, human governance is less tangible but equally influential, operating through personal ethical standards, public accountability, and internalised responsibility for organizational conduct. It addresses the human side of governance on how personal values of directors influence organizational transparency, especially in areas not explicitly regulated, such as voluntary online integrity disclosure.

Proxies for human governance include directors' ethical training, prior roles in ethics committees, public speeches or advocacy for transparency, involvement in CSR initiatives, and affiliations with professional integrity bodies. These characteristics reflect individual board members' commitment to integrity and their influence on institutional disclosure culture. This construct is supported by stakeholder theory, which posits that organizational legitimacy depends not just on performance but on perceived ethical alignment with societal values. In healthcare, where ethical conduct is paramount, human governance plays a critical role in shaping both strategic decisions and public communication strategies, especially in online formats where scrutiny is higher.

This study thus proposes a conceptual framework linking board characteristics (board size, board independence, audit committee presence) to online integrity information disclosure, mediated by audit risk committee effectiveness and moderated by ownership concentration. The framework integrates theoretical insights from Agency Theory, which underscores the importance of monitoring mechanisms in resolving principal-agent conflicts (Jensen & Meckling, 1976), Legitimacy Theory, which explains voluntary disclosure as a strategic response to societal expectations (Deegan, 2002), and Resource Dependence Theory, which views board members and committees as sources of critical expertise and oversight capabilities (Pfeffer & Salancik, 1978). Together, these theories provide a robust foundation for understanding how internal governance structures translate into ethical communication practices in Malaysian private hospitals. By integrating these variables, the proposed model offers a novel lens through which the governance-disclosure relationship can be understood and empirically tested in future research.

Key Theme	Key Findings	Key References
Board Size and Composition	Larger and more diverse boards improve decision quality and increase oversight capacity, positively influencing integrity-related disclosure.	Kiel & Nicholson (2002); Said et al. (2018)
Board Independence	Independent directors enhance accountability and stakeholder trust, which leads to more transparent and ethical online disclosures.	Fama & Jensen (1983); Jaggi, Leung & Gul (2009)
Audit Risk Committee Effectiveness	Effective audit committees—measured by frequency of meetings, expertise, and independence—serve as operational enforcers of integrity disclosure.	Ng, Chong & Ismail (2012); Abbott, Parker & Peters (2004)

Ownership Concentration	High ownership concentration may reduce disclosure due to centralized control, while dispersed ownership often promotes greater transparency.	Claessens, Djankov & Lang (2000); Haniffa & Cooke (2002)
Human Governance Attributes	Ethical leadership traits (education, experience, integrity) among directors positively influence values-based governance and promote disclosure.	Salleh & Ahmad (2012); Arjoon (2005)
Web-Based Integrity Disclosure	Hospitals disclosing integrity, anti-corruption policies, and whistleblowing procedures on websites are more likely to gain public trust and legitimacy.	Zainuddin (2019); Hashim et al. (2015)
Moderating and Mediating Effects	The influence of board governance on disclosure is strengthened by effective audit committees and moderated by ownership structure.	Mohd Iskandar et al. (2020); Hashim & Devi (2008)
Sector-Specific Sensitivity	Healthcare organizations are uniquely sensitive to ethical failures, making integrity disclosures even more critical for maintaining legitimacy.	Mohamad & Sori (2016); Salleh et al. (2020)

The narrative review identified several recurring themes and conceptual linkages in the literature that collectively support the development of the proposed framework. A key finding relates to board size and composition, where larger and more diverse boards were consistently associated with improved decision-making quality and more effective oversight. These boards are more likely to champion transparency through formal ethical disclosures, including those made available on websites. This is supported by studies such as Kiel and Nicholson (2002) and Said et al. (2018), who argue that board diversity enhances governance responsiveness to stakeholder expectations.

Another important aspect is board independence, which was found to be strongly linked to accountability and integrity disclosure. Independent directors bring objective scrutiny to organizational conduct and are more inclined to promote ethical transparency to external audiences. Fama and Jensen (1983) and Jaggi, Leung, and Gul (2009) provide evidence that independent boards are more diligent in upholding stakeholder trust, often influencing disclosure decisions in a positive direction. The literature further highlighted the operational importance of the Audit Risk Committee (ARC)**.** According to Ng, Chong, and Ismail (2012), as well as Abbott, Parker, and Peters (2004), audit committees that meet regularly, possess financial expertise, and maintain independence are more capable of monitoring risk and enforcing integrity-related reporting.

The review also found that ownership concentration significantly affects the transparency dynamic. Claessens, Djankov, and Lang (2000) and Haniffa and Cooke (2002) suggest that highly concentrated ownership structures can reduce the willingness to disclose integrity information publicly, particularly when controlling shareholders dominate governance. Conversely, dispersed ownership tends to be associated with better transparency practices. In addition, the growing importance of human governance attributes was noted, particularly regarding ethical leadership. Traits such as education level, professional background, and moral disposition of board members and executives were found to influence disclosure behaviour in meaningful ways. Studies by Salleh and Ahmad (2012) and Arjoon (2005) highlight how values-driven leadership can promote proactive ethics communication and web-based reporting.

Finally, the review reinforced the role of web-based integrity disclosure in enhancing institutional legitimacy, especially within the healthcare sector. Hospitals that openly disclose anti-bribery policies, whistleblowing procedures, and codes of ethics via websites are better positioned to gain public trust. This finding aligns with research by Zainuddin (2019) and Hashim et al. (2015). Furthermore, the analysis revealed that the relationship between governance and disclosure is strengthened when mediating and moderating factors such as ARC effectiveness and ownership dispersion are considered. The review concludes that healthcare organizations, due to their ethical sensitivity, are particularly susceptible to reputational risks, underscoring the need for integrated governance strategies that promote consistent, values-based transparency (Salleh et al., 2020; Mohamad & Sori, 2016).

Overall, these findings substantiate the conceptual framework proposed in this study and demonstrate that online integrity information disclosure is influenced by an interplay of board structure, leadership ethics, committee effectiveness, and ownership dynamics. The review also emphasizes the growing relevance of digital platforms as vehicles for transparency, accountability, and trust-building within the healthcare industry. By integrating human governance with traditional board characteristics and ownership structure, a more comprehensive understanding of online integrity disclosure emerges. Structural attributes may establish the framework for disclosure, but the motivation to exceed minimal standards and engage in proactive transparency often stems from personal ethics. Moreover, the audit risk committee serves as a key mediator in operationalising both structural and behavioural governance by enforcing internal controls and facilitating accurate disclosures. This multi-level governance approach provides a richer theoretical foundation for examining how ethical leadership and institutional arrangements jointly influence transparency in private hospitals.

METHODOLOGY

This study adopted a narrative review design to conceptualize the relationship between board governance characteristics and online integrity disclosure within the Malaysian private healthcare sector. A narrative review approach was selected due to its flexibility in capturing conceptual breadth, synthesizing diverse theoretical perspectives, and generating new propositions (Greenhalgh et al., 2018). Unlike systematic reviews, which typically focus on quantitative effect sizes or intervention outcomes, narrative reviews are suitable for exploring emerging constructs and complex theoretical models that integrate multi-dimensional variables such as human governance and audit committee functions. This design allowed for interpretive analysis of prior research findings and the construction of a holistic conceptual framework grounded in both agency and stakeholder theories.

The decision to employ a narrative approach was further informed by the study's conceptual orientation. Given the aim is to propose a theoretical framework rather than empirically test hypotheses, a narrative review allows for the flexible aggregation of findings across related domains including corporate governance, healthcare integrity, audit risk oversight, and digital transparency. The study integrates insights from Agency Theory, Legitimacy Theory, and Resource Dependence Theory, requiring a method that can draw upon conceptual, empirical, and theoretical contributions. By doing so, the study advances a novel integrative model capable of guiding future empirical investigations into governance mechanisms and ethical disclosures in the healthcare sector.

The narrative review process followed a structured sequence consisting of five key steps. First, a clear research focus was established by identifying the central constructs: board characteristics, human governance, audit risk committee effectiveness, ownership concentration, and online integrity disclosure. Second, a comprehensive search was conducted through the Scopus database, which is widely recognized for its quality peer-reviewed publications fields of business, healthcare management, ethics, governance, and social sciences. Third, inclusion and exclusion criteria were defined to filter only relevant empirical and conceptual articles published between 2010 and 2023. The search was limited to 468 journal articles and review papers published in English from 2010 to 2023, to ensure relevance to recent governance reforms and the digital transformation of disclosure practices. Fourth, eligible articles were screened for theoretical alignment and relevance to the healthcare sector. Finally, selected studies were analysed using an integrative thematic analysis approach to identify recurring patterns, theoretical gaps, and conceptual linkages that informed the framework development.

A total of 19 peer-reviewed articles were selected from the Scopus database using a carefully structured Boolean search string. The search string used to extract literature from Scopus was constructed using Boolean operators and targeted keywords aligned with the study’s variables. The final string applied was as follows:
(“board" OR "governance" OR "management" OR "leadership") AND ("characteristics" OR "traits" OR "attributes" OR "features") AND ("online" OR "digital" OR "internet" OR "web") AND ("integrity" OR "transparency" OR "honesty" OR "accountability") AND ("information" OR "data" OR "disclosure" OR "reporting") AND ("hospital" OR "healthcare" OR "medical" OR "clinic")

Only articles published in English and indexed in Scopus were considered. After screening titles, abstracts, and full texts, the final 19 articles were selected based on their relevance to governance constructs and their applicability to healthcare or public accountability contexts. These articles were subjected to integrative thematic analysis, which enabled the identification and synthesis of themes such as ethical leadership, board composition, stakeholder responsiveness, and the mediating role of audit committees. The themes emerging from the analysis formed the foundation for the conceptual propositions developed in the subsequent section.

This search string was refined iteratively to exclude irrelevant articles and ensure focus on conceptual and empirical studies that directly inform the variables and relationships within the proposed framework. Abstracts and titles were initially screened to determine relevance. Full-text articles were then reviewed to extract conceptual linkages, theoretical frameworks, and empirical findings related to governance structures and integrity disclosures.

During the synthesis phase, extracted literature was categorized according to themes corresponding to the study's constructs: (1) board characteristics and corporate governance mechanisms, (2) human governance and leadership traits, (3) audit and risk committee functions, and (4) integrity disclosure practices via websites. Key theoretical contributions, methodological approaches, and gaps were noted. A comparative synthesis of findings was then conducted to integrate evidence and insights into a coherent framework, highlighting underexplored relationships and offering justification for the mediating and moderating variables proposed in this paper.

In total, the review identified and evaluated approximately 19 relevant articles, which include high-impact journals indexed in Scopus across disciplines. The narrative review concludes with the formulation of a conceptual model linking corporate governance variables, audit risk mediation, and ownership moderation to integrity disclosure outcomes in Malaysian private hospitals.

Following data collection, the selected articles were subjected to an integrative thematic analysis, which is well-suited for conceptual studies aiming to synthesize findings across multiple disciplines. Guided by Braun and Clarke's six-step framework, the analysis involved familiarization with the literature, initial coding, and theme identification, followed by reviewing and refining themes and integrating them into the narrative. This process allowed the identification of four major conceptual domains: (1) governance structures and board dynamics, (2) digital transformation and web-based disclosures, (3) ethical risk management and audit oversight, and (4) healthcare-specific trust and integrity mechanisms. These thematic categories served as the analytical lens through which the variables of the proposed framework—board characteristics (independent variables), audit risk committee effectiveness (mediating variable), ownership concentration (moderating variable), and online integrity information disclosure (dependent variable)—were aligned and interpreted. The approach facilitated a holistic understanding of how internal governance mechanisms translate into ethical reporting practices, particularly in a digital healthcare environment. The thematic synthesis not only highlighted gaps in current literature but also guided the development of a novel conceptual framework relevant to Malaysian private hospitals, offering valuable insights for both scholars and practitioners in healthcare governance.

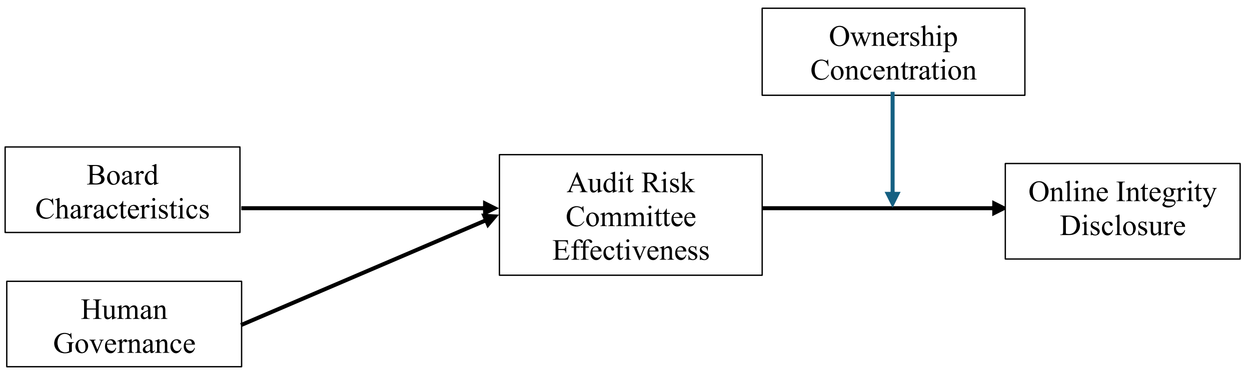
DEVELOPMENT OF THEORETICAL FRAMEWORK.

The theoretical foundation of this study draws from a combination of agency theory, stakeholder theory, legitimacy theory, and resource dependence theory to explain how governance dynamics influence online integrity disclosure in private healthcare. Agency theory emphasizes the need for oversight mechanisms to align managerial actions with stakeholder interests, especially in the context of board structure and ownership control. Stakeholder theory adds to this by highlighting how organisations are expected to serve not only shareholders but a broader network of actors, including patients, regulators, and the public. Meanwhile, legitimacy theory offers insight into how institutions use disclosure as a tool to maintain credibility and social approval, particularly in ethically sensitive industries like healthcare. Lastly, resource dependence theory suggests that governance structures, including audit committees, act as key conduits for acquiring and managing essential resources, such as trust and legitimacy.

Applying these theoretical lenses, the study conceptualises a model in which structural board characteristics—such as board independence, size, and CEO duality—function as core governance mechanisms that shape disclosure practices. Human governance is introduced as an equally influential behavioural construct, capturing the ethical orientation, leadership values, and integrity of decision-makers. These behavioural traits may amplify or moderate the effect of formal governance elements, particularly in contexts where regulatory enforcement is limited. Audit risk committees are posited as a mediating force that channels both structural and human governance into disclosure outcomes, ensuring that ethical standards translate into concrete online practices.

Ownership concentration, meanwhile, is conceptualised as a moderating factor that influences the strength of governance–disclosure relationships. In closely held institutions, concentrated ownership may either reinforce or diminish transparency, depending on the ethical posture of the controlling entities. By integrating these theoretical strands, the framework moves beyond traditional governance models and offers a more nuanced explanation of how internal dynamics and leadership Based on these theoretical foundations, the conceptual framework is presented in Figure 1.

Figure 1: Proposed theoretical framework



Proposition Development

The Relationship between Board Characteristics and Online Integrity Disclosure

Corporate boards play a central role in ensuring the ethical and transparent governance of organizations. Within the healthcare sector, particularly private hospitals, boards are tasked with overseeing not only financial and operational decisions but also the institution's moral and ethical posture. According to Agency Theory (Jensen & Meckling, 1976), board structures such as size and independence are instrumental in mitigating information asymmetry and reducing agency costs. Independent and diverse boards are more likely to uphold stakeholder interests and push for transparent communication, including disclosures related to ethical practices and anti-corruption commitments (Fama & Jensen, 1983). In the Malaysian healthcare context, where the public increasingly scrutinizes hospitals for transparency and service integrity, board characteristics become critical levers of trust-building. Your proposal notes that unethical incidents in hospitals have generated concerns about governance quality (Zainuddin, 2019), thus highlighting the importance of board accountability in shaping disclosure behaviour.

The composition of the board, specifically its size and the presence of independent non-executive directors, may influence the strategic decision to disclose integrity-related information on institutional websites. Literature suggests that larger boards often possess a broader range of expertise, perspectives, and oversight capacity, enabling them to develop and enforce disclosure policies that reflect ethical standards (Kiel & Nicholson, 2002; Said et al., 2018). Likewise, boards with a higher proportion of independent directors are less prone to internal biases and more likely to advocate for transparency as a means of enhancing legitimacy (Jaggi, Leung & Gul, 2009). These structures are aligned with the principles outlined in the Malaysian Code on Corporate Governance, which emphasizes independent oversight and the board’s responsibility to uphold corporate integrity. Your proposal supports this perspective by highlighting that well-structured boards may influence how hospitals publicly disclose ethical policies, whistleblowing mechanisms, and anti-corruption practices through digital platforms.

Therefore, drawing from both theoretical and empirical literature, and building upon the existing issues identified in Malaysian private hospitals, it can be argued that board characteristics play a significant role in promoting integrity information disclosure. Boards that are larger, more independent, and supported by formal governance committees are more likely to value stakeholder trust and demonstrate this through visible online ethical disclosures. This leads to the first proposition of the study:

Proposition 1: Board characteristics (board size and board independence) are positively associated with the level of online integrity information disclosure in Malaysian private hospitals.

The Influence of Human Governance on Online Integrity Disclosure

Beyond structural governance mechanisms, there is increasing recognition of the role of human governance, which refers to the personal attributes, values, and ethical orientation of board members and top management in shaping transparency practices. Human governance emphasizes leadership traits such as educational background, industry experience, ethical reasoning, and moral competence (Salleh & Ahmad, 2012). This perspective argues that effective governance is not only about rules and procedures but also about the integrity and personal commitment of individuals occupying key leadership roles. In the healthcare sector, where decisions often have moral and societal implications, the ethical leadership of board members plays a particularly salient role in promoting organizational transparency.

This study integrates the idea that human governance variables—such as directors' prior employment, educational attainment, or political connections—may influence how seriously integrity initiatives are implemented and disclosed. Leaders with strong ethical awareness or public service backgrounds are more likely to value transparency and push for disclosures that go beyond regulatory requirements. Studies such as Arjoon (2005) argue that governance models rooted in ethical leadership are more effective in achieving sustainable accountability. In private healthcare organizations, these human-centric traits can influence the type and quality of information shared on websites, especially concerning codes of ethics, whistleblowing mechanisms, and anti-bribery measures. Unlike corporate governance, which focuses on structural oversight, human governance brings in a values-based dimension that shapes the tone from the top.

Therefore, this study posits that human governance attributes have a direct and positive effect on the level of integrity information disclosed online. Where hospital leaders exhibit strong ethical commitment and moral competence, it is more likely that transparency will be prioritized in external communications. This effect may occur even in the absence of formal pressure, highlighting the importance of personal integrity in shaping organizational behaviour. Hence, the fourth proposition of this study is stated as follows:

Proposition 2: Human governance (ethical values, education, and experience of directors) is positively associated with the level of online integrity information disclosure in Malaysian private hospitals.

The Mediating Role of the Audit Risk Committee Effectiveness

While board characteristics are essential in setting the ethical tone of an organization, their ability to influence transparency practices often depends on how their policies and expectations are executed through governance structures, particularly the Audit Risk Committee (ARC). The ARC serves as a critical subcommittee tasked with overseeing financial, operational, and compliance risks, including those related to ethics and integrity. In healthcare organizations, the ARC's scope often extends beyond financial oversight to include broader responsibilities such as monitoring compliance with codes of conduct, whistleblowing mechanisms, and anti-corruption frameworks. According to Ng, Chong, and Ismail (2012), effective audit risk committees play a vital role in ensuring that the ethical standards established by the board are translated into practice. Your proposal aligns with this, noting that risk-related disclosures and ethical information are often shaped by the effectiveness of such internal committees, especially in organizations subject to high reputational risk like hospitals.

An ARC's effectiveness depends on several internal attributes such as its independence, the expertise of its members, the frequency of meetings, and the scope of its mandate. Studies have shown that organizations with active and independent audit committees are more likely to disclose relevant information on ethics and governance, not just in annual reports but through real-time online channels such as corporate websites (Abbott, Parker & Peters, 2004). In the Malaysian setting, where digital transformation is redefining how hospitals engage with stakeholders, the ARC can serve as a conduit for aligning board directives with public-facing disclosures. As identified in your proposal, the gap between policy and practice in Malaysian private hospitals may be partly attributed to the limited operational reach of audit committees, suggesting the need to examine their mediating role more closely.

Consequently, this study proposes that the Audit Risk Committee functions as a mediating mechanism between board structure and integrity transparency. The board may establish the vision and values related to integrity, but it is through the ARC's operational oversight that these values are enforced and publicly disclosed. The ability of the ARC to identify ethical risks, recommend preventive strategies, and oversee disclosure practices strengthens the organization's commitment to transparency. Therefore, the following proposition is presented:

Proposition 3: The effectiveness of the Audit Risk Committee mediates the relationship between board characteristics, including human governance, and online integrity information disclosure in Malaysian private hospitals.

The Moderating Role of Ownership Concentration

Ownership structure plays a critical role in shaping corporate governance outcomes, particularly in emerging markets like Malaysia where ownership concentration is common in both public and private sectors. Highly concentrated ownership—often in the hands of families, founders, or institutional investors—can lead to either improved monitoring or entrenchment, depending on the nature of control and governance philosophy. According to Claessens, Djankov, and Lang (2000), concentrated ownership can strengthen strategic alignment and reduce agency problems. However, it can also lead to reduced transparency, especially when dominant shareholders exert influence that limits the independence of the board or its committees. In the healthcare context, where ethical risks and reputational threats are high, this ownership dynamic can significantly impact whether and how integrity information is disclosed publicly.

Your proposal highlights that many Malaysian private hospitals are owned by business conglomerates or family groups, and such ownership concentration may affect governance outcomes differently than in publicly held firms. While strong owners can impose high ethical standards, they may also restrict the flow of information to avoid scrutiny, particularly through public channels such as hospital websites. Prior research indicates that voluntary disclosures, including those related to integrity and anti-corruption practices, are often influenced by the willingness of dominant owners to expose internal processes to public evaluation (Haniffa & Cooke, 2002). Thus, even with a well-structured board and a functioning audit risk committee, the transparency of integrity information may be contingent on the openness of ownership to public scrutiny.

In this context, ownership concentration is expected to moderate the relationship between the Audit Risk Committee's effectiveness and online integrity disclosure. A more dispersed ownership structure may encourage greater transparency, enhancing the ARC's influence on ethical disclosures. Conversely, a highly concentrated ownership may suppress that influence, either by overriding committee decisions or limiting the disclosure scope. Hence, the moderating role of ownership concentration is crucial in understanding the variability in online integrity disclosures across institutions with similar board structures. Accordingly, the following proposition is proposed:

Proposition 4: Ownership concentration moderates the relationship between Audit Risk Committee effectiveness and online integrity information disclosure, such that the relationship is stronger when ownership is more dispersed.

CONCLUSION

This conceptual investigation presents an integrated framework that examines how governance structures, ethical leadership traits, and ownership models collectively shape the quality of online integrity disclosures within

Malaysia's private healthcare environment. Synthesising insights from nineteen Scopus-indexed studies, the analysis uncovers the interplay between board attributes—such as independence and dual leadership roles—and the moral compass of decision-makers, here conceptualised as human governance. Through the inclusion of mediating and moderating variables, the model provides a comprehensive lens for interpreting how internal dynamics translate into ethical digital communication strategies.

The study further outlines how transparency efforts in healthcare are not solely driven by formal governance mechanisms, but also by the personal values and ethical inclinations of board members. It introduces a theoretical model that incorporates board structure, behavioural ethics, audit oversight, and concentrated ownership to explain variations in online integrity practices. By doing so, it bridges structural and normative governance perspectives, offering a deeper understanding of the forces that support or inhibit digital integrity reporting in private medical institutions.

A significant theoretical advancement of this study lies in its integration of agency theory, legitimacy theory, and resource dependence perspectives to explain the mechanisms linking governance and digital integrity disclosure. Rather than treating these theoretical lenses independently, the study demonstrates their synergistic value in capturing the complexity of governance practices within digitally exposed healthcare environments. The audit risk committee's mediating influence and the moderating role of ownership concentration offer a more layered understanding of how internal structures interact. This shifts the narrative beyond a solely board-centric focus and toward a broader conceptualisation of governance. Moreover, the introduction of human governance adds a moral dimension, underscoring the importance of ethical awareness, values-based leadership, and judgment among board members in shaping transparency behaviours.

This research further enriches the literature by applying established governance theories to the emerging context of web-based integrity disclosures. It argues that governance effectiveness stems not only from structural configurations but also from the behavioural ethics of leadership. In particular, the construct of human governance enhances theoretical depth by connecting ethical leadership practices with organizational disclosure performance. This dual lens—structural and behavioural—provides a nuanced foundation for understanding how governance models must evolve to meet modern expectations of ethical transparency, especially in the private healthcare sector.

This study presents several tangible implications for healthcare leaders, board directors, and public policy stakeholders working to advance ethical transparency in Malaysia's private hospital sector. Beyond structural board reforms, the findings point to the necessity of strengthening the operational role of audit risk committees and cultivating leadership rooted in ethical values. For hospital administrators, this means moving beyond traditional governance metrics and focusing on mechanisms that encourage integrity-centred decision-making at both strategic and operational levels.

One key recommendation involves the strategic integration of ethical leadership attributes—such as moral judgment, integrity-driven experience, and accountability records—into the criteria for selecting and evaluating board members. These elements form the core of the human governance construct and can be used to establish ethics-focused benchmarks for board performance. Additionally, embedding these attributes into board evaluation frameworks may help institutionalise a culture of transparency, particularly in areas like digital disclosure that lack formal regulation.

For regulators and accreditation agencies, the study supports the development of integrity disclosure standards that acknowledge both formal governance mechanisms and the personal ethics of organizational leaders. Tailoring such standards to accommodate variations in ownership concentration—particularly in founder-led or family-controlled hospitals—will help align disclosure expectations with institutional realities. Moreover, piloting the use of ethical reporting dashboards and web-based transparency tools can offer practical solutions for harmonising integrity disclosures across the sector. Together, these strategies support broader governance reforms by reinforcing the link between ethical leadership and public trust in healthcare institutions.

Despite its contributions, this study has several limitations. Being conceptual in nature, it does not provide empirical evidence to validate the proposed relationships. While the theoretical framework is informed by a rigorous narrative review and thematic synthesis, the absence of statistical testing means that the propositions remain hypothetical. Furthermore, the study focuses specifically on Malaysian private hospitals, which may limit the generalizability of findings to other contexts or industries. Cultural, institutional, and regulatory differences across countries may yield different outcomes, requiring caution in applying the framework universally.

Future research should aim to empirically test the propositions outlined in this study through quantitative or mixed methods approaches. Researchers could design surveys or interviews targeting board members, risk committees, and executives within the healthcare sector to assess how governance characteristics influence disclosure practices in practice. Comparative studies across public and private hospitals or across different countries would also provide deeper insights into contextual variables. Additionally, longitudinal studies could explore how changes in board structure or leadership traits over time affect the consistency and quality of integrity disclosures. These future directions will further validate and refine the conceptual model, contributing to the advancement of governance scholarship in ethically sensitive industries.

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