

Summary

The role of firms, particularly large firms, has changed over time. In this century, it is no longer acceptable that firms focus solely on their core operational activities in order to maximise their profit and increase shareholders' wealth, but rather firms' obligations have expanded to consider a wider view of responsibility such as social and environmental aspects of the business. The majority of existing literature has shown that the perception of corporate social responsibility (CSR) in the Middle East, including Gulf Cooperation Council (GCC) countries, is quite narrow, and related to charitable donations or philanthropy (Jamali and Mirshak, 2007; Marios and Tor, 2007; Visser, 2008; Emtairah et al., 2009; Qasim et al., 2011; Dias, 2012; Mandurah et al., 2012). This limited perception represents a core element of corporate community involvement (CCI), which is considered to be the most visible part of CSR (Brammer and Millington, 2003; Arli and Cadeaux, 2014). However, little research has attempted to explore the perception and reporting of this element of CSR in a greater depth to demonstrate why some businesses in the Middle East are engaging with the community where they operate. The purpose of this study is to explore the phenomenon of corporate involvement and reporting on community activities as a theme of CSR in the GCC countries. More specifically, to investigate the underlying rationales for, and to identify the influences on, corporate involvement and reporting on CCI across the six GCC countries, namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. The original contributions of this study are twofold. First, to provide a deeper understanding of business perception about the emerging phenomenon of CSR and CSR reporting practice in the GCC countries context through qualitative data analysis, followed by statistical modelling. Second, to establish a theoretical foundation to explain voluntary social reporting in the region, in particular CCI activities, as a firm basis for further research. This study uses a combination of qualitative and quantitative data in a mixed methods research design. Phase one of the study aims to collect primary data in order to understand why firms in this region are involved in, and report on, community activities as part of their social responsibility. The second phase identifies the influential factors on corporate reporting about community activities. The qualitative findings (i.e. interviews) reveal that there is considerable increase in awareness of CSR among businesses in Saudi Arabia (a GCC country member) and perhaps other members. Business benefits, supporting the government by contributing to the national plan and community development are found to be the primary rationales for firms' involvement in the local community where they operate. Accountability to stakeholders, various sources of pressure and business benefits are the main rationales for firms' voluntary reporting on community and social contributions. The quantitative results (i.e. statistical analysis) show that corporate governance and ownership structure are the key factors that influence the level of CCI reporting by the GCC listed firms. The overall findings indicate that multiple theories may be relevant to the GCC countries' context. Stakeholder and institutional theories, and the accountability approach are highly supported by the results. The findings of the study provide several implications for the GCC governments, accounting professional bodies and firms' management.