Flinders UNIVERSITY
ADELAIDE · SOUTH AUSTRALIA

Corporate Community Involvement as Part of Social Responsibility:

Evidence from Gulf Cooperation Council Countries

by

Abdullah Faisal M Silawi

B.Acc, M.Com(Acc), GradDip(Acc)

Thesis

Submitted to Flinders University

for the degree of

Doctor of Philosophy

College of Business, Government and Law

July 2018

Table of Contents

List of Tables

List of Figures

Glossary of Abbreviations

CA	Corporate Accountability
CC	Corporate Citizenship
CCI	Corporate Community Involvement
CG	Corporate Governance
CS	Corporate Sustainability
CSR	Corporate Social Responsibility
CSRR	Corporate Social Responsibility Reporting
DCCV	Dubai Centre for Corporate Values
ECGI	European Corporate Governance Institute
ESG	Environment, Social and Governance
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GCCAAO	Gulf Cooperation Council Accounting and Auditing Organisation
GDP	Gross Domestic Product
GRI	Global Reporting Initiatives
ICG	Islamic Corporate Governance
IFC	International Finance Corporation
LBG	London Benchmarking Group
MENA	Middle East and North Africa
NGO	Non-Government Organisation
NPO	Non-Profit Organisation
OECD	Organization of Economic Co-operation and Development
RCI	Responsible Competitiveness Index
RQ	Research Question
SAGIA	Saudi Arabian General Investment Authority
SAMA	Saudi Arabian Monetary Agency
UAE	United Arab Emirates
UJRC	Al Urdun Al Jadid Research Centre
UNGC	United Nations Global Compact
VIF	Variance Inflation Factor

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.

Statement of Declaration

I certify that this thesis does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university; and that to the best of my knowledge and belief it does not contain any material previously published or written by another person except where due reference is made in the text.

Abdullah Faisal M Silawi

July 2018

Acknowledgement

In the name of Allah, the Most Gracious, the Most Merciful

First and for most, I praise to almighty God "Allah" for giving me good health, determination and persistence to complete this thesis. I am grateful to him for giving me strong patience to overcome the obstacles that I have encountered during the PhD journey.

I wish to acknowledge several institutions and many individuals that have supported me substantially to undertake and accomplish this academic endeavour. First of all, I would like to acknowledge the generous financial support and the administrative services provided from my sponsor, the Cultural Mission of the Royal Embassy of Saudi Arabia in Canberra. This work would not be possible without their funding. I also appreciate the various services provided by Flinders Business School and different departments at Flinders University. This includes available funds for conferences and accessing online databases, which were important for conducting this research project.

On the academic front, I am forever indebted to my principal supervisor Professor Carol Ann Tilt for her genuine supervision, insightful and constructive feedback. Your support, encouragement, care and positive thinking are highly appreciated. I have learnt from you so many things at both professional and personal level. Professor Carol, thank you for your extraordinary supervision. I also would like to extend my gratitude to my co-supervisor Dr Phillip Palmer for his support and encouragement. My gratitude goes also to my previous co-supervisor Dr Nicholas Mangos for his feedback, support and inspirational words from when I started until his retirement in my third year. I also would like to thank my assistant supervisor Graham Jones for his positive feedback, ongoing support and inspirational words. My sincere thanks are also extended to Dr Laurence Lester for his assistance and advice on the statistics and running the regression model.

My sincere gratitude is also extended to my dear colleagues and fellow doctoral candidates for sharing their experience, which provided a strong motivation to me. More specifically, Kathy Rao, Hui Situ, Nurliana Rahin, Solomon Awili, Rosalie Coppin and Johan Weintre. Thanks to you all, I have learnt a lot from you. I would like to extend my thanks to my close and best friends Salem Alhalki and Talal Almarshoud for their continuous words of motivation and support throughout this journey.

My genuine gratitude is also due to my parents for their love, support and continuous prayer. A special thanks to my mother for her endless love, care and strong encouragement. I will not be able to thank you enough for what you have given me. They are the ones that mostly will be proud of me. Also thanks to my siblings and other family members for being supportive.

I am also genuinely grateful to my beloved family; my wife Afnan and my two wonderful children; Sahal and Jumana. Thank you for your love, support and patience. I would not be able to have the motivation to accomplish my study without you. Finally, I would like to give a very special thanks and gratitude to my uncle Ehsan Rayes for his ongoing support, words of encouragement and positivity particularly during difficult times wherever I need him most.

I would not be able to successfully finish this academic project without the people and institutions mentioned above. Many thanks from my heart to all of you.

Related Thesis Publications

Conference Papers

Silawi, A. and Tilt, C. 2014, "*Corporate Governance and Social Responsibility in the Middle East: A Literature Review*", presented paper at the Personal Finance and Investment Symposium, Adelaide, https://pfisymposium.wordpress.com/pfis-2014/conference-program/

Silawi, A. and Tilt, C. 2016, "*The rationales behind corporate involvement and reporting on community activities: Evidence from Saudi Arabia*", proceedings of the Australasian - Centre for Social and Environmental Accounting Research (A-CSEAR) Conference, Adelaide, http://www.unisa.edu.au/Research/CAGS/A-CSEAR-2016/Program-Proceedings/

Presentations

Silawi, A. 2013, "*Corporate Reporting on Community Involvement: A case study of the Gulf Cooperation Council countries*", Doctoral Colloquium at the Centre for Social and Environmental Accounting Research (A-CSEAR) Conference, Hamilton, NZD

Silawi, A. 2016, "*Corporate Community Involvement in the Middle East*", Finalist, Three Minute Thesis (3MT) Competition at Flinders University, Adelaide

Silawi, A. 2016, "*The rationales behind corporate involvement and reporting on community activities: Evidence from Saudi Arabia*", Doctoral Colloquium at the Centre for Social and Environmental Accounting Research (A-CSEAR) Conference, Adelaide

Chapter 1 : Introduction and Background

1.1 Introduction and research problem

The role of firms, particularly large firms, has changed over time. In the 1960s, the relationship between firms and societies, or what is known as the social contract, was limited to obeying laws and paying taxes, while governments were responsible for providing public goods and supporting social needs (Lakin and Scheubel, 2010). By the late 1990s, the extent of this perception changed to place more burdens on firms to have active roles in communities and society at large (Lakin and Scheubel, 2010). It is not acceptable in this century 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. In addition, businesses are no longer responsible for maximising shareholders' wealth at the expense of other stakeholders (Clarkson, 1995). Henry Ford, the founder of Ford Motor Company, says "a business that makes nothing but money is a poor business"[1]. Corporate social responsibility (CSR) is now moving from being a marginal concern of business leaders to a main concern of many firms in the global context (Brammer and Millington, 2006).

The reason for the change in attitude towards CSR has been attributed to various factors. Some suggest that successful firms incorporate their social responsibility into their strategic objectives and plans in order to enhance their future sustainability as well as to improve the welfare of society, which they consider a win-win scenario (O'Dwyer, 2003; Amato and Amato, 2011). Others propose motivations related to pressure from stakeholders, including governments, consumers, employees and the general public. Companies are growing and gaining more power, they possess and control more resources, and public awareness about their impact on society has increased due to the increase of media attention and public

---

[1] This quote was taken from Ford Motor company website: http://corporate.ford.com/our-company/community/ford-fund/presidents-message-401p viewed on 1st July 2013.

scrutiny of large firms. At the same time, governments globally have made budget cuts to services related to social issues and this has put pressure on companies to fill this gap (Rochlin and Christoffer, 2000). It is argued that this pressure on the private sector to invest in local communities will continue to increase due to the limited capacity of most governments to meet their populations' demand (Jamali and Sidani, 2012). As such, corporate community involvement (CCI), a subsection of the broader concept of CSR, is also gaining attention from academics and researchers, see for example, Campbell et al. (2006); Sharmin et al. (2012); Yekini and Jallow (2012); Lorenz et al. (2013).

This concept is of particular relevance to developing countries, where local communities encounter a number of challenges and are often impacted by corporate activities (Hazelton, 2005). Within the limited literature on CCI, examination of the Middle East is extremely rare. Moreover, according to Khafagy (2009), the catastrophic event of September 11^{th}, 2001 in the US had severe negative impacts on the activities of many charitable organisations in the Arabian Gulf region. As such the role of charitable organisations in the region has declined dramatically in the last decade or so (Khafagy, 2009). The United States government and European government have both imposed restrictions on the philanthropic activities run by Islamic philanthropic organisations globally, and particularly in the Middle East, including Saudi Arabia, Kuwait and other GCC countries (Khafagy, 2009). Accordingly, beneficiaries in general, including communities, have suffered negatively from these restrictions and businesses are responding to pressure to take up these roles by engaging in CCI.

The aim of this study is twofold: First, to investigate the underlying rationales for corporate involvement and reporting on CCI activities in a GCC country. Second, to examine the influential factors on the extent of CCI reporting by listed firms across the six GCC countries namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. The research questions and objectives that guide the investigation of these aims are provided next.

1.1.1 Research questions and objectives

This research has one primary and six secondary research questions.

The primary research question is:

What are the rationales for, and influences on, corporate community involvement and reporting in the GCC countries?

This primary research question implies several issues, which need to be specifically addressed. Accordingly, the following secondary research questions are developed:

1. What types of community involvement activities are undertaken by the GCC listed firms?
2. What are the rationales behind community involvement?
3. What are the rationales behind community reporting?
4. To what extent do publicly listed firms in each GCC country report on CCI in annual reports and stand-alone reports?
5. What influential factors explain the varying levels, if any, of CCI reporting among the GCC listed firms?
6. Are there differences in CCI reporting among GCC listed firms?

These research questions are answered by addressing a series of objectives, as follows:

1. To understand the current perceptions of social responsibility in this region.
2. To identify the common community involvement activities undertaken by the GCC listed firms.
3. To explore the underlying rationales behind firms' involvement and reporting about these activities.
4. To compare the nature and extent of community reporting between corporate annual reports and corporate stand-alone reports (i.e. CSR reports and Sustainability reports) of the GCC listed firms.

5. To determine the influential factors on CCI reporting in the annual reports of the GCC listed firms.
6. To understand whether or not firms' social performance in the GCC countries is similar to their counterparts in developed countries.
7. To identify the best theories that explain the social reporting phenomenon in this regional context.

As the research for this thesis is conducted on the Arabian Gulf, it is important to outline the general contextual background of the region under investigation. This is provided in the next section which leads to the significance and motivation for undertaking a study in this context.

1.2 Background on the Arabian Gulf region

The Arabian Gulf, also called GCC countries, is part of the Middle East and North Africa (MENA) region which comprises eleven countries overall (Baydoun et al., 2013). The GCC countries include Bahrain, Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates (UAE), see Figure 1-1. The geographical location of these countries is very strategic, as it is located between Europe and the US (Ramady, 2012). Politically and economically, the region has a strong relationship with the US (Nawas, 2016), thus, any destabilisation of any of these countries can cause negative impacts on the US and other parts of the world (Nawas, 2016). In addition, this strategic location provides a great advantage to these countries in relation to business interactions with the rest of the world (Balakrishnan, 2008).

Figure 1-1: Geographical location of GCC countries

On 25th May 1981, the six Arabian Gulf countries formed a cooperative framework, creating a charter for establishing the Gulf Cooperation Council (GCC hereafter) (GCC, 2013). The main objective of this Council is cooperation, integration and inter-connection in all areas among all members in order to achieve unity (GCC, 2013). The GCC economies have a number of general similarities. For example, geographic, demographic, cultural and economic characteristics are similar among them as well as climate, legal systems and reliance on expatriate labour (Thompson and Toledo, 2010; Khalifa, 2012). All are Islamic countries and are governed and ruled by a king or a prince who possesses and controls most of the natural resources in the country; similarly the public sector in these countries controls major aspects of the economy (Bizri, 2013). In addition, the economic conditions in this region give distinction to the GCC countries among other developing countries in the MENA region and in other parts of the world. The main characteristics of the GCC countries are: (i) the economy relies primarily on oil and gas resources, (ii) the stable currency exchange rate against the US dollar, (iii) they are moving towards economic diversification, (iv) they face high unemployment rates, with heavy reliance on expatriate labour, and (v) they score low on freedom and civil liberty rankings.

1.2.1 Economy

Adding Saudi Arabia to the G-20[2] in 2009 and the classification of the UAE economy as an innovation-driven economy are key indicators of the economic improvement of the Arabian Gulf region (Khalifa, 2012). In addition, the nominal GDP as well as the real GDP of all GCC countries has been increasing in the last decade, and the inflation rate increased in the same period except in the year 2009 due to the impact of the global financial crisis (Khalifa, 2012). The GDP of the GGC countries as of 2011, which is the midpoint of the period covered in this study, is shown in Table 1-1 below. GDP reached US$28.10b in Bahrain, $173.44b in Kuwait, $78.79b in Oman, $188.81b in Qatar, $745.62b in Saudi Arabia and $369.36b in UAE by 2013 (IMF, 2013). The most recent available data shows that the GDP in 2015 increased in some countries such as Bahrain, Saudi Arabia and UAE, while it decreased in the others (The World Bank, 2015b). Thus, while the real growth rate of all GCC countries was 6.4% during the period 2005 to 2009 (Khalifa, 2012), the average annual GDP growth of the countries as of 2015 is 3.55% (The World Bank, 2015a).

The first and most important similarity among the GCC countries is oil dependence. The Arabian Gulf region is one of the most important regions in the world generally, and in the Middle East particularly because the countries in this region are the major oil producing countries and own the largest proven oil reserve in the world (Cologni and Manera, 2013). The main source of oil for the USA, Europe and Japan is from the GCC countries (Ramady, 2010).

[2] G-20 is the Group of Twenty Finance Ministers and Central Bank Governors from 20 major economies in the world. It was formally established in September 1999. The G-20 members represent 90% of the global GDP, http://www.g20.org/docs/about/about_G20.html.

Furthermore, more than half of the GCC countries are members of OPEC[3] (i.e. Kuwait, Qatar, Saudi Arabia and UAE) (OPEC, 2013), but none of them is a member of the OECD[4]. According to Khalifa (2012, p. 115) "oil output represents 48% of the GDP in Saudi Arabia, 35% in UAE, 50% in Qatar, more than 40% in Oman, and more than 50% in Kuwait. However, in Bahrain, the share of oil output is the lowest, which accounted for around 11% of GDP". In fact, all six GCC countries combined account for around 20% of the world's oil production, they control 36% of the world's oil exports and they possess 47% of the proven global oil reserve (Arouri, 2012). Thus, oil comprises a high portion of most GCC countries' GDP (Baydoun et al., 2013). Nevertheless, the level of dependence on oil varies considerably from one country to another. For instance, around 41.3% of Oman's nominal GDP is accounted for by oil, whereas between 85% and 90% of the Saudi Arabian government's revenue is from oil according to the Economics Intelligence Unit (cited in Bizri, 2013).

The second similarity is related to the stable currency exchange rate against the US dollar. Having a stable currency exchange rate is one of the privileges of the GCC economies which increases the potential foreign direct investment (FDI) opportunities (Khalifa, 2012). FDI is an important factor for the countries' economic growth (Borensztein et al., 1998; Kevin Honglin, 2001). Funds from FDI in the GCC countries rose dramatically from US$ 392 million in 2000 to US$ 39.87 billion in 2010 (Khalifa, 2012). There is some evidence that increased CSR and community involvement could be used as means of attracting new foreign investors, for example, in Japan, it was reported that foreign investors appreciate firms that are involved in social activities and have strong social performance (Suzuki et al., 2010).

---

[3] The Organization of the Petroleum Exporting Countries (OPEC) was founded in Baghdad, Iraq in September 1960. OPEC has currently 12 member countries, http://www.opec.org/opec_web/en/about_us/25.htm.

[4] The Organisation for Economic Co-operation and Development (OECD), it was established in September 1961 and comprises of 34 countries, http://www.oecd.org/about.

Notwithstanding the dependence on oil noted above, there is clear trend among the GCC countries for economic diversification (Hasan, 2017). Dependence on oil declined in the last decade; on average the GDP's oil portion declined from 61% in 2001 to less that less than 50% in 2010 (Khalifa, 2012). Furthermore, the growth of the oil sector during the period 2000 – 2008 was on average 4.0%, whereas the non-oil sector growth in the same period was 7.2% (Khalifa, 2012). Therefore, the GCC countries are now trying to diversify their economic investments and resources by growing the non-oil sector in the region, which brings with it new and different challenges.

Table 1-1: General information on the GCC countries

Country	Population (m) 2011	GDP (US$ b) 2011	GDP per capita (US$) 2011	GNI (US$ b) 2011	GNI per capita US$ 2011	Unemployment rate (estimates)*
Bahrain	1.3	26.1	23,132	20.10	15,920	< 4% (2011)
Kuwait	2.8	176.7	47,982	133.8	48,900	3% (2010)
Oman	2.9	71.9	23,315	53.60	1,120	NA
Qatar	1.9	173.8	98,329	150.4	80,440	2.4% (2009)
Saudi Arabia	28.3	577.6	20,504	500.5	17,820	10.5 (2010)
UAE	7.9	360.1	67,008	321.7	40,760	< 1% (2009)
Total	**45.1**	**1,386.2**	**280,270**	**1,180.1**	**204,960**	------------------

*Compiled by the author from: World Development Indicators, the Global Competitiveness Report 2012-13, World Economic Forum; * GCC Economy Report, IMF 2011*

1.2.2 Social challenges

Despite the economic wealth of the GCC countries, serious challenges such as high unemployment, female inequality and poverty exist in this region. Unemployment is not only a major concern of the GCC countries but of the entire Middle East (ILO, 2013). High levels of unemployed citizens and high reliance on foreign expatriates is a common feature among these countries (Goujon and Barakat, 2010; Khasharmeh and Suwaidan, 2010; ILO, 2012). The high unemployment rate is also significantly influenced by female unemployment in the region (ILO, 2012).

Females in the GCC workforce is a controversial issue among economists and researchers. Female job opportunities and development in the context of GCC countries have been under investigation by many interested scholars (Al-Asfour et al., 2017). Although female graduates outnumber their male counterparts in this region, female employment is very low (Faisal et al., 2017), however, it varies across the GCC countries (Alhejji and Garavan, 2016). It reaches up to 30% in some countries such as Saudi Arabia (Alhejji and Garavan, 2016). In addition, female participation in the workforce is 26.9%, which is half of the world average rate of 51.7% (Faisal et al., 2017). Traditionally, female employment tends to be mainly in the government and education sectors and is minimal in business (Alhejji and Garavan, 2016). One of the reasons behind this is related to social norms and family responsibilities (Al-Lamky, 2007; Hodges, 2017). Nevertheless, research has shown some evidence that females in this region are ambitious and are trying hard to overcome these challenges. Contrary to the common social perceptions and stereotypes, females in some of the GCC countries have succeeded in competing in the private sector and even achieving a leadership position (Al-Lamky, 2007), most recently being a female appointment to the position of Chair of the Saudi Arabia stock exchange (Al Arabiya, 2017). This has attracted more researchers to investigate this phenomenon in a greater depth (Bahry and Marr, 2005; Marmenout, 2009; Hossain et al., 2014; Kemp et al., 2015; Hodges, 2017).

One of the challenges that faces every government is to afford its citizens the basic needs for a decent life. A recent media release stated that millions of citizens live below the poverty line in the largest economy in the Arab world (a GCC member country) (Nelson, 2011; PressTV, 2012). Although there are indications of poverty existing in this region, it is different to the poverty in other developing countries. Shafik (2016) describes the poverty in the GCC countries as inadequate wealth distribution, where income is highly skewed. The meaning of this is that there are people who struggle to live a decent life, even though the country is wealthy economically. Both government and non-government (e.g. not for profit and charitable) institutions in the GCC countries are involved in community and social development. However, due to the rapid increase in the population and community needs, the demand on these institutions has also increased. In addition, considering the severe decline and restrictions on NGOs in this region, as mentioned earlier, this has negatively limited the contributions these organisations can make. As a result, this has increased the burden on governments to accommodate all social needs and development. In response to this situation, governments have begun to encourage private sectors, including private and public firms, to share some responsibility for the country's economic as well as social development. It is important to note that the GCC countries are classified in this study as developing countries, even though some are classified as developed based on their income, according to World Bank database.

Finally, there is limited freedom in these countries, with the MENA region scoring the worst public freedom ratings in 2016 (Freedom House, 2017). On the Civil Liberties Index all countries score below 10 (on a scale of 1-60) and all are classified as 'not free' (except Kuwait that is classified as partly free) in terms of overall freedom, civil liberties and political rights (Freedom House, 2017). Similarly, there is limited freedom of the press, with the highest GCC country (Kuwait) ranked 104 out of 180, and the lowest (Saudi Arabia) ranked 168 by reporters without borders in 2016 (RSF, 2017).

In response to these challenges, the GCC governments have developed strategic national plans to address many of the issues they face. In Saudi Arabia, for example, the government prepared a strategic plan, named "Vision", for developing various aspects of the country up to 2020 (Achoui, 2009). More recently, in April 2016, the government has extended this Vision to 2030 (Vision 2030, 2016). The aim of this plan is to diversify the economy through reducing reliance on oil and developing all other sectors in the country (Nurunnabi, 2017). In relation to the economic aspects, the plan includes improvement to the health care system, education and human resource development (Jannadi et al., 2008; Achoui, 2009; Smith and Abouammoh, 2013). Similar visions or plans exist in other GCC countries (Scharfenort, 2012; Al-Jebouri et al., 2017).

Moreover, it is essential for the governments which rely on depletable resources, such as oil, to develop policies for developing their private sector to contribute to the country, otherwise the future of these countries will at great risk (Askari et al., 1998). As noted earlier, they seek other sources of revenue for economic growth and to support social development (Joseph and Fernandez, 2016). Accordingly, in this circumstance, stock markets can play a vital role in attracting more investments to the market (Joseph and Fernandez, 2016). Having more investment funds and active markets can help and support governments in relation to corporate contributions to their national plans. Therefore, large firms see that they can make positive contributions in line with the government's agenda for economic, social and environmental development.

These challenges provide some of the motivations for increased involvement in, and reporting on, community activities by the business sector in the region. Further justification and an outline of the significance of the research conducted in this thesis, are explained next.

1.3 Research justification and significance

The motivation of this study to focus on the GCC countries is driven by several factors. First, most CSR reporting studies in the literature are based on developed countries such as the US, the UK, Europe and Australia (Ernst & Ernst, 1978; Cowen et al., 1987; Gray et al., 1988; Guthrie and Parker, 1990; Deegan et al., 2002; Golob and Bartlett, 2007; Young and Marais, 2012). It has been noticed in recent years, however, that there is growing interest in CSR and CSR reporting by many academics and researchers in developing countries, particularly in the Arabian Gulf region (Al-Khatar and Naser, 2003; Naser et al., 2006; Marios and Tor, 2007; Emtairah et al., 2009; Hossain and Hammami, 2009; Al-Janadi et al., 2011; AlNaimi et al., 2012; Mandurah et al., 2012; Al-Shammari, 2013; Minnee et al., 2013).

There is also some evidence that CSR is growing and gaining recognition in the gulf region. For instance, there is a non-profit professional organisation[5] that promotes CSR and sustainability in the Middle East as well as incorporating Middle Eastern perspectives into the global context. Some early studies have explored business perceptions and practices of CSR and CSR reporting within the GCC countries, and a few have focused on particular countries such as Saudi Arabia

[5] CSR Middle East was established in 2005, www.csrmiddleeast.org

and United Arab Emirates (Marios and Tor, 2007; Emtairah et al., 2009; Qasim et al., 2011; Nalband and Al-Amri, 2013). However, the remaining GCC countries have only been explored to a much lesser extent. This study aims to explore the perception and rationales of corporate involvement and reporting on CCI activities in all six GCC counties. Moreover, since many of the studies in the Middle East region that have looked at CSR are based on either multinational firms or privately owned firms, and only a few on listed firms, this study will add and contribute to the CSR literature to provide a better understanding about Middle Eastern practices of larger, listed firms.

Many studies have shown that the perception of CSR in the Middle East including the GCC countries is narrow, seeing it as only related to charitable donations or philanthropy (Jamali and Mirshak, 2007; Visser, 2008; Emtairah et al., 2009; Mandurah et al., 2012). According to Muthuri (2008), examining different types of business engagements in local communities is highly recommended, because it will extend our knowledge of corporate behaviour and practices of CCI and ultimately lead to improvement. This study explores these activities in more depth through investigating the current business perceptions of social responsibility and specifically examining this from a social reporting perspective. In addition, Arabic culture and tradition is widely known for its strong belief in self-accountability, social responsibility and giving, which are based on religious and cultural foundations (Jamali and Sidani, 2012; Forbes Insights, 2013; Nasrullah and Rahim, 2014). Individuals in Arab countries are known for their generosity in giving donations to charitable causes, but this phenomenon is unknown at the firm level (Jamali and Sidani, 2012). Hence, it is important to examine the sense and forms of this accountability and social responsibility at the corporate level in this region. Specifically examining one theme of CSR (i.e. CCI) is a means to investigate social responsibility and accountability at the local community level. Thus, this study shows how the GCC listed firms communicate with their various stakeholders using different media about their community activities. From these points, therefore, this study will contribute to the body of knowledge on corporate-community relationships from an Arab countries perspective, and more broadly on developing countries.

Finally, many authors argue that stakeholders are less powerful, and therefore stakeholder theory is not applicable or relevant, in developing countries. For example, Dias (2012) and others state that CSR has not fully emerged in the Middle East due to consumer pressure or demand. This is unlike the case in developed countries, where CSR emerged due to market drivers and stakeholders' pressure (Tilt, 1994; Emtairah et al., 2009). Investigating social reporting practice through interviews and document analysis of annual reports of the GCC listed firms will provide deeper insights on the applicability of stakeholder theory in this region. Focusing on community reporting also demonstrates the importance of the community as a stakeholder (Greenwood, 2001b).

1.3.1 The gaps in the literature

The gaps related to the issues raised above have been noted in prior studies. According to Belal and Momin (2009), who conducted a comprehensive review on corporate social responsibility reporting studies, specifically in developing counties, further research is needed to demonstrate how firms use different media to report about their CSR activities. Another review study by Kumar and Tiwari (2011) was conducted on CSR in different countries showing no single study from the GCC countries, and Jamali and Sidani (2012) noted there were only three studies found in their literature review, corroborating that the GCC region is under researched.

Those that have examined the region specifically, also note gaps. Hossain and Hammami (2009), empirically investigated the determinants of voluntary reporting in annual reports of Qatari listed firms and reported that a comparative study that includes other GCC countries or a longitudinal study would be valuable for generalizability in the region. Furthermore, AlNaimi et al. (2012) looked at CSR reporting on annual reports in Qatar and concluded that in order to provide a complete picture of a firm's reporting, other forms need to be investigated, such as stand-alone reports and websites. Finally, "Research in documenting the scope of the goodwill projects would help in making a distinction between Zakat[6] (a tax on wealth that is one of the pillars of Islam) driven corporate giving and corporate citizenship. The extent of company involvement in the community projects is worth exploring" (Marios and Tor, 2007, p. 14).

Furthermore, studies in other contexts point out that extensive research on analysing types of community involvement activities are needed particularly in developing countries (Muthuri, 2008). It is suggested that further research on examining community reporting patterns in different contexts and in different media are valuable (Campbell et al., 2006). The two countries in the GCC most researched are Saudi Arabia and UAE, and the limited research on other GCC countries is not comprehensive. In Oman, for instance, only one study by Minnee et al. (2013) explored the perception and practice of CSR. However, the sample of the study was only two firms, which does not provide sufficient evidence of corporate practice in the country. Also, one of these firms was not listed on a stock market and the other is an international firm. Accordingly, the study lacks generalizability. In addition, Al-Shammari (2013) measured the extent of voluntary reporting in the annual reports of listed firms in Kuwait. The study, however, focuses only on a group of "Shariah-compliant firms" because the purpose of the study was to measure the extent of reported Islamic information items beside other common items. Again, this does not provide a full picture of reporting in Kuwait. Furthermore, Al-Basteki (1997) cited in Khasharmeh and Suwaidan (2010) examined the determinants of social reporting among Bahraini listed firms and this is the only study that examines CSR reporting in Bahrain. Thus, a more contemporary and comprehensive study seems to be required, especially given the evidence of some increase in awareness of CSR in the region. In addition, a more focussed study, specifically on CCI is warranted.

[6] Zakat is one of the five pillars in Islam. It is a compulsory giving of a set proportion of one's wealth to charity and is regarded as a type of worship and of self-purification. http://www.bbc.co.uk/religion/religions/islam/practices/zakat.shtml

1.3.2 CCI as a theme of CSR reporting

There are many studies that examine voluntary CSR reporting in annual reports as a whole (Cowen et al., 1987; Guthrie and Parker, 1990; Patten, 1995; Alsaeed, 2006; Abdeldayem, 2009; Hossain and Hammami, 2009; Khasharmeh and Suwaidan, 2010; AlNaimi et al., 2012; Al-Shammari, 2013; Naser and Hassan, 2013; Bashtovaya, 2014). However, Cowen et al. (1987) argue that focusing on total CSR reporting may lead the reader to misleading conclusions because different information types may have different levels of pressure and may have different treatments for firms. Other studies focus their investigation on one theme of reporting such as Guthrie et al. (2006) and Philip and Frits (2005), who examine the voluntary reporting of intellectual capital, Campbell and Slack (2008) who investigate reporting on philanthropy, Abhayawansa and Abeysekera (2008) who review and analyse studies on human capital reporting, Ogden and Clarke (2005) who examine customer reporting, Williams and Adams (2013), Kent and Zunker (2013) who examine employee-related information, (Situ and Tilt, 2012) and Kathyayini et al. (2012) who examine environmental reporting, and Campbell et al. (2006), Yekini and Jallow (2012) and Lorenz et al. (2013) who investigate reporting on corporate community involvement activities, or CCI. Few of these are conducted in the Middle East.

Thus, this study focuses on CCI activities and reporting in the GCC countries for three reasons. First, CCI is considered as the most visible part of CSR (Hess et al., 2002; Brammer and Millington, 2003; Van der Voort et al., 2009; Arli and Cadeaux, 2014) and therefore likely to be relevant in countries where CSR is evolving. Second, CCI activities play a critical role for community development in many countries, particularly, but not exclusively, in developing countries (Veleva, 2010; Muthuri et al., 2012). Third, it is widely perceived that little or no pressure exists in GCC countries from shareholders, the media and other social audiences, for firms to act socially or that stakeholders demand related information (Visser, 2008; Emtairah et al., 2009), yet firms in this region are active and interested in doing so.

Furthermore, CCI represents how a business is close to the communities where it operates (Veleva, 2010) and remains a core part of firms’ CSR agenda, especially in developing countries

(Chapple and Moon, 2005). By investigating CCI in the Arabian Gulf region, this study will provide further insights into corporate concerns towards local communities as part of corporate accountability. This includes wider responsibility in addition to their primary goal which benefits financial providers. In addition, the types of information that have been investigated in studies of the GCC countries include business perceptions (Emtairah et al., 2009; Mandurah et al., 2012), the types of information reported, the quality and quantity of the information, and determinants of the reporting (Alsaeed, 2006; Naser et al., 2006; Khasharmeh and Suwaidan, 2010; Naser and Hassan, 2013). However, studies of the rationales behind corporate involvement in social activities and its voluntary reporting remain scarce.

In summary, by providing empirical evidence, this study will contribute to the scarce research on corporate social reporting in general and corporate community involvement in particular. In addition, since the majority of the present literature is based on developed countries (US, UK, Australia and Europe), this study will provide further evidence from other geographic and cultural backgrounds and will contribute to the limited literature on the developing countries. This study is also the first that compares community reporting between corporate annual reports and stand-alone reports in the GCC countries. Furthermore, since not every country in the Arabian Gulf region has been examined in relation to CSR reporting, particularly community activities, this study will contribute to the body of knowledge of corporate community involvement and reporting by providing a holistic view on the entire group of GCC countries. Finally, by interviewing managers from firms in a Gulf country about their perceptions of CSR and CCI, the study will contribute to knowledge about how contextual factors play a significant role in understanding and implementation of these concepts.

1.4 Thesis structure

In order to present the research which answers the research questions outlined earlier, this thesis contains eight chapters as follows. Chapter 1 has introduced the thesis where the research background and research problem are presented. This was followed by the primary research question, six sub-questions and a series of research objectives. A brief introduction and background to the GCC countries context is explained noting some specific characteristics.

Finally, the research justification and significance are also provided to frame the rest of the thesis.

Chapter 2 reviews and synthesises the relevant literature on the concept of corporate social responsibility generally and community involvement specifically. The chapter begins with definitions of the common terms that are used within the scope of the study. Then, the perception and practice of the term CSR in the context of the Middle East is also explained. This is followed by focusing on the term CCI including the definition of CCI, types of CCI and the rationales for CCI. The chapter proceeds by reviewing various aspects of CSR reporting from both developed and developing contexts, including the Middle East and GCC countries. Identifying the gaps in prior literature of CSR reporting as well as CCI reporting in the GCC countries context are also elements of this chapter. The chapter continues with a review of influential factors on voluntary reporting of CCI activities, then concludes by developing seven hypotheses in order to predict the nature of that influence in the context of this study.

Chapter 3 presents the conceptual framework for this study. It begins with a review of the most common theories that are used in the literature to explain voluntary social reporting (i.e. political economy, legitimacy, stakeholder, agency, institutional theories and the concept of accountability). Then, it develops a framework based on analysing prior studies from the GCC countries to indicate those theories that are relevant to this context.

Chapter 4 explains the research design and methodology used in this thesis. It explains the philosophical assumptions that are adopted by the researcher. This is followed by a description of the research design of the study, which is a mixed methods approach utilising a qualitative and quantitative phase. The sampling strategy of each method is also provided along with an outline of the data analysis techniques used.

Chapter 5 reports the findings of phase 1 of the study, that is, the qualitative results. The chapter begins with a brief description of the interview analysis used. The common types of community involvement activities are then identified. Next, various the themes for the rationales behind being a socially responsible firm are reported. This is followed by the rationales behind corporate reporting on community and social activities.

Chapter 6 presents the empirical findings of phase 2 of the study. The descriptive statistics of the sample firms are presented first in order to provide an overview of the dataset. The main themes of CCI are also presented, followed by the trends of CCI reporting over the period under examination. Given that this study focuses on reporting firms, a summary statistics of non-reporting firms is also presented in this chapter. Then, the results of the regression analysis are presented with identification of the significant variables that influence CCI reporting in the annual reports. Finally, the chapter concludes with reference to the hypotheses supported by the statistical results.

Chapter 7 discusses the key findings. This chapter is divided into three main sections. First, it discusses the key findings of phase 1 (i.e. interviews). Second, the key findings of phase 2 (i.e. influential factors on CCI reporting) are discussed. Third, a summary of the combined findings of the two phases is provided with discussion related to the primary research question. This chapter concludes by explaining and interpreting the overall study findings from a theoretical perspective. This includes identifying the most relevant theories in the study context, based on the developed framework presented in Chapter 3, and presenting an adapted framework.

Chapter 8 concludes the thesis and restates the main findings related to the research questions. The chapter begins with a summary of the main findings, followed by an explanation of the four main contributions of the thesis. Several implications for different stakeholders are provided. Limitations and recommendations for future research are also stated. Finally, the chapter ends the thesis with a concise concluding statement, which summarises the entire thesis and its significant contributions.

An overview of the thesis indicating the aim of each chapter is shown in Figure 1-2 below:

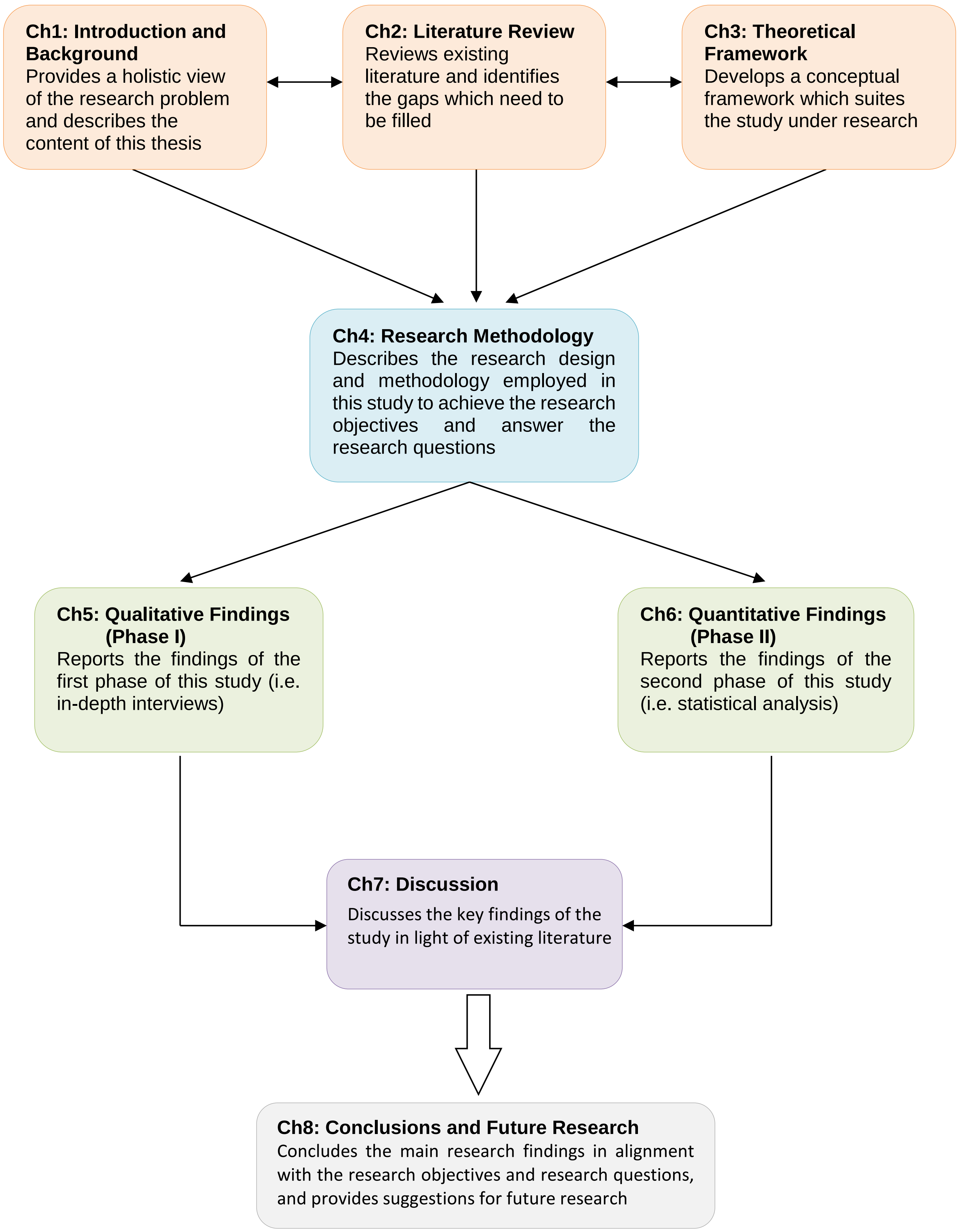


Figure 1-2: An overview of the thesis

1.5 Chapter summary

This chapter has laid the foundation for this thesis. The research problem was outlined and the research questions, objectives and justification for the study provided. This chapter also presented the background to the study context, which introduced some common features among the countries under research. The research justification and significance have been explained, including the gaps in the existing body of knowledge. This indicates that the findings will contribute to the literature and knowledge of CSR reporting in developing countries and the Gulf region. This study will also be valuable for the accounting authority in each GCC country as well as the GCC Accounting and Auditing Organisation (GCCAAO) to provide guidelines on social reporting in the region. Lastly, the chapter ends with an overview of the thesis structure and organisation. Based on these foundations, the thesis can proceed with more details of the research. The next chapter, Chapter 2, reviews relevant literature in the context of this study.

Chapter 2 : Literature Review

2.1 Introduction

This chapter provides a review of relevant extant literature on corporate social responsibility, corporate community involvement and corporate social reporting. The chapter begins with a brief introduction to the common terminology used in the literature about social responsibility and related concepts. Then, a section on those concepts relevant to this thesis is presented, and these include specific reference to studies in the Middle East region and the GCC countries where appropriate. Most importantly, in order to answer the research questions in this thesis, literature on the types of community involvement undertaken, the motivations for doing so, and the factors and characteristics that influence both involvement and reporting, is examined. Finally, following from the literature reviewed, a number of hypotheses are developed, which are tested and presented in the findings of the thesis.

2.2 Overview of key terms and definitions

Several terms are used in the literature to demonstrate the nature of the relationship between business and society. The most commonly used include: corporate social responsibility, corporate social performance (Wood, 1991, p. 10), corporate social responsiveness (Ackerman and Bauer, 1976), corporate community involvement, corporate community investment, corporate community partnership, corporate philanthropy, corporate accountability (Valor, 2005), corporate citizenship, corporate sustainability, business ethics and stakeholder management (Clarkson, 1995). It is apparent from the literature that various terminologies have been driven by practitioners and the business press rather than academics and researchers (Matten et al., 2003). Despite the fact that the above terms are sometimes used interchangeably, they do not always have the same meaning. Moreover, many studies that have investigated this type of relationship have not presented clear boundaries and limits for the different terms (Rochlin and Christoffer, 2000). The terms corporate social responsibility and corporate community involvement will be explained in more detail in the next section as they are most pertinent to this thesis. Overall, and for the purpose of this study, the term "*corporate community involvement*" (CCI) as a dimension of the concept of CSR will be used in the thesis to represent firms' activities towards local communities where they operate. Some of the other terms that are commonly used are briefly defined here, as they appear in the literature relevant to this study.

- **Corporate Social Responsiveness**: emerged after the term corporate social responsibility and it indicates the capacity of a firm to respond to social pressure (Frederick, 1994; Freeman, 2010). This term is generally a synonym for CSR.

- **Corporate Community Investment**: is defined as "business involvement in social initiatives to meet the needs of the communities in which they operate" (Moon and Mathuri, 2006, p. 5). Corporate community investment implies a more strategic and focussed approach than general community involvement in order to increase firms' value. Corporate community investment implies that social and community programmes should be designed and implemented in line with corporate strategic objectives (Tsang et al., 2009).

- **Corporate Citizenship (CC)**: is a term recognised by some authors as an extension to the terms corporate social responsibility, corporate social responsiveness and corporate social performance (Benn and Bolton, 2011). There is no clear definition of corporate citizenship but broadly a firm is recognised as a citizen in a society and has its own rights and duties. The centre for corporate citizenship at Boston College[7] as including activities which range from philanthropy to environmental and governance issues for the purpose of strengthening the business-society relationship and building sustainable strategies for social needs (BCCCC, 2013). Matten et al. (2003) critically analysed and explained corporate citizenship using three different views. First, the "limited view" which limits CC to philanthropy or charitable donations. This view is similar to the top of the CSR pyramid which was developed by (Carroll, 1979) under philanthropic responsibility (see section 2.5.1) for further explanation). Second, the "equivalent view" that makes CC equivalent to

[7] See this link for more details, http://www.bcccc.net

CSR. Third, the “extended view” which implies that CC goes beyond the concept of CSR, and requires re-conceptualization of the business-society relationship to include economic, political and social issues in the business agenda in this era of globalisation (Matten et al., 2003).

- **Corporate Sustainability (CS)**: has been defined in different ways. Some refer to the ecological aspect only (Shrivastava, 1995; Starik and Rands, 1995), while others incorporate economic and social aspects with the ecological aspect (Marcel van, 2003; Bansal, 2005). According to Dow Jones (2013) CS is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. Broadly, CS in their view, refers to adopting strategic approaches in integrating economic, environmental and social aspects within business operations and long-term strategy for future societal developments and needs (Sharma and Vredenburg, 1998; Marcel van, 2003; Bansal, 2005).

- **Corporate Accountability (CA)**: refers to the fundamental assumption of the existence of a social contract between firms and society (Gray et al., 1988). It also implies that firms are accountable to shareholders as well as other stakeholders (Clarkson, 1995; Robins, 2005). CA can be perceived as “corporate control; that is, the establishment of clear means for sanctioning failure” (Valor, 2005, p. 196). CA is often more associated with reporting, which is a mechanism for ensuring transparency, and thus accountability.

As mentioned, the term corporate community involvement (CCI) will be used in this study to represent the relationship between firms and society within the boundaries of the study. However, in the review that follows, corporate social responsibility (CSR) is mentioned quite often because the concept of CSR is still the predominant concept in the literature. Also, because corporate community involvement is considered an integral part of CSR, the terms are often conflated by both researchers and research participants. For that reason, the literature on CSR broadly, is reviewed next.

2.3 Corporate social responsibility

Corporate social responsibility emerged in the US in the 1950s as a field within the management discipline (Banerjee, 2007). It was considered to represent the relationship between business and society and touched on the duties of firms within a society. Despite the numerous definitions of CSR which have been proposed by many researchers, there is no single definition that is globally accepted. For example, Foran (2001, p. 1) defines CSR as "the set of practices and behaviours that firms adopt towards their labour force, towards the environment in which their operations are embedded, towards authority and towards civil society". Others define the term as "the degree of moral obligation that may be ascribed to corporations beyond simple obedience to the laws of the state" (Kilcullen and Kooistra, 1999, p. 158). Importantly for this study, CSR is also defined as "a commitment to improve community wellbeing through discretionary business practices and contributions of corporate resources" (Kotler and Nancy (2005) cited inKumar and Tiwari, 2011, P. 22). It is apparent that each definition has been formulated with a different approach in mind. Dahlsrud (2008) analysed 37 definitions of corporate social responsibility and found that all definitions are highly similar. Thus, Dahlsrud (2008) claims that it is not necessary to focus on a single definition. Nevertheless, the author observed five common dimensions of the definitions reviewed: (i) Stakeholder, (ii) Social, (iii) Economic, (iv) Voluntariness and (v) Environmental. Dahlsrud (2008) provided a table that summarises all thirty seven definitions including their frequency count and the related dimension. Some definitions cover only one dimension and others cover more than one. For example, Piacentini et al. (2000, p. 459) cited the definition of CSR from Boatright (1997) as "the voluntary assumption by companies of responsibilities beyond purely economic and legal responsibilities", this definition covers only the voluntariness dimension. Whereas the Commission of the European communities in 2001 defined CSR as "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis", this definition covers all five dimensions and it is one of be the most frequent definitions used (Dahlsrud, 2008, p. 7).

In 2011, the European Commission published a new and concise definition of corporate social responsibility based on a modern understanding of the concept. It was simply defined as "the responsibility of enterprises for their impacts on society" (European Commission, 2011). The perception of what corporate social responsibility is and why firms engage in it, has changed over time. In the last century, some researchers such as Levitt (1958 cited in Banerjee, 2007, p. 5) argued that social responsibility could damage a firm's interest. Milton Friedman is one of the strong advocates of this view. Friedman says social responsibility is "a fundamentally subversive doctrine in a free society" (Banerjee, 2007, p. 5). He argues that a firm is socially good if it maximises shareholders' value and that profit itself is considered as a social activity (Banerjee, 2007). Other advocates of this position warn that corporate social responsibility can be used as 'window dressing'. Opponents of CSR argue that firms should not be socially responsible, rather, other organisations such as governments exist for this purpose (Hazelton, 2005; Branco and Rodrigues, 2007). This view is becoming less apparent, as firms move towards embracing the notion of CSR as an accepted part of business.

There may be no real necessity for a single definition of CSR because social needs and priorities differ from one country to another (Welford, 2004). However, Branco and Rodrigues (2007) claim that it is essential to agree on the key elements identified by Buchholz (1991), rather than proposing a new definition. Buchholz (1991, p. 19) states the following five key elements of CSR:

1. Corporations have responsibilities that go beyond the production of goods and services at a profit;
2. These responsibilities involve helping to solve important social problems, especially those they have helped create;
3. Corporations have a broader constituency than stockholders alone;
4. Corporations have impacts that go beyond simple marketplace transactions; and
5. Corporations serve a wider range of human values than can be captured by a sole focus on economic values.

Thus, the concept of CSR is very broad but, as noted above, this thesis focuses on corporate community involvement as a sub-set of CSR. CCI still meets the definition of a form of CSR as it confirms to all of the five elements listed above. As this study investigates CCI in GCC countries, the next section reviews the use of the concept of CSR in this region, before going on to discuss the concept of CCI specifically.

2.4 Corporate social responsibility in the Middle East

The perception of CSR in the Arabian Gulf region differs from the perception in developed countries. Even the perceptions of the concept of CSR between countries within the same region are not always the same (Munro, 2013). Thus, developing a single definition of CSR for the Gulf is difficult. As stated in Chapter 1, the GCC countries have a few similar attributes such as religious background, language spoken and culture, and the foundations of CSR have many similarities with Islamic values and principles (Dias, 2012). However, CSR perceptions in the Arab world seem to be limited to charity and philanthropy (Visser, 2008; Emtairah et al., 2009). The term CSR is still not clearly defined and practiced in this region and it is considered to be in its infancy compared to developed countries (Dias, 2012). According to several authors, the roots of CSR already exist in this region, but as noted above, they are mainly in the form of philanthropy or charitable donations (Emtairah et al., 2009; Qasim et al., 2011; Jamali and Sidani, 2012; Mandurah et al., 2012; Minnee et al., 2013). Thus, many businesses believe that the term CSR is not a substitute concept, but it is rather a complement to current practice but to a higher level, and is more focused rather than just philanthropic giving in an ad hoc manner (Jamali and Sidani, 2012). This development leads to other forms of CSR such as being involved in corporate volunteering, sponsorships and partnerships for the benefit of communities and society at large.

As noted in Chapter 1, the economy in the Middle East region is growing and it is becoming one of the major players in the global business arena since some Arab brands have become part of the global market, such as Emirates Airline and Aramex (Visser, 2008). In addition, the inflow of multinational companies and Foreign Direct Investment (FDI) in this region is also improving the Middle East's role in the global business context (Visser, 2008). As a consequence, many countries in this region are trying to accommodate international business paradigms, management strategies and international standards (e.g. accounting & auditing standards) into their traditional businesses in order to survive in this modern environment (Visser, 2008). This includes strategies around CSR. Nevertheless, from a western perspective, the phenomenon of CSR is still regarded as being at an early stage (Visser, 2008; Al-Abdin et al., 2017).

The changes in the Middle Eastern economy have, however, begun to impact on CSR in the region as the term CSR more than a decade ago had little meaning to the public and only emerged when the concept of corporate governance emerged (Visser, 2008). Thus, the increase of FDI into Arab countries, the trend of shifting some family and government owned firms into the public domain, and the globalisation of large national firms has resulted in the term and concept of CSR increasingly being recognised in the Arabian context (Visser, 2008).

The different understanding of the term CSR between Western countries and Arab countries is important to note, however. It is apparent that the misconception of the term in the Middle East region (as CSR as only philanthropy discussed above) is because of the religious obligations towards society, which makes the distinction between them difficult (Visser, 2008). Al Harthy (2009) says that there is confusion between a firm's owner's personal spending, and offers and support given to society by the firm. There has only been minimal evidence of any CSR practices other than philanthropy (Visser, 2008), but the trend is increasing and the form of philanthropy is expanding, as will be explored further in this thesis.

This perception of CSR in the region has been investigated by a few studies. Mandurah et al. (2012) explored the managerial perspective of the concept of CSR using surveys. The study findings indicate that managers of Saudi firms are aware of the concept, but there is no connection between the top managerial level and firms' employees. In addition, the authors describe CSR as being in its infancy, which limits the understanding of the concept to its early and classic view (i.e. philanthropic donations). Similar findings were reported by Emtairah et al. (2009) who conducted a similar study but with more depth based on both primary (interviews) and secondary data (publicly available information). Moreover, from a theoretical perspective, Nalband and Al-Amri (2013) examined the perception and practices of CSR across 21 Saudi listed firms. The authors used the CSR pyramid structure developed by Carroll (1991) and the charity and stewardship principles in Lawrence et al. (2005) to study managerial perceptions and practices. The empirical results are in line with the idea that the concept of CSR does exist and is not a new concept. They show that both Carroll's pyramid of CSR and Lawrence et al.'s charity and stewardship principles are applicable in the Saudi Arabian context.

There is also some evidence that the practice of CSR in the Middle East is emerging with a global business perspective. UAE and Kuwait were the first countries in the Middle East to host CSR conferences in 2004, and this was followed by other countries in the region (Visser, 2008). The first CSR benchmark in this region was revealed by the Al Urdun Al Jadid Research Centre[8] (UJRC) and the Mediterranean Development Forum in 2005 (Visser, 2008). Initiatives started to be pursued by other organisations in different GCC countries such as the Dubai Chamber, Hawkamah and the Sustainability Advisory Group in the UAE and the Tamkeen advisory group for CSR and Sustainability development in Saudi Arabia. Also, the Saudi Responsible Competitiveness Index[9] (RCI) in Saudi Arabia is one of the initiatives related to CSR that exist in the country. The index was designed and developed to measure local firms' contributions to Saudi society for a better and sustainable future. Furthermore, in 2008, an initiative was taken by the Emirates Environmental Group that signed an agreement with the United Nations Global Compact (UNGC) for the Gulf Cooperation Council (GCC) countries in order to formalise this network in the region. These organisations and programmes are indications of changes in the region, and are expected to have some impact in the near future. Further, Kuwait launched

[8] UJRC is regional NGO based in Jordan, promoting sustainability and development in the Arab World, http://www.ujrc-jordan.net

[9] This programme was launched in 2008 and led by the Saudi Arabian General Investment Authority (SAGIA) and King Khalid Foundation.

the first Arab CSR online website back in 2007 (Nacheva, 2007), and many of the Arabian Gulf countries have hosted corporate social responsibility (CSR) events such as CSR summits (i.e. in Qatar, Saudi Arabia and United Arab Emirates).

It has also been argued that politics played a significant role in increasing the awareness of CSR in the Arab world. Avina (2013) suggests that CSR perception and practices in the Middle East changed after the Arab spring event, for both local and international firms. The sense of social responsibility among civil society and the corporate sector was influenced by the event and signs of change emerged (Avina, 2013). Firms in the region realised that they have a significant role in social responsibility in addition to governments, and they also recognised that corporate community involvement should go beyond just donations to charitable cases towards more effective and strategic approaches (Avina, 2013). Although the event occurred in just few countries in the Middle East, other countries, such as GCC members, might be positively influenced which may lead to positive changes in the region. Ahlibank in Oman, for instance, increased their partnership activities from 15 to 21 in 2012 (Muscat Daily, 2012). However, Ronnegard (2013) argues that CSR in the Middle East will now take its own direction and will not be identical to the Western style because of the strong influence of the culture and religion.

This study contributes to the understanding of CSR in the gulf region and, more specifically, considers a specific aspect which stems from the traditional view of CSR as philanthropy, but covers a broader notion than philanthropy to include more than just charitable donations. In the GCC countries, business involvement in their local community is emerging as a means of giving back and is part of their social responsibility (Rettab and Brik, 2009). Thus, the concept of corporate community involvement is discussed next.

2.5 Corporate community involvement

Corporate social responsibility is commonly used as an umbrella concept which includes a number of ideas, concepts and terms. Nonetheless, all these concepts and terms embrace the principle that the responsibility of a firm goes beyond the legal obligation to the shareholders

(Donaldson and Preston, 1995). Both CSR and CCI represent the relationship between business and society. However, CCI is narrower than CSR in relation to the activities involved. For example, CCI excludes certain activities that are related to the environment and gives higher emphasis to the collaboration between businesses and the non-profit sector or government sector that impacts on local communities.

As for CSR, the term CCI has been defined and used in various ways in the literature. There is no agreement on a particular definition of CCI but rather every author uses a definition that serves the purpose of their particular study. Generally, there are two approaches; a narrow definition and a broad definition. Lakin and Scheubel (2010, p. 4) use a narrow definition of CCI as the "active community partnership between a company and/or governments and/or NGOs in the countries/regions/ communities where it operates". This definition limits the scope of CCI activities to only one type of community involvement (i.e. partnerships) which is regarded as the highest level of business-community relationship in terms of productivity (Lakin and Scheubel, 2010). In contrast, the broad definition used by Uyan-Atay (2012, p. 26) is "the giving behaviour of companies to their communities and their environment formulating and implementing the company's, non-profit organisation's or other institutions' resources for altruistic and commercial purposes". The author goes further to explain that various types of contributions such as education, environment, health, sport, arts, culture, philanthropy, in-kind gifts, volunteering, sponsorships and partnership programmes are all considered as community involvement activities (Uyan-Atay, 2012). In addition, CCI is defined as "business involvement in social initiatives to meet the needs of the communities in which they operate" (Moon and Mathuri, 2006, p. 7).

Some previous studies, such as Brammer and Pavelin (2005), have investigated corporate philanthropy (charitable giving/donations) as an indication of community involvement. However, such a narrow perspective does not provide a full picture. Therefore, this study adopts the broader view of community involvement but excludes any activities related to the environment, products and quality, employee and staff issues, in order to limit the scope of this study to those activities that directly involve the community.

As noted earlier in this chapter, various terms are used for CSR, may of which overlap with CCI. The specific literature on CCI also contains different terminologies. For example, corporate community investment (Moon and Mathuri, 2006; Tsang et al., 2009), corporate community engagement (Lorenz et al., 2013), corporate social initiatives (Hess et al., 2002) and corporate community contributions (Brammer and Pavelin, 2005). Terms are often used interchangeably even when they are looking at one element (activity) of CCI such as corporate philanthropy (Campbell et al., 1999; Seifert et al., 2004; Brammer and Pavelin, 2005; Amato and Amato, 2007) or looking at multiple elements such as in Yekini and Jallow (2012), Campbell et al. (2006) and Raja Ahmad (2010). As stated earlier, this study will use the term corporate community involvement.

For the purpose of this study, CCI is defined as all aspects of firm activity or involvement with the community, which have some social benefits, and includes philanthropy, sponsorships, volunteering, firm-community partnerships and other initiatives that help with community development. Thus, although this study is taking the broad view, it is important to review the research on these specific elements of CCI as some have a substantial body of literature. Those included in the following review are corporate philanthropy (Campbell et al., 1999; Himmelstein and Hewa, 1999; Brammer and Millington, 2006; Seitanidi and Ryan, 2007; Campbell and Slack, 2008; Raja Ahmad, 2010; Amato and Amato, 2012; Muller et al., 2013), sponsorships (Meenaghan, 1991; Madrigal, 2001; Farrelly and Quester, 2003), corporate volunteering, (Wild, 1993; Peterson, 2004; Caligiuri et al., 2013) and partnerships (Waddock, 1988; Seitanidi and Ryan, 2007; Lakin and Scheubel, 2010).

2.5.1 Types of CCI

As discussed above, CCI has no fixed types of activities as they are discretionary (Arli and Cadeaux, 2014). However, different studies have used common categories of corporate social responsibility and a selected number are summarised in Table 2-1. As can be seen, there is common ground that can be identified among these various components or activities under the community involvement theme.

Table 2-1: A summary of different categories used in previous CSR reporting and CCI studies

Author, Date	Categories of CCI used	Description
Ernst & Ernst (1978)	1. Community activities 2. Health and related activities 3. Education and the arts 4. Other community activity	The classification of this study is widely adopted by large number of studies in the CSR reporting literature.
Maignan and Ralston (2002)	1. Philanthropy 2. Sponsorship 3. Volunteerism	Include some community components in their investigation of social reporting on the internet.
Seitanidi and Ryan (2007)	1. Corporate philanthropy 2. Benefaction 3. Patronage 4. Sponsorship 5. Cause-Related Marketing 6. Partnership	The study reviews and compares these categories as different forms of corporate community involvement activities.
Raja Ahmad (2010)	1. Cash 2. Sponsorship 3. Scholarship 4. Grant 5. Award 6. Disaster relief 7. Foundation giving 8. Employee giving 9. Matched employee giving 10. Fundraising event 11. Shareholders donations 12. Management cost 13. In-kind 14. Volunteering (Time) 15. Partnership	The author classifies CCI activities into two main groups (monetary and non-monetary). Both groups consist of 15 categories.
Uyan-Atay (2012)	1. Philanthropy 2. Sponsorships 3. Cause-Related Marketing 4. Volunteerism 5. Gits-in-Kind	These items used in this study represent multiple aspects corporate giving to the community in Turkey.
Arli and Cadeaux (2014)	1. Donation 2. Employee volunteering 3. Non-partnership 4. Partnership	These are based on the main findings of the study concerning strategies in community involvement activities.

Author, Date	Categories of CCI used	Description
Alotaibi and Hussainey (2016a)	1. Community investment 2. Contribution to national economy 3. Education 4. Health and safety 5. Social Loan 6. Social activities support 7. Funding scholarship programs 8. Human rights 9. Charity and donation 10. Volunteering 11. Establish non-profit project	These categories are used under the community theme, which is used in a CSR reporting quantity index.
The London Benchmarking Group[10] (LBG)	1. Cash 2. Time 3. In-kind 4. Management costs	These four categories represent the form of business contributions in the LBG framework.

Referring to Table 2-1 above, it can be seen that the classifications used are a mixture between the types of community activities, the forms of actual community involvement, and the area within the community that benefited from such activities. This study aggregates these categories into four main types as follows: (i) Philanthropy, (ii) Sponsorships, (iii) volunteering and (iv) partnerships. All other types are considered under "Other" category.

2.5.1.1 Corporate philanthropy

Corporate philanthropy is one of the main types of corporate community involvement activities. In fact, it was the first type of corporate community involvement, or corporate social responsibility in general, that emerged and was practiced by firms for their local community (Mescon and Tilson, 1987). This type of corporate behaviour has a substantial body of literature because it is easy to measure based on the amount paid as noted by Uyan-Atay (2012).

[10] The LBG model helps firms to measure and evaluate their contributions to the community, www.lbg-online.net

This literature includes studies that have investigated corporate philanthropy from both empirical and theoretical perspectives. Many studies have empirically examined what influences firms to give back to their communities, and have found a number of factors such as firm size, industry affiliation, profitability and others (Bartkus et al., 2002; Brammer and Millington, 2006; Amato and Amato, 2007, 2012). The influence of these factors on CCI is discussed in section 2.9 below.

Although there is large number of studies on corporate philanthropy, particularly in the US, UK and Australia (Porter and Kramer, 2002; Seifert et al., 2003, 2004; Campbell and Slack, 2008), examining it from a reporting perspective has been given less attention (Raja Ahmad, 2010). More specifically, there are limited studies that have examined corporate philanthropy and reporting in developing countries, or in the GCC countries in particular. CSR reporting will be discussed specifically in section 2.7. As noted earlier, much of the early literature on the Middle East showed that philanthropy has been the dominant understanding of CSR but there is evidence of some recent change. Thus, examining corporate philanthropy of the listed firms across the GCC countries will increase our understanding of this phenomenon in this particular region and will contribute to the current literature on corporate philanthropy and corporate social reporting.

2.5.1.2 Corporate volunteering

Corporate volunteering as a type of community involvement has been studied by a number of researchers, and is defined as any formal corporate support to employees and their families who wish to volunteer their time and skills in order to benefit the community (Wild, 1993 cited in Peterson, 2004). The nature of volunteering activities requires firms to use their employees, as a key stakeholder, to conduct their programmes in the community. Thus, corporate employees are a key driver of this type of CCI (Zappalà, 2004). Firms adopt corporate volunteering programmes as a means to represent their social responsibility because such activities have potential benefits for the firm and other stakeholders (e.g. employees and community) (Caligiuri et al., 2013). Some authors claim that volunteering programs can be regarded as one of the best involvement activities in local communities (Wild, 1993).

There are a number of studies that address corporate volunteering and its benefits. Studies have shown that corporate volunteering benefits multiple stakeholders (Lee and Higgins, 2001; Caligiuri et al., 2013; Sanchez-Hernandez and Gallardo-Vázquez, 2013). For example, a case study in new Zealand demonstrates several benefits such as strengthening their relationship with the local community and enhancing their public image (Lee and Higgins, 2001; Basil et al., 2009). Employee volunteers can gain self-satisfaction from their contributions to their community and, hence, this assures their retention. Finally, corporate volunteering helps community groups to increase public awareness about particular societal issues (Lee and Higgins, 2001). Thus, corporate volunteering is often characterised as a 'win-win' scenario for both business and the community (Caligiuri et al., 2013; Cycyota et al., 2016).

Although corporate volunteering has been discussed by different authors, limited research considers it from a corporate reporting perspective. Maignan and Ralston (2002), for example, compared corporate social reporting, including community activities, between three European countries and the United States. The findings show that firms in France and the Netherlands report nothing about corporate volunteering as a community involvement activity (Maignan and Ralston, 2002). In contrast, firms in the US score the highest for reporting about their corporate volunteering activities, which is the second highest community involvement activity after philanthropy (Maignan and Ralston, 2002). This finding reveals the long history of this type of community involvement in the US (Lee and Higgins, 2001; Basil et al., 2009).

The area within which volunteering takes place also varies between countries and contexts. For example, corporate volunteering programmes in Spain tend to focus on disabilities and education, with 78% and 73% of firms volunteering in these areas respectively. Similarly, the main groups that benefit from corporate volunteering programmes are children and disabled groups (Sanchez-Hernandez and Gallardo-Vázquez, 2013). Little is known about volunteering in the Gulf region, so including it in this study will clarify the scope of CCI in GCC countries.

2.5.1.3 Corporate sponsorships

Sponsorship activity has been defined as "an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity" (Meenaghan, 1991, p. 36). It has been evident that firms use sponsorships in various areas such as health, art and sport (Rowley and Williams, 2008; Plewa and Quester, 2011; Aaron and Siegel, 2017). However, sport sponsorship is the major focus globally due to its value-add for businesses (Pope and Voges, 2000; Henseler et al., 2011; Plewa and Quester, 2011). Seitanidi and Ryan (2007) critically reviewed the different types of CCI, including sponsorships, and found that sponsorships can take two forms: (i) commercial sponsorship or/and (ii) socio-sponsorship. The commercial sponsorship is expected to provide primarily tangible benefits, whereas the socio-sponsorship predominantly provides intangible benefits and only limited tangible benefits (Seitanidi and Ryan, 2007).

There is a growing interest among researchers on the link between corporate sponsorship and CSR (Madrigal, 2001; Uhrich et al., 2014). More specifically, Wymer (2006) states that firms may use sponsorship as a vehicle for supporting corporate philanthropic activities. Studies have shown that there are several benefits which a firm can gain from being involved in sponsorship activities. Most commonly it is used as a marketing tool to enhance corporate brand and influence consumers (Madrigal, 2001). It also increases brand credibility, thus, improves a brand's evaluation by consumers (Uhrich et al., 2014). Further, it has been found that linking sponsorship with CSR positively influences consumers' CSR perception (Uhrich et al., 2014). However, sponsorship activity is not a one-way relationship, as the recipient benefits from the funding as well as the sponsoring firm (Lakin and Scheubel, 2010).

In terms of reporting, studies have shown that reporting on sponsorships appears to be one of the key elements of community involvement reporting. Based on a comparative analysis of social reporting on firms' web pages, Maignan and Ralston (2002) found that corporate sponsorship activities were highly reported among UK firms compared to firms in the US and other European countries. In the context of the GCC countries, a few studies have indicated that firms in Saudi Arabia and Dubai engage in sponsorship activities as part of their CSR initiatives (Emtairah et al., 2009; Qasim et al., 2011; Mandurah et al., 2012). Thus, this study extends this finding by investigating reporting on this type of CCI activity across the six countries of the GCC.

2.5.1.4 Corporate partnerships

Studies that focus on corporate partnerships as a form of community involvement refer to the productive relationship between firms and institutions in the community where they operate. A corporate partnership is defined as a commitment between one or more firms and one or more organisations from another sector in order to solve a social issue (Waddock, 1988). The commitment requires active involvement, which is more than just monetary contributions (Waddock, 1988). It consists of resources, time and effort from all partners (Waddock, 1988). This type of involvement is seen as the most developed relationship between the firm and its stakeholders (Mailand, 2004). Business partnership has a long history in the US, and constitutes a collaboration between business and government (Hamann and Acutt, 2003), or business and various institutions in society, such as non-profit organisations and schools (Waddock, 1988).

Similar to other types of CCI, there are many benefits that can be achieved from business partnerships. For example, establishing a partnership with non-profit organisation (NPO) can help improve a firm's image and increase awareness among consumers about the NPO, which may lead to gaining more funding (Sunitha and Edward, 2015). In addition, it also can help firms to maximise their return from CSR investment through developing strategic partnerships which are in line with firms' goals (Peloza and Falkenberg, 2009). The main goal of a corporate partnership is to improve social welfare within communities as well as to add value to business (Lakin and Scheubel, 2010). Unlike philanthropy, volunteering and sponsorships, the partnership aims for a higher level of sustainable development (Wadham, 2009). This means that disadvantaged and underdeveloped communities can benefit most from the partnership as a type of CCI (Newell, 2005).

Research on their public reporting practices has shown that listed firms worldwide, particularly in developed economies, engage in partnerships (Yongvanich and Guthrie, 2007; Wanderley et al., 2008; Sobhani et al., 2012). Public-private partnerships are well established in developed countries as a form of promoting CSR, whereas this type of community involvement lags behind in the Middle East countries (Nasrullah and Rahim, 2014). However, there is some evidence that business collaboration and partnership has emerged in some of the GCC countries (Qasim et al., 2011; Sangeetha and Pria, 2012). This study investigates this emerging type of involvement across all GCC countries from a reporting perspective, which will provide evidence of whether or not partnerships are practiced by firms in this region and constitute part of CCI.

2.5.1.5 Summary

It is important to note that the types of CCI discussed above are not separate activities, but rather they are interconnected and together are used for the benefit of business as well as the community. For example, corporate volunteering creates opportunities for firms to enhance other activities such as philanthropic giving in the community (Peloza et al., 2009). In addition, successful corporate volunteering programmes can lead to a higher level of involvement such as partnerships (Lee and Higgins, 2001), which is recognised as the most beneficial type of CCI to the local community (Lakin and Scheubel, 2010). However, it is necessary to separate them for measurement and assessment purposes, therefore, these four types of CCI are used as categories in this thesis. Similarly, there are other CCI initiatives that do not fit into these categories, but these are beyond the scope of this study.

Some of the benefits of each of these CCI activities, both to businesses and the community, are outlined in the preceding sections. These indicate some of the potential motivations for firms to become involved in, and report on, CCI. As this thesis aims to investigate motivations and rationales for CCI more generally, this is discussed further below.

2.5.2 Motivations and rationales for CCI

There is no doubt that businesses seek financial stability and economic growth to remain in their market. Thus, it might be argued that firms should focus on their main business operations at the expense of other activities such as CCI or CSR. As a result, the question arises as to what motivates these firms to become involved in the local community and contribute to society more widely. Research has revealed various motivations or rationales, but these vary between developed and developing countries.

Business benefits, or the ‘business case’ for CSR, is the most common rationale in developed economies (Kirchberg, 1995; Hess et al., 2002; Moir and Taffler, 2004). This includes helping firms to establish competitive advantage and enhancing corporate image and reputation (Kirchberg, 1995; Hess et al., 2002). Moir and Taffler (2004) examined the motives behind getting involved in community activities for a sample of UK firms. The study found that philanthropic activities are practiced as a means of marketing, which implies reputation enhancement and profit orientation (Moir and Taffler, 2004). Those supporting the use of CSR for business benefit claim that being profitable and competitive are essential elements of being socially responsible (Kotonen, 2009). In Spain, for example, a strong relationship between the firm and the community was found to be highly recognised externally (Sanchez-Hernandez and Gallardo-Vázquez, 2013). Thus, higher visibility is one of the key identified business benefits from corporate involvement in community activities.

Another reason that motivates some firms to be socially responsible and engage with the community is that they may be experiencing pressure to do so. According to Moon (2007), there are four main drivers that exert pressure on firms to engage in community and social activities. First, market drivers, which are based on a number of stakeholders, including consumers, employees, investors and suppliers (Moon, 2007). This source of pressure is usually seen most in developed economies and is very limited in emerging economies. For example, firms in the UK have been found to be active in social responsibility initiatives mainly due to pressure from consumers (Piacentini et al., 2000). On the other hand, such pressure in developing countries is weak and is almost not existent in the Middle Eastern region (Visser, 2008). This could be due to the level of awareness among consumers in this region being low. Second, social drivers exert pressure, including pressure from non-government organisation (NGOs), the media and general social expectations (Moon, 2007). This differs according to region, for example, the media and the general public play a strong role in developed countries, but in the Middle East do not exert strong pressure due to a lack of freedom of speech (Visser, 2008; Dias, 2012; Freedom House, 2017). However, there is an indication that the media can play an important role in spreading knowledge of the concept of CSR in this region (Tamkeen, 2010), which may influence stakeholders' perceptions and corporate behaviour in the near future. In addition, it is evident that NGOs in the GCC countries are active in demanding community support from local firms (Emtairah et al., 2009). For example, CSR in Saudi Arabia is described as responsive to NGO demands (Emtairah et al., 2009). Third, governments play an important role in encouraging and developing CSR (Moon, 2007). Governments in many developed countries are proactive in promoting CSR practices through establishing policies that help businesses to be socially responsible (Moon, 2007; Nasrullah and Rahim, 2014). On the other hand, governments in the majority of the developing countries, including the Middle East, are far behind and poorly engaging with this issue (Dias, 2012; Nasrullah and Rahim, 2014). However, recent studies have shown a growing interest among some of the GCC governments. For example, the Saudi Arabian and UAE governments have begun to recognise the importance and benefits of incorporating CSR into business objectives (Qasim et al., 2011; Mandurah et al., 2012; Nalband and Al-Amri, 2013). These governments have started to engage actively to create awareness and encourage business to make social contributions. Accordingly, some changes are expected to be seen (e.g. some form of pressure) in these countries in the near future. Lastly, globalisation is regarded as one of the important business motivations for social responsibility, because it puts pressure on businesses across boarders (Moon, 2007). This seems to affect primarily multinational firms, which operate in host countries (Momin and Parker, 2013). However, local firms in some developing countries may also be influenced and experience pressure to stay competitive in the market (Amran and Siti-Nabiha, 2009).

It is important to understand socio-cultural motives when exploring perceptions and practices of CSR in the context of developing countries (Emtairah et al., 2009). Apart from the motivations or rationales which are similar to those that exist in developed countries (as outlined above), there are other motivations that specifically emerge in developing countries. For example, internal institutional factors such as business culture, strong commitment by top management and internal social values are found to be strong motives for Chinese firms to be socially responsible (Yin, 2015; Zhu and Zhang, 2015). Similarly, social values and norms have been found as the main reason behind community involvement activities in the Middle East, including the GCC countries (Visser, 2008; Dias, 2012). It is argued that corporate involvement in the local community is a reflection of corporate values (Genest, 2005) and in the GCC countries this includes Islamic values which include a commitment to giving back to the community (Visser, 2008; Dias, 2012).

Values are generally promoted by firms' top management and leadership teams, which are considered part of the corporate governance system (John and Senbet, 1998). Thus, governance provides a further motivation for CCI. A study based on US and Canadian firms, for example, revealed that top management leadership has a significant association with the likelihood of firms' engagement in CSR activities (Waldman et al., 2006). In addition, research has shown that there is a strong and significant relationship between CSR practices and several corporate governance attributes (Bernardi and Threadgill, 2010; Kathyayini et al., 2012; Jizi et al., 2014). These attributes differ between different contexts, thus, corporate governance, particularly as it relates to the GCC countries, and to CSR, in the region, is explained next.

2.6 Corporate governance and ownership

There are various definitions of corporate governance in the literature, however, the traditional and basic definition is a system by which organizations are directed and controlled (Cadbury Report 1992, cited in Hussain and Mallin, 2002). This simple definition means that corporate governance deals with any aspect that is related to governing and managing a firm in order to achieve its ultimate goals, including protecting and increasing value for shareholders as well as other stakeholders

The debate about corporate governance emerged due to agency problems which arise from the separation between ownership and management (Jensen and Meckling, 1976). Corporate governance is mainly designed to limit or prevent self-interested managerial behaviour (Kathyayini et al., 2012). This debate increased after a number of financial scandals in large firms around the world, beginning with the Enron case in 2002 followed by WorldCom and the collapse of Lehman Brothers in 2007 (Al-Janadi et al., 2013; Al-Malkawi et al., 2014), thus highlighting the link to CSR. Another reason for the rise in attention on corporate governance improvement is the changes in corporate ownership structure. Particularly in the US and the UK, this includes increased ownership concentration by institutional investors (Hussain and Mallin, 2002) and the growing trend for overseas investments, which require a higher level of assurance and protection for those investors (Hussain and Mallin, 2002). Consequently, the demand for reporting more voluntary information about firms' management and performance has increased to include more than just financial information that is required by law. Some of this information is related to ownership structure, boards of directors, and activities other than business operations such as social and environmental activities. In other words, stakeholders' expectations have increased for a firm to fully discharge their accountability about management, performance and other activities.

Many scholars have examined the impact of corporate governance mechanisms and ownership structure on corporate voluntary reporting in developed countries, while less attention has been given to developing countries. Bremer and Elias (2007) state that corporate governance is weak in developing, emerging and transitional economies. Accordingly, good corporate governance mechanisms and practices are required in most developing countries, including the Middle East, and this has led to increased research interest in this region (Bremer and Elias, 2007; Alhazaimeh et al., 2014).

2.6.1 Corporate governance in the GCC countries

Corporate governance emerged in the Middle East at the beginning of the current century (Al-Janadi et al., 2013) due to an increased awareness of transparency and accountability issues

(Visser, 2008). As evidence, the establishment of "Hawkamah"[11] is an example of an initiative in the Middle East and North Africa (MENA) region. Hawkamah has established an Environment, Social and Governance (ESG) Index in cooperation with Standard & Poors with the support of the International Finance Corporation (IFC) (ESG, 2014). This indicates that corporate social and environmental responsibility is associated with corporate governance in this region as it is in other regions. In fact, it is difficult to separate social and environmental activities from corporate governance because corporate governance directly influences the decisions about such activities (Harjoto and Jo, 2011; Jo and Harjoto, 2011). All GCC countries have issued corporate governance codes for corporate best practice. According to the European Corporate Governance Institute (ECGI), Oman was the first country that established its code of corporate governance in 2002 followed by Saudi Arabia, UAE, Qatar and Bahrain in 2006, 2007, 2009 and 2010, respectively. Kuwait was the latest country to issue a code of corporate governance in 2013 (Al-Shammari, 2014a).

There have been a number of studies that have investigated the state of corporate governance practices in the GCC countries (see Appendix 1 for a summary). Since the GCC countries are highly influenced by the Islamic religion, corporate governance principles have often been tested from an Islamic perspective (Abu-Tapanjeh, 2009; Bhatti and Bhatti, 2010). For example, Abu-Tapanjeh (2009) attempted to compare Islamic principles to the widely used corporate governance principles issued by the Organization of Economic Co-operation and Development (OECD). The author concludes that the OECD principles are a very effective tool of corporate governance compared to Islamic principles. Similarly, Bhatti and Bhatti (2010) looked at corporate governance from an Islamic perspective and proposed the concept of Islamic corporate governance (ICG). The authors found that the ICG is highly in line with the OECD principles. This may indicate that the more congruent these principles are with Islamic

[11] The institute for corporate governance in the Middle East and North Africa region, www.hawkamah.org

principles the more likely they are to be adopted in this region, even though they may require some amendments before application (Al-Malkawi et al., 2014).

Corporate governance and ownership in the GCC countries also has specific characteristics such as dominance of family shareholdings, insider ownership and a one tier board structure. Moreover, enforcement is not fully compulsory in the region (Al-Malkawi et al., 2014). Thus, it is expected that it would be difficult to adopt an international code of corporate governance without amendments to suit the local business environment (Al-Malkawi et al., 2014).

Some specific aspects of governance have also been investigated in the region. Al-Shammari and Al-Saidi (2014) focus on the impact of the presence of females on the board of directors in Kuwaiti firms. This issue has been widely examined by studies in developed and developing countries but limited studies investigate this mechanism in the GCC region. Al-Shammari and Al-Saidi (2014) found that the existence of female directors on boards does not show any significant results, which indicates that they are not an effective mechanism for better corporate performance. Part of the board of directors' responsibility is the decision to report on the firm's performance to the public and there is no information mentioned regarding the impact of female directors on voluntary reporting. However, the presence of females on boards of directors is an emerging issue in the region, so it may be difficult to see an immediate impact.

There is a limited number of studies that have found some association between corporate governance and corporate performance in the GCC countries (Naushad and Abdul Malik, 2015; Abdallah and Ismail, 2017; Pillai and Al-Malkawi, 2017). However, this relationship is not found among Saudi firms (Buallay et al., 2017). The findings of these studies demonstrate that no strong relationship exists between corporate governance and corporate performance, while ownership structure does play a role in this relationship (Naushad and Abdul Malik, 2015). There is lack of studies examining this relationship in individual GCC countries, in particular, Bahrain, Qatar and Oman, so further research would provide more insights to represent the region and could include direct examination of CSR performance.

2.6.2 Corporate governance and reporting

A number of studies have examined the impact of corporate governance on corporate voluntary reporting in the GCC countries. Al-Shammari and Al-Sultan (2010) investigated the relationship between four major corporate governance mechanisms and voluntary reporting, including reporting on CSR. The results show a low level of voluntary reporting (i.e. 19%) which indicates little improvement compared to an earlier study in 2008, which showed 15%. Only the audit committee was found to be statistically significantly associated with voluntary reporting (Al-Shammari and Al-Sultan, 2010). The authors suggested more transparency is required in order to improve the market in the country. A more recent study by Al-Shammari (2014a) investigated the impact of corporate governance on one type of voluntary reporting (i.e. corporate risk reporting) of Kuwaiti listed firms. The study findings report that only two corporate governance mechanisms were found to be significant. Board size was positively associated with risk reporting, whereas role duality was negatively associated. Similarly, Al-Janadi et al. (2013) found that the corporate governance system in Saudi Arabia plays a vital role in providing quality annual reports. The study showed that voluntary reporting was positively associated with non-executive directors, role duality, board size and audit quality. Whereas they found it was negatively associated with government ownership and separation of the CEO and chairman positions. These findings reveal that corporate governance systems in the GCC countries have some impact on corporate voluntary reporting practices, but evidence is limited in the specific impact on CSR reporting. Further studies are needed in order to understand corporate governance effectiveness.

From the review above, it can also be seen that the majority of published studies on corporate governance were conducted in the last decade. This is evidence that it is an emerging issue in the region. However, during this short period there is a clear growing trend on corporate governance development in order to enhance the level of confidence in the stock markets and to attract more local and international investors. In addition, existing studies provide evidence that corporate governance has a potential impact on corporate voluntary reporting practices (Alfraih and Almutawa, 2017), including on CSR reporting. However, some countries such as Kuwait and Saudi Arabia have been given higher attention compared to the remaining GCC countries. This focus can be interpreted as being because both countries' stock markets are important in the region (Hassan, 2003; Arouri, 2012). Research on corporate governance in this region is still behind other regions and more research is needed to demonstrate, compare and identify best practice. The specific corporate governance mechanisms considered in this thesis are discussed further in the hypothesis development section below (see section 2.9). Similarly, since previous studies indicate there is also strong impact of ownership structure on firms' performance it is worth investigating how this mechanism would impact on CCI reporting. This will also be discussed further in section 2.9.

Transparency and accountability are essential elements in corporate governance (Abu-Tapanjeh, 2009; Hassan, 2012), and voluntary reporting is considered as a means of discharging corporate accountability towards shareholders and other stakeholders (Gray et al., 1996). The literature on corporate social responsibility reporting is therefore discussed next.

2.7 Corporate social responsibility reporting (CSRR)

Corporate communication involves various activities in order to produce and disseminate information to firms' stakeholders (Davison, 2011; Yekini, 2012). Corporate social responsibility reporting (CSRR) includes disclosure in annual reports, stand-alone reports (e.g. CSR reports or sustainability reports), press releases, advertisement brochures, accounting magazines or internet web-pages, and may be in various formats, such as quantitative, narrative, graphs, tables or figures (Gray et al., 1988; Guthrie and Parker, 1989; Adams et al., 1998; Hooghiemstra, 2000; Deegan et al., 2002; Campbell et al., 2003; Maali et al., 2006; Othman and Ameer, 2009; Khasharmeh and Suwaidan, 2010). CSRR is widely discussed by numerous accounting scholars, such as Abbott and Monsen (1979), Al-Janadi et al. (2011), Al-Razeen and Karbhari (2004b), Alsaeed (2006), Gray et al. (1988), Guthrie and Parker (1989), Naser et al. (2006), Tilt (1994, 2001) and Umaru Mustapha et al. (2011).

Writers in this area have defined CSRR in different ways. Roberts (1992) defines it as a means used by firms to inform stakeholders about their social performance. Guthrie and Mathews

(1985, p. 253) describe it as "the provision of financial and non-financial information relating to an organisation's interactions with its physical and social environment, as stated in corporate annual reports or separate social reports". More specifically, Gray et al. (1987, p. ix) state that it is "the process of communicating the social and environmental effects of organisations' economic actions on particular interest groups within society and to society at large". In other words, CSRR can be described as a form of communication between firms and stakeholders. Studies of CSRR have been conducted on both developed and developing countries and these are considered next.

Literature has shown that the majority of studies on CSR and CSRR focus on developed countries. Research on CSRR emerged in the early 1970s (Mathews, 1997) at which time it was little more than merely providing anecdotal information (Hogner, 1982). Mathews (1997) conducted a review of studies on CSRR for a period of 25 years beginning from 1971. The study findings show a rapid increase during the period. Early studies tended to investigate whether or not firms report social and environmental information (Mathews, 1997). For example, Ernst & Ernst (1978) examined annual reports of listed firms in the Fortune 500 between 1972 and 1987. The study found a rapid increase in CSRR and by the end of the period about 90% of the firms reported on CSR but the level was generally low. Gray et al. (2001) pointed out that over the previous couple of decades the level and complexity of corporate social reporting has steadily increased and is still growing at the international level. In addition, even though non-financial reporting is unregulated, unlike financial reporting, the majority of global firms report on their social and environmental activities. Some of these firms report social information within the annual report, and some firms report in a separate stand-alone report (e.g. CSR-report or sustainability report). The practice of reporting on corporate responsibility in a separate report has also increased dramatically in the last decade. According to a KPMG (KPMG, 2005) survey, 45% of the largest global firms (G250) issued a separate report on corporate responsibility in 2002 and 52% in 2005. This percentage increased to around 80% in 2008 (KPMG, 2008), and 95% in 2011 (KPMG, 2011), levelling off at around 92% in 2013-2015 (KPMG, 2015).

The extent of CSRR in developing countries, in general, is low compared to the reporting in developed countries. For example, in Bangladesh, it was found that a limited number of firms make an effort to provide CSR information in the annual reports with on average only 8% reporting (Hossain et al., 2006). A few years later, Azim et al. (2009) revealed that 15% of listed firm engage in CSRR but with a very low level of reporting. Similarly, Paul and Zarina (2004) examined the state of CSRR in Malaysia and describe it as being in its infancy stage. Despite that fact that the number of firms and volume of reporting is low in developing countries, this phenomenon is growing and increasing due to growing awareness. More recently, Abu Sufian and Zahan (2013) found that more than 70% of the sample firms in Bangladesh report some information about CSR activities. It is believed that globalisation and international business interaction has a positive influence, which leads to growing CSR practices, including reporting (Kiliç et al., 2015). Therefore, researchers have paid more attention to CSR reporting in emerging economies and the number of published papers has increased in the last two decades (Fifka, 2013; Ali et al., 2017). This research identifies an increasing trend of reporting in many developing countries, but understanding of the motivations for this is under-researched.

From these empirical studies, common categories or themes of CSRR have emerged. While some studies focus on total CSRR (Guthrie and Parker, 1990; Golob and Bartlett, 2007; Bashtovaya, 2014), others focus on a single theme such as environment (Elijido-Ten et al., 2010; Kathyayini et al., 2012; Situ and Tilt, 2012), employees (Kent and Zunker, 2013; Williams and Adams, 2013) and community involvement (Campbell et al., 2006; Yekini and Jallow, 2012). Initially, the main categories found in the literature were: natural environment, employees, community and customers (Gray et al., 1995b). These are limited categories and do not accommodate additional information, thus, broader categories were used later, including: Environment, Energy, Fair business practices, Human resources, Community involvement, Products and Other (Ernst & Ernst, 1978). These categories also have subcategories to enhance accuracy. Nevertheless, it is argued that these categories will change over time due to new emerging issues and the relevance of categories differs from one country to another (Gray et al., 1995b).

From a developing countries perspective, the empirical evidence has generally shown that firms that report about their CSR activities, report on similar themes to those that appear in the developed markets. For example, (Kamla, 2007) explored CSRR among nine countries from the Middle East using the global reporting initiative's (GRI) categories as a guideline. Her study found that the sample firms in these countries were reporting on various themes but at different a level and there were some similarities to some developed countries (Kamla, 2007). The majority of existing studies indicate that the human resources theme is the highest and most common theme that is reported among firms in emerging markets, across different regions. In Iran, Yaftian et al. (2012) found that employee related information is the most common type of CSRR among listed firms. This finding is similar to what has been found in Portugal (Branco and Rodrigues, 2008), Thailand (Kuasirikun and Sherer, 2004), Egypt (Rizk et al., 2008), Bangladesh (Azim et al., 2009) and Malaysia (Paul and Zarina, 2004) In addition, the community involvement theme has also been found to be one of the common themes of CSR that is reported by these firms but to a lesser extent (Kuasirikun and Sherer, 2004; Paul and Zarina, 2004; Yaftian et al., 2012).

Many studies on CSRR tend to solely analyse one medium of reporting, most often the annual report, which is considered by firms as a vital means of communication with their stakeholder (Guthrie and Parker, 1990; Gray et al., 1995b; Adams, 2004). The annual report is also important because of its high credibility and because firms are legally obliged to produce it annually (Tilt, 1994). However, disregarding other information sources may provide an incomplete picture of corporate reporting practice (Roberts, 1991). Therefore, in order to provide a better understanding of CSRR Zeghal and Ahmed (1990) argue other media used by firms to supplement reported information in their annual reports, should be examined. Some of these other media, for example, are corporate brochures, corporate websites and stand-alone reports. In a comparative study by Williams and Ho Wern Pei (1999) it was found that firms in Australia and Singapore report more CSR information on websites than in annual reports. Similarly, Holder-Webb et al. (2009) revealed that CSRR in the US was found to be significantly higher in media other than annual reports such as corporate websites and press releases, and it has been argued that using a corporate website offers greater access for global stakeholders (Williams and Ho Wern Pei, 1999).

Studies from developing countries shows inconclusive findings with regard to media used. Branco and Rodrigues (2008) compared CSRR between annual reports and firms' internet websites among Portuguese listed firms. The findings show that the annual report is a preferable means of CSRR but it was also found a noticeable difference in the level reporting between CSR categories. More specifically, the human resources theme was found to be higher in the annual reports, whereas the community involvement theme was found to be the highest on the websites (Branco and Rodrigues, 2008). In Bangladesh, Sobhani et al. (2012) also found CSRR in the annual reports to be more than on the internet, and they provided a specific contextual reason for this phenomenon. That is, that stakeholders in Bangladesh have limited access to the internet, thus, firms do not pay much attention to internet reporting (Sobhani et al., 2012). There is no similar comparison study found in the Middle Eastern context that compares total CSRR or a single theme with other media. Thus, this study will contribute to fill the gap in this area by examining one theme of CSR namely, community involvement, between annual reports and stand-alone reports across the GCC countries.

Studies have also shown that the level and content of CSRR are not always similar across countries. Chen and Bouvain (2009), in their international comparison between the US, the UK, Australia and Germany, showed that the level and content of CSRR varies significantly between the countries except that similarities were found due to following similar reporting guidelines by the Global Compact (Chen and Bouvain, 2009), suggesting some global influence is emerging. Such similarities in voluntary CSRR structures has also been found amongst mining firms in Australia and South Africa (de Villiers and Alexander, 2014) and these similarities also appear to have emerged due to institutional and global influences (i.e. Global CSRR templates) (de Villiers and Alexander, 2014). From a developing country perspective, Wanderley et al. (2008) concluded that country of origin has a significant influence over CSRR. In the Middle East, Khasharmeh and Suwaidan (2010) also noted that there is considerable variation in the level and content of CSRR in annual reports across the GCC countries. The findings of the study, however, are based on one industry only so need to be interpreted with caution.

Adams (2002) suggests several factors that may cause these variations, whether across different countries or within the same country. This includes general contextual factors, corporate characteristics and the internal context (Adams, 2002). The variation across countries may be explained by the level of pressure a firm receives from the public and government (Guthrie and Parker, 1990). Chen and Bouvain (2009) claim that it is due to different institutional arrangements in each country. However, Chapple and Moon (2005) conclude that the stage of country development cannot explain this variation of CSRR, so the authors assume that some national factors, such as public policy profile and the national business system, may provide a more reasonable explanation. Another view from an emerging economies perspective is that political culture related to democracy, freedom of the press, and business competition could be influences on reporting practice (Wanderley et al., 2008). Others see national factors such as social, political and economic environment as important (Williams and Ho Wern Pei, 1999). Some of these influences are relevant to this study on GCC countries. While they share similar social, political and economic aspects as explained in Chapter 1, corporate characteristics, some institutional factors and corporate governance mechanisms in the region may differ from other countries and regions, so are important factors to investigate.

In terms of corporate characteristics, firm size, industry type, profitability and others have been documented to be major influences of firms' social reporting in different contexts (Cowen et al., 1987; Adams et al., 1998; Khasharmeh and Suwaidan, 2010; Abu Sufian, 2012). Similarly, board size, ownership structure, board compositions and specific committee presence have also shown a significant impact on firms' voluntary reporting including CSRR (Said et al., 2009; Jizi et al., 2014). Adams (2002, p. 246) classified these factors into three categories: (1) Corporate characteristics factors including, size, industry group, financial/economic performance and share trading volume, price and risk. (2) General contextual factors including, country of origin, time, specific event, media pressure, stakeholders and social, political, cultural and economic context. (3) Internal contextual factors including, the identity of company chair and existence of a social reporting committee. These can also include corporate governance mechanisms, such as board size and board diversity (Kathyayini et al., 2012).

Many of these influences have been examined in both developed and emerging economies (Fifka, 2013). However, these influences are not identical between the two (Ali et al., 2017) and not all have been examined specifically in relation to CCI. This study will examine a combination of corporate characteristics and general contextual factors as determinants of community reporting. Further details on the specific influential factors that are examined in this study are explained in section 2.7.5 and in the hypotheses development presented in section 2.9.

2.7.1 CSRR in the Middle East

Firms may engage in CSR activities based on economic benefits or based on ethical grounds, but in both cases they report on their decisions in order to convey information to their stakeholders (Holder-Webb et al., 2009). However, in the Arab world, to be socially responsible and to report on social activities are two separate decisions that are potentially disconnected. According to religious beliefs, it is believed that social and charitable contributions are supposed to be practiced in silence and remain confidential (Visser, 2008). This is true from an individual point of view, thus, explicitly discussing charitable donations is regarded as vulgar (Visser, 2008). It is uncommon to see donors promote their personal social giving to the public regardless of the means. In a comparison study which compared philanthropy in three different regions (i.e. Europe, Middle East and Asia) Forbes Insights (2013) found that philanthropists in the Middle East were ranked as the lowest communicating group compared to their counterparts in other regions. Consequently, multinational firms operating in the Middle East have better and higher communications (e.g. reporting) than local firms. However, this attitude in the Middle East is slowly changing due to global markets' influence and increased public awareness in the region. As long as firms are less transparent about their social contributions, it may indicate that firms are, to some degree, influenced by religious tradition. Therefore, the perception of CSR in the Middle East needs to be clarified and extended to include activities beyond just charity, so that reporting on CSR, including on community activities, can also be increased and improved within the Arabian context.

A number of researchers have examined the perception of different user groups of the corporate annual report in several countries in the gulf region. For instance, Al-Ajmi (2009) examined the perception of individual investors on corporate annual reports among listed firms in Bahrain. The study found that Bahraini individual investors believe that accounting information is more important than qualitative information. Accordingly, they consider that financial statements provide the most relevant and useful information for investment decisions. It seems that information on CSR is not part of Bahraini individual investors' concern when they make investment decisions. However, the quality of the non-financial information that is provided is low, so investors still may require firms to disclose more information (Al-Ajmi, 2009). Another study by Naser et al. (2003) examined 8 different Kuwaiti user groups and their perception of corporate annual reports. The study revealed that users in Kuwait rely on information reported directly by a firm, and the most important features of this information are credibility and timeliness. The financial statements are the most important part of the annual report, while non-financial information is less credible and less important to Kuwaiti users (Naser et al., 2003). Like in Bahrain, Kuwaiti users also did not give consideration to CSR information. Similar results have also been found in Saudi Arabia (Naser and Nuseibeh, 2003; Al-Razeen and Karbhari, 2004a).

A study conducted in Qatar by Alattar and Al-Khater (2007), on the other hand, showed different outcomes. The authors found that the perception of Qatari users on corporate information is that the annual report is the most important source of information for investment decisions, particularly the financial statements, but Qatari users also consider government publications, newspapers, journals and magazines due to their usefulness and ease of accessibility as they provide up to date information (Alattar and Al-Khater, 2007). Al-Khatar and Naser (2003) also investigated the perception of CSR and accountability among user groups in Qatar. The study found that the users strongly believe in, and are in favour of, the concept of CSR. Those groups also suggested that disclosure on social responsibility should be encouraged by the government (Al-Khatar and Naser, 2003). Furthermore, it was concluded that the user groups are looking for, or expecting to see, information about CSR in the annual report (Al-Khatar and Naser, 2003). The study indicates that the awareness among users in the Arabian Gulf region had increased at that time so, accordingly, it is expected that firms in this region will continue to respond to users' expectations, and firms will move forwards towards CSR activities and consequently report more information about their community involvement.

Since there is no strong demand from, or pressure by, the users of annual reports to provide social information, it is interesting that there is still evidence of some voluntary reporting on social and community activity. The phenomenon is relatively new in the Arabian Gulf region, and from reviewing the literature, it can be seen that studies on CSRR in this region emerged and gained momentum really only in the first decades of the millennium. The majority of CSR and CSRR studies are from the 2000s, however, a limited number of studies emerged during the late 1990s such as Al-Basteki (1997) and even earlier in the late 1980s such as At-Twaijri (1988) cited in Tamkeen and IIIEE (2007).

The extant research shows that corporate social responsibility reporting in this region is extremely limited (Vinke and El-Khatib, 2012). An analysis based on Jordanian listed firms indicates that some firms are active in CSRR, but the information seems to consider limited stakeholders such as shareholders, potential investors and creditors (Abu-Baker and Naser, 2000a). The reporting that does exist covers various themes, with human resources and community involvement being dominant, consistent with other developing countries as discussed above (Abu-Baker and Naser, 2000a). It has been also found that industry and government ownership are significantly influential factors on the reporting (Rizk et al., 2008; Alfraih and Almutawa, 2017). A conceptual view of CSR practices in the Middle Eastern context conducted by Jamali and Mirshak (2007) using a sample of Lebanese firms, concluded that common practice is grounded in philanthropic activities and there is a lack of a systematic and strategic approach (Jamali and Mirshak, 2007). That is, they argue that the level of social development appears to influence the development of CSRR (Jamali and Mirshak, 2007). Therefore, CSRR in the Middle East is behind other countries and there is an extremely limited number of firms which publish stand-alone or sustainability reports. According to Visser (2008), the first sustainability report published in the GCC countries was in 2007. Voluntary reporting of any kind is not very evident and several studies show low levels of CSRR compared to developed countries (Al-Janadi et al., 2012; AlNaimi et al., 2012; Naser and Hassan, 2013). These results have been found for the Middle East generally, and also specifically for countries in the GCC.

2.7.2 CSRR in GCC countries

A study by AlNaimi et al. (2012) explored the current status of CSRR among Qatari listed firms. The overall level of CSRR among Qatari listed firms was found to be low (AlNaimi et al., 2012). In addition, Information related to human resources and product development were the highest reported in the annual reports whereas information related to community involvement activities and others are in the lowest categories (AlNaimi et al., 2012).

In the UAE, Al-Janadi et al. (2011) compared the level and quality of voluntary reporting in general, including social information, between the UAE and Saudi Arabia. The results of the study found both countries' reporting has a low level of quality and quantity. However, the level of the reporting among UAE firms was significantly higher than their counterpart in Saudi Arabia. Abdeldayem (2009) investigated CSRR of Islamic banks in the UAE and also found low level of reporting. They did note that Islamic banks which pay "Zakat" report more CSR related information that those do not (Abdeldayem, 2009). More specifically, Islamic banks report more information about community and charitable activities, suggesting that the banks aim to enhance their Islamic reputation through building a positive image (Abdeldayem, 2009). In relation to influential factors affecting CSRR in the UAE, Naser and Hassan (2013) found a low level of reporting indicating that it is not a major concern of the firms to report about CSR. Firm size, industry and profitability were the main influences on the extent of CSRR. The authors explained their findings, using agency and political economy theories (Naser and Hassan, 2013).

In Saudi Arabia, Emtairah et al. (2009) examined the top 100 firms, including listed and non-listed firms. Saudi executives appear to have their own priorities about the CSR agenda, and the study revealed that improving education, training courses and employing nationals in the workforce were at the top of the priority list. Structured reporting on CSR not exist among the Saudi firms and the authors could not find a single stand-alone CSR report. By examining the reported information about CSR in printed form and online, Emtairah et al. (2009) found that around 60% of the firms report some brief information that is related to CSR with no emphasis on the impacts or outputs. They also found that only 4% of the sample firms allocated a section specifically to CSR. Generally, most of the activities were on charity, donations and sponsorship. The authors conclude that Saudi firms do not participate actively in CSR and public reporting among these firms is extremely low compared to developed countries. They believe that this is because there is no public pressure as there is in developed markets, and that the perception of CSR at the managerial level in Saudi Arabia is limited mainly to charity and donations (Emtairah et al., 2009). However, the study did not provide more detail about the information reported on community activities.

Minnee et al. (2013) explored the perception and practices of CSR in Oman. The study looked at the perception of 153 participants from the public, including Omani citizens and non-citizens, represented by (45%) and (55%) respectively. The authors compared participants' perceptions with large and medium sized firms' CSR practices. The results revealed that the top five attributes of a firm to be considered as a socially responsible firm are: (1) safe products/services, (2) employee treatment, (3) reliable products/services, (4) behaving ethically and (5) committed to social responsibility. Despite that, many other attributes were ranked as important, including community involvement, but to a lesser degree (Minnee et al., 2013). In addition, it was also found that philanthropic activities are commonly practiced by some firms in the banking and telecommunication sectors in a particular period "the holy month of Ramadan", whereas other firms such as Al Ansari Group and Shell Development

Oman LLC, are more focused and strategic in their social responsibility activities. This suggests that industry may play a role in influencing social behaviour (Minnee et al., 2013).

In terms of research on CSRR, there are no studies of Oman, Kuwait or Bahrain as far as can be determined. However, a study by Kamla (2007) attempted to understand social accounting and reporting by analysing corporate annual reports from nine countries including the GCC countries. The author demonstrates that obtaining public documents other than the annual report (e.g. press releases and governmental documents) was very difficult. Dias (2012) also notes that getting access to data and empirical examples of CSR is extremely difficult in the Middle East region, particularly in the GCC countries. Kamla (2007) used a set of 22 classifications to analyse the volume, nature and quality of social reporting, including 'other cultural characteristics' of the reports. This dimension was developed by the author particularly for the Arab region. The highest volume was reported on general social dimension, particularly on the classification related to employee-issues (Kamla, 2007), followed by economic and other social characteristics of the reports respectively.

It is apparent from the review above that philanthropic activities, as an element of CCI, is a common practice in most of the GCC countries. However, none of these studies discussed this activity in greater depth to demonstrate the amount spent by firms, the types of contributions and the practices of reporting to communicate with the community and wider stakeholders. This study considers a broader definition, which includes not only philanthropy but other community involvement activities, termed CCI as discussed earlier, in order to broaden the knowledge and understanding of CSRR in the region.

2.7.3 Rationales for CSRR in GCC countries

As discussed in section 2.5.2, many researchers have shown an interest in understanding the underlying reasons behind involvement in CSR, and these reasons often apply also to voluntary social reporting. A common view in the developed world is that the main reason for CSRR is legitimisation and image enhancement (Hooghiemstra, 2000). Firms tend to report voluntarily information about their CSR activities as a response to media attention and public pressure (Hooghiemstra, 2000). For example, Deegan and Rankin (1996) found that Australian firms tend to report mainly favourable information in order to maintain corporate image, while rarely was unfavourable information reported. Adams (2002) also found that firms in the UK and Germany report social and environmental information due to public pressure and to enhance corporate image. Thus, it is commonly perceived that due to these pressures firms use CSRR to achieve a state of legitimacy (O'Dwyer, 2002). A study from Finland similarly suggests stakeholders provide the primary motive where being a socially responsible firm is seen as a duty to corporate stakeholders, while CSRR is a response to stakeholders' expectations and demand (Kotonen, 2009). Different reasons are found in other contexts, for example, in China institutional factors are found to be the key drivers (Yin, 2015; Zhu and Zhang, 2015). These theoretical explanations are considered further in Chapter 3.

However, in the GCC countries context, there is little known about the reasons/rationales behind emerging CSR activities and reporting. As far as this study is concerned, there is only one that has revealed any evidence which explains some reasons behind this emerging phenomenon. Based on ten interviews, Vinke and El-Khatib (2012) found a few drivers behind CSRR practice among a sample of UAE firms. The findings pointed to some reasons related to the specific regional context such as growing awareness in the country and cultural and religious traditions (Vinke and El-Khatib, 2012). Other reasons could be related to the business context including international supply chain pressure, enhancing public image and responding to business financial crises (Vinke and El-Khatib, 2012). These findings, however, provide little explanation about why these firms decided to undertake these activities. In addition, the study does not explain the findings through a theoretical lens. Therefore, this study attempts to overcome this limitation by examining another country in the same context aiming to increase the understanding of underlying reasons behind this phenomenon.

In summary, reasons for CSRR could include global pressure, culture and religion. Another likely explanation is that firms have started to join the international market, attract foreign direct investments in the region and follow international standards (Visser, 2008). An important rationale could also be pressure for accountability as shown by the study in Qatar where users (stakeholders) believe in accountability and are looking for CSR information in the annual reports (Al-Khatar and Naser, 2003). As there are varying views about the relevance of pressure from stakeholders in the Middle Eastern region, this will be discussed further in the next section.

2.7.4 Stakeholder pressure in the Middle East and GCC countries

As noted above, one of the main reasons for CSRR in developed countries is that there are various sources of, and strong pressure from, different stakeholders (Guthrie and Parker, 1990; Tilt, 1994; Hooghiemstra, 2000; Adams, 2002; O'Dwyer, 2002). However, just as there is little pressure for involvement in CSR discussed in the preceding section (section 2.5), firms in developing countries, generally, do not encounter pressure for reporting from stakeholders (Raynard and Forstater, 2002) and, if it does exist, it is minimal (Ali et al., 2017). More specifically, a number of studies in the context of the GCC countries argue that firms in this region lack stakeholder pressure as felt by firms operating in developed markets (Naser et al., 2006; Emtairah et al., 2009). For example, in Saudi Arabia, it has been found that there is no demand or pressure from the supply chain, including local and international markets (Emtairah et al., 2009). On the other hand, more recently it was documented that supply chain pressure is one of the potential drivers of CSRR in the Middle East, but it is limited to certain firms in specific industries (Vinke and El-Khatib, 2012). This indicates that sources of pressure remain weak in this region, particularly where there is a perceived lack of freedom of speech (Visser, 2008; Dias, 2012; Freedom House, 2017).

Similarly, there is an absence of demand or pressure from customers in these countries due to their low awareness of CSR issues (Emtairah et al., 2009; Vinke and El-Khatib, 2012). However, a specific and contextual pressure is evident in this region in the form of demand for philanthropic contributions, which has emerged from charitable organisation and religious groups (Naser et al., 2006; Emtairah et al., 2009). Qasim et al. (2011) claim that engaging in CSR activities can be seen as a source of pressure on firms to give back something to society. The study, however, based in the UAE, does not provide evidence of any pressure from the stakeholders in the country.

Given that stakeholder pressure in the GCC countries is considered to be absent, or at least minimal, then it is worthwhile investigating what drives firms in these countries to be active in CSR and the growing interest in voluntary reporting particularly about their community activities. As well as direct influences or rationales there are also other factors that are associated with CSRR such as firm characteristics, internationalisation status and general contextual factors (Kotonen, 2009), and these are briefly discussed next, then followed up in detail in the hypothesis development section.

2.7.5 Influential factors on voluntary reporting and CSRR in GCC countries

In GCC countries specifically, only a few studies have been conducted to determine whether firm characteristics or contextual factors are influential on CSRR. For example, in a study of Qatar, Naser et al. (2006) argue that high concentration of institutional investors and families' shareholders as well as dispersion of individual investors and government ownership provide less impact on the disclosure of social information among the sampled Qatari listed firms (Naser et al., 2006).

Aljifri (2008) examined factors that influence voluntary reporting in annual reports of UAE listed firms. The results show that only industry type was found to be significantly associated with the extent of reporting. In contrast, firm size, profitability and debt to equity ratio were all found to be insignificant. This study is on voluntary reporting generally, and does not consider specific social reporting items in the examination, which may impact on the findings of the study. Particularly, as was indicated in the findings of Al-Janadi et al. (2011), UAE listed firms do report voluntary information on social and community activities.

Alsaeed (2006) reported that firm characteristics that might affect CSRR in the Saudi Arabian context can be categorised into three groups. First, variables related to the firm's structure (e.g. size and leverage). Second, variables related to the market (e.g. industry and audit firm size). Third, variables related to corporate performance (e.g. profitability and liquidity). In a study of the UAE, Aljifri (2008) found that only industry type has significant impact on corporate reporting in annual reports, while firm size, debt to equity ratio and profitability were found to be insignificant. In Saudi Arabia, Alsaeed (2006) investigated voluntary reporting by listed firms, excluding financial firms from the sample. Although overall voluntary reporting was found to be low, firm size was the only variable found to be significant; the variables firm age, profit margin, industry type, ownership dispersion, debt and audit firm size were all insignificant in explaining the variation in voluntary reporting. In contrast, firm size was not found to be statistically significant for corporate governance reporting in a study by Al-Moataz and Hussainey (2013). Similarly, Yaftian (2011) found that only firm size is associated with total CSRR in annual reports but not with the sub-themes such as community or human resources.

A comprehensive study by Khasharmeh and Suwaidan (2010), which included all six GCC countries, evaluated corporate social responsibility reporting and examined the impact of firms' characteristics on the extent of the reported information. The authors developed a disclosure index that consisted of 45 items of CSR. The findings indicate that, on average, a firm reports around 26% of the items in the disclosure index. It is worth mentioning that the study focuses only on the manufacturing sector and collected annual reports for a single year (i.e. 2006) for sixty firms out of 124. Four types of information were predetermined (environmental, human resources, community involvement and products) and five firm factors were considered (firm size, government ownership, audit firm, profitability and risk). The results reveal that information on products and human resources were the most reported type of information, whereas the least reported information was on community involvement followed by environment. Firm size and audit firm were found to be significant in explaining the variance in CSRR, and significant for reporting of human resources and community involvement information. The authors also conclude that there is significant variance in CSRR between GCC listed firms.

Finally, some evidence exists on the influence of corporate governance. Al-Janadi et al. (2013) considered three categories of reporting: financial, governance and social and environmental information, with the latter scoring as the lowest category. The results show that corporate governance mechanisms had significant impact on the quality of voluntary reporting. The authors conclude that a larger board size and non-executive directors have positive impact, whereas audit committee has no impact. Furthermore, the results also show that government ownership has a negative impact on quality. Therefore, the study suggests that in order to provide more voluntary information, including social and environmental information, government ownership should be reduced (Al-Janadi et al., 2013).

From the review of the limited research on factors that influence CSRR in GCC countries, it appears that firm size is the most influential, which is consistent with studies in developed countries. Other factors, such as government ownership and board structure, may also have an impact, but profitability does not seem to be an important factor in this region. Some of these factors are relevant to CCI reporting and these are discussed in section 2.8.2.

2.8 CCI reporting

Previous studies on CSRR in annual reports have tended to examine the overall reporting of CSR activities (Ernst & Ernst, 1978; Abbott and Monsen, 1979; Guthrie, 1982; Cowen et al., 1987; Guthrie and Parker, 1990; Azim et al., 2009). A few other studies focus on a particular theme of CSR information such as environmental reporting (Deegan and Rankin, 1996; Gamble et al., 1996; Tilt, 2001), or human resources reporting (Kent and Zunker, 2013; Williams and Adams, 2013). Empirical studies on CCI reporting have only been conducted in recent years. While there is an increasing and growing body of literature on CCI and CCI reporting, particularly in developed countries, no documented work has been found on CCI in the Middle East. Uyan-Atay (2012) summarises existing empirical studies on CCI, and the list includes only a single study from the Middle East. This single study does not focus on community involvement, but on consumers' perceptions from a marketing perspective. Thus, the motivation of this thesis is to rectify this omission by investigating CCI in more detail from a reporting perspective in the context of GCC countries.

Reporting on community involvement has been investigated as a sub-category of the general concept of CSR. Abbott and Monsen (1979), for example, analysed corporate annual reports for information related to community involvement disclosed by firms in the United States. Community involvement was also a major category in the annual report analysis of the Ernst & Ernst (1978) study in 1974. Hackston and Milne (1996, p. 79) provided a table which demonstrates an international comparison of social reporting studies. This table clearly shows that reporting on community activities is increasing across different countries over the time. More recently, Yekini (2012) analysed 270 annual reports of 27 UK firms in order to see whether corporate community involvement reporting reflects actual community development or is just used as signal for corporate social responsibility. The study found that the sample firms in the UK tend to report on their community involvement activities due to societal pressure for CSR, not because of their active role of contributing to the community.

Campbell et al. (2006) explored the voluntary reporting item 'community involvement' in the annual reports of five different sectors within the UK FTSE 100 for the period 1974-2000. The authors divided the sample into two groups: high public profile firms and low public profile firms. The volume and frequency of community reporting were analysed and measured. The study shows that there is a positive association between community reporting and a firm's public profile in both volume and frequency of the community reporting. Campbell et al. (2006) reported that high public profile firms report more to manage their social reputations and to avoid any damages that can be caused by the general public. Raja Ahmad (2010) examined Australian listed firms and found that only 16.86% (261 firms) communicate with their stakeholders about their community involvement activities.

A comparative analysis within the banking industry between annual reports and corporate websites in relation to sustainability reporting in Bangladesh was conducted by Sobhani et al. (2012). The results of the study reveal that information related to community was reported significantly higher in the annual reports than on the corporate websites: 27% of the community items were reported in annual reports, whereas 15% if the items were found on the corporate websites. Similarly, Tsang et al. (2009) examined community reporting practice in sustainability reports, showing that firms report on community issues and also that the dominant forms of CCI reported are philanthropy and corporate volunteering. The study further analysed the quality of reporting and found the majority of the community reporting focuses on inputs, but limited information was found on the impact of CCI on the community.

2.8.1 CCI reporting in GCC countries

Studies have shown that businesses in the GCC countries have a concern about their local communities and they have a desire to contribute to social welfare and community development. Marios and Tor (2007) explored CSR in the UAE from three dimensions, which included community involvement (as well as environment and consumer protection). The study found that the majority of the surveyed UAE CEOs are aware of the concept of CSR and are practicing it. The results also show that 65% of the respondents engaged in local community activities and 46% of the respondents had policies on expenditures on social objectives. The study, however, does not investigate the reporting practice of these activities to corporate stakeholders.

An extremely limited amount of research has considered reporting on community involvement activities among the GCC countries. Some studies indicate there is evidence that listed firms in some GCC stock markets do report on their community involvement activities (Khasharmeh and Suwaidan, 2010; AlNaimi et al., 2012; Alotaibi and Hussainey, 2016a), although the findings of these are limited and inconsistent. For example, an examination by AlNaimi et al. (2012) found that Qatari listed firms report on community activities, however, the study fails to show the extent of CCI reporting and the types of activities that have been practiced by the firms. In a more recent and comprehensive study, Khasharmeh and Suwaidan (2010) reveal that the manufacturing industry across the GCC listed firms reports on community involvement activities as a separate theme in their annual reports. Reporting on projects in poor areas was found to be the highest type of involvement and reporting on philanthropic donations was found far below. This result is the opposite to what is expected according to previous findings that there is a limited perception and practice of CSR (Visser, 2008; Emtairah et al., 2009) as discussed earlier.

2.8.2 Influential factors on CCI reporting

Previous literature has found that reporting on CCI, as for CSRR more generally discussed in section 2.7, is influenced by a number of firm characteristics and other external factors, but the findings are inconclusive. Firm size was found by several studies to be the main factor (Cowen et al., 1987; Raja Ahmad, 2010). Cowen et al. (1987) found that reporting on community involvement is influenced by firm size and industry affiliation. In the UK studies note that community reporting is positively influenced by industry (Campbell et al., 2006), and by the volume of CSRR, firm size and corporate governance (Yekini and Jallow, 2012). In Australia, Raja Ahmad (2010) shows that firm size and profitability are the key factors that influence the level community reporting. In summary, different studies find different factors influence reporting on community activities, although some factors are more common, such as firm size and industry, and have been shown as relevant in both developed and developing contexts.

In the Middle East specifically, a number of studies examined the factors that influence CSRR in the region, but there is extremely limited consideration of community activities. As mentioned earlier, a few studies from the Middle East, including by Rizk et al. (2008) in Egypt, and Abu-Baker and Naser (2000b) in Jordan, examined social reporting in the region but did not give specific attention to community activities. One study by Yaftian (2011) investigated CSRR among listed firms in Iran and analysed each theme of CSR, finding that reporting on community involvement was significantly influenced by industry (Yaftian, 2011). Another study by Hossain and Hammami (2009) used a qualitative approach to examine the relationship between voluntary reporting in the annual reports and firms' characteristics in Qatar. The authors used a list of 44 voluntary items, including community involvement in the form of philanthropy and sponsorship. They showed that age, assets, complexity and assets-in-place were significant in determining the level of voluntary reporting. The profitability variable was found to be insignificant (Hossain and Hammami, 2009).

It is apparent that the extent and nature of influential factors in the Middle East generally are still scarce and limited in the current literature. The following section outlines the factors that will be examined in this study.

2.9 Hypothesis development

The literature reviewed above demonstrates a number of key issues for CCI in the Middle East region. First, the awareness of reporting on CSR including community involvement has increased. Second, there is clear evidence that firms do report about their various community activities in their annual reports. Third, examining a single industry provides a limited or preliminary view of the phenomenon in this region. Fourth, there is limited evidence on influential factors on CCI in the GCC countries. Finally, a number of important contextual variables for the region are underexplored.

Accordingly, this study contributes to the scarce literature on CSRR in the Middle East generally and in the GCC countries specifically. In Phase 2 of the study a number of variables are considered as possible influences on CCI reporting in GCC countries in order to answer research question RQ5. The main categories of variables comprise corporate governance mechanisms, ownership structure, country context and firm characteristics.

2.9.1 Corporate governance mechanisms

Corporate governance is commonly discussed in the literature through the lens of agency theory. According to agency theory, management (the agent) reports voluntary information to public in order to reduce agency costs (Jensen and Meckling, 1976). The agency costs arise due to information asymmetry problems between the shareholders and managers and shareholders elect to incur costs in order to reduce this (Jensen and Meckling, 1976). It is argued that part of corporate governance system's responsibility is to design and monitor corporate reporting policy (Al-Janadi et al., 2013) and there is empirical evidence that corporate governance mechanisms affect corporate voluntary reporting, including CSRR. Researchers have examined various impacts of corporate governance on CSRR in different contexts (Said et al., 2009; Khan, 2010; Farook et al., 2011; Jizi et al., 2014), and the results suggest that there is a significant relationship between corporate governance mechanisms and CSRR as discussed earlier. In the context of the Middle East, researchers have found that corporate governance in this region plays a vital role in corporate behaviour and practice (Al-Janadi et al., 2013; Baydoun et al., 2013). Based on the review of previous studies, this study uses the following variables as proxies/measures of corporate governance, namely, the existence of a corporate governance committee and a CSR committee, size of the board of directors, and existence of female directors on the board.

2.9.1.1 Presence of specific committees

Previous literature on corporate governance has provided some evidence of the impact of the presence of certain board committees on corporate performance and reporting practice. For example, the audit committee is found to have a significant impact on corporate voluntary reporting (Ho and Shun Wong, 2001; Al-Shammari and Al-Sultan, 2010; Samaha et al., 2012), and the presence of a CSR committee has an impact on human resources information reported in annual reports (Cowen et al., 1987).

A corporate governance committee is one of the key board committees that should be established under a good corporate governance structure. Effective corporate governance mechanisms monitor management actions and improve the level of firm transparency (Abu-Tapanjeh, 2009; Hassan, 2012) so it can be argued it is important for reporting. Prior researchers have pointed out that corporate governance mechanisms play a significant role in corporate performance and voluntary reporting practices in the context of the GCC countries (Aljifri and Moustafa, 2007; Al-Janadi et al., 2013; Al-Malkawi et al., 2014; Al-Shammari, 2014a). Hence, it is expected that the presence of a governance committee will have an impact on the level of firms' voluntary reporting about social initiatives and contributions to the local community.

Moreover, in relation to CSR committees, it expected that this committee in particular would play a direct and significant role in reporting of corporate community involvement activities. This is because this committee is designed and created for the purpose of managing firms' "non-financial" performance (e.g. social and community activities). The presence of a CSR committee can be used by a firm's management as a means to represent their commitment to community and social activities (Mallin and Michelon, 2011). Furthermore, firms that have a strong sense of social commitment are expected to create a CSR committee to help the leadership achieve its community and social objectives and demonstrate firms' accountability to stakeholders. In specific countries, such as India, firms must establish a CSR committee whenever they reach a certain level of profitability (Khan, 2010). Furthermore, a study from the Asia Pacific region found a significant and positive relationship between the quality of sustainability reporting, including social and community activities, and the presence of a CSR committee (Amran et al., 2014). Interestingly, an examination by Yekini (2012) revealed that the CSR committee showed weak statistical evidence, but a positive impact on community reporting. Thus, this study expects the CSR committee to have a positive impact on community and social reporting practice in the context of the GCC countries. Hence, the following hypotheses will be tested:

H1: There is a positive relationship between the presence of corporate governance committee and the level of CCI reporting.

H2: There is a positive relationship between the presence of CSR committee and the level of CCI reporting.

2.9.1.2 Board size

The size of board of directors has been seen as one of the most important elements of corporate governance for corporate social responsibility activities. It is also found to be one of the determinants of the level of voluntary social reporting by many researchers. The results of previous studies are not consistent though, as some found a negative or no association while others found a positive association. The size of the board of directors has been found to have insignificant association with voluntary and social reporting in some contexts (Cheng and Courtenay, 2006; Said et al., 2009; Amran et al., 2014), while Htay et al. (2012) found that board size has a negative relationship with the level of CSRR. The findings of negative association support the argument that a smaller board can be more effective than a bigger board, which may improve corporate performance (Jensen, 1993).

On the other hand, some studies, such as Jizi et al. (2014) and Kathyayini et al. (2012), provide evidence that large boards are more effective than small boards in addressing social responsibility issues and improving reporting practice. These findings support the argument that addressing CSR issues are complex in nature and process (Galbreath et al., 2008), thus, it is a reasonable expectation that larger boards would be more effective than smaller boards.

From a GCC context, board size was found to be positive and statistically significant with voluntary reporting, including social activities in Saudi Arabia (Al-Janadi et al., 2013). As such, the following hypothesis is developed:

H3: There is a positive relationship between the size of board of directors and the level of CCI reporting.

2.9.1.3 Female directors

The presence of female directors on a firm's board has been found to have some influence on corporate non-financial performance and social reporting. A review of prior literature on the relationship between gender diversity and corporate social responsibility, including reporting practice, provides an indication of the potential influence of female directors (Rao and Tilt, 2015). The review findings show that the presence of female directors has mixed results, but the majority indicate a positive impact. For example, (Webb, 2004) examined the board structure of firms that have a strong sense social responsibility. The results indicate that having women directors on the board is one of the distinct features of these firms. More specifically, in relation to community involvement activities, there is evidence of a positive relationship (Ibrahim and Angelidis, 1991; Williams, 2003). In addition, Bernardi and Threadgill (2010) conclude that firms with more women on their board are more likely to support community activities such as philanthropy and employee volunteering programs.

The majority of studies examining the impact of female directors, however, are from developed countries and many do not specifically consider reporting. The literature from developing countries demonstrates inconsistent results. A higher level of women directors was found to be a significant determinant of the level of social reporting in Kenya (Barako and Brown, 2008). In contrast, the presence of female directors on a firm's board in Bangladesh was found to be insignificant with CSRR, including on community involvement activities (Khan, 2010). Similarly, in a more recent study on 12 countries in the Asia Pacific region reveals that the association between women on the board and the quality of sustainability reporting is not significant (Amran et al., 2014).

From the GCC countries point of view, there is an extremely limited number of studies examining the impact of female presence on corporate performance or reporting. The results of existing studies show different views. As mentioned in section 2.6.1, in Kuwait, it has been found that there is no relationship between the women directors and corporate performance (Al-Shammari and Al-Saidi, 2014). However, women's status is changing and increasing in influence and in terms of leadership positions in the GCC business sector (Bahry and Marr, 2005; Kemp et al., 2013; Kemp et al., 2015). For example, Hossain et al. (2014) believe that women's presence on the board can provide positive contributions to board effectiveness and corporate governance performance in Qatar. This is also highlighted by the recent appointment of a female head of the Saudi stock exchange (Al Arabiya, 2017).

The majority of the extant studies suggest there is little impact of women on reporting but most are descriptive and lack advanced statistical analysis (Kemp et al., 2013) indicating that this issue requires more consideration. Given that there is some evidence of women empowerment having positive impact on business in this region, it makes it difficult to predict either a positive or negative impact of female directors on CCI reporting. Thus, the following hypothesis is developed based on the majority of studies:

H4: There is no relationship between the presence of female directors on the board of directors and the level CCI reporting

2.9.2 Corporate ownership structure

Ownership distribution has been examined in different contexts by different authors, and found to be associated with CSRR. There are two dimensions of ownership discussed in the literature. The first dimension is related to the level of ownership dispersion, that is, whether the share capital is owned by a large number of shareholders or a small number of shareholders such as family-owned firms. It is argued that the more widely share capital is distributed, the more conflict, 'agency costs', arises between firm owners and firm managers (Fama and Jensen, 1983). In addition, high ownership dispersion implies less effective communication and power than firms with a low level of dispersed ownership (Fama and Jensen, 1983). Hence, firms with high-dispersed ownership are expected to report more about CSR because small groups have the authority and power to obtain information directly from management (Brammer and Pavelin, 2006) and large groups have less motive to demand social information (Jensen and Meckling, 1976). However, ownership concentration, or 'low dispersion', had a positive impact on CSRR in Bangladesh (Abu Sufian and Zahan, 2013).

Further, some powerful shareholder groups, such as governments and creditors, have different interests and points of view (Prado-Lorenzo et al., 2009; Tagesson et al., 2009). This leads to the second dimension of ownership structure, which is related to government ownership. Governments have the ability to influence corporate strategy and performance (Roberts, 1992). Firms may use social reporting as a corporate strategy to meet government's interests and to avoid any potential political costs (Watts and Zimmerman, 1978; Roberts, 1992). Suwaidan et al. (2004) argue that firms which are largely owned by government tend to follow the best social responsibility practices. Therefore, it is expected that management will put greater effort into addressing social responsibility in their reports (Roberts, 1992). Prado-Lorenzo et al. (2009) investigated whether ownership structure had an impact on firms' social reporting among Spanish listed firms, and discovered that it did influence the extent of social reporting. The study revealed that governments and creditors together have a significant positive relationship (Prado-Lorenzo et al., 2009). Similarly, Tagesson et al. (2009) reported that government-owned firms report more information on CSR than privately-owned firms in Sweden. Government ownership of firms among the GCC countries has been found to have a positive but insignificant impact on CSRR (Khasharmeh and Suwaidan, 2010), but evidence is limited.

Based on the above discussion, the following two hypotheses are used to examine the impact of ownership structure:

H5: There is a negative relationship between controlling ownership and CCI reporting.

H6: There is a positive relationship between government ownership and CCI reporting.

2.9.3 Country of listing

As this study considers six GCC countries, it is important to consider potential differences between them. There is a reasonable number of studies that examine the country or region of the firm as a determinant of CSRR. The findings show that country of origin is an influential factor in most cases (Guthrie and Parker, 1990; Dawkins and Ngunjiri, 2008; Chen and Bouvain, 2009). Fifka (2013) reviewed more than 180 empirical studies on CSRR and its determinants, and 23% of the examined studies included country or region. All these studies found the country or region of the firm has a significant impact on CSRR. The variances between countries exist due to different cultures, social norms and priorities, political and economic conditions (Robertson et al., 2013; Yin, 2015; Yu and Choi, 2016). As long as social reporting is voluntary, it is expected that variances between counties will be high. Developing standards for social reporting may mitigate the variances but not diminish them entirely. Therefore, to test this expectation, the following hypothesis is developed:

H7: There is a positive relationship between country of listing and the level of CCI reporting.

2.9.4 Firm characteristics

As discussed in sections 2.7 and 2.8, a number of firm characteristics have been shown to have an impact on the extent of corporate social reporting and CCI reporting. These include firm size, profitability, age and industry. These are discussed further below, but no formal hypotheses are developed as they are included in the analysis as control variables.

2.9.4.1 Firm size

The first dominant factor that has a significant impact on CSRR is firm size. Studies from both developed and developing countries have found a significant influence of firm size on the extent of CSRR (Alsaeed, 2006; Reverte, 2009; Muttakin and Khan, 2014; Ali et al., 2017). While some found no relationship (Ratanajongkol et al., 2006), the majority of empirical studies show a positive impact on CSRR, see, for example, Cowen et al. (1987), Patten (1991), Gao et al. (2005) and Skouloudis et al. (2014). Studies from developing countries, such as in Bangladesh, include work by Abu Sufian (2012) who used market capitalisation as a proxy of firm size and found it significantly positive. From the GCC countries Alsaeed (2006), Hossain and Hammami (2009) and Khasharmeh and Suwaidan (2010) all found a significant positive correlation between CSRR and firm size.

Explanations for this include that large firms are more visible to the public, and this puts the firms under a certain level of pressure and scrutiny by external stakeholders (Watts and Zimmerman, 1978; Roberts, 1991). These stakeholders expect larger firms to have greater the social responsibility (Brammer and Millington, 2006; Branco and Rodrigues, 2008). Therefore, they tend to report to the public more about their social responsibility and community involvement activities to reduce potential political costs that may arise (Reverte, 2009; Gamerschlag et al., 2011; Li et al., 2013) and to promote themselves as being socially responsible firms (Brammer and Millington, 2006). Size is included in this study in order to control for any potential effect on the analysis.

2.9.4.2 Profitability

Corporate profitability as an indicator of corporate economic performance, is widely tested by authors in the area of CSRR. There are a number of proxies that have been used in the literature to represent profitability, such as, return on assets, net profit, and return on capital. The findings have shown mixed results, and the debate on this association remains controversial. For example, Alam and Deb (2010) found a positive relationship between CSRR and profitability but with only one category of CSR (i.e. human resources). An Australian study by Raja Ahmad (2010) found that there is a significant relationship between profitability and reporting on philanthropy as an element of community involvement activity. In contrast, Abu Sufian (2012) examined the impact of profitability on social reporting generally, among listed firms in Bangladesh and found an insignificant relationship. Similarly, in the UK, Yekini and Jallow (2012) also found no statistical association between profitability and community reporting. A study with a sample from six Arabian countries also revealed that profitability has no statistical association with overall CSRR or with the community involvement category (Khasharmeh and Suwaidan, 2010). Several researchers report a similar finding from the GCC countries context (Alsaeed, 2006; Aljifri, 2008; Hossain and Hammami, 2009). Consistent with previous studies from developing countries, this study expects CCI reporting to be affected by a firm's profitability.

2.9.4.3 Listing age

Previous studies have also examined listing age as a determinant of the extent of CSRR. Listing age represents the period that a firm has been listed on a stock market, and shows the number of years that the firm has operated as a listed firm. Abu Sufian (2012) found no association between listing age and CSRR. On the other hand, the results of a study by Alam and Deb (2010) show a positive association. Similar findings are reported by Hossain and Hammami (2009), which indicate that the older firms report more voluntary information including social and community activities. As a firm becomes older and more mature, particularly if it has some previous social history, it builds reputation and increases stakeholders' expectations by reporting on CCI (Roberts, 1992). It is also difficult for the firm to withdraw from involvement in the community and society at large because it may send negative signals to the stakeholders, which may damage its reputation (Roberts, 1992). Age is included in this study as a control variable given the differing age of firms in the GCC countries.

2.9.4.4 Industry type

After size, industry type is one of the most dominant influential factors found in the CSRR literature (Fifka, 2013). The major findings of CSRR studies indicate that the level and content of CSRR between firms often depends upon the industry group they belong to (Adams et al., 1998). Deegan and Gordon (1996) and Gamerschlag et al. (2011) reported that firms in an industry that is highly sensitive to the environment, such as energy, report significantly higher amount than firms in less sensitive industries, particularly on environmental issues. Firms in service industries such as insurance and technology report less information on CSR than firms in the consumer industry (Gamerschlag et al., 2011). It is argued that different industries receive different levels of pressure from external stakeholders (Roberts, 1992; Gamerschlag et al., 2011), which results in different levels of reporting. Following the majority of previous studies from developing countries, it is expected that CCI reporting will vary across industries in this study of GCC countries.

2.10 Chapter summary

This chapter reviewed the literature relevant to this thesis, outlining the key terms and definitions to clarify the concepts being discussed. Four literature groups were covered: CSR, CCI, CSRR and CCI reporting. These four areas were reviewed in relation to studies generally and studies undertaken in developing countries, the Middle East and the GCC countries. Rationales and motivations for reporting were then discussed and hypotheses developed.

After developing the hypotheses it is important to consider these motivations and the phenomenon of voluntary social reporting from a theoretical point of view, as this provides the lens through which the results of the study will be presented. Therefore, the next chapter reviews the main theories that are commonly used to explain CSRR and develops a theoretical framework specifically for the context of the study.

Chapter 3 : Theoretical Framework

3.1 Introduction

The research questions of this study investigate the rationales for, and characteristics of, firms in GCC countries that report on CCI activities. The purpose of this chapter is to provide the conceptual framework within which this study is situated. This includes two stages, first, to review the theories most commonly used, to date, to explain social (including CCI) reporting; and second, to consider if and how these theories are applicable in the Middle Eastern context.

The chapter begins with a brief overview of the use of theory in studies of CSR generally, including in developing countries. This is followed by a review of influential factors and rationales behind voluntary social reporting. Then, an explanation is provided of the common theories that are employed in previous literature to explain these factors and rationales, and their link to social reporting. The chapter concludes with the development of a theoretical framework that suits the specific context of this thesis.

3.2 Theory in the Middle Eastern context

The debate about, and awareness of, the social responsibility of businesses has increased in the last few decades amongst corporate stakeholders, including society more generally (Frederick, 1994; O'Dwyer, 2003; Kotonen, 2009). Thus, the demand on firms to act responsibly, and the level of expectation by stakeholders, has increased, which puts more pressure on firms to legitimise their existence. As a result of this pressure, and to respond to this demand, firms have begun to act in a more socially responsible way and have increased their reporting to the public to include more than just financial information, that is, also to include non-financial (e.g. social and environmental) information (Cormier et al., 2005; Golob and Bartlett, 2007). Previous studies have used a large number of theories in order to explain the underlying reasons, motivations and rationales behind the social reporting phenomenon. Some of these theories are, for example, stakeholder theory, legitimacy theory, agency theory, political economy theory, institutional theory and accountability theory. In addition, some of these theories are used more than others, such as stakeholder and legitimacy theory, and some are more applicable in certain contexts. In order to comprehend the rationales for social reporting in a Middle Eastern context, existing theories are expected to provide some insights which can help researchers to enhance their understanding, but there is a need for a greater examination of the role of theory in studies in this region.

The majority of studies in developing countries tend to be more descriptive and employ quantitative approaches to examining CSRR without in-depth theoretical explanation (Haider, 2010). Nevertheless, there is growing interest among researchers to explore this phenomenon using different theoretical grounds (Amran and Siti-Nabiha, 2009; Prado-Lorenzo et al., 2009; Reverte, 2009; Haider, 2010; Yekini and Jallow, 2012; Momin and Parker, 2013). In Malaysia, for example, institutional theory was found to be the most suitable theory to explain social reporting, given that Malaysian firms follow global trends in CSRR (Amran and Siti-Nabiha, 2009). In the Spanish context, Prado-Lorenzo et al. (2009) used stakeholder theory which provided meaningful insights to understand the impact of ownership structure on CSRR practice. In the same context, an empirical study examined the determinants of CSRR by Spanish listed firms (Reverte, 2009) and the results were best explained through legitimacy theory. In Bangladesh, social reporting among multinational companies' subsidiaries was analysed through the lens of legitimacy theory and neo-institutional theory (Momin and Parker, 2013). Considering an issue specific to developing nations, signalling theory was utilised by Yekini and Jallow (2012) to examine whether reporting on community activities reflects actual community development measures. The authors found that this theory was able to reflect the reality of information reported to public.

While a number of theories have been used to examine CSRR in developing countries, theoretical explanations of social reporting in the GCC countries is still underdeveloped. An extremely limited number of studies have attempted to use theory in this region (Naser et al., 2006; Naser and Hassan, 2013). Even though these studies support multiple theories, they generally provide only partial or little support. In addition, there is no evidence of strong justification for the choice of theories used in these studies. Due to the limitations of this prior work an important gap in the literature remains unfilled. Therefore, this study attempts to contribute to filling this gap in the existing literature by contextualising the study in an appropriate theoretical framework.

3.3 Influential factors and rationales behind CSRR

Researchers have long been trying to find an answer to the general question of what determines or influences the quantity and quality of firms' social reporting (Belkaoui and Karpik, 1989; Naser et al., 2006; Gamerschlag et al., 2011; Fifka, 2013; Naser and Hassan, 2013; Muttakin and Khan, 2014; Skouloudis et al., 2014; Ali et al., 2017). While both information quality and quantity are important, this study considers only the quantity or volume of social reporting because of its exploratory nature. Reporting quality is out of the scope in this thesis but an important area for future research. A number of previous empirical studies have identified various factors that influence the volume of social reporting (Barako, 2007; Branco and Rodrigues, 2008; Aribi and Gao, 2010), and other studies have investigated the rationales behind its existence (O'Dwyer, 2002; Bayoud and Kavanagh, 2012; Momin and Parker, 2013).

Figure 3-1 below provides a summary of some the most common factors (also called corporate characteristics or determinants) that influence CSRR, which were explained earlier in Chapter 2. It also summarises various rationales that have been identified in the extant literature, and which will be discussed below. In addition, the framework demonstrates the role of theory as providing a 'lens' through which these factors and rationales can be viewed in explaining social reporting. That is, the middle box headed "Theoretical Explanation" summarises the main theories used in the literature and illustrates the link between the factors and rationales which influence firms' reporting on CSR activities. Looking at a certain phenomenon using a particular theory can provide greater understanding and meaningful interpretations to researchers (Gray et al., 2010). These theories have been linked to both involvement in CSR activities undertaken by the firm, and to the reporting on those activities, hence, in the diagram includes both.

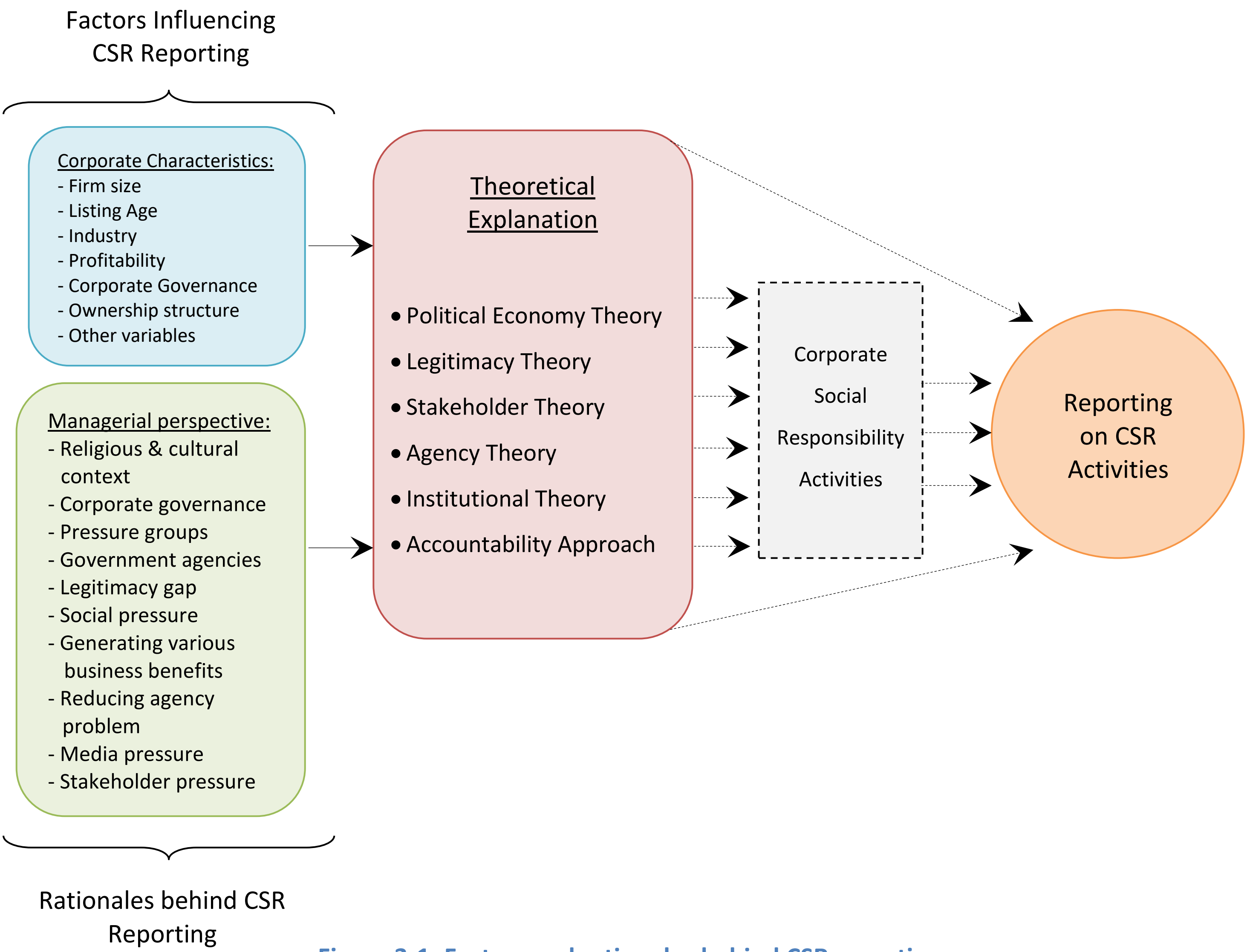


Figure 3-1: Factors and rationales behind CSR reporting

Studies of factors that influence CSR have indicated that the impact of these factors has some similarities between developed and developing countries (Ali et al., 2017). Corporate characteristics form an essential group of influential factors on social reporting (Adams, 2002) and have been tested in a number of studies. In addition, it has been found that some factors have a similar impact on a single theme of CSR, such as environment (Kathyayini et al., 2012), corporate governance (Said et al., 2009), employees related information (Kent and Zunker, 2013) and community involvement (Yekini et al., 2016). Further, some of these characteristics have a stronger impact than others across different contexts. Thus, Figure 3-1 above focuses on the characteristics which were found by the majority of prior empirical studies.

In addition to the influential factors, there are several rationales which are shown to motivate firms to voluntarily report about their CSR activities (Bayoud and Kavanagh, 2012; Momin and Parker, 2013). The common question which arises when examining social reporting is why is CSRR is increasing among firms? In order to answer this question we need first to understand the global environment that is creating a desire for firms to be socially responsible. Major incidents in the world, such as global wars and corporate collapses, have increased the demand and pressure on firms to be socially responsible and to be more transparent and report about all their activities, including providing financial and non-financial information (governance, social and environmental) to various stakeholders (Baydoun et al., 2013). Despite the fact that there are some global standards for non-financial reporting such as the Global Reporting Initiative (GRI) and United Nations Global Compact (UNGC), CSRR still remains a voluntary activity in most countries (Chen and Bouvain, 2009). The second question that arises therefore, is what drives listed firms to be involved in such voluntary practices? There are various reasons or rationales for this corporate voluntary reporting investigated by prior studies. These rationales can be categorised into two main groups. The first group is related to business survival and the second group is related to business benefits.

In relation to the business survival, it is considered to be important that firms act or operate within the boundaries of the community's norms and expectations (Dowling and Pfeffer, 1975; Carroll and Shabana, 2010). Previous studies have found that failing to do so may threaten business's long term sustainability (O'Dwyer, 2002; Branco and Rodrigues, 2006; Campbell et al., 2006). Firms which operate within these norms and expectations tend to use voluntary reporting practices to communicate with the community and society at large (Deegan et al., 2002). This type of reporting by firms is referred to by researchers as reporting for legitimacy purposes (Deegan et al., 2002; Branco and Rodrigues, 2008; Momin and Parker, 2013). This will be explained in further detail in section 3.4 but, basically, the business is driven to report due to some level of pressure, such as from stakeholders, the public, media, etc. (Hess et al., 2002; O'Rourke, 2004; Campbell et al., 2006). Frederick (1994) labels this type of corporate reaction as “social responsiveness” where firms use social reporting as a response to increase awareness in a particular industry or general social awareness in a certain community (Momin and Parker, 2013). Many empirical studies indicate that firms’ actions are a response to existing pressures, which is a common reason that motivates firms to report voluntarily about their social activities in their annual reports (Deegan et al., 2002; O'Dwyer, 2002; Branco and Rodrigues, 2008; Momin and Parker, 2013; Perks et al., 2013). This type of legitimising reporting can also be used in a more strategic way, for instance, it has been found to be used for three distinct strategies (Perks et al., 2013). First, to inform stakeholders about their CSR activities. Second, to change stakeholders’ perceptions. Third, to divert stakeholders’ attention from a negative behaviour to another positive activity, suggesting that it is both a response to stakeholders as well as a motivation to justify their actions (Dowling and Pfeffer, 1975; Perks et al., 2013). The dominant perception of CSRR is to ensure business continuation and to influence or ‘change’ public perceptions about the firm (O'Dwyer, 2002; Farache and Perks, 2010; Perks et al., 2013), however, Hooghiemstra (2000) argues that CSRR can be used beyond long-term stability purposes. That is, it can be used as a means to generate different forms of business benefits, including competitive advantage, and enhancing corporate image and identity (Hooghiemstra, 2000). This leads us to explain the second group of rationales.

Prior research indicates a variety of benefits that businesses can be obtained from reporting voluntary information on CSR activities (Branco and Rodrigues, 2006; Goyal, 2006; Bayoud and Kavanagh, 2012; Bayoud et al., 2012; Momin and Parker, 2013). Management may use CSRR in order to generate some internal benefits such as gaining competitive advantage over other firms in the market (Hillman and Keim, 2001; Branco and Rodrigues, 2006; Bayoud and Kavanagh, 2012). Social reporting can promote a firm’s goods and services, thus, in certain circumstances[12], such reporting practice may attract consumers who support socially

[12] That is only in an environment where consumers are aware of the concept of CSR and prefer socially responsible firms.

responsible firms (Branco and Rodrigues, 2006). As a result, this increases sales and may increase the firm's profitability, which will ultimately improve corporate financial performance (Bayoud and Kavanagh, 2012). In addition, some firms use CSRR to improve their employees' commitments and retain existing employees, while others think it may attract new employees (Hillman and Keim, 2001; Branco and Rodrigues, 2006; Bayoud and Kavanagh, 2012).

Importantly, reporting on community involvement activities in particular can play a vital role in improving corporate reputation, if the community appreciates the firm's social contributions (Branco and Rodrigues, 2006). Studies in both developed and developing countries have found that firms report on social responsibility activities to enhance corporate reputation and improve their image in the eyes of public, and the relationship between corporate reputation and CSRR is widely discussed in the literature (Brammer and Millington, 2006; Bayoud and Kavanagh, 2012; Bayoud et al., 2012; Momin and Parker, 2013; Pérez, 2015). Furthermore, attracting international as well as ethical investors is an additional external benefit which some firms aim to achieve from their voluntary social reporting (Branco and Rodrigues, 2006; Goyal, 2006). Finally studies have shown that such reporting enhances the level of corporate transparency, which is an element of, and an objective of, corporate governance systems (Bayoud and Kavanagh, 2012; Kathyayini et al., 2012).

While previous studies from developing countries show a number of similarities in relation to the rationales behind CSRR with developed countries (Bayoud and Kavanagh, 2012; Momin and Parker, 2013), others have found differences (Amran and Siti-Nabiha, 2009). From the GCC countries perspective, as discussed in Chapter 2, there are a number of studies that have investigated the emerging phenomenon of CSR practices and CSRR in the region (Al-Khatar and Naser, 2003; Naser et al., 2006; Marios and Tor, 2007; Emtairah et al., 2009; Qasim et al., 2011; AlNaimi et al., 2012; Mandurah et al., 2012; Sangeetha and Pria, 2012; Minnee et al., 2013; Nalband and Al-Amri, 2013; Naser and Hassan, 2013). However, none of these studies have investigated the rationales for doing so, or what motivates firms in these countries to report information in the annual reports about their various community and other social activities. Thus, one of the objectives of this study is to fill this gap and contribute to the existing literature on developing countries.

This section has briefly outlined the common factors influencing, and rationales for, social reporting but it is important to note that the explanations of these factors and rationales are usually carried out using a theoretical perspective. The majority of research recognises the importance of theory in explaining social reporting (Campbell et al., 2006; Gray et al., 2010; Momin and Parker, 2013). Gray et al. (2010) argue that theory is essential to understand, analyse and even to predict the future of any practice, including social accounting. Similarly, Adams et al. (1998) assert that theory is vital in explaining the motivations for CSRR across different contexts. Given that the scarcity of theoretical explanation of CSRR in the Middle Eastern context, the necessity of theory consideration becomes even more important. Accordingly, this study recognises the importance of explaining community reporting, as a theme of CSRR, in the GCC countries from a theoretical perspective. Before outlining the perspectives that this study uses, however, the next section discusses the major theories included in Figure 3-1 in more detail.

3.4 Theoretical explanations for CSRR

As mentioned earlier, there are a number of factors that have been identified in previous literature which influence firms' voluntary social reporting. Many scholars have developed theories in order to explain the impact of these factors on such reporting practices. This study reviews the most common theories in the CSRR literature that are relevant to the context of this study. The six theories shown in Figure 3-1 above represents the most commonly used in the CSRR literature. This section provides a general overview of these theories, how they relate to CSRR in general and, where applicable, how they may relate to studies of developing countries. Section 3.5 then discusses the theories specifically used in this study of CCI reporting, and GCC countries.

3.4.1 Political economy theory

Political economy theory is defined as "the social, political and economic framework with which human life takes place" (Gray et al., 1996, p. 47) and integrates social, political and economic aspects when used to explain social reporting (Gray et al., 1996). The essential theme of political economy theory is that the social and political elements cannot be examined in isolation from the economic context (Gray et al., 1995a). Furthermore, Gray et al. (1996) divide political economy theory into two views: 'classical' and bourgeois'. The classical view is concerned with the existence of powerful groups and conflict in society, while the bourgeois view takes these as given and focuses more on the interactions between the groups within society (Gray et al., 1996).

Political economy theory can be used to explain CSRR in different economic and country contexts (Hassan and Sofyan, 2010). It is argued that firms practice voluntary social reporting due to the existence of social, political and economic pressures (Williams, 1999). Using this theory as a lens allows the researcher to widen the focus of the analysis to a macro level, in which corporate reporting is seen as an outcome of the social, political and economic environment and an attempt to balance the interest of various stakeholder groups (Williams and Adams, 2013). Guthrie and Parker (1990) stated that political economy theory is viable in social reporting research and can provide greater understanding of social reporting. In an Arabian Gulf countries context, this theory might be viable due to the specific social, political and economic factors in those countries. Naser et al. (2006) and Naser and Hassan (2013) partially support political economy theory as an explanation of CSRR in the GCC context, so section 3.5 below discusses the relevance of this theory in the context of this study.

Common theories in the social accounting literature generally have some degree of interrelationship between each other (Gray et al., 2010) and political economy theory is considered as a broad umbrella concept for two other common theories, legitimacy theory and stakeholder theory (Gray et al., 1996). It has also been suggested that these two theories should not be separated completely, particularly when explaining the social accounting phenomenon, as both are based on the political economy theory framework assumptions (Gray et al., 1995a). Thus, legitimacy theory and stakeholder theory are explained next.

3.4.2 Legitimacy theory

Legitimacy theory is one of the main theories that is widely employed to explain CSRR. The central idea of legitimacy theory is based on the notion that businesses are an integral part of society, and firms operate under a “social contract” with the community and the wider society in which they operate (Guthrie and Parker, 1989). This social contract implies that firms’ activities and behaviours are supposed to be within societal norms and values in order to continue their success and survival (Dowling and Pfeffer, 1975). In addition, the community’s expectations of firms’ activities are critical to ensure firms’ long term stability and validate their licence to operate (Muthuri et al., 2009).

Since these norms, values and expectations are not fixed and may change over time, firms should ensure they continue to be in line with these expectations as they change (Deegan and Gordon, 1996). Thus, firms’ voluntary reporting can be considered as responsive action (Deegan and Gordon, 1996). Failure to meet the expectations may lead to the existence of a legitimacy gap. A legitimacy gap arises when the community’s perceptions of firms’ activities are not congruent with the community’s norms, values and expectations (Sethi, 1975; Lindblom, 1994). This gap may threaten firms’ reputation, hence, Campbell et al. (2006) and Gray et al. (2010) refer to it as a legitimacy threat.

According to Wartick and Mahon (1994), a legitimacy gap arises due to various reasons, including: (i) a firm’s performance changes while the community’s expectations remain unchanged; (ii) the community’s expectations change while the firm’s performance remains unchanged; and (iii) both the community’s expectations and the firm’s performance change but these changes are not congruent due to them being in different directions or in the same direction but with a time lag.

As a result of the emergence of a legitimacy gap, Lindblom (1994) proposed a number of strategies that firms may adopt as a response to public pressure. First, firms may seek to educate or inform the relevant community about the changes in their activities. Second, firms may seek to change the perceptions of the relevant community without any changes in their activities. Third, firms may seek to manipulate community perceptions by deviating the community's attention from issues of concern to other issues. Last, firms may seek to change external perceptions about their performance. All these strategies can be adopted through corporate reporting to communicate to the community and public in order to manage and mitigate the legitimacy gap (Lindblom, 1994; Suchman, 1995).

There have been a number of studies that have used legitimacy theory as a means of explaining the motivations behind CSRR. In Singapore, Tsang (1998) found that tobacco firms increased their social reporting after the government banned tobacco advertisements and imposed more restrictions on smoking in public areas. The firms' reactions demonstrate that such reporting is to legitimise their existence and influence public perceptions. Another study by Deegan et al. (2002) examined, longitudinally, the social and environmental reporting of BHP Ltd. (i.e. one of the largest mining firms in Australia) and employed legitimacy theory to explain the study findings. The firm increased its social and environmental reporting as response to the community's concerns, in other words, the higher concern led to more reporting and legitimation, and vice versa (Deegan et al., 2002). In addition, Haniffa and Cooke (2005) found Malaysian firms increased their social reporting following the period after the Asian financial crisis in 1997 in order to avoid a legitimacy gap and divert public attention. Similarly, Haji and Mohd Ghazali (2012) compared voluntary reporting, including CSR, among Malaysian firms pre- and post- the more recent financial crisis in 2008. The findings of the study reached similar conclusions to Haniffa and Cooke's study, revealing a significant increase in the reporting after the financial crisis. The authors interpret this increase as a legitimation response to avoid or reduce the legitimacy gap and legitimise their existence.

In a study specifically related to reporting on community issues, Campbell et al. (2006) found firms with high public profile report more than lower public profile firms due to their public visibility. Firms use corporate reporting in order to avoid potential legitimacy threats or mitigate the current legitimacy gap, and to legitimise their existence in the eyes of the community and the public (Campbell et al., 2006).

Even though legitimacy theory has been employed in many studies, it has also been found that this theory has limitations and is unable to explain the motivations of social and environmental reporting in some cases (Guthrie and Parker, 1989). For example, it is difficult to use legitimacy theory as an explanation of social reporting in an environment which has no legitimacy gap, as was found in one study in Malaysia (Amran and Siti-Nabiha, 2009). In another Malaysian case, Nik Nazli and Sulaiman (2004) state that it appears from the nature of the reporting that the firms' intention was to enhance their image and reputation rather than to express their concern about their community or respond to their expectations.

Similarly, according to legitimacy theory, firms which are under legitimacy threats are expected to report more, however, the findings of Campbell et al. (2003) show that this is not always the case. While firms which were expected to encounter higher levels of criticism reported less information in annual reports, others reported more while they were encountering a lower level of criticism. This indicates that legitimacy theory is not the only explanation for CSRR and other reasons might contribute to the motivation (Campbell et al., 2003).

It seems that legitimacy theory is more useful when there has been an incident that has a negative impact or where there is certain pressure from a particular group. A firm then reacts to these events or pressures to justify their performance. There is an extremely limited number of studies that attempt to explain the phenomenon of CSRR in the GCC countries from a legitimacy theory perspective. Even though Naser et al. (2006) provide some support for legitimacy theory, the study did not provide any strong evidence that a legitimacy gap is in existence. Section 3.5.1 below discusses further the relevance of this theory for the framework for this study.

Legitimacy theory describes legitimising strategies used by firms, and some of these can also be applied to stakeholders. In the context of this thesis, the community in which a firm operates is represented by a social audience (i.e. the key stakeholders) of the corporations under study, as the focus here is on CCI reporting. The role of stakeholder theory in the field of CSRR is therefore discussed next.

3.4.3 Stakeholder theory

From reviewing the literature on stakeholder theory, it is clear there is no single definition of a stakeholder is accepted by all researchers. Mitchell et al. (1997) analysed different definitions of the term and found that there are two key views when defining a stakeholder: a broad view and a narrow view (Hazelton, 2005). The broad or classic view of a stakeholder is defined by Freeman (1984, p. 46) as "any group or individual who can affect or is affected by the achievement of the organization's objectives". This definition is widely accepted and the most cited definition in the literature (Mitchell et al., 1997; Kolk and Pinkse, 2006). This view recognises many stakeholders, who have different interests[13]. According to this view it is difficult to balance the desires of competing stakeholders with the desires of the firm. On the other hand, the narrow view includes only groups or individuals who are significant to the survival and success of the firm (Freeman, 1984). Mitchell et al. (1997, p. 857) state that "the narrow view is based on the practical reality of limited resources, limited time and attention, and limited patience of managers in dealing with external constraints".

Gray et al. (1996, p. 45) use the broad view of stakeholders when discussing social and environmental impacts of business, where a stakeholder is defined as "any human agency that can be influenced by, or can it itself influence the activities of the organisation in question". The social and environmental reporting literature embraces this broader view as the issues being reported on go beyond economic and financial impacts.

[13] The stakeholders' interests depend on the perception of shareholders, employees, customers, community, government and others.

In addition to the broad versus narrow views of stakeholder theory, Donaldson and Preston (1995) identified three main themes (aspects) of the theory, namely, Descriptive/Empirical, Instrumental and Normative. “The three aspects are nested within each other” as demonstrated by Donaldson and Preston (1995, p. 74). These distinctions are also important when considering stakeholders in terms of social and environmental issues. The descriptive aspect represents observes the external world of a firm and describes it from a stakeholder perspective (Donaldson and Preston, 1995). Stakeholder theory can thus be used to explain a firm’s particular behaviour or emerging phenomena, such as social activities, including reporting.

Many researchers have applied descriptive stakeholder theory in their studies in order to: describe the individual nature of the firm (Brenner and Cochran, 1991); to describe the personal thoughts that managers have about managing the firm (Brenner and Molander, 1977); to articulate how board members think about the firm’s interests (Donaldson and Preston, 1995); and to see how various firms are managed over time (Halal, 1990; Clarkson, 1991; Kreiner and Bhambri, 1991; Donaldson and Preston, 1995). These studies use stakeholder theory as a means to describe the firm’s interactions with various groups that have multiple interests and demands (Donaldson and Preston, 1995).

Stakeholder theory is instrumental in that it explores the relationship between a particular phenomenon and firms’ characteristics (Donaldson and Preston, 1995). For example, it can explore the relationship between a “firm’s CSR activities and other corporate performance parameters such as profitability, revenue, return on investment and so on” (Banerjee, 2007, p. 25). The theory together with “descriptive/empirical data is used to identify the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives (e.g. profitability, growth)” (Donaldson and Preston, 1995, p. 71). Numerous researchers using stakeholder theory have “used conventional statistical methodologies” (Donaldson and Preston, 1995, p. 71) in their studies (Aupperle et al., 1985; McGuire et al., 1988; Barton et al., 1989; Preston and Sapienza, 1990; Preston et al., 1991).

Therefore, the instrumental aspect is not applied alone, but it is rather applied in conjunction with descriptive/empirical data (Donaldson and Preston, 1995; Jones, 2007a).

The normative aspect of stakeholder theory recognises stakeholders other than shareholders, such as employees, customers, suppliers and the local community who may not have a direct relationship with the firm but who are considered as legitimate stakeholders (Banerjee, 2007). Donaldson and Preston (1995, p. 71) state that stakeholder theory "is used to interpret the function of the corporation, including the identification of moral or philosophical guidelines for the operation and management of corporations.".

In summary, stakeholder theory has three layers; the external layer is descriptive, and "presents and explains relationships that are observed in the external world" and this is supported by the next layer "its instrumental and predictive value" (Donaldson and Preston, 1995, p. 74). "The central core of the theory is, however, normative. The descriptive accuracy of the theory presumes that managers and other agents act as if all stakeholders' interests have intrinsic value" and "recognition of these ultimate moral values and obligations gives stakeholder management its fundamental normative base" (Donaldson and Preston, 1995, p. 74). In examining social reporting, it is important to recognise the normative base of stakeholder theory as, using the broader view, the stakeholders in question go beyond those directly related to financial survival. This leads to the third distinction in the literature, between primary and secondary stakeholders (Clarkson, 1995).

Metcalfe (1998) states that a 'primary' or 'participant' stakeholder is anyone who has direct interest in the firm. More specifically, Clarkson (1995, p. 106) defines a primary stakeholder as "the one without whose continuing participation the corporation cannot survive as a going concern". The primary group comprises shareholders, investors, employees, customers and suppliers, in addition to the government and communities whose laws and regulations have to be obeyed, and who are defined as the "public stakeholder group". In other words, the existence of primary stakeholders is crucial to the life of a firm. Whereas 'secondary' or 'non-participant' stakeholders are the ones "who have indirect interest in the firm and its activities such as minor customers and suppliers, neighbour and others" (Metcalfe, 1998, pp. 32-33). Clarkson (1995, p. 107) defines the secondary stakeholder group as "those who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival". The media, for instance, is considered as a secondary stakeholder according to this view. Although the secondary stakeholders are not engaged in a firm's operations, they may cause significant damages to a firm (Clarkson, 1995), and the level of interaction of a particular secondary stakeholder is not necessarily similar across countries. In the context of this study, and from the definitions discussed above, it is clear that the community, as one of the recipients of a firm's community involvement activities, would be classified under primary stakeholders of the firm. This will be discussed further in section 3.5.2.

Satisfying the needs of all stakeholders and balancing the conflicting demands of various stakeholders is a difficult task, but is a key objective of the firm that desires to be successful (Ansoff, 1965). The information gap between corporate managers and stakeholders leads to the existence of an agency problem, which is discussed in the following section in more detail, as agency theory is another perspective often used to explain CSRR.

3.4.4 Agency theory

While stakeholder theory is mainly concerned about the impact of a firm's actions on various stakeholders, agency theory is primarily concerned with the relationship between corporate owners (i.e. principals) and corporate managers (i.e. agents) (Jensen and Meckling, 1976). This relationship is established when corporate owners delegate authority to managers for decision making (Jensen and Meckling, 1976). Both owners and managers act for their personal interest. The owners' interest is to maximise their wealth through their investment, while the managers' interest is to maximise their personal wealth through their managerial role. Accordingly, agency theory assumes that conflicts of interest exist between the owners and the managers, which are referred to as agency problems (Jensen and Meckling, 1976).

Monitoring and controlling management actions from opportunistic behaviour are examples of agency costs. According to agency theory, in order to manage or control the agency problem management will need to incur some agency costs (Jensen and Meckling, 1976; Morris, 1987). Generally, business owners, “shareholders”, are not interested in CSR activities and reporting engaged in by managers (Gray et al., 2010). If owners do not perceive that managers are acting in the best interest of the shareholders, then agency costs of equity will occur though a decline in firms’ value and withdrawal of investment (Morris, 1987). Alternatively, they may need to incur agency costs by adopting a corporate governance system to monitor management activities (Yekini, 2012). Agency theory and corporate governance are closely related and, in fact, corporate governance is best explained through the lens of agency theory (Hassan, 2010). This is because of the nature of the position of the two parties and their roles in a firm. It is apparent that agency cost is highly associated with agency relationships, and a firm should act in a way that keeps agency costs as low as possible. By doing this, the firm can retain current investors and may even attract potential investors (Werbel and Carter, 2002).

Management can take several actions in order to reduce the agency costs. One of the main premises of the agency problem lies in the information asymmetry between firm owners and managers (Jensen and Meckling, 1976). In essence, the managers possess more and superior information about the firm than the owners (Fama and Jensen, 1983). Besides adopting corporate governance mechanisms, managers can use voluntary reporting as means to reduce agency costs. Reporting information over and above what is required by law to the owners can help to diminish the level of information asymmetry and hence reduce the agency cost of equity (Yekini, 2012). Even though voluntary reporting can help reduce some agency costs, it may also incur some additional costs (Jensen and Meckling, 1976; Fama and Jensen, 1983). Some of these costs are related to the production of annual reports and other corporate publications about firms’ activities, and this includes reporting on community and other social activities (Morris, 1987). Other costs, including the cost of gathering the information, management supervision, auditing and legal fees, are also included (Cooke, 1992). This may raise the question of why firms incur additional costs when their aim is to reduce agency costs.

It is assumed that the benefits of producing such voluntary information exceeds its costs (Cooke, 1992). Full reporting of a firm's social activities will help the firm to minimise potential agency costs that may arise from non-reporting (Slack, 2010).

Even though agency theory has been employed widely as an explanation for voluntary reporting and in different contexts (Ho and Shun Wong, 2001; Haniffa and Cooke, 2002; Alsaeed, 2006; Baek et al., 2009; Hassan, 2012; Kathyayini et al., 2012; Al-Janadi et al., 2013), it has been less employed as an explanation for social reporting (Haniffa and Cooke, 2005). From a developing countries perspective, agency theory is mainly used for developing and testing hypotheses in order to explain determinants of voluntary reporting in general rather than social reporting specifically (Al-Shammari and Al-Sultan, 2010; Hassan, 2012; Al-Janadi et al., 2013; Al-Moataz and Hussainey, 2013; Al-Shammari, 2014a, 2014b). However, there are a few studies that have attempted to use agency theory as an explanation for social reporting in the context of the GCC countries. For example, Naser et al. (2006) and Naser and Hassan (2013) partially support agency theory as an explanation for CSRR in Qatar and UAE (i.e. Abu Dhabi). The authors' argument is based on the impact of firm size on the level of social reporting, which is common and consistent with the previous literature.

Even though agency theory is widely used in empirical studies for voluntary reporting, the limited direct use of it as an explanation in the broad social accounting literature is because of a lack of interest among investors in social information (Gray et al., 2010). It has been stated that "Agency theory is relatively unpopular in mainstream social accounting largely because something as individualistic and self-serving as agency theory sits uncomfortably with the more expansive, liberationist and even emancipatory ethical basis that most bring to social accounting" (Gray et al., 2010, p. 30). However, many researchers in the corporate governance area have found that there is a relationship between corporate governance systems and firms' performance (Tricker, 2015). Further, powerful insights can ban be achieved when explaining corporate governance issues through an agency theory lens (Tricker, 2015). In response to critics' arguments against agency theory, it remains a strong pillar in published corporate governance research papers (Tricker, 2015). Most importantly, in some contexts, such as in the Middle East, agency theory may provide a meaningful explanation for CSR, given that a relationship has been noted between CSR and corporate governance in this region (Visser, 2008). Further explanation about the relevance of agency theory in the context of the GCC countries is discussed in section 3.5.3 below.

3.4.5 Institutional theory

Institutional theory indicates that different institutions within a society can influence firms' behaviour. Some of these institutions include government (including its agencies), professional organisations, competitors, societal values and beliefs, public opinions or the media (Bansal, 2005). Institutions are defined as "formal organisations, normative and legal standards, cultural norms, rules and incentives typical for a particular country setting" (Matten and Moon 2008, cited in Bashtovaya, 2014, p. 69). It is worth noting the distinction between "old" and "neo/new" institutional theory (Hirsch and Lounsbury, 1997; Scott, 2008). The old view of institutional theory tends to focus on what influences individuals' behaviour, which are primarily social norms, values, beliefs and culture (Selznick, 1996). This view appears to be more relevant in the context of the GCC countries, as existing literature indicates that the roots of CSR in this region are based strong social values and culture. The new institutional theory goes beyond the old view to consider structural organisational rules and laws, which are developed by institutions in a country or region (Keim, 2003; Doh and Guay, 2006; Campbell, 2007). Both social norms and organisational rules exert some pressure on individuals and institutions. According to DiMaggio and Powell (1983) there are three different types of institutional pressures that can change firms' actions; coercive, mimetic and normative pressures. Coercive pressure refers to the formal pressure on firms by other powerful institutions such as government's rules and regulations (DiMaggio and Powell, 1983). Failure to comply with this type of pressure may cause financial sanctions and negative impacts such as loss of earnings or damage to a firm's reputation (Oliver, 1991). The second type of pressure, mimetic, means a firm attempts to imitate other similar firms' activities, particularly well-established and successful firms, in order to be perceived as legitimate and successful (DiMaggio and Powell, 1983). Further, mimetic pressures are highly associated with uncertainty, which arises when no clear guidelines or references exist (DiMaggio and Powell, 1983). It is argued that firms that mimic their peers' activities are less likely to encounter damages due to the legitimacy inherently provided by acting in a similar way to other firms (Bansal, 2005). Amran and Siti-Nabiha (2009) provide empirical evidence of how Malaysian firms mimic other firms to report social and environmental information in annual reports. The last type of institutional pressure according to DiMaggio and Powell is normative, and this type refers primarily to particular professional standards. Ruef and Scott (1998) also include societal morals as part of this type of pressure. This means that some informal standards and rules within a specific industry or profession force firms to change their actions. For example, the establishment of the "Russian Organisation of High Social Efficiency" in Russia led to an increase in the reporting on community development and social issues more than other CSR categories (Bashtovaya, 2014). This explanation reveals how different institutions can affect and change firms' practices. Accordingly, "Organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness" (DiMaggio and Powell, 1983, p. 150).

Many studies in social accounting have used institutional theory to explain the phenomenon of social reporting, see for example Amran and Siti-Nabiha (2009), Bashtovaya (2014) and Dawkins and Ngunjiri (2008). A comparative study was undertaken by Bashtovaya (2014) who compared the CSRR between firms in the US and Russia. The author justified the significant differences between the content of reporting between the two countries as being due to some institutional impact. Moreover, Dawkins and Ngunjiri (2008) state that institutional pressures had a significant impact on CSR practices and reporting in South Africa. It can be argued that firms from less developed markets are more likely to be influenced by institutions, particularly pressures from developed markets.

3.4.6 The concept of Accountability

In addition to the common theories which are reviewed in this chapter, the accountability approach is widely cited in the social accounting literature as a concept that can help to explain social reporting (Gray et al., 1995a; Naser et al., 2006). This can be seen as a positive aspect of accountability. Accountability is simply defined as "the duty to provide an account of actions for which one is held responsible" (Gray et al., 2010, p. 38). This can be seen as a normative aspect of accountability. Accountability is concerned with the relationship between two parties: the 'Accountee' and 'Accountor' (Ijiri, 1983). Under this accountability framework, the accountor (i.e. a firm or firm's management) is required to provide information to the accountee (i.e. stakeholders or information users) (Gray et al., 1996). That is, a firm is 'accountable' to shareholders, creditors, employees, government, the local community, consumers and the general public. This is especially important for large firms, that are powerful and therefore have a "correlative duty for accountability" (Hazelton, 2013, p. 269). Given that a firm is accountable to wider stakeholders other than financial providers (Freeman, 1984), the firm should then report on its activities, including non-financial activities, to discharge its accountability (Gray et al., 1995a; Gray et al., 1996). O'Dwyer and Boomsma (2015) describes three types of accountability: imposed, felt and adaptive. Imposed accountability implies formal oversight and control on individuals and/or firms (Ebrahim, 2003). Felt accountability, on the other hand, arises due to internal motivation of the individuals and/or the firms rather than external influences (O'Dwyer and Boomsma, 2015). Adaptive accountability lies between imposed and felt, where it aims to find a balance between the internal and the external influences (O'Dwyer and Boomsma, 2015). A number of prior studies have adopted the accountability concept as an explanation for voluntary reporting on CSR activities (Gray et al., 1987, 1988; Gray et al., 1996; Naser et al., 2006), however, there is little empirical evidence from the GCC countries context (Naser et al., 2006). Given the two aspects of accountability mentioned above, the positive aspect is employed to explain the reporting practice.

This approach or concept, however, has some limitations due to its inability to explain why firms choose not to report about social activities (Carnegie and Wolnizer, 1996; Aribi, 2009). Notwithstanding this, in the context of this study, it is important to consider a particular view of accountability using an Islamic perspective because it has a broader view than the western perspective (Dusuki, 2008), and all the GCC countries under examination are Islamic countries. The GCC countries all have similar traditions and cultural background (Khalifa, 2012). In addition, the Islamic faith is the dominant faith in the region, and this has a strong influence on the values and norms of the GCC countries. Based on the Islamic faith, every individual Muslim is accountable to god "Allah" for every single action, including towards community and society at large (Lewis, 2006). As such, the accountability for every individual Muslim is also applicable for businesses (i.e. business owners or managers). It is one's duty to direct a firm in line with personal values and religious beliefs (Visser, 2008). In line with this view, a firm's social practice is embedded within Islamic morals and principles (Dusuki, 2008). Thus, it is commonly considered that CSR practices in Arab countries are entangled with a sense of religious duty (Visser, 2008). Studies have shown that business owners and managers in the Arabian Gulf region have a strong sense of accountability towards their community based on their religious 'Islamic' norms and values (Marios and Tor, 2007; Visser, 2008; Emtairah et al., 2009). From this view, managers believe that their responsibility towards the local community is part of their accountability to God. This may indicate strong relevance of "felt accountability" to this study context. Further discussion of accountability as a motivation for firms' involvement in the community is provided in section 3.5.5 below.

3.5 Theoretical framework related to this study

As seen in the preceding review, researchers have different views on theory adoption to explain voluntary social reporting. Early research tended to use one theoretical perspective (most commonly legitimacy or stakeholder) to explain their findings as the area was underdeveloped, but the majority of more recent researchers hold the view that there is no single theory that has the ability to fully explain why firms engage in voluntary social reporting (Momin, 2006; Unerman, 2008; Gray et al., 2010). Moreover, theories seem to be incomplete or imperfect (Gray et al., 2010). As Gray et al. (2010) point out, social accounting is complex, diverse and studies constantly show different reasons for its occurrence. Similarly, Momin (2006) stated that, in a developing country context, a single theory is unlikely to be satisfactory. This has given researchers more room to adopt or develop additional theories to explain this phenomenon such as signalling theory (Campbell, 2000), resource-based theory (Branco and Rodrigues, 2006), and slack resources theory (Amato and Amato, 2007; Raja Ahmad, 2010). Each theory provides a different perspective and a partial explanation (Adams, 2002). Thus, overlaps and intersections between various theories can help researchers, to some extent, gain better understanding about a specific social accounting phenomenon (Gray et al., 2010). As CSR research in the Middle East is still at the early and exploratory stages, this thesis identifies those theories found in prior studies of the region to be most relevant to the GCC context.

As noted earlier, a number of authors have investigated CSR and CSRR in the Middle East region, including the GCC countries, but there is an extremely limited number of studies that have discussed this phenomenon from a theoretical perspective (Naser et al., 2006; Nalband and Al-Amri, 2013; Naser and Hassan, 2013; Al-Abdin et al., 2017; Ali et al., 2017). Considering that this study is exploratory in nature, and given that limited theoretical explanations for CSRR in the Arabian Gulf region exist, using multiple theories is in line with prior studies (Cormier et al., 2005; Naser et al., 2006; Al-Janadi et al., 2013; Momin and Parker, 2013). Using multiple theories, particularly in this region, strengthens understanding of the rationales behind the emerging social reporting practice.

While the preceding section identified six main theories used to explain social reporting, when reviewing the literature on the Middle East, it is clear not all are found to be relevant. Three theories are considered most appropriate for explaining CSRR in the region (agency, institutional and accountability) and two are seen as less applicable (political economy, legitimacy). One additional theory (stakeholder theory) has been found as not relevant in the region, however, when considering community involvement reporting specifically, there is a strong argument that the community is an identifiable stakeholder, so a case can be made that there may be some stakeholder pressure for this type of reporting, not identified in studies to date.

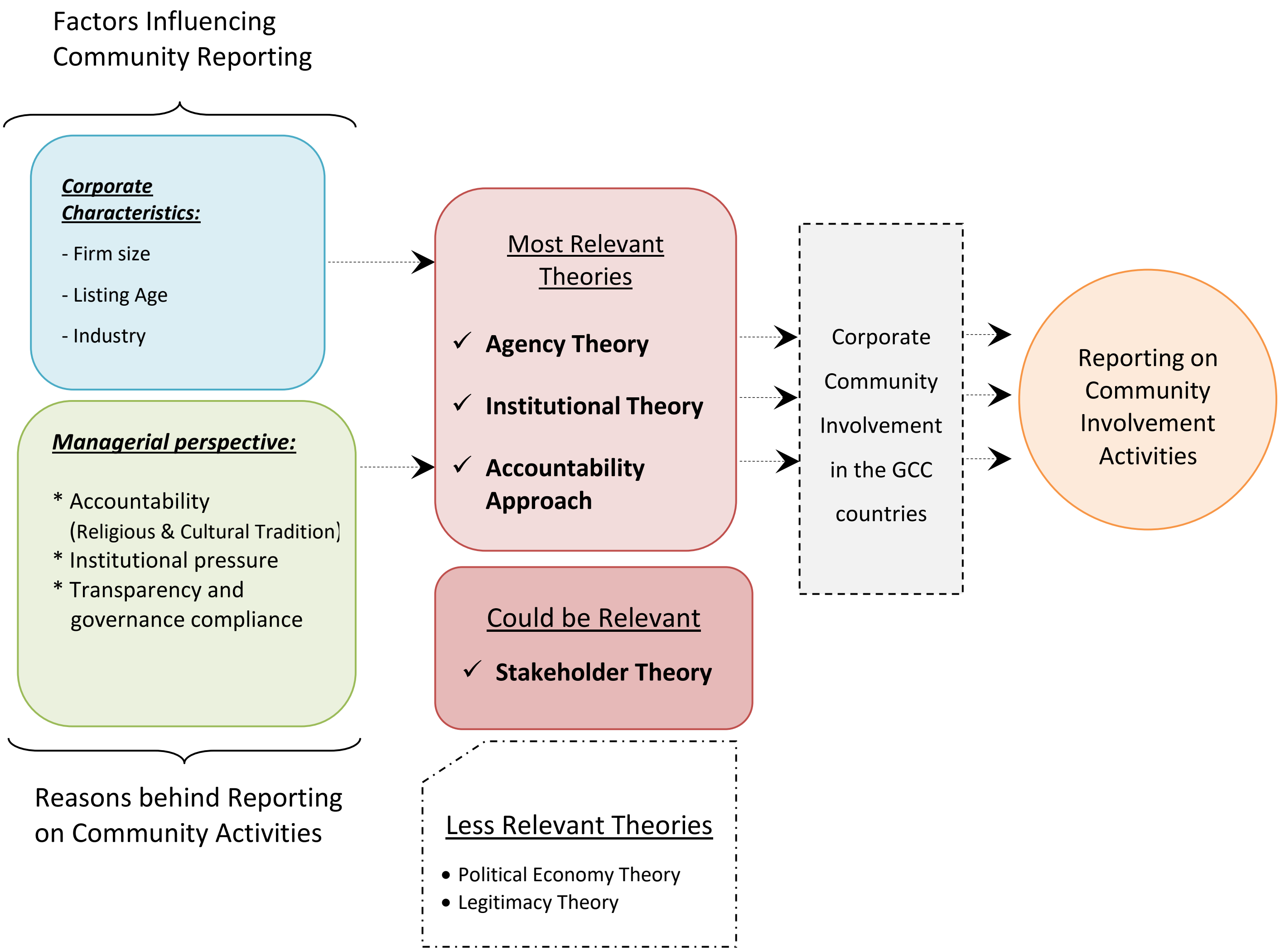


Figure 3-2: Theoretical framework for CCI reporting in GCC

In light of the review of studies in the Gulf region, Figure 3-2 above adapts the earlier Figure 3-1, to depict the framework that will be used in this study, and identifies the relevant theories that are used as a basis for the analysis undertaken. The following sections then provide a discussion and justification for the selection or exclusion of each of the theories.

3.5.1 Political economy and legitimacy theory

As stated earlier, political economy theory provides a broad view of social reporting and covers the underlying foundations of legitimacy theory and stakeholder theory. There is an extremely limited number of studies in the Arabian Gulf countries that describe social reporting practices through the lens of legitimacy and stakeholder theories (Naser et al., 2006; Naser and Hassan, 2013).

Political economy theory is likely to be relevant to the context of the Arabian Gulf countries due to its distinct social, political and economic environment, however, there is no strong evidence of the applicability of this theory in this context. Williams (1999) supports political economy theory based on significant impact of cultural factors and political and civil systems. Haider (2010) suggests that using political economy theory is more relevant when it is based on the country of origin, socio-economic and political perspective in which firms exist. However, Naser et al. (2006), in one of the few studies that attempted to employ social accounting theories to explain CSRR in the GCC countries, conclude that such common theories would not gain sufficient support in developing economies. Although political economy theory is partially supported by Naser et al. (2006) and Naser and Hassan (2013), both studies relied only on firm size, as a proxy for the economic environment, as a significant factor for reporting. This results in a somewhat weak explanation as both studies did not consider other essential elements of this theory. In other words, the social, political and economic context in which the CSRR took place were not considered in detail. Therefore, existing literature in the GCC countries context does not provide strong evidence to support political economy theory.

Similarly, the existing literature does not provide strong evidence of a legitimacy gap or stakeholders' demand on CSR activities in the GCC countries. It has been suggested that legitimacy theory is useful as a social reporting explanation when a legitimacy crisis or gap exists (Branco and Rodrigues, 2008). Since this is an emerging phenomenon in GCC countries and community awareness and expectation is relatively low, it is expected that firms in these countries would report on their social responsibility activities as a result of motivations other than legitimation, as a legitimacy gap is less likely to exist.

A major limitation of legitimacy theory is related to its capability of explaining the phenomenon in different contexts. Notably, Thomson (2003) cited in Amran and Siti-Nabiha

(2009) questioned the motivations of CSR practices in Malaysia, given that the awareness of CSR in that country is low. In this circumstance legitimacy theory does not provide an appropriate explanation. Amran and Siti-Nabiha (2009) found institutional theory was able to explain the phenomenon in the Malaysian context more accurately and appropriately than legitimacy. This is likely to be similar in the Middle East due to low awareness, fewer societal expectations and fewer pressures from the local community and the general public on firms. However, the level of awareness and pressure has been shown to be increasing, so a legitimacy gap may arise and become an issue for the firms in the future.

As legitimacy theory and stakeholder theory are not fully supported by previous studies in the GCC country context, and given that both are derived from political economy theory, political economy theory generally seems to be not highly relevant for this study's context. In addition, since this study does not explicitly consider all social, political and economic factors in the analysis, this theory becomes even less relevant. Therefore, based on this discussion, this study does not consider the political economy theory or legitimacy theory as likely to provide major explanations for CCI reporting.

3.5.2 Stakeholder theory

Even though there is some evidence of stakeholders' demand for CSR information in one GCC country, Oman (Minnee et al., 2013), the literature has not noted very such demand in other GCC countries. Thus, it is difficult to generalise that finding to the entire region without strong supporting evidence. The majority of prior literature asserts that corporate stakeholders in the GCC countries do not put pressures on firms as explained in Chapter 2 (Visser, 2008; Emtairah et al., 2009; Qasim et al., 2011; Dias, 2012). For example, it is noted that stakeholder engagement and voice in the region is almost absent (Visser, 2008). Similarly, Naser et al. (2006) did not provide any strong evidence of existing stakeholder pressure in their study. Therefore, it would appear that stakeholder theory is less relevant to the context of this study.

However, investigating corporate reporting specifically on community involvement activities through the lens of stakeholder theory may indicate the level of firms' concern about their local community. It may also show how these firms effectively communicate with the community as a stakeholder. For example, a study by Jones (2007a) found that firms report different information to different groups of stakeholders. Stakeholder theory may also be relevant to this study because a few studies in the context of the GCC countries have found that some specific stakeholders, such as government and charitable organisations, have an impact on firms' behaviour (Naser et al., 2006; Emtairah et al., 2009). As community involvement reporting is the focus of this study, it is important to review the literature on the community as a stakeholder generally, then on CCI reporting in GCC countries.

3.5.2.1 Community as a stakeholder

Even though some stakeholder groups are easily identified, the community as an organisational stakeholder can be difficult to define (Greenwood, 2001b). The community was identified by Greenwood (2001b) as a group within the narrow definition of the stakeholder as outlined earlier. In addition, the meaning of community in the business context is an ambiguous and amorphous concept because the perception of 'community' varies amongst business leaders (Greenwood, 2001a). It could be meant in a local or in a global sense, it could be seen as an actual or as a potential group of employees or customers, as government or as the environment (Greenwood, 2001a). For the purpose of this study, community means any recipient (i.e. outside the firm) of the firm's community involvement activities, including social involvement programs such as philanthropy, community sponsorships and partnerships, etc., as discussed in Chapter 2.

The connection between the community as a stakeholder and a firm is based on the claim that a firm and its managers are accountable for their community's needs, interests and concerns (Greenwood, 2001b). Individuals and groups within the community may seek information about corporate community involvement. CSRR is a means to deliver information about community and other social activities to interested group(s) of stakeholders. However, it is common that information asymmetry exists between a firm as 'producer' and community as 'consumer'. The community may lack full knowledge of a firm's activities due to the nature of the information provided and its sensitivity to the market, and more significantly the desire of firms to act opportunistically (Kulkarni, 2000).

Research on the impact of the local community on firms' social and ethical concerns has been given little attention (Bourne and Snead, 1999). Greenwood (2001b) claims that each community may have a different culture, values and norms, thus may influence firms' social and ethical decisions differently. Thus, corporate behaviour may vary from one country to another. This thesis does not identify any particular individuals or groups to represent the community as a stakeholder. It rather recognises the community in a general sense as a recipient of firms' various community activities, in the context of social responsibility. Consideration of stakeholder theory has not occurred in previous GCC studies but neither has consideration of community reporting. Therefore, this thesis postulates that stakeholder theory may be relevant in this context, even though prior researchers have claimed that it is not applicable in the Middle East. In summary, stakeholder theory is included in the theoretical framework even though it is considered to be less relevant to the country context, as it is relevant to the theme of reporting under consideration.

3.5.3 Agency theory

The relevance of agency theory to a particular context depends on the existence of separation between business owners and management, conflict of interest between a firm's management and owners, or agency costs (Jensen and Meckling, 1976). There are different signs that are related to the existence of agency costs in the firm, some are broad such as firm size and ownership structure and some are more specific such as the governance system within the firm (Jensen and Meckling, 1976).

As mentioned in Chapter 2, corporate ownership structure in GCC countries is highly concentrated by government or families (Naser et al., 2006; Al-Malkawi et al., 2014). This is a broad indication of there being agency costs in these countries. These firms also tend to be reasonably large because the GCC governments commonly have shares in larger size firms (Al-Kuwari, 2009). In this context, previous empirical studies have found that agency theory is able to explain social reporting in the region. For example, Naser et al. (2006) and Naser and Hassan (2013) support agency theory based on the impact of firm size on CSRR in Qatar and UAE. Both studies partially support agency theory using the argument that large firms incur more agency costs than small firms in order to mitigate agency problems.

On the other hand, it can be argued that since major shareholders are governments or private owners among the GCC listed firms, it would be expected that no agency problem exists, thus, agency theory could be seen to be less relevant in this context. This might be true, however, on balance agency theory is still likely to be applicable due to the impact of other specific corporate governance factors.

There are a few studies based on the GCC countries that have examined the impact of corporate governance factors on corporate voluntary reporting, including information related to community and social activities. For example, Al-Janadi et al. (2013) support agency theory as a complement to other theories based on internal and external governance factors. The internal governance factors comprise board size, CEO role duality, family members on the board, non-executive directors on the board and the percentage of independent audit committee members. The external factors include government ownership and audit quality. Agency theory was found to be directly related to the level and quality of voluntary reporting practice in Saudi Arabia, including information about social and community issues (Al-Janadi et al., 2013).

Given that agency theory is closely related to corporate governance, it is argued that corporate governance influences are best explained through the lens of agency theory (Hassan and Sofyan, 2010). Moreover, as Visser (2008) asserts that CSR emerged in the Middle East due to corporate governance practices, it is expected that agency theory is valid in this region. Accordingly, this study sees the potential of agency theory to help explain the extent of voluntary reporting of one theme of CSR, community involvement, in the GCC listed firms.

3.5.4 Institutional theory

In the Middle Eastern context, Emtairah et al. (2009) assert that firms in Saudi Arabia encounter some degree of pressure from NGOs in order to make philanthropic donations. In addition, Dias (2012) and Hasan (2017) asserts that governments have an important role in shaping the concept and practice of CSR in the Middle East. Since, as noted earlier, there is no evidence of strong stakeholder pressures for reporting social information (Naser et al., 2006; Al-Shammari, 2013), but some institutional pressure exists in the region (Emtairah et al., 2009), it can be concluded that institutional theory is a relevant theory to explain CSR and CSRR. However, it is difficult to separate institutional theory from other theories because it has a close relationship with stakeholder and legitimacy theory, and a direct relationship with resource dependency theory (Knights and Willmott, 2007). While legitimacy and stakeholder theories were reviewed earlier in this chapter, resource dependency theory is excluded from the framework of this study because it is not commonly employed in social accounting studies (Gray et al., 2010) and is beyond the scope covered by the variables under examination.

Institutional theory has not been considered in any existing study in a GCC countries context. As noted earlier, a plausible reason for this could be the low level of awareness about the importance of CSR amongst the general public, or the absence of considerable social pressure on businesses to act in a socially responsible way (Visser, 2008). Nevertheless, there are a few studies that have pointed to some form of institutional pressure. The study by Emtairah et al. (2009) is one of the earliest to explore CSR practice in Saudi Arabia. The study findings indicate the existence of institutional pressure on businesses through various community organisations (Emtairah et al., 2009). The authors noted further that this type of pressure is mainly for community involvement activities. Further evidence of existing institutional pressure can be found in Dubai and UAE, as Qasim et al. (2011) note that several government agencies have jointly formed an entity called the “Dubai Centre for Corporate Values” (DCCV). The centre’s objective is to increase the awareness of CSR in the business sector. In addition, the DCCV has developed a local CSR model based on the European CSR framework and CSR best practices in the world (Qasim et al., 2011). There is no doubt that such an initiative will create an environment where firms are encouraged to be involved in, and contribute to, the local community. Consequently, more reporting is expected to communicate with the community and other stakeholders. Thus, this could be considered a form of institutional pressure.

Since there is limited research in this respect on other GCC countries, and given that these countries share many similarities, it is expected there will be some institutions besides the local government that act in favour of CSR and promote this concept in the business sector. Jamali (2010) argues that a firm should meet institutional expectations to ensure its survival and it has been claimed that there is more likely to be pressures from religious groups in Islamic societies (Naser et al., 2006). Since religious groups are usually in an institutional form, institutional pressure is expected to exist, but possibly at a different level between the different GCC countries. Therefore, this study considers that institutional theory has the potential to explain the phenomenon of CCI reporting, particularly when all GCC countries are combined.

3.5.5 Accountability approach

The concept of accountability in the Middle East has a special and different meaning compared to the common perception in Western countries (Lewis, 2001; Maali et al., 2006). As explained in section 3.4.6 above, accountability has a strong foundation in GCC countries. Due to religious, traditional and cultural factors, accountability is deemed to be a plausible ground on which to justify corporate community involvement in the GCC countries.

Prior research indicates that there is a strong association between accountability and social responsibility and Islamic values (Visser, 2008; Jamali and Sidani, 2012; Mandurah et al., 2012). Tradition and cultural norms and values are the primary motives behind social initiatives in the GCC countries (Marios and Tor, 2007; Emtairah et al., 2009; Mandurah et al., 2012). An exploratory study on CSR in the UAE revealed that social responsibility is deeply rooted to religious beliefs and cultural tradition and has been described as the invisible foundation of the western term CSR (Marios and Tor, 2007). In addition, social responsibility in Saudi Arabia is viewed as altruistic rather than strategic (Mandurah et al., 2012). Further, a personal sense of accountability, which is derived from religious and cultural tradition, is the main source of the perception of CSR in Saudi Arabia (Emtairah et al., 2009). This accords with the view that the sense of feeling accountable is influenced by societal values and beliefs (O'Dwyer and Boomsma, 2015). Given that accountability is part of Islamic belief, it has been claimed that any firm that operates within Islamic principles is supposed to be practicing CSR naturally (Dusuki, 2008). According to accountability from an Islamic viewpoint, reporting information on community activities, such as charitable giving, keeps Muslim decision makers informed about firms' contributions to the community (Al-Shammari, 2013). It is considered vital to keep them informed because both business owners and management are accountable to God and to all other stakeholders, including the local community (Al-Shammari, 2013).

A study that was conducted in Oman (a member of the GCC countries) revealed that based on the concept of accountability, users of corporate public reports expect to find non-financial information about firms' community contributions (Minnee et al., 2013). In addition, AccountAbility[14], a global organisation, has offices in two of the GCC countries namely, Saudi Arabia and UAE. Accordingly, this study sees accountability as one of the main rationales behind CSR involvement and social reporting. Therefore, accountability is included in the study framework to explain CCI reporting in the region under analysis.

As seen by the review of the existing CSR and CSRR literature provided in this chapter, there are a number of possible theories that can be used as an explanation for CSRR practices in GCC countries. Understanding all CSRR in this region is complex, therefore, this study, attempts to theorise CSRR based on one category of CSR, community involvement. Taking an overall view of the framework, which is presented in Figure 3-2, it appears that the factors influencing voluntary reporting, which are generally based on quantitative analyses, are similar to studies in other, mostly Western, contexts. However, the studies of the reasons or rationales for

---

[14] See: http://www.accountability.org/about-us/index.html

reporting are limited compared to what has been found in other countries. Considering that these reasons have generally been identified based on primary data collection, and as there are limited studies that investigate CSR based on a qualitative approach in the GCC countries, it is not surprising that limited findings exist. Thus, this study gives special attention to this limitation and aims to make an important contribution by undertaking qualitative analysis. Further, applying relevant theories in this region in the future can be based on more appropriate and insightful evidence. Consequently, the study will increase the level of relevance and robustness in theory selection in future.

3.6 Chapter summary

This chapter presents the theoretical framework of this study. It demonstrates how theory is important in order to understand the social reporting phenomenon. A total of six theories were selected based on previous CSRR literature (presented in Figure 3-1). These were then reviewed and analysed from the GCC countries perspective. Three theories: agency, institutional and accountability theories were considered as most relevant theories in the GCC countries context, while stakeholder theory appeared to be relevant within the scope of this thesis. The political economy and legitimacy theories were seen as less relevant because no strong evidence was found in the GCC literature (Figure 3-2). These theories are revisited in Chapter 7 after the analysis is undertaken.

It is important to select a suitable methodology to undertake an examination of this context, and produce results that will enhance the theoretical understanding of voluntary social reporting from the Middle Eastern point of view, and in the GCC countries specifically. Therefore, the next chapter explains the method used, and the methodology underpinning this study.

Chapter 4 : Methodology and Research Design

4.1 Introduction

The purpose of this chapter is to describe the research design and methodology employed in this thesis to achieve the research objectives and answer the research questions. The main objective of this study is to understand why firms in the GGC countries are involved in, and report about, their community activities, as well as to identify the influential factors on the reporting practice. Thus, this study uses a combination of qualitative and quantitative data in a mixed methods research design. The chapter begins by restating the research objectives, followed by the philosophical assumptions underpinning the study and the research design that was adopted. This is followed by the sampling strategy and data sources used and the methods employed to collect and analyse the data in the study.

4.2 Research questions and objectives

The primary research question as stated in Chapter 1 is:

> ***What are the rationales for, and influences on, corporate community involvement and reporting in the GCC countries?***

In order to answer the primary research question, the following secondary research questions are developed:

1. What types of community involvement activities are undertaken by the GCC listed firms?
2. What are the rationales behind community involvement?
3. What are the rationales behind community reporting?
4. To what extent do publicly listed firms in each GCC country report on CCI in annual reports and stand-alone reports?
5. What influential factors explain the varying levels, if any, of CCI reporting among the GCC listed firms?
6. Are there differences in CCI reporting among GCC listed firms?

The list of research objectives below are addressed in order to answer the research questions.

1. To understand the current perceptions of social responsibility in this region.
2. To identify the common community involvement activities undertaken by the GCC listed firms.
3. To explore the underlying rationales behind firms' involvement and reporting about these activities.
4. To compare the nature and extent of community reporting between corporate annual reports and corporate stand-alone reports (i.e. CSR reports and Sustainability reports) of the GCC listed firms.
5. To determine the influential factors on CCI reporting in the annual reports of the GCC listed firms.
6. To understand whether or not firms' social performance in the GCC countries is similar to their counterparts in developed countries.
7. To identify the best theories that explain the social reporting phenomenon in this regional context.

4.3 Philosophical assumptions

Almost every research project is conducted based on certain philosophical assumptions. These assumptions are mainly concerned about the nature of reality, or 'ontology', and the nature of knowledge, or 'epistemology' (Burell and Morgan, 1979; Bryman and Bell, 2016). In other words, all studies are influenced by the researcher's view about how the social world is seen and how acceptable knowledge is defined and obtained. Accordingly, based on the assumptions adopted by the researcher, this determines how the research should be conducted to investigate the social phenomenon under investigation.

Ontology is the study of being, its primary concern is about "what is" and the nature of existence (Crotty, 1998). Regarding ontological assumptions, there are two main views: objectivism and constructionism (Bryman and Bell, 2016). In relation to objectivism, this view considers reality as an external object, which exists outside the human mind (Cameron and Price, 2009). Advocates of this view see a social phenomenon as if it exists independently from the researcher (Bryman and Bell, 2016). Unlike objectivism, constructivism views the social world in conjunction with an individual's perspective (Bryman and Bell, 2016). In other words, reality is constructed by the mind rather than waiting to be discovered (Crotty, 1998). This implies that the social world is viewed according to the perception of the researchers (Bryman and Bell, 2016). This means that researchers are not seen as separate from reality. Individuals often develop subjective meanings of the surrounding social phenomena based on their own views and experiences (Creswell, 2014). Thus, the researcher's personal view and background are crucial in the analysis and interpretation of the subject being studied. From this view, the specific context in which participants live and work is considered by the researcher (Creswell, 2014). As such, constructivism is seen as the best approach for qualitative research (Creswell, 2014).

Since this study attempts to gain a deeper understanding of social reporting, engaging with human beings is an essential activity. This requires sharing the participants' views and experience of the issue under investigation. Accordingly, the process of the analysis and interpretation that follows is shaped with the researcher's background, prior knowledge and experience (Crotty, 1998). Therefore, the constructivist approach is adopted for the purpose of understanding firms' social reporting behaviour in the business context.

Epistemological assumptions are one of the essential elements of the philosophical assumptions of research, which are concerned with 'knowledge' (Burell and Morgan, 1979). In this regard, epistemology can be divided into three positions: positivism, interpretivism and realism (Bryman and Bell, 2016). Regarding the first position, positivism implies that knowledge is about what can be observed and measured (Cameron and Price, 2009). Positivist researchers tend to follow a traditional scientific approach to find true knowledge (Creswell, 2014). Thus, they are more interested in searching and examining casual relationships between various elements (Burell and Morgan, 1979). In positivist research, both inductive and deductive approaches are valid to obtain knowledge (Bryman and Bell, 2016). The epistemological assumptions of positivism are more often associated with quantitative research (Creswell, 2014).

In contrast to a positivistic philosophy, interpretivism suggests that the social world has a meaning for human beings, hence, human actions are meaningful (Bryman and Bell, 2016). Unlike the natural sciences, individuals and organisations are highly important in studying social sciences (Bryman and Bell, 2016). Interpretivist researchers are concerned about obtaining an adequate amount of information to make sense of, and gain meaningful insights into, social situations (Cameron and Price, 2009). According to this philosophy, knowledge, in social sciences, requires humans to be considered as being part of the research procedure, unlike in the natural sciences (Bryman and Bell, 2016). Researchers who adopt Interpretivism view the social reality through the constructivist lens, hence, they prefer qualitative research methods (Creswell, 2014). This is because qualitative data includes rich information and flexibility in the analysis and interpretations.

As far as the last position is concerned, realism is a philosophical position that recognises reality as external to humans' cognition (Burell and Morgan, 1979; Bryman and Bell, 2016). Realism has been a dominant approach in the philosophy of science for several decades

(Greenwood, 1989). This position shares some similarities to positivism, where social reality is independent from the researcher (Bryman and Bell, 2016), and is also similar to interpretivism, where knowledge can be obtained through the researcher's thinking process. It takes a pragmatic orientation because it does not ignore other approaches that can enhance the researcher's understanding of the world (Maxwell and Mittapalli, 2010). As a result, realism in mixed mthods research provides valuable insghights (Maxwell and Mittapalli, 2010). Therefore, researchers who adopt this position can use either quantitative, qualitative or both methods in their study.

Notwithstanding this, there is a debate among some authors about the nature of qualitative and quantitative research, and whether or not they should be combined (Bryman and Bell, 2015). Opponents of mixed methods research argue that qualitative and quantitative methods have different ontological and epistemological assumptions, which are incompatible (Smith, 1983; Morgan, 1998). Similarly, Smith and Heshusius (1986) criticize the integration between the two methods because it eliminates the underlying assumptions of each method. In addition, each method holds separate paradigms, which provide different views on how social phenomena should be studied (Bryman, 2012). Hence, these authors suggest mixed methods research is neither desirable nor sensible (Greene et al., 1989; Bryman and Bell, 2015). Therefore, they argue that qualitative and quantitative methods should not be combined.

In response, proponents of mixed methods research assert that although the underlying philosophical assumptions between the two methods are not similar, there is overlap and commonality between them (Bryman and Bell, 2015). In other words, there is a recognition of connection between qualitative and quantitative methods but with distinctive ontological and epistemological positions (Bryman and Bell, 2015). Using this connection and common ground may enhance the outcome of the research. For example, the realism position accommodates research characteristics of both qualitative and quantitative methods (Greene, 2007). Hence, holding this view it is expected to provide valuable explanations in understanding the reality of the social phenomenon under investigation.

It has been reported that there are several benefits from qualitative and quantitative integration. For example, since each method has its own strengths and limitations, combining both methods can overcome some of these limitations (Maxwell and Mittapalli, 2010). In addition, a strong conclusion can be drawn based on the findings' support and convergence (Johnson and Onwuegbuzie, 2004). More specifically, the integration of the two methods has been strongly supported when conducting studies with complementary purposes (Sale et al., 2002). Accordingly, these reasons justify the appropriateness of the mixed methods approach adoption in this study, particularly considering that the quantitative results (phase II) aim to complement the findings of the interviews (phase I).

This study adopts realism and constructionism philosophical assumptions. This is because the underlying philosophical stances in realism are able to combine both qualititative and quantitative views of thinking (Greene, 2007). Realism is also highly compatible with constructionism's underlying assumptions (Crotty, 1998). Thus, this position suits the research objectives stated earlier. That is, the study aims to examine existing practice of reporting, but also to investigate perceptions about the rationales for reporting. Hence, this study uses both qualitative and quantitative methods to investigate the research problem. The research design for how this study is conducted is explained next.

4.4 Research design

A research design is defined as "a plan, structure and strategy of investigation conceived so as to obtain answers to research questions" (Kerlinger, 1964, p. 275). The research design may use three different methods or approaches, it can be either qualitative, quantitative or mixed methods. A purely qualitative or quantitative method involves collecting and analysing data of only one type (Creswell, 2014). The mixed methods approach, on the other hand, involves collecting and analysing a combination of both types of data in one study to provide a better understanding of the research question or problem (Creswell, 2014).

Using only quantitative analysis is appropriate when identifying factors that influence outcomes, while using a qualitative approach is appropriate when a phenomenon has not been explored and requires further investigation for better understanding (Creswell, 2014). The phenomenon under investigation in this study is one theme of voluntary social reporting (i.e. community reporting) by listed firms in the Middle East, particularly in the GCC countries. By using only one method, it would not provide a comprehensive picture as the main objective of this study is to understand the rationales behind CSRR in the Arabian Gulf region, and to examine corporate reporting practice in relation to their community involvement activities. By using mixed methods, the study links the rationales behind community reporting and the actual reporting practice in order to provide a better understanding of this emerging phenomenon in this particular regional context.

Creswell and Clark (2011) identified a number of types of mixed methods designs, which are drawn from multiple disciplines, see Table 4-1 below:

Table 4-1: Types of mixed methods designs

	Type of Mixed Methods Design	Reasons for Choosing this design
1	Convergent Parallel Mixed Methods	Comparing different perspectives drawn from qualitative data & quantitative data
2	Explanatory Sequential Mixed Methods	Explaining quantitative results with qualitative data
3	Exploratory Sequential Mixed Methods	Developing measurement instruments
4	Embedded Mixed Methods	Understanding experimental results by incorporating perspectives of individuals
5	Transformative Mixed Methods	Developing on understanding of needed changes for a marginalised group
6	Multiphase Mixed Methods	Understanding the need for an impact of intervention program

Source: Creswell (2014, p. 231)

Convergent designs involve collecting quantitative and qualitative data simultaneously but which are analysed separately, and then merged (Creswell and Clark, 2011). Explanatory designs require analysis of quantitative data and build on this using qualitative data. Two types of explanatory design are follow-up explanations and participant selection models (Creswell et al., 2003). With follow-up explanations, qualitative results are used to expand on quantitative results. In participant selection models, the qualitative phase has priority and the quantitative phase is to identify participants (Harrison and Reilly, 2011). Exploratory designs involve analysing qualitative data and building on it sequentially (Harrison, 2013). The two main types are the instrument design model where qualitative findings are used to develop measurement items for a quantitative instrument, and the theory development model where, qualitative data is used to develop hypotheses or propositions, or taxonomies (Harrison and Reilly, 2011; Harrison, 2013). Embedded designs involve the collection of both quantitative and qualitative data, concurrently or sequentially, with either one or both playing a supporting role (Creswell and Clark, 2011). There are three variants of embedded designs (embedded experimental, embedded correlational and embedded methodology) where one of, or both, qualitative and quantitative data play a supportive role (Harrison, 2013).

This study adopts a mixed methods design that has aspects of the convergent parallel design as it separately analyses each type of data, then merges some aspects of the qualitative and quantitative findings to examine influences on reporting. However, it also draws on the embedded methodology design as it uses both to understand the perception of voluntary social reporting and to identify the influences on the reporting practice. The study begins with qualitative analysis through conducting interviews in order to understand the rationales behind reporting on community activities. This allows the researcher to build a theoretical foundation for this phenomenon, particularly where existing literature in this part of the world is scarce. This is followed by the quantitative analysis to identify the influential factors on the reporting practice and finally seeks to examine any relationships between the perceptions and the practice.

This study uses primary data, via ‘interviews’, for the qualitative analysis, while secondary data is collected for quantitative statistical analysis. The primary data is based on conducting interviews with CSR managers in a number of listed firms from one country from the GCC countries (i.e. Saudi Arabia). The secondary data is based on information that is publicly available online through corporate annual reports and stand-alone reports, for all GCC countries, see Figure 4-1. The primary data collection and analysis is discussed first under section 4.6, and secondary data collection and analysis is explained in section 4.7.

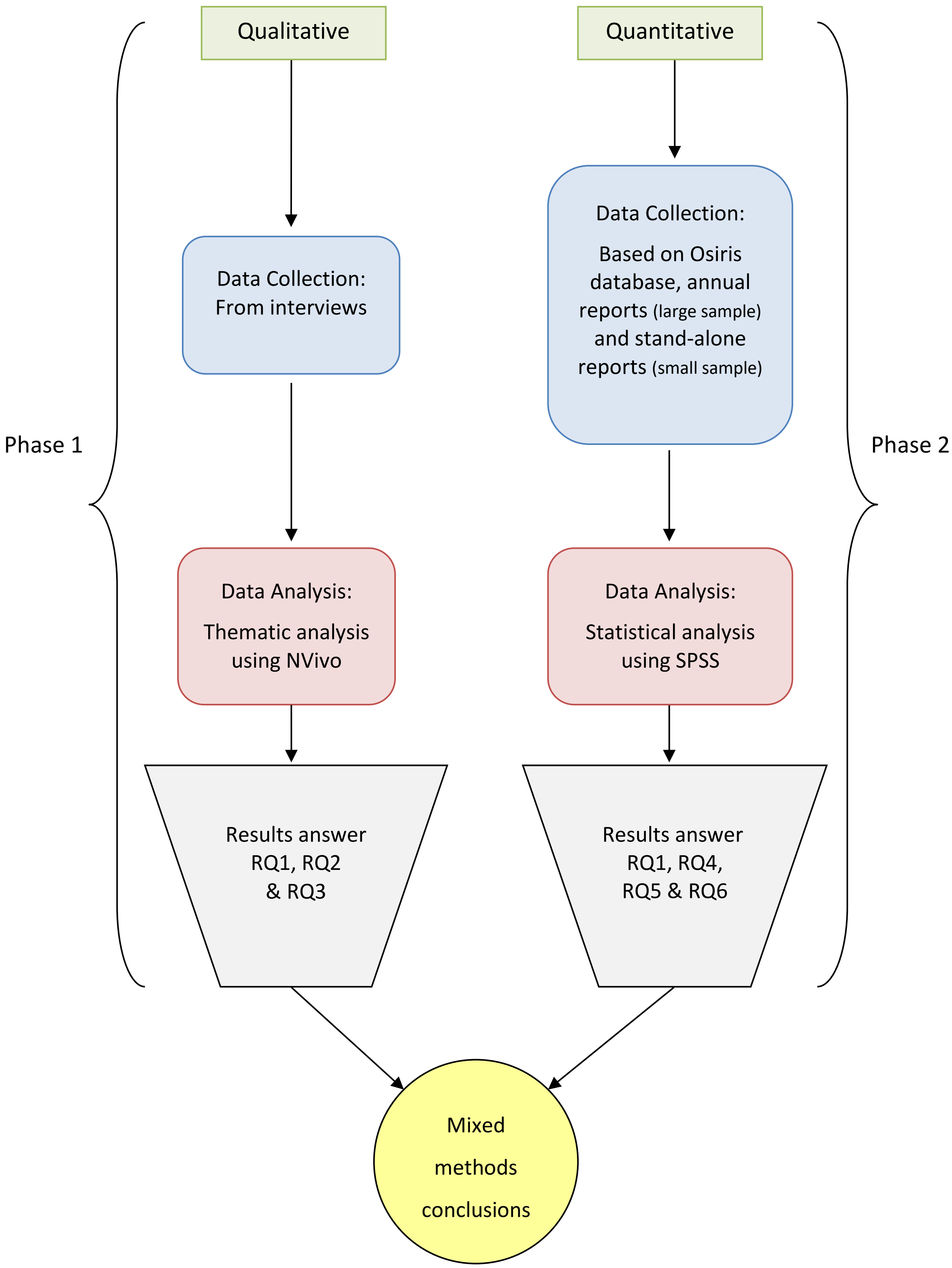


Figure 4-1: The process of research methodology of the study

4.5 Sampling strategy

4.5.1 Sampling for phase 1 – Qualitative

A purposive sample strategy was used to select the interview participants. Initially, the researcher approached the top 15 firms from the Saudi stock market which have CSR information in their public annual reports. The targeted firms were selected from various industries, (seven out of fifteen different industries were represented) in order to avoid bias in the results, and to provide a reasonable overview of the population. The final sample comprises ten firms, as presented in Table 4-6 in section 4.6.3.

Initially, it was expected to conduct between three and five 'in-depth' interviews with managers who are dealing with CSR activities whether directly or indirectly in large firms. This choice of sample size was based on previous studies in the same country, as it is recognised that access is difficult to gain in the Middle East. This study targets firms that report about their CSR activities in their public reports (i.e. annual report or stand-alone report) in the English language. This because it is the international business language and to avoid translation bias (Alon et al., 2010).

In order to obtain the final sample for interviews, all firms' contact details (i.e. email, telephone number and fax number) were reviewed and collected from their official internet website for communication. To start with, the letter of introduction, an information sheet and a consent form were sent to selected firms by email using the researcher's official student email address (Appendix 2). The email targeted the Chief Executive Officer (CEO) of each firm in order to obtain his or her permission for potential managers to participate. Due to cultural sensitivities in the county, this practice gives the potential participant more confidence in taking part in the interview. However, this method of contact was not as successful as hoped, which led to the alternative method of obtaining a letter of introduction from the Saudi

Arabian Cultural Mission (SACM)[15] to facilitate the process and to increase the chance of acceptance. As no replies were received using only email as a contact method a second, follow up contact was made using a fax machine. The same documents were sent by fax including the letter of introduction from SACM to all selected firms. After a few weeks, one firm replied by email that the invitation had been accepted and assigned a potential interviewee for the study. Further follow up was made using telephone calls and personal visits to firms' headquarters.

After this follow up, 10 firms out of the 15 approached provided their acceptance within a period of two months. The remaining three firms were excluded from the final sample. Although this is a greater number of interviews than was originally planned, it was decided to interview all 10 as the opportunity for this level of access in the Middle East allowed the study to make a significant contribution by obtaining a broader range of perceptions. One of the three excluded firms did indicate they would participate but it was subsequently determined that its participation would not add to the study because the firm has just engaged in CSR and has no history of doing so.

A small sample size of 10 firms is valid for qualitative research, such as in interviews, where theoretical saturation is achieved as was the case in this study (Trotter, 2012; Marshall et al., 2013). Some interesting issues were observed during the communication process. Even though documents were sent via fax machine, some firms requested a soft copy of the documentation to be sent again to a particular email address. It is interesting to note that the fax machine is more efficient than emails for initial contact in this context and this has implications for further research in the region. It is particularly surprising that email did not elicit responses, even when supported by an official letter from a Saudi government organisation (i.e. Saudi Arabian Cultural Mission). This substantiates the view that conducting

[15] A Saudi government organisation that is responsible for all Saudi students in Australia.

interviews for research purposes in Saudi Arabia, and perhaps in some other GCC countries, is a challenge for researchers.

4.5.2 Sampling for phase 2 – Quantitative

Panel data is one of the primary data sources, including cross sectional and time series, in statistical analysis (Baltagi, 2008). Panel or longitudinal data comprises data for multiple entities at two or more time periods (Park, 2011). Since the main objective of this study is to examine six countries, and it covers a period of four years, it is considered the most appropriate data set for this study.

In order to provide a comprehensive view of corporate community involvement from a reporting perspective, the entire population of firms listed on the GCC stock markets was reviewed (see Table 4-2 below). The process of the review and investigation commenced in March 2014 and was accomplished by June 2014. Each country has one stock market except the United Arab Emirates, which has two main stock markets. This results in seven stock markets, which were reviewed for the purpose of the study using the official website of each market[16].

Table 4-2: Total population of firms listed in each of the GCC stock markets

	Stock Market	Country	Total Population*
1	Bahrain Bourse	Bahrain	48
2	Kuwait Stock Exchange	Kuwait	207
3	Muscat Securities Market	Oman	123
4	Qatar Exchange	Qatar	43
5	Tadawul	Saudi Arabia	163
6	Dubai Financial Market	United Arab Emirates	66
7	Abu Dhabi Securities Exchange	United Arab Emirates	67
	Total		**717**

* This includes all firms listed in the stock market regardless of their status, active or suspended

[16] See Appendix 12 for further information

The review process of all GCC stock markets resulted in 717 listed firms as the sampling frame. Since there is no comprehensive database that includes the entire population of the GCC listed firms with full information and corporate reports, each listed firm was reviewed individually based on its official corporate internet website. This was also necessary because firms do not publish their full corporate reports on the stock market website. At first, each listed firm in each stock market was reviewed in order to download the relevant corporate annual report and other stand-alone reports (i.e. CSR report and/or sustainability report). In a few circumstances, annual reports were not found directly from the firm's website but found via an additional search using 'Google'. Stand-alone reports, such as CSR reports and sustainability reports, were obtained from the firm's official website as well as from the official website of the Global Reporting Initiative (GRI) organisation[17], which has a database that contains a copy of firms' stand-alone published reports if they are signed up to the GRI. In order to achieve the study objectives, and to obtain an appropriate sample, a number of criteria were established and employed as follows:

1. A firm must be listed on a stock market; and
2. A firm must produce a public annual report in English; and
3. A firm must produce annual reports that cover the period of the study, which comprises the four financial years: 2010, 2011, 2012 and 2013.

In addition, for comparison purposes, stand-alone reports were included in the sample only if the firm also published an annual report. Otherwise, the stand-alone reports were disregarded.

[17] The Global Reporting Initiative (GRI) is a leading organization that promotes sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development.

Firms that do not fulfil the criteria stated above were excluded from the final sample. For example, any firm that published an annual report but missed one year or more of the study period was excluded. Any firm that published an annual report in Arabic without an English version for one year or more was excluded. Any firm that published a CSR report and/or sustainability report but does not publish an annual report was excluded. Finally, any firm that published only financial statements was also excluded. There were 545 out of 717 firms that did not fulfil the selection criteria stated above and hence they were excluded from the final sample, resulting a final sample of 172 firms. Table 4-3 below shows a summary of the data collection process of the final usable sample employed for the analysis.

Table 4-3: Sampling summary

Country	Total population of listed firms	Excluded firms◊	Final Sample	
Bahrain	48	24	24	50%
Kuwait	207	157	50	24%
Oman	123	105	18	15%
Qatar	43	22	21	49%
Saudi Arabia	163	139	24	15%
United Arab Emirates∗	133	98	35	26%
Total	**717**	**545**	**172**	**24%**

∗ This country has two stock markets
◊ A firm excluded if it does not fulfil the selection criteria, and if it is listed in a secondary stock market

In reviewing the CSRR literature on in the Arabian gulf region, it can be seen that when examining voluntary reporting a number of authors have focused their studies only on financial institutions (Haniffa and Hudaib, 2007; Aribi and Gao, 2010; Hassan and Sofyan, 2010; Farook et al., 2011; Umaru Mustapha et al., 2011; Aribi and Gao, 2012). Some authors excluded financial institutions from their study, such as Alsaeed (2006), Naser and Hassan (2013) and (Al-Shammari, 2013), because financial firms have different operations and reporting characteristics compared with non-financial firms. Other authors included both financial and non-financial firms in their studies, such as Kamla (2007) who studied social reporting practices among Arab countries in the Middle East, Naser et al. (2006), AlNaimi et al. (2012) who examined the extent of corporate social reporting among Qatari listed firms, and Al-Janadi et al. (2013) who investigated the impact of corporate governance mechanisms on corporate voluntary reporting in Saudi Arabia. Following the majority of studies, this study includes both financial and non-financial firms as it aims to investigate whether community reporting is affected by firm characteristics, including industry sector.

4.5.2.1 The pilot sample

Testing the coding procedures is essential in the content analysis process (Weber, 1990). Details of the content analysis technique used will be discussed in section 4.7. The purpose of conducting pilot studies is to the test the designed decision rules (Table 4-8) and themes outlined (Table 4-7) in section 4.7.3 below. The sample firms for the pilot studies were taken from the firms that did not fulfil all of the selection criteria of the main sample. The firms in the pilot sample are those which report on their CSR activities in the annual reports but were excluded from the main sample as they did not produce a report in all four years. Two samples were selected for the purpose of pilot testing. The first sample comprises a random selection of 13 annual reports for year 2012 (pilot study 1), as shown in Table 4-4 below. The second sample comprises a further 14 annual reports for year 2011 and 2013 (pilot study 2), see the full Table in Appendix 3. Details of the pilot testing can be found in section 4.7.6.

Table 4-4: Firms included in pilot study 1

Firm	Industry
Bahrain	
1. Bahrain Flour Mills Co.	Industrial
Kuwait	
2. National Mobile Telecommunications Co.	Telecommunications
Oman	
3. Renaissance Services (Rnss)	Diversified Commercial Services
4. Salalah Port Services (Spsi)	Logistics
Qatar	
5. Ind. Manf. Co. - (QIMD)	Industrials
6. National Leasing - (NLCS)	Banks & Financial Services
7. Electricity and Water - (QEWS)	Industrials

Firm	Industry
Saudi Arabia	
8. The Company for Cooperative Insurance	Insurance
9. Mobile Telecommunications Company	Telecommunication & IT
10. Bank Albilad	Banks & Financial Services
11. Saudia Dairy and Foodstuff .Co	Agriculture & Food Industries
12. Yamama Cement Company	Cement
Abu-Dhabi	
13. Emirates Insurance Co.	Insurance
Total: 13 firms	

* Full table is provided in Appendix 3

4.6 Research methods: Phase 1 – Qualitative

The first phase of this study is to collect primary data in order to answer the secondary research questions RQ1, RQ2 and RQ3. The data is collected from a sample of listed firms in the GCC countries. As noted earlier, one of the main objectives of this study is to find out the reasons behind voluntary social reporting on community activities. This will help the researcher to establish an appropriate theoretical foundation underlying this emerging phenomenon. The validity of this phase's findings will be expanded to other GCC country by the quantitative analysis conducted in the second phase.

The study examines one country in the GCC as a particular case, in order to gain a detailed insight into the influences and motivations behind CSRR. Saudi Arabia is chosen for two reasons. First, the Saudi market is the largest in the region by capitalisation (Hammoudeh and Li, 2008; Mohanty et al., 2011; Arouri, 2012). Second, this country was selected due to the ease of accessibility by the researcher compared to other GCC countries. Yin (2014) asserts that case studies are more relevant when seeking and explaining 'why' and 'how' some social phenomenon occurs. It is also more relevant when conducting an in-depth description of a contemporary phenomenon and in a real life context, particularly when it is beyond the researcher's control (Yin, 2014). These qualifications are representative for one of the research objectives. Therefore, examining the case of Saudi Arabia through interviews is considered as appropriate in this study.

The research objective being considered using the qualitative analysis is to find out the reasons or motivations behind CSRR in general. It is difficult to find the reasons or motivations for such voluntary reporting based on secondary data analysis only. Thus, interviews are conducted with CSR managers in order to uncover corporate motivations to report voluntary information on their social and environmental activities.

The aim of the interviews is to gain deep insights of general CSR perceptions, the reasons behind being a socially responsible firm and to gain a clear understanding of their perception of the influences on CSRR. Previous literature has shown that no pressure exists for reporting in the Middle East generally, or in Saudi Arabia in particular as noted earlier (Visser, 2008; Emtairah et al., 2009), yet, firms are involved in CSR activities and report information in their public reports. Thus, these interviews fill the gap that exists in the current literature in relation to explaining this emerging trend.

4.6.1 Ethics consideration

Most qualitative research requires interaction with human beings in order to obtain primary data, and this makes ethical issues more important and critical. The purpose of ethical approval/consideration is to protect all parties that are involved in the research project (Cameron and Price, 2009). This includes the researcher, the supervisors, the participants and the academic institutions in which the research is undertaken (Cameron and Price, 2009). The researcher's moral integrity is vital for ensuring the trustworthiness and validity of the research findings (Hesse-Biber and Leavy, 2011). Ethical approval for this study was sought from the Social and Behavioural Research Ethics Committee of Flinders University. An initial approval was obtained subject to a number of minor modifications, which were made and then approved by the committee. The final approval was granted on 29 August 2014. The researcher conducted the study with honesty, dignity and confidentiality. Anonymity is an essential element in qualitative research (Munhall, 1988), so to ensure confidentiality and anonymity, all participants were told that all information provided would be treated in the strictest of confidence, and any information related to their identity would not be identifiable in the resulting thesis or any other potential publications.

The researcher carefully and thoroughly explained the confidentiality issues to all participants as stated in the information sheet and consent form (see Appendix 2 for copies). As mentioned above, all participants were told that the participation is entirely voluntary and they can withdraw from the study without any consequences, to ensure that all participants are free from pressure. The participants were also informed that their names and any other personal identification will be kept anonymous, and all information will be used for academic purposes only. This study did not use any information that may harm or disadvantage any participant. In addition, no personal [or work place] identifiers are disclosed in this thesis. The names of all firms which participated in this study were removed from the reported results. Finally, all data collected during the study are available for access to the researcher and supervisors only. According to Flinders University's regulations, once the research project is completed all data will be kept in a secure place for a minimum of five years.

4.6.2 Interview questions

Based on previous literature on CSR and corporate community involvement, an initial draft of the interview questions was designed. The interview questions were developed further after some consultations with the researcher's supervisors and colleagues to ensure the design was appropriate. The final draft of the interview schedule contains seventeen open-ended questions, beginning with broad questions about CSR and ending with specific questions about community involvement activities. These questions are grouped into several categories (Table 4-5). The purpose of developing these categories is to ensure consistency of the questions between interviews (Momin, 2006). A full list of the interview questions is provided in Appendix 4.

Table 4-5: Summary of interview questions' categories

Question Category	Related Question(s)
General perceptions of CSR	1, 2, and 3
Common CSR and community activities	4 and 5
Rationales behind being a socially responsible firm	6 and 7
Issues around voluntary reporting including rationales behind community reporting	8, 9, 10, 11, 12, and 13
Corporate income and CSR activities	14 and 15
Potential risks for not involving in the community	16
Additional information	17

4.6.3 Interview method

The interviews were conducted between February and April 2015. All interviews were conducted in the firms' premises, and all were face-to-face. Not all of the interviews were recorded as four interviewees declined to allow this, but the other six interviews were recorded using a digital voice recorder. For the remaining interviews, detailed notes were taken both during and after the interview. The duration of the interviews ranged from thirty minutes to one hour and 45 minutes. This interview was outstanding in terms of its content and the interviewee's knowledge and understanding of the subject under discussion. The average length of all interviews is 52.5 minutes per interview. A summary of the interviews is presented in Table 4-6.

Table 4-6: Summary of interviews

Interview order	Industry sector	Interviewee position	Interviewee gender	Length of the interview	The language used	Recorded Y/N
1	Telecom	CSR Director	M	0.45 hr	A	N
2	Mining	Senior Specialist, Sustainability	M	1.45 hr	E	Y
3	Financial	Head of Community Service Department	M	0.40 hr	A	Y
4	Financial	Community Service Manager	M	0.30 hr	A	Y

Interview order	Industry sector	Interviewee position	Interviewee gender	Length of the interview	The language used	Recorded Y/N
5	Food	Public Relations Manager	M	0.42 hr	E	Y
6	Petrochemical	Director of CSR Programs, Corporate Communication	M	0.30 hr	A	N
7	Financial	Manager of Advertising & Media, Relations Department	M	1.22 hr	A	Y
8	Utility	Staff at Public Relations	M	1.06 hr	E	Y
9	Food	Project Manager of CSR	M	0.35 hr	A	N
10	Insurance	Senior Officer, CSR	F	0.50 hr	E	N

Before commencing each interview, the information sheet was reviewed with the interviewee to ensure that the interviewee fully understood the objectives of the study. In addition, it was stressed that participation is entirely voluntary and the respondent has the right to not answer questions or even withdraw from the interview. Furthermore, it was also explained that no risks or harm are expected from the interviewee's participation. These explanations took a few minutes before starting the questions. The intention of doing this was to break down any barrier between the interviewee and the researcher. In addition, it aimed to provide the interviewee with a comfortable atmosphere during the interview and assure them there were no hidden objectives.

As the researcher is a native Arabic speaker but also fluent in English, the interviewees were given their choice of preference in relation to the language of the conversation. The first language of all interviewees is not English, even though some English terms are used during the interviews even if conducted in Arabic. The language of the interviews was mainly Arabic except for two interviews which were in English according to the interviewees' preference.

All interviews were conducted with one person (a manager) except one interview which was with two people (a manager and a staff member). It is worth mentioning that during that interview there was some inconsistency between what was said by the staff member and what was said by the manager. The different view between them was about how the firm sees CSR. This issue, however, does not impact on the findings as both views are reported as part of the rationales behind community involvement and social reporting. Such a difference might occur due to lack of organisational structure or issues related to decision-making process (Uyan-Atay, 2012), which is out of the scope of this study, but further research on how CSR perceptions permeate organisations in the region would be valuable.

All participants were offered a copy of the interview transcript, only two participants accepted the offer to review and check their responses. The remaining declined the offer.
All interviews were transcribed and translated into English by the researcher. Both transcriptions (i.e. English and Arabic) were reviewed by the researcher for reliability and accuracy.

4.6.4 Qualitative data analysis

Researchers use different approaches to analyse qualitative data. These methods can be grouped into either deductive or inductive. The process of deductive and inductive thinking describes the relationship between theory and research (Creswell, 2014; Bryman and Bell, 2016). The aim of the deductive approach is to test, confirm or disconfirm a theory or hypothesis (Creswell, 2014). Thus, the starting point according to this view is the theory. Researchers adopting this approach look at the findings through a theoretical lens. Quantitative research commonly adopts this approach to analysis, where the researcher deduces the findings based on the theory (Creswell, 2008; Creswell, 2014).

An inductive approach, on the other hand, takes a different view of the analysis. The theory is derived from the findings or observations (Cameron and Price, 2009; Bryman and Bell, 2016). This includes either developing a new theory or selecting an existing theory. Hence, the study findings are the beginning of this approach, which guide the researcher to a particular concept or theory. This process is more associated with qualitative research (Creswell, 2014; Bryman and Bell, 2016). Researchers use different methods for analysing qualitative data, but thematic analysis is one of the major data analysis methods used (Grbich, 2013). Under the inductive process, the researcher identifies patterns, themes and categories from the data (Creswell, 2008).

The aim of the interviews in this study is to uncover the rationales behind community involvement activities, including the actual involvement and reporting aspects. Given that this study is the first study in Saudi Arabia that addresses this issue, the researcher believes it is vital to understand the business view without predeterminations in mind. Therefore, instead of testing a theory, this study attempts to identify the most relevant theory or theories that explain voluntary social reporting in the GCC countries context. Thus, this study adopts an inductive approach, where interview findings are used as a basis for the analysis. This enables the researcher to build various themes and categories from the data itself. Such an approach provides more useful insights about the phenomenon. Accordingly, this helps in selecting the most relevant theories that can explain the phenomenon in this particular context. The researcher undertook the following steps for the analysis, based on O'Dwyer (2008):

Data Reduction:

1. Read transcripts in order to gain an overall understanding.
2. Highlighted major themes related to the research questions.
3. Identified key points and issues from the themes.
4. Removed non-relevant data.

Data Interpretation:

5. Summarised the data into main and sub themes using mind maps and matrices.
6. Reflected, reviewed and refined the outcomes from step five, identifying connections and patterns.
7. Wrote descriptions and interpretations of each theme to produce the final version of the results.

Even though qualitative data analysis begins with an inductive process, the deductive approach can take place later during the process (Creswell, 2014). For example, the researcher can search for certain information that is related to the concepts and themes which have been established earlier. In this regard, at the end of analysing the qualitative data, the researcher came up with relevant concepts and theories that might be used in analysing the quantitative data. The next section describes the methods used to analyse the quantitative data.

4.7 Research methods: Phase 2 – Quantitative

The second phase of this study involves quantitative data collection and analysis. The aim of this phase is to conduct statistical analyses in order to test the hypotheses developed in Chapter 2. It is also aims to answer the secondary research questions Q4, Q5, and Q6. The quantitative data is collected from secondary sources based on two stages. First, content analysis is used to collect data from firms' annual reports and stand-alone reports. This stage provides data for the dependent variable, which is the volume of CCI reporting and its sub-categories. Second, the data on dependent variables is collected from online databases as well as from annual reports.

4.7.1 Content analysis

Content analysis as a data collection method that has been used in numerous corporate reporting studies and more specifically on voluntary reporting including social and environmental reporting (Ernst & Ernst, 1978; Abbott and Monsen, 1979, p. 504; Zeghal and Ahmed, 1990; Gray et al., 1995a; Deegan and Rankin, 1996; Milne and Adler, 1999; Unerman, 2000; Guthrie et al., 2004; Gao et al., 2005). There are different definitions of content analysis found in the literature. These definitions have changed and evolved over time due to the development of the technique, the application of the tools and the type of materials under examination (Holsti, 1969). Weber (1990, p. 9) defines content analysis as "a research methodology that utilizes a set of procedures to make valid inferences from text". It is also defined as "any technique for making inferences by objectively and systematically identifying specified characteristics of messages" (Holsti, 1969, p. 14). According to Carey (1992), there are several purposes of content analysis. The first and basic purpose is to describe some aspects of the sample materials. Testing specific hypotheses and facilitating the process of drawing inferences are also major purposes of content analysis (Carey, 1992). In addition, Weber (1990, p. 9) points out several purposes, which were adapted from Berelson (1952), for using content analysis. Some of these are in line with the purpose of this study. First, to compare media or levels of communication. This study aims to examine the level of reporting about community activities in two different corporate media. Second, to reflect cultural patterns of institutions. This study seeks to identify any particular patterns of reporting about community activities by listed firms. Third, to reveal the focus of institutional attention. This study aims to reveal whether listed firms focus on any specific community activity in their communication with their stakeholders.

Since content analysis has been widely employed by various researchers in the area of social and environmental reporting, it shows the acceptance of this method in this area of study. Holsti (1969, p. 15) argued that it is more appropriate to use content analysis when at least three problems exist in the research. First, when data accessibility is limited to documentary evidence. Second, when a researcher cannot have direct access to the data due to distance and time. Third, when the subject is considered as part of history and the research can only be conducted through written documents. Furthermore, when the researcher does not have the ability to examine the whole population of documents such as newspapers, magazine literature, etc., it is helpful to use content analysis for a sample of selected documents (Holsti, 1969, p. 17). As all these conditions exist in this research, it is therefore appropriate to use content analysis as a method in this study to investigate community reporting practices by GCC listed firms.

Although content analysis is generally applied manually, as observed by the majority of previous studies, (Carey, 1992), more recently studies have begun to use electronic software packages to extract written information from documents with a higher level of accuracy and reliability (Chen and Bouvain, 2009; Tate et al., 2010). This study employs content analysis using the electronic software package called 'NVivo'[18] to review and extract information from

[18] NVivo is a qualitative data analysis software package produced by QSL International. It is designed to support qualitative and mixed methods research, see: http://www.qsrinternational.com/what-is-nvivo

annual reports and stand-alone reports. This software is used to minimise human errors to the lowest level. Thus, the inferences in this study are more likely to be reliable and the risks associated with subjectivity are reduced.

4.7.2 Media selection for community reporting

Firms use various media to report information and discharge their accountability about their non-financial (i.e. social and environmental) activities to stakeholders (Zeghal and Ahmed, 1990; Gray et al., 1995b). For example, firms can report about their social activities in annual reports, magazines, advertisements, corporate websites, quarterly reports, CSR reports, employee reports and press releases (Zeghal and Ahmed, 1990; Abu Sufian, 2012). The majority of previous studies on CSRR, however, focus extensively on corporate annual reports for their analysis (Abbott and Monsen, 1979; Hackston and Milne, 1996; Campbell et al., 2006; Abu Sufian, 2012). Authors have provided various justifications for selecting the annual report as a primary document for analysing CSRR. The annual report is a statutory document and produced on a regular basis, it is also used to represent firms' social imagery (Hines, 1988). Tilt (1994) found that the annual report is the most acceptable form of social reporting as it has a high degree of credibility by stakeholders. In addition, Guthrie and Parker (1989) claim that using the annual report is important for comparison purposes, it allows researchers to compare results over time and with other studies' findings. While media other than the annual report are now being studied in developed countries, there is justification for focussing on annual reports in developing countries. Firms in developing countries, including the Middle East, still use the annual report as a main document for voluntary and CSRR (Naser et al., 2006) and it has been used in studies in these countries (Alsaeed, 2006; Aljifri, 2008; AlNaimi et al., 2012; Naser and Hassan, 2013). Most importantly, it has been found that the majority of corporate stakeholders in the GCC countries consider the annual report a primary source of information (Al-Razeen and Karbhari, 2004c; Naser et al., 2006; Alattar and Al-Khater, 2007). Therefore, the annual report in this study is considered as a primary document for analysing CCI reporting in GCC countries.

However, it has been pointed out that analysing only annual reports for CSRR does not provide a full picture of corporate social activities (Zeghal and Ahmed, 1990). Focusing on one source of communication media can provide misleading conclusions (Zeghal and Ahmed, 1990). In line with this view Unerman (2000, p. 674) stated that "studies which only examine annual reports risk underestimating the volume of CSR companies engage in". Accordingly, analysing more than one document may provide valuable findings and may show greater insights on a particular issue. Therefore, this study uses stand-alone CSR reports as a secondary document for comparison purposes to demonstrate whether the volume of CCI reporting differs between annual reports and stand-alone reports. Furthermore, this study uses stand-alone reports because, as mentioned in Chapter 1, the majority of previous studies which examine voluntary reporting, including social reporting in the GCC countries, have mainly focused on the annual reports and have not considered other media for corporate reporting.

Moreover, it has been observed that firms in the GCC countries have started to follow developed countries and also report social and environmental information in separate reports. Publishing separate stand-alone reports among firms in the gulf region has emerged since 2007 (Visser, 2008). It is believed that this phenomenon may affect the quantity of information reported in the annual reports (Hassan, 2010).I It has been argued that other media for corporate reporting in the GCC countries are expected to include little information about firms' practices (Naser et al., 2006). However, Danastas and Gadenne (2006) found that CSR information in annual reports diminishes as a result of the presence of CSR information in stand-alone reports and corporate websites. Thus, it is possible that there could be some changes in the reporting practices in the GCC countries because of this emerging phenomenon. These issues motivate this study to investigate how firms report on community reporting in stand-alone reports along with standard corporate annual reports. The nature of this investigation makes a valuable contribution to the current literature because it is one of the first studies to conduct such a comparison in the Middle East, particularly in the GCC region.

4.7.3 Categorisation: Community involvement themes and decision rules

The community involvement themes used in this thesis were developed based on previous literature as discussed in Chapter 2. Following the suggestions of Milne and Adler (1999) and Guthrie et al. (2004), the theme classifications and decision rules for coding were pilot tested several times. Well specified and tested themes and decision rules increase reliability and help reach a valid result (see section 4.7.6 for an overview of the coding process used in the pilot studies). Table 4-7 presents the final themes used for the content analysis, and Table 4-8 presents the final rules for coding developed as a result of repeated applications on several annual reports in the pilot testing phase. See Appendix 5 for full details.

Table 4-7: Themes of corporate community involvement in annual reports

	Description of Reporting Themes on Community Involvement Activities
1	**Philanthropy** • Donations of cash, products or services to charitable organisations; • Donations of cash, products or services to support any community activities, events, organisations, education and the arts; • Donations paid by employees, customers or shareholders to support any community organisations.
2	**Volunteering** • Employee involvement of time to support any community activities, events, organisations, education, sports and the arts.
3	**Sponsorship** • Sponsoring social or community activities; • Sponsoring public health projects; • Sponsoring scholarships for students, educational conferences, seminars or art exhibits; • Sponsoring sports or recreational projects; • Sponsoring national pride/government campaigns.
4	**Partnership** • Establishing partnerships with government and/or none government organisations for social and community development; • Establishing partnerships with private sector for social and community development.
5	**Other community activities** • Supporting the local community in any type of involvement that does not fit within any of the main types from 1 to 4 stated above; • Conducting community programmes for social and community development; • Conducting projects in poor areas;

- Emergency relief (e.g. natural disaster relief);
- Any community activities oriented to international communities;
- Conducting workshops, training courses, etc. to students who are not employees in the firm;
- Supporting animal welfare organisations.

6 **General Statement**

- If a statement is related to social responsibility in general and includes or refers to community;
- If more than one type of community involvement is mentioned in a single statement.

Source: Adapted from (Hackston & Milne, 1996; Gray et al., 1995b; 2012; Yekini, 2012)

Table 4-8: Decision rules for coding

Decision Rules for Volume of Community Reporting in Annual Reports
<u>Definition of Community Involvement Reporting:</u> A word count of any statement mentions any item of community activities within the themes listed in Table 4-7 above. **Other inclusions** 1. All community involvement themes stated in Table 4-7 above are to be included no matter how much they are repeated. 2. If any statement has more than one classification, the statement should be classified as general statement. 3. Any statement or a sentence that its meaning related to community involvement in the context of this thesis. 4. All reporting must be specifically stated, they cannot be implied. 5. Any introductory statement or sentence of any community activity is included and classified to that particular community activity. 6. Any statement or a sentence that does not include specific keywords of community issues, but it is directly related to former or latter statement on community involvement context. 7. Sub-headings that are related to community activities in particular. 8. Any information related to CCI presented in tables. **Other exclusions** 1. Any statement or sentence that is related to social responsibility and does not include any community issues. 2. Any statement or sentence about social responsibility that is related to firm's employees. 3. Any statement or sentence about social responsibility that is related to mandatory reporting or compulsory by law. 4. Any word or statement related to social responsibility from financial statements and their associated amounts. 5. Any word or statement related to community activities from financial statement and their associated amounts. 6. Any statement or sentence related to product or service quality as community contribution. 7. Main headings about corporate social responsibility. 8. All pictures and its captions.

Source: Adapted from (Hackston & Milne, 1996; Gray et al., 1995b; 2012; Yekini, 2012)

In other studies, location and type of reporting evidence (e.g. monetary quantification, non-monetary quantification, declaration) and nature (i.e. good news/bad news) have been included (Hackston and Milne, 1996; Azim et al., 2009). However, these issues do not have relevance for the research questions in this study. The location of information has not been found to be an important concern for users in GCC countries (Al-Khatar and Naser, 2003). In addition, this study is an exploratory analysis of the themes of community involvement to understand what and why firms in the GCC countries are involved in community activities.

4.7.4 Unit of analysis

Identifying a unit of analysis is a key issue in the content analysis process. Choosing a unit of analysis is a contested issue among researchers in the CSRR literature (Gray et al., 1995b). Some early studies in CSRR used the simple presence and absence of particular information as the unit of analysis (Guthrie and Mathews, 1985), but this does not provide the degree of emphasis needed on the particular subject being analysed (Zeghal and Ahmed, 1990). Later, studies used different units of analysis in examining corporate written communication, including word count (Campbell et al., 2006), sentence count (Hackston and Milne, 1996), paragraph count (Coupland, 2006), and page count (Cowen et al., 1987; Guthrie and Parker, 1989; Guthrie and Parker, 1990).

Using proportion of pages is preferred when the purpose of the analysis is to determine the total space given to a particular subject (Gray et al., 1995b). Unerman (2000) points that this captures more than just narrative CSR information to include other forms such as photographs and charts which can be powerful tools of communication. This unit is criticised by Ng (1985 cited in Hackston and Milne, 1996) as print sizes, column sizes and page sizes may differ from one annual report to another. Therefore, it is suggested by a number of authors that other units, such as sentences or words, overcome this issue (Hackston and Milne, 1996; Milne and Adler, 1999). Using sentences is more appropriate than words because CSRR requires understanding of the meaning, which can be achieved by sentences (Gray et al., 1995b). In addition, using sentences is said to provide more accurate and reliable results (Tsang, 1998; Milne and Adler, 1999). However, many researchers have found that using words may provide more advantages. Word count provide a greater amount of detail because it is the smallest unit of analysis, and it can increase the robustness in assessing the quantity of reporting (Zeghal and Ahmed, 1990). In addition, Campbell (2004) states that it can provide fewer counting errors in measurement compared to other units of analysis. However, there are some limitations associated with using words, Hackston and Milne (1996) point out that using individual words leaves researchers unsure which words are related to CSR and which are not. Moreover, using word count provides no meaning without a sentence or sentences in a context (Milne and Adler, 1999). Therefore, it may negatively affect the level of reliability of the results (Milne and Adler, 1999). The above discussion shows that each of these units of analysis has pros and cons (Campbell, 2004), and the final choice depends on the purpose of the analysis Gray et al. (1995b).

The process of content analysis requires both coding of themes and measuring of quantity. It is important to distinguish between these two separate issues. Hackston and Milne (1996) distinguish between using a unit of analysis for coding and one for measuring the amount of reporting. It is argued that "using sentences for both coding and measurement seems likely, therefore, to provide complete, reliable and meaningful data for further analysis" (Milne and Adler, 1999, p. 243). Nevertheless, the majority of CSRR studies do not use the same unit of analysis for both coding and counting (Milne and Adler, 1999). This study uses sentences as a unit of analysis for coding following Milne and Adler's view, while words are used for measurement (counting). The word count is adopted in order to accurately measure the volume of information devoted to community involvement activities as recommended by Krippendorff (1980), and following the view adopted by Campbell et al. (2006) which demonstrates that words represent the level of importance given to each theme of community activity.

4.7.5 Reliability and validity

There are two fundamental issues related to content analysis that must be considered when collecting and analysing data. These issues are 'reliability' and 'validity', which are essential to ensure that the drawn inferences are valid and meaningful (Holsti, 1969; Krippendorff, 1980; Weber, 1990).

Reliability is highly associated with the process and people who are involved in the analysis (Krippendorff, 1980), it arises due to the ambiguity of the meaning of words or the ambiguity of category definitions or coding rules (Weber, 1990). Therefore, it has been suggested that using multiple coders as well as computer software can prove helpful in overcoming this problem (Weber, 1990). Furthermore, Weber (1990) explains three types of reliability: stability, reproducibility and accuracy. Stability is achieved when similar results are achieved many times over by the same coder at different points in time. Reproducibility means the same results are achieved from the same coded text by more than one coder. Accuracy refers to the extent to which the category of text corresponds to a standard or norm. When different coders reach similar results, it indicates that reliability is fulfilled, however when reliability is achieved, it does not mean that the research findings are necessarily valid, which is a separate issue (Krippendorff, 1980). Holsti (1969, p. 142) defines validity as "the extent to which an instrument is measuring what it intended to measure". Data analysis and inferences are valid when the findings can be generalised (Weber, 1990, p. 18).

According to Holsti (1969, p. 5) content analysis is "the application of scientific methods to documentary evidence" and it reveals three key characteristics: "objectivity", "systematic" and "generality". Objectivity means the existence of formulated rules in every stage of the research process. Systematic means consistent rules should be applied for the categorising stage. These are both enhanced through the use of electronic coding software. Generality implies interpretation of the results of the analysis based upon a theoretical framework in order to make a valid conclusion (Holsti, 1969, pp. 3-5). The next section describes the process undertaken in this study to ensure reliability and validity.

4.7.6 Pilot testing and coding instrument

This study adopts the coding process designed by Weber (1990, pp.21-24). The process of coding comprises the following steps:

1. Define the recording units (section 4.7.4, unit of analysis)
2. Define the categories (section 4.7.3)
3. Test coding on sample of text (Pilot studies)
4. Assess accuracy or reliability of the coding (Multiple trials or Multiple coders)
5. Revise coding rules (See initial coding rules in Appendix 5 and Table 4-8 after revision)
6. Return to step 3
7. Code all the text
8. Assess achieved reliability and accuracy

Steps 1 and 2 are described above in sections 4.7.4 and 4.7.3. An instrument was developed based on categories that were used in prior studies, but mainly focusing on the community involvement theme. The instrument was then tested in two pilot studies on a sample of annual reports, as mentioned earlier. In pilot study 1, the sample was coded using NVivo based on the original version of the coding instrument. A second trial of recoding, using the same sample, was conducted after one week, using the same instrument. This is to assess the reliability of the coding instrument. The results were compared and showed a high percentage of similarities (96%). Some minor amendments were made to the initial instrument, which was then used for the second pilot study. In pilot study 2, a revised version of the instrument was tested using a different sample of annual reports. Further amendments to the instrument were made to form a final version of the instrument as presented in Table 4-8 above [section 4.7.3].

Some examples of the amendments made due to the pilot tests are as follows: In relation to exclusion number 5 (Table 4-8), where words related to community activities provided in financial statements are excluded, the exclusion was because many statements are presented as pictures and the software was unable to code them. However, the information in these statements was minimal. In addition, all headings in the annual reports that are related to CSR are excluded because in many reports some headings were designed within pictures and in some cases the information under the main CSR heading does not include any community issues or activities. Excluding the main headings does not make significant difference to the word count. Therefore, it was decided to exclude them from the coding process. Similarly, words about general CSR which were reported in financial statements were initially included, but after the pilot testing were excluded because this information generally did not represent community issues. In relation to inclusion number 7, where sub-headings that are related to community activities are included, the following sub-headings: “Ramadan Contribution”, “Silver Sponsorship of LOYAC” and “NREC Blood Donation Drive”, for example are included in the coding as they clearly relate to community issues.

4.7.7 Limitations of content analysis

As with all methods, content analysis has some limitations which must be acknowledged. One limitation is that is requires some level of personal judgement, which may result in subjective inferences. In other words, it raises the issue of subjectivity, in which the same document can have different meanings to different users (Carney, 1972, p. 197). In order to minimise subjectivity in the content analysis process a rigorous instrument must be developed (Tilt, 2001). Accordingly, this study has taken two actions to overcome this issue. First, the instrument was pre-tested as outlined above. Second, the instrument is adapted from prior studies in a similar area of research, such as Hackston and Milne (1996), Tilt (2001), Yekini and Jallow (2012) and Yekini et al. (2016). In addition, using only content analysis may not enable researchers to determine the accurate intention of the communicator from the text under examination (Tilt, 1998). In order to overcome this problem this study uses mixed methods (qualitative and quantitative), in which content analysis complemented the data collected through interviews. This provides greater insights into understanding social reporting. By gaining better understanding it helps achieve more meaningful interpretation of the overall results. Even though there are a number of limitations with content analysis, it is still widely employed and accepted in the CSRR literature. Othman and Ameer (2009) summarise the research methods that have been used in previous CSR studies, and show that content analysis is the most common method employed.

4.7.8 Statistical analysis

There are a number of statistical analyses that can be used to analyse quantitative data. The most appropriate statistical tool depends on the nature of the data and on the purpose of the study (Oppenheim, 2000). The aim of the quantitative data analysis in this study is to identify the influential factors that have an impact on firms' reporting on community activities. The quantitative panel data is collected from seven stock markets across six countries and over a period of four years. The statistical software packages IBM SPSS Statistics[19] and STATA are used, and the specific techniques, methods and tests are explained next.

Regression analyses is a technique for measuring linear relationships between variables (Hair et al., 2015). Since this study attempts to examine the relationship between multiple independent variables and a single dependent variable, multiple panel regression analysis is deemed to be the most appropriate form of analyses to use. The regression analysis is employed in order to test the hypotheses outlined in Chapter 2.

Descriptive statistics are undertaken to provide basic information including mean, median, standard deviation and the minimum and maximum values of the data. Correlation analyses are used to identify whether any relationship exists between the variables, collinearity tests are used to ensure no correlation exists between the variables before running the empirical model. The descriptive statistics results and the results of all other tests are reported in Chapter 6.

4.7.8.1 Empirical model

As outlined earlier, the sample data in this study comprises listed firms from six different countries over a four-year period. This type of dataset is known as longitudinal or panel data, where it combines cross-sectional and time-series data. A panel, or longitudinal, dataset is a

[19] The original name of this software was Statistical Package for the Social Sciences (SPSS).

sample of multiple observations on particular individuals over a period of time (Hsiao, 2014). Econometric panel models have become the dominant method of analysing longitudinal data (Dougherty, 2007; Baltagi, 2008). Although there are some weaknesses to econometric panel methods, there are several advantages. In contrast to cross-sectional, panel data takes into account the time-effect of the phenomenon under examination. Cormier et al. (2005) pointed that if a regression model provides a picture for one period of time, panel data provides a sequence of pictures. In addition, using panel data produces more degrees of freedom and less collinearity between the explanatory variables, thus, providing more efficient econometric estimates (Baltagi, 2008; Hsiao, 2014). It also provides more reliable predictable individual (e.g. firm) behaviour as well as identifying and measuring effects which are not detectable in cross-sectional or time-series data (Hill et al., 2008). Another advantage of using panel modelling is that it helps in obtaining more precise estimates and more accurate predictors (Hsiao, 2014). Failure to use panel models, when appropriate, may lead to misspecification error which can potentially resulting in biased estimated coefficients and unreliable diagnostic statistics.

When a panel econometric regression model has a continuous dependent variable, the linear model is used. The two-way linear panel model can be represented as:

$$Y_{it} = \alpha + \beta_1 X_{1t} + \beta_2 X_{2t} + \ldots + \beta_k X_{tk} + \delta_t + \mathrm{u}_i + \mathrm{v}_{it} \qquad [1]$$

Where *Y* is the dependent variable; *Xs* are the *k* explanatory (independent) variables: explanatory variables can be continuous (e.g. ROA or Assets), categorical (e.g. Industry Code), or dichotomous (dummy variables, e.g. whether or not a firm is listed on a particular stock market); β are the coefficients for each *X* to be estimated (i.e. from β1 to βk). α is the common intercept; v is the usual unobserved zero-mean constant variance, uncorrelated, random disturbance (representing the net effect of all other unobserved factors that may influence the outcome other than the included variables); δ (the two-way component) allows the intercept to vary over time (i.e. it is a time-fixed effect that is identical for every company); *ui* are the individual (i.e. firm) specific effects that vary across firms but are constant over time; i are individual companies (i = 1,…,N) and t is time (t = 1,…,T). The *ui* represent the part of the model that makes it a 'panel model' (instead of cross-sectional or time-series).

There are two standard statistical approaches that are commonly adopted in order to analyse panel data, they are the fixed-effect (FE) and random-effect (RE) estimation models. The main differences between the two approaches is related to the treatment of the unobserved explanatory variables and the set of assumptions that each approach holds (Greene, 2003). The FE model is concerned with the correlation between the unobserved (omitted) variables and the dependent variable within an individual (i.e. firm) (Hill et al., 2008). It assumes the individual specific effect or heterogeneity is fixed over time but varies across individuals, thus, it introduces a fixed-effect dummy variable in the model to control the effect. In addition, the FE model does not include any time-constant variables (Greene, 2008). The interpretation of the results when using this model is limited only to the sample under examination (Yaffee, 2003). The main advantage of this model is that the entity's error terms are assumed to be correlated with the individual effects (Yaffee, 2003). On the other hand, the random effects model assumes that the individual (i.e. firm) heterogeneity is independent of the explanatory variables in the model (Greene, 2008). This means assuming there is zero correlation between the u_i and the other *Xs* and, thus, does not require adding dummy variables to control the variances between individuals. As a result, a RE model allows time-constant explanatory variables in the regression model. Further, the RE results can be used to generalise beyond the sample and represent the larger population (Yaffee, 2003).

Based on the type and nature of the data in this study, as stated earlier in this chapter, the RE model is more appropriate than the FE model for several reasons. This study contains a number of explanatory time-constant variables, which may cause practical problems in developing a model. The FE model eliminates all time-invariant explanatory variables from the model (their collective impact is included in the intercept term) (Hill et al., 2008). This means all time-invariant independent variables in this study would be removed, which may include some important explanatory variables (Wooldridge, 2015), such as industry or country. In addition, the FE model incorporates a control dummy variable for each sampled firm, these variables vary across firms but remain constant over time (Hill et al., 2008). As the sample size is 172 in this study, having one dummy variable for each firm in a large cross-sectional sample would be not practical because each dummy variable would remove one degree of freedom from the model (Greene, 2008). As a result, this will provide incorrect estimates of the coefficients of the explanatory variables. Moreover, the FE model examines only the variation within firms, whereas the RE model takes into account the variation across or between firms. Based on these reasons, and in line with a similar study in the CCI literature (Yekini, 2012), this study employed the RE model for analysing the panel data.

Considering the purpose and context of this study, a modification to the RE model is required. The modification method is called the Mundlak specification of the RE and it allows for potential correlation between the individual specific effects and explanatory variables (Mundlak, 1978; Chamberlain, 1980). In this version of the RE model, the individual or firm (over time) means for each of the time-varying explanatory variables are included as additional explanatory variables, that is, the Mundlak 'corrections'. The RE panel estimator after the correction becomes unbiased, consistent and efficient. With Mundlak corrections the RE model is specified as:

$$Y_{it} = \alpha + \beta_1 X_{1t} + \ldots + \beta_k X_{tk} + \lambda_1 \bar{Z}_1 + \mathrm{L}\ \lambda_j \bar{Z}_j + \delta_t + \mathrm{u}_i + \mathrm{v}_{it} \qquad [2]$$

Where the additional symbols are the $\bar{Z}$ which are the means of the *j* time-variant explanatory variables (e.g. the within company-across time mean of ROA) included in the model (with their coefficients λ). Note that in the RE model each firm has the same response to each explanatory variable (i.e. the common coefficients β and λ), but each firm has a firm-specific model intercept (α + ui).

In order to investigate the hypotheses developed in Chapter 2 the estimated RE model was developed, and is presented as follow:

$$LnCCIVol_{jt} = \alpha + \beta CGComt_{jt} + \beta CSRComt_{jt} + \beta BOD_{jt} + \beta FeBOD_{jt} + \beta ContOwn_{jt} + \beta GovOwn_{jt} + \beta ADMarket_{jt} + \beta BHMarket_{jt} + \beta DUMarket_{jt} + \beta QTMarket_{jt} + \beta KWMarket_{jt} + \beta 2012_{jt} + \beta 2013_{jt} + \beta LnAssets2_{jt} + \beta LnAge_{jt} + \beta ROA_{jt} + \beta EnergyUtilities_{jt} + \beta Manufacturing_{jt} + \beta ConsumerGoodServices_{jt} + \beta HealthCare_{jt} + \beta TelecomIT_{jt} + \varepsilon_{jt}$$

Where:

$LnCCIVol_{jt}$	= The natural log of total words dedicated to corporate community involvement information for firm *j* in year *t*
$CGComt_{jt}$	= Corporate governance committee dummy for firm *j* in year *t*
$CSRComt_{jt}$	= CSR committee dummy for firm *j* in year *t*
BOD_{jt}	= Size of board of directors for firm *j* in year *t*
$FeBOD_{jt}$	= Female director on the board dummy for firm *j* in year *t*
$ContOwn_{jt}$	= Controlling ownership dummy with ≥ 10% for firm *j* in year *t*
$GovOwn_{jt}$	= Government ownership dummy for firm *j* in year *t*
$ADMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$BHMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$DUMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$QTMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$KWMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
2012_{jt}	= Year dummy for firm *j* in year *t*
2013_{jt}	= Year dummy for firm *j* in year *t*
$LnAssets2_{jt}$	= The natural log of total assets for firm *j* in year *t*
$LnAge_{jt}$	= The natural log of number of years being listed on stock market for firm *j* in year *t*
ROA_{jt}	= Equity capital/ Total assets for firm *j* in year *t*
$EnergyUtilities_{jt}$	= Industry dummy for firm *j* in year *t*
$Manufacturing_{jt}$	= Industry dummy for firm *j* in year *t*
$ConsumerGoodServices_{jt}$	= Industry dummy for firm *j* in year *t*
$HealthCare_{jt}$	= Industry dummy for firm *j* in year *t*
$TelecomIT_{jt}$	= Industry dummy for firm *j* in year *t*
α	= Constant
β	= Regression coefficient
ε_{jt}	= Error term for firm *j* in year *t*

Regression models, including Panel Data Regression and Ordinary Least Squares (OLS) are commonly used in the voluntary and social reporting literature. Regression models are used to find the best line, or curve, that fits within a set of data in order to produce best predictable relationship between two or more variables. However, there are basic assumptions for regression models that need to be considered, known as the Gauss-Markov theorem, which states that the estimator must be the Best Linear Unbiased Estimator (BLUE) (Gujarati and Porter, 2003; Wooldridge, 2015). In order to provide valid results and reliable inferences, this study considers these assumptions, which include normality and collinearity, and are explained next.

Normality

Normality is one of the diagnostic tests used to examine the validity of the regression model and the normality assumption is important to ensure the validity of the regression results when testing hypotheses, even though it is not a prerequisite for the estimators in the model used to be BLUE (Wooldridge, 2015).

The assumption of normality refers to the sample under examination being drawn from a normally distributed population. This is shown by looking at the distribution of errors which are represented by the residuals. The residuals are the differences between the predicted values and the actual values (Baltagi, 2008). If the residuals are normally distributed, then it is assumed that the critical *p*-values for the t-tests are valid. Whereas if the normality assumption is violated, then it will be very difficult to reach valid interpretations and inferences because the critical *p*-values are unreliable (Park, 2011). There are two methods for testing normality; through visual (graphical) methods or statistical (numerical) methods. The visual method includes histogram of the variables and of the residuals, while the statistical methods include skewness tests. Both testing methods were performed to assure the validity of normality of the data.

A visual examination of histograms for each variable was performed first. It shows that the some of the variables are normal, but three were not (i.e. CCIVol, Assets and Age). Details normally distributed variables can be found in Appendix 6. Figure 4-2 presents histograms of the variables which are not normally distributed.

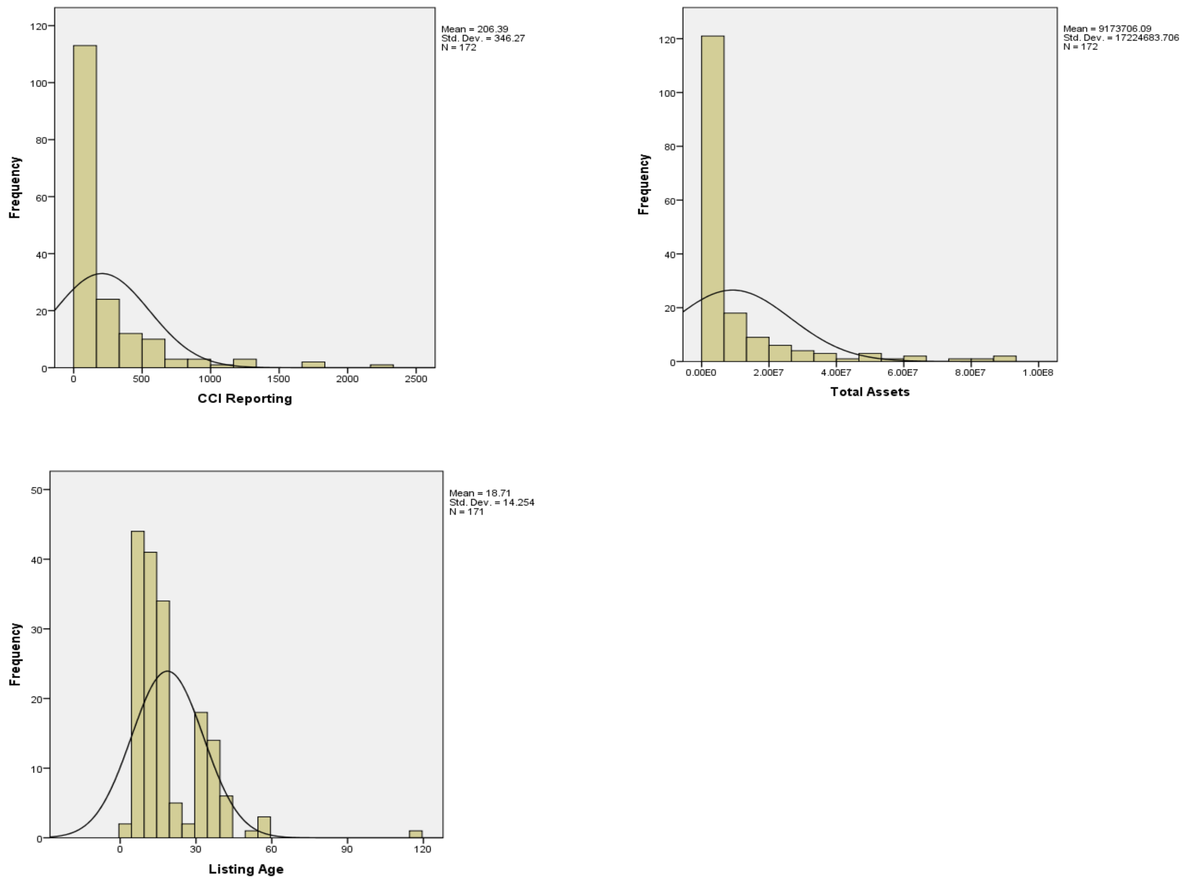


Figure 4-2: Histogram of non-normal distributed variables

Examination of normality was also performed using a skewness test. If skewness is close to 0, then it can be assumed that the population is normally distributed (Hill et al., 2008). The results of the skewness test are presented in Table 4-9. The statistical results confirm the histogram results by showing that the skewness of the variables is far from zero.

Table 4-9: Skewness statistics

	N	Skewness Statistics
Volume of CCI Reporting	172	3.238
Total Assets	172	2.952
Listing Age	171	2.496

The natural logarithm was used to normalise the three variables which did not follow a normal distribution. The new variables in log form are: the dependent variable [LnCCIVol] and two control variables [LnAssets and LnAge]. After the transformation, the residuals from the regression model were plotted and appear approximately normal, as shown in Figures 4-3 and 4-4. This shows that the normality assumption is valid.

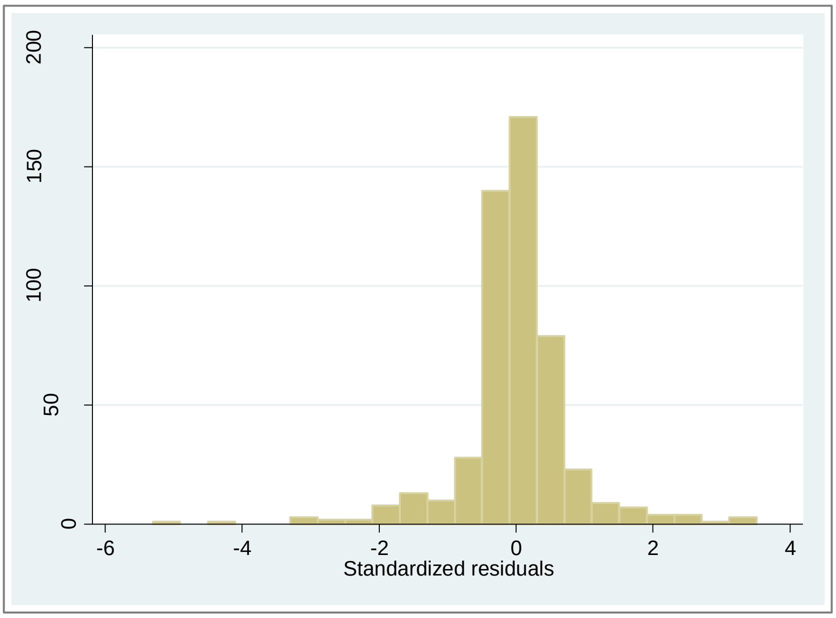


Figure 4-3: Residuals plot

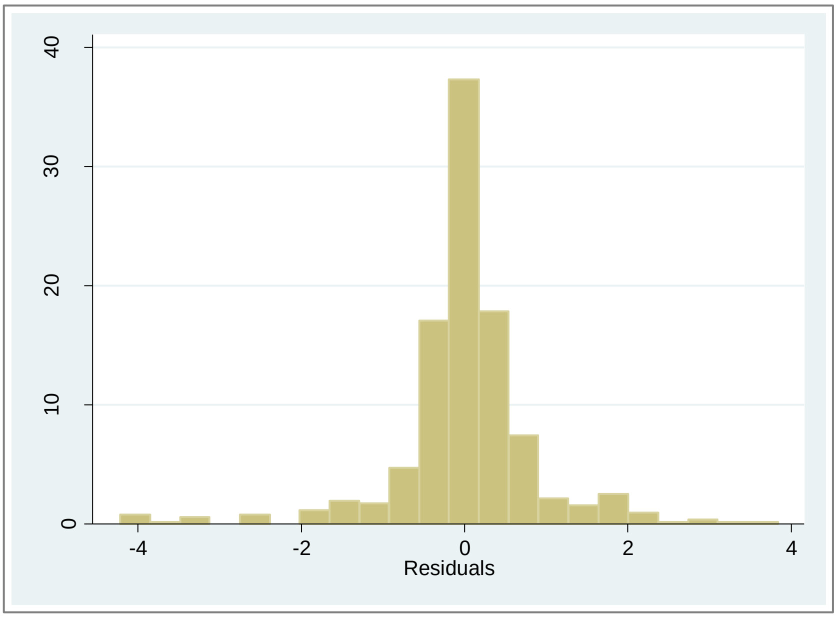


Figure 4-4: Residuals plot

Absence of multicollinearity

Multicollinearity means the existence of a linear correlation between two or more independent variables (Gujarati, 2009). Under the general OLS regression assumption, in order to obtain reliable estimates and make a valid evaluation of independent variables' impact on the dependent variable, all explanatory variables should be independent and not have strong correlations between each other. The assumption allows for some level of collinearity, but not high or perfect collinearity. According to Gujarati (2009), when the correlation coefficient is >0.780 then it is considered that a collinearity problem exists. High or perfect collinearity may inflate the standard error of the regression model coefficient, which will not provide accurate predictions. Therefore, the remedy for this problem is to keep only one of the correlated independent variables and drop the others from the regression model.

Low overall correlations between variables suggests that the problem of multicollinearity is minimal. However, according to (Myers, 1990), a certain degree of multicollinearity can still exist even if the bivariate correlation coefficients do not show very high correlations, because one independent variable may be an approximate linear function of a set of several independent variables. Correlations between continuous variables considered in this study are presented in Table 4-10.

Table 4-10: Correlations

	Assets	Equity	MarkCap	EBIT	RetEarn	ROE	ProfMarg	ROA
Assets	1.0000							
Equity	0.7595*	1.0000						
MarkCap	0.6877*	0.9362*	1.0000					
EBIT	0.6018*	0.9053*	0.9311*	1.0000				
RetEarn	0.5668*	0.7079*	0.6946*	0.6308*	1.0000			
ROE	0.1138*	0.1206*	0.1606*	0.1745*	0.1943*	1.0000		
ProfMarg	0.3144*	0.1546*	0.1663*	0.1211*	0.1516*	0.3259*	1.0000	
ROA	0.0002	0.1246*	0.1702*	0.1888*	0.2608*	0.7445*	0.1728*	1.0000

Due to high correlations above 0.7, the variables Equity, MarkCap, EBIT, RetEarn, ROE and ProfMarg were excluded from the analysis. This is discussed further below, under measurement (section 4.7.8.3).

In addition, a correlation test was performed to examine the level of independence between dependent and independent variables. In order to examine this association, Pearson's correlation tests and Point bi-serial correlation tests were performed. The Pearson test was used for continuous independent variables, while the Point bi-serial test was used for dummy and categorical variables. The results of the Pearson tests are presented in Table 4-11 below. The results indicate that there are no high correlations between the dependent variable and the continuous independent variables. It also shows that all correlations are positive among the variables. The highest correlation exists between CCI reporting (*CCIVol*) and the size of the board of directors (*BOD*) with (r = 0.3009). This indicates that there is no strong evidence of multicollinearity.

Table 4-11: Correlations

	Assets	Age	CCIVol	BOD	ROA
Assets	1				
Age	0.1452	1			
CCIVol	0.2158	0.0914	1		
BOD	0.2332	0.2070	0.3009	1	
ROA	0.0002	0.0779	0.1542	0.1293	1

The Point bi-serial correlation test was used to examine the correlation between dummy variables and continuous variables as well as examining dummy variables' correlation with each other. The results of the tests are shown in Table 4-12 showing no high correlations between the relevant variables under investigation, therefore it is legitimate to include them in the statistical modelling.

Table 4-12: Correlations[20]

	CCIVol	CGComt	CSRComt	FeBOD	ContOwn	GovOwn	BOD
CCIVol	1						
CGComt	0.1114	1					
CSRComt	0.1562	0.406	1				
FeBOD	0.0636	-0.064	-0.049	1			
ContOwn	0.0937	0.041	-0.129	-0.120	1		
GovOwn	0.2302	0.0537	0.358	-0.003	0.580	1	
BOD	0.3023	0.2863	0.1867	0.1534	0.0115	0.2642	1

In order to further assure that there is no multicollinearity concern in the sample, the Variance Inflation Factor (VIF) test was also applied. As far as this test is concerned, a VIF above 5 indicates strong probability of multicollinearity in the data (Kutner et al., 2004). Table 4-13 reports that the VIF of all variables is below 5, indicating that there is unlikely to be any major

[20] Appropriate correlations were used for all variables types (e.g. bi-serial, Pearson, Spearman, etc.)

concern of multicollinearity. This provides a greater degree of confidence in the robustness of the results of the panel data model.

Table 4-13: Multicollinearity statistical test

Independent Variables	Tolerance	VIF
CG Committee	.661	1.512
CSR Committee	.934	1.071
Size of BOD	.628	1.592
Female directors	.889	1.124
Controlling Ownership	.787	1.271
Government Ownership	.627	1.595
Listed in Bahrain Stock Market	.715	1.398
Listed in Kuwait Stock Market	.651	1.535
Listed in Qatar Stock Market	.662	1.510
Listed in Dubai Stock Market	.692	1.446
Listed in Abu Dhabi Stock Market	.796	1.256
Total Assets	.705	1.418
Listing Age	.700	1.429
Return on Assets	.725	1.379
Industry	.784	1.275

4.7.8.2 Measuring dependent variables

As stated earlier, content analysis is used to measure the volume of community reporting by the sample firms. The volume of corporate reporting, measured by the number of words, is a common measurement tool used in prior studies in the area of voluntary reporting in general, and social and community reporting in particular (Yaftian et al., 2012; Yekini and Jallow, 2012). The dependent variable in this study is the volume of information reported in annual reports that is dedicated to community involvement activities. Following previous studies in the CSR and community involvement literature, this thesis uses the number of words as a measure of the volume of reporting on community involvement activities.

4.7.8.3 Measuring independent variables

As mentioned in Chapter 2, there are several influential factors on corporate reporting in general, including CSRR, which are identified for use as independent variables in this study. This section describes how these variables are measured.

Corporate governance mechanisms

In relation to corporate governance, previous studies have used different variables to examine the impact of governance mechanisms on voluntary reporting. This study uses four variables as representative of corporate governance mechanisms: The presence of a corporate governance committee; the presence of a CSR committee as one of the board committees; the size of board of directors; and the presence of a female director on the board. The presence of corporate governance and CSR committees is measured by using a dummy variable, where one [1] is assigned if the committee exists, zero [0] otherwise. This measurement is consistent with prior studies which have examined the impact of corporate governance on voluntary reporting (Ntim et al., 2013). The size of board of directors is measured by the number of directors on the board. A dummy variable is used for the presence of female directors on the board, where one [1] is assigned if any female director exists on the board, zero [0] otherwise.

Corporate ownership structure

This study uses two variables with regard to corporate ownership structure: controlling ownership and government ownership. A dummy variable is used for controlling ownership, where one [1] is assigned if any one shareholder owns 10% or more of the corporate shares, zero [0] otherwise. Government ownership is measured in a similar way, where one [1] is assigned if the government owns 10% or more of the corporate shares, zero [0] otherwise.

Country of listing

The impact of stock market listing has been documented in previous literature. Prior studies have used different methods to measure this variable. Studies that examined the impact of multiple listing on voluntary reporting tend to use a dummy variable as its measurement

(Cooke, 1992; Haniffa and Cooke, 2005), where one [1] is assigned if a firm is listed on more than one stock market, zero [0] otherwise. Similarly, other studies have used the same type of measurement, a dummy variable, for examining the impact of listing on a foreign stock market (Robb and Zarzeski, 2001; Ntim et al., 2013). Alternatively, Reverte (2009) used the number of foreign stock markets in which a firm is listed. However, the interest of this study is to find out whether the country of listing (i.e. GCC countries) has an impact on CCI reporting. Each GCC country has one stock market except UAE which has two different stock markets (Dubai and Abu Dhabi), therefore this study treats them as separate in case it is the market, rather than the country, which results in differences. Thus, country of listing is measured by a categorical dummy variable for the country in which a firm is listed, where [1] is assigned if a firm is listed on Bahrain stock market, [2] is assigned if a firm is listed on Kuwait stock market, [3] is assigned if a firm is listed on Oman stock market, [4] is assigned if a firm is listed on Qatar stock market, [5] is assigned if a firm is listed on Saudi Arabia stock market, [6] is assigned if a firm is listed on Dubai stock market, [7] is assigned if a firm is listed on Abu Dhabi stock market.

4.7.8.4 Measuring control variables

Empirical findings of previous literature have found significant association between CSR, including CSRR, and certain firm characteristics. The most common of these are firm size, profitability, the age of the firm and industry type as discussed in Chapter 2. Since previous studies indicate that these variables may act as intervening variables, it is important to control for their impact in the empirical tests undertaken (Ullmann, 1985; Cowen et al., 1987). Consistent with prior research, this study treats these four variables as control variables.

Firm size

The first and most common factor that influences corporate reporting is firm size. There are several proxies that have been used to measure firm size, including market capitalisation (Naser et al., 2006; Yekini et al., 2016), total assets (Khasharmeh and Suwaidan, 2010; Naser and Hassan, 2013), number of employees (Gamerschlag et al., 2011; Skouloudis et al., 2014). However, there is no consistent justification for using a particular measure over others for firm size (Hackston and Milne, 1996). Initially, eight measures of size and performance were collected, however, a number of these were highly correlated as reported above. Even though market capitalisation is considered as an external determinant, which can provide more objective results (Wallace and Naser, 1995), it was rejected by Malone et al. (1993) due to its high level of volatility. In the sample analysed in this study, market capitalisation was also found to be quite highly correlated with total assets. Thus, this study does not use market capitalisation as a proxy for firm size.

This study also excluded the number of employees as a potential size measure due to lack of sufficient available data, while sales and gross earnings are excluded because they are not commonly used in the community reporting literature. Therefore, consistent with prior studies, this study uses total assets as a proxy for firm size in order to compare the results with these prior findings.

Profitability

Profitability can be measured by market-based measures or accounting-based measures (McGuire et al., 1988). The merit of a market-based measure is that it is less subject to bias by managerial manipulation (McGuire et al., 1988). However, it has been argued that these measures are not sufficient because investors are its main concern and it ignores other stakeholder groups, thus, accounting-based measures are preferable (Reverte, 2009). Return on assets (*ROA*) and return on equity (*ROE*) are examples of accounting-based measures, which have been commonly used in previous studies on social reporting, including community involvement reporting (Raja Ahmad, 2010; Yekini, 2012; Skouloudis et al., 2014). It has been claimed that using one or both of these two measures is more reliable for an extended period of time than for a single year (Hackston and Milne, 1996). However, ROA and ROE in the sample used in this study are highly correlated, hence, cannot both be included. In line with the views of prior literature, this study uses ROA to represent and measure corporate profitability.

Listing age

Corporate age is examined in prior studies by many researchers in the area of voluntary reporting, and the majority of these studies have found a positive influence (Haniffa and Cooke, 2002; Li et al., 2008; Hossain and Hammami, 2009; Abu Sufian, 2012; Yekini et al., 2016). Abu Sufian (2012) and Haniffa and Cooke (2002) examined the relationship between CSRR and the age of the firm and found no significant relationship . Whereas Yekini et al. (2016) and others have found that firm age does have a positive relationship with corporate voluntary reporting. Indicating that older firms are more likely to report more information to maintain reputation and confidence (Yekini et al., 2016). The authors measured firm age by the number of years since its foundation. Following previous literature, corporate age in this study measured by the age of the firm since it became listed on a stock market. This study anticipates a positive impact of listing age on CCI reporting based on prior studies and based on the assumption that once a firm becomes publicly listed it is assumed to have more responsibility and accountability to wider stakeholders.

Industry

Industry affiliation plays an important role in determining corporate behaviour and practices. Empirical studies have shown that industry is one of the key determinants that influences voluntary and social reporting (Gao et al., 2005; Reverte, 2009; Gamerschlag et al., 2011; Ali et al., 2017). Industry classification across stock markets and countries are not identical, however, there are some standards available which can be used for comparison purposes.

There are different approaches used in the literature for classifying and measuring industry type For example, studies which focus on reporting about information related to community activities tend to focus on consumer orientation (Campbell et al., 2006), while studies which focus on reporting about environmental information refer to the industry’s sensitivity to the environment (Suttipun and Stanton, 2012).

Other studies have adopted different approaches for classifying the industry groups, such as Young and Marais (2012), who used the impact on stakeholders as a basis for the classification, while Raja Ahmad (2010) used public visibility. It is argued that in order to consider a particular industry as having high public visibility, firms should have direct contact with end users or consumers (Campbell et al., 2006). It is also expected that these firms will have a degree of vulnerability to stakeholder groups, which may lead to a level of criticism or media exposure. On the other hand, firms in industries that have less direct contact with consumers and have a lower level of public exposure to criticism. Yekini (2012), who investigated community reporting among the UK listed firms in annual reports, adopted this view as a classification of industry's public profile.

In this study, using consumer-orientation as a basis for the classification may not be a valid basis in the context. This is because the share capital in the sample firms is largely owned by dominant shareholders (e.g. government), and consumers' awareness about corporate social responsibility in this region is low. As a result, there is little pressure expected from public consumers on corporate behaviour. In addition, since this study is exploratory in nature, it is preferable to examine the impact of each industry group separately to reveal which industries may have a significant impact on community reporting.

There are a number of benchmarks[21] that can be adopted in order to standardise industry classification. The Global Industry Classification Standards (GICS)[22] classification is adopted in this study. This is consistent with prior studies, as it was adopted by Yaftian (2011) who examined total CSRR, and by Raja Ahmad (2010) who examined reporting about community involvement activities. The GICS consists of ten main sectors, which includes 24 different industry groups as shown in Appendix 7. However, for statistical analysis purposes, the

[21] For example, The Industry Classification Benchmark (ICB). For more information, see: [http://www.icbenchmark.com/], this benchmark was adopted by Yekini (2012). The Global Industry Classification Standards (GICS) was adopted by Raja Ahmad (2010).

[22] This classification developed by Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P). Further information can be found in the following link: https://www.msci.com/gics

following sectors were combined to create six industry categories as follows: (1) Energy & Utilities, (2) Manufacturing, (3) Consumer Goods & Services, (4) Health Care, (5) Financial, (6) Telecomm & Information Technology. A dummy variable is used to represent the industry where each firm scores one [1] if it belongs to that industry, zero [0] otherwise.

Table 4-14: Industry classification used for the analysis

Industry Code	Industry Name
1	Energy & Utilities
2	Manufacturing
3	Consumer Goods & Services
4	Health Care
5	Financial
6	Telecom & Info. Tech.

Table 4-15 provides a summary of all variables used in the quantitative analysis, how they are measured and from where they are sourced.

Table 4-15: Summary of all variables and their proxy measures

Variable	Description	Measurement	Data Source
Dependent Variable			
CCIVol	Volume of information reported about community involvement	Number of words reported in annual reports dedicated to community	Annual Report
Independent Variables			
CSRComt	Presence of CSR committee	1, if the firm has a CSR committee, and 0, otherwise	Annual Report
CGComt	Presence of corporate governance committee	1, if the firm has a corporate governance committee, and 0, otherwise	Annual Report
BOD	Size of Board of directors	Number of directors on the board	Annual Report
FeBOD	Presence of female directors on the board	1, if the firm has a female director on the board, and 0, otherwise	Annual Report
GovOwn	Government ownership	1, if the firm has any portion of government ownership, and 0, otherwise	Osiris Database
ContOwn	Controlling Ownership	1, if the firm has any controlling shareholder who owns ≥ 10%, and 0, otherwise	Osiris Database
StockMarket	Stock Market	Stock markets are classified according to the following codes: 1 = Bahrain 5 = Saudi Arabia 2 = Kuwait 6 = Dubai 3 = Oman 7 = Abu Dhabi 4 = Qatar	Stock market websites

Variable	Description	Measurement	Data Source
Control Variables			
Assets	Firm size	Total assets	Osiris Database
ROA	Firm profitability	Return on assets	Osiris Database
Age	Listing Age	Number of years that the firm listed on the stock market	Corporate Website
Industry	Industry type	Industry classification is according to the following codes: 1 = Energy & Utilities 2 = Manufacturing 3 = Consumer Goods & Services 4 = Health Care 5 = Financial 6 = Telecom & Info. Tech.	Osiris Database

4.8 Chapter summary

This chapter explained the research methodology used in this study. A mixed methods approach is employed in order to provide greater understanding of social reporting in the GCC countries context. The mixed method approach also helps in building a robust theoretical foundation and explanation of the phenomenon. Two phases are used to conduct this study. A qualitative method is used for the first phase to gain deep understanding of the rationales behind this emerging activity in this specific region, using Saudi Arabia as a particular case. Under this method, semi-structured interviews are used as an instrument for qualitative data collection. In the second phase, a quantitative method is used to identify the influential factors on CCI reporting across the region. A panel model is utilised to test the impact of corporate governance and ownership structure on the volume of CCI reporting. The findings of the interviews are reported in Chapter 5 and the results of the statistical analysis are reported in Chapter 6. The findings of both phases are further discussed in Chapter 7.

Chapter 5 : Managers' Perceptions and Rationales (Phase 1)

5.1 Introduction

This chapter reports the findings of the first phase of the study, which are gathered through in-depth interviews with ten managers from listed firms in Saudi Arabia. This chapter provides deeper insights into the perception and understanding of CSR in general, and community involvement in particular, including on their reporting practice, which has been not investigated so far from a qualitative perspective. The results are presented with some observations made, but detailed comment is reserved until Chapter 7 where the overall results of both phases of analysis are discussed.

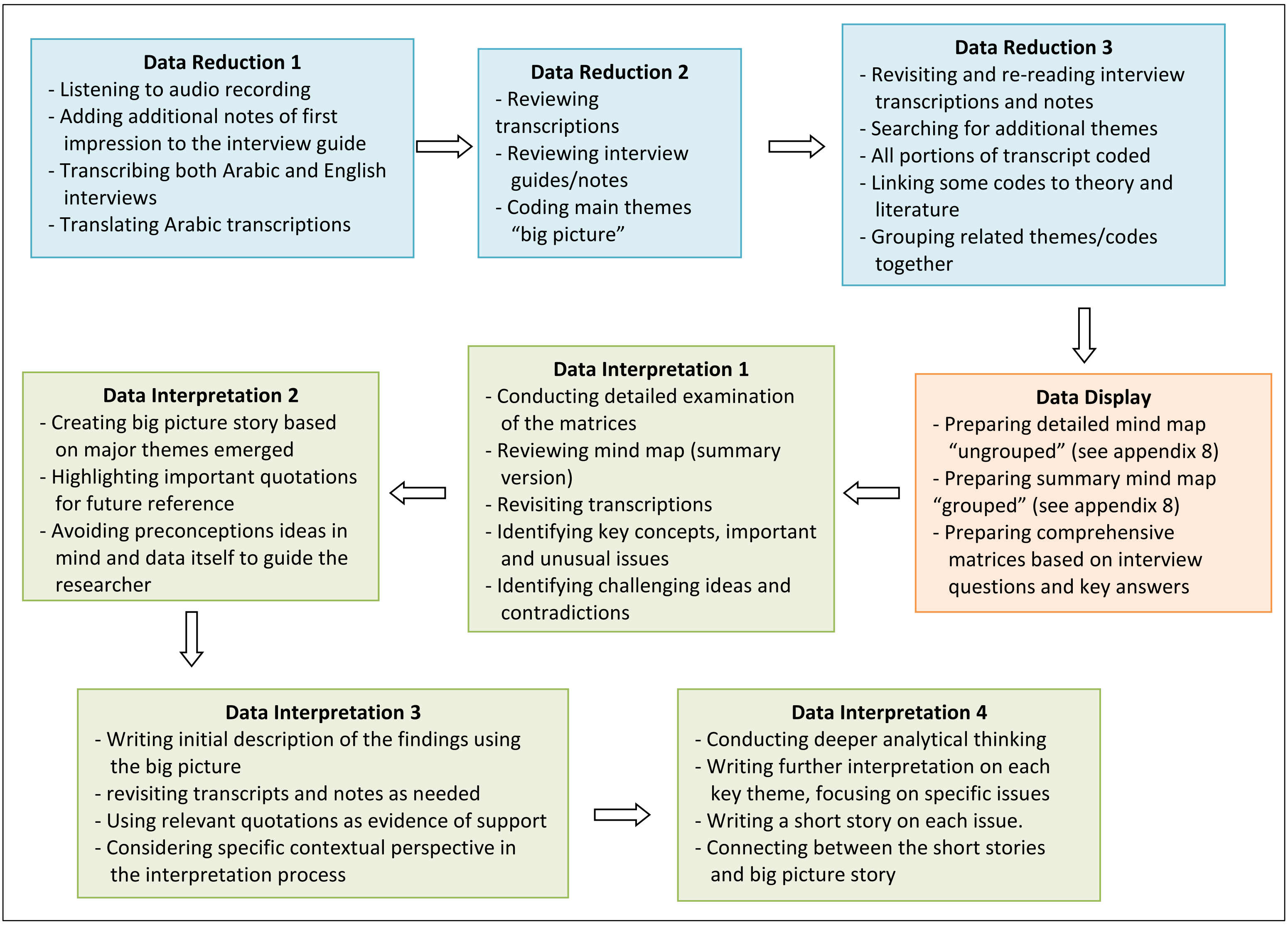
The chapter begins with a brief description of the interview analysis, followed by a comprehensive overview of the interview findings. The chapter then moves specifically to the common community involvement activities identified by the interviewees. It then lists the rationales for being a socially responsible firm identified by the interviewees, as well as the rationales behind reporting about community and social activities. The chapter concludes with a summary of the key issues that arose from the interviews and comments on the reporting about community involvement activities of the ten firms that participated in the study.

5.2 Interview analysis

After all ten interviews were transcribed and translated into English, the researcher reviewed all transcriptions again in order to obtain first impressions from the data. A table that includes the entire suite of questions and summary answers of the interviews of all ten firms was initially prepared. The purpose of this table was to obtain an overview of all participants' answers to facilitate comparison between the ten companies.

The next step involved using thematic analysis of all interviews to uncover the major and common themes, and some minor themes. This was done through a thorough reading and analysing each question across all interviews in order to identify all possible themes that stand out, without any expectations or preconceived ideas. In other words, it followed an inductive approach, which involves extracting issues from the data itself. This stage was initially done by hand, then transferred into mind-mapping software to allow effective organising of the themes. NVivo software was also used for coding all transcriptions into appropriate themes. Using NVivo helped in terms of discovering the frequencies of each theme, which in turn identified the major issues that arose from the interviews.

After the first review and coding, this resulted in over 30 separate themes. At the second stage, all themes that related to each other were grouped under a label, which represented all sub-themes in order to help with the analysis stage and so that they could be easily connected to the appropriate concept from the theory or literature. In summary, according to Miles and Huberman (1994), the process of analysing qualitative data involves three stages: data reduction, data display and conclusion drawing. This is further elaborated by O'Dwyer (2008) and a modified version of O’Dwyer’s process is adopted in this study. Figure 5-1 below summarises the stages of analysis undertaken.



Source: Adapted from O'Dwyer (2008)

Figure 5-1: Interview process adopted to analyse the qualitative data

The following section presents the common/major themes that emerged from the initial analysis.

5.3 Overview of interview findings

This section provides an overview of some of the key issues and perceptions of CSR and the following section 5.4 reports specifically on community involvement activities. In order to assure the confidentiality of the primary data sources, and to avoid identifying the interviewees' firms, a unique code is assigned to each firm. While Table 4-6 in the previous chapter provides basic information about the ten interviews, Table 5-1 below presents specific detail for the purpose of the analysis including the assigned codes, which will be used as a reference for all quotes reported in this chapter.

Table 5-1: Firm assigned codes

Firm Name	Interviewee's position	Industry	Assigned Code
Company One	CSR Director	Telecommunication	Respondent 1
Company Two	Senior Specialist, Sustainability	Mining	Respondent 2
Company Three	Head of Community Service Department	Financial	Respondent 3
Company Four	Community Service Manager	Financial	Respondent 4
Company Five	Public Relations Manager	Food	Respondent 5
Company Six	Director of CSR Programs	Petrochemical	Respondent 6
Company Seven	Manager of Advertising & Media	Financial	Respondent 7
Company Eight	Staff at Public Relations	Utility	Respondent 8
Company Nine	Project Manager of CSR	Food	Respondent 9
Company Ten	Senior Officer, CSR	Insurance	Respondent 10

Resulting from the thematic analysis, common themes were derived from analysing the interview data, and these are used to structure the findings in this chapter. Appendix 8 provides an overview of these themes in the form of a 'mind map', which represent all the rationales for firms' community involvement and reporting. The content and level of frequency of the reported rationales vary. They were therefore combined into several groups based on a key theme or concept. The findings focus on most frequently reported and dominant themes because they are related to key issues, concepts and theories in the literature. Six main rationales for firms' involvement as well as six for voluntary reporting on CCI activities were developed, and are reported in sections 5.5 and 5.6.

Starting with general perceptions about the concept of social responsibility, all managers who were interviewed are aware of the concept of CSR but the definition of this concept varies among them. Some firms use a specific definition, whether it was defined by the firm itself or adopted from the international context, whereas some firms define CSR based on an individual opinion or it is explained by describing their actual CSR activities. The majority of the sample firms conduct CSR using a strategic orientation and for specific targets. The common CSR activities undertaken range from the use of a very advanced concept such as sustainability or social investment, to a very basic social contribution towards the local community. More specifically, the types of community involvement activities engaged in are similar among the firms, and include philanthropy, sponsorship, partnerships and volunteering.

One of the key interview questions is related to the reasons behind being involved in CSR activities and being a socially responsible firm. The responses reveal that there are several reasons which are explained in section 5.5 below in more depth. The other key interview questions are about issues around CSRR and the rationales behind it. It was found that all ten firms report about CSR and community involvement activities to the public in their annual report. In addition, not many firms use a particular policy for CSRR, however, there is a growing trend of following international reporting guidelines such the Global Reporting Initiative (GRI). The majority of respondents stated that there is no external pressure that influences them to report about their CSR and community involvement activities. Nevertheless, their responses about the rationales behind the reporting indicate this may not be the case, which is discussed in more detail below. Furthermore, the interviewees' responses reveal that they consider there is no relationship between firms' income and the level of CSR or CCI. Half of the interviewees noted that they have an allocated fixed budget for these activities regardless of the firm's annual income. Finally, the majority of the respondents believe that there will be a negative impact on their business if they do not get involved in social and community activities, while a few believe that there will be minimal or no impact.

The first and foremost apparent finding found throughout the entire interviews is that social responsibility is acknowledged and recognised by all sample firms. At the beginning of each interview the researcher asked a general question about the interviewee's perceptions of corporate social responsibility. The purpose of this general 'warm up' question is to gain a basic understanding of the concept from the participant's point of view. All interviewees believe that they have some form of social responsibility toward one group or multiple groups within the society in which they live and in which the business operates. Generally, they considered that all firms have primary stakeholders such as shareholders, employees, etc., and secondary stakeholders such as local community, environment, etc. (Clarkson, 1995). The majority of interviewees acknowledged that they have social responsibility towards various corporate stakeholders, including both primary and secondary stakeholders. Table 5-2 below shows the frequency of each stakeholder group that was mentioned by the interviewees.

Table 5-2: Frequencies of each stakeholder groups

Stakeholder Group	Number of cases that paid attention to this group (out of 10 cases)	Ranking
Local community	10 Cases	1
Society	8 Cases	2
Employees	8 Cases	2
Environment	7 Cases	3
Shareholders and investors	6 Cases	4
Public	6 Cases	4
Competitors and other firms	5 Cases	5
Government agencies	5 Cases	5
Government	4 Cases	6
Customers	3 Cases	7
Financial providers	2 Cases	8
Media	2 Cases	8

It seems from the discussions with the interviewees that they are aware of their social responsibility towards society, including the local community. Many of the interviewees claimed that their firm is one of the first firms in the country to provide social contributions to society.

> *[Company name] is one of the first banks in this area CSR (Respondent 4).*

> *[Company name] has this initiative before it became wide and spread around businesses (Respondent 10).*

> *[Company name] is one of the oldest banks in Saudi Arabia as a bank. So, our existence is very important in the development and especially there was no bank before (Respondent 7).*

Many interviewees also expressed clearly and explicitly during the discussion that stakeholders are the key factor behind corporate social responsibility. Corporate social responsibility among listed firms seems to be more oriented and strategic than ever before in Saudi Arabia. This finding is a clear sign of positive changes and improvements in practice compared to that found in previous literature. The majority of firms appear to have a clear purpose about why they care about the community and are involved in CSR, they also have specific reasons for reporting to the public about their community and social activities in their annual report. These reasons, however, are inconsistent among participating firms perhaps due to different industry affiliation or different stakeholders who are affected by the business. The following sections provide explanations of three key issues: the types of community activities firms are involved in, why firms are involved in CSR, and rationales for reporting about their community and social activities.

5.4 Community involvement activities

In addition to understanding the general perception of CSR among interviewees, the researcher asked specifically about community involvement activities as an element of general CSR. According to the interviewees, firms in Saudi Arabia conduct a variety of community and social activities. In addition, community involvement activities are embedded within overall CSR activities among all firms. Even though the sample firms are from six different industries, there is some commonality among them. A number of key community involvement activities were mentioned by the majority of interviewees, which equate with those discussed in Chapter 2. In order to provide an overview of the main types of community involvement that are reported by all ten interviewees, a summary table (Table 5-3) is provided below, followed by a discussion of each.

Table 5-3: Summary of total number of interviewees who mentioned each type of CCI

Type of community involvement activity	No. of interviewees mentioned this type (out of 10)
Philanthropy*	8 interviewees
Sponsorship	8 interviewees
Volunteering	6 interviewees
Partnership	7 interviewees

* It includes more than charitable donations activities.

5.4.1 Philanthropic activities

As discussed in Chapter 2, corporate philanthropy is the one of the basic forms of business involvement in the local community, and it has been examined widely by many researchers (Brammer and Millington, 2006; Madden et al., 2006; Amato and Amato, 2012). Generally, philanthropic activities represent supporting the needy, poor families and charitable associations in various ways, but predominantly through cash donations. This view has been found to be the common perception among businessmen in the GCC countries in prior research (Visser, 2008). Philanthropy is one of the common types of community activities mentioned by all interviewees, whether directly or indirectly, and this is consistent with previous studies' findings on the Middle East and GCC countries (Jamali and Mirshak, 2007; Emtairah et al., 2009; Qasim et al., 2011; Mandurah et al., 2012; Minnee et al., 2013). However, the traditional view of CSR as purely philanthropy is practiced only by a few firms in the sample. Only a limited number of interviewees believe this is a way to contribute to the local community. For example, one interviewee said:

> *[…] support charitable organisations and conduct programs for the charitable organisations (such as: Handicapped Association, Alamal Hospital, orphanage) (Respondent 6).*

Similarly, an interviewee from utility industry stated:

> *There are donations for charities (traditional donations) dedicated annually: We have a list of all recipient associations which we dedicate annual amount to the associations (Respondent 8).*

In addition to just cash giving, another way of being involved in philanthropic activities is by donating the firm's products (i.e. goods and services). One interviewee provided an example of this, he said:

> *We have products for donations on a daily basis, every day we send about seven to eight donations. This matter costs us about 3,000 to 4,000 riyal per day products only, to schools or charities (Respondent 5).*

Notwithstanding that philanthropy was mentioned as part of community involvement and CSR activity, it appears from the discussion with the majority of the interviewees that only a limited number of firms still hold and practice the traditional 'philanthropy based' view of social responsibility. This finding is different from the findings of earlier studies which investigated the perception of CSR in the region, particularly in Saudi Arabia. This change is evidence of the evolution of the concept and a new trend is expected to emerge. One interviewee clearly expressed this change by referring to the traditional view as an 'old perception'. He distinguished between the perception of social responsibility in the early years (i.e. in the last decade) and the current perception:

> *The old perception of social responsibility: when we go back to the old perception, not only [company name] but also over the whole country, all companies take both perceptions: the old perception, which focuses on charitable donations or the perception advertising or marketing, unfortunately (Respondent 8).*

The above quotes demonstrate that while some interviewees still hold the traditional view of social responsibility, there are some signs of that a new perception is emerging. A number explicitly expressed that they are not providing donations. Regardless of which industry the interviewees are from, they hold similar views. For example, one interviewee from the service industry clearly expressed that the firm does not donate cash to charities. After further discussion and clarification, she stated that she believes that philanthropy is not part of CSR and, thus, it is not deemed as a community involvement activity. Her statement is:

> *We do not provide financial support […] Real CSR is not charity (charitable donations) (Respondent 10).*

This view was also supported by another interviewee from the utility industry, he stated:

> *Philanthropy is not our focus and target (Respondent 1).*

One interviewee, from the banking industry, went further, to argue that it is important to change stakeholders' perceptions about charitable donations in order to change corporate community involvement practices. He considered that it is a common view among stakeholders, including the local community, that CSR is just about philanthropy. This interviewee believes that corporate community involvement is much larger and wider than just giving donations, commenting:

> *[…] They are waiting to know how much you gave them, how many charities you have supported. So you need first to change this concept or perception because the issue is larger than that […] we have completely stopped direct cash donations, and we focus on sustainable programs which its results reflected on the community (Respondent 7).*

In addition, the interviewees believe the firm can help the poor and needy in a more effective and beneficial way through other means rather than through traditional cash donations. The same interviewee quoted above provided an example of providing prepaid cards to those who are in need.

> *Also the poor families of the deceased we give them funding cards to help them spend on their needs. In which means that stop giving direct cash donations as subsidies we found it more effective, influential and more beneficial (Respondent 7).*

This firm, however, rarely and in extremely limited circumstances, does engage in charitable donations, he noted:

> *We may offer donations but in a very limited circumstances such as for customers with difficulties due to certain human conditions (Respondent 7).*

Similarly, another interviewee from the banking industry also holds the same view, in which they do not give direct donations to recipients but redirect these donations to particular programs that ultimately benefit the recipients within the community. He reported:

> *The Bank does not provide any pure cash donations, but it provides donations to targeted programs (Respondent 4).*

It was cited in a study by Hess et al. (2002) that philanthropic donation is a controversial issue. In line with this view, one interviewee raised the debate about whether or not to consider philanthropic donation as part of corporate social responsibility, or social contributions. The interviewee from this firm commented:

> *Now, there is a controversy debate in the new concept regarding this donation whether to consider it as part of social responsibility or not, but it is certainly a charity and should not be included in the new policy within the social responsibility (Respondent 8).*

After further discussion, it became evident that charitable donations by this firm have not completely stopped because it would have an impact on certain groups within the community, but he pointed out:

> *These donations are ongoing so far, but it is not included in the special report of corporate social responsibility, certainly it has an impact on specific groups of society, but its impact is not equivalent to the impact of existing programs which dissolved in the company's operation (Respondent 8).*

Notwithstanding that interviewees from all sectors expressed similar views, one interviewee felt that industry can be a key factor and has an impact on what firms should be involved in. He also believes it is a mistake that firms within the mining industry, to which his firm belongs, get involved in philanthropy, believing that mining firms should, instead, be involved in a higher level of contributions to make real development in the community. He said:

> *Social investment: this term is commonly used in mining sector but people call it community initiatives. This is not philanthropy (i.e. we don't give to non-profit organisation money from nothing), we need a*

> *joint program. We used to do that before but we stopped that, we used to make a lot of mistakes (Respondent 2).*

He went on to state that philanthropic donations can be done by other firms but not mining firms because mining firms have clear objectives, specific targets and significant responsibility compared to other firms:

> *A lot of people come and ask us how much we spend on donations winter clothing, school bags or whatever. We stopped doing this, it's someone else should do it. We should do the major things, we should do the local content development (Respondent 2).*

The responses from the interviewees provide clear and strong evidence of the increase in awareness and evolution of the emerging concept of CSR in the country, which contrasts with previous literature. The level of awareness is also expected to be increased in other GCC countries as they all have a similar social, political and business environment.

5.4.2 Sponsorship activities

As discussed in Chapter 2, firms globally use sponsorship activities as a form of community involvement. However, sponsorship differs from philanthropy in relation to the ultimate goal or business benefits it brings. Usually, firms sponsor certain programs or activities in order to gain public recognition (Lakin and Scheubel, 2010), in other words, it is used as a marketing strategy. This type of community involvement has been identified in a previous study as a common way of making community and social contributions in different countries (Maignan and Ralston, 2002). Sponsorship activity that targets the local community is the second most common activity reported by the interviewees. It includes sponsoring activities, programs and events that have benefits for the local community as well as for society at large. It appears from the interview findings that many of the sample firms use sponsorship activities for community benefits as well as business benefits. According to several interviewees, firms sponsor various activities and programs as a way of making a social contribution. Many interviewees provided general statements about their firm's involvement in sponsorship activities. One reported a short and general statement: *"[…] the bank sponsors forums and* *national events" (Respondent 3).* In line with this direction, other interviewees from different industries reported similar statements, for example:

> *The concept of social responsibility is to provide support and care for the community through sponsoring events. We sponsor some forums and programs (Respondent 6).*
>
> *We sponsored a CSR summit in 2014, and also sponsored the King Khalid award (Respondent 10).*
>
> *Sponsoring some activities such as employment forums, scientific sessions and environmental initiatives (Respondent 9).*

On the other hand, some firms design their sponsorship activities for targeted groups in the community. One firm has a clear purpose from sponsoring certain activities, that is, to be involved in, and contribute to, community issues. The interviewee pointed out:

> *There are sponsorship programs especially for community issues and not only for company's issues (Respondent 8).*

Some of the sponsorship activities target the general public to increase awareness in certain areas, the same interviewee stated:

> *Of course, we are talking here about sponsorships, which means that we may sponsor a conference to increase public awareness in a particular area (Respondent 8).*

In addition to sponsoring activities for the general public, there are also activities for specific vulnerable groups within the local community, he said:

> *There are also external sponsorships focus on the disability and the orphans (vulnerable groups) (Respondent 8).*

In particular, one respondent has a particular focus on sponsorship activities as a major part of their community involvement, stating.:

> *We focus more on sponsorship activities…, and sponsoring activities that particularly serve the community which are provided by*

> *organisations from different sectors. […] We have sponsorships of events (such as: sponsoring activities of charitable organisations and Handicapped associations) (Respondent 1).*

It is clear from the above quote that some of these sponsorship activities are specifically for community benefits, but some sponsorships are primarily designed for business benefits such as enhancing the firm's image. This was noted by the same interviewee regarding sponsoring sporting activities when he said: "*Sport sponsorship is brand developing" (Respondent 1).*

Moreover, an interesting point of view was raised by an interviewee who indicated that sponsorship activities should be excluded from corporate social responsibility. He argues that sponsorship is separate from community or social activities and the firm does not take any strategic initiative to conduct such activities, however, the firm does accept invitations from others, he stated:

> *We do have a sponsorship program but it is not related to social responsibility, such as: Grain Forum in Jeddah, sponsorship of orphans Forum brotherhood, but these are not considered as social responsibility, these are considered as sponsorship. These sponsorships we do not search for, but when it comes we take it and sponsor it (Respondent 5).*

It is apparent from the interviewee's statement that perceptions can be a key driver for firms deciding whether to get involved in certain activities that may have benefits for the local community. In this regard, sponsorship activities can be used merely for business benefits, or it can be used for both business and community benefits bringing it closer to being CSR. Similarly, another interviewee raised this issue and distinguished between marketing benefits and community benefits as an objective of corporate sponsorship. He claimed that it easy to sponsor activities for marketing benefits, whereas it is difficult to sponsor activities for community benefits. He also commented that it is important to be involved in sponsorship activities in order to fulfil community and social needs rather than for seeking marketing benefits. However, if the objective is for marketing then it is definitely not related to the community service or CSR department, and should be related to a marketing department and not reported as CSR. His comments include:

> *[…], it is very easy to sponsor a football league but it is very difficult to sponsor sport events for people with special needs, it is very easy because its marketing return is favourable. But we should close the gap, it is not necessary to have marketing benefit, which means the target is not marketing benefit, don't focus on marketing benefit…, but the most important is to adopt programs and make sponsorship that fill a gap in the community need in a particular aspect, which you see it as highly beneficial for the society (Respondent 7).*
>
> *[…] anything related to marketing it goes to marketing department, doesn't come to us as community service department, because if you would like to search for social activities which make marketing benefit it means you would only provide one or two programs in the whole year (Respondent 7).*

This level of explanation again demonstrates that the awareness of CSR in general, including community involvement in particular, among businesses in the region is evolving and increasing, which is likely to be beneficial for the local community. Considering the position of this interviewee, as a senior manager of the community service department, it may indicate that community or CSR departments in general have a substantial role in selecting community programmes and communicating with stakeholders. Regarding this issue, the next chapter examines the impact of the presence of a CSR committee on the level of CCI reporting.

5.4.3 Volunteering activities

Corporate volunteering has been suggested as one of the best types of community involvement (Wild, 1993). Volunteering activities represent a win-win scenario for business on one hand and for the community on the other (Caligiuri et al., 2013). Corporate employees are a key element in volunteering activities (Zappalà, 2004). The employees can increase their level of commitment to their job and enhance their self-satisfaction about their contribution to their local community (Lee and Higgins, 2001; Basil et al., 2009), therefore, firms can gain competitive advantage and improve their financial performance through better performing employees (Branco and Rodrigues, 2006). Volunteering was reported by a number of interviewees as a community involvement activity, where the firm's employees volunteer a specific number of hours of their working time for the benefit of the community. Six interviewees provided examples of their firms' volunteering programs, which are a completely voluntary activity. One interviewee mentioned that the firm encourages its employees by giving them incentives in return for the number of hours spent community programmes, he reported:

> *The bank has a holistic view in the programs, we have voluntary programs involve employees' contributions, which give each employee a holiday in return of the number of hours spent on volunteering (Respondent 3).*

A number of examples were provided by the interviewee:

> *Examples of volunteering work of employees: - Visiting Patients and giving gifts to patients - Participating in cleaning up the environment (public parks) through municipal programs - Providing awareness programs for students of public and higher education (Respondent 3).*

In another example from the same industry (banking), an interviewee mentioned that employees have a lot of willingness to be involved in such activities that benefit their community, he stated:

> *Last week, for example, we had a voluntary program of blood donation for children with cancer, we also convoys winter and convoys of Ramadan and caring of inpatients children. These programs are not imposed to any employee that you must involve. We offer a program of Eid, (a religious festival celebrated by Muslims worldwide), greeting for inpatients children hospitals, for example, we would like to provide gifts for those children so who would like to volunteer in this program. You would not believe that the list is always full, we give them incentives but not in a monetary form, we give appreciation and introduce them among their colleagues in order to encourage volunteering work (Respondent 7).*

The evidence provides an indication that these volunteering activities are voluntary and free of pressure from corporate management. As many volunteers are willing to participate this also indicates that a strong desire and sense of social responsibility exists among employees as individuals. In addition, those firms often provide incentives for the volunteers in order to keep up their motivation as well as to ensure the programs' continuity. Such activities may have some benefits for the community but also have internal benefits to the business, which will be explained further in section 5.5.1.

In terms of where the volunteering work is focussed, it appears to cover a variety of areas, but one utility firm focuses its volunteering activities mainly towards the environment. The interviewee explained that not only are the firm's employees involved in these activities, but also their families get involved. He also notes that this is a deliberate strategy, commenting:

> *We also have employee volunteering activities which are related to the environment titled "my environment is beautiful" the idea is to have an activity that serves public areas such as beaches, resorts or protected areas, which served by our employees and their children, and there is a strategic approach to have a list of all existing volunteering activities and the name of the volunteers including the number of volunteering hours (Respondent 8).*

This particular direction of involvement through volunteering could be due to the nature of the business of this firm, which gives the environment higher priority than other aspects of society. Also by mentioning the term "strategic approach" it indicates that the firm is moving from general involvement into more systematic and strategic involvement with purpose and a target, which includes measurements and evaluations. It also suggests a belief in a 'win-win' situation where both the firm and community benefit.

Another firm with a specific direction for volunteering noted that they focus on 'skill-development' within the community:

> *Volunteer work for employees through Saudi Injaz program to provide simplified training courses for school students in the following areas: administrative, accounting, self-development and project management to prepare them for labour market (Respondent 9).*

Although a number of interviewees spoke about volunteering activities as part of their community involvement, one interviewee considered that volunteering activities should be deemed as the social responsibility of an employee as an individual, not the responsibility of the firm, even though employees' contribution has an impact on the firm's reputation. This interviewee is the same interviewee who holds the view that sponsorship is not part of social responsibility, he commented:

> *I mean 20 employees or 30 employees gather and encouraged by us to clean up beaches or to visit poor areas or to distribute something, this is we consider it as social responsibility of the employees of the company, not of the company itself…… We always separate between the responsibility of [company name] and the responsibility of [company name] staff, because we have 40,000 employees and we want to show to the community that our 40,000 employees are active in the community. I mean, I would like everyone in Saudi society to know that each employee in [company name] has social responsibility to the well or to the well or to the well. I want this to be taken for [company name] staff (Respondent 5).*

5.4.4 Partnership activities

Community involvement through partnerships aims to help and support the community as well as achieve business benefits (van den Berg et al., 2004; Lakin and Scheubel, 2010). Seven interviewees from seven different industries provided examples of their community involvement through partnerships activities. This type of involvement was expected to be the lowest activity among the firms in Saudi Arabia because it is an emerging phenomenon in developing countries. However, the findings reveal this may not be the case, which indicates that firms are beginning to recognise the benefits from this type of community involvement.

For example, interviewees from the retail, banking, services and other industries, all reported their contributions to community involvement by providing examples of their partnership activities.

> *Partnerships such as the one with the Arab Bureau of Education, and also with the King Abdulaziz City for Science and Technology regarding the Creativity Award, and with the General Organization for Technical Education and Vocational Training (Respondent 5).*

> *There are some partnership activities (such as: Jana Foundation for interest-free loans) where the bank's contribution is financial, while the partner's contribution is administration (Respondent 4).*

> *We have partnership with [xxx]…, Partnership with [xxx] to provide free health insurance (Respondent 10).*
>
> *We have Partnerships (with Mawhibah Association, Saudi Festival for Science and Innovation, the field of cognitive [company name], The Intelligent Investor, Abdullatif Center for Breast Cancer, Faculty of Dentistry) (Respondent 6).*

An interviewee from a mining firm mentioned in his discussion about plans to develop a partnership. While the firm is currently not involved in partnership activities, it has established a specific committee in order to develop collaborations and partnerships with other organisations. He believes that working with a partner or partners is more beneficial for the business as well as for the community, rather than working alone. The view of this interviewee is in line with existing literature (Peloza and Falkenberg, 2009), as he commented:

> *Social investment […], This is not philanthropy, […], we need a joint program […]. The new development we are going through is that there is a committee, the chart of the committee already signed off by the CEO, this committee called "[company name] higher community initiative committee"[…], and this committee is only about the last part the social investment. It is also about working with our affiliates companies to invest socially and this committee will approve or not approve the initiatives of social investments (Respondent 2).*
>
> *[…] What this committee will do is to bring everybody to the table and hopefully we create partnership, but this is not happening now….. This committee will bring everybody on the table and may be they can partner in one thing maybe we can push this contribution to be more collaborative than every company working alone. So, this is why we created this committee and why the CEO himself asked for it and created it (Respondent 2).*

It is apparent that firms recognise the importance and benefits of involvement in the community at a higher, more strategic, level than simple donations. Thus, it is expected that there will be growth of this type of involvement due to the increased awareness among businesses and its high level of contribution and development.

One interviewee demonstrates the level of thought that has gone into this area, as he strongly believes in partnership activities as a means of community involvement. He reported that one of the firm's main focuses is partnerships:

> *The bank has a specific department for community services, but the bank since it was established focuses on four themes: […] The third theme is how to be a partner in the development, to provide a new scope, which is the scope of funding (Respondent 7).*

The interviewee further explained that the firm has a strategic plan for all community and social activities, including partnerships, but developing a successful partnership is not an easy task because it is not a common activity among businesses and partners usually are not experienced enough, thus, he pointed out some challenges that the firm encountered:

> *Yes, we have a strategic plan, we have annual plans, which translate this strategy in order to measure the impact of each program… Thus, this evaluation has to have clear features because the partner whom I am with could be a charity association, government agency or any organisation. You sometimes see the partner as a weak partner or he has not achieved the goals which I wanted or his commitment was unsatisfactory, so you want to rebuild because the program was good, beneficiaries were good, but the partner was weak. You should look in the same area for another partner, I mean all these three necessary should be measured well (Respondent 7).*

These challenges mean that businesses are moving to the next level in relation to providing sustainable and long term benefits through corporate social responsibility and community development. It is also a clear indication that firms in Saudi Arabia are trying to make valuable contributions to the local community.

In addition to the main community involvement activities that are mentioned above, there are other types of social activities mentioned by the interviewees, such as activities that target employees and environment, but these are not included in the results and discussion because they are outside the scope of this study on community involvement.

After identifying the main community involvement activities which are conducted by the firms, the next step is to understand and reveal the rationales behind involvement in CSR activities, including community involvement activities, in the region. The next section discusses the key rationales that appeared through the interviews for getting involved generally in CSR activities, and this is followed by the reasons they gave for reporting to the public about these activities.

5.5 Rationales behind being a socially responsible firm

One of the main research objectives of this study is to identify the reasons that firms in Saudi Arabia are involved in CSR activities generally, and community involvement activities specifically. All interviewees identified particular reasons for being a socially responsible firm, and some of these reasons are more common than others. The majority of reasons given relate to business benefits, while some referred to community benefit. A summary of the rationales identified in the interview responses is provided in Figure 5-2, and discussion of each follows.

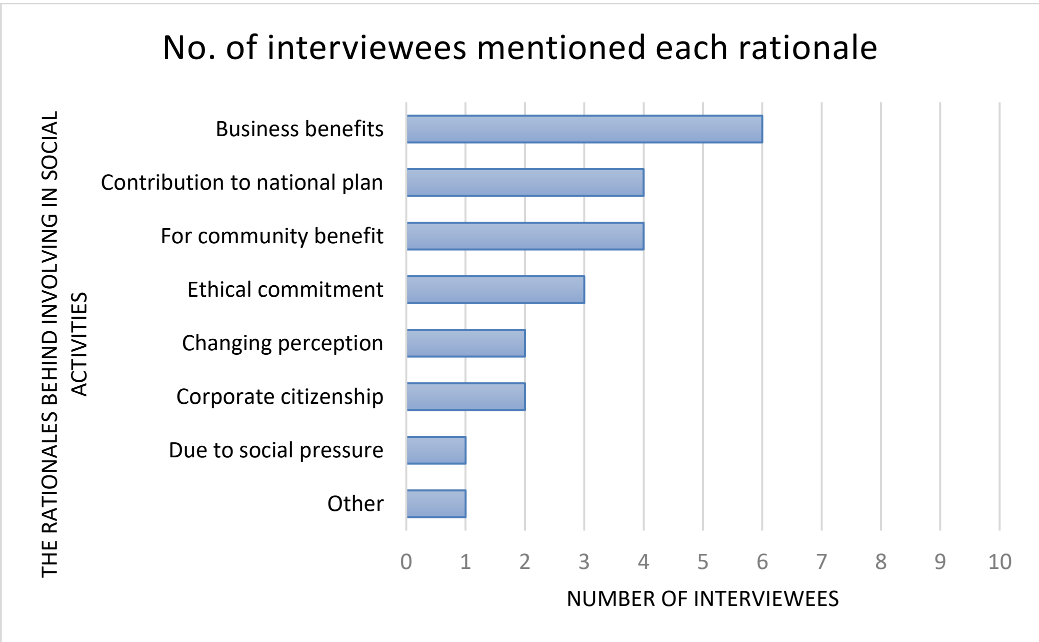


Figure 5-2: A summary of the rationales of being a social responsible firm

5.5.1 Business benefits

The primary responsibility of any business is to fulfil its economic responsibility (Carroll, 1991). This economic responsibility means that a firm should be able to survive economically in order to continue its operations. If the firm is able to fulfil its primary responsibility then it is more likely to fulfil other responsibilities including social responsibility (Carroll, 1998). Even though the interviewees revealed several rationales, the majority of interviewees' responses, when they were asked about their rationales for involvement in voluntary social activities, were related to the gaining of business benefits as the following quotes demonstrate:

> *We don't want to do it because we are good people or to show off in the media, we want to do it because this is good for our business (Respondent 2).*
>
> *We as [company name] experienced both losing business and gaining business because of social performance, so it is really make it or break it. It is purely purely purely business (Respondent 2).*
>
> *The company's goal is business (to make profit for shareholders) and not gaining reward and blessing (Respondent 1).*
>
> *I think that the most important motives are based on owners' convictions or senior management's convictions management of the importance of such services or activities towards local community which benefit the bank, first (Respondent 3).*
>
> *Yes on our personal capacity we would like to be good people, we help people, we work with non- profit organisations, but when it comes to business Abdullah we are talking about money. Just imagine for mining companies a problem with this community will hold the government from giving you another licence for exploration somewhere, so you are losing business because of your reputation because of your community social performance (Respondent 2).*
>
> *It is not about being good, it is about being sustainable. If you are not engaging with your community, and that will affect your reputation. And if your reputation is not good and ask the government for new licence for exploration they will say go and fix your problem with this community and then come back (Respondent 2).*

Business benefits can take different forms, thus, the reported rationales as perceived by the interviewees can be classified into a number of groups. The first group is to add value to the business (or shareholders' wealth), with a few respondents suggesting community and social activities can add value to their business by helping them to gain competitive advantage (Branco and Rodrigues, 2006). This view was supported by an interviewee from the telecommunications industry, who explained that the market competition among firms used to compete between price and quality, but now CSR makes the difference. In other words, CSR activities differentiate between competitive firms.

> *Companies are equal in quality and service. In other words, there is no big gap between competitors, but CSR is making the difference. This is why companies focus now on CSR. Before, it was only quality and price, while now quality, price and CSR (Respondent 1).*

A similar view from another interviewee is that CSR can add value to shareholders' wealth, which ultimately will ensure the continuity of the business. When asked what the reason behind CSR activities is for his firm, he stated:

> *There are several reasons: […] its impact on market value of the company (Respondent 8).*

He further used an example of a particular stock market from a developed country, where, in his view, CSR had a direct impact on a firm's share price, which consequently impacted the firm's market value. Furthermore, the example provided by this interviewee is not based on the local market, which may indicate the influence of international markets on the perception of local businesses in Saudi Arabia.

The second group of rationales is related to enhancing corporate reputation or marketing. There is a strong relationship between a firm's social performance and a firm's reputation (Unerman, 2008; Bayoud et al., 2012; Pérez, 2015). Involvement in the local community and making a social contribution can create, enhance or maintain corporate image (Branco and Rodrigues, 2008; Bayoud and Kavanagh, 2012; Skouloudis et al., 2014). The findings of the interviews show that some firms tend to get involved in CSR primarily to enhance corporate image, brand and reputation, so they use CSR as a marketing strategy. This was strongly suggested by an interviewee who stated:

> *CSR is part of marketing […] CSR is a marketing strategy (Respondent 1).*

Similarly, other interviewees acknowledge the relationship between social activities and the firm's image and reputation:

> *To improve the banks' image in the community (Respondent 4).*
>
> *If you asked why CSR? Because it has a huge impact on corporate reputation […] Its impact on the reputation (reputation begins from inside and it goes outside) (Respondent 8).*

Another believes that there is a relationship between CSR and marketing, however, claims that it comes after building a strong foundation of social performance using a systematic approach, because of the nature of the industry his firm operates in:

> *We have a lot of challenges we are different than petrochemicals, petrochemicals work in fenced sites in the industrial areas, we don't work in industrial areas, we work in communities in deserts. […] in our case is not about branding yet definitely, the brand will start after we secure the social performance in a couple of years you will see [company name] is more associating the brand with sustainability more and more and more, but they don't want to do it until they make sure that we … have it in place (Respondent 2).*

Other interviewees believe that corporate image and reputation is an automatic outcome or result of CSR, even if it was not the direct intention of the firm.

> *There are six standards for reputation measurement and one of these standards is corporate social responsibility. If the company has good reputation this will affect the brand of the company (Respondent 8).*
>
> *So we cannot ignore reputation when we are performing CSR because it is a core element or the reputation. The weight of CSR may vary from one company to another depending on the business or sector. It may be in company (A) 20% while in company (B) 60% (Respondent 8).*
>
> *Anything related to marketing it goes to marketing department, doesn't come to us as community service department, because if you*

would like search for social activities which make marketing benefit it means you would only provide one or two programs in the whole year. But for sure the CSR programs in general have an impact on the image and the reputation of the organisation, which has no disagreement between two (Respondent 7).

These interviewees acknowledge the relationship between CSR and marketing, but stated that their focus is on those activities which also have benefits to the local community. Similarly, a few interviewees claimed that other firms get involved in community and social activities for marketing purposes, but they do not see themselves acting for the same purpose. As noted above, one interviewee said:

We have a lot of challenges we are different than petrochemicals [...], we work in communities in deserts. […] all of their contributions are cause related marketing, associated with their brands (Respondent 2).

Another interviewee reported:

We believe that (other) companies get involved in CSR for marketing, publicity and reputation (Respondent 5).

The third group of rationales is related to stakeholders. Being involved in social activities can be a strategy for attracting stakeholders (e.g. investors, employees, customers, etc.) (Greening and Turban, 2000; Amran and Siti-Nabiha, 2009). In line with this view, some interviewees believe that CSR can attract foreign investors and employees and one interviewee asserted that firms engage in CSR to maintain and reinforce their employees' loyalty to the firm:

Even foreign investors will see that the company has a sense above legal compliance, so practically it began to attract them (Respondent 8).

To attract highly qualified employees (to be proud of the company and to reinforce employees' loyalty), and the employee is a marketing tool, therefore, it will influence many segments in the society and also it will affect the employee's behaviour (Respondent 8).

Consistent with this point, other studies have suggested that firms can gain various benefits from involvement in voluntary social contributions, and some of these benefits are internal such as increasing employees' motivations (Branco and Rodrigues, 2006). An interviewee also noted 'the impact on employees' when she was asked what would happen if the firm does not get involved in the community. She believes that one of the key benefits that a firm obtains from social contributions is the positive impact on employees in the workplace, and noted it is used *"to keep the spirit and motivation of our employees" (Respondent 10)*. Thus, this insurance firm concentrates primarily on it employees as a stakeholder group. This indicates that different firms may give different emphasis to different stakeholder groups. As will be discussed later, it is surprising to find the emphasis on stakeholders is high given the view of prior literature that stakeholders have no strong influence in this region.

The last group of business benefit-related rationales found in the interviews is related to the concept of the social licence to operate, and was mainly seen in businesses in mining industry. Firms in certain industries may encounter legitimacy threats which emerge due to an existing gap between community social expectations and a firm's behaviour (Lindblom, 1994; O'Dwyer, 2002). In response to these threats, firms get involved in social activities in order to legitimise their behaviours to minimise the gap and to obtain a licence to operate from society (Deegan, 2006; Eberhard Falck et al., 2015; Hall and Jeanneret, 2015). In this regard, one of the interviewees from this industry mentioned that one of the key reasons behind involvement with the local community, and making social contributions, is to establish and maintain the corporate social licence to operate. The interviewee said:

> *Because we are in mining sector which is very sensitive to community, we have something called "social licence to operate". The official licence to operate we can get it from the government, that's easy, but the social licence to operate is not something tangible, it is a daily hassle. It is day to day make sure that there is no resentment building up inside the community around you (Respondent 2).*

The interviewee emphasised this point several times during the interview:

> *[…], we do this social performance because: **(i) to maintain our social licence to operate**, (ii) we are 50% owned by the government, so the government started us to diversify the economy and to develop the remote areas. So that is part of our job. It is to fulfil our shareholder's objective. […] we should hire local people, train local people, buy from*

local businesses and also to maintain our social licence to operate (Respondent 2).

He explained further that this concept is very important due to the nature and sensitivity of the mining industry.

In mining, our business is very sensitive, it has environmental impact, it has social impact, it has economic impact. We want to make sure this huge impact is in the right way (Respondent 2).

The discussion went even further to demonstrate the possible/potential negative consequences if the firm did not pay attention to its social licence to operate. The consequences could be losing business opportunities, or incurring indirect costs, or both.

If you are not engaging with your community, and that will affect your reputation. And if your reputation is not good and ask the government for new licence for exploration they will say go and fix your problem with this community and then come back (Respondent 2).

So, this is to maintain social licence to operate, it is a daily hassle by the way. If we really calculate the indirect costs these things is huge very huge. Just imagine the interruption of the senior people time and if you count the one hour of the senior guy is huge. So the indirect costs of social issues in mining is huge is very very huge (Respondent 2).

This particular reason was only mentioned by one interviewee from a mining firm, which indicates a potential legitimacy explanation for community activities in this industry. His knowledge of this term also indicates the evolving awareness of the concept of CSR.

5.5.2 Contribution to national development plan

The collaboration between businesses and governments was cited in a study by Robins (2005), which outlines the argument that one of firms' responsibilities is to help governments to fulfil their own responsibility. There is a strong sense among interviewees in relation to the role of businesses that part of their obligation is to help the government in the area community development. That is, businesses or the private sector's contributions should complement the public sector in solving social issues and community development. Following this argument, it was reported by a few interviewees that contributing to the country's strategic development plan is one of the rationales behind involvement in social activities. Interviewees believe that they have a significant role in the country's national strategic plan, therefore, they incorporate their social contributions in line with that plan. Four Interviewees pointed out that firms design their community and social contributions in line with the national strategic plan in order to help the government to fulfil its economic and social development goals.

> *[…] to strengthen the country on its strategic development plan […] I mean we are trying to strengthen the government's development plan. This is based on the principle that the private sector should help the government toward community and directed by the plan and according to the needs of the country (Respondent 3).*
>
> *To improve the level of local communities in which we operate through corporate social responsibility initiatives which is in line with the national development plans (Respondent 9).*

In summary, there is some evidence of firms' concern about community and social development through supporting the government. It indicates a diversion from the traditional view of business responsibility which focuses merely on wealth maximisation (Friedman, 1970, 2002), and is a finding noted as significant for the regional context of this study. This leads to a question about the level of concern for the community as a key rationale behind their involvement. The next section illustrates the level of concern noted by the interviewees, specifically about the community.

5.5.3 Community benefits

Despite the fact that the community as a stakeholder was identified by all interviewees, only four interviewees mentioned community benefits as a rationale for their involvement in community and social activities. One interviewee believes that firms should be involved actively in social activities in order to make a real contribution and benefit society, he stated:

> *[…] But the most important is to adopt programs and make sponsorship that fill a gap in the community need in a particular aspect, which you see it as highly beneficial for the society (Respondent 7).*

Another interviewee holding the same view and expressing concern about the local community believes that social contribution is a duty on firms and they are supposed to get involved to fulfil social needs; he pointed out:

> *The main objective for which the company is designing social programs and initiatives is the social and national duty to meet the fundamental and urgent social needs and issues (Respondent 9).*

While others who also show concern about the community provided a general statement to demonstrates their view, for example:

> *We want to have something positive for our community (Respondent 10).*

This general statement does not provide details or specific direction but the expression of the interviewee when giving this response involved some degree of excitement when expressing her feelings about benefiting the community. Although this statement seems to show the firm's concern about the community, it may not be accurately representing that concern. It instead may represent a general and ambiguous response, or just the personal opinion of the interviewee, because through the entire interview other responses indicate this firm focuses mainly on internal business benefits.

5.5.4 Ethical commitment

Ethical commitment was another rationale behind involvement in community and social activities that appeared in the interviews with Saudi listed firms. Four interviewees considered their social performance to be undertaken on an ethical basis. For example, in one firm the respondent believed that being ethical is the right way to run a business:

> *[…] And also economically is to conduct our business in an ethical way, so we have our code of conduct (Respondent 2).*

In another interview, it was considered that firms' owners are committed ethically to the local community and society at large:

> *It is an ethical and voluntary commitment, not compulsory, of businessmen, business owners or shareholders to provide social*

contributions benefit for employees and their families and local communities in order to make profit and benefit for the bank and the community development at the same time, which is a sustainable development (Respondent 3).

One interviewee strongly supports the concept of CSR and considers a firm which has no social contributions as a firm with no moral values. The interviewee was asked about the impact or consequences for the firm of not being involved in community activities; his immediate response was:

Certainly, the first thing I will do is to resign because I feel that the company does not have moral values or ethics (Respondent 8).

This interviewee strongly believes that corporate social contributions are actually based on ethical grounds and a firm with no social contributions means it has no ethical commitment. Even though social responsibility in this region is derived from Islamic values, as noted in prior studies, this interviewee has not emphasised this ground. He rather seems to focus on business behaviour based on best practice and his personal values and beliefs.

5.5.5 Being a good corporate citizen and changing perceptions

The term corporate citizenship represents the business-society relationship, and it shows business responsibility towards the local community and society at large but from a slightly different angle than discussed above. Corporate citizenship looks at a firm as a 'citizen' that stands next to other members in the community (Matten et al., 2003), and is also seen as an entity with similar status to a person (Waddell, 2000). Two interviewees referred to this concept when they were asked about the reasons behind their social contributions. One interviewee said:

We want any individual in the community to see [company's name] as a good citizen as part of the society where it lives (Respondent 5).

This view was strongly supported by another interviewee, he commented:

If you asked why CSR? Because it has a huge impact on corporate reputation and corporate citizenship (as we are part of the society, then we should play a role to contribute to the development) (Respondent 8).

These two quotes may give an indication of the influence from other countries because this term or concept emerged and is discussed mainly in the literature from developed countries (Matten et al., 2003; Banerjee, 2008). In addition, the interviewees providing these responses have been in developed countries and they may have been influenced by some of the business concepts and practices they observed and thus be trying to apply in their home country. Using this term, corporate citizenship, which is generally considered to be a 'western' concept may further indicate that the concept of CSR in this region is evolving.

In addition, some firms' management aim to use reporting on CSR activities as a tool to change public and market perceptions. Changing perceptions was an interesting rationale that appeared in the interviews, although it is less common than some of the others discussed above. Although only a few respondents provided this reason, it again indicates that the concept is evolving in the country and the region. For example, one of the interviewees clearly pointed out these issues:

[Company's name] is socially responsible because of the following:

To change the negative or conventional perception in the community […] To change companies' perception by simulating what [company's name] is doing […] To change society's perception in general for CSR (Respondent 5).

It is interesting to find such a response in a country where the concept of CSR is not well defined and still under development. This is because having the intention for changing the market, community and public perception is considered as a strategic approach that firms in developed economies use for stakeholder management (Perks et al., 2013). This may again indicate that the development of the concept emerged in Saudi Arabia due to interactions with international firms. It may also indicate that such a response is an outcome of an individual senior manager's knowledge, experience and attitude towards CSR. Considering that the interviewee of this firm is a public relations manager and a CSR manager, this may have an impact on his perception.

5.5.6 Social pressure

Globally, there is growing pressure on businesses to be involved in discretionary social activities (Brammer and Millington, 2004, 2006). Social pressure on firms is reported to play a significant role in management decisions and firms' behaviour (Oliver, 1991; Brammer and Millington, 2004). Therefore, some firms act responsibly and get involved actively in social activities as a response to social, political and institutional pressures and expectations (Branco and Rodrigues, 2006; Aguilera et al., 2007; Kotonen, 2009). However, an extremely limited number of interviewees explicitly indicated the existence of pressure in Saudi Arabia. One interviewee admitted that there is some form of pressure that exists (i.e. from society), but noted that this pressure is minimal and is not resulting in changes. The interviewee believes that this pressure is under consideration by the firm but it is not the main reason for social and community involvement activities, he stated: *"The media's constructive criticism began almost three years ago" (Respondent 3).*

Another interviewee clearly pointed out that they do not use CSR as they want to avoid potential criticisms from media. This firm seems to be having an issue with dealing with possible media and public reaction, which they fear may end up exerting pressure. He pointed out:

> *The bank is afraid to use social responsibility as a means of marketing in order to avoid sharp criticism in local newspapers (Respondent 4).*

In addition, one interviewee believes that the majority of firms involved in CSR do so due to local social pressure, he commented:

> *I mean the heads of these companies have started doing social responsibility not to enter the companies into the paradise, but because it is imposed on them, and even community's awareness has increased*

> *and started questioning where is the role of companies, then the companies involved in this issue due to social pressure (Respondent 5).*

This interviewee explained further that firms involved in CSR activates are simulating global firms:

> *We go back to your question: The concept of social responsibility has begun as a result of public pressure about 15 or 20 years ago due to our contact with other worlds and we saw their large and huge corporations have social responsibility, then it becomes as simulation and people here in Saudi Arabia started asking why companies do not do the same things (i.e. CSR), so we do so (Respondent 5).*

The quote above may indicate, to some extent, that there is some form of global impact on business practices in Saudi Arabia. This could influence business awareness in the country. More details about current awareness of CSR in this region is discussed in Chapter 7.

> *In addition, society's perception on companies is always critical and under the spotlight, […] A receiver [the reader of the information reported about CSR] in Saudi Arabia has become aware. If I wrote about social responsibility, then it is part of social responsibility which I know and you know that the company did it due to social pressure (Respondent 5).*

In summary, the quotes above provide evidence of existing and emerging social pressure in the Saudi Arabian context, which may also be similar in other GCC countries although possibly to a different extent. This contradicts several studies which assert that social pressure in this region is almost not existent (Visser, 2008). A further discussion about this point in relation to reporting will be presented in section 5.6.2.

5.5.7 Summary of rationales for community involvement

Overall, there are a number of rationales for corporate involvement in the local community, and for CSR generally, that arose from the interviews. Some of these rationales are common and the majority are in line with the literature based on developed countries. In addition, however, there are some rationales that seem to be specifically related to the local context (i.e. contributing to national plan and to act as a role model or to guide other firms). Notably, the evidence for stakeholder pressure is an important finding for this region, and is even more evident for the results on reporting, which are discussed next.

5.6 Rationales behind reporting on community involvement and social activities

Many researchers have addressed the question of why firms voluntarily report about their social activities, and have reached different conclusions (Amran and Siti-Nabiha, 2009; Yin, 2015). Even though previous studies have revealed various reasons behind voluntary social reporting, there is no agreement about a single reason or theory that explains it in different contexts. It is worth noting, however, that there is lack of studies that investigate the rationales behind this phenomenon in developing countries generally, and the Middle East particularly. Accordingly, this section contributes to this gap by presenting the results of interviews with managers from Saudi listed firms on the reasons they engage in voluntary reporting on their community and social activities.

A number of rationales emerged from the interviews, but they can be categorised into six major categories as shown in Figure 5-3 and each is discussed below.

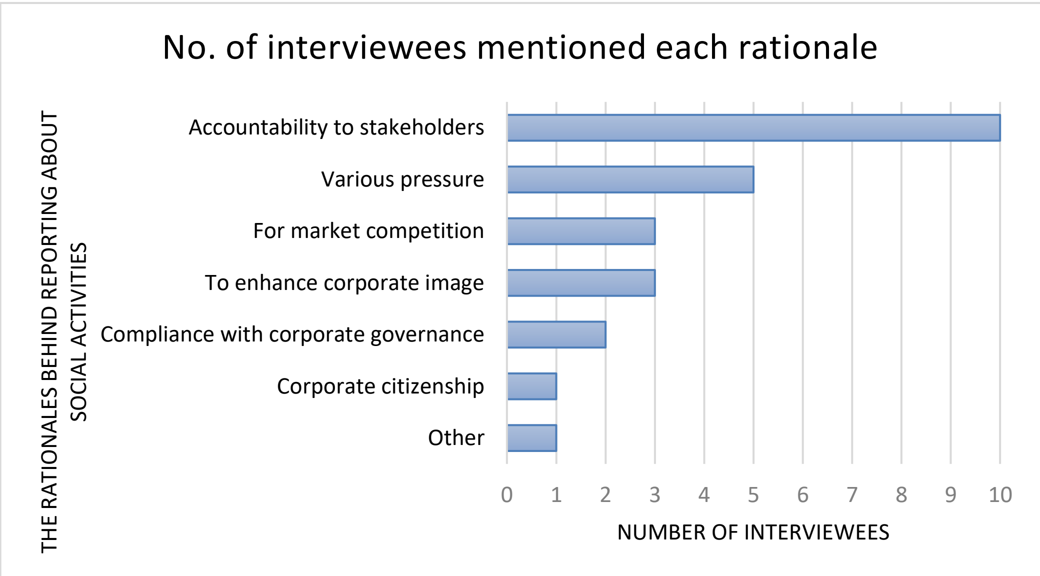


Figure 5-3: Summary of the rationales behind reporting

5.6.1 Accountability to stakeholders

As mentioned in Chapter 3, stakeholder theory is one of the theories that have been widely adopted to explain corporate voluntary/social reporting. According to stakeholder theory, firms are accountable to wider stakeholders other than the owners of the firm (Freeman, 1984). Part of this accountability is to build a relationship with those various stakeholders through communication (Gray et al., 1996), and corporate reporting is one of the common vehicles used (Zeghal and Ahmed, 1990). Firms can discharge their accountability through voluntary reporting on activities other than financial performance (e.g. social performance) (Gray, 2001).

Accountability is the highest reported rationale behind voluntary social reporting among the interviewees. All ten interviewees believe that they are accountable to various corporate stakeholders about their financial and non-financial performance or activities. Based on the interviewees' responses there are four main aspects that are related to stakeholders: (i) informing stakeholders, (ii) enhancing stakeholders' loyalty, (iii) attracting stakeholders and (iv) increasing awareness.

There are a number of targeted groups of stakeholders that were identified by the interviewees about which they express care and concern when they are reporting about their community and social initiatives. Some of those stakeholders are general and broad groups, including corporate stakeholders in a general sense, members in the local community and the general public, while others are specific stakeholders such as financial providers (creditors), shareholders and investors, CSR readers, employees, etc. All four aspects of stakeholder issues that emerged include at least one or more of the aforementioned stakeholders.

The first aspect relates to informing corporate stakeholders. Interviewees believe that informing stakeholders is vital and it is one of the business duties of the firm. As an example of informing wider stakeholders, one interviewee said:

[…] (we report) to inform stakeholders about the impact and the results of these social activities on society,…, to illustrate the extent of fulfilment and company's commitment to social responsibility (Respondent 9).

Another interviewee emphasised the importance of being informed rather than being silent, he reported:

I'm happy because people care about the social and environmental aspect of the business. So that is a motive, we report to inform stakeholders because we failed before, because we did not inform them. So being silent is a wrong thing (Respondent 2).

The interviewee was explaining an incident that occurred as a result of not communicating with stakeholders about a specific issue. The researcher followed up by saying *"So being silent is a wrong thing?"* the interviewee replied *"YES, that is a mistake"*. This is a clear indication of recognising the benefits of informing stakeholders rather than keeping them uninformed.

Another broad stakeholder group is the general public and the local community. Firms aim to inform the public about their contributions to the local community and to society at large. One interviewee reported in this regard:

To inform and deliver to public of what the company has been doing, because some of the activities target certain group of the community and the rest of the society are not aware of these activities (Respondent 1).

Similarly, another interviewee responded with a short statement giving the same view, he stated:

To educate people about what the bank is doing (Respondent 3).

In relation to informing the local community as a stakeholder group, an interviewee pointed out that the purpose of reporting is:

> *To deliver accurate and comprehensive information to community members to know about company's contributions in achieving economic and social development (Respondent 9).*

In line with this view, another interviewee gave a similar reason. He believes it is the businesses role to report its contribution specifically to the local community where they operate:

> *Since we are part of this community, we have to highlight our role towards this community (Respondent 8).*

While a number of interviewees referred to broad stakeholder groups, expressed that they are aware of specific stakeholders who are looking or searching for information. This acknowledgment indicates firms have some 'felt' accountability to this group of stakeholders, which does not necessarily take the form of pressure. One interviewee pointed out that one of the firm's reasons for reporting is to target stakeholders who are interested in this type of non-financial information.

> *To give information to the reader who is looking for corporate social responsibility (Respondent 8).*

An interesting response was from an interviewee who does not support the idea of having CSR as a label or heading of 'social responsibility activities' or 'community involvement activities', when reporting on firm's social contributions. However, he considers that the firm does that in order to fulfil stakeholders' needs or expectations. He went on to state:

> *A simple role or part but not main, is targeting the groups who are looking for these information or activities (Respondent 5).*

Informing financial providers as another stakeholder group is also vital from a management perspective. It is perceived that reporting to stakeholders, particularly creditors, will give them positive signs about that firm in relation to its social acceptance as well as its financial performance and ability for repayment. In other words, reporting can provide signals of the businesses' long term stability, which primary stakeholders are most concerned about. A quote from an interviewee demonstrates this view:

> *When you look at financial borrowing process from the banks, for example, the same thing will happen. This will give the banks kind of tranquillity that the company has a high position and acceptance in the society, and also from the shareholders' perspective because it contributes to the community something. Therefore, practically, every initiative and every program will get reported immediately after accomplishment (Respondent 8).*

As shareholders and investors are one of the primary stakeholders of a firm (Clarkson, 1995), the interviewees believe that it is very important to keep them informed about corporate community involvement activities. One interviewee believes that shareholders have a critical impact on the business and that losing shareholders' investments due to negligence of the social impact of the business may threaten their survival. This is evidence that increasing shareholders' awareness of CSR, and giving them particular attention and keeping them informed, is one way of representing corporate accountability, his statement:

> *We report to show to our stakeholders this is what we do and to tell them your investment is in a good hands, […] I like to hear this from stakeholder, particularly shareholder, for me it is like a music because this is what transform and change businesses (Respondent 2).*

Another interviewee provided a similar reason for reporting on community contributions to shareholders and investors. Giving reassurance to shareholders, including the government, is a key expected goal to be achieved from informing stakeholders, this is again related to business long term stability. This includes both social initiatives which are not considered less important than financial performance, because this firm is owned by the government which aims for production without profit targets like other businesses. His comment is below:

> *This information disseminated to give reassurance to the shareholders, which includes the government (so to tell them that these are my activities and these are my social responsibility) (Respondent 8).*

It appears from all the quotes above, which are related to informing stakeholders, that the level of transparency in relation to reporting on community and social activities, among these Saudi listed firm is high. The interviewees suggest that firms tend to report about their involvement and contributions immediately and for reasons of accountability.

The second aspect of accountability to stakeholders is to enhance stakeholders' loyalty. Voluntary reporting about a firm's social activities has a positive impact on their stakeholders' loyalty, including customers, employees and others (Knox et al., 2005; Branco and Rodrigues, 2006; Mandhachitara and Poolthong, 2011). Interestingly, interviewees mainly from the banking industry referred to this point. One interviewee believes that maintaining and enhancing the loyalty of specific stakeholders is very important for the business and is considered to be part of the firm's duty:

> *The last thing: it is the right of our partners and customers to know our efforts towards our society, because their loyalty and affiliation to us is a source of pride for us. So, enhancing their affiliation and loyalty is our duty… To inform partners and customers to increase their loyalty to this organization (means to feel proud that this bank where I work or I invest in it or I am its client) (Respondent 7).*

The view of stakeholders' loyalty was also supported by another interviewee, who stated that reporting on social performance is important for retaining the employees:

> *To increase the affiliation of employees towards their bank (increase staff loyalty) (Respondent 3).*

The third aspect related to stakeholders is to use CSRR as a means of attracting investors and employees. Firms can gain a higher ranked position in the eyes of job seekers when their social contributions are reported to the public (Jones et al., 2009). When one interviewee was asked about the reasons behind reporting on social activities, he clearly mentioned employees and investors:

> *To attract employees… To attract foreign investors… The company has a strategic movement (moving from a local company to a global company), and therefore if an investor reviewed the company's reports*

> *and found a separate section on CSR he/she will have tranquillity that this company because the company has a role and affiliation towards its society and thus it should have high acceptance in the society (Respondent 8).*

In another example, an interviewee pointed out that reporting is an effective tool to engage employees with the firm's social performance, he reported:

> *Reporting is a very good engagement tool, it is engaging not communicating because they read it, ask questions, we listen and answer it… Our company is a complex business structure, and not everyone can know everything but a short report can tell them what they want to know (Respondent 2).*

Attracting investors was also strongly supported by an interviewee when he was asked to explain why the firm reports about their social performance, he replied:

> *[...] Definitely, definitely that's why the whole world now is moving from sustainable businesses to sustainable investments, they want to target the investors because investors have a major influence on businesses (Respondent 2).*

Another interviewee raised an interesting point, in that she stated that reporting can lead to the firm being attractive in ways specifically related to community involvement activities. For example, it can open up potential projects through attracting partners to develop partnership activities:

> *We want other organisations and companies to work with us on CSR programs, e.g. our partnership with NCB (Respondent 10).*

The final aspect that emerged regarding stakeholder accountability is to increase stakeholders' awareness. It is argued that firms' reporting on social activities has an impact on stakeholders' awareness about actual community involvement activities that are undertaken by the firm (Hess et al., 2002). As discussed in Chapter 2, the majority of corporate stakeholders in the GCC countries, particularly in Saudi Arabia, perceive the corporate annual report as the key source of information about corporate performance (Naser et al., 2003; Alattar and Al-Khater, 2007; Al-Ajmi, 2009).

It is believed by some interviewees that corporate reporting can influence stakeholders. They consider that corporate reporting is an effective tool to increase stakeholders' awareness about the corporate community involvement activities of the firm. The interviews also showed that this is linked to increasing general awareness of, or even promoting, CSR as a concept. Some firms tend to target the general public, while some firms focus on the awareness among other firms in the country.

> *To increase community awareness about the services offered by the bank to the community (Respondent 4).*
>
> *Raising local community awareness, either to the public or to other companies about the activities and the role of the company towards the community (Respondent 5).*
>
> *To promote the concept of social responsibility among people (to increase the awareness of this concept) (Respondent 3).*
>
> *We once found a way to increase awareness we will take it.*
>
> *Is this a part of reasons for reporting? Sure, because you try to reach their minds in their comprehensive level first, and then talk to them to the next level or further extent (Respondent 7).*
>
> *Reporting is important to increase public awareness on the availability of the services provided to community (e.g. disabilities) (Respondent 1).*

Similarly, reporting also can be used to highlight social problems in the community, as an interviewee stated:

> *Before the last: reporting in some circumstances shed the light "highlight" on an existing problem and involve others to find solutions to it, and even sometimes it highlights the media as I told you before in relation to agricultural training and the problem of mental disability in Alahsa'a, we need a long time in order to solve this problem, but when we report about it and how we are dealing with it at least we would like to raise the issue on the surface and let other people involve with us in solving this problem. So, sometimes you serve this group of the society through introducing the issue to them (Respondent 7).*

As there is evidence that the interviewees perceive a requirement to be accountable to stakeholders, this may suggest they also perceive pressure from those stakeholders to report, which is contrary to the view reported in previous literature. Therefore, this issue was also addressed in this study. It is worth noting that the majority of the interviewees have demonstrated accountability to stakeholders from a business perspective and their current perceptions of CSR are based on business rationales. This indicates that at least some firms in this region are not necessarily being socially responsible because they are in an Islamic country, but rather they are doing it for business interests. Thus, using religious values and cultural traditions only to explain this emerging phenomenon may not be accurate or sufficient in the context of the GCC countries.

5.6.2 Pressure to report

As discussed in section 5.5.6, firms in Saudi Arabia did note some pressure to engage in social and community activities. However, one of the most interesting findings in this study, is that when asked directly whether or not there is any external pressure on their firm to report on these activities, the majority of interviewees (9 out of 10) responded that there is no pressure. However, on further consideration of their responses about the reasons behind the social reporting, some evidence appeared that there may be a level of pressure that exists, even though it is not explicitly acknowledged.

The following table summarises the answers of all interviewees who reported that there is no pressure for reporting on community and social activities except one in response to the following question:

> "Do you feel that there is any pressure that influences you to report on
> social responsibility?"

Table 5-4: Summary of quotes related to lack of pressure to report

Company	Industry	Interviewee's answers
C1	Telecomm	*There is no pressure from any organisation, neither internally or externally (Respondent 1).*
C2	Mining	*No, there is no particular group that asks us to report such information (Respondent 2).*
C3	Banking	*There is no specific group of society that puts pressure, but it is a general impression (Respondent 3).*
C4	Banking	*There is no pressure from any group for social reporting, but the pressure is only from SAMA on the amounts paid for CSR activities (Respondent 4).*
C5	Food	*There is no pressure from any organisation (Respondent 5).*
C6	Petrochemical	*No (Respondent 6).*
C7	Banking	*No, no pressure exists […] There is absolutely no pressure from any organisation, and if we do not report this year about our community service activities there will be no one asking why not. If we did not provide any program for the community, no one will ask why we are not providing (Respondent 7).*
C8	Utility	*Reporting in the annual reports is an initiative as well as reporting on the company's website on the Internet. They are all from the company's initiatives, there is no pressure to do so (Respondent 8).*
C9	Food	*There are no pressures, but it is a commitment to corporate governance in relation to reporting and transparency (Respondent 9).*
C10	Health	*We have no pressures, but we do have difficulties (i.e. collecting data and communications). All what we are doing are voluntary and initiative (Respondent 10).*

In contrast, there are several instances where respondents indicate that there are some pressures that exist, reported by the same interviewees, during later parts of the interviews. This evidence indicates that, contrary to the majority of prior literature and contrary to respondents' initial perception, firms in Saudi Arabia do face pressure to report on their social activities. Table 5-5 below provides some examples of where interviewees provided evidence of pressure.

Table 5-5: Summary of quotes indicating potential existence of pressure

Company	Industry	Examples of interviewees' indications of existing some pressures
C2	Mining	*I will give another good thing, some of our banks in lending us such as The Islamic Bank, in some of their meetings with us actually* ***they come and audit on what we are doing on socially and environmentally****. The bank sent an auditor to one of our companies and spent a couple of hours asking on social and environmental impact (Respondent 2).*
C3	Banking	***There is also social pressure*** *and large* ***pressure from the media****, especially in the last three years (constructive criticism), which is encouraging and not binding on companies to report (Respondent 3).*
C4	Banking	*It is binding by the* ***Saudi Arabian Monetary Agency*** *for all banks to disclose the amounts paid for social responsibility activities (Respondent 4).*
C5	Food	*A receiver in Saudi Arabia has become aware. If I wrote about social responsibility, then it is part of social responsibility which I know and you know that the company did it* ***due to social pressure*** *(Respondent 5).* *The increase of* ***community awareness causes in a way or another pressure on companies*** *(superficially or horizontal) (Respondent 5).* *In addition,* ***society's perception*** *on companies is always critical and under the spotlight (Respondent 5).* *So, [company name] does not focus on the reporting and show but rather to the activity itself, and let others say that is social responsibility. Therefore, companies make this mistake to say that this is part of our social responsibility, this indicates* ***to satisfy the party which puts pressure*** *(i.e. see what I've done) and therefore if the pressure disappeared the initiative will disappear too (Respondent 5).*
C7	Banking	*So, we take the initiative to report to them on our activities towards community. The members of the general assembly represent board of directors and for sure there is* ***pressure from the board of directors*** *to the executive department but not grabbing (or a must do), because it is mainly a common goal (Respondent 7).*

Pressures on firms to report about their community involvement can be classified into internal and external (Yin, 2015). Interestingly, the majority of the interviewees noted external pressures on Saudi firms, and some indicated the existence of internal pressure.

5.6.2.1 External pressures

External pressures identified include society, the media, government, and local and international lending agencies. One respondent indicated that the main reason for social reporting (as well as involvement in CSR as discussed earlier) is to keep and maintain the social licence to operate. The interviewee from this firm stressed that the importance of social performance is due to the sensitivity of their industry (mining) and type of business. He further explained that it is an intangible licence that needs to be obtained from the local community to allow the business to operate, which is not easy to obtain. This indicates that societal pressure forms part of granting that social licence.

> *In mining, our business is very sensitive, it has environmental impact, it has social impact, it has economic impact. We want to make sure this huge impact is in the right way (Respondent 2).*
>
> *So, this is to maintain social licence to operate, it is a daily hassle by the way (Respondent 2).*

Researchers have found that there is a relationship between the level of corporate reporting and media attention (Islam and Deegan, 2010) in that firms tend to use reporting as a way to manage media pressure. Therefore, media pressure, whether directly or indirectly, in certain circumstances forces firms to react by providing more information to the public. Media are more active in certain contexts, particularly in developed countries that have more freedom than others, such as in Australia, the UK, Europe and the US. Whereas the media in less developed countries, including the Middle Eastern countries, tends to be less active (Visser, 2008; RSF, 2017), thus, usually media pressure in these countries is expected to be minimal. However, one interviewee pointed out that the media in Saudi Arabia became active a few years ago and a form of pressure has emerged as a result:

> *There is also social pressure and large pressure from the media, especially in the last three years (constructive criticism), which is encouraging and not binding on companies to report… The media's constructive criticism began almost three years ago (Respondent 3).*

In addition, as social reporting is voluntary in most countries, governments can press for improvement in the level and quality of reported information to the public (Golob and Bartlett, 2007). For example, European governments have developed policies to encourage firms' social contributions (Aaronson and Reeves, 2002). They may impose this through their agencies or cooperate with other institutions in order to provide guidelines, which will ensure firms' accountability for their actions. The government in Saudi Arabia has started to follow this approach by developing certain policies, under corporate governance, regarding voluntary social reporting. According to a few interviewees, even though community involvement is not mandatory, reporting the dedicated amount spent for these activities is mandatory in the banking industry. One interviewee from banking said:

> *Basically, the bank applies the concept of corporate governance, and reporting is of the corporate governance elements. In this year in particular, the obligation started from the responsible party, Saudi Arabian Monetary Agency (SAMA) on the importance of reporting to shareholders regarding social responsibility activities. SAMA is the responsible and authorised organisation over the banks and financial sector. In addition, there was an explicit act issued last year in 2014 to make the reporting on social activities compulsory. Accordingly, the reporting on social activities before this was voluntary and based on the transparency principle (Respondent 3).*

Another interviewee from the same industry pointed out the same issue that the Saudi Arabian Monetary Agency (SAMA) imposes compulsory reporting of the monetary value related to CSR activities. Whereas other forms of reporting are still voluntary and up to management's discretion, the interviewee expected that even more requirements will be imposed on Saudi banks in the future:

> *There is no pressure from any group for social reporting, but the pressure only from SAMA on the amounts paid for CSR activities… It is expected in the future that SAMA may require Saudi banks to allocate a portion for social responsibility activities (Respondent 4).*

Another source of pressure on firms may come from international financial institutions. A study by Rahaman et al. (2004) presented a case study of the Ghana public sector and the results revealed that the main pressure for reporting on social activities is from an international financial lender (i.e. the World Bank). This finding indicates that rationales for social reporting in developing countries can be different from developed countries (Rahaman et al., 2004). It appears that institutions which provide lending services also care about the impact of borrowers' activities on the community and society at large. An interviewee noted this point:

> *One more thing, because we have international lenders, there is an agreement on international lending and financing, part of this agreement something called the Equator Principles. It is basically the financing party will make sure that the finance project is taking care of the environmental and social parts. It is purely on social and environment, nothing else. So, some of our finance lenders they audit us also, the international banks want to make sure that we are taking care of social and environmental things. […] Regarding the global market: other than lenders no., Lenders as I said to you, international banks they ask about it. We have international partners like [company names] American companies, they have their own regulations so they want to make sure that International banks actually ask about the community complaints and feedback mechanisms, if we have it or not, they ask us for social impact assessment, they also ask for environmental impact assessment (Respondent 2).*

Interestingly, the interviewee also pointed out that some of the domestic financial institutions also ask about, and investigate, firms' social performance. Financial institutions which operate within the boundaries of Islamic values and principles are under pressure to operate within these boundaries (Aribi and Arun, 2012). Thus, the clients of these institutions may also receive some pressure to meet the institution's boundaries. Since this level of awareness exists in practice, it is strong evidence of the development of the phenomenon, and is also a positive sign for future expectations:

> *I will give another good thing, some of our banks in lending us such as The Islamic Bank, in some of their meetings with us actually they come and audit on what we are doing on socially and environmentally. The bank sent an auditor to one of our companies and spent a couple of hours asking on social and environmental impact (Respondent 2).*

Finally, customers are a key stakeholder group of any business and considered as a primary stakeholder which a business cannot survive without (Clarkson, 1995). Customers in Saudi Arabia, however, are generally considered not to put any pressure on firms due to their lack of awareness about the concept of CSR (Emtairah et al., 2009). In Saudi Arabia customers are still not mature enough to exert pressure in this area because their primary concern and focus is limited to the price and self-benefit. Two interviewees noted this issue:

> *[…] A consumer cares about the price first when deciding to buy any product. If a company (a) applies the concept of social responsibility and sells its product at a price slightly higher than company (b) which does not this concept, you will find that the consumer goes to the company (b) and does not see or appreciate the company (a) whether in the banking sector or other sectors (Respondent 3).*
>
> *Because in contrast, if you hold any client of [company name] and ask him/her what [company name] is doing for the community, you will find I expect a very small percentage who are able to answer to this question. Because he/she has no conditional link between the banks' social performance and that, no conditional link never. He/she goes for their own benefit, how much loan can get, how much interest rate, is this according to Sharia law or not. I cannot remember a client asked about the banks' social performance in order to deal with the bank or not… If you think how this question would affect the client's decision, I would say 0%. This means the awareness is still very low (Respondent 7).*

5.6.2.2 Internal pressures

Firms not only encounter external pressures, but also pressure from within to provide more information to stakeholders. Importantly, the internal pressures that emerged from the interviews comes from corporate governance attributes, for example, the board of directors. The board of directors is accountable to shareholders of the firm's financial and non-financial performance, including social activities. Previous studies have found a strong relationship between characteristics of the board of directors and the level of corporate social reporting (Haniffa and Cooke, 2005; Khan, 2010; Muttakin et al., 2015; Muttakin and Subramaniam, 2015; Rao and Tilt, 2015). More than one interviewee indicated that the board of directors does care and ask about the firm's social performance and reporting. For example, one stated:

So, we take the initiative to report to them on our activities towards the community. The members of the general assembly represent the board of directors and for sure there is pressure from the board of directors to the executive department but not grabbing (or a must do), because it is mainly a common goal (Respondent 7).

A few interviewees mentioned the influence of internal pressure from top management and leadership, as well as the board of directors. For example, one interviewee that emphasised the role of leadership specifically pointed out that the CEO monitors the firm's social performance through key performance indicators, he stated:

In addition to the governance circle, we have also the leadership. It means all these KPIs are part of the CEO KPI himself, by the way, even the hosting community is small but it is part of his dashboard himself (Respondent 2).

This could indicate that business leaders in Saudi Arabia, and perhaps in other GCC countries, are aware of the social impact of their business actions. A possible explanation for this is the growing interest of governments in investing in public firms in order to reduce their role in some areas, such as community development, as discussed earlier in this chapter. This responsibility is complex however, as the leaders' concern places pressure on the management to ensure business impact is considered and communicated to stakeholders, but their concern is due to indirect pressure from government. This supports the argument that business leaders are ultimately held responsible for their business decisions, which have an impact on the community and stakeholders (Pless and Maak, 2009). This in turn leads to voluntary reporting to the public in order to fulfil both the leaders' objectives in the first place, and to meet the expectations of the stakeholders.

Given that CSR in the Middle East emerged after the development of corporate governance (Visser, 2008), it is not surprising that internal management and leadership (i.e. as part of the governance system) have an influence on the reporting aspect of CSR.

Figure 5-4 provides a summary of the various internal and external pressures identified through analysis of the interviews. As corporate governance attributes have not been examined in detail for the Middle East region, the variables related to corporate governance are considered in phase 2 of the study, and are reported on in Chapter 6.

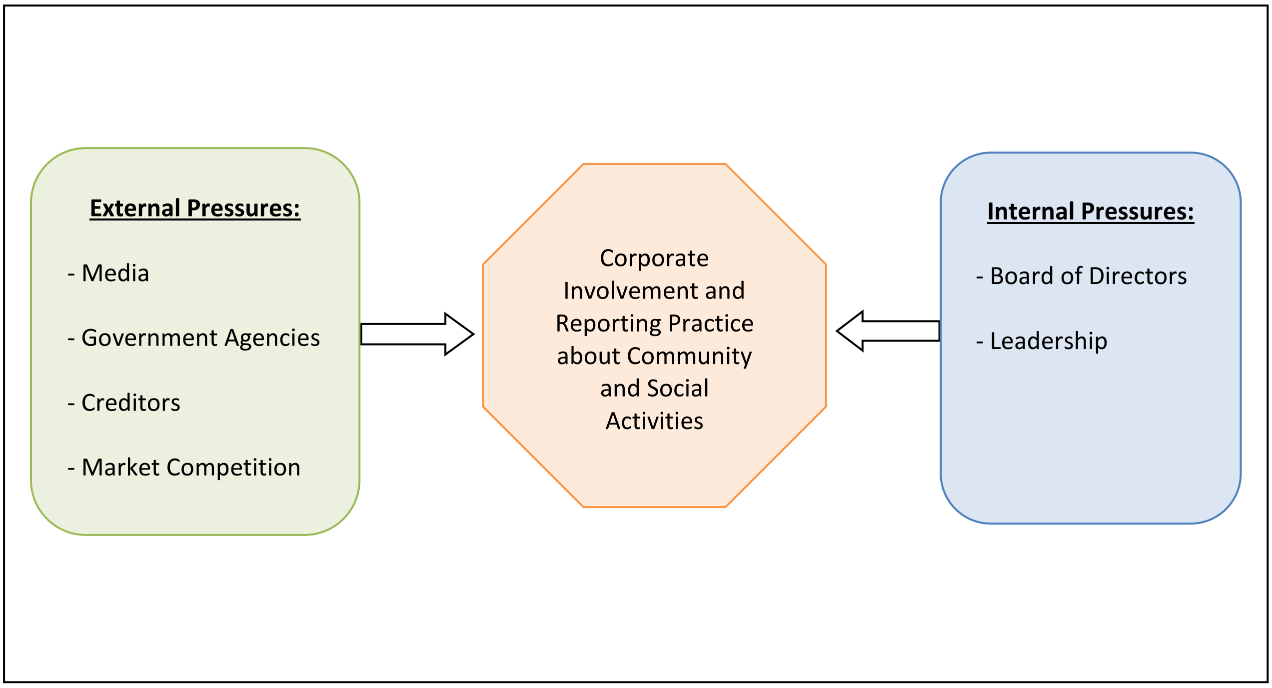


Figure 5-4: Types of pressure on Saudi listed firms

5.6.3 Market competition

As discussed in section 5.5, engagement in social activities can generate positive outcomes and add value to businesses. Firms which also report to the public about their community involvement and social contributions enhance their chance of success in a competitive market (Hillman and Keim, 2001). A few interviewees believe that market competition is a key influence on corporate management to report voluntary social information. Based on the interviewees' responses there are two aspects of this rationale. The first indicates that firms report such information in order to gain business benefit (e.g. competitive advantage), for example:

> *To compete with other companies and encouragement (Respondent 1).*
>
> *Initiative for positive competition between companies (Respondent 7).*

The second aspect shows that respondents believe firms report not only for self-benefit but also for the industry, market and entire society. Interviewees who support this direction believe that such reporting would encourage, help and guide other firms whether in the same industry or in other industries. This aspect seems to be more related to positive competition, and being a leader in the field, and directly links to the views expressed in section 5.5.5 about changing perceptions of CSR. A few example quotes demonstrate this:

> *To encourage small businesses and other companies in the area of social responsibility in a way to present [Company Name] as a role model for others (Respondent 6).*
>
> *The first target: to take initiative in some programs, which leads other firms to take similar initiatives too and the competition in this field is favourable and required. We would like to move the stagnant water in the area of community service. Part of your influence needed to be on your surroundings, and competition in this area has positive reflection on the development (Respondent 7).*
>
> *The second target: We are one of the leaders in the area of community service before many Saudi banks as a community service department, not as CSR. This would give them a guide how to deal with community service (Respondent 7).*
>
> *Third thing: to give other firms space in the area to complete these programs, because the programs we offered, for example, in the area of Al-Jouf would give someone else a chance to provide a program in Najran. If you offered an opportunity for disabled women, this would give an opportunity to disabled children. If you have contributed to women, so it gives others a chance for youths. This complementation is reflected by the reports and these programs […] Give the opportunity for other companies for participation and integration in doing CSR activities (Respondent 7).*

5.6.4 Enhancing corporate image

There is no doubt that voluntary reporting can have an impact on a firm's image in both developed and developing countries. Hooghiemstra (2000) argues that social reporting is a communication instrument used for creating, preparing or enhancing a firm's image or reputation. Many interviewees expressed their intention for being involved in such activities as one of achieving business benefits, as stated in section 5.5. However, it is not expected that involvement in community activities alone will help enhance a firm's image without reporting (Bayoud et al., 2012). The researcher asked an open ended question about the reason for reporting, without emphasising a particular reason, and many interviewees responded with the same view about the impact of a firm's reporting on the reputation of the firm. One interviewee said:

> *The reporting targets shareholders (owners), employees, customers and local community in improving their impression of the image of the bank. […] Reporting can also be considered as part of marketing of the bank to improve the bank's image among public (Respondent 3).*

It seems that many businesses in Saudi Arabia, and perhaps in other countries in this region, are aware of the association between reporting of social performance and business reputation. As reputation is essential for businesses, management tends to find the best reporting practices, whether locally or globally, in order to produce information and public reports that may influence stakeholders' perceptions of the firm, hence, enhancing their reputation. This view is confirmed by an interviewee from the power industry, he pointed out:

> *When you look at the ISO 26000 and look at it from its application perspective, it is like a marathon trip. In order to achieve the ISO 26000 standard we need independent judges, and when we apply the G4 for sustainability report and get a high rank as A+ or AA+ the reputation of the company in the market will change. […] To raise the company brand or corporate reputation (Respondent 8).*

As discussed in Chapter 3, reporting is also used as a means to legitimise firms' actions. An interviewee from a mining firm clearly explained the reason behind keeping stakeholders informed of all the firm's actions. Being in a business that's operations affect a particular community group can cause legitimacy threats to that firm.

> *People are concerned, they are not only concerned about share price, also they are concerned about our employees, social and environment. […] As I told you about [name of the issue], although it was a fake it was not based on a real fact it did affect [company name]. This is what I'm saying it is not about being good it is about business and the sustainability of the business, this is how we look at it (Respondent 2).*

The interviewee made it clear that communication through reporting is done to minimise the legitimacy gap and to avoid any potential legitimacy threats that may occur, particularly when the interviewee reported that the firm encountered a severe negative event a few years ago. This incident happened due to misunderstanding and a lack of proper communication between the firm and various stakeholders. Consequently, such an incident can harm the firm's image. Therefore, businesses use voluntary public reporting in order to manage their image and reputation through legitimising their activities.

Similarly, another interviewee noted that other firms follow international standards (e.g. the GRI) as a marketing tool, he reported:

> *(There are) […] some companies that use the GRI but it is a marketing tool or to raise the company's ranking position in the market (to improve the reputation) (Respondent 1).*

This claim represents the interviewee's personal opinion and may indicate that there is some misunderstanding of new concepts emerging in countries like Saudi Arabia. This particular view may have been taken because the perception of CSR in this firm is limited primarily to business benefit that is related to marketing and branding.

5.6.5 Regulatory compliance and transparency

Corporate transparency and corporate governance are interrelated and firms may perceive transparency as a vehicle of corporate governance, and a way to promote confidence to various stakeholders, particularly shareholders (Baydoun et al., 2013). Kathyayini et al. (2012)

argue that a high level of transparency is an outcome of effective corporate governance. Thus, providing more information to the public can promote a positive view to stakeholders of the effectiveness of the corporate governance of the firm. One method of ensuring transparency is to comply with certain policies and regulations (Bayoud, 2012), as it has been argued that if a firm fails to comply with policies and regulations it may encounter difficulties in surviving (Momin, 2006). Hence, firms active in community involvement tend to be more transparent to their investors (Qian et al., 2014).

It was expected that there would be some relationship between voluntary social reporting and corporate governance in Saudi Arabia, especially because the notion of social responsibility emerged in the Middle East after the evolution of corporate governance in the region (Visser, 2008). However, not many interviewees addressed corporate governance as one of the rationales behind reporting practice, although it was alluded to by some interviewees when they explained the role and structure of management as discussed in section 5.6.2 above. The following quote is an example of this:

> *When we look at the large picture of all these three circles, we have 1st the governance circle. We have management systems for every part of the business…, and for community we have community management system. I think we are the only company in Saudi Arabia have such system, and I bet in the gulf nobody has it. In addition to the governance circle, we have also the leadership. It means all these KPIs are part of the CEO's KPI himself, by the way, even the hosting community is small but it is part of his dashboard himself (Respondent 2).*

Three interviewees from different industries indicated corporate governance standards and the transparency principle are rationales behind their reporting. They consider that by voluntarily reporting they comply with the standards on one side, and enhance transparency to stakeholders on the other:

> *There are no pressures, but it is a commitment to corporate governance in relation to reporting and transparency (Respondent 9).*
>
> *Based on the principle of transparency for shareholders, the public and society at large (Respondent 6).*

In addition, as discussed in section 5.6.2 on external pressures, two interviewees raised an interesting issue related to mandatory reporting on social activities. The two interviewees revealed that it became mandatory by a government agency to report the amounts paid for social activities, however, this law is restricted to banks but the quote from the respondent indicates that the reporting that flowed from this requirement went beyond simply reporting the number:

> *Basically, the bank applies the concept of corporate governance, and reporting is one of the corporate governance elements. In this year in particular, the obligation started from the responsible party, Saudi Arabian Monetary Agency (SAMA) on the importance of reporting to shareholders regarding social responsibility activities. SAMA is the responsible and authorised organisation over the banks and financial sector. In addition, there was an explicit act issued last year in 2014 to make the reporting on social activities compulsory. Accordingly, the reporting on social activities before this was voluntary and based on the transparency principle (Respondent 3).*

This compulsory element of reporting requirements may enhance the quality of reporting by banks to some extent and it will be an interesting area of future research to track this development in the region.

5.6.6 Corporate citizenship

As discussed in section 5.5.5, the term corporate citizenship represents the idea that a firm is an embedded member of society (Matten et al., 2003). Even though in the social responsibility literature corporate citizenship and CSR are sometimes used interchangeably, the two concepts are not identical (Valor, 2005). In line with this view, an interviewee stated that corporate citizenship has more, or a higher level of, commitment than corporate social responsibility. According to him, acting under corporate social responsibility means acting due to certain pressures and fulfilling someone’s needs, while acting under corporate citizenship means acting based on a citizen’s morals and values. In essence, the motivation and impact of being an embedded part of the community is highly valuable and effective, and this also relates to the rationale for reporting. He noted:

No, this party (who is looking for this information "CSR") knows that [company name] is doing these activities. Therefore, I satisfy/please him indirectly. But in my own philosophy, this is not the target but our social responsibility because we are part of this community, I am a person in a suburb, we are a company in a society, so I must have a role in this society….. I want to report on our social responsibility, but I do not want to say it is a social responsibility, and thus its social role is part of the company's core activities (Respondent 5).

This is a particularly interesting finding, as prior qualitative studies conducted in Saudi Arabia rarely mentioned or discussed the term corporate citizenship in the local context. When it is mentioned, it is used as a synonym of CSR or refers to the literature from developed countries (Mandurah et al., 2012; Nalband and Al-Amri, 2013). Given the interviewee's quote above, it appears that business in Saudi Arabia is beginning to use the business language of developed countries as well as business practices. However, the quote also indicates that individuals' perceptions and experience can have an impact on businesses' behaviour and that there is an impact of 'felt accountability' (O'Dwyer and Boomsma, 2015) in the region.

In addition, there are some indications of globalisation influences on corporate behaviour in the results. The term corporate citizenship and referring to international standards, such as ISO 26000, have been used by a number of interviewees (see quotes below). This particular term and standard emerged from developed countries and it is not a common concept in the Middle East.

We will not use a discretionary method in designing the strategic policy. We began practically based on international guidelines, which means we search for global evidences on social responsibility such as ISO 26000, and also G4 which deals with sustainability reporting. […] We also referred to ISO26000, GRI, Global Compact and the United Nation Compact in order to begin drafting the CSR policy based on the latest findings of knowledge, and not based on judgmental work (Respondent 8).

We want any individual in the community to see [company name] as a good citizen as part of the society where it lives (Respondent 5).

Given that the mining firm follows international standards for best practices, this is further strong evidence of international influences on businesses in the Middle East, including the GCC countries. These influences can be direct, as in the mining industry, and can be indirect as in other industries. Nevertheless, one interviewee from the banking sector clearly stressed that *"[…] there is no effect from the global market" (Respondent 4)*. This statement does not mean that firms in Saudi Arabia are not connected to, or are isolated from, international firms, it rather represents that this firm does not follow any international organisation in relation to social reporting.

5.6.7 Summary of rationales for reporting

Voluntary reporting on community and social activities is still emerging in the Middle East. One of the objectives of the interviews was to explore the rationales behind the phenomenon, and the results have uncovered some of the major reasons managers in Saudi Arabia consider CSR and community involvement to be important. Moreover, these preliminary findings open up an important avenue for future research in Saudi Arabia and other GCC countries, which could investigate these reasons in greater depth. The key findings are discussed further in Chapter 7, and Figure 5-5 below summarises the major rationales for social reporting, and the expected benefits of reporting, according to the interviewees.

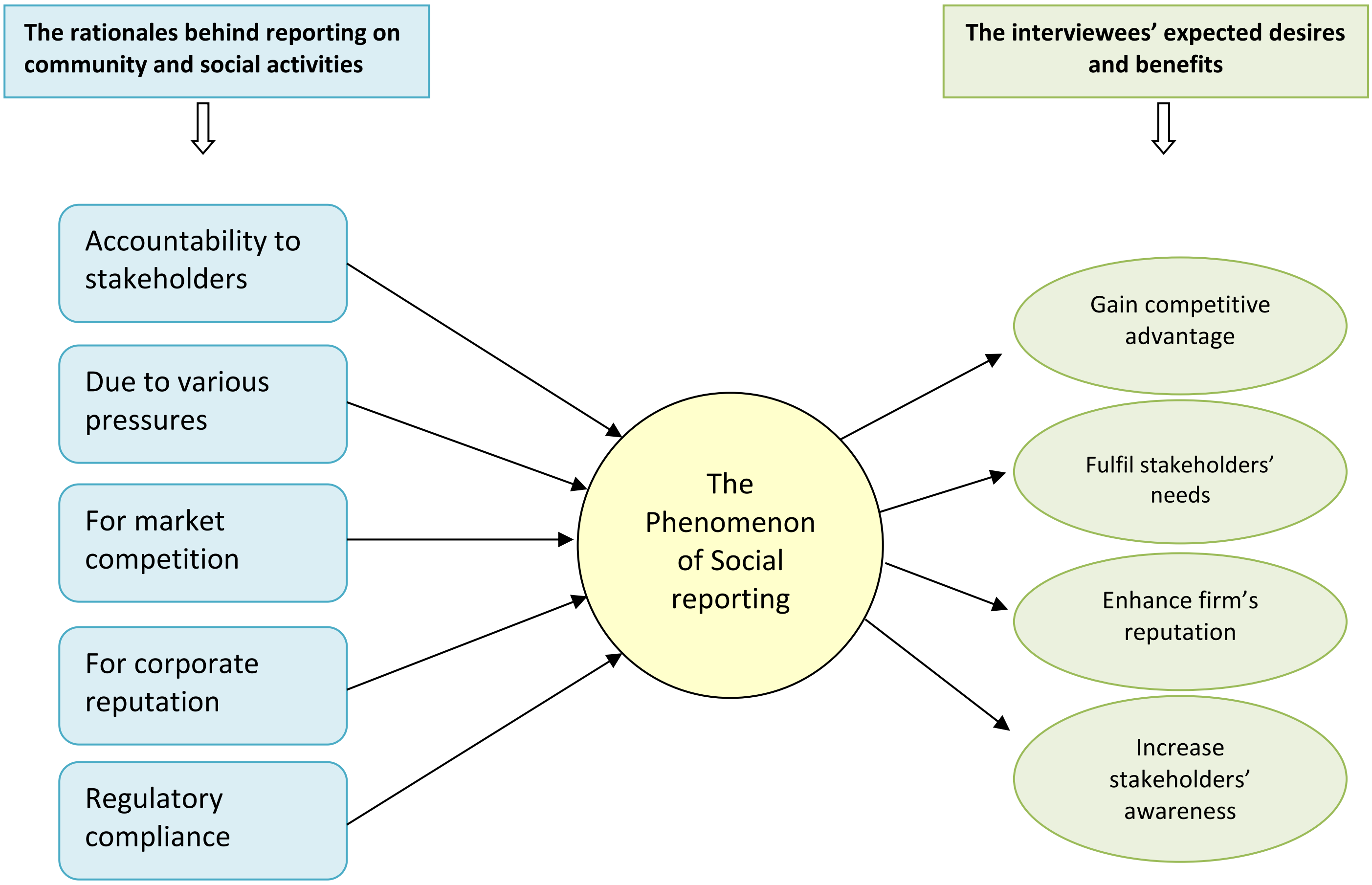


Figure 5-5: The rationales and expected benefits from voluntary reporting about community and social activities

5.7 Chapter summary

This chapter presented the findings of phase 1 (i.e. qualitative) of this study, which are based on interviews of ten participants from seven different industries of listed firms in Saudi Arabia. The findings show the current perceptions of CSR and voluntary reporting on community and social activities. More specifically, business awareness in GCC countries, specifically in Saudi Arabia, has increased considerably. This has occurred due to various reasons, including: the perception of businesses' role in supporting the government for community and social development, interaction with international firms, globalisation and market competition. As a result, this has influenced firms' behaviour in the region, which is reflected in involvement in different forms of community activities beyond philanthropic donations. In addition, the chapter reported the rationales for corporate involvement and corporate voluntary reporting separately. There are various rationales that encourage Saudi listed firms for both involvement and reporting on community activities, and some similarities and some differences are noted. Business and commercial benefits and some level of pressure are common rationales which is consistent with prior literature, however, some rationales are found to be more related to the local context such as supporting the government in achieving the national plan's objectives and acting as a role model to other firms.

The next chapter presents the findings of the second phase of the study, where a larger quantitative analysis is undertaken of reporting by listed firms in GCC countries to investigate the factors which influence the reporting more broadly.

Chapter 6 : CCI Reporting in the GCC (Phase 2)

6.1 Introduction

The previous chapter reported the findings of phase 1 of this study, where interviews were conducted in order to investigate research questions RQ1, RQ2 and RQ3. This chapter reports the empirical findings of phase II, where secondary data analysis is related to research questions RQ4, RQ5, and RQ6. As for Chapter 5, the results related to each research question are presented with brief comments, and detailed discussion is found in Chapter 7.

This chapter begins with descriptive statistics of the sample firms, including dependent and independents variables, to provide an overview the dataset. This covers the different public reports used for CCI reporting, various CCI themes and the trends in reporting over the study period (RQ4). This is followed by statistical testing of the variables included in the panel model. The regression results of the model are presented with identification of the significant variables that influence CCI reporting in the annual reports of the GCC listed firms (RQ5 and RQ6). Finally, the chapter concludes with reference to the hypotheses tested.

6.2 Descriptive statistics

6.2.1 Sample overview

The main purpose of this study is to investigate corporate reporting about community involvement activities among listed firms in the GCC countries. As outlined in Chapter 4, the final sample size is 172 firms listed across the GCC countries from a total population of 717 firms. This indicates that the number of firms that do not publish an English annual report or do not report on community activities is relatively high in this region.

For the purpose of the statistical analysis, cross-listed firms are only counted in their primary listing market and are excluded from their secondary listing market. Table 6-1 below summarises the distribution of the sample firms based on their country.

Table 6-1: Sample firms by country

Country	Frequency	Percent	Cumulative %
Bahrain	24	14.0	14.0
Kuwait	50	29.1	43.0
Oman	18	10.5	53.5
Qatar	21	12.2	65.7
Saudi Arabia	24	14.0	79.7
UAE	35	20.3	100.0
Total	**172**	**100.0**	

It can be seen from the table above that the highest percentages of the sample firms are from Kuwait and United Arab Emirates with 29.1% and 20.3% respectively. The Kuwait stock market is also the largest stock market compared to other GCC stock markets. The percentage of the remaining firms is between 10.5% and 14% across the other four countries. From an industry perspective, Table 6-2 below shows the distribution of the sample firms by industry, showing that more than half of the sample firms are from the financial industry (54.1%). This is similar to the population where the financial industry also comprises a large proportion (43%). Since the sample is not significantly different from the population, therefore, the sample is deemed reasonably representative. This high percentage means that firms from the finance industry produce annual reports in both languages, Arabic and English, more than firms from other industries. This could be due to a high imposition of regulations on this particular industry. Similarly, the small number of sample firms in the health care industry is considered representative of the population as this industry comprises around 1% of the population.

Table 6-2: Distribution of the sample firms by industry

Industry	Frequency	Percent	Cumulative %
Energy & Utilities	16	9.3	9.3
Manufacturing	22	12.8	22.1
Consumer Goods & Services	26	15.1	37.2
Health Care	2	1.2	38.4
Financial	93	54.1	92.4
Telecom & Info. Tech.	13	7.6	100.0
Total	**172**	**100.0**	

6.2.2 Use of stand-alone reports

Prior to reporting on the statistical results in greater depth, it is important to provide an overview of the medium used by the sample firms to communicate to their stakeholders about their community involvement activities. This overview will assist in providing greater insights about the social reporting practices in the GCC countries. Given that the final sample size is

172 firms over a period of four years, this results in 688 corporate annual reports that were collected and analysed. In addition, a further review of the sample firms shows that there are 65 stand-alone reports, including CSR and sustainability reports, published by only 26 firms. This proportion (15%) is deemed to be low compared with other countries. Figure 6-1 below presents the total number of firms that publish a separate stand-alone report by each GCC stock market.

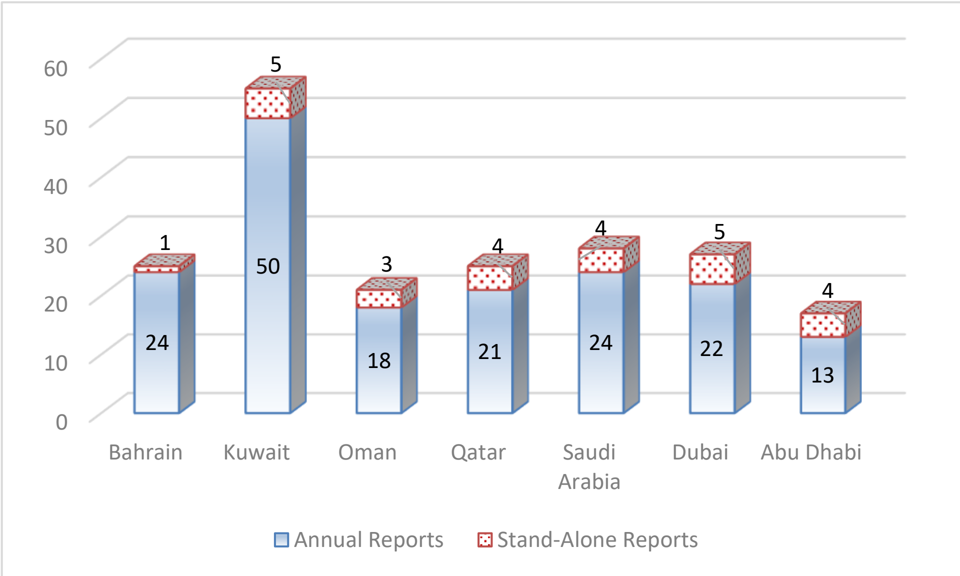


Figure 6-1: Number of firms that published a stand-alone report by country

The low number of firms producing stand-alone reports prevents them from being included in the statistical modelling, but from the figure above, it is apparent that the highest percentage of the sample firms that publish stand-alone reports is from the UAE (9 firms, representing 26%) followed by firms from Saudi Arabia (17%) and Qatar (19%). The UAE is the highest because it comprises two stock markets as explained earlier. Fewer reports were published by Omani (17%) and Bahraini firms (4%). A similar percentage from Oman and Saudi Arabian firms published stand-alone reports (approximately 17%). It is apparent that the number of published stand-alone reports is marginal. This indicates the annual report remains the dominant public document to report information about social performance including community activities, which is consistent with prior studies on the GCC countries (Naser et al., 2006; Hossain and Hammami, 2009; Khasharmeh and Suwaidan, 2010; AlNaimi et al., 2012; Naser and Hassan, 2013). Although the use of stand-alone reports is low, the fact that they are being used is important as it indicates an increase in the awareness of the social reporting phenomenon in the region, consistent with the interview results of the previous chapter. This awareness is reflected by the increased number of published reports compared to the finding in an earlier study (Visser, 2008), which stated that the first stand-alone report published in the GCC countries was in 2007.

Figure 6-2 below provides another view of the number of firms that published stand-alone reports, this time according to their industry. The results indicate that the total number of firms increased gradually over the period from 9 firms (5%) in 2010 to reach 23 firms (13%) in 2013. This increase covers firms across almost all industries, but is far below the level of production compared to developed countries and global trends. For example, the most recent survey by KPMG indicates that 73% of "N100"[23] and 92% of "G250"[24] firms produce stand-alone reports to convey non-financial to corporate stakeholders and the public (KPMG, 2015).

Further, stand-alone reports in the GCC countries are more often published by firms from the financial industry compared to other industries. Thus, it is worth looking at the level of community reporting in this industry specifically, and this will be reported in the next section. These observations reveal that the awareness of CSRR appears to have increased among firms in the GCC countries. The number of firms using stand-alone reports is expected to continue to rise in the near future due to the increase in awareness among businesses in this region.

[23] National companies operate in 16 industry sectors and are headquartered in 45 countries.

[24] Global 250 companies operate in 15 industry sectors and are headquartered in 31 countries.

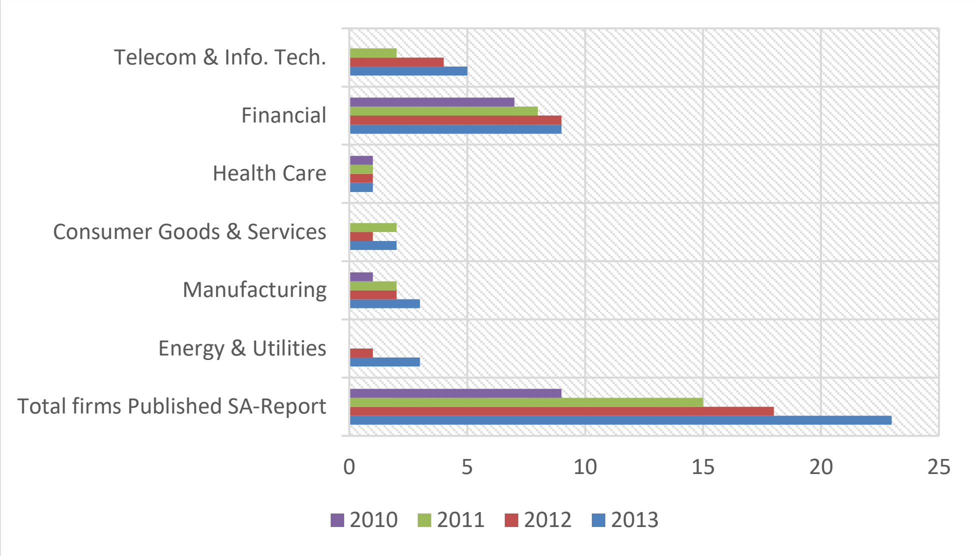


Figure 6-2 Number of firms that published a stand-alone report by industry

To provide a closer review of the firms which produce stand-alone reports, content analysis was performed on these reports in order to find the volume and types of CCI activities included. Full results of content analysis are presented in Appendix 10. Table 6-3 below provides a comparative summary of the total volume of CCI reporting between annual reports and stand-alone reports in the final year of the study, 2013, when the greatest number of stand-alone reports were produced.

Table 6-3: Summary of CCI reporting between reports in 2013

Year 2013	Reporting in Stand-Alone Reports Per Firm	Reporting in Annual Reports Per Firm*
Bahrain	2,236	63
Kuwait	1,246	444
Oman	920	582
Qatar	954	284
Saudi Arabia	2,587	850
Dubai	1,655	190
Abu-Dhabi	1,385	350

* This represents only the average reporting in annual reports of firms which publish stand-alone reports, meaning that it does not include full sample size.

The results demonstrate that reporting in stand-alone reports is higher than reporting in annual reports as would be expected. However, this is an indication that corporate management recognises corporate stakeholders, as users' expectations of annual reports and stand-alone reports are not the same. In other words, a reader of an annual report would expect more financial information than non-financial, whereas a reader of a stand-alone report would expect more information about the firm's social and community performance. A greater depth of analysis on stand-alone reports of these firms is important for future research. Since this study focuses mainly on annual reports as vehicle of communication with stakeholders, the following sections report the findings of the analysis of the annual reports. Further descriptive analysis about the volume of CCI reporting, the dependent variable in the modelling, is presented in the next section.

6.2.3 Volume of community reporting (dependent variable)

Content analysis was employed to analyse annual reports of 172 firms across six countries, comprising seven[25] stock markets, from the Middle East. The empirical results from the content analysis were used to describe the nature and extent of corporate reporting about CCI. This section demonstrates the volume of CCI reporting in annual reports over the period of the study across all GCC stock markets. Some descriptive statistics of CCI reporting by industry is also reported.

Figure 6-3 below shows[26] that the average reporting per firm over the full period varies significantly across the countries and across the stock markets. The average reporting among the GCC firms can be categorised into three groups as follows: high (more than 1,000 words), moderate (700 - 900 words) and low (less than 400 words). This shows that Saudi Arabian and

---

[25] United Arab Emirates comprises of two main stock markets: (i) Dubai Financial Market and (ii) Abu-Dhabi Securities Exchange

[26] Overall, the level of reporting can be classified into high (H), moderate (M) and low (L) representing 2H, 4M and 1L

UAE listed firms are the leaders of CCI reporting in the region. This emphasises the relevance of the interview findings in Chapter 5, also the importance of investigating other GCC countries such as UAE. Firms listed on the Saudi stock market ranked the highest in the sample with an average reporting of 1,311 words per firm, followed by firms in the UAE markets of Dubai and Abu-Dhabi with an average of 1,228 and 1,092 words respectively. This could be due to increasing awareness among the business community as mentioned by the interviewees in Chapter 5. This awareness appears in these two countries through their initiatives in many areas of business and social development (Qasim et al., 2011). Another study finding has similarly indicated a high level of corporate commitment to community engagement and reporting among the UAE firms (Hasan, 2017). Although the Kuwaiti stock market is the largest in terms of number of firms, and 29% of the sample firms are from Kuwait, the average reporting is the lowest in the sample. This could be due low level of government pressure in this country, or due to the limited competitive environment in relation to CSR activities in the Kuwaiti market compared to some of the other countries in the region. A Kuwaiti firm reports on average approximately a quarter of what is reported by a firm listed in Saudi stock market. This high level of variation among the GCC countries may demonstrate that business awareness of giving back to the community in this region varies. Thus, more qualitative studies on each country is important to further develop understanding of the phenomenon in the region, and specifically gain perceptions of those undertaking the reporting decisions. A comprehensive overview of the volume of CCI reporting in annual reports across all countries is provided in Appendix 11.

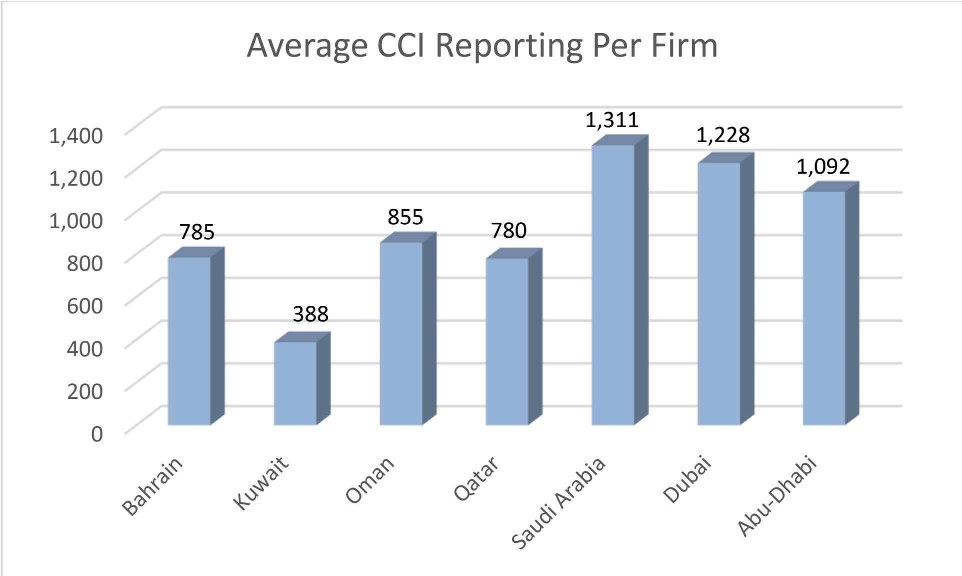


Figure 6-3: Average CCI reporting

Table 6-4 below presents the descriptive statistics for the dependent variable 'CCIVol' by year for the period of analysis. The volume of reporting ranges from 0 ('zero', no reporting) up to 2,928 words as appeared in 2013. The average volume of CCI reporting is increasing over the period under examination. More specifically, the number of reported words was between 0 and 1,874 words in 2010, this number increased over the following years to reach between 0 and 2,928 words in 2013.

Table 6-4: Descriptive statistics for CCIVol (word count) by Year

Year of Reporting	N	Mean	Mode	Std. Deviation	Minimum	Maximum
CCI Reporting in 2010	172	184	0	353	0	1874
CCI Reporting in 2011	172	193	0	353	0	2559
CCI Reporting in 2012	172	208	0	368	0	2728
CCI Reporting in 2013	172	240	0	432	0	2928

It also appears from the table above that some firms do not report any information about their community involvement activities. Looking at the most recorded value as appears in the "mode" column of the table, it shows that 0 is the most frequent. Similarly, the minimum of 0 volume of reporting appears in each year under investigation. This absence of reporting may indicate two possibilities: (i) these firms may have not been involved in any social activities, thus, they have nothing to report, or (ii) they may have been involved but decided not to report to the public about such activities. In both cases this provides strong evidence that social reporting among businesses in this region is still emerging.

Table 6-5: Descriptive statistics for CCIVol (average annual word count) by country

Country	Mean	Median	Std. Deviation	Minimum	Maximum
Bahrain	196	96	257	0	1169
Kuwait	94	0	262	0	1678
Oman	214	132	248	0	876
Qatar	195	57	415	0	1720
Saudi Arabia	328	163	348	0	1203
UAE	294	134	456	0	2279
Total	**206**	**64**	**346**	**0**	**2279**

Table 6-5 above shows the descriptive statistics for the dependent variable 'CCIVol' by country, annualised over the four years. Firms that are listed on the Saudi Arabian stock market scored the highest volume of reporting, with an annual average of 328 words per year. This is followed by listed firms in the UAE stock markets (i.e. Dubai and Abu-Dhabi), which also scored the highest maximum volume in the sample of 2,279 words in a year. On the other hand, firms listed in Kuwait scored the lowest average volume of reporting along with Oman, Bahrain, and Qatar that were all low and close to each other. It is also interesting to note quite a wide dispersion in each country with standard deviations all larger than the mean.

Table 6-6: Descriptive statistics for CCIVol (average annual word count) by industry

Industry	Mean	Median	Std. Deviation	Minimum	Maximum
Energy & Utilities	192	118	205	0	645
Manufacturing	213	48	359	0	1283
Consumer Goods & Services	259	49	493	0	2279
Health Care	209	209	296	0	419
Financial	137	46	222	0	1203
Telecom & Info. Tech.	604	414	568	0	1720
Total	**206**	**64**	**346**	**0**	**2279**

From an industry point of view, Table 6-6 above shows that firms in the telecommunication and information technology industry have the highest average volume of reporting of 604 words per year with some firms' reporting being as high as 1,720 words in a year. This industry is significantly higher than other industries. This could be because it is a highly competitive industry and close to individual members in the community. This is followed by the consumer goods and services industry with an average that is less than half that of the Telecom and IT sector. Interestingly, the lowest average of reporting is in the financial industry. This is surprising, given that the highest number of stand-alone reports are published from this industry. Nevertheless, the average volume of reporting in a typical firm in the sample is quite low, at 206 words per year. This is almost half of that by UK firms with an average of 437 words per year (Yekini, 2012). This again emphasises that CCI reporting in the GCC countries is under development.

6.2.4 Independent variables

In order to provide a thorough overview of the sample firms used in the statistical modelling, Table 6-7 below presents descriptive statistics for dependent, independent and control variables used, as outlined in Chapter 4. The average age of listed firms in the sample is 19 years with some as old as over 100 years, so these firms have been operating for some time and are well established. The average size of the board of directors is 8 board members in most firms with a range of 3 to 18. Local governments own on average 13% of corporate shares with a maximum of 83.6% in some firms. Non-local governments own less than 1% on average, with a maximum ownership level only just over half, so there is little evidence of controlling ownership by non-local governments. Major shareholders own as much as 97% of some firms' share capital, while owning on average about 31% of firms' equity.

The distribution of the sample firms represents a wide range of firms of different sizes, from a small size of US$28,190 million to the very large size of US$122 billion. Furthermore, in relation to the categorical variables, around 18% of the firms in the sample have a female director as a member of their board. While 19% of the sample firms have a corporate governance committee as one of the board committees, only around 5% of the firms had a

CSR committee during the period under investigation. The data in the table also reveals that 44% of the sample firms have some portion of government ownership, whereas 83% of the firms in the sample have major shareholders who own more than 10% of the shares.

Table 6-7: Descriptive statistics for dependent, independent and control variables

Variables	Obs	Mean	Std. Deviation	Minimum	Maximum
Dependent Variable					
CCIVol	688	206.39	377.56	0	2928
Explanatory Variables					
CGComt	684	0.19	0.39	0	1
CSRComt	684	0.05	0.21	0	1
BOD	684	8.22	2.26	3	18
FeBOD	684	0.18	0.38	0	1
ContOwn	688	0.83	0.37	0	1
GovOwn	688	0.43	0.50	0	1
ADMarket	688	0.09	0.29	0	1
BHMarket	688	0.15	0.36	0	1
DUMarket	688	0.18	0.38	0	1
KWMarket	688	0.32	0.47	0	1
OMMarket	688	0.10	0.31	0	1
QTMarket	688	0.13	0.33	0	1
SAMarket	688	0.14	0.35	0	1
Control Variables					
Assets	688	9,173,706	17,400,000	28190	122,000,000
ROA	685	2.97	8.62	-68.17	29.07
ListingAge	684	18.75	14.21	1.86	115.64
IndustryCode	688	4.01	1.53	1	6
MultiMarket	688	0.10	0.30	0	1
EnergyUtil~s	688	0.09	0.29	0	1
Manufactur~g	688	0.13	0.33	0	1
TelecomIT	688	0.08	0.26	0	1
Financial	688	0.54	0.50	0	1

6.2.5 Explanatory variables

As discussed in Chapter 4, the explanatory variables of interest in this study are classified into three categories: corporate governance, ownership structure and country of listing. This section provides a snapshot of these variables across the four-year period of the study, before considering them in more detail in the section on the results of the statistical modelling (section 6.6).

6.2.5.1 Corporate governance mechanisms

Presence of board committees

This study examines the impact of two board committees on the level of CCI reporting, which are the corporate governance (CG) committee and the CSR committee. The overall number of firms having a CG committee and CSR committee is increasing over the period under examination, although the number of firms with a CSR committee is very limited, see Figure 6-4. In 2013, out of 172 firms, around 27% of the sample firms have a corporate governance committee and about 6% of the sample firms have a CSR committee as a sub-committee of their board.

Figure 6-4: Number of firms with a CG and CSR committee

In addition, Figure 6-5 and Figure 6-6 below show the number of firms by country which incorporate such committees within their corporate board. None of the Omani firms have a CG committee, while firms listed in Kuwait do not show any presence of a CSR committee. Interestingly, however, the average CCI reporting is significantly higher among Omani firms compared to Kuwaiti firms. This suggests that a CG committee does not have strong influence on reporting. In addition, this may also show that the influential power of the corporate governance system varies among GCC countries. Apart from Oman, the number of firms with a CG committee in most GCC countries is increasing. It also appears that a CSR committee is associated with the existence of a CG committee. Firms that have a CG committee are more likely to have a CSR committee, but not vice versa. These findings support the indications discussed earlier, that social responsibility is still in the development phase in the region. From a managerial perspective, large firms in the region may need time to reach the level of their counterparts in developed countries.

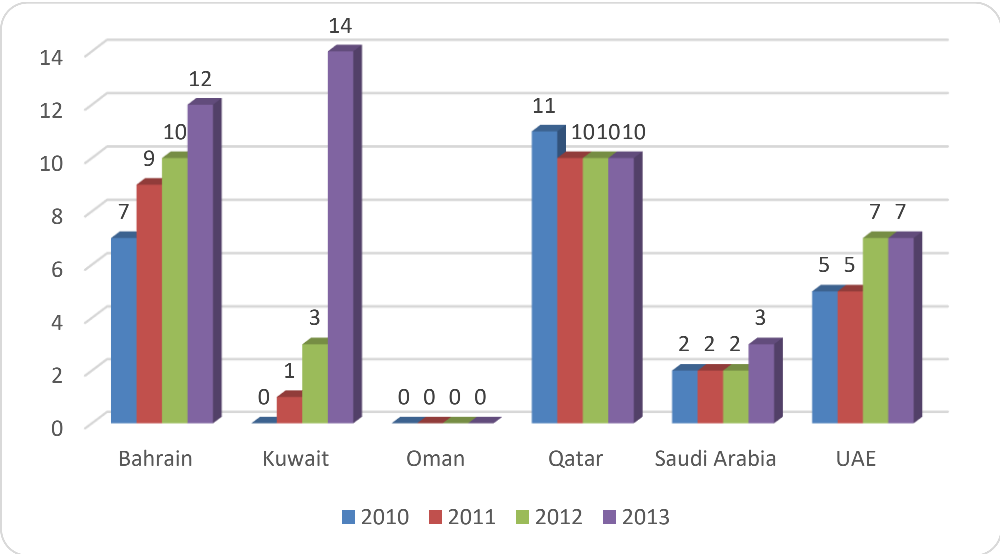


Figure 6-5: Number of firms with a CG committee by country

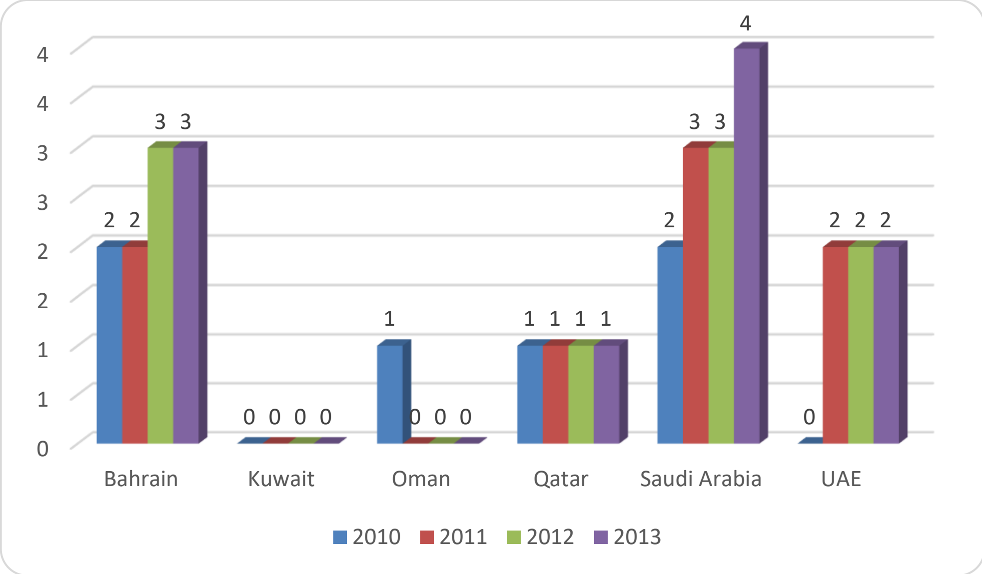


Figure 6-6: Number of firms with a CSR committee by country

From an industry point of view, Figure 6-7 below presents the number of firms that have a CG committee by industry. CG committees appear most among firms in the financial industry, followed by firms in the consumer goods & services and manufacturing industries. It seems that a CG committee is strongly associated with highly regulated industries such as the financial industry. Firms listed in the Energy & Utilities and Telecom & IT industry ranked the lowest, while none of the firms listed in the health care sector showed any presence of a CG committee. It is worth noting that even though firms listed in the Telecom & IT industry ranked the lowest, their level of CCI reporting is the highest among the sample firms. Furthermore, in relation to CSR committees, more firms from the financial and manufacturing industry have CSR committees than other industries. Again, an extremely limited number of firms in the telecom and IT industry have a CSR committee, although firms in this industry are the top reporting firms in the sample. Health care and energy & utilities have no firms with CSR committees. It is interesting to note that a CSR committee is not a common feature of firms in the highly sensitive industry of energy and utilities, which comprises 16 firms. The findings demonstrate that CSR committees are much less common than CG committees across all industries in the sample, indicating that corporate governance has a stronger foundation and emerged before CSR in this region.

Size of board of directors

Figure 6-8 shows the size of board of directors over the four-year period of the study. The trend appears to be stable with no major changes generally, and board sizes range between 5 and 11 members. The most frequent board sizes found among the sample firms are 5, 7, 9 and 10 board members and the majority of sample firms have a board size of 9 members.

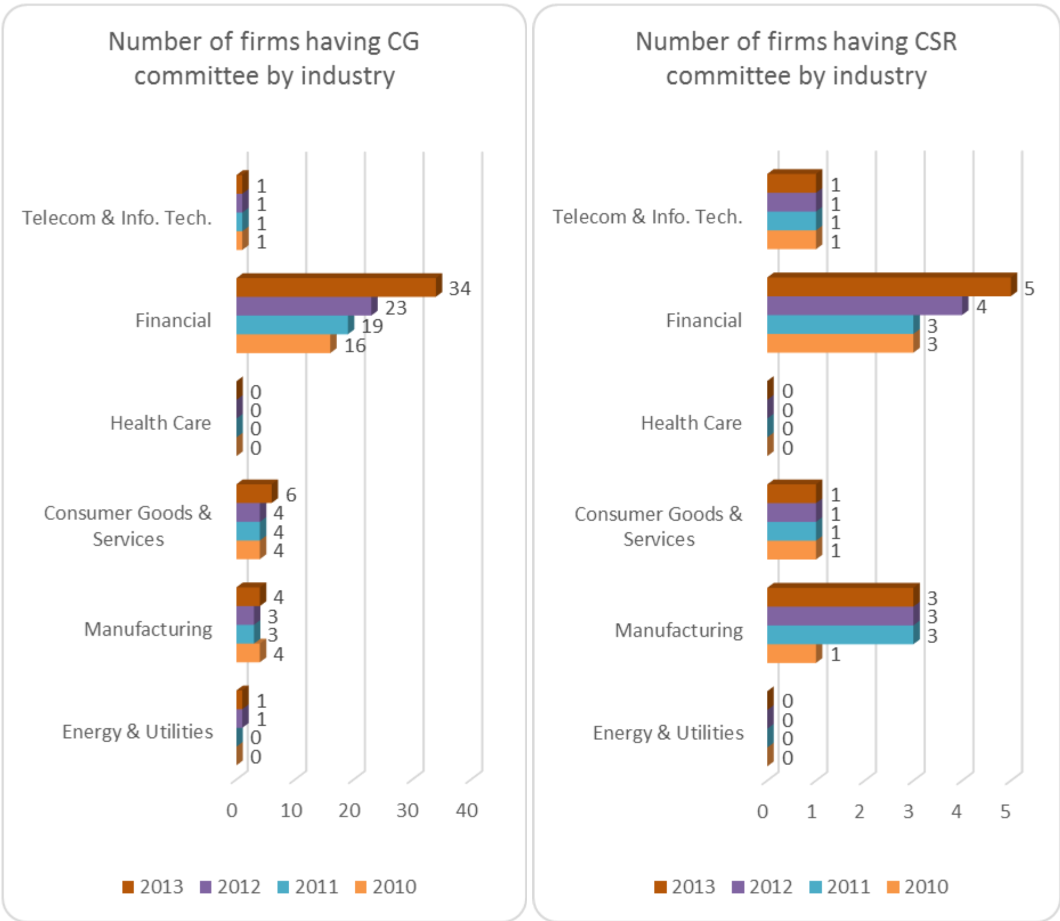


Figure 6-7: Number of firms with a CG and CSR committee by industry

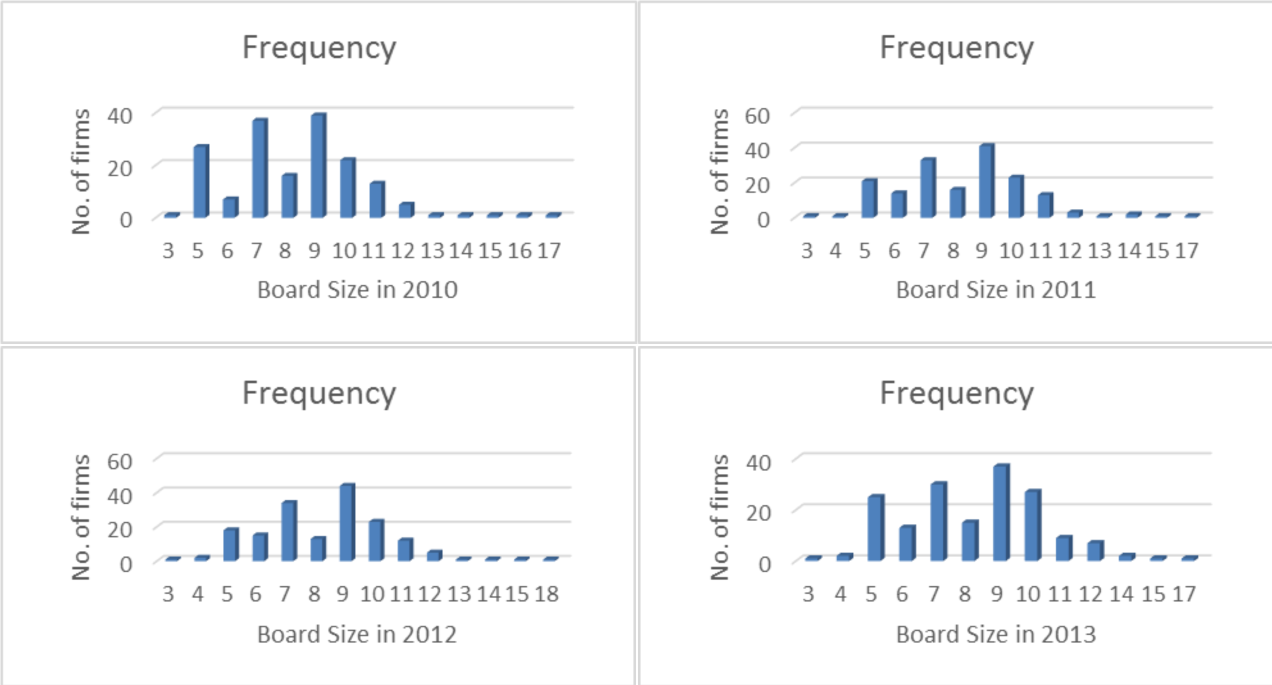


Figure 6-8: The size of the board of directors

In relation to CCI reporting, there appears to be a positive association with board size. The data shows that, on average, the level of CCI reporting increases when the board size increases. Figure 6-9 below illustrates the relationship between the average level of community reporting and the common board sizes. This association is tested statistically and the results are reported in section 6.6.1. Furthermore, Figure 6-10 below shows the average size of the board of directors of the sample firms by industry. Although the variation between industries is minimal, the board of directors' size among firms in financial, manufacturing and Telecom & IT industry is higher than others with 9 members, while firms from energy & utilities industry have lower size with 7 members.

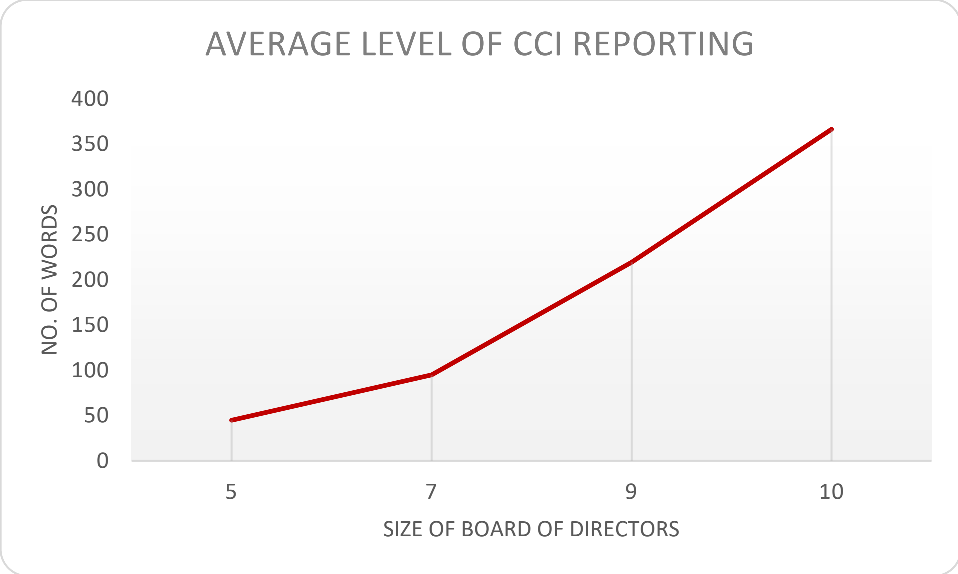


Figure 6-9: Board size and the level of CCI reporting

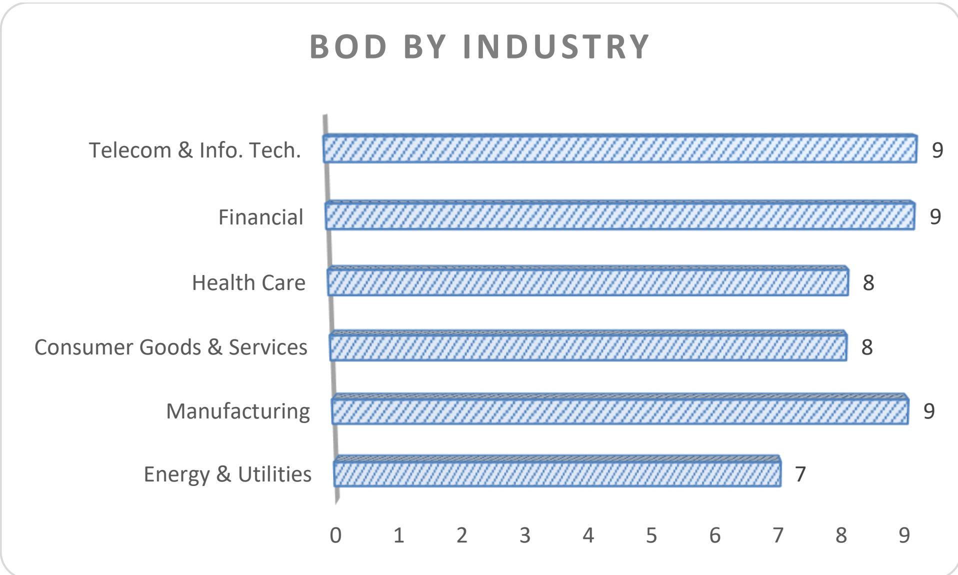


Figure 6-10: Board size by industry

The average board size of between 8.18 and 8.25 members, is considered to be reasonably appropriate for effectiveness purposes (Alotaibi and Hussainey, 2016a). The result is consistent with the results of previous studies in the GCC context (Al-Janadi et al., 2013;

Alotaibi and Hussainey, 2016a), and in other contexts (Cheng and Courtenay, 2006; Majeed et al., 2015). This board size, however, is smaller than the average size in Canada with 13 members (Lajili, 2009) and in Egypt and the UK with 11 members (Elzahar and Hussainey, 2012; Samaha et al., 2012), thus a smaller board may be more likely to take into consideration community issues in this context.

Female directors

Figure 6-11 presents the number of firms that have female directors as a member of their board. It is clear that an extremely limited number of firms appoint female directors in the region. Considering that the sample firms in this study represent 24% of the total population, the proportion of female presence in the GCC listed firms is deemed to be low. This confirms that the board of directors in the GCC countries are dominated by males and this is not surprising in the context of the GCC countries, where males are considered as dominant generally. It also supports prior studies' findings, suggesting that there is low women representation among the GCC firms (Al-Lamky, 2007; Kemp et al., 2015).

Nevertheless, the overall number of firms with females is increasing, which indicates more females are taking a place in the board room among the GCC listed firms and this may begin to have an impact on CSR and CCI. On average, 17.6% of the sample firms have female directors on their board. Female directors are found more among firms that are listed in Kuwait, Oman and Bahrain than firms listed in other countries. The relationship between the level of CCI reporting and female directors is illustrated in Figure 6-12 below, and indicates that firms with female directors report more about community activities than their counterparts.

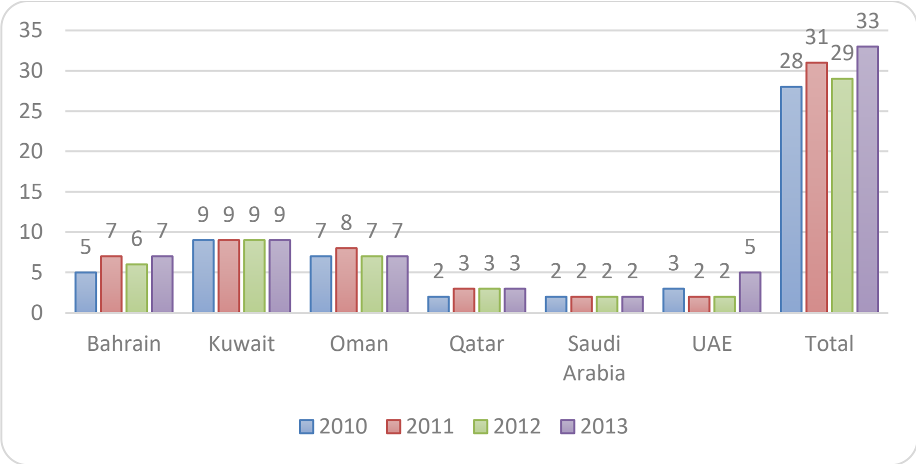


Figure 6-11: Number of firms having female directors

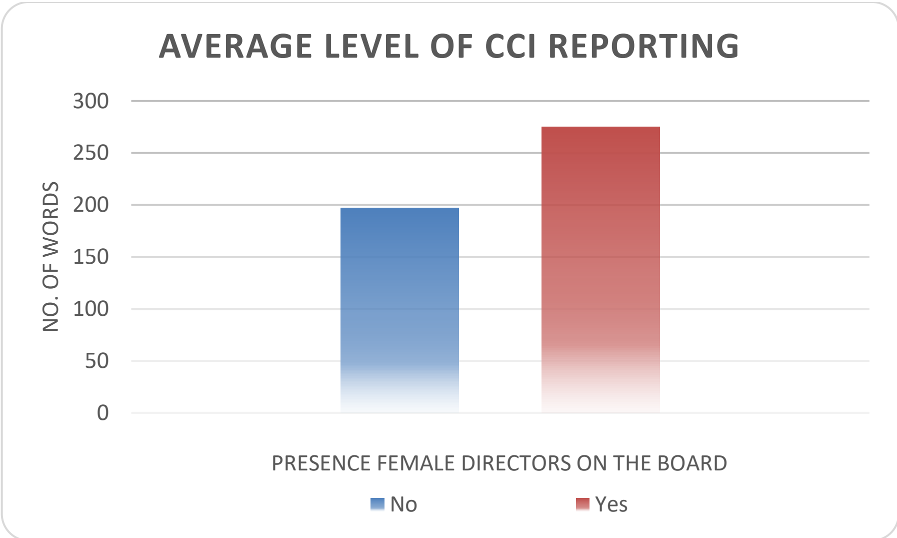


Figure 6-12: Female director and the level of CCI reporting

The trend in Figure 6-11 may indicate that these businesses have become aware of some business benefits as a result of gender diversity on their board. This potential relationship is examined further in the panel modelling in section 6.6.

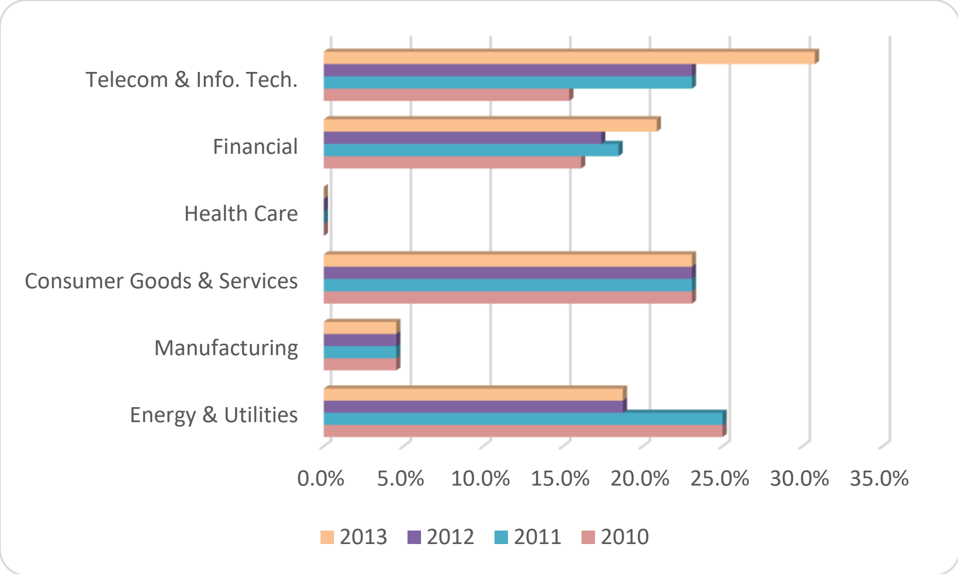


Figure 6-13: Number of firms having female directors by industry

Figure 6-13 presents the firms which have female directors by industry and this indicates an interesting variation. Female directors are distributed across most industries, but with less representation in manufacturing industry which is not unexpected. In contrast, however, no female directors were found in the Health care industry. This is consistent with an investigation undertaken by Al-Shammari and Al-Saidi (2014) who found that firms in financial and food industries have more female directors than other industries. Given the nature of health care, and the dominance of females in this industry in developed countries, this result is surprising, but there is a small sample bias as there are only two firms in the sample in this industry. Looking over the period of the study, the number of firms having female directors is increasing among financial firms and Telecom & IT firms to reach around 21% and 31% of the sample, respectively. In relation to the financial industry, this could be due to the size and nature of the business in this industry (Hillman et al., 2007; De Jonge, 2014), reflecting that female employment is high. While in the telecom & IT industry it could be due to the level of competitiveness in such an industry, and recognition that diversity may be beneficial commercially.

Given that the largest firm size in this study sample is from financial industry, this is consistent with a recent study that concluded that the presence of female directors is statistically significantly related to firm size (Saeed et al., 2016). In addition, industry type is considered a critical determinant for female directors' representation on boards in developed countries and some developing countries (Saeed et al., 2016). This observation can be seen as a fruitful avenue for future research in developing economies.

6.2.5.2 Ownership structure

Controlling ownership

Data on the level of ownership is presented in Figure 6-14 below, showing that the majority of the sample firms have a high level of ownership concentration. This is one of the main characteristics of ownership structure among businesses in the GCC countries (Arouri, 2012). The sample firms include only a limited number of firms that do not have major shareholders. This finding is consistent with the majority of prior studies in this context (Al-Janadi et al., 2013; Al-Malkawi et al., 2014). On average, about 83.3% of the sample firms are controlled by major shareholders, while 16.7% have more dispersed ownership. Furthermore, the figure shows that, on average, controlling ownership is a major phenomenon across all industries. Firms from all industries have over 70% controlling shareholders, other than Health Care. However, the result for Health Care is again likely because there are only two firms. Table 6-6 above, points out that the Telecom & IT industry is the highest industry in relation to reporting on community activities, so this may indicate some relationship between controlling ownership and the level of community reporting. Even though firms from the financial industry have high levels of ownership concentration, their level of reporting is among the lowest. This may again reflect the fact that financial firms' reporting practice is heavily regulated, which gives them less leeway for reporting voluntarily on community activities. Another possible explanation is that financial firms are concerned more about supporting the country at a macro level, thus fewer contributions are devoted to programs that directly touch local communities. The literature shows that the relationship between the industry and controlling ownership is ambiguous (Richter and Weiss, 2013) and no clear pattern emerges from the descriptive analysis of the sample data.

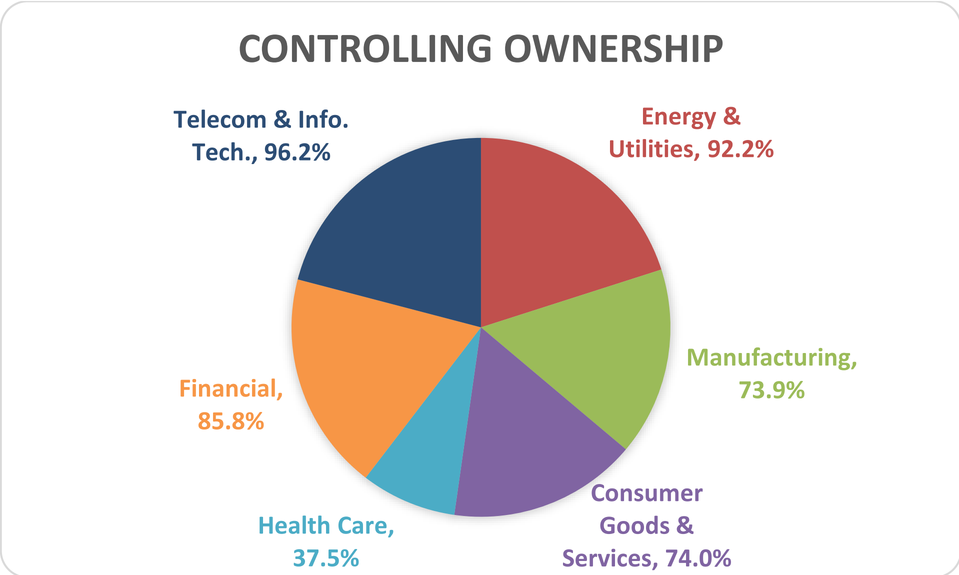


Figure 6-14: Average level of controlling ownership by industry

Government ownership

Government interest is another common characteristic of corporate ownership structure among businesses in the region. Over the four years, on average, between 40% and 45% of the sample firms have government ownership. A high level of government ownership of publicly listed firms may support the argument that governments utilise their power to influence corporate behaviour (O'Rourke, 2003). Firms with government ownership may act in ways to satisfy the government's social objectives and expectations, which can benefit both the government as well as the community.

Figure 6-15 demonstrates that government ownership is spread across all industries in the sample, again with the exception of the health care industry with a sample size too small to draw any conclusions. More than 50% of the firms listed in telecom & IT industry have government ownership. Government ownership in the remaining industries is between 40% and 50% of the sample firms, while below 30% in the manufacturing industry. A possible explanation for this is that GCC governments are interested in diversifying their investments.

This comes through investing in non-oil businesses and supporting other sectors, which ultimately enhances the local economy.

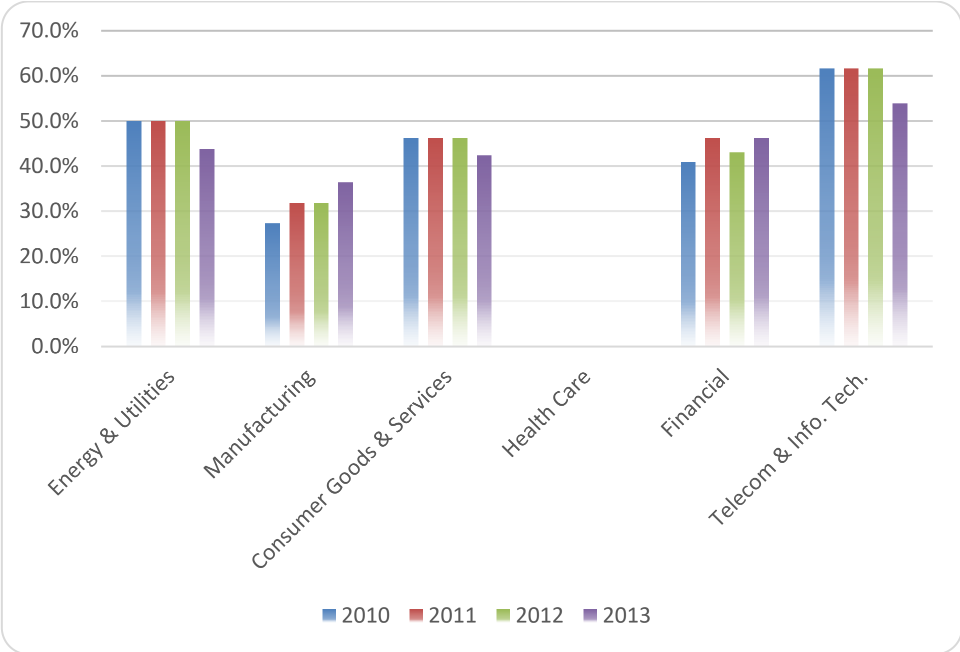


Figure 6-15*: Government ownership by industry*

Finally, Figure 6-16 below presents the percentage of firms that have government ownership distributed by country. It is apparent that government ownership is common among the GCC countries. This confirms the argument that government ownership is one of the market characteristics in this region. More specifically, government ownership can reach up to 66% in some countries. Saudi Arabian listed firms record the highest level of government ownership, which is in line with their record of the volume of CCI reporting. Similarly, firms in Kuwait have less government ownership, and this is consistent with their lower level of CCI reporting compared to other countries. Interestingly, however, government ownership is declining among the UAE firms, but that is not reflected on the level of community reporting of the firms in this country.

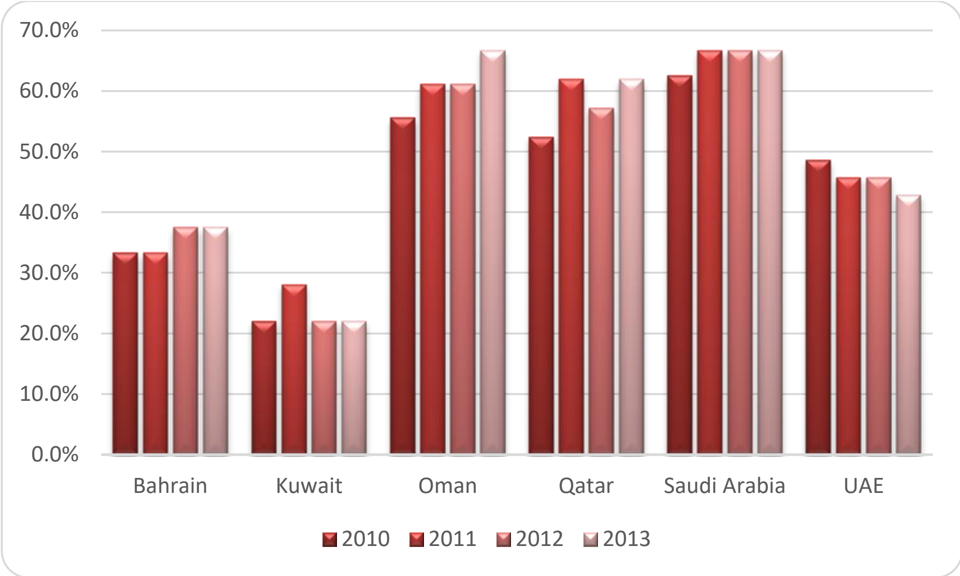


Figure 6-16: Government ownership by country

6.3 Thematic analysis of CCI

As explained in Chapter 4, this study categorised CCI reporting into six themes: general statements, philanthropy, volunteering, sponsorships, partnerships, other community activities. Table 6-8 below presents the mean volume for each theme over the period.

Table 6-8: Descriptive statistics of CCI themes

CCI Themes	N	Mean 2010	Mean 2011	Mean 2012	Mean 2013
General Statement	172	44.70	54.89	52.00	60.48
Other Activities	172	45.04	50.34	52.66	61.40
Partnership	172	15.22	16.74	25.90	29.92
Philanthropy	172	37.76	45.32	41.26	42.97
Sponsorship	172	33.45	29.76	25.72	35.84
Volunteering	172	7.85	5.26	10.70	13.35

Looking more closely at these themes, Figure 6-17 below shows the extent of each theme for each stock market examined. In relation to the common types of CCI activities reported by firms, there are some similarities and some differences across the six countries. The overall view indicates that there are significant variations in the reporting themes between the sample firms. A comparative view of the volume of each CCI theme is provided in Appendix 11.

Figure 6-17 reveals that reporting about ‘philanthropy’ and ‘sponsorship’ activities is significantly higher than other specific types of community activities across the seven stock markets. This may reflect the common perception of CSR among businesses, as reported in the previous chapter, that philanthropy is equivalent to CSR. The finding that sponsorship activities is high is likely due to its expected commercial returns to the businesses. Interestingly however, as reported earlier, the perception of CSR as philanthropy is changing but there is still emphasis on philanthropy in the reporting. This might indicate that firms are involved in philanthropic activities but not merely in the traditional form of donations. In addition, it is not expected that philanthropic donations will completely cease due to its strong roots in the cultural tradition. Firms may gradually engage more in other types as they begin to provide benefits to them.

In contrast to philanthropy and sponsorship, reporting on ‘volunteering’ and ‘partnership’ activities is the lowest, except for firms in the UAE (i.e. Dubai and Abu-Dhabi) which have a high volume of reporting on ‘partnership’ activities compared to the remaining sample firms. The nature of volunteering and partnership activities is different from philanthropy and sponsorship, and in fact require a higher level of involvement. Thus, less reporting may indicate fewer activities of these types. As an emerging phenomenon it is expected that firms may engage in more CCI activities that require less time, effort and costs than activities which result in a higher level of involvement and require more time, effort and resources.

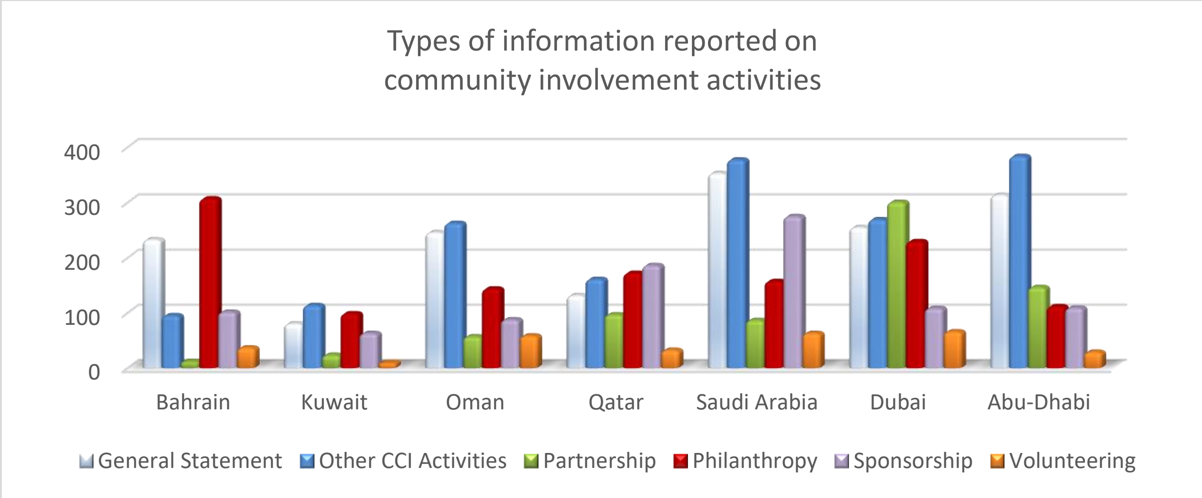


Figure 6-17: Themes of CCI activities

6.4 Trends in reporting

The overall trend for total CCI reporting is mixed over the period under examination. Figure 6-18 below shows that firms from Saudi Arabia and Dubai show a constant increase over the four years, while firms in other markets have variations. This supports the qualitative findings which indicate that business awareness of social responsibility has changed considerably in Saudi Arabia. Nevertheless, generally, in comparison between the beginning and end of the period, Figure 6-19 shows that the level of reporting in 2013 is higher than the reporting in 2010 across all stock markets, except Abu-Dhabi. This provides evidence that there is increasing awareness in this region about giving back to the local community. This finding emphasises the importance of identifying the influential factors that could explain the variation in the level of the reporting practices. Section 6.6 below presents the statistical results of these factors in more details.

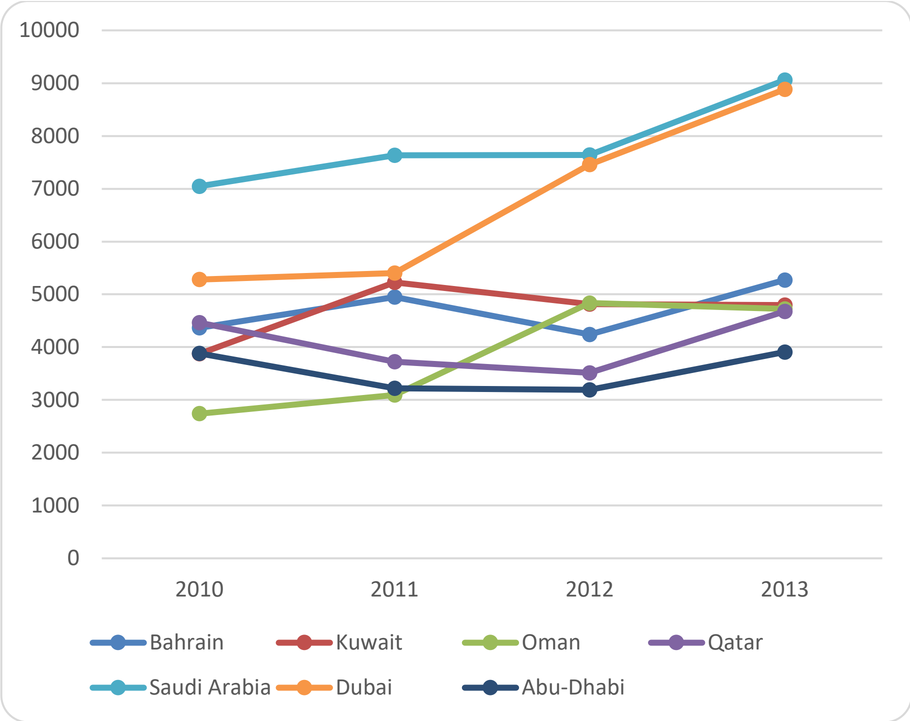


Figure 6-18: CCI Reporting trends

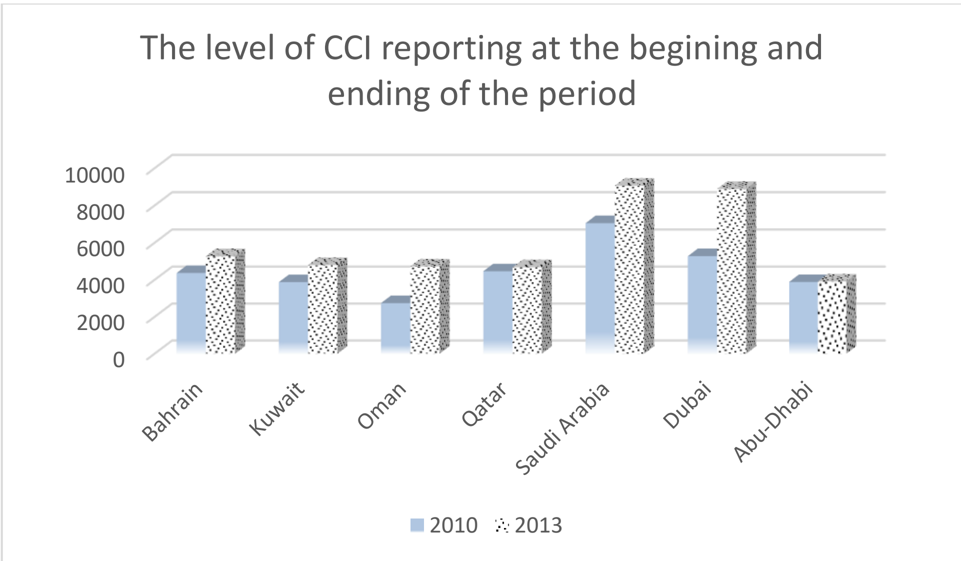


Figure 6-19: Levels of CCI Reporting: 2010 versus 2013

6.5 Non-reporting firms

In relation to the firms which did not report any information on CCI activities, a further analysis was conducted and is summarised in Table 6-9 and Table 6-10 below. The results show that 57 of the sample firms (33.14%) did not report any information across the entire period (Figure 6-20). The proportion of non-reporting firms is significantly higher than the proportion of non-reporting firms in developed countries. For example, it was found that less than 1% of UK firms do not report voluntary social information in the annual reports (Hassan, 2010). However, it is important to note that this study considered only one theme of CSR, namely, CCI, so direct comparison is not possible.

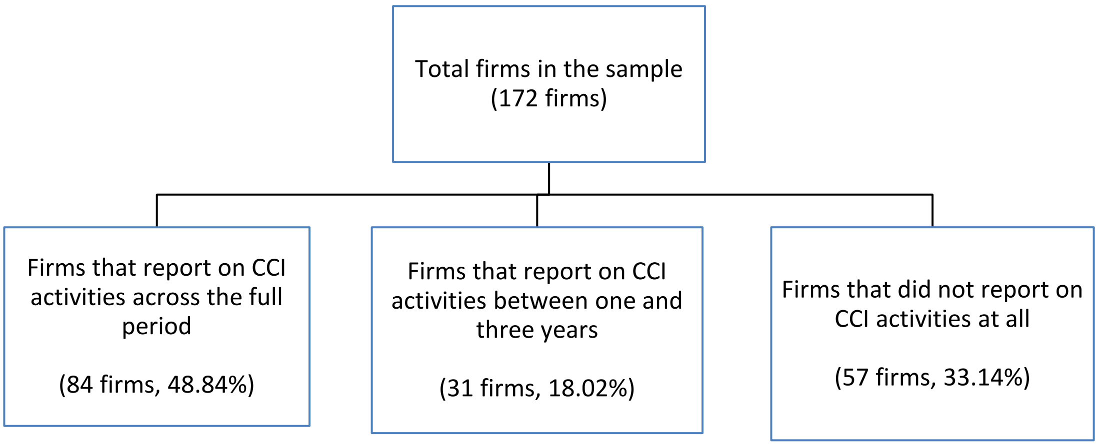


Figure 6-20: Reporting versus non-reporting firms

Notwithstanding the difficulty in comparing to developed countries, the result again confirms that voluntary social reporting is emerging in this region. Table 6-9 shows that a high proportion of non-reporting firms are from Kuwait, UAE and Qatar. The level of CCI reporting among those Kuwaiti firms which do report is also the lowest in the sample, as pointed out above. This suggests that the majority of firms in this country may have not realised the potential advantages of such reporting noted by Saudi managers as reported in Chapter 5.

Table 6-9: Non-reporting firms by country

Country	Sample firms	No. of non-reporting firms		As proportion of total sample
Bahrain	24	3	(5.26%)	12.50%
Kuwait	50	32	(56.14%)	64.00%
Oman	18	2	(3.51%)	11.11%
Qatar	21	7	(12.28%)	33.33%
Saudi Arabia	24	4	(7.02%)	16.67%
UAE	35	9	(15.79%)	25.71%
Total	**172**	**57**	**(100%)**	**33.14%**

In order to consider this issue further, Table 6-10 presents the same information but categorised by the industry to which the firms belong. More than half of the firms that did not report any CCI information in their annual reports (54.39%) are from the financial industry. This could just be due to the sample size, as this industry is the largest. However, the financial industry comprises banks, insurance, real estate and other firms that provide financial services, so it is interesting that firms in this highly regulated industry do not voluntarily report about their community initiatives, particularly given that a number of interviewees from this industry pointed out that adopting particular standards for reporting is not important, and they prefer to report voluntarily.

Table 6-10: Non-reporting firms by industry

Industry	Sample firms	No. of non-reporting firms		As proportion of total sample
Energy & Utilities	16	4	(7.02%)	25.00%
Manufacturing	22	8	(14.04%)	36.36%
Consumer Goods & Services	26	11	(19.30%)	42.31%
Health Care	2	1	(1.75%)	50.00%
Financial	93	31	(54.39%)	33.33%
Telecom & Info. Tech.	13	2	(3.51%)	15.38%
Total	**172**	**57**	**(100%)**	**33.14%**

6.6 Panel data regression results

As stated in Chapter 4, a panel data regression model is used to examine the impact of firms' characteristics on CCI reporting in corporate annual reports from 2010 to 2013. Seven hypotheses were developed, based on a review of previous studies in order to answer research questions RQ5 and RQ6. For ease of reference, the hypotheses are restated again as follows:

H1: There is a positive relationship between the presence of a corporate governance committee and the level of CCI reporting.

H2: There is a positive relationship between the presence of a CSR committee and the level of CCI reporting.

H3: There is a positive relationship between the size of the board of directors and the level of CCI reporting.

H4: There is no relationship between the presence of female directors on the board of directors and the level CCI reporting.

H5: There is a negative relationship between controlling ownership and the level of CCI reporting.

H6: There is a positive relationship between government ownership and the level of CCI reporting.

H7: There is a relationship between the country of listing and the level of CCI reporting.

In order to test these hypotheses, a RE regression model was developed. Again for ease of reference, the model is restated here:

$LnCCIVol_{jt} = \alpha + \beta CGComt_{jt} + \beta CSRComt_{jt} + \beta BOD_{jt} + \beta FeBOD_{jt} + \beta ContOwn_{jt} + \beta GovOwn_{jt} + \beta ADMarket_{jt} + \beta BHMarket_{jt} + \beta DUMarket_{jt} + \beta QTMarket_{jt} + \beta KWMarket_{jt} + \beta 2012_{jt} + \beta 2013_{jt} + \beta LnAssets2_{jt} + \beta LnAge_{jt} + \beta ROA_{jt} + \beta EnergyUtilities_{jt} + \beta Manufacturing_{jt} + \beta ConsumerGoodServices_{jt} + \beta HealthCare_{jt} + \beta TelecomIT_{jt} + \varepsilon_{jt}$

Where:

$LnCCIVol_{jt}$	= The natural log of total words dedicated to corporate community involvement information for firm *j* in year *t*
$CGComt_{jt}$	= Corporate governance committee dummy for firm *j* in year *t*
$CSRComt_{jt}$	= CSR committee dummy for firm *j* in year *t*
BOD_{jt}	= Size of board of directors for firm *j* in year *t*
$FeBOD_{jt}$	= Female director on the board dummy for firm *j* in year *t*
$ContOwn_{jt}$	= Controlling ownership dummy with ≥ 10% for firm *j* in year *t*
$GovOwn_{jt}$	= Government ownership dummy for firm *j* in year *t*
$ADMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$BHMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$DUMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$QTMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
$KWMarket_{jt}$	= Stock market dummy for firm *j* in year *t*
2012_{jt}	= Year dummy for firm *j* in year *t*
2013_{jt}	= Year dummy for firm *j* in year *t*
$LnAssets2_{jt}$	= The natural log of total assets for firm *j* in year *t*
$LnAge_{jt}$	= The natural log of number of years being listed on stock market for firm *j* in year *t*
ROA_{jt}	= Equity capital/ Total assets for firm *j* in year *t*
$EnergyUtilities_{jt}$	= Industry dummy for firm *j* in year *t*
$Manufacturing_{jt}$	= Industry dummy for firm *j* in year *t*
$ConsumerGoodServices_{jt}$	= Industry dummy for firm *j* in year *t*
$HealthCare_{jt}$	= Industry dummy for firm *j* in year *t*
$TelecomIT_{jt}$	= Industry dummy for firm *j* in year *t*
α	= Constant
β	= Regression coefficient
ε_{jt}	= Error term for firm *j* in year *t*

The regression results are summarised in Table 6-11 below. Unlike an OLS model or a simple panel model, the multilevel panel model does not have goodness of fit measures such as R^2

found in the OLS or the "within", "between" and "overall" R^2 found in a simple panel model. As shown in the table below, the Wald test is 185, distributed as chi^2 with 26 degrees of freedom, and the *p*-value (Prob > chi2) is significant at 1%. This indicates the model is valid.

Table 6-11: Multilevel regression results of the panel model (Mixed-effects ML regression)

Variables (LnCCIVol [a])	Coefficients	Std. Err.	Z	P > |Z|	[95% Conf. Interval]	
Explanatory Variables						
CGComt	0.588	0.224	2.63	0.009***	0.150	1.027
CSRComt	0.038	0.491	0.08	0.939	-0.925	1.000
BOD	0.112	0.058	1.92	0.055*	-0.002	0.226
FeBOD	0.640	0.279	2.29	0.022**	0.092	1.187
ContOwn	0.404	0.221	1.82	0.068*	-0.030	0.837
GovOwn	0.466	0.251	1.86	0.063*	-0.025	0.957
ADMarket	0.468	0.555	0.84	0.399	-0.619	1.555
BHMarket	1.110	0.469	2.37	0.018**	0.191	2.029
DUMarket	0.019	0.440	0.04	0.966	-0.843	0.881
QTMarket	-1.378	0.493	-2.8	0.005***	-2.344	-0.412
KWMarket	-0.725	0.368	-1.97	0.049**	-1.447	-0.003
2012	0.014	0.143	0.1	0.924	-0.267	0.295
2013	-0.132	0.223	-0.59	0.554	-0.568	0.305
Control Variables						
LnAssets2 [a]	-0.006	0.334	-0.02	0.986	-0.660	0.649
ROA	-0.005	0.008	-0.66	0.511	-0.020	0.010
LnAge [a]	1.158	1.367	0.85	0.397	-1.522	3.837
EnergyUtilities	0.869	0.556	1.56	0.118	-0.221	1.959
Manufacturing	0.634	0.514	1.23	0.217	-0.373	1.642
ConsumerGoodsServices	0.672	0.443	1.52	0.129	-0.196	1.540
HealthCare	1.173	1.333	0.88	0.379	-1.439	3.785
TelecomIT	1.741	0.612	2.85	0.004***	0.542	2.940
_cons	-6.764	3.413	-1.98	0.048	-13.453	-0.074

Number of obs	= 509	Obs per group:	
Number of groups	= 170	min	= 2
		avg	= 3.0
Wald chi2 (26)	= 185.02	max	= 3
Prob > chi2	= 0.0000		
Log likelihood	= -912.78724		

*** Significant at 1% = (p≤0.01), ** Significant at 5% = (p≤0.05), * Significant at 10% = (p≤0.10),
[a] Log transformed variable

The regression results support five hypotheses H1, H3, H4, H6 and H7 (partial), but do not support hypotheses H2 and H5. In summary, the results show that some corporate governance attributes, and corporate ownership structure, are the main influences on CCI reporting. Country of listing variables show some level of significance, while time factor does not show any influence on community reporting. Further explanations and details of the results for each of the proposed hypotheses are provided in the following sections.

6.6.1 Corporate governance factors

There are four key variables related to corporate governance [size of board of directors (*BOD*), presence of female directors on the board (*FeBOD*), existence of a corporate governance committee (*CGComt*) and a CSR committee (*CSRComt*)] that were used in the panel model to test for their potential influence on CCI reporting. The overall results show that all except one of the governance variables have a significant and positive impact on CCI reporting. The significant variables are BOD (H3), FeBOD (H4), and CGComt (H1) with positive coefficients of 0.112, 0.640 and 0.588, respectively.

This indicates that if the BOD increased by one member it would expect to increase the level of CCI reporting by almost 11%. Since the dependent variable is logged and the other governance variables (*FeBOD*), (*CGComt*) and (*CSRComt*) are dummy variables, their coefficients require transformation into the anti-log form before reaching any inference. The coefficients of these variables after transformation indicate that a firm that has a female director on the board would have about 90% more reported words on community activities than a firm that has no female director. As noted earlier in section 6.2.5, female directorships are only emerging in the Middle East, but this result provides some evidence that where they are appointed, they have an impact on reporting on social initiatives.

In relation to the impact of the two board committees, the results show a significant and positive relationship between the level of CCI reporting and the presence of a corporate governance committee. According to this result, a firm that has a separate corporate governance committee would expect to report around 80% more words than a firm that has no such separate committee. This finding confirms the interview findings which suggest that some existing internal pressure could influence firms' reporting practice. Such results may suggest that other GCC countries encounter similar type of pressure, however, more qualitative research in this area is recommended to confirm this.

On the other hand, the impact of having a CSR committee is not found to be as it was expected. Further, the results reveal that the variable (*CSRComt*) has a positive but insignificant relationship with CCI reporting with a coefficient of 0.038. This indicates that the existence of CSR committee has no influence on the level of CCI reporting in this sample and H2 is not supported. This is inconsistent with the results of previous studies in a similar area of research, for example, Yekini (2012) also found that CSR committees have a positive and significant relationship with CCI reporting. There are various reasons for the insignificant finding in the GCC context. The most plausible reason could be that some of other committees, such as the CG committee or disclosure committee, may be more powerful in terms of authority than the CSR committee in relation to reporting decision making. In addition, as CSR committees are relatively new in the region and, as noted in Chapter 5, is often a committee which is under development and in the early stages of determining its role, so it may not be responsible for the reporting practice, but only for involvement in CSR activities and programs. Such a result could be due to ambiguity of some firms about CSR, as pointed out by an interviewee that the responsibility of CSR remains unclear. Further research may be required to demonstrate the real responsibility of CSR committees in the context of the GCC countries.

6.6.2 Corporate ownership structure

Controlling shareholders and government ownership were used in this study as proxies for ownership structure. The results of the regression model show that there is a significant relationship between CCI reporting and ownership structure. More specifically, controlling shareholders and government ownership both have a significant impact on CCI reporting. In relation to controlling shareholders (*ContOwn*), the statistical results reveal that there is a significant and positive relationship with CCI reporting. It is significant at 10% with a coefficient of 0.404, while the anti-log coefficient is 0.497. This implies that the higher the percentage of controlling ownership, the more reporting on community activities is expected. That is, a firm with major shareholders is predicted to report around 50% more than a firm that does not. Thus, the results do not support hypothesis H5. The positive relationship between controlling ownership and CCI reporting also contradicts the majority of previous literature which has found a negative association between controlling ownership and voluntary reporting (Cormier et al., 2005; Reverte, 2009; Li et al., 2013). As the result is contrary to previous studies, it may suggest an indication of the changing perception of CSR and CCI in the region, as major shareholders begin to see value and place importance on community engagement.

In addition, the variable related to government ownership (*GovOwn*) is also positive and statistically significant at the 10% level. The results of the panel model report this variable with a coefficient of 0.466 and the anti-log coefficient indicates that a firm with government ownership would expect to report 59% more information. This is in line with the argument that firms which are largely owned by government are expected to be more responsible towards the local community and society at large, as discussed in Chapter 2. It also supports the argument that businesses want to support the government to achieve its social objectives and, as a result, the management of these firms is expected to release more information in order to fulfil government's objectives (Roberts, 1992). Thus, the results support hypothesis H6. These results are consistent with Said et al. (2009) who also found a positive relationship between government ownership and the level of voluntary social reporting, and with a number of studies in a GCC countries context, such as Khasharmeh and Suwaidan (2010) and Al-Janadi et al. (2013). The results contrast with Khasharmeh and Suwaidan (2010), who found no relationship, and Al-Janadi et al. (2013) who found a negative relationship. A reason for this could be that this study considers only one theme of CSR, while previous studies investigated total CSR. In addition, this study examines the reporting practice for a four-year period, whereas prior studies examined the reporting for only a single year. Thus, these differences in the methodology can cause variation in the final results but may again reflect the changing perceptions of CSR in the region.

6.6.3 Country of listing

Listed stock markets were incorporated in the model as dummy variables to answer RQ6. Since there are seven stock markets, seven dummy variables were created and tested. The base case for this variable is a 'joint' base case. The two stock markets that were selected are the Oman (*OMMarket*) and Saudi Arabian stock market (*SAMarket*). The reason for having these particular stock markets as a 'joint' base case is to avoid multicollinearity problems. The regression results reveal that three stock markets show a *p*-value that is significant from the base case. Thus, the results partly support hypothesis H7. It is found that the Kuwait stock market (*KWMarket*) is statistically significant at 5%, while the Bahrain (*BHMarket*) and Qatar stock markets (*QTMarket*) are both significant at 1%. Compared to the base case, this means that firms listed in Bahrain are expected to have two times more reporting on community activities than Saudi Arabia and Oman. In contrast, it is expected that firms listed on the Kuwait and Qatar stock markets will have less reporting.

This demonstrates that the level of communication with stakeholders varies across the GCC countries. Although these countries share many similarities, there are differences in accounting procedures and practices in each country (Hussain et al., 2002). It could also be due to the voluntary nature of the information, as no common guidelines exist in these countries. Moreover, these differences may be linked to the differences in social development needs in this region. Given that government ownership is a key influential factor on reporting, the differences between GCC listed firms may reflect the government's priorities in their community and their social development agenda.

6.6.4 Control variables

Based on prior studies in the CSR and CCI literature, as discussed in Chapter 2, this study included four control variables, which are firm size, profitability, firm age and industry. The results of the regression model indicate that none of the control variables have a significant relationship with community reporting. Insignificant control variables indicate that the variation of the level of CCI reporting among GCC listed firms is explained by the explanatory variables, which strengthens the results of the model and supports the inferences made.

6.6.4.1 Firm Size

Size is generally considered a determinant of voluntary reporting. In this study, the results indicate that there is insignificant association (*p*-value= 0.986) between total assets and CCI reporting. Thus, the result is not as expected, however, it is consistent with some literature, such as the studies by Yekini (2012) and Ratanajongkol et al. (2006). The explanation for this outcome might be due to this study's focus on only one specific theme of CSR (community involvement). It may indicate that information on community involvement activities is less relevance to the firm size in the context of this study. However, in relation to community reporting specifically, it is not in line with the findings of Raja Ahmad (2010) and Khasharmeh and Suwaidan (2010) which suggest that firm size does have a statistically significant impact. This could be because the majority of sampled firms in this study are large in size and therefore there is little variation between firms' total assets.

6.6.4.2 Profitability

The results of the regression reveal that there is no statistically significant (*p*-value= 0.511) relationship between corporate profitability and community reporting. This implies that more profitable firms are not necessarily more involved in community activities than less profitable firms, which was also suggested by a number of the interviewees as reported in Chapter 5. The result supports the view expressed by interviewees that commitment towards local community and society at large among the GCC listed firms is not based on firms' profit, but rather is seen as a business duty towards the community as a stakeholder or that social responsibility activities are seen as part of business operations. This finding is consistent with Khasharmeh and Suwaidan (2010) and Yekini (2012) who also found no significant relationship for firms in the region. It is also consistent with the findings of studies which examined the relationship between profitability and voluntary reporting generally (Patten, 1991; Alsaeed, 2006; Hossain and Hammami, 2009; Yaftian, 2011).

6.6.4.3 Listing age

Listing age (*LnAge*) was included as a control as some studies have noted a relationship (Prencipe, 2004). However, in this study it is not significant, indicating no significant difference between firms listed for a long period or a short period. The results are in line with some studies' findings in the same regional context (Alsaeed, 2006). Similar findings are also found in other contexts (Gunawan, 2007).

6.6.4.4 Industry

Industry is commonly associated with reporting, but this varies with socio-political context, for example, Gamerschlag et al. (2011) found firms in the energy industry report more than other industries to reduce the potential political costs. This study categorises sample firms into six main industries, as outlined in Chapter 4. The Financial industry was selected as the base case over the other industries because it has the lowest volume of community reporting. Thus, any significant results are based on a comparison against the base case. The telecommunication and Information Technology sector is the only industry found to be significantly different from the base. Given that only one industry is statistically significant, it does not provide full support for the expectation that different industries influence the level of social reporting. The coefficient for the Telecommunication and Information Technology (*TelecomIT*) is 1.74, which indicates that firms in this industry report significantly higher amounts than firms in the financial industry (i.e. 174% more words). This result is consistent with the finding of an earlier study, where the highest reporting on community issues was also found among firms in service industries (AlNaimi et al., 2012). One reason for this apparent lack of differences in reporting may be that CCI issues are not highly relevant to politically sensitive, or polluting industries. That is, CCI themes are more likely to be the main concern of firms where their activities relate to the local community as a consumer, hence service industries are likely to produce more. The impact of industry is in need for further investigation in this region.

6.6.5 Summary of hypothesis testing

Table 6-12 below summarises the results of the hypotheses tests, while Table 6-13 summarises the influences (i.e. significant explanatory variables) of CCI reporting and reports their level of significance and impacts. The overall regression results provide evidence that corporate governance and ownership structure are the main influences on reporting about community involvement activities in firms' annual reports. Furthermore, the results show that all explanatory variables have a positive impact on the level of CCI reporting except for listing on the Qatar and Kuwait stock markets, which showed a negative impact.

Table 6-12: Summary of hypothesis testing

Hypotheses	Expected Relation	Actual Result	Supported (✓) Not Supported (×)
H1: There is a relationship between CG committee and CCI reporting	Positive	Positive	✓
H2: There is a relationship between CSR committee and CCI reporting	Positive	*(Not Significant)*	×
H3: There is a relationship between size of BOD and CCI reporting	Positive	Positive	✓
H4: There is no relationship between female directors and CCI reporting	No relationship	Positive	×
H5: There is a relationship between controlling ownership and CCI reporting	Negative	Positive	×
H6: There is a relationship between government ownership and CCI reporting	Positive	Positive	✓
H7: There is a positive relationship between country of listing and CCI reporting	Positive	*(partial support)*	✓

Table 6-13: Summary of the influential factors on CCI reporting

Variables	Level of Significance		The Impact on CCI reporting
CGComt	at 1%	Strong	An increase by 80.06 %
BOD	at 10%	Weak	An increase by 10.90 %
FeBOD	at 5%		An increase by 89.61 %
ContOwn	at 10%	Weak	An increase by 49.72 %
GovOwn	at 10%	Weak	An increase by 59.33 %
TelecomIT	at 1%	Strong	An increase by 174 %
BHMarket	at 5%		An increase by 203.51 %
QTMarket	at 1%	Srong	A decrease by (74.79 %)
KWMarket	at 5%		A decrease by (51.57 %)

In summary, the results of this study provide statistical evidence to support the argument that corporate governance and ownership structure are the key influences on CCI reporting in the GCC countries. This, to a large extent, provides evidence to support the interview findings where stakeholders' influence was identified as a key driver behind CSR development in this region.

6.7 Chapter summary

This chapter reported the findings of the quantitative phase of the study to answer the three research questions RQ4, RQ5 and RQ6. The descriptive statistics indicate that the majority of sample firms engage in CCI reporting practice, although the sample of reporters across all four years is a small portion of the population. In addition, stand-alone reporting is emerging as a tool for public reporting, however, annual reports are still the predominant means of communication to corporate stakeholders. Although the level of CCI reporting varies across the GCC countries, overall it is increasing over the study period. Seven hypotheses were tested to examine the influence of corporate governance (H1, H2, H3 and H4), ownership structure (H5 and H6) and country of listing (H7) on the level of community reporting. The regression results support four of the seven hypotheses. More specifically, the majority of the examined variables were found to have a significant and positive relationship with the level of community reporting (i.e. the presence of a corporate governance committee, the size of the board of directors, the presence of female directors on the board, controlling ownership and government ownership). It appears that reporting is not consistent across all GCC countries, as listing on the Qatar and Kuwait stock markets were found to have a negative association with community reporting. On the other hand, the presence of a CSR committee was found to have an insignificant association. Further discussion of these findings is presented in the next chapter.

Chapter 7 : Discussion and Interpretations of the Study Findings

7.1 Introduction

The previous two chapters reported the findings of this study on corporate community involvement as a theme of CSRR. This chapter discusses both the qualitative (Chapter 5) and the quantitative findings (Chapter 6) in light of the research problem and primary research question. The discussion that follows is based on the data that was collected from the companies and their representatives (i.e. corporate reports and participants in the interviews). The chapter comprises three main sections. First, it discusses the perception of social responsibility generally showing how it is changing, and this section includes a discussion of some of the reasons for the identified expansion of awareness and understanding. This section focusses mainly on the interview findings. Second, the chapter discusses the influential factors, corporate governance and ownership structure, on CCI reporting, drawing predominantly on the content analysis results. Third, it summarises and discusses the main findings considering the combined (qualitative and quantitative) phases of the study. In addition, this section interprets the overall study findings from a theoretical perspective, including an identification of the most relevant and applicable theories for this context, based on the framework outlined in Chapter 3.

7.2 CCI activities and the rationales behind the practice

Phase 1 of the study (i.e. the qualitative analysis), was reported in Chapter 5. The following sections discuss those findings further, beginning with a brief explanation of the current awareness about CSR generally, which influences corporate behaviour in the region.

7.2.1 Awareness of CSR

One of the most important findings of this study is that the general awareness of CSR among listed firms in Saudi Arabia has increased considerably. This contrasts previous studies which assert that, in the Middle East, the perception of CSR and CSR practices is limited to equating CSR with philanthropic donations (Marios and Tor, 2007; Qasim et al., 2011; Mandurah et al., 2012; Nalband and Al-Amri, 2013), which is in turn derived from religious duties (Jamali and Mirshak, 2007; Visser, 2008). The results of this study show that current perceptions and practices of CSR go well beyond charitable donations. Firms are actively involved in the community where they operate through various types of community activities. Besides philanthropic giving, other types of giving such as sponsorships, volunteering, partnerships and more are evident.

In addition, there is a considerable development of the understanding of CSR as a concept and how it features in business, as managers now see it to include business benefits and provide a contribution to the cycle of social development. That is, it has been found in the past, that a lack of market drivers and incentives for social activities existed in developing countries (Emtairah et al., 2009), but this study reveals that the majority of interviewees stated that they aim for some business return from being involved in the local community and CSR generally. They view it as a way to add value to the business and increase shareholders' wealth and, as such, they focus on value-added activities besides social benefits. This highlights a change in the way businesses think in Saudi Arabia, such as their recent adoption of a share-value approach (Porter and Kramer, 2011). They also consider the competition level among firms within the same industry, and in the entire market, as one of the key drivers, suggesting a heightened sense of the importance of CSR. In relation to moving towards this more strategic view, this finding also reflects changing perceptions among some Arab leaders, who see businesses as a partner with governments and community organisations (Atia et al., 2008). Those leaders acknowledge that being involved in community development is beneficial for the business (Atia et al., 2008), as will be discussed in section 7.3.3.

There is also evidence that firms are moving from the old traditional perception of CSR. It is interesting that religious and cultural reasons were not generally mentioned as a key rationale during the interviews, given they are reported as important in many previous studies in the region. This by itself provides strong evidence of current changes in the region and increasing awareness of the concept of CSR. However, there is no doubt that the roots of social contributions still exist as part of the culture and religion in these countries. A possible explanation for this observation is that firms now focus on business objectives rather than acting on an ad hoc basis, as noted above. This invalidates the assertion that corporate giving in the Middle East lacks strategic alignment to business objectives and long-term sustainability (Visser, 2008).

Finally, as discussed in earlier chapters, it has been previously found that no pressure exists on firms to consider CSR and there is a lack of leadership engagement in CSR (Emtairah et al., 2009). However, again the findings of this study show a different view. As mentioned above, business leaders among Saudi listed firms appear to be much more aware of the concept and its benefits. Thus, there has been a rapid increase in business practices and moves to a more strategic approach by most of the participating firms in this study. The interview findings show that a number of firms in Saudi Arabia incorporate their social responsibility as part of their corporate vision and mission which is in line with firms in developed countries (Sheldon and Park, 2010). The existing literature suggests that among the most influential reasons for CSR adoption at the corporate level is the fact that it is included in corporate mission and vision and that it is believed to be ‘‘the right or ethical thing to do’’ (Sheldon and Park, 2010, p. 10). Thus, there is concrete evidence that a motivation for social contribution among Saudi firms is moving from an altruistic to a more strategic approach. Many interviewees pointed out that their firms have clear purpose and objectives in relation to their social activities, which begins with the corporate vision and top management commitment.

In relation to existing pressures this study also contradicts, to some extent, the conclusions of Emtairah et al. (2009) which stated that the Saudi market lacks pressures, whether internal or external, on firms, as will be outlined in section 7.3.4. These differences between the findings of this study and the findings of earlier research provide strong evidence that management of firms is recognising various stakeholder groups, further supported by the increased number of firms that are publishing stand-alone reports. These changes may also indicate that a similar evolution of the perception is occurring in other the GCC countries. Before considering the rationales for becoming more socially responsible, however, the findings also revealed some potential reasons for the increased awareness, including social development, increased interaction with international firms, globalisation and increased competition, so these are discussed next.

7.2.1.1 Social development

The results indicate it is now commonly believed by Saudi businesses that social development is not only a government responsibility, and firms in Saudi Arabia may design their social contribution plan to be in line with the strategic national plan. Some firms have established their own definition and policy about social responsibility. This is again a sign of firms moving towards a strategic approach. In addition, as will be discussed later, firms have started linking the notions of social contributions and business benefits; while altruistic motives still exist, they were not often mentioned by the interviewees. This particular observation is opposed to what has been found in previous studies which indicate religious duties and cultural traditions are the main motives in the region (Marios and Tor, 2007; Visser, 2008; Mandurah et al., 2012). Furthermore, as noted above, engaging in different forms of community activities is also evidence of changes in the level of understanding of the concept of CSR. All interviewees pointed out that firms are giving back to their community in more ways than just traditional philanthropic activities. The analysis denotes that many firms revealed that the amount dedicated to philanthropic donations is decreasing, while some firms even excluded it from their social and community agenda altogether, due to its limited return. It is commonly believed by the interviewees that empowering members of the community is part of their responsibility. Many firms adopt the concept that *"Give a man a fish and he will eat for a day. Teach him how to fish and he will eat for a life time" (Respondent 7)*. According to this view, firms' involvement and contributions are aimed at meeting their long term vision instead of being for short term benefits.

7.2.1.2 Globalisation

The second reason behind increasing business awareness of CSR in Saudi Arabia, and perhaps in other GCC countries, is from dealing with international firms, particularly those from developed countries. Some interviewees pointed out that they interact with international stakeholders such as financial providers, creditors and suppliers. Such interactions may require local firms to increase their standards to match, or come closer to, the level of international firms. In addition, these international firms can be considered as key stakeholders, which may require reports or for them to meet certain standards about a firm's social performance in order to assure its social legitimacy. As a result, local firms will be influenced by such interactions which ultimately will be reflected in the firms' social performance.

As well as stakeholder influences, another possible reason could be institutional changes, where existing western concepts such as 'corporate citizenship' and international standards, such as the Global compact, GRI and ISO 26000, are influential. The results of the interviews demonstrate that successful local firms which have strategic plans for future growth tend to search for western concepts and globally accepted standards to adopt and follow in order to operate in line with best practice and to be globally recognised. This is consistent with some listed firms in the Malaysian context, where firms tend to mimic Western firms to be globally accepted (Amran and Siti-Nabiha, 2009). This clearly reflects the influence of globalisation on businesses from different contexts.

7.2.1.3 Increased competition

The level of competition in a market, or within a particular industry, also seems to play a significant role in increasing awareness among firms. The findings indicate that some firms aim to act as a leader in their industry, while others aim to follow the current trend in that industry or in other industries. It is believed by many respondents that not engaging in social responsibility activities would negatively affect their business. Losing market competition is seen as the main reason for being silent and not following the market leaders or competitors in their social initiatives. Making social contributions is seen in the Saudi Arabian market as a key element in market competitiveness. This supports the view that gaining competitive advantage can increase shareholders' wealth and enhance a firm's value (Branco and Rodrigues, 2006). Accordingly, many of the interviewees acknowledged that being socially irresponsible would harm business growth.

The above discussion illustrates how increasing business awareness of the concept of CSR has influenced corporate behaviour. The higher the awareness the more social initiatives are expected to be practiced and reported by the firms. This raises the question of why these firms decided to be socially responsible and to voluntary report to the public about their community and social contributions.

7.2.2 Rationales for being a socially responsible firm

One of the main objectives of conducting interviews in this study was to understand why firms in the GCC countries engage in CSR and CCI activities. This objective is directly related to research question RQ2. The overall results of the interviews show that there are various rationales. Some of these are consistent with findings from other countries, including developed and developing countries. However, some are not in line with other studies, which may indicate they are specific to the local context. The complete list of rationales for being a socially responsible firm were outlined in Chapter 5, but the majority of interviewees (60%) indicate that business benefits are the primary reason for community involvement activities. The other two key rationales are contributing to the national plan and benefitting the community. These three rationales are discussed next.

7.2.2.1 Business benefits

Listed firms in Saudi Arabia appear to believe that involvement in social performance can generate various types of business benefits such as adding value to the business, enhancing corporate reputation, having a positive influence on certain stakeholder groups and gaining a social licence to operate. All these benefits are linked to the firm's market value, which is particularly important to primary stakeholders such as shareholders, indicating that Saudi listed firms act according to primary stakeholders' expectations. Thus, being involved in community activities can be seen as a tool to improve a firm's value. Therefore, through CCI, listed firms in this region seek to improve stakeholder relations and build a long-term sustainable business. This view is in line with businesses from developed countries (Arli and Cadeaux, 2014). In this context, it is suggested that stakeholder theory can provide meaningful insights in explaining why a firm acts in certain ways in relation to its social responsibility (Donaldson and Preston, 1995). Hence, this finding provides strong support for stakeholder theory, which suggest that stakeholders are considered most important to ensure business survival (Clarkson, 1995). Having stronger relations with primary stakeholders could increase firms' financial return through establishing intangible assets (Hillman and Keim, 2001). Accordingly, it appears that primary stakeholders are a top priority of firms' management in Saudi Arabia.

In terms of commercial and financial benefits firms in Saudi Arabia appear to prefer to engage in social activities that generate long-term benefits rather than short term gains. For example, unlike charitable cash donations, involvement in the community through partnership programs can provide mutual benefits as opposed to simply giving cash donations which provide limited or, sometimes, no return to the business (Hess et al., 2002; Raja Ahmad, 2010). Similarly, employees' involvement in volunteering activities supporting their community can increase their motivation to work and enhance their loyalty to the firm. This could positively impact on the firm's performance in a way that is different compared to simple philanthropic giving. Moreover, sponsorship activities may lead to establishing or enhancing business reputation and improve brand image. This may create new opportunities for the business to grow, and thus help firms with their long-term sustainability.

As well as focussing on the long term, there is also evidence that being involved in the community may create relationships with corporate stakeholders other than their primary stakeholder mentioned above. This was clearly stated by an interviewee, as he pointed out *"The idea at first is to have an impact on the society including all layers of the society […] our vision is that we are part of this community and we should have an impact in all society" (Respondent 8)*. Due to increased awareness of CSR firms are no longer concerned only about maximising shareholders' wealth, but they recognise the importance of satisfying other stakeholders' needs, and that these stakeholders are essential for business success. Further discussion of stakeholder theory is covered in section 7.5.2.

7.2.2.2 Contribution to national plan

As well as noting the business benefit of CCI however, the study also shows that firms are concerned about supporting their government and contributing to the country's national plan, as this was the second most frequent rationale cited. Governments, especially in developing countries, are challenged to handle community and social issues. Thus, business contributions are highly valuable in community development in these countries.

A number of firms in the study believe that it is an integral part of their responsibility to support the government. This is in line with the view that businesses have an important role in community development, particularly in developing countries (Muthuri, 2008; Muthuri et al., 2012; Hossain et al., 2017). The underlying idea behind this notion can be based on the concept of corporate citizenship, where a firm is considered as a citizen in the community where it operates (Wood and Logsdon, 2001). This implies that a firm has its own rights as well as duties as a citizen. In addition to firms' economic responsibility there is social responsibility embedded in their overall responsibility as a listed firm. This approach could be considered to be a strategic approach, given that community involvement activities of the sample firms are tied to a strategic national plan. It appears that Saudi firms consider both the government and the community as vital stakeholders. Thus, these firms attempt to serve one stakeholder while also supporting the other, and with ultimate benefits to the shareholders. This could be interpreted as an example of managing stakeholder relationships, and therefore evidence that stakeholder theory may provide an appropriate explanation. Drawing from stakeholder theory, a firm encounters conflicting demands from its various stakeholders (Roberts, 1992). This can be clearly seen in the case of Saudi listed firms, where shareholders, government and community have different interests. Thus, it is the management's responsibility to balance and manage the interests of these stakeholders. This finding is a significant development in understanding of CSR in the region as previous studies have suggested that there is little stakeholder pressure in the Middle East (Visser, 2008; Emtairah et al., 2009).

A firm's decision to support the national plan could be based on two drivers. First, firms' contributions may be initiated by internal drivers such as their felt accountability and belief in supporting the government for social development (O'Dwyer and Boomsma, 2015). That is, there may be some influence of traditional culture and values that require responsibility and accountability beyond benefit to the business alone, discussed next. Second, firms' contributions to the national plan could be as a result of external drivers, such as government pressure. This pressure becomes more considerable when a government has substantial ownership of the firm. In this case, the government has more power to interfere in a firm's decisions and can direct its behaviour and, as discussed in Chapter 6, government ownership was associated with higher reporting. Both drivers are seen as top-down drivers, which support the argument that CSR in the Middle East did not emerge from a bottom-up approach[27] like in developed countries (Nasrullah and Rahim, 2014).

It is important that businesses help governments in achieving the national strategic plan as such a contribution would facilitate and hasten the level of community development, given that government alone cannot tackle social needs and problems (Kuttab and Johnson, 2011; Amoako, 2016). Thus, more detail about contributing to community development by firms is discussed next.

7.2.2.3 Community benefits and development

Even though business benefits seem to be the dominant rationale behind firms' engagement in social activities, many interviewees in this study stated they do not ignore the local community, which they consider forms part of their business responsibility. Those interviewees see the community as a key stakeholder which should not be neglected. In their view, firms should be involved in the community and make real contributions and fulfil their social needs. This again supports a sense of "felt accountability", where the motivation is manifested within an organisation (O'Dwyer and Boomsma, 2015). As discussed earlier, this indicates that involvement in community activities other than philanthropy is occurring in the region, and this is a clear sign that the concept of CSR is developing and the awareness is increasing. Concerning about the community may seem to be contradicting with previous rationales, but rather it can be one of the distinction features of this regional context.

[27] Such as market drivers including, employees, consumers' demand, suppliers etc.

The results indicate that firms that are concerned about the community prefer active involvement rather than passive. In essence, passive contributions involve simply giving cash donations to community organisations with no further interactions. Whereas active involvement means fulfilling social needs through various community activities, which require more interactions with different stakeholders. The majority of firms in Saudi Arabia prefer active engagements, yet, charitable donations still exist as a means of involvement but to a limited extent.

One firm even goes beyond the notion of basic community involvement to mention community 'engagement', which indicates a two-way communication. As the firm supports the community it also listens to community's feedback, asking them to be involved in the decision making of community programs. As an interviewee stated "*[…] this is what we do in the social assessment we go and talk to people and listen to them" (Respondent 2)*. This provides some evidence that some firms in the region have a higher level of social practice and supports the view that involvement in social activities brings harmony between firms and communities (Amoako, 2016). Considering that some degree of competition exists among firms, as pointed out by many interviewees, it is also likely that other firms will follow such practice. This reveals further evidence that there is a moving trend in the region from philanthropic involvement to engagement and finally to community investment, where a firm's contributions become part of its investment decisions.

In summary, there is evidence that social responsibility is becoming a key element of business responsibility in the GCC countries. It seems that the views about business responsibility in this region support the argument that CSR plays a significant role in community development and also adds long-term value for firms which are involved in these activities (Amoako, 2016). This is consistent with the view that responsible businesses are an important factor in sustainable development (Moon, 2007). Therefore, the business-community relationship can be seen in the Middle East as one important element of sustainable development.

7.2.3 Rationales for community and social reporting

In addition to understanding the reasons for firms' social involvement, this study aimed to uncover the rationales behind voluntary reporting practices about their community involvement activities. There is clearly some overlap between the rationales for being socially responsible and the rationales behind voluntary social reporting, and these are noted below where relevant. The interview findings reported in Chapter 5 reveal that firms in Saudi Arabia have various rationales for reporting to the public about their community and social activities, but the key reasons are for accountability purposes, pressures to do so and for business benefits.

7.2.3.1 Accountability to stakeholders

The first and most significant rationale identified by the interviewees in this study is accountability to corporate stakeholders. The interviews findings show that firms in Saudi Arabia clearly recognise different stakeholders. Interestingly, the local community was identified as an important stakeholder by all interviewees. This recognition further supports the earlier finding that business awareness about social responsibility has increased. As a result, business accountability in this country, and perhaps in other GCC countries, includes stakeholders other than shareholders or financial providers. It means that the sense of social accountability in this region has changed from being entirely a religious duty into a business approach. This, however, does not mean the original foundation no longer exists, but that there has been a broadening of the understanding and view of accountability. This is in line with the accountability approach, as discussed in Chapter 3, which suggests that firms recognise that they are responsible to various stakeholders and therefore they are required to account for that responsibility through reporting (Gray et al., 1996).

In relation to stakeholders, respondents believe in the importance of recognising them in order to ensure their success. A firm consists of a complex network of various stakeholders (Freeman, 1984; Fassin, 2009) and this was acknowledged by several interviewees. For example, one respondent stated: *"when we are talking about the social part, we have different stakeholders, […] we report to show to our stakeholders this is what we do" (respondent 2)*.

Thus, stakeholder theory can be used to help to explain the phenomenon of community reporting in Saudi Arabia. As noted earlier, there is an indication that there is stakeholder pressure on firms in the region to engage in CCI, despite prior literature suggesting otherwise. These stakeholders may also put direct or indirect pressure on firms to report on their CCI activities.

Regarding the use of voluntary reporting as a means to communicate with various stakeholder groups to discharge their accountability (Clarkson, 1995; Gray et al., 1996), the findings reveal some specific objectives of the interviewed firms. For example, one of the objectives of reporting on community involvement activities is to inform stakeholders of their activities. The interviewees believe that it is the firm's responsibility to keep the stakeholders informed about all aspects of the business, including the business's impact on the community. This is because, first, businesses are part of the community where they operate and thus accountability is important. Second, there are reputational benefits, as will be discussed further in the following sections. By reporting in annual reports, it will ensure that all stakeholders are informed, which from a stakeholder's point of view, reduces the information asymmetry between a stakeholder and the firm's management. This ultimately controls or avoids scepticism that may arise which could harm business reputation. It is also believed by the interviewees that being silent is not a good attitude from a business perspective because that may also increase stakeholders' scepticism. This supports the view that this scepticism may create legitimacy threats (O'Dwyer, 2002), hence, social reporting can be used as a strategy to manage various legitimacy threats that a firm encounters (O'Dwyer, 2002; Campbell et al., 2006). The interview findings thus provide some evidence that firms in Saudi Arabia do not act differently compared to firms in more developed countries. This points to a potential legitimacy motive for reporting, which will be discussed in section 7.4.2.

Similarly, the interviewees also believe that by keeping stakeholders informed this will enhance the relationship between the firm and its stakeholders. More specifically, it will enhance the loyalty of existing stakeholders (e.g. shareholders, employees, creditors) as well as attracting new stakeholders (e.g. investors and employees). While, this has been suggested in prior literature it has not been investigated in the context of the GCC countries. Therefore, further research in this area is recommended by examining the stakeholders' perceptions of social reporting to see if this is likely to influence their decision making.

Furthermore, as noted earlier, firms in Saudi Arabia hold themselves accountable for increasing CSR awareness among all stakeholders. A particularly interesting finding is that the interviewees see one of the objectives of voluntary reporting is to increase the awareness about CSR generally, including awareness of stakeholders, other businesses and the public. They believe this is important for two reasons. Frist, promoting the concept of CSR among other firms in the market, as well as to the public, may help business communication. It becomes easier for a firm to deliver their message across its stakeholders when there is a higher level of awareness. Thus, reporting may have a positive influence. Second, they report to highlight current social issues or problems in the community in order to draw public attention to them. As noted earlier, there is evidence that some firms aim to contribute to community development from their CCI activities, and reporting will enhance this.

Based on the discussion above, the results show strong evidence that some firms in the GCC context use voluntary social reporting in annual reports as a vehicle of communication with various stakeholder groups and has various objectives. In addition, the findings provide some evidence of a desire to be accountable to stakeholders. However, the real sense of accountability requires providing relevant information to those who have rights to that information irrespective of their demand (Gray et al., 1996). The findings of this study show that firms' reporting targets many users who can benefit from the information in their decision making processes. The demand of information on social activities in Saudi Arabia is therefore discussed next.

7.2.3.2 Internal and external pressure

As discussed in Chapter 5, when the interviewees were initially asked about whether pressure existed, they did not recognise there to be any direct pressure to report on their community activities. However, it was observed throughout the interviews that different sources of pressure were mentioned, from both inside a firm, such as the board of directors, and outside a firm, such as government agencies. This finding is in line with the pressures noted in other developing countries (Situ and Tilt, 2012; Yin, 2015).

Experiencing pressures from various stakeholders means that the general awareness in Saudi Arabia of some stakeholder groups has increased. As society develops its understanding of the concept, this is more likely to lead to a greater number of stakeholders placing pressure on firms to conform to their expectations. It is interesting to note that interviewees mentioned the media in this country places some pressure because media in this region is generally characterised lacking freedom of speech (Visser, 2008; Dias, 2012; Freedom House, 2017; RSF, 2017). In addition, it seems that strong pressure is exerted by the Saudi government and its agencies, which have strong power. The Saudi government agency, the Saudi Arabian Monetary Agency (SAMA), regulates banks and imposes roles in order to ensure accuracy and consistency among all banks, and this improves the quality of information reported in annual reports. This intervention could be related, to a limited extent, to imposed accountability (i.e. the first type of accountability), where only firms' reporting in banking industry are monetored by a higher authority. This is the only evidence to appear that relstrs to imposed accountability, and there was no evidence revealed by the data to indicate adaptive accountability. This is consistent with the case in China where internal and external factors exert pressure, even though their economy is largely controlled by government (Yin, 2015), and includes, for example, direct pressure from governments through regulations (Situ and Tilt, 2012; Situ et al., 2016) and influences from organisations such as the World Bank (Wang et al., 2004).

A number of interviewees mentioned the institutional environment, in that some firms aim to act as a role model in the market to encourage other firms, which may indicate the existence of mimetic isomorphic pressure on those firms. This is consistent with firms' practice in the Malaysian context (Amran and Siti-Nabiha, 2009). Saudi public firms strive to develop a local model, in relation to community involvement and reporting practice, for other firms in the market. From an institutional perspective, firms may model themselves on other firms to overcome uncertainty (DiMaggio and Powell, 1983) so considering that CSR, including the reporting aspect, is only emerging in this region, it is expected that uncertainty will exist in developing markets. Institutional explanations are further considered in section 7.4.

In addition to direct pressure from stakeholders, there is also evidence of indirect pressure from globalisation as large businesses do not operate in isolation from the global context. Thus, international standards, frameworks or trends do have some influence on businesses around the world in different contexts. This was not explicitly expressed by interviewees but it is based on the researcher's observations through the interview analysis process. For example, a number of interviewees stated that adopting international standards is highly preferable in order to develop and improve the firm's social performance and reporting practice. Also, certain terms such as 'corporate citizenship' and 'GRI' have been documented in the interviews. These are, from the researcher's view point, clear evidence of globalisation influence on some firms in this region. This is in line with the view that globalisation is one of the main drivers of emerging socially responsible businesses (Panapanaan et al., 2003; Moon, 2007). This observation is also consistent with corporate behaviour observed in both developed and developing economies such as Finland, China and Malaysia (Panapanaan et al., 2003; Amran and Siti-Nabiha, 2009; Yin, 2015). Also, according to institutional theory, a firm tends to use other successful firms as a benchmark when there is no clear reference or guideline in the local context (DiMaggio and Powell, 1983). The interviewees appear to believe that western standards and practices are much more professional and developed compared to the local context, hence, they are more desirable. Accordingly, the evidence suggests that CSR in the GCC markets is evolving due to international influence and, thus, it is expected that more changes will appear in this region.

Saudi listed firms not only encounter external pressures, but also some level of internal pressure. Governance appeared as an important factor in the results of both phase 1 and phase 2 of the study, as will be discussed in section 7.3.1. The interviews revealed that top level management, including corporate leadership and the board of directors, puts pressure on firms for public reporting on their community initiatives. This was pointed out by an interviewee who noted that providing community services is a common goal starting from the board of directors across all departments within the firm. He further explained the purpose as "*our purpose is appreciation in general and to be proud and loyal by our customers and employees" (Respondent 7)*. This indicates that stakeholders' satisfaction, including that of the board of directors, is considered as an essential influence on the firm's voluntary reporting practice. In another clear example demonstrating how good leadership and corporate governance can influence firm's social practice, an interviewee emphasised that some components of firm's social performance, such as community programmes, are part of CEO's agenda for the firm. These examples suggest that corporate governance in Saudi Arabia plays an important role in monitoring corporate social behaviour and reporting practice. This is consistent with the view found among Chinese firms, where governance mechanisms have a strong impact on firms' social reporting (Yin, 2015; Zhu and Zhang, 2015). These existing pressure sources in Saudi Arabia are consistent with existing pressures in other contexts, and the findings confirm that governance is a major determinant of CSR and CCI reporting.

7.2.3.3 Business benefits

The third key rationale revealed is that voluntary social reporting, specifically CCI reporting, results in several business benefits, and this is associated with the findings, discussed above, about why firms engage in CSR and community activities. The main benefits identified include reputation and image enhancement, competitive advantage and employee loyalty.

Enhancing corporate image and gaining competitive advantage were the primary desirable benefits identified by the interviewees. Many believe that these benefits can add value to the firms in the long term. The findings also indicate that it is considered that adopting certain reporting standards, such as ISO 26000 and the GRI, will increase a firm's ranking, which ultimately improves the firm's public image and reputation. It was stated specifically by one interviewee that there are "*[…] some companies that use the GRI but it is a marketing tool or to raise the company's ranking position in the market (to improve the reputation)" (Respondent 1)*. While this represents the interviewee's personal opinion, it may indicate that there is some lack of understanding of new concepts emerging in this region. Such a narrow perception may exist because the perception of CSR by some managers is limited only to marketing and they associate it only with corporate branding. Interestingly, however, while reputation and brand image appeared to be a strong motivation for some Saudi firms to engage in CCI reporting, some interviewees believe that it comes automatically as a result of social contributions, even if the firm did not intend to use it for reputational purposes.

In addition to providing benefits to the individual firm, the findings reveal that interviewees believe that such reporting practice may encourage other firms in the business sector. The responses indicate a number of Saudi listed firms use voluntary public reporting as a business strategy either for business survival or to lead the competition in the market. This seems to be one element of institutional pressure that emerges particularly in a competitive market. It means that the higher the level of competition between firms the more reporting on community involvement activities there is expected to be, which may improve firms' social performance and ultimately enhance firm value. This is in line with the argument that firms, through social engagement and voluntary reporting, can gain a unique intangible resource such as competitive advantage (Branco and Rodrigues, 2006). Furthermore, Hess et al. (2002) provided examples of some competitive advantage such as building reputation assets and helping firms to operate in new markets. As such, an intangible benefit is an essential element for product differentiation in todays' market competition (Li and Toppinen, 2011). This view was supported by an interviewee where he emphasised that current market competition does not merely focuses on price and quality, but social performance and reporting has become an additional element to this competition. This ultimately may put competitive pressure on other firms in the market to be socially responsible as well. Competitive advantage can be seen as an institutional factor that drives firms to report (Zhu and Zhang, 2015), as discussed further in section 7.4.2.

Finally, the results of the interviews suggest that engaging in CCI reporting may improve a firm's performance through improving employees' motivation and work commitments. As pointed out earlier, increasing employees' loyalty is an important benefit of CCI involvement, and this is consequently seen as being demonstrated through reporting. As a result of increased employee loyalty, these firms can spend less on recruitment and training new employees, thus, increase profitability (Hess, 2014). The intangible benefits, on the other hand, include enhancing stakeholders' loyalty to the firm, which can generate competitive advantage. In addition, it may help to attract and retain employees (Hess, 2014). As many interviewees pointed out, attracting new stakeholders as well as retaining and enhancing existing stakeholders' loyalty are essential aims of firms' voluntary social reporting. For example, one interviewee explained that "t*o attract highly qualified employees (to be proud of the company and to reinforce employees' loyalty) and the employee is a marketing tool, therefore, it will influence many segments in the society and also it will affect the employee's behaviour" (Respondent 8)*. This is in line with the identified drivers of CSR in the UAE, which include improving reputation and enhancing employees' loyalty (Qasim et al., 2011). Reporting about a firm's social performance and initiatives can assist employees and other stakeholders in better understanding the firm's overall performance and future potential (Hess, 2014). Thus, the firm may generate loyalty, commitment, and goodwill (Hess, 2014).

7.2.4 Summary

The findings of the interviews reveal that the sample firms have a strong sense of accountability that motivates their social responsibility reporting practices. There is also strong evidence of business return-related motives, but they have a strong feeling towards the community and the country as a whole. These two different motives show some level of complexity about this phenomenon in this region. Even though firms engage in CCI activities and reporting due to some government influence as a stakeholder, there is also a notable desire to contribute to the government's objectives. Thus, this regional context may be characterised by specific features, which require further investigations.

The findings also indicate that the interviewees' perception of community and social reporting in Saudi Arabia is similar to what is commonly perceived in other GCC countries (Qasim et al., 2011; Vinke and El-Khatib, 2012). Their awareness is increasing and the major benefits of both involvement and reporting on CCI are related to business improvement, however, some other drivers are apparent, such as making contributions both locally and nationally, accountability and stakeholder pressure. Specifically, the drivers appear to be a combination of these three issues. There is a strong desire to gain business benefits as perceived in developed countries, but this is tempered by a desire to contribute to the government and national objectives. Thus, the government is seen as a stakeholder to whom accountability is 'owed', but is also a source of pressure along with other emerging stakeholders in the region. Cultural influences on the sense of 'felt accountability' add to this mix to produce a complex arrangement of rationales behind corporate behaviour, with tensions between the elements. This is further impacted by corporate characteristics, which are discussed in the next section.

In addition, the findings show that the perception about social reporting varies. This could be because it is an emerging phenomenon where the understanding is not yet mature. Thus, there is some suggestion that the interviewees hold a simple view, while more mature understanding may need time to develop. Therefore, it is expected that in the near future rising awareness could bring changes in the basic understanding of the concept of CSR, and thus the reporting may also develop.

The first phase of this study examined perceptions of Saudi firms and compared this with broader literature in the area. The second phase was to examine various factors which may have the potential to influence the level of CCI reporting of GCC listed firms more broadly, therefore, the following section provides a discussion of the factors that were found to influence reporting across the region. Discussion of the two phases combined is presented in section 7.4.

7.3 Influences on corporate community involvement reporting

The results of phase 2 (i.e. the quantitative analysis) of this study, were reported in Chapter 6. The analysis indicated that there are a number of factors that influence CCI reporting by GCC listed firms. Corporate governance and ownership structure are the main influential factors on firms to report about CCI activities. This section begins with discussion of the three different corporate governance factors. Followed by discussion of the two major ownership structure variables.

7.3.1 Corporate governance factors

Some governance aspects of firms were identified by the interviewees as important internal drivers of CCI activities and reporting. Four corporate governance factors were examined for their influence: CG Committee, CSR Committee, Board size and the presence of female directors. All except CSR committees were found to be significant as presented in Chapter 6, and these are discussed further below.

7.3.1.1 Corporate governance and CSR committees

The positive relationship between CCI reporting and the presence of a CG committee suggests that corporate governance mechanisms play a vital role in promoting social reporting, specifically on community issues, among listed firms in the GCC countries. In particular, it supports the finding from the qualitative phase of the study which indicates an increased awareness and developing understanding of the concept of CSR in Saudi Arabia. As the awareness of community issues grows, and firms want to become more involved, and the need for governance in this area is highlighted. The finding that a CG committee is significantly related to CCI reporting across the region, shows that the issue is on the agenda of firms across all GCC countries.

In relation to the presence of a CSR committee, previous studies have shown that having a CSR committee as a board committee, will improve social reporting generally (Spitzeck, 2009; Amran et al., 2014) and CCI reporting particularly (Cowen et al., 1987; Yekini, 2012). Firms with a CSR committee are considered to show a higher level commitment to corporate stakeholders (Amran et al., 2014). Contrary to the majority of prior studies, however, the results of this study showed an insignificant relationship which indicates that this committee does not significantly increase the level of CCI reporting. One possible explanation for this result is that as CSR is a relatively new and emerging concept, it may be too early for a newly established CSR committee to show outcomes on the level of specific community reporting.

In this case, results could be expected to appear in the near future. Thus, future research to examine the function of CSR committees on the level of overall CSRR in the region would be useful.

Another possible explanation could be that CSR committee members are responsible for community and social involvement decisions, but decisions about reporting may be left for another committee such as a disclosure committee, which is responsible for monitoring financial and non-financial disclosure (Daly & Bocchino 2007, cited in Yekini, 2012). Disclosure committees do exist in many GCC companies, and it is argued that the disclosure committee should assist the board of directors in preparing useful reports for decision makers, which encompass monitoring, controlling and retaining data and information for the publication (Mallin, 2006). In other words, the decision makers for reporting on community involvement activities may not be those who made the decisions for community involvement. This is also an important area for further research, particularly as more firms in the region begin to establish stand-alone CSR committees.

7.3.1.2 The size of the board of directors

The results suggest that firms with larger boards may have higher levels of accountability towards stakeholders and, thus, provide more information as a communication tool. This is in line with prior research that examined the relationship between board size and voluntary reporting in both developed and developing countries (Kathyayini et al., 2012; Ntim et al., 2013; Jizi et al., 2014). More specifically, in the GCC context, it has been suggested that more members on the board provides greater opportunity to cover various corporate activities and provide sufficient information to shareholders (Al-Janadi et al., 2013). In line with this view, the results suggest that a firm with a larger board size could engage in better communication with its stakeholders and that, as discussed earlier in this chapter, firms in the region acknowledge more stakeholder pressure than in the past. Accordingly, it is more likely that they will report more information related to community involvement activities as the community is recognised as a stakeholder. Larger boards in the GCC countries could be seen as an important corporate governance mechanism, and therefore may enhance corporate reporting policy and the level of transparency. As an emphasis on both CSR and governance is developing in the region this may explain why larger boards are associated with more reporting.

In addition, a larger board size may indicate a higher chance of favourably discussing CSR issues which leads to higher disclosure (Esa and Mohd Ghazali, 2012). A large number of directors on the board may also increase the opportunity to have members who care about society and support community involvement activities. More members on the board stimulates healthier discussions and more engagement in social activities and consequently they may provide more information to stakeholders (Esa and Mohd Ghazali, 2012). Indeed, as discussed in Chapter 5, one of the interviewees noted that there is pressure from the board to account for community activities.

This result, however, contradicts the findings of some studies which suggest that large boards are less effective in communication, thus, they report less information (Jensen, 1993; Huther, 1997; Aljifri and Moustafa, 2007). More than half of the sample firms in this study are from the financial industry, which tend to have larger boards due to their complexity (Jizi et al., 2014). The financial firms in the sample have board sizes between 3 and 16, thus, further research on other industries is needed to confirm this relationship.

7.3.1.3 The presence of female directors

There has been a lot of research on the impact of diversity, and particularly gender diversity, on boards of directors on CSR (Rao and Tilt, 2015). In developed countries, there is evidence that there is a positive relationship between the presence of female directors on boards and corporate social performance and reporting (Wang and Coffey, 1992; Williams, 2003; Bear et al., 2010). In countries such as the GCC however, there is limited research and this could be due to under-representation of women in executive positions in these countries. Limited existing literature asserts that female directors in some GCC countries do not show any impact on firms' performance (Al-Shammari and Al-Saidi, 2014), which is similar to some other developing countries (Khan, 2010; Amran et al., 2014). The results interestingly fail to support the prior literature as gender diversity appears to have an impact on social reporting practice in the GCC countries. Even though, on average, only 30 out of 172 sample firms have women directors on their boards, the model shows significant results. Consistent with prior studies in developed countries (Wang and Coffey, 1992; Williams, 2003; Bear et al., 2010), the empirical results confirm that gender plays influential role in community initiatives even in the GCC context. This supports the view that firms with female directors on boards are more likely to be involved in social performance, particularly community, activities (Bernardi and Threadgill, 2010). This result also supports the argument that female directors in developing countries may enhance boards' decisions by providing different perspectives on community initiatives (Kiliç et al., 2015). Consequently, reporting on community involvement activities from these firms is expected to be higher.

Considering that board size is also a significant factor influencing community reporting, this may make it easier for females to have a voice and be more effective. Another possible reason for the result is that this study investigates only one theme of CSRR. Hence, the results of this study may show different outcomes because of the relationship between women and the community in the region, notwithstanding that they are considered as a minority group in the business context in these countries (Kemp et al., 2013). Other factors may include (i) that female leaders in the GCC countries in the current era are becoming more independent, productive and highly motivated (Marmenout, 2009), and (ii) that women empowerment in top management is beginning to emerge (Kemp et al., 2013; Hossain et al., 2014; Kemp et al., 2015). Studies on women empowerment in the GCC countries show that women are capable of performing well in leadership and executive positions (Felder and Vuollo, 2008). This also may indicate that women empowerment is gaining acceptance in the business environment that is traditionally dominated by males, most recently indicated by the appointment of a female head of the Saudi Stock Exchange (Al Arabiya, 2017). The result also supports a recent view from the same regional context (i.e. Qatar), where it is perceived that female presence can enhance board effectiveness and corporate governance (Hossain et al., 2014). The result opens up further questions about the perception of female directors about CSR compared to male directors in the Middle East, and this is an important area for further research.

7.3.2 Ownership structure

Two specific aspects of ownership were examined for their relationship with CCI reporting: controlling ownership and government ownership. Results of the panel modelling were presented in Chapter 6, and are discussed further below.

7.3.2.1 Controlling ownership

The relationship between controlling ownership and CCI reporting was expected to be negative. This was based on the argument that major shareholders have the power and direct access to the information they need (Reverte, 2009). In addition, less reporting reduces costs and more beneficial to firms since dominant shareholders have that information (Cormier et al., 2005). Thus, the management of these firms tend to report less information to the public. The results do not support this however, showing a significant positive relationship between controlling ownership and the level of CCI reporting. This confirms the findings of Abu Sufian (2012), Haniffa and Cooke (2002) and Majeed et al. (2015), although contradicts with the findings of Said et al. (2009) but their finding was for social information, not CCI information. In this region, although major shareholders have a greater level of accessibility to information, they may believe and support the concept of transparency as a key concept within the corporate governance system. According to Kathyayini et al. (2012), transparency can be seen as an indication of having an effective corporate governance system, which leads to more reporting about corporate financial and non-financial performance. Thus, it can be seen that firms with a high level of ownership concentration report more social responsibility information which is related to community involvement, which is in line with the view that has also been noted in other developing countries, such as Bangladesh (Abu Sufian and Zahan, 2013). The majority of prior studies that found a negative association are from developed countries such as Italy, Australia and Europe (Cormier et al., 2005; Lim et al., 2007; Patelli and Prencipe, 2007) and García-Meca and Sánchez-Ballesta (2010) state that the negative relationship is mainly found in Anglo-Saxon and communitarian systems. This is a clear indication that other contexts may have different results.

A number of suggested explanations can be drawn from the results. First, the perception of CSR among major shareholders in the GCC countries is changing. This is due to increasing awareness in the region as pointed out earlier. Consequently, this may lead to an increase in the deeply rooted sense of accountability among them, as stated by one interviewee who said *"we report to inform stakeholders" (Respondent 2)*. Second, major shareholders believe in social development in addition to business and economic benefits. This was also confirmed by the interview findings, as reported by an interviewee who said that *"This information disseminated to give reassurance to the shareholders, which includes the government" (Respondent 8)*. As a result, they believe in supporting the government in achieving the strategic national plan objectives as well as working to benefit shareholders. All of the above reasons may create some form of pressure on management to release more information about non-financial performance.

7.3.2.2 Government ownership

The results of this study support the argument that firms with government ownership tend to be more transparent about their social activities because they are seen by the public as a body of trust (Said et al., 2009). As one interviewee noted *"[…] information is disseminated to give reassurance to the shareholders, which includes the government" (Respondent 8)*.

The result suggests that the GCC governments may put pressure on the management of their firms to be involved in community activities and report about these activities and there are various possible reasons. First, firms with government ownership are more visible in the public eye. Being highly visible may generate some form of pressure which pushes firms to report more information to show that they operate in accordance with public expectations and are acting as a role model in the market. This has been noted in other contexts, for example, Government owned firms in Malaysia were found to engage more in social reporting because they are publicly visible (Mohd Ghazali, 2007). Operating in line with public expectations and as a role model may also have a positive impact in the entire market through creating the spirit of competitiveness and encouraging other firms in various industries (Said et al., 2009; Dagiliene, 2010).

Second, the management of these firms wants to fulfil their government's expectations and discharge their accountability through reporting more information. The GCC governments may expect listed firms to use their investments for socio-economic purposes and to support them in achieving the objectives of their national plans. As stated by an interviewee *"This is based on the principle that the private sector should help the government toward community and directed by the plan and according to the needs of the country" (Respondent 3)*. This is clearly more of an imperative for government owned firms, as one interviewee stated "*as we are 50% owned by the Saudi government, we need to diversify and align our self with the national economic objectives, which is to diversify the economy*" *(Respondent 2)*. Prior research has noted that governments in GCC countries try to encourage the business sector to play an important role in shaping the national economy in order to diversify the economy which primarily relays on oil (Naser et al., 2006). In this way firms generate economic value as well as contribute to local community development. Thus, these firms tend to report more information to fulfil government expectations and objectives. This is consistent with institutional theory which argues that government's recognition of certain firms may lead competing firms to copy some aspects of other firms' practices aiming for similar success (DiMaggio and Powell, 1983). This result is consistent with the findings that government owned firms place more focus on information about community involvement and employees indicating that they are operating in alignment with government goals Muttakin and Subramaniam (2015).

Third, the result may suggest that listed firms in the GCC countries may report about their CCI activities to communicate with the governments, as a dominant and powerful shareholder, by showing their contributions in solving societal problems (Said et al., 2009). In this case, firms in these countries use voluntary reporting as a vehicle to communicate with stakeholders. Thus, the management of these firms use voluntary reporting as a strategy to manage and meet the needs of powerful stakeholders, in particular, in order to maintain their support for business survival (Gray et al., 1996). The findings indicate that there is an important intersection between the government as an owner, the government as a stakeholder, and the felt accountability of managers of firms towards assisting the government to develop the country. This is considered further in the next section.

7.4 Overall discussion of the rationales and influences on CCI activities

This section discusses the combined findings from the two phases of the study. It discusses first the general key findings that appear from the two separate discussions above, then it describes these findings from a theoretical point of view that represents the context of the study.

7.4.1 Overview of the study findings

The findings of this study provide strong evidence of increasing awareness of businesses in the GCC countries about CSR generally and CCI specifically. Currently, many firms in the GCC countries practice a form of social responsibility that is much more than philanthropic donations, which dominated in the past. In addition, firms' involvement in their community takes various forms. This means many businesses have begun to shift their primary focus from just fulfilling shareholders' interests towards gaining wider stakeholders' satisfaction. This may indicate that the fundamental sense of business responsibility and accountability has been questioned in terms of how it is applied in practice. As a result, many listed firms in the region have extended their measures of success to include social performance in addition to economic performance. The increased awareness of businesses is clearly reflected in the level of reporting. In other words, the reporting practice seems to be reflective of the current perceptions. This is consistent with what was anticipated by some researchers in prior studies. It was expected in this region that new forms of interactions between businesses, governments and community organisations would be established (Atia et al., 2008). This is because some business leaders in the region recognise that involvement in the community for development purposes brings advantages to the business (Atia et al., 2008). This study concludes that firms' managers in this region are aware of their responsibility towards their stakeholder groups. Their main challenge is to find a balance between their economic as well as their social responsibility. It appears from an overall view of the findings that there are four related themes that stand out: stakeholders, long term business benefits, community development and governance.

The study finds stakeholders have significant influence on corporate behaviour in the GCC countries, yet discussion of stakeholders' issues in the Middle Eastern context has generally been ignored by most previous studies. This is because the common view in the existing literature is that stakeholders in this region are almost absent (Visser, 2008; Emtairah et al., 2009). The findings of this study reveal that this is no longer the case as there is strong evidence of stakeholders' influence on social performance, including reporting practice. Many interviewees believe that having good relationships with stakeholders is a key source of business success. In addition, they believe that the stakeholders have the right to know about the firm's economic and social performance, and that this is good for the stakeholders as well as beneficial for the business. Furthermore, the firms themselves are concerned about various stakeholders including the local community. This means that while some influence exists from stakeholders towards the firm, considerations by the firm also go towards the stakeholders. For example, government ownership has a significant influence on firms' involvement, and the firms also have strong accountability to the government for social development purposes. It appears that both directions of the relationship between a firm and its stakeholders are important in GCC countries. This shows that a) stakeholders' concern in this region is no longer silent or a minor issue, providing strong evidence that CSR is evolving in this region; b) firms and managers have sense of accountability towards stakeholders; and c) there is a strong sense of 'felt accountability' compared to the other types of accountability in the region for contributing to the improvement of the country, as will be discussed below. This final component means that the government is also an important stakeholder in providing leadership for regional development.

Business benefits is the second key theme found in this study. The study participants believe that it is vital to consider some return to the business in order to survive in the competitive market whether locally or internationally. This suggests a 'business case' approach to CSR where firms' management must ensure that the economic performance is successful in order to ensure their continuity and, accordingly, the community would then continue receiving contributions from these firms (Hockerts, 2015; Barnett, 2016). However, the interview findings also indicate that many firms in Saudi Arabia do not strictly rely on their economic performance before undertaking their social initiatives. In other words, these firms keep their social performance going even when the economic performance is declining in the short term. This may mean that in this region businesses do not underestimate the importance of CSR for longer term business benefits, and that they recognise the need to satisfy stakeholders' expectations such as shareholders and governments, which are ongoing. It may also indicate that there are other motives, discussed next.

The third key theme is related to community and social development. It has been argued that CSR activities can be used as a tool for sustainable development in developing countries (Moon, 2007). Given that the awareness has increased among businesses, firms in this region do not focus on only one form of involvement in their community. All sample firms interviewed pointed out that they have designed different programs to make social contributions and they get involved in various activities in order to contribute to social development, both directly or in directly. In addition, the firms tend to contribute in a range of areas such as education, health care, infrastructure, social welfare and more. The findings indicate that businesses in these countries are concerned about social development for two main reasons. First, based on business accountability and moral values, these firms want to increase the current level of social development in their country. Second, the existing governments' pressure on businesses to be involved in making social contributions in order to help the government achieve their national development plan. This finding is supported by the view that the interaction between business and community is vital for social development in less developed countries (Muthuri, 2008).

Finally, the results of this study show that the CG system plays an important role in affecting firms' social performance and voluntary reporting on community activities. The interview findings reveal that compliance with CG policy is one of the key rationales behind CCI reporting in Saudi Arabian sample firms. In addition, the quantitative findings show that several CG factors are found to be statistically significant with the level of CCI reporting s. Given that both methods provided such results, this demonstrates strong evidence that CG has significant influence on voluntary social reporting in the GCC countries, supporting the initial claim that CSR emerged in the Middle East after CG establishment (Visser, 2008). Furthermore, accountability and transparency are essential components of an effective CG system especially in an Islamic context (Farook et al., 2011). It appears that the GCC listed firms are highly compliant with their CG guidelines. Management's strong compliance in these countries can be seen as part of their duty, which is based on the concept of Islamic accountability and further supports the finding of the existence of felt accountability as discussed above, reinforcing the notion of a sense of duty to be accountable. The next section considers the results from a theoretical perspective and presents an overview of the most relevant theoretical explanations of the study findings for the region.

7.4.2 Explaining CCI reporting through existing theories

As identified in the preceding sections, the overall findings of this study indicate that multiple theories are likely to be relevant to the GCC countries context. The qualitative findings support three theories in particular, while one dominant theory was supported by the quantitative results. This supports the view that CSRR is a complex phenomenon (Cormier et al., 2005), and also supports the argument that one theory cannot provide a full explanation of social reporting (Gray et al., 2010). Figure 7-1 demonstrates that existing theories are related to the findings from the two phases of this study, and these are then discussed below.

Most prior studies in the Middle East in general, and in the GCC countries in particular, rarely discuss or explain social responsibility and/or social reporting using one of the existing theories for CSR. In fact, this study, as far as the researcher aware, is the first study that considers theoretical explanations based on qualitative as well as quantitative data in this region. Even though the qualitative findings of the study are based on one country (i.e. Saudi Arabia), it is assumed that other GCC countries are likely to have similar views. This assumption is based on the fact that all GCC countries are similar in relation to their economic, social, cultural and political background. In addition, the quantitative results support the findings of the interviews. For example, the strong foundation of accountability noted by interviewees is supported through the significance of CG elements, and the existence of institutional pressure is supported by the results for government ownership. Thus, it is plausible to assume that such an investigation in other GCC countries would reach similar findings. It is important, however, that future qualitative research examines other countries individually, in order to confirm or refute this assumption.

As explained in the framework in Chapter 3 there are a number of theories that could be considered relevant in the context of the GCC countries, based on existing research undertaken in developed and developing countries. These theories are discussed below in light of the findings, and a summary of the links between key findings and the potential explanatory theories is presented in Figure 7-1.

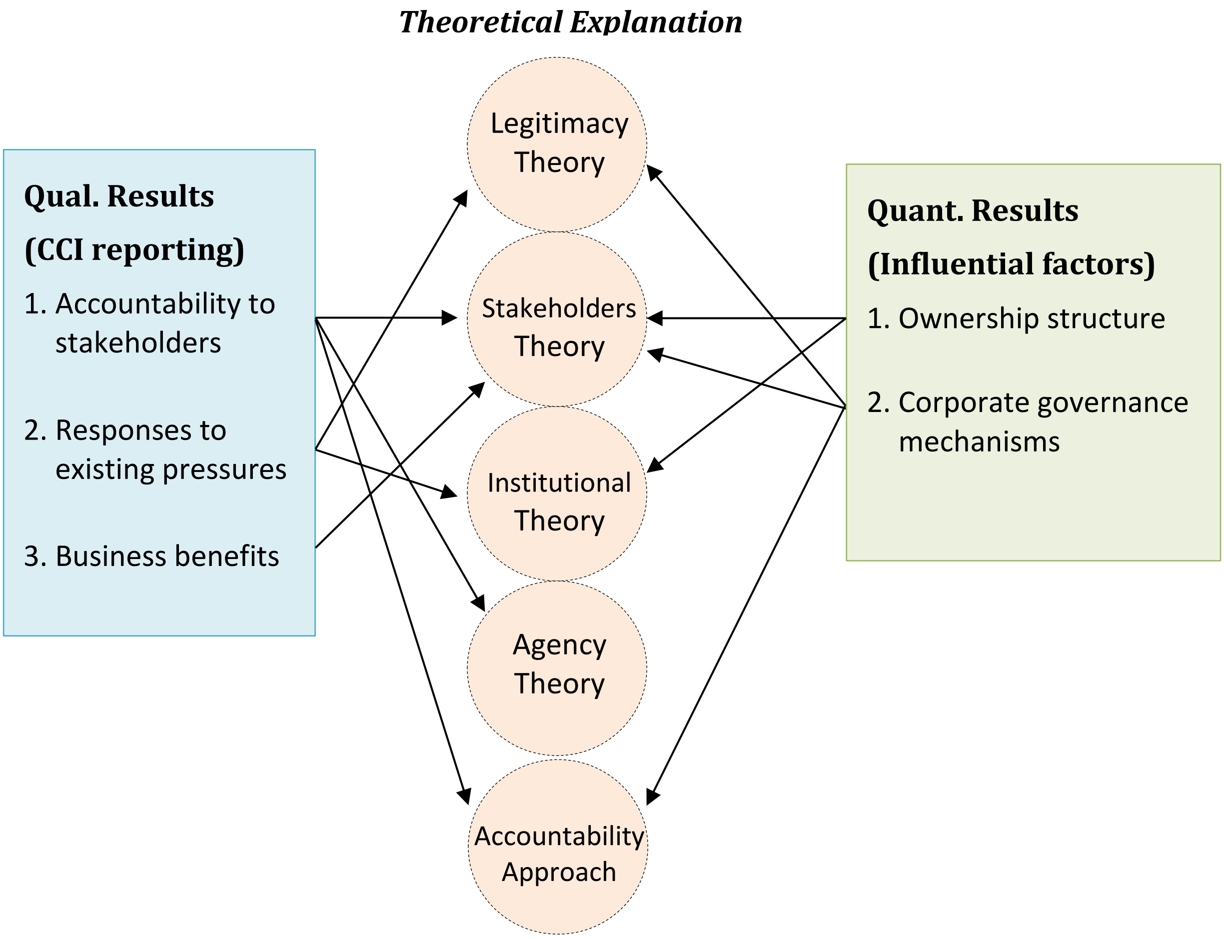


Figure 7-1: Links between theories and study findings

Although political economy theory may seem to be relevant to the context of this study due to special socio-economic and political aspects of the GCC countries, this theory remains less relevant in the represented figure. This is partly because this study did not consider cultural and socio-economic factors in detail. In addition, there was no strong evidence found in the interview findings that support political economy theory directly. The findings may indicate some links to this theory, however, so it requires further investigation. Therefore, this study suggests that in order to test this theory, more specific socio-economic and political factors are essential for future research.

Legitimacy theory may provide some explanation. While previous studies have not identified strong support for legitimacy theory as an explanation for reporting in the region, the finding that external pressure does exist may indicate that firms do engage in voluntary reporting practices in order to legitimise their societal status (O'Dwyer, 2002; Campbell et al., 2006). In other words, community reporting may be used as a vehicle to gain societal acceptance particularly from government, shareholders and the local community. The interview findings provide evidence that firms may use CCI reporting for legitimacy purposes in mining industry in particular. A firm from this industry reported that keeping stakeholders informed is good for the business, indicating that having no, or a poor, communication mechanism with the community may result in legitimacy threats. An example was provided by one interviewee stating that *"Why I'm telling you this story, this actually makes shareholders in the stock market worried about buying a stock in a company that kills people" (Respondent 2)*. This is an indication of the strong influence of stakeholders on mining businesses that leads them to consider any potential legitimacy gap that may occur due to business behaviour (Yongvanich and Guthrie, 2007). As legitimacy theory appears to be only significant for the mining industry, it is not considered to be supported for the region generally. However, as this thesis did not examine reporting quality, or reactions after specific crises, more research is required to determine the extent to which legitimacy theory may be relevant in other contexts.

The findings also fail to support agency theory in the study context. Although the interview findings have some relevance to agency theory, the quantitative results contradict one of the main agency theory arguments as the results show that ownership concentration increases, rather than reduces, the level of voluntary reporting. Therefore, this study considers agency theory as being less relevant to explain the CCI reporting across the GCC listed firms.

On the other hand, the most relevant theories for explaining the findings are the accountability approach, stakeholder theory and institutional theory. It appears that accountability has a strong foundation in this region. As explained in Chapter 3, the relationship between accountability and CSR has its foundations in religious beliefs and cultural traditions (Marios and Tor, 2007). This has leade to support for one type of accountability over the others. The interviews findings reveal that there is strong feeling of felt accountability, and a desire to be accountable to corporate stakeholders as discussed in the preceding section. Part of this accountability is to report all relevant information to their stakeholders, which keeps them informed about all the firm's activities. More specifically, many interviewees point out that accountability to the local community is important whether there is demand from the community or not, and that the community is an important stakeholder.

Stakeholder theory is therefore also strongly supported by the findings. The qualitative as well as quantitative results provide evidence which demonstrates the relevance of this theory in the context of these countries. The interview findings show that there is stakeholder pressure on some Saudi listed firms, while the firms in return consider they have an obligation to pay attention to their stakeholders. Pressure from stakeholders drives the firms to act in a socially responsible way and to voluntarily report information to these stakeholders. From a stakeholder theory perspective, firms report information about their CCI activities in order to communicate with their stakeholders, particularly powerful stakeholders, such as corporate owners and the government. In addition, reporting about community initiatives helps firms to influence other corporate stakeholders such as competitors and the local community. Both the qualitative and quantitative findings confirm that stakeholder theory can help to explain the voluntary social reporting in this region. This is consistent with the claim that region-specific stakeholder pressure influences firms' behaviour and activities (Dawkins and Ngunjiri, 2008). These results are particularly interesting because not all stakeholders are influential.

The types of stakeholders that wield power in this region differ to developed countries. The lack of a free press in the region, and the limited influence of consumers found in the study, suggest that the use of the term 'stakeholders' in these countries at present is narrowly defined to mainly institutional stakeholders, but there is evidence that this is changing as understanding and awareness of the concept of CSR develops and, as such, there is some evidence of stakeholder management.

One of the major stakeholders cited by participants of this study is the government. Thus, besides stakeholders' influence and pressure, this provides a sign of institutional influence. Institutional theory is therefore one of the most relevant in the study context. The interviewees point out that some institutional pressures exist in Saudi Arabia. This includes professional institutions, government agencies, corporate peers and others. These pressures can have an impact on the voluntary reporting practices of some Saudi listed firms. Regional-specific institutional pressures play an essential role in firms' reporting practices (Dawkins and Ngunjiri, 2008) and the interviews reveal that some firms seek to adopt professional global standards for their community reporting. This is to produce reports with high quality reporting information that follow international standards. From an institutional theory perspective, this is interpreted as normative pressure (DiMaggio and Powell, 1983). Moreover, it was commonly reported among the interviewees that firms compete among themselves in their social performance and voluntary reporting practice. According to institutional theory, some firms confront pressure to mimic their peers' behaviour, particularly in a competitive environment (DiMaggio and Powell, 1983). Thus, it appears that CCI reporting among some firms in Saudi Arabia is done to gain institutional legitimacy. Both mimetic and normative forms of institutional pressures are found to exist in the GCC context.

Furthermore, the quantitative results found that government ownership is statistically significantly related to the level of CCI reporting. This can be also explained by institutional theory in that it may indicate that CCI reporting emerges due to some pressure from government institutions. Thus, firms may voluntarily report about their CCI activities in order to fulfil the government institutions' expectations. Nevertheless, institutional theory in this context needs further investigation because the strong evidence provided by the interviews, and because the statistical tests used did not include other specific variables to measure existing institutional factors.

In summary, this study argues that although stakeholder theory and institutional theory can provide an explanation for community reporting, specific contextual considerations are important to be acknowledged. This means that these theories are relevant even in a country where freedom of speech is very limited and business legitimacy is primarily to the government rather than to the general public and broader society. However, these explanations must be overlaid with a strong 'accountability approach' felt by business towards the government, community and country, yet counterbalanced by a strong desire to gain business benefit, and be successful in the longer term.

The relevant theories for the region were proposed as a framework and presented in Figure 3-2. The discussion of the findings however, demonstrates that the proposed framework needs some modifications. Generally, it appears from the results that some theories are more relevant than others when considering the GCC context, specifically. Figure 7-2 below presents a revised version of Figure 3-2, based on the results of this study. This framework is not intended to provide a full explanation of CCI reporting in the GCC countries, but suggests a focus for future research as will be discussed in Chapter 8.

The framework developed in Figure 7-2 contributes to the existing gap in the literature where limited studies have attempted to explain social reporting from a theoretical perspective in the Middle Eastern region. Such findings should encourage researchers to conduct further qualitative studies which can provide more insightful information about this phenomenon. Indeed, CSR and social reporting in the GCC countries needs more theory based studies to enrich our understanding.

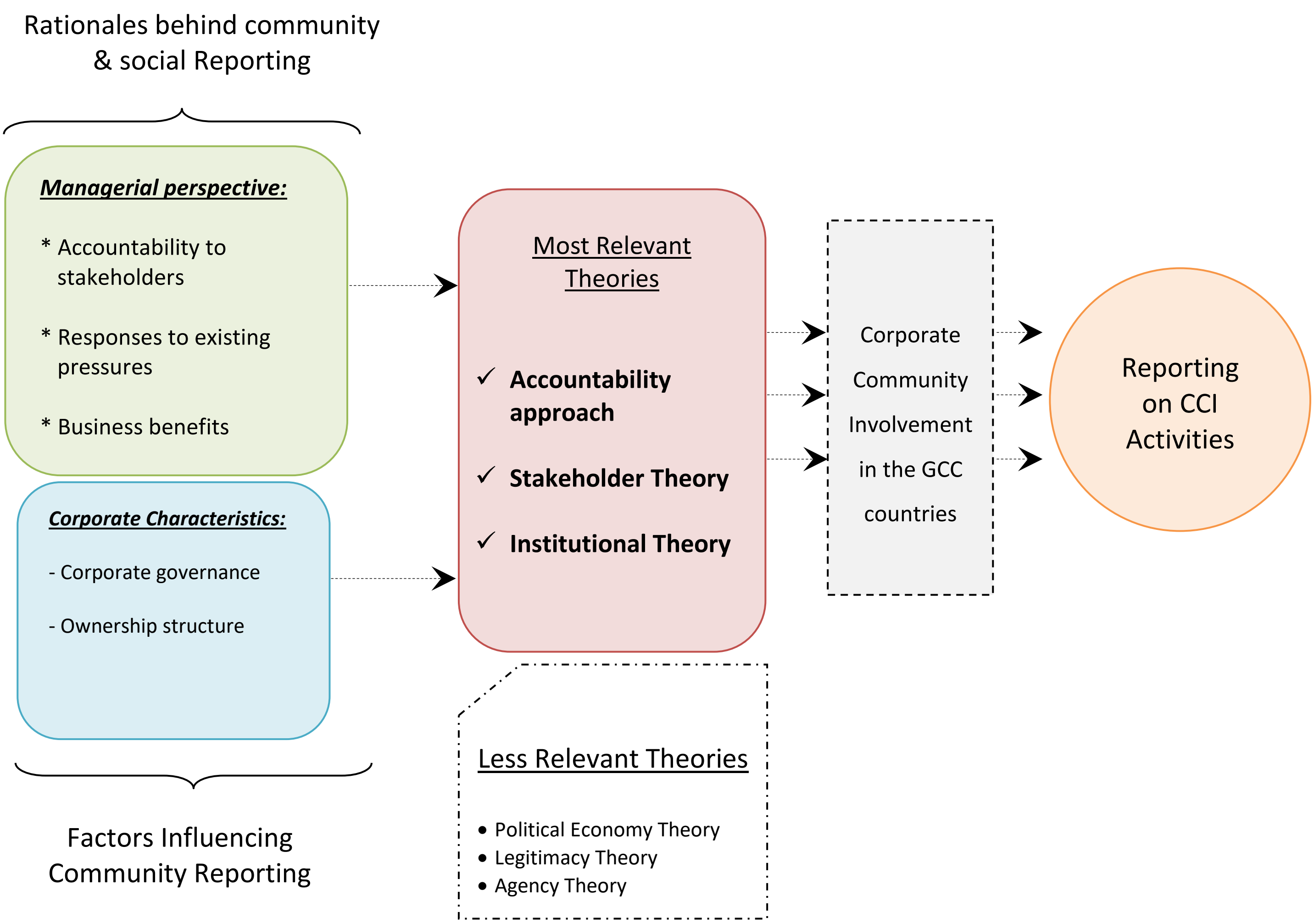


Figure 7-2: Theories supported by the study findings

7.5 Chapter summary

This chapter provided a discussion of the findings of the study that were presented in Chapters 5 and 6. Generally, business awareness of CSR and CCI activities has considerably increased. Phase 1 of the study revealed that a key rationale for both CCI and CCI reporting is the belief that it will bring business benefits. However, the other rationales behind voluntary reporting about community activities, at least in Saudi Arabia, are helping government accordance with the national plan and contribution for community development. In addition, firms are found to publicly report due to their strong belief in accountability to stakeholders and responses to existing pressures. The desire for accountability and transparency among firms is considered to lead the reporting practice. More widely in the region the major factors that influence reporting are related to corporate governance and ownership, reinforcing the finding of the importance of stakeholders. From a theoretical view, the findings suggest that an accountability approach, stakeholder theory and institutional theory are the most relevant theories in the study context. The following chapter concludes this thesis through answering the researching questions, it also highlights the implications and makes suggestions for future research.

Chapter 8 : Conclusions and Future Research

8.1 Introduction

The previous chapter discussed the combined results of the two phases of the study highlighting the significant issues that were identified in the analysis. This final chapter concludes the thesis and discusses the main findings in alignment with the research objectives and research questions. It summarises the key issues that arise from the findings and contributions, and potential implications drawn are also discussed. This chapter reflects on some of the limitations in this research. Finally, it points out some areas that could be investigated further in future research.

8.2 Summary of the key research findings

The primary purpose of this thesis was to explore the perception and reporting of the phenomenon of corporate community involvement undertaken by listed firms in the GCC countries. It investigates the underlying rationales for corporate involvement in, and reporting on, community activities, and identifies the influential factors on the extent of the reporting practice. This was achieved by answering the primary research question:

> ***What are the rationales for, and influences on, corporate community involvement and reporting in the GCC countries?***

In order to answer the primary question, six secondary questions were developed and investigated. For ease of reference, these are restated as follows:

1. What types of community involvement activities are made by the GCC listed firms?
2. What are the rationales behind community involvement?
3. What are the rationales behind community reporting?
4. To what extent do publicly listed firms in each GCC country report on CCI in annual reports and stand-alone reports?
5. What influential factors explain the varying level, if any, of CCI reporting among the GCC listed firms?
6. Are there differences of CCI reporting among GCC listed firms?

The answers to these questions are summarised below based on two key themes that can be derived from these questions. The first theme is related to corporate *involvement* in community activities, while the second theme is related to corporate community *reporting* on those activities. More specifically, research questions RQ1 and RQ2 are related to corporate involvement, whereas RQ3, RQ4, RQ5, and RQ6 are related to corporate reporting.

8.2.1 Corporate community involvement

The findings of this thesis provide evidence that the GCC sample listed firms contribute to their community via various community activities and programmes. This shows that the traditional view of engagement with community being predominantly through philanthropy, as indicated in the majority of previous literature, no longer holds as the only type of business contribution in this region. Many of the GCC firms now see their social responsibility, and specifically their contributions to the local community, from a strategic point of view. Even though philanthropic activities remain on the agenda of social responsibility of many firms, other activities such as sponsorships, volunteering, partnerships and more make up part of their agenda as well. This is because they believe that giving back to the community through only philanthropic donations is not as effective as active involvement. This is a key finding that provides an important contribution to the development of our understanding of the nature of CCI, and CSR, in the region.

This thesis also identifies that corporate involvement in community and social activities is mainly undertaken for two reasons: (i) stakeholders' interests or benefits and (ii) community development. The findings indicate that businesses have a strong sense of accountability to their stakeholders, but also identify their potential impact on the viability of the business. Importantly, however, the results also noted a sense of felt accountability, or responsibility to improve their communities as part of the development of the country. This sense of 'national pride' and commitment to the development agenda, is something that has not been identified previously in studies of CSRR. This is a crucial contextual factor that is relevant to other developing countries, and an influence not seen in developed economies. Related to this, it seems that governments may also use their investment in public firms for socio-economic development purposes, and this in turn impacts on businesses as their influence as a stakeholder is felt. This finding is particularly significant in terms of policies and processes to improve sustainability for local communities. The reason behind these changes appears to be due to a significant increase in business awareness about CSR that has led to them considering the impact of business practices on a wider range of corporate stakeholders.

8.2.2 Corporate community reporting

Turning to corporate reporting, the thesis shows that the key rationale for corporate voluntary reporting on CSR, and more specifically on CCI activities, in the GCC countries is mainly associated with stakeholders. Accountability to stakeholders, feeling pressure from stakeholders, and gaining business benefits through reputation among stakeholders, are found to be the key rationales for undertaking the reporting. It appears that corporate accountability in the GCC countries is a priority for businesses to fulfil the needs and expectations of their stakeholders, but that this is also strongly related to ensuring business continuity and survival. Therefore, this thesis finds that corporate stakeholders play a significant role in developing and shaping CSRR in the GCC countries context, something that has not been noted in prior literature. Further, the relationship between stakeholders and reporting can be summarised as being bi-directional. First, there is an influence from within corporations towards stakeholders, due to the strong belief in accountability, which appears to stem from cultural attitudes and a sense of obligation to their country as discussed in the previous section. The findings also show that the corporate governance system plays an important role in the context of the GCC countries. As discussed in Chapter 7, a number of corporate governance factors have a significant influence on CCI reporting, further suggesting that the decisions may come from within the organisations themselves. Second, there is an influence from some stakeholders on the corporation towards improving their reporting practice, even though the ability for civil action and freedom of the press is limited. In fact, as stakeholder pressure has been noted as absent in previous literature, this finding is a significant contribution to understanding the complexity of the context.

The findings also show that the use of voluntary reporting on social responsibility activities as a means of communication with various stakeholders occurs through their public reporting in annual reports as well as in stand-alone reports. Publishing stand-alone reports such as CSR and sustainability reports seems to be growing among the GCC listed firms. Accordingly, this study found that the level of CCI reporting varies between the annual reports and the stand-alone reports, meaning that firms distinguish between different audiences, and therefore different stakeholders' needs and expectations. This further indicates that these firms dedicate special attention to various stakeholder groups. The GCC firms appear to be aware of the stakeholders' needs and respond to this through targeted communication.

The emphasis on stakeholders found in the study, also indicates that the GCC listed firms see significant benefits from engaging in community activities and voluntary reporting to the public about their social performance and community contributions. This is in line with literature on developed countries, where the business case appears as a major explanation for increased interest in CSR. However, as noted above, this is moderated to some extent by contextual factors, such as the wish to support community development, the sense of accountability for doing so, and the desire to contribute to the overall development plans of the country. These two different drivers could be considered as quite opposed (accountability versus the business case), yet in this context they lead to similar outcomes for CCI reporting.
Thus, it can be concluded that other grounds are found to be plausible explanations to corporate involvement and reporting on CCI, and broadly CSR, in the context of the GCC countries. Therefore, it may be insufficient to explain this phenomenon merely based on religious and cultural grounds.

Interestingly, this study suggests that some salient pressures have emerged in this region due to growing awareness of CSR generally, and recognition of its importance for long term sustainability of the business. Since stakeholders are the key factor in both community involvement and reporting it is important to consider the relevance of stakeholder theory for the particular context. This thesis developed a framework for determining relevant theories for the region, and the contribution of this is discussed next.

8.2.3 Theoretical contributions

This thesis reviewed six common theories in the CSR and CSRR literature and produced a framework that identifies the most relevant theories for future research on GCC countries. In particular, the results suggest that both stakeholder and institutional theory contribute to our understanding of CCI reporting and the broader concept CSR in the region. From a stakeholder theory perspective, this study sees that corporate social reporting emerged and is evolving due to the increasing awareness of corporate stakeholders. This has increased their needs and expectations about firms' social performance and, thus, their demand for non-financial information. Thus, a stakeholder perspective is useful in this context, as there is evidence that firms attempt to manage their stakeholders, and respond to potentially competing interests. However, this perspective alone is not sufficient to explain all the findings. The additional effect of accountability, and the influence of the government as a major stakeholder are important findings that suggest a more nuanced version of managerial stakeholder theory, taking into account these aspects, would be useful.

Relatedly, from an institutional theory perspective, there is evidence that some institutional pressures exist in the GCC market. For example, some governments and financial institutions have an influence on firms' community involvement and reporting. In addition, existing market competition plays an important role in enhancing the reporting practice. Some GCC listed firms even take the initiative and try to influence and lead other firms, suggesting evidence of mimetic isomorphism as interviewees note that other firms follow their lead. Accordingly, such corporate behaviour may lead to developing a local practice of reporting.

In terms of the rationales and influences, there is a clear sense that there is a business case mentality on the part of managers, for both involvement and reporting, as has been found in most developed countries, but there is also evidence of an accountability approach where contribution to social development and the national plan are emphasised. Specifically, there is a desire to support education, health and local community initiatives, most likely because there is strong sense of social identity and obligation in this region as discussed earlier. This tension is an important aspect for developing countries, but is not often considered by the theoretical perspectives used to examine CSRR.

In summary, this study indicates that a number of existing theories may help us to understand the phenomena of CCI involvement and CCI reporting, but the important contextual factors for the region need to be taken into account when investigating these issues in future. In particular, the sense of "felt accountability" (O'Dwyer and Boomsma, 2015, p. 41) by firms and managers in this region deserves further consideration – rather than a sense of responsibility to their values and mission of the organisation, it appears to be a broader accountability to the collective values and mission of the country.

8.3 Contributions of the thesis

There are four key contributions to the literature that this thesis provides. First, the study adds to the body of knowledge of social accounting research by focusing on community involvement, as a key component of CSR, for all publicly listed firms in the GCC countries. Most prior studies have been on the wider notion of CSR, so focussing on CCI indicates that factors may be specific, especially specific to particular cultural or geographic contexts. The study provides new insights where limited knowledge was known in this region about its social responsibility. It also makes a significant contribution to the corporate social reporting literature through conducting interviews in Saudi Arabia, where the rationales behind the emerging social reporting in the entire region were hitherto unknown. In addition, important contextual factors, such as the regional development agenda, are seen to influence CCI.

Second, this study distinguishes between two key aspects of the emerging CSR. That is, between the rationales behind engaging in CCI activities and for voluntary reporting about CCI activities. This has not been addressed in previous studies in the Middle Eastern context and it is commonly treated as an overlapping issue in the general CSR literature. While they do overlap to some extent, this thesis contributes by showing that reporting is specifically acknowledged in terms of showing accountability for their activities by firms in the GCC.

Third, this study has made a significant contribution to social accounting theories by reviewing the common theories used in the CSR and CSRR literature, and providing a framework for appropriate theoretical lenses in the region, as noted above. This has provided new insights which particularly contribute to the developing countries literature, where limited attempts have been made to consider theories in the context of the GCC countries.

Finally, the contributions of this thesis are provided through the use of qualitative evidence. This is rare in the Middle Eastern context due to difficulty with access to participants, so interviews from 10 respondents have provided a richer and deeper understanding of the phenomenon in this regional context, and indicate an important increase in awareness of CSR and influence of stakeholders, not seen previously in the region.

8.4 Implications

The findings of this thesis fulfilled the main research objectives, which were to identify the rationales behind corporate involvement and reporting on community activities and to identify the influential factors on CCI reporting. These findings provide several implications for GCC governments, accounting professional bodies and firms' management.

Governments in developing countries such as the GCC countries are in need of business contributions in order to increase and improve social development in their countries. It seems that both economic conditions and increasing social issues in the region have put the governments under pressure (Lakin and Scheubel, 2010; Banks et al., 2016). In some parts of the world corporations have become more powerful than the governments and non-government organisations in solving social problems (Kilcullen and Kooistra, 1999; Hess et al., 2002; Bhattacharyya et al., 2008). The results of this thesis indicate that in developing economies, there is a willingness and desire by corporations to contribute as they have a sense of obligation to help improve their nation.

Further, the findings indicate that the GCC governments have substantial shares and interest in investing in public firms, and the results show that government ownership has a significant influence on CCI reporting. Given that some firms develop their social performance programmes in line with the government social agenda in order to contribute to community development, this relationship may require special attention. Careful use of this relationship has potential for positive and mutual benefits to businesses and society at large. For example, some governmental bodies could design appropriate and effective policies for aligning corporate social contributions and community development. In addition, it has been noted in the literature that the GCC listed firms are highly compliant with standards imposed by law (Al-Shammari et al., 2008). Thus, it is suggested that governments can, through its agencies, impose certain regulations for CSRR. This could be effective particularly where evidence is documented that some stakeholders support this view due to their interests in CSR information (Al-Khatar and Naser, 2003). Another possible implication of the influential nature of the government as a stakeholder, is that since some firms strive to act as a role model, government owned firms may take the initiative of leading other firms by modelling good reporting practice.

Similarly, accounting professional bodies in the GCC countries may need to take action to encourage the changes in businesses' social behaviour noted in the findings of this study. For example, they could help with improving CSRR mechanisms in order to provide better communication with corporate stakeholders. Also, they could provide some guidelines for accountants to explain their roles in relation to the emerging CSRR taking place. Further, the accounting bodies could impose regulations around corporate governance as this was shown to be an influential factor on corporate performance in voluntary reporting. Thus, the results suggest that accounting professional bodies could play a critical role in enhancing corporate communication with various stakeholders.

Corporate governance is also important to management as policy makers within firms. The link between corporate governance and CCI reporting can be used by management to improve, not only the quantity of reporting but also, the quality of information. This could be done through enhancing corporate transparency which provides better communication with corporate stakeholders. Producing sufficient and meaningful information about a firm's community contributions may lead to a number of outcomes. It may attract new investors, who see the firm as building strong social acceptance with the community where it operates. Building such a relationship and keeping stakeholders informed about business performance will ensure business long-term sustainability and provide social and community benefits. This reporting could also help in spreading the awareness of CSR among other firms in the market and among the general public.

8.5 Limitations

As with all studies, this thesis is not without limitations. First, this study aims to investigate only community involvement as a key element of CSR activities and reporting, thus, the results may not represent the full picture of the social reporting undertaken, so generalising to CSR more broadly must be done with caution (Cowen et al. (1987). However, the findings provide many indications that the underlying rationales for community involvement also apply to other CSR activities. A second limitation is related to focusing on reporting, in that it cannot provide a full picture of developing and implementing the actual community programmes within firms. This has been partially explored through conducting interviews, however, it is outside the study boundary.

Third, there a number of limitations of the methods used for data collection. In relation to the primary data collection in phase 1 of the study, country and sample size limitations can be seen as a limitation. Regarding country limitation, due to time and funding constrains, the researcher could only conduct the interviews in one GCC country. However, there are a number of indications that the interview findings can be applied to other GCC countries as discussed in Chapter 7. Even though the sample size for the interviews was small, considering the difficulty with access to primary data in this region, the findings provide a number of new insights in understanding and explaining CSRR. In addition, considering the lack of in-depth interview-based studies in the GCC countries, this study provides a worthwhile exploration. Furthermore, the quantitative results support the interview findings, indicating that the conclusions drawn from the interviews in Saudi Arabia can be, to a large extent, applied to other GCC countries.

Similarly, there are some limitations related to content analysis, which is used as a method of data collection in the second phase of this study. First, content analysis focuses mainly on the quantity of reporting rather than the quality of the information (Guthrie and Abeysekera, 2006). Since the interest of this study is on the level of reporting as it is still emerging in the region investigated, then this limitation is of less concern in this study. Second, a limitation of content analysis is the subjectivity in coding (Carney, 1972; Weber, 1990). According to Tilt (2001), developing a rigorous instrument is essential in order to minimise the subjectivity. In this study, a number of steps were followed to reduce the level of subjectivity, as outlined in Chapter 4.

Finally, a limitation arises from the analysis of the findings in terms of theoretical support. This thesis has recognised the most common theories in the CSR literature, however, only a limited number of theories were given significant attention. Other theories such as legitimacy, political economy and agency theory are relevant, to a limited extent, and may have potential explanations for some of the findings. This could limit the explanations and interpretations of this study. However, it is not within the scope of this thesis to discuss all possible theoretical views. It rather opens additional avenues for future researchers to consider these points of view.

8.6 Recommendations for future research

This thesis has provided a foundation on which future research can build. Potential interesting avenues arise for further research in the area of corporate community involvement and CSR in the context of GCC countries. This is important since the underlying reasons for corporate social involvement and reporting in the Middle East are still under-researched. More qualitative research based on primary data is needed in order to gain greater insights. Specifically, some recommended areas for future research are as follows.

First, some of the limitations of this thesis can be considered as a direction for future research. In relation to country and sample size, future research could extend this study by examining the underlying rationales behind CCI and reporting in other GCC countries. The use of a larger sample would contribute to confirming the findings and would also facilitate further exploration of the potential of existing theories in explaining the phenomenon in this part of the world. Another fruitful area of research is to expand our theoretical understanding through more qualitative studies. This could include testing the reporting quality of firms' involvement and contributions. Theories have been rarely used in the GCC countries context, and this thesis has shed light on some applicable theories for future studies in this region. Such a direction would add to the body of knowledge in developing countries and provide a more nuanced understanding of contextual factors.

Second, as this study is among only a few that use qualitative research methods, future research could investigate CCI activities in this region by using different methods such as focus groups or case studies in order to gain a better and broader understanding of corporate behaviour. Using focus groups, for example, helps to explore the different views of the topic under discussion among members within a firm (Cameron and Price, 2009). This would help to gain deeper understanding of how CCI activities can be embedded into firms' strategy and decision making processes. It may also help to understand who is responsible for CSR activities and its related reporting from a local point of view. Another possible extension of this study would be to investigate a sample of non-listed firms including small and medium sized firms from the GCC countries.

Third, the majority of CSR studies in the GCC countries focus on business perspectives. Given the importance of stakeholders found in this thesis, future research is recommended to consider the stakeholders' perspectives and expectations on firms' social contributions and reporting practice. It would be worthwhile looking at the perceptions of those groups of stakeholders on CSR and reporting, using a large-scale comprehensive questionnaire to see whether their perceptions are in line with business perceptions found in this study. Specifically, customers in Saudi Arabia, as pointed out by some interviewees, remain unaware or show no concern about business social responsibility. Therefore, this could be one of the regional-specific features about stakeholders, which differentiates this region from other contexts. This would also help firms to understand whether corporate social performance would influence consumers' purchasing decisions. Indeed, investigating other groups of stakeholders in relation to CSR and CSRR would contribute to existing knowledge of CSR in the GCC countries and the wider developing countries context.

Fourth, the impact of gender diversity on firms' performance is a controversial issue, particularly in a developing countries' context. As this study, surprisingly, found that the presence of female directors on firm's board of directors has a significant influence on CCI reporting, it is recommended that future studies are undertaken on this issue, through both qualitative and quantitative methods, to document females' role and impact on corporate social performance, including on their reporting practice. It is also worth investigating how females perceive CSR and understand their role in the corporate governance system in the GCC countries.

Finally, since the interest of this study focuses on the reporting firms, future research could investigate the non-reporting firms. That is, to understand why some listed firms are not active in voluntary reporting about their social performance. Additional research is recommended to go beyond actual CCI activities and reporting, to measuring the impact of CCI activities. This can be done from different perspectives; either from a business perspective, community recipient perspective or both. This would help businesses to better understand community needs and focus on the most beneficial activities for both the business as well as the community. Furthermore, existing global tools such as the London-Benchmarking Group Model (LBG) and Global Reporting Initiative (GRI) can be used as a first step in measuring and evaluating CCI activities in the GCC countries. This area of research is worthwhile because it has been largely neglected in the literature on this region to date (Muthuri, 2008; Arli and Cadeaux, 2014).

8.7 Concluding statement

This thesis has provided new insights into CCI activities of listed firms in the GCC countries. These insights have made important contributions to the CSR literature on developing countries, especially in the context of the Middle East. The findings indicate that CSR is an emerging phenomenon in the GCC countries but is evolving due to increasing awareness among businesses and some corporate stakeholders. The hitherto unknown influences, coupled with the contextual nuances identified in terms of rationales and motivations for both involvement and reporting, suggest that there is potential to leverage these for the development of CSR, and thus improvement in social and environmental conditions, in the region. Mechanisms for doing so provide an important agenda for research in the future.

Appendices

Appendix 1: Summary of studies that investigate corporate governance practices in the GCC countries

	Studies (author, date)	Research Topic	Research type	Research method	Country
1	Al-Twaijry et al. (2002)	The role of Audit Committee	Empirical	Interviews	Saudi Arabia
2	Hussain & Mallin (2002)	CG practices	Empirical	Survey	Bahrain
3	Hussain & Mallin (2003)	CG practices	Empirical	Survey & Interviews	Bahrain
4	Aljifri & Moustafa (2007)	CG and firm performance	Empirical	Statistical Analysis	UAE
5	Hussainey & Al-Nodel (2008)	CG online reporting	Empirical	Content Analysis	Saudi Arabia
6	Abu-Tapanjeh (2009)	CG from Islamic perspective	Theoretical		
7	Bhatti & Bhatti (2010)	CG from Islamic perspective	Theoretical		
8	Al-Shammari & Al-Sultan (2010)	CG and voluntary reporting	Empirical	Content Analysis	Kuwait
9	Al-Moataz & Hussainey (2013)	CG reporting in annual reports	Empirical	Content Analysis	Saudi Arabia
10	Hassan (2012)	CG reporting in annual reports	Empirical	Content Analysis	UAE
11	Fllatah & Dickson (2012)	CG and firm's performance and value	Empirical	Statistical Analysis	Saudi Arabia
12	Al-janadi et al. (2013)	CG and voluntary reporting	Empirical	Content Analysis	Saudi Arabia
13	Baydoun et al. (2013)	CG practices	Empirical	Statistical Analysis	5 GCC countries
14	Al-Saidi & Al-Shammari (2014)	CG and firm value	Empirical	Statistical Analysis	Kuwait
15	Al-Shammari & Al-Saidi (2014)	CG (female director) and firm performance	Empirical	Statistical Analysis	Kuwait
16	Zeitun (2014)	CG and firm performance	Empirical	Statistical Analysis	5 GCC countries
17	Al-Shammari (2014a)	CG and risk reporting	Empirical	Content Analysis	Kuwait

	Studies (author, date)	Research Topic	Research type	Research method	Country
18	Al-Malkawi et al. (2014)	CG practices	Empirical	Statistical Analysis	All GCC countries
19	Naushad & Abdul Malik (2015)	CG and firm performance	Empirical	Statistical Analysis	All GCC countries
20	Shehata (2015)	CG development	Empirical	Analytical Approach	All GCC countries
21	Abdullah et al. (2015)	CG reporting in annual reports	Empirical	Statistical Analysis	5 GCC countries
22	Pillai & Al-Malkawi (2017)	CG and firm performance	Empirical	Statistical Analysis	All GCC countries
23	Abdallah & Ismail (2017)	CG and firm performance	Empirical	Statistical Analysis	All GCC countries
24	Buallay et al. (2017)	CG and firm performance	Empirical	Statistical Analysis	Saudi Arabia
25	Alfraih & Almutawa (2017)	CG and voluntary reporting	Empirical	Statistical Analysis	Kuwait

Appendix 2: Letter of introduction, information sheet and consent form for interview participants (English and Arabic)

Carol A Tilt
Flinders Business School
GPO Box 2100
Adelaide SA 5001
Tel: +61 8 6201 2226
Fax: +61 8 8201 2644
carol.tilt@flinders.edu.au
CRICOS Provider No. 00114A

LETTER OF INTRODUCTION

This letter is to introduce Mr Abdullah Silawi, a PhD student in the Business School at Flinders University, who will produce his student card, which carries a photograph, as proof of identity.

He is undertaking research leading to the production of a thesis or other publications on the subject of "Corporate community involvement in the gulf cooperation council countries". The research aims to explore the common community activities conducted by the listed firms in the region and how firms communicate with their various stakeholders.

He would like to invite you to assist in this project, by granting a semi-structured interview which covers certain aspects of this topic. No more than one hour on one occasion would be required and the participation is entirely voluntary.

Be assured that any information provided will be treated in the strictest confidence and none of the participants will be individually identifiable in the resulting thesis, report or other publications. You are, of course, entirely free to discontinue your participation at any time or to decline to answer particular questions.

Any enquiries you may have concerning this project should be directed to me at the address given above or by phone (+61 8 8201 2226) or e-mail at carol.tilt@flinders.edu.au

Thank you for your attention and assistance.

Yours sincerely,
Professor Carol Tilt
Principal Supervisor
Adjunct Professor, Flinders Business School

This research project has been approved by the Flinders University Social and Behavioural Research Ethics Committee (Project number 6630). For more information regarding ethical approval of the project the Executive Officer of the Committee can be contacted by telephone on 8201 3116, by fax on 8201 2035 or by email human.researchethics@flinders.edu.au

Carol A Tilt
Flinders Business School
GPO Box 2100
Adelaide SA 5001
Tel: +61 8 6201 2226
Fax: +61 8 8201 2644
carol.tilt@flinders.edu.au
CRICOS Provider No. 00114A

خطاب تعريف

هذا الخطاب للتعريف بالسيد عبدالله سلاوي، طالب دكتوراه في كلية إدارة الأعمال بجامعة فلندرز، والذي سوف يبرز بطاقته الجامعية كدليل على إثبات هويته.

عبدالله يقوم ببحث علمي والذي سوف ينتج عنه رسالة دكتوراه أو غيرها من المقالات الأكاديمية حول موضوع "الأنشطة الإجتماعية للشركات في دول مجلس التعاون الخليجي". يهدف البحث إلى الكشف عن الأنشطة الإجتماعية التي تقوم بها الشركات المساهمة وكيفية الإفصاح عنها وتواصل هذه الشركات مع مختلف الأطراف ذات العلاقة.

وإنه يود أن يدعوكم للمساعدة في هذا المشروع، من خلال منح مقابلة شخصية والتي تغطي جوانب معينة من موضوع البحث. لن تزيد مدة المقابلة عن ساعة واحدة من خلال اجتماع واحد فقط، علماً بأن المشاركة تطوعية.

ونحيطكم علماً بأن أي من المعلومات المقدمة سيتم التعامل معها بسرية تامة ولن يمكن التعرف على معلومات المشاركين بشكل فردي في نتائج البحث أو غيره من المقالات الأكاديمية. أيضاً لديكم كامل الحرية في الانسحاب من المشاركة في أي وقت أو في عدم الإجابة عن بعض الأسئلة المطروحة.

وفي حالة أية استفسارات قد تكون لديكم بشأن هذا المشروع فإنه ينبغي أن توجه لي على العنوان المذكور أعلاه أو عن طريق الهاتف (+61 8 8201 2226) أو البريد الإلكتروني carol.tilt@flinders.edu.au

أشكركم على الاهتمام والمساعدة.

ولكم فائق الاحترام والتقدير،

البروفسور كارول تـلت
المشرف الرئيسي
بروفسور مساعد، كلية إدارة الأعمال بجامعة فلندرز

وقد تمت الموافقة على هذا المشروع البحثي من قبل لجنة أخلاقيات البحوث العلمية الاجتماعية والسلوكية في جامعة فلندرز (مشروع رقم 6630). ولمزيد من المعلومات حول موضوع الموافقة الأخلاقية للمشروع التنفيذي للجنة يمكن الاتصال عبر الهاتف على 3116 8201 8 61+ أو الفاكس على 2035 8201 8 61+ أو عن طريق البريد الإلكتروني human.researchethics@flinders.edu.au

Mr Abdullah Silawi
Flinders Business School
Faculty Social & Behavioural Sciences

Law & Commerce Building
Bedford Park SA 5042

Flinders Business School
GPO Box 2100
Adelaide SA 5001
Tel: +61 8 6201 2226
Fax: +61 8 8201 2644

abdullah.silawi@flinders.edu.au

CRICOS Provider No. 00114A

INFORMATION SHEET

Title: 'Corporate Community Involvement in the Gulf Cooperation Council Countries: A Case Study of Saudi Arabia'

Investigators:
Mr Abdullah Silawi
Flinders Business School
Flinders University
Ph: +61 8 8201 5177

Supervisor(s):
Prof Carol Tilt
Adjunct Professor, Flinders University
Ph: +61 8 8201 2226

Supervisor(s):
Dr Nicholas Mangos
Flinders Business School
Flinders University
Ph: +61 8 8201 2361

Supervisor(s):
Mr Graham Jones
Flinders Business School
Flinders University
Ph: +61 8 8201 2006

Description of the study:

This study is part of the project entitled '*Corporate Community Involvement in the Gulf Cooperation Council Countries: A Case Study of Saudi Arabia'.* This project will investigate the common corporate community involvement activities conducted by a sample of listed firms. This project is supported by Flinders Business School, Flinders University, Adelaide, Australia.

Purpose of the study:

The aims of this project are:

1. To understand corporate perceptions and motives to be involved in community activities
2. To examine the social reporting phenomenon as a means of communication with stakeholders
3. To determine the factors that influence the social reporting phenomenon
4. To identify the common types of community activities practiced by listed firms
5. To understand the motives of reporting on corporate community involvement activities
6. To develop a framework for corporate reporting on community involvement

What will I be asked to do?

You are invited to participate in a semi-structured interview, your participation is entirely voluntary.

The interview will be with a student who will ask you a few questions about your views on corporate social responsibility (CSR), and corporate community involvement in particular. The interview will take between 45 and 60 minutes. The interview will be recorded using a digital voice recorder to help with ensuring accurate results. Once recorded, the interview will be transcribed (typed-up) and stored as a computer file and then destroyed once the results have been finalised.

What benefit will I gain from being involved in this study?

The sharing of your experiences will improve our understanding of corporate reporting practices on social and community activities in the context of the Middle East. The results of this study will enhance the development of social accounting and help accounting policy makers in the country to improve corporate social reporting practices.

Will I be identifiable by being involved in this study?

We do not require your name and you will be anonymous. Once the interview has been typed-up and saved as a file, the voice file will then be destroyed. Any identifying information will be removed and the typed-up file stored on a password protected computer that only the principal researcher (Mr Abdullah Silawi) will have access to. Your comments will not be linked directly to you and your firm will not be told what your comments were.

Are there any risks or discomforts if I am involved?

Other research group members may be able to identify your contributions even though they will not be directly attributed to you. The investigator anticipates few risks from your involvement in this study. If you have any concerns regarding anticipated or actual risks or discomforts, please raise them with the investigator.

How do I agree to participate?

Your participation is voluntary. You may answer 'no comment' or refuse to answer any questions and you are free to withdraw from the interview at any time without effect or consequences. A consent form accompanies this information sheet. If you agree to participate please read and sign the form and hand it to the researcher on the day of the interview. A researcher will contact you either by email or phone call to arrange an interview at a mutually convenient time.

How will I receive feedback?

A transcript of the interview will be forwarded to you, if you wish, before analysis and you will have the right to withdraw any/all of your responses. Outcomes from the project will be summarised and given to you by the investigator if you would like to see them. The research findings will form part of a PhD thesis "Corporate Community Involvement in the Gulf Cooperation Council Countries: A Case Study of Saudi Arabia". It is also anticipated that the results of this research will form the basis of an academic journal article.

Thank you for taking the time to read this information sheet and we hope that you will accept our invitation to be involved.

This research project has been approved by the Flinders University Social and Behavioural Research Ethics Committee (Project number 6630). For more information regarding ethical approval of the project the Executive Officer of the Committee can be contacted by telephone on 8201 3116, by fax on 8201 2035 or by email human.researchethics@flinders.edu.au

Mr Abdullah Silawi
Flinders Business School
Faculty Social & Behavioural Sciences

Law & Commerce Building
Bedford Park SA 5042

Flinders Business School
GPO Box 2100
Adelaide SA 5001
Tel: +61 8 6201 2226
Fax: +61 8 8201 2644

abdullah.silawi@flinders.edu.au

CRICOS Provider No. 00114A

ورقة المعلومات

عنوان الدراسة:
"الأنشطة الإجتماعية للشركات في دول مجلس التعاون الخليجي: دراسة حالة الشركات في المملكة العربية السعودية "

الباحث:
السيد / عبـدالله سـلاوي
كلية إدارة الأعمال
جامعة فلندرز
هاتف: 5177 8201 8 61+
abdullah.silawi@flinders.edu.au

المشرف:
بروفسور كارول تـلت
كلية إدارة الأعمال بجامعة فلندرز
هاتف: 2226 8201 8 61+
carol.tilt@flinders.edu.au

المشرف:
الدكتور نيكولاس مانجوس
كلية إدارة الأعمال
جامعة فلندرز
هاتف: 2361 8201 8 61+
nicholas.mangos@flinders.edu.au

المشرف:
السيد غراهام جونز
كلية إدارة الأعمال
جامعة فلندرز
هاتف: 2006 8201 8 61+
graham.jones@flinders.edu.au

وصف الدراسة:
هذه الدراسة هي جزء من مشروع بحثي بعنوان "الأنشطة الإجتماعية للشركات في دول مجلس التعاون الخليجي: دراسة حالة الشركات في المملكة العربية السعودية". وهذا المشروع سوف يتحقق من أنشطة الشركات المساهمة تجاه المجتمع. وهذا المشروع يدعم من قبل كلية إدارة الأعمال بجامعة فلندرز.

الغرض من هذه الدراسة:
أهداف هذا المشروع هي:
1. فهم تصور الشركات ودوافعها للقيام بالأنشطة الإجتماعية تجاه المجتمع
2. دراسة ظاهرة الإفصاح عن الأنشطة الإجتماعية كوسيلة للتواصل مع الأطراف ذات العلاقة
3. تحديد العوامل التي تؤثر على ظاهرة الإفصاح عن الأنشطة الإجتماعية
4. تحديد الأنواع الشائعة من الأنشطة الإجتماعية التي تمارسها الشركات المساهمة
5. فهم دوافع الإفصاح عن الأنشطة الإجتماعية للشركات المساهمة
6. وضع إطار يتعلق بعملية إفصاح الشركات المساهمة عن أنشطتها الإجتماعية

ماذا سوف يطلب مني القيام به؟
أنت مدعو للمشاركة في مقابلة شخصية، مشاركتكم تطوعية تماماً.

وسوف تكون المقابلة مع الطالب الذي سوف يطرح عليك بعض الأسئلة حول وجهة نظركم بشأن المسؤولية الاجتماعية للشركات (*CSR*)، والأنشطة الموجهة للمجتمع بشكل خاص. سوف تستغرق المقابلة ما بين 45-60 دقيقة، وسوف سيتم تسجيل المقابلة باستخدام جهاز تسجيل صوتي للتأكد من الوصول لنتائج شاملة ودقيقة. بعد التسجيل سيتم نسخ المقابلة (كتابتاً) وتخزينها بملف داخل الكمبيوتر، ثم تلغى بالكامل بعد الوصول للنتائج.

ما الفوائد التي سوف أحصل عليها من المشاركة في هذه الدراسة؟
من خلال خبرتك العملية ومشاركتك في هذه الدراسة سوف يزيد من فهمنا لممارسة الشركات الأنشطة الإجتماعية وطريقة الإفصاح عنها في سياق دول الشرق الأوسط وتحديداً دول مجلس التعاون الخليجي. نتائج هذه الدراسة سوف تساعد في تطوير الجانب المحاسبي للمسؤولية الاجتماعية للشركات وكذلك مساعدة واضعي السياسات المحاسبية لتحسين ممارسات الإفصاح عن المسؤولية الإجتماعية للشركات.

هل سيتم تحديد هويتي كوني مشارك في هذه الدراسة؟
نحن لا نحتاج اسمك أو هويتك وسوف يكون مصدر المعلومات مجهول. بمجرد نسخ المقابلة كتابتاً وحفظها في الكمبيوتر فإنه سوف يتم إلغاء ملف التسجيل الصوتي فوراً. كما أنه سيتم إزالة أي معلومات تتعلق بشخصية المشارك خلال عملية النسخ وسوف يكون الملف المخزن على جهاز الكمبيوتر محمي بكلمة مرور خاصة لا يمكن الوصول إليها سوى الباحث الرئيسي فقط (السيد عبدالله سلاوي). مشاركتك في هذه الدراسة وملاحظاتك لن تكون مرتبطة مباشرة بك، ولن تبلغ شركتك عن أي معلومات ذكرتها.

هل هناك أي مخاطر أو مضايقات إذا شاركت في هذه الدراسة؟
أعضاء المجموعة الآخرين لديهم القدرة على تحديد مساهمتك ومشاركتك وعلى الرغم من ذلك فإنهم لا يستطيعوا ربطها مباشرة بك. الباحث يتوقع بعض المخاطر الناجمة عن مشاركتكم في هذه الدراسة. إذا كان لديك أي مخاوف بشأن المخاطر أو المضايقات المتوقعة أو الفعلية، يرجى مناقشتها مع الباحث.

كيف أوافق على المشاركة؟
مشاركتك تطوعية تماماً. قد تجيب "لا تعليق" أو ترفض الإجابة عن أي أسئلة، وأنت حر في الانسحاب من المقابلة في أي وقت دون تأثير أو عواقب. استمارة الموافقة مرفقة مع ورقة المعلومات هذه. إذا كنت توافق على المشاركة يرجى قراءة وتوقيع النموذج وتسليمه للباحث في يوم المقابلة. سوف ينتظر الباحث اتصالاً منك إما عن طريق البريد الإلكتروني أو مكالمة هاتفية لترتيب موعد المقابلة في وقت مناسب للطرفين.

كيف سأتلقى الرد لا حقاً؟

سوف تستلم نسخة مكتوبة من المقابلة قبل التحليل وسيكون لديك كامل الحق في سحب أي / كل من إجاباتك. وسيتم تلخيص نتائج المشروع وإرسالها لك من قبل الباحث إذا كنت ترغب في رؤيتها. إن نتائج البحث ستشكل جزءً من رسالة الدكتوراه والتي بعنوان "الأنشطة الإجتماعية للشركات في دول مجلس التعاون الخليجي: دراسة حالة الشركات في المملكة العربية السعودية"، ومن المتوقع أيضا أن نتائج هذا البحث ستشكل جزء من مقالة أكاديمية.

نشكرك لأخذ الوقت الكافي لقراءة ورقة المعلومات هذه، ونأمل بأن تقبل دعوتنا للمشاركة.

وقد تمت الموافقة على هذا المشروع البحثي من قبل لجنة أخلاقيات البحوث العلمية الاجتماعية والسلوكية في جامعة فلندرز (مشروع رقم 6630). ولمزيد من المعلومات حول موضوع الموافقة الأخلاقية للمشروع التنفيذي للجنة يمكن الاتصال عبر الهاتف على 3116 8201 8 61+ أو الفاكس على 2035 8201 8 61+ أو عن طريق البريد الإلكتروني human.researchethics@flinders.edu.au

CONSENT FORM FOR PARTICIPATION IN RESEARCH
(by interview)

Corporate Community Involvement in the Gulf Cooperation Council Countries:
A Case Study of Saudi Arabia

I …..
being over the age of 18 years hereby consent to participate as requested in the 'Letter of Introduction' for the research project on Corporate Community Involvement in the Gulf Cooperation Council Countries: A Case Study of Saudi Arabia

1. I have read the information provided.
2. Details of procedures and any risks have been explained to my satisfaction.
3. I agree to audio recording of my information and participation.
4. I am aware that I should retain a copy of the Information Sheet and Consent Form for future reference.
5. I understand that:

    - I may not directly benefit from taking part in this research.
    - I am free to withdraw from the project at any time and am free to decline to answer particular questions.
    - While the information gained in this study will be published as explained, I will not be identified, and individual information will remain confidential.
    - I may ask that the recording/observation be stopped at any time, and that I may withdraw at any time from the session or the research without disadvantage.

Participant's signature……………………………………Date…………………...

I certify that I have explained the study to the volunteer and consider that she/he understands what is involved and freely consents to participation.

Researcher's name Abdullah Silawi

Researcher's signature…………………………………..Date……………………
NB: Two signed copies should be obtained. The copy retained by the researcher may then be used for authorisation of Items 6 as appropriate.

6. I, the participant whose signature appears below, have read a transcript of my participation and agree to its use by the researcher as explained.

Participant's signature……………………………………Date…………………...

Flinders
UNIVERSITY

نموذج موافقة على المشاركة في البحث
(مقابلة شخصية)

الأنشطة الإجتماعية للشركات في دول مجلس التعاون الخليجي:
دراسة حالة الشركات في المملكة العربية السعودية

أنا ....
أبلغ من العمر فوق 18 عاماً ، بموجب هذا أعطي الموافقة على المشاركة في المقابلة الشخصية على النحو المطلوب للبحث.

1. لقد قرأت المعلومات المقدمة لي.
2. لقد تم شرح تفاصيل الإجراءات وأية مخاطر بشكل مرضي.
3. أنا أوافق على التسجيل الصوتي لمعلوماتي ومشاركتي.
4. أنا أدرك أنني يجب أن أحتفظ بنسخة من ورقة المعلومات ونموذج الموافقة للرجوع إليها مستقبلا.
5. وأنا أفهم أن:
   - أنني قد لا استفيد مباشرة من المشاركة في هذه البحث.
   - أنني حر في الانسحاب من المشروع في أي وقت ، وأنا حر في الامتناع عن الرد على أسئلة معينة.
   - في حين سيتم نشر المعلومات التي ستجمع من خلال هذه الدراسة كما هو موضح ، فإنه لن يتم التعرف عليّ ، وسوف تبقى معلومات وهوية الأشخاص سرية.
   - بإمكاني طلب إيقاف التسجيل في أي وقت ، أو الانسحاب في أي وقت في أي جزء أو من البحث دون أي مشكلة.

توقيع المشارك: .... التاريخ: ....

أقر بأنني أوضحت الدراسة للمتطوعين، وأخذت في الاعتبار أنه تم فهم ما تتضمنه الدراسة ، وتمت الموافقة على المشاركة بكل حرية.

اسم الباحث: عبدالله سلاوي
توقيع الباحث: .... التاريخ: ....

يرجى ملاحظة : يجب الحصول على نسختين موقعتين . النسخة التي يحتفظ بها الباحث يمكن أن تستخدم للحصول على الموافقة للبند 6 حسب الحاجة.

6. أنا المشارك الموقع أدناه ، قرأت نسخة من مشاركتي وأوافق على استخدامها من قبل الباحث كما هو موضح.

توقيع المشارك: ____________________________ التاريخ: ____________________

Appendix 3: Sample for the content analysis pilot study 2

Firms included in pilot study 2

Firm	Industry	2011	2012	2013
Bahrain				
1. Seef Properties B.S.C.	Services			✓
2. Bahrain Flour Mills Co.	Industrial		✓	
Kuwait				
1. National Mobile Telecommunications Co.	Telecommunications		✓	
2. Kuwait Food Company (Americana)	Consumer Goods			✓
3. Ras Al Khaimah Co. For White Cement Construction Materials	Industrials			✓
4. Warba Insurance Company	Insurance			✓
5. The National Real Estate Company	Real Estate			✓
Oman				
1. Renaissance Services (Rnss)	Diversified Commercial Services		✓	
2. Salalah Port Services (Spsi)	Logistics		✓	
Qatar				
1. Ind. Manf. Co. - (QIMD)	Industrials		✓	
2. National Leasing - (NLCS)	Banks & Financial Services		✓	
3. Al-Khalij Holding - (KHCD)				✓
4. Barwa - (BRES)	Real Estate	✓		
5. Electricity and Water - (QEWS)	Industrials		✓	
Saudi Arabia				
1. The Company for Cooperative Insurance	Insurance		✓	
2. Rabigh Refining and Petrochemical Co	Petrochemical Industries	✓		
3. Riyad Bank	Banks & Financial Services	✓		
4. Zamil Industrial Investment Co	Building & Construction	✓		
5. Mobile Telecommunications Company Saudi Arabia	Telecommunication & IT		✓	
6. Bank Albilad	Banks & Financial Services		✓	
7. Bupa Arabia for Cooperative Insurance	Insurance	✓		
8. Saudia Dairy and Foodstuff .Co	Agriculture & Food Industries		✓	
9. Saudi Printing and Packaging Company	Media and Publishing			✓
10. Yamama Cement Company	Cement		✓	
Abu-Dhabi				
1. Bank of Sharjah	Banks	✓		
2. Emirates Insurance Co.	Insurance		✓	
3. Insurance House P.S.C	Insurance			✓
Total: 27 firms				

Appendix 4: Interview questions used in phase 1 of the study (Qualitative) - (English and Arabic)

Flinders UNIVERSITY

Interview Questions

1. Please outline what you think Corporate Social Responsibility (CSR) means?
2. What CSR activities are your firm involved with, in general?
3. What motivates you to be a socially responsible firm?
4. What types of activities that target the local community, are you involved with in particular? (i.e. philanthropy, sponsorship, volunteering, partnership or other activities)
5. Do you have particular areas of support? If yes, what are they (e.g. charitable causes, education, health, sport, etc.)
6. For how long has your firm been involved in community activities?
7. Do you report about CSR activities, including community activities, to the public?
8. If so. Why do you report about it? What are the reasons?
9. Do you feel that there is any pressure that influences you to report on social responsibility?
10. What are the channels that you use for reporting?
11. Do you report the same information for all channels? Why, why not?
12. Does corporate annual income affect your community contributions?
13. Do you have a fixed allocated budget for community activities?
14. Do you have any targets that you aim to achieve from conducting such activities? (strategic orientation or non-strategic)
15. Do you have any policies related to social activities and/or social reporting?
16. Do you think that if you were not involved in the local community that would harm your business? If yes, in which way?
17. Do you have any additional information that you would like to add?

inspiring achievement

ABN 65 524 596 200 CRICOS Provider No. 00114A

Flinders UNIVERSITY

أسئلـــــــة المقـــابلـــة

1. بإيجاز, ماذا تعني المسؤولية الإجتماعية للشركات من وجهة نظركم؟
2. ما هي الأنشطة الاجتماعية التي تقوم بها شركتكم، بشكل عام؟
3. ما هي محفزات الشركة التي تجعلها تهتم وتقوم بأنشطة المسؤولية الإجتماعية؟
4. ما هي أنواع الأنشطة التي تستهدف المجتمع المحلي، على وجه الخصوص؟

(مثل التبرعات، رعاية بعض الأنشطة، والعمل التطوعي للموظفين، الشراكة أو غيرها من الأنشطة)

5. هل الشركة تهتم بدعم قطاع/قطاعات معينة؟ إذا كانت الإجابة بنعم، فما هي هذه القطاعات (مثل الجمعيات الخيرية، التعليم الصحة، الرياضة، وغيرها)
6. منذ متى شركتكم تقوم بأعمال الأنشطة الاجتماعية؟
7. هل يتم الإفصاح للجمهور العام عن كافة أنشطة المسؤولية الإجتماعية ، بما في ذلك الأنشطة التي تستهدف المجتمع المحلي؟
8. لماذا تقوم بالإفصاح عن هذه الأنشطة؟ أو ما هي الأسباب؟
9. هل يوجد أي ضغط يفرض عليكم للإفصاح عن المسؤولية الإجتماعية ؟
10. ما هي القنوات التي تستخدمها الشركة للإفصاح؟
11. هل يتم الإفصاح بنفس المعلومات في جميع القنوات؟ لماذا؟
12. هل الدخل السنوي للشركات المساهمات يؤثر على الأنشطة الإجتماعية؟
13. هل لديكم ميزانية مخصصة ثابتة للأنشطة الإجتماعية ؟
14. هل لدى الشركة أي أهداف ترغب في تحقيقها من إجراء مثل هذه الأنشطة؟ (هل التوجه استراتيجي أو غير استراتيجي)
15. هل لديك أي سياسات متعلقة بعملية الإفصاح عن الأنشطة الإجتماعية؟
16. هل تعتقد إذا لم تقوم الشركة بأنشطة تجاه المجتمع المحلي فإن الشركة سوف تتضرر؟ إذا كانت الإجابة بنعم، فمن أي جانب؟
17. هل لديك معلومات أخرى ترغب في إضافتها؟

Appendix 5: Themes of CCI and decision rules (first version)

Pilot Study Themes of Corporate Community Involvement in Annual Reports

	Description of Reporting Themes on Community Involvement Activities
1	**Philanthropy**
	• Donations of cash, products or services to charitable organisations; • Donations of cash, products or services to support any community activities, events, organisations, education and the arts; • Donations paid by employees, customers or shareholders to support any community organisations.
2	**Volunteering**
	• Employee involvement of time to support any community activities, events, organisations, education, sports and the arts.
3	**Sponsorship**
	• Sponsoring social or community activities; • Sponsoring public health projects; • Sponsoring scholarship for students, educational conferences, seminars or art exhibits; • Sponsoring sports or recreational projects; • Sponsoring national pride/government campaigns.
4	**Partnership**
	• Establishing partnership with government and/or none government organisations for social and community development; • Establishing partnership with private sector for social and community development.
5	**Other community activities**
	• Supporting local community in any type of involvement that does not fit within any the main types from 1 to 4 stated above; • Conducting community programmes for social and community developments; • Conducting projects in poor areas; • Emergency relief (e.g. natural disaster relief); • Any community activities oriented to international communities.
6	**General Statement**
	• If more than one type of community involvement is mentioned in a single statement.

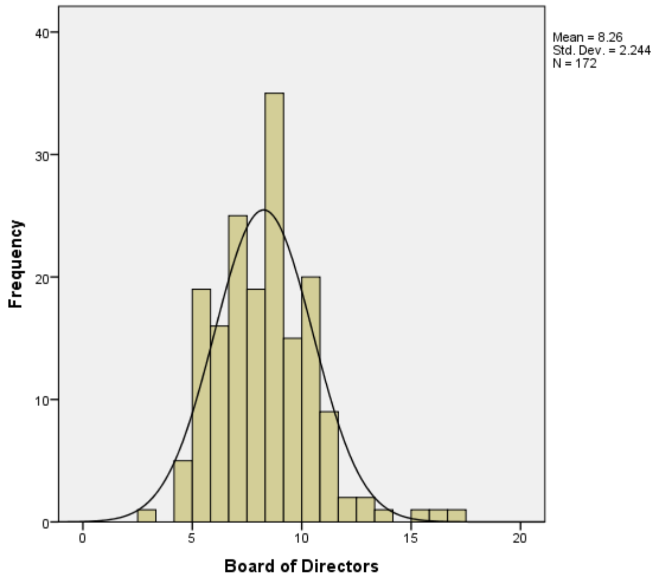
Source: Adapted from (Hackston & Milne, 1996; Gray et al., 1995b; 2012; Yekini, 2012)

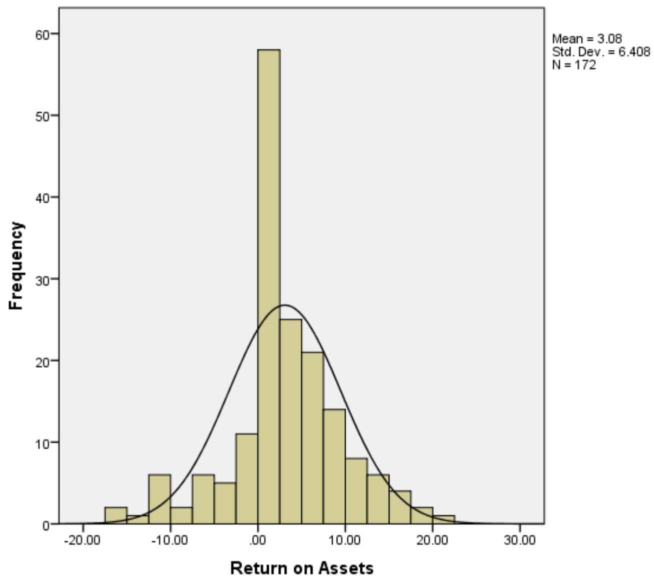
Pilot Study Decision Rules for Coding

Decision Rules for Volume of Community Reporting in Annual Reports
<u>Definition of Community Involvement Reporting:</u> A word count of any statement mentions any item of community activities within the themes listed in the themes table above. **Other inclusions** • Any words or statements that their meaning related to the context of community involvement. • Any words or statements from financial statements plus their associated amounts. Each amount recorded as one word. • All community involvement themes stated in Table 3 above are to be included no matter how much they are repeated. • All reporting must be specifically stated, they cannot be implied. • If any statement has more than one classification, the statement should be classified as general statement. **Other exclusions** • Exclude words or statements about community and/or social involvement that relate to labour force. • Exclude words or statements about community and/or social involvement that is related to mandatory reporting or compulsory by law.

Source: Adapted from (Hackston & Milne, 1996; Gray et al., 1995b; 2012; Yekini, 2012)

Appendix 6: Histogram of independent (continuous) variables





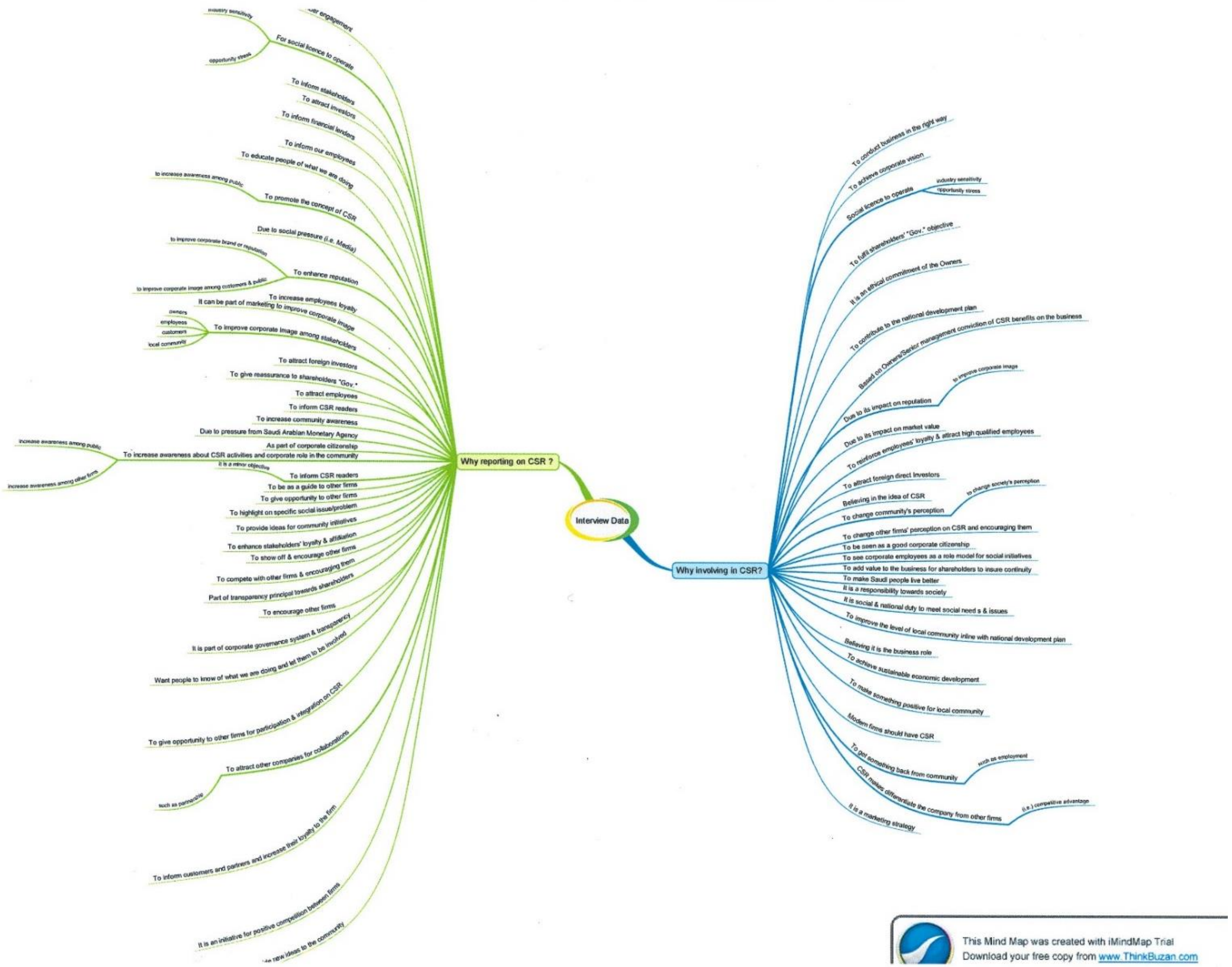
Appendix 7: Overview of the global industry classification standard (GICS)

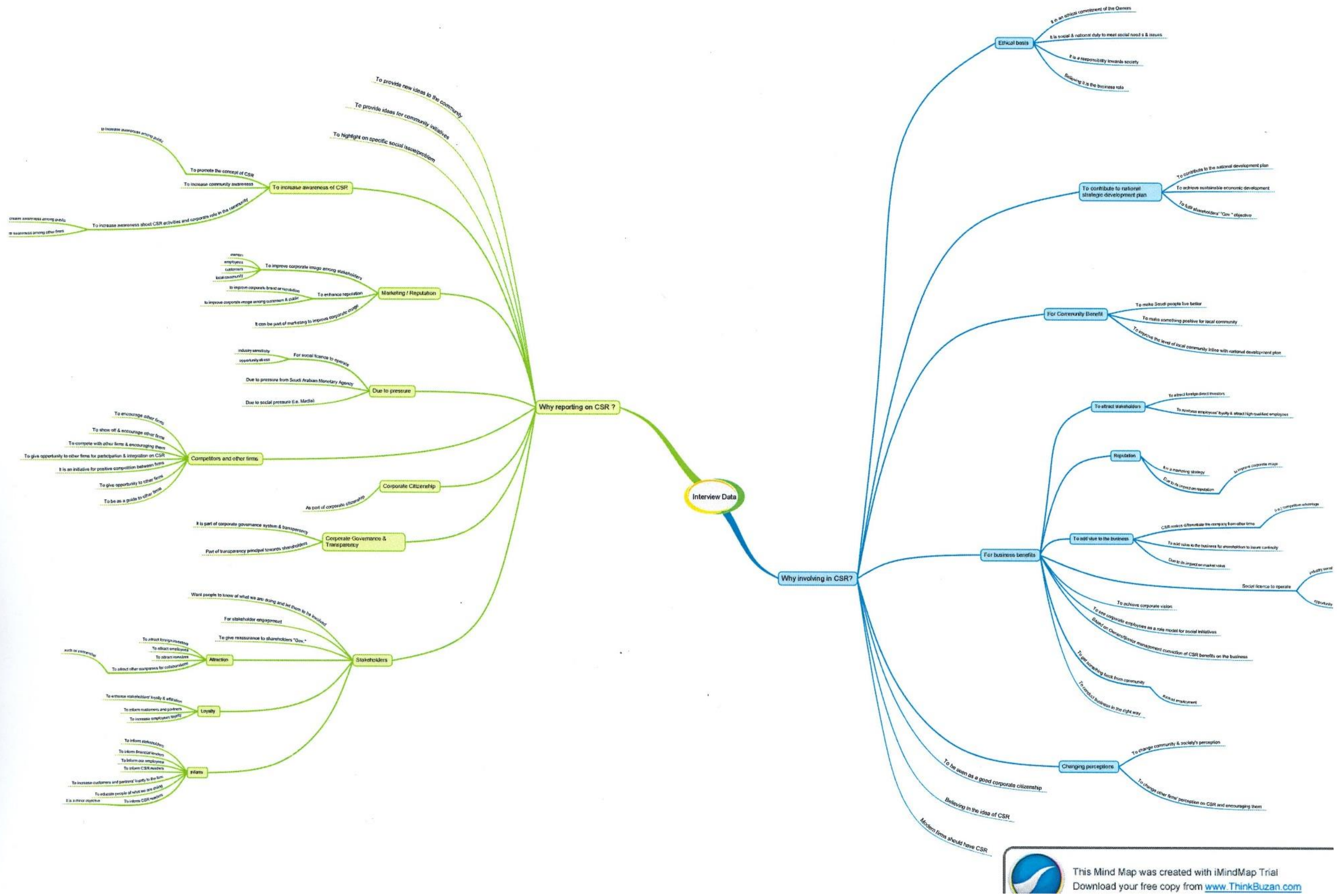
This classification consists of 11 sectors, 24 industry groups, 68 industries and 157 sub-industries. An overview is provided in the following table with exclusion of sub-industries.

Sector	Industry Group	Industry
Energy	Energy	Energy Equipment & Services
		Oil, Gas & Consumable Fuels
Materials	Materials	Chemicals
		Construction Materials
		Containers & Packaging
		Metals & Mining
		Paper & Forest Products
Industrials	Capital Goods	Aerospace & Defense
		Building Products
		Construction & Engineering
		Electrical Equipment
		Industrial Conglomerates
		Machinery
		Trading Companies & Distributors
	Commercial & Professional Services	Commercial Services & Supplies
Industrials	Commercial & Professional Services	Professional Services
	Transportation	Air Freight & Logistics
		Airlines
		Marine
		Road & Rail
		Transportation Infrastructure
Consumer Discretionary	Automobiles & Components	Auto Components
		Automobiles
	Consumer Durables & Apparel	Household Durables
		Leisure Products
		Textiles, Apparel & Luxury Goods
Consumer Discretionary	Consumer Services	Hotels, Restaurants & Leisure
		Diversified Consumer Services
	Media	Media
	Retailing	Distributors
		Internet & Direct Marketing Retail
		Multiline Retail
		Specialty Retail
Consumer Staples	Food & Staples Retailing	Food & Staples Retailing
	Food, Beverage & Tobacco	Beverages
		Food Products

		Tobacco
	Household & Personal Products	Household Products
		Personal Products
Health Care	Health Care Equipment & Services	Health Care Equipment & Supplies
		Health Care Providers & Services
		Health Care Technology
	Pharmaceuticals, Biotechnology & Life Sciences	Biotechnology
		Pharmaceuticals
		Life Sciences Tools & Services
Financials	Banks	Banks
		Thrifts & Mortgage Finance
	Diversified Financials	Diversified Financial Services
		Consumer Finance
		Capital Markets
		Mortgage Real Estate Investment Trusts (REITs)
Financials	Insurance	Insurance
Information Technology	Software & Services	Internet Software & Services
		IT Services
		Software
Information Technology	Technology Hardware & Equipment	Communications Equipment
		Technology Hardware, Storage & Peripherals
		Electronic Equipment, Instruments & Components
	Semiconductors & Semiconductor Equipment	Semiconductors & Semiconductor Equipment
Telecommunication Services	Telecommunication Services	Diversified Telecommunication Services
		Wireless Telecommunication Services
Utilities	Utilities	Electric Utilities
		Gas Utilities
		Multi-Utilities
		Water Utilities
		Independent Power and Renewable Electricity Producers
Real Estate	Real Estate	Equity Real Estate Investment Trusts (REITs)
		Real Estate Management & Development

Appendix 8: Overview of the themes that emerged on the rationales for firms' involvement and reporting on CCI activities





Interview Data
Why reporting on CSR ?
To provide new ideas to the community
To provide ideas for community initiatives
To highlight on specific social issue/problem
To increase awareness of CSR
To promote the concept of CSR
To increase community awareness
To increase awareness about CSR activities and corporate role in the community
Marketing / Reputation
To improve corporate image among stakeholders
To enhance reputation
It can be part of marketing to improve corporate image
Due to pressure
For social licence to operate
Due to pressure from Saudi Arabian Monetary Agency
Due to social pressure (i.e. Media)
Competitors and other firms
To encourage other firms
To show off & encourage other firms
To compete with other firms & encouraging them
To give opportunity to other firms for participation & integration on CSR
It is an initiative for positive competition between firms
To give opportunity to other firms
To be as a guide to other firms
Corporate Citizenship
As part of corporate citizenship
Corporate Governance & Transparency
It is part of corporate governance system & transparency
Part of transparency principal towards shareholders
Stakeholders
Want people to know of what we are doing and let them to be involved
For stakeholder engagement
To give reassurance to shareholders "Gov."
Attraction
To attract foreign investors
To attract employees
To attract investors
To attract other companies for collaborations
such as partnership
Loyalty
To enhance stakeholders' loyalty & affiliation
To inform customers and partners
To increase employees loyalty
Inform
To inform stakeholders
To inform financial lenders
To inform our employees
To inform CSR readers
To increase customers and partners' loyalty to the firm
To educate people of what we are doing
To inform CSR readers
It is a minor objective
Why involving in CSR?
Ethical basis
It is an ethical commitment of the Owners
It is social & national duty to meet social need s & issues
It is a responsibility towards society
Believing it is the business role
To contribute to national strategic development plan
To contribute to the national development plan
To achieve sustainable economic development
To fulfil shareholders' "Gov." objective
For Community Benefit
To make Saudi people live better
To make something positive for local community
To improve the level of local community inline with national development plan
For business benefits
To attract stakeholders
To attract foreign direct investors
To increase employees' loyalty & attract high-qualified employees
Reputation
As a marketing strategy
Due to its impact on reputation
To improve corporate image
To add value to the business
CSR makes differentiate the company from other firms
To add value to the business for shareholders to insure continuity
Due to its impact on market value
Social licence to operate
To achieve corporate vision
To see corporate employees as a role model for social initiatives
Based on Owners/Senior management conviction of CSR benefits on the business
To get something back from community
such as employment
To conduct business in the right way
Changing perceptions
To change community & society's perception
To change other firms' perception on CSR and encouraging them
To be seen as a good corporate citizenship
Believing in the idea of CSR
Modern firms should have CSR
This Mind Map was created with iMindMap Trial
Download your free copy from www.ThinkBuzan.com

Appendix 9: Summary of CCI reporting between annual reports and stand-alone reports

Year 2010	Reporting in Stand-Alone Reports Per Firm	Reporting in Annual Reports Per Firm*
Bahrain	0	0
Kuwait	1036	254
Oman	0	0
Qatar	136	50
Saudi Arabia	838	603
Dubai	624	199
Abu-Dhabi	1362	694
Year 2011		
Bahrain	0	0
Kuwait	2548	904
Oman	558	282
Qatar	908	82
Saudi Arabia	946	488
Dubai	1884	453
Abu-Dhabi	1014	76
Year 2012		
Bahrain	2,236	63
Kuwait	1053	459
Oman	893	597
Qatar	926	95
Saudi Arabia	1627	786
Dubai	786	401
Abu-Dhabi	1741	299
Year 2013		
Bahrain	2,236	63
Kuwait	1,246	444
Oman	920	582
Qatar	954	284
Saudi Arabia	2,587	850
Dubai	1,655	190
Abu-Dhabi	1,385	350

* This represents only the average reporting in annual reports of firms which publish stand-alone reports, meaning that it does not include full sample size.

Appendix 10: Full details of the GCC stock markets

Country	Stock Market	Establishment	Population*	Website
Bahrain	Bahrain Bourse	1987	48	www.bahrainbourse.com
Kuwait	Boursa Kuwait	1977	207	www.boursakuwait.com.kw
Oman	Muscat Securities Market	1988	123	www.msm.gov.om
Qatar	Qatar Exchange	1995	43	www.qe.com.qa
Saudi Arabia	Tadawul	2007	163	www.tadawul.com.sa
UAE-DU	Dubai Financial Market	2000	66	www.dfm.ae
UAE-AD	Abu Dhabi Securities Exchange	2000	67	www.adx.ae

* As at 10 April 2013

Appendix 11: Number of words reported on CCI activities in annual reports

	General Statement	Other CCI Activities	Partnership	Philanthropy	Sponsorship	Volunteering	Total CCI	Sample Firms	No. of Observations	Average words per firm	Country Ranking
Bahrain	5,587	2,283	286	7,364	2,436	876	**18,832**	24	96	**785**	5
	30%	12%	2%	39%	13%	5%	100%				
Kuwait	4,017	5,673	1,164	4,935	3,144	460	**19,393**	50	200	**388**	7
	21%	29%	6%	25%	16%	2%	100%				
Oman	4,422	4,726	1,024	2,588	1,578	1,049	**15,387**	18	72	**855**	4
	29%	31%	7%	17%	10%	7%	100%				
Qatar	2,761	3,382	2,032	3,615	3,910	678	**16,378**	21	84	**780**	6
	17%	21%	12%	22%	24%	4%	100%				
Saudi Arabia	8,462	9,051	2,074	3,774	6,595	1,509	**31,465**	24	96	**1,311**	1
	27%	29%	7%	12%	21%	5%	100%				
Dubai	5,606	5,922	6,615	5,052	2,381	1,446	**27,022**	22	88	**1,228**	2
	21%	22%	24%	19%	9%	5%	100%				
Abu-Dhabi	4,072	4,986	1,903	1,450	1,417	374	**14,202**	13	52	**1,092**	3
	29%	35%	13%	10%	10%	3%	100%				
Theme Ranking	2	1	5	3	4	6		**172**	**688**	**743**	

Bibliography

Aaron, D. G. & Siegel, M. B. 2017, 'Sponsorship of National Health Organizations by Two Major Soda Companies', *American Journal of Preventive Medicine*, vol. 52, no. 1, pp. 20-30.

Aaronson, S. A. & Reeves, J. 2002, *The European Response to Public Demands for Global Corporate Responsibility*, National Policy Association, USA, http://centreonphilanthropy.com/files/kb_articles/1251121958European%20Response%20to%20CSR.pdf.

Abbott, W. F. & Monsen, R. J. 1979, 'On the Measurement of Corporate Social Responsibility: Self-Reported Disclosures as a Method of Measuring Corporate Social Involvement', *Academy of management Journal*, vol. 22, no. 3, pp. 501-515.

Abdallah, A. A.-N. & Ismail, A. K. 2017, 'Corporate Governance Practices, Ownership Structure, and Corporate Performance in the GCC Countries', *Journal of International Financial Markets, Institutions and Money*, vol. 46, pp. 98-115.

Abdeldayem, M. M. 2009, 'An Examination of Social Disclosures by Islamic Banks: Evidence from UAE', *Journal of American Academy of Business, Cambridge*, vol. 14, no. 2, pp. 350-356.

Abhayawansa, S. & Abeysekera, I. 2008, 'An Explanation of Human Capital Disclosure from the Resource-Based Perspective', *Journal of HRCA : Human Resource Costing & Accounting*, vol. 12, no. 1, pp. 51-64.

Abu-Baker, N. & Naser, K. 2000a, 'Empirical evidence on corporate social disclosure (CSD) practices in Jordan', *International Journal of Commerce and Management*, vol. 10.

Abu-Baker, N. & Naser, K. 2000b, 'Empirical Evidence on Corporate Social Disclosure (CSD) Practices in Jordan', *International Journal of Commerce & Management*, vol. 10, no. 3/4, pp. 18-34.

Abu-Tapanjeh, A. M. 2009, 'Corporate Governance from the Islamic Perspective: A Comparative Analysis with OECD Principles', *Critical Perspectives on Accounting*, vol. 20, no. 5, pp. 556-567.

Abu Sufian, M. 2012, *Corporate Social Responsibility Disclosure in Bangladesh*, 2012, vol. 12.

Abu Sufian, M. & Zahan, M. 2013, 'Ownership Structure and Corporate Social Responsibility Disclosure in Bangladesh', *International Journal of Economics and Financial Issues*, vol. 3, no. 4, pp. 901-909.

Achoui, M. M. 2009, 'Human Resource Development in Gulf Countries: An Analysis of the Trends and Challenges Facing Saudi Arabia', *Human Resource Development International*, vol. 12, no. 1, pp. 35-46.

Ackerman, R. W. & Bauer, R. A. 1976, *Corporate Social Responsiveness*, Reston Publishing Company, Virginia.

Adams, C. A. 2002, 'Internal Organisational Factors Influencing Corporate Social and Ethical Reporting: Beyond Current Theorising', *Accounting, Auditing & Accountability Journal*, vol. 15, no. 2, pp. 223-250.

Adams, C. A. 2004, 'The Ethical, Social and Environmental Reporting-Performance Portrayal Gap', *Accounting, Auditing & Accountability Journal*, vol. 17, no. 5, pp. 731-757.

Adams, C. A., Wan-Ying, H. & Roberts, C. B. 1998, 'Corporate Social Reprting Practices in Western Europe: Legitimating Corporate Behaviour?', *The British Accounting Review*, vol. 30, no. 1, pp. 1-21.

Aguilera, R. V., Rupp, D. E., Williams, C. A. & Ganapathi, J. 2007, 'Putting the S Back in Corporate Social Responsibility: A Multilevel Theory of Social Change in Organizations', *Academy of management review*, vol. 32, no. 3, pp. 836-863.

Al-Abdin, A., Roy, T. & Nicholson, J. D. 2017, 'Researching Corporate Social Responsibility in the Middle East: The Current State and Future Directions', *Corporate Social Responsibility and Environmental Management*, vol. na, no. na, pp. n/a-n/a.

Al-Ajmi, J. 2009, 'Investors' Use of Corporate Reports in Bahrain', *Managerial Auditing Journal*, vol. 24, no. 3, pp. 266-289.

Al-Asfour, A., Tlaiss, H. A., Khan, S. A. & Rajasekar, J. 2017, 'Saudi Women's Work Challenges and Barriers to Career Advancement', *Career Development International*, vol. 22, no. 2, pp. 184-199.

Al-Basteki, H. 1997, 'Voluntary Disclosure of Socially Relevant Information: The Case of Bahraini Corporations', *Abhath Al-Yarmouk*, vol. 13, no. 4, pp. 41-53.

Al-Janadi, Y., Abdul Rahman, R. & Omar, N. H. 2011, 'The level of voluntary disclosure practices among public listed companies in Saudi Arabia and the UAE: Using a modified voluntary disclosure index', *International Journal of Disclosure and Governance*.

Al-Janadi, Y., Abdul Rahman, R. & Omar, N. H. 2012, 'The Level of Voluntary Disclosure Practices Among Public Listed Companies in Saudi Arabia and the UAE: Using a Modified Voluntary Disclosure Index', *International Journal of Disclosure and Governance*, vol. 9, no. 2, pp. 181-201.

Al-Janadi, Y., Abdul Rahman, R. & Omar, N. H. 2013, 'Corporate Governance Mechanisms and Voluntary Disclosure in Saudi Arabia', *Research Journal of Finance and Accounting*, vol. 4, no. 4, pp. 25-35.

Al-Jebouri, M. F. A., Saleh, M. S., Raman, S. N., Rahmat, R. A. A. B. O. K. & Shaaban, A. K. 2017, 'Toward a National Sustainable Building Assessment System in Oman: Assessment Categories and Their Performance Indicators', *Sustainable Cities and Society*, vol. 31, pp. 122-135.

Al-Khatar, K. & Naser, K. 2003, 'User's Perceptions of Corporate Social Responsibility and Accountability: Evidence From an Emerging Economy', *Managerial Auditing Journal*, vol. 18, no. 6/7, pp. 538-548.

Al-Kuwari, D. 2009, 'Determinants of the Dividend Policy of Companies Listed on Emerging Stock Exchanges: The Case of the Gulf Cooperation Council (GCC) Countries', *Global Economy & Finance Journal*, vol. 2, no. 2, pp. 38-63.

Al-Lamky, A. 2007, 'Feminizing Leadership in Arab Societies: The Perspectives of Omani Female Leaders', *Women in Management Review*, vol. 22, no. 1, pp. 49-67.

Al-Malkawi, H.-A. N., Pillai, R. & Bhatti, M. I. 2014, 'Corporate Governance Practices in Emerging Markets: The Case of GCC Countries', *Economic Modelling*, vol. 38, no. 0, pp. 133-141.

Al-Moataz, E. & Hussainey, K. 2013, 'Determinants of Corporate Governance Disclosure in Saudi Corporations', *JKAU: Economics and Administration*, vol. 27, no. 2, pp. 411-430.

Al-Razeen, A. & Karbhari, Y. 2004a, 'Annual Corporate Information: Importance and Use in Saudi Arabia', *Managerial Auditing Journal*, vol. 19, no. 1, pp. 117-133.

Al-Razeen, A. & Karbhari, Y. 2004b, 'Interaction Between Compulsory and Voluntary Disclosure in Saudi Arabian Corporate Annual Reports', *Managerial Auditing Journal*, vol. 19, no. 3, pp. 351-360.

Al-Razeen, A. & Karbhari, Y. 2004c, 'Users' Perceptions of Corporate Information in Saudi Arabia: An Empirical Analysis', *International Journal of Commerce & Management*, vol. 14, no. 3/4, pp. 41-57.

Al-Shammari, B. 2013, 'An Investigation of Voluntary Disclosure by Kuwaiti Shariah Compliant Companies', *Journal of Economic and Administrative Sciences*, vol. 29, no. 1, pp. 21-41.

Al-Shammari, B. 2014a, 'An Investigation of the Impact of Corporate Governance Mechanisms on Level of Corporate Risk Disclosure: Evidence from Kuwait', *International Journal of Business and Social Research*, vol. 4, no. 6, pp. 51-70.

Al-Shammari, B. 2014b, 'Kuwait Corporate Characteristics and Level of Risk Disclosure: A Content Analysis Approach', *Journal of Contemporary Issues in Business Research*, vol. 3, no. 3, pp. 128-153.

Al-Shammari, B. & Al-Saidi, M. 2014, 'Kuwaiti Women and Firm Performance', *International Journal of Business and Management*, vol. 9, no. 8, p. p51.

Al-Shammari, B. & Al-Sultan, W. 2010, 'Corporate Governance and Voluntary Disclosure in Kuwait', *International Journal of Disclosure and Governance*, vol. 7, no. 3, pp. 262-280.

Al-Shammari, B., Brown, P. & Tarca, A. 2008, 'An Investigation of Compliance with International Accounting Standards by Listed Companies in The Gulf Co-Operation Council Member States', *The International journal of accounting education and research*, vol. 43, no. 4, p. 425.

Al Arabiya 2017, *Saudi Stock Exchange Appoints Sarah Al-Suhaimi as its First Female Chair*, viewed 30 July 2017 <http://english.alarabiya.net/en/business/economy/2017/02/16/Saudi-stock-exchange-appoints-first-female-chair.html>.

Al Harthy, M. B. 2009, *The CSR ... The Reality and Aspiration*, Dubai, UAE.

Alam, I. & Deb, S. 2010, 'Human Resource Accounting Disclosure (HRAD) in Bangladesh: Multifactor Regression Analysis–A Decisive Tool of Quality Assessment', *The Cost and Management*, vol. 38, no. 3, pp. 9-13.

Alattar, J. M. & Al-Khater, K. 2007, 'An Empirical Investigation of Users' Views on Corporate Annual Reports in Qatar', *International Journal of Commerce & Management*, vol. 17, no. 4, pp. 312-325.

Alfraih, M. M. & Almutawa, A. M. 2017, 'Voluntary Disclosure and Corporate Governance: Empirical Evidence from Kuwait', *International Journal of Law and Management*, vol. 59, no. 2, pp. 217-236.

Alhazaimeh, A., Palaniappan, R. & Almsafir, M. 2014, 'The Impact of Corporate Governance and Ownership Structure on Voluntary Disclosure in Annual Reports among Listed Jordanian Companies', *Procedia - Social and Behavioral Sciences*, vol. 129, no. 0, pp. 341-348.

Alhejji, H. A. & Garavan, T. N. 2016, 'Human Resource Development in the Middle East', in *Global Human Resource Development: Regional and Country Perspective*, 1st edn, eds T. N. Garavan, A. M. McCarthy & M. J. Morley, Routledge, New York.

Ali, W., Frynas, J. G. & Mahmood, Z. 2017, 'Determinants of Corporate Social Responsibility (CSR) Disclosure in Developed and Developing Countries: A Literature Review', *Corporate Social Responsibility and Environmental Management*, pp. 273-294.

Aljifri, K. 2008, 'Annual report disclosure in a developing country: The case of the UAE', *Advances in accounting*, vol. 24, no. 1, pp. 93-100.

Aljifri, K. & Moustafa, M. 2007, 'The Impact of Corporate Governance Mechanisms on the Performance of UAE Firms: An Empirical Analysis', *Journal of Economic and Administrative Sciences*, vol. 23, no. 2, pp. 71-93.

AlNaimi, H. A., Mohammed, H. & Momin, M. A. 2012, 'Corporate Social Responsibility Reporting in Qatar: A Descriptive Analysis', *Social Responsibility Journal*, vol. 8, no. 4, pp. 511-526.

Alon, I., Lattemann, C., Fetscherin, M., Li, S. & Schneider, A. M. 2010, 'Usage of Public Corporate Communications of Social Responsibility in Brazil, Russia, India and China (BRIC)', *International Journal of Emerging Markets*, vol. 5, no. 1, pp. 6-22.

Alotaibi, K. O. & Hussainey, K. 2016a, 'Determinants of CSR Disclosure Quantity and Quality: Evidence From Non-Financial Listed Firms in Saudi Arabia', *International Journal of Disclosure and Governance*, vol. 13, no. 4, pp. pp. 1-30.

Alsaeed, K. 2006, 'The Association Between Firm-Specific Characteristics and Disclosure', *Managerial Auditing Journal*, vol. 21, no. 5, pp. 476-496.

Amato, C. H. & Amato, L. H. 2011, 'Corporate Commitment to Global Quality of Life Issues: Do Slack Resources, Industry Affiliations, and Multinational Headquarters Matter?', *Business & Society*, vol. 50, no. 2, pp. 388-416.

Amato, L. H. & Amato, C. H. 2007, 'The Effects of Firm Size and industry on Corporate Giving', *Journal of Business Ethics*, vol. 72, no. 3, pp. 229-241.

Amato, L. H. & Amato, C. H. 2012, 'Retail Philanthropy: Firm Size, Industry, and Business Cycle', *Journal of Business Ethics*, vol. 107, no. 4, pp. 435-448.

Amoako, G. K. 2016, 'CSR Practices of Multinational Companies (MNCs) and Community Needs in Africa: Evidence of Selected MNCs from Ghana', in *Corporate Social Responsibility in Sub-Saharan Africa: Sustainable Development in its Embryonic Form*, eds S. Vertigans, O. S. Idowu & R. Schmidpeter, Springer, Cham, pp. 217-240.

Amran, A., Lee, S. P. & Devi, S. S. 2014, 'The Influence of Governance Structure and Strategic Corporate Social Responsibility Toward Sustainability Reporting Quality', *Business Strategy and the Environment*, vol. 23, no. 4, pp. 217-235.

Amran, A. & Siti-Nabiha, A. K. 2009, 'Corporate Social Reporting in Malaysia: A Case of Mimicking The West or Succumbing to Local Pressure', *Social Responsibility Journal*, vol. 5, no. 3, pp. 358-375.

Ansoff, H. I. 1965, *Corporate Strategy: Business Policy for Growth and Expansion*, McGraw-Hill Book.

Aribi, Z. 2009, An Empirical Study of Corporate Social Responsibility and its Disclosure in Islamic Financial Institutions, PhD thesis, Edinburgh Napier University.

Aribi, Z. & Arun, T. 2012, 'Corporate Social Responsibility in Islamic Financial Institutions (IFI): A Management Insight', *Available at SSRN 2052635*.

Aribi, Z. A. & Gao, S. 2010, 'Corporate Social Responsibility Disclosure', *Journal of Financial Reporting and Accounting*, vol. 8, no. 2, pp. 72-91.

Aribi, Z. A. & Gao, S. 2012, 'Narrative Disclosure of Corporate Social Responsibility in Islamic Financial Institutions', *Managerial Auditing Journal*, vol. 27, no. 2, pp. 199-222.

Arli, D. I. & Cadeaux, J. 2014, 'Drivers of Corporate Community Involvement and Challenges in Measuring its Impact', *Social Responsibility Journal*, vol. 10, no. 1, pp. 161-183.

Arouri, M. E. H. 2012, 'Oil Prices and Stock Markets in GCC Countries: Empirical Evidence From Panel Analysis', *International Journal of Finance & Economics*, vol. 17, no. 3, p. 242.

Askari, H., Bazzari, M. & Tyler, W. 1998, 'Policies and Economic Potential in The Countries of The Gulf Cooperation Council', in *Economic Challenges Facing Middle Eastern and North African Countries: Alternative Futures*, ed. N. Shafik, Palgrave Macmillan, UK, pp. 225-255.

At-Twaijri, M. I. 1988, 'Social Responsibility in The Saudi Private Sector: Explorative Survey', *Arab Management Journal [Arabic]*, vol. 12, no. 4, pp. pp. 20-34.

Atia, M., Ibrahim, B., Khallaf, M., Qazzaz, H., Shalaby, K., Sharaiha, F. & Sherif, D. 2008, *From Charity to Change: Trends in Arab Philanthropy*, The John D. Gerhart Center for Philanthropy & Civic Engagement, The American University in Cairo, Egypt.

Aupperle, K. E., Carroll, A. B. & Hatfield, J. D. 1985, 'An Empirical Examination of The Relationship Between Corporate Social Responsibility and Profitability', *Academy of management Journal*, vol. 28, no. 2, pp. 446-463.

Avina, J. 2013, 'The Evolution of Corporate Social Responsibility (CSR) in the Arab Spring', *The Middle East Journal*, vol. 67, no. 1, pp. 77-92.

Azim, M. I., Ahmed, S. & Islam, M. S. 2009, 'Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh', *Journal of Asia-Pacific Business*, vol. 10, no. 2, pp. 130-145.

Baek, H. Y., Johnson, D. R. & Kim, J. W. 2009, 'Managerial Ownership, Corporate Governance, and Voluntary Disclosure', *The Journal of Business and Economic Studies*, vol. 15, no. 2, pp. 44-61,104-106.

Bahry, L. & Marr, P. 2005, 'Qatari Women: A New Generation of Leaders?', *Middle East Policy*, vol. 12, no. 2, pp. 104-119.

Balakrishnan, M. S. 2008, 'Dubai – A Star in The East: A Case Study in Strategic Destination Branding', *Journal of Place Management and Development*, vol. 1, no. 1, pp. 62-91.

Baltagi, B. H. 2008, *Econometric Analysis of Panel Data*, 4th edn, John Wiley & Sons.

Banerjee, S. B. 2007, *Corporate Social Reponsiblity: The Good, The Bad and Ugly*, Edward Elgar Publishing Ltd.

Banerjee, S. B. 2008, 'Corporate Social Responsibility: The Good, the Bad and the Ugly', *Critical Sociology*, vol. 34, no. 1, pp. 51-79.

Banks, G., Scheyvens, R., McLennan, S. & Bebbington, A. 2016, 'Conceptualising Corporate Community Development', *Third World Quarterly*, vol. 37, no. 2, pp. 245-263.

Bansal, P. 2005, 'Evolving Sustainably: A Longitudinal Study of Corporate Sustainable Development', *Strategic management journal*, vol. 26, no. 3, pp. 197-197+.

Barako, D. G. 2007, 'Determinants of Voluntary Disclosures in Kenyan Companies Annual Reports', *African Journal of Business Management*, vol. 1, no. 5.

Barako, D. G. & Brown, A. M. 2008, 'Corporate Social Reporting and Board Representation: Evidence From The Kenyan Banking Sector', *Journal of Management & Governance*, vol. 12, no. 4, p. 309.

Barnett, M. L. 2016, 'The Business Case for Corporate Social Responsibility: A Critique and an Indirect Path Forward', *Business & Society*, pp. 1-24.

Bartkus, B. R., Morris, S. A. & Seifert, B. 2002, 'Governance and Corporate Philanthropy: Restraining Robin Hood?', *Business & Society*, vol. 41, no. 3, pp. 319-344.

Barton, S. L., Hill, N. C. & Sundaram, S. 1989, 'An Empirical Test of Stakeholder Theory Predictions of Capital Structure', *Financial Management*, pp. 36-44.

Bashtovaya, V. 2014, 'CSR Reporting in the United States and Russia', *Social Responsibility Journal*, vol. 10, no. 1, pp. 68-84.

Basil, D. Z., Runte, M. S., Easwaramoorthy, M. & Barr, C. 2009, 'Company Support for Employee Volunteering: A National Survey of Companies in Canada', *Journal of Business Ethics*, vol. 85, no. 2, pp. 387-398.

Baydoun, N., Maguire, W., Ryan, N. & Willett, R. 2013, 'Corporate Governance in five Arabian Gulf Countries', *Managerial Auditing Journal*, vol. 28, no. 1, pp. 7-22.

Bayoud, N. S. 2012, Corporate Social Responsibility Disclosure and Organisational Performance: The Case of Libya, a Mixed Methods Study, University of Southern Queensland.

Bayoud, N. S. & Kavanagh, M. 2012, 'Corporate Social Responsibility Disclosure: Evidence From Libyan Managers', *GLOBAL JOURNAL OF BUSINESS RESEARCH*, vol. 6, no. 5.

Bayoud, N. S., Kavanagh, M. & Slaughter, G. 2012, 'Corporate Social Responsibility Disclosure and Corporate Reputation in Developing Countries: The Case of Libya', *Journal of Business and Policy Research*, vol. 7, no. 1, pp. 131-160.

BCCCC 2013, *Corporate Citizenship*, Centre for Corporate Citizenship - Boston College, viewed 20 July 2013, <http://www.bcccc.net/corporate-citizenship.html>.

Bear, S., Rahman, N. & Post, C. 2010, 'The Impact of Board Diversity and Gender Composition on Corporate Social Responsibility and Firm Reputation', *Journal of Business Ethics*, vol. 97, no. 2, pp. 207-221.

Belal, A. R. & Momin, M. 2009, 'Corporate Social Reporting (CSR) in Emerging Economies: A Review and Future Direction', *Research in Accounting in Emerging Economies*, vol. 9, pp. 119-143.

Belkaoui, A. & Karpik, P. 1989, 'Determinants of the Corporate Decision to Disclose Social Information', *Accounting, Auditing & Accountability Journal*, vol. 2, no. 1.

Benn, S. & Bolton, D. 2011, *Key Concepts in Corporate Social Responsibility*, SAGE, London.

Berelson, B. 1952, *Content Analysis in Communication Research*, Glencoe, Ill: Free Press.

Bernardi, R. A. & Threadgill, V. H. 2010, 'Women Directors and Corporate Social Responsibility', *Electronic Journal of Business Ethics and Organization Studies*, vol. 15, no. 2, pp. 15-21.

Bhattacharyya, S. S., Sahay, A., Arora, A. P. & Chaturvedi, A. 2008, 'A Toolkit for Designing Firm Level Strategic Corporate Social Responsibility (CSR) Initiatives', *Social Responsibility Journal*, vol. 4, no. 3, pp. 265-282.

Bhatti, M. & Bhatti, M. I. 2010, 'Toward Understanding Islamic Corporate Governance Issues in Islamic Finance', *Asian Politics & Policy*, vol. 2, no. 1, pp. 25-38.

Bizri, O. 2013, 'Research, Innovation, Entrepreneurship and the Rentier Culture in the Arab Countries', in *The Real Issues of the Middle East and the Arab Spring*, eds T. Andersson & A. Djeflat, Springer, pp. 195-227.

Borensztein, E., De Gregorio, J. & Lee, J.-W. 1998, 'How Does Foreign Direct Investment Affect Economic Growth?', *Journal of international economics*, vol. 45, no. 1, pp. 115-135.

Bourne, S. & Snead, J. D. 1999, 'Environmental Determinants of Organizational Ethical Climate: A Community Perspective', *Journal of Business Ethics*, vol. 21, no. 4, pp. 283-290.

Brammer, S. & Millington, A. 2003, 'The Effect of Stakeholder Preferences, Organizational Structure And Industry Type on Corporate Community Involvement', *Journal of Business Ethics*, vol. 45, no. 3, pp. 213-226.

Brammer, S. & Millington, A. 2004, 'Stakeholder Pressure, Organizational Size, and the Allocation of Departmental Responsibility for the Management of Corporate Charitable Giving', *Business & Society*, vol. 43, no. 3, pp. 268-295.

Brammer, S. & Millington, A. 2006, 'Firm Size, Organizational Visibility and Corporate Philanthropy: An Empirical Analysis', *Business Ethics: A European Review*, vol. 15, no. 1, pp. 6-18.

Brammer, S. & Pavelin, S. 2005, 'Corporate Community Contributions in The United Kingdom and The United States', *Journal of Business Ethics*, vol. 56, no. 1, pp. 15-26.

Brammer, S. & Pavelin, S. 2006, 'Voluntary Environmental Disclosures by Large UK Companies', *Journal of Business Finance & Accounting*, vol. 33, no. 7-8, pp. 1168-1188.

Branco, M. C. & Rodrigues, L. L. 2006, 'Corporate Social Responsibility and Resource-Based Perspectives', *Journal of Business Ethics*, vol. 69, no. 2, pp. 111-132.

Branco, M. C. & Rodrigues, L. L. 2007, 'Positioning Stakeholder Theory Within The Debate on Corporate Social Responsibility', *Electronic Journal of Business Ethics and Organization Studies*, vol. 12, no. 1, pp. 5-15.

Branco, M. C. & Rodrigues, L. L. 2008, 'Factors Influencing Social Responsibility Disclosure by Portuguese Companies', *Journal of Business Ethics*, vol. 83, no. 4, pp. 685-701.

Bremer, J. & Elias, N. 2007, 'Corporate Governance in Developing Economies? The Case of Egypt', *International Journal of Business Governance and Ethics*, vol. 3, no. 4, pp. 430-445.

Brenner, S. N. & Cochran, P. 1991, The Stakeholder Theory of the Firm: Implications for Business and Society Theory and Research, paper presented to Proceedings of the Second Annual Meeting of the International Association for Business and Society, Harper & Row, vol. 2, pp. 897-933.

Brenner, S. N. & Molander, E. A. 1977, 'Is The Ethics of Business Changing?', *Harvard Business Review*, vol. 55, no. 1, pp. 57-71.

Bryman, A. 2012, *Social Research Methods*, 4th edn, Oxford University Press, USA.

Bryman, A. & Bell, E. 2015, *Business Research Methods*, 4th edn, Oxford University Press, UK.

Bryman, A. & Bell, E. 2016, *Business Research Methods*, Oxford University Press, USA.

Buallay, A., Hamdan, A. & Zureigat, Q. 2017, 'Corporate Governance and Firm Performance: Evidence from Saudi Arabia', *Australasian Accounting Business & Finance Journal*, vol. 11, no. 1, pp. 78-98.

Buchholz, R. A. 1991, 'Corporate Responsibility and The Good Society: From Economics to Ecology', *Business Horizons*, vol. 34, no. 4, p. 19+.

Burell, G. & Morgan, G. 1979, *Sociological Paradigms and Organisational Analysis*, Elements of the sociology of corporate life, Heinemann, London.

Caligiuri, P., Mencin, A. & Jiang, K. 2013, 'Win–Win–Win: The Influence of Company-Sponsored Volunteerism Programs on Employees, NGOs, and Business Units', *Personnel Psychology*, vol. 66, no. 4, pp. 825-860.

Cameron, S. & Price, D. 2009, *Business Research Methods: A Practical Approach*, 1st edn, Chartered Institute of Personnel and Development, London.

Campbell, D. 2000, 'Legitimacy Theory or Managerial Reality Construction? Corporate Social Disclosure in Marks and Spencer Plc Corporate Reports, 1969–1997', *Accounting Forum*, vol. 24, no. 1, pp. 80-100.

Campbell, D. 2004, 'A Longitudinal and Cross-Sectional Analysis of Environmental Disclosure in UK Companies - A Research Note', *The British Accounting Review*, vol. 36, no. 1, pp. 107-117.

Campbell, D., Craven, B. & Shrives, P. 2003, 'Voluntary Social Reporting in Three FTSE Sectors: A Comment on Perception and Legitimacy', *Accounting, Auditing & Accountability Journal*, vol. 16, no. 4, pp. 558-581.

Campbell, D., Moore, G. & Shrives, P. 2006, 'Cross-Sectional Effects in Community Disclosure', *Accounting, Auditing & Accountability Journal*, vol. 19, no. 1, pp. 96-114.

Campbell, D. & Slack, R. 2008, 'Corporate "Philanthropy Strategy" and "Strategic Philanthropy": Some Insights From Voluntary Disclosures in Annual Reports', *Business & Society*, vol. 47, no. 2, p. 187.

Campbell, J. L. 2007, 'Why Would Corporations Behave in Socially Responsible Ways? An Institutional Theory of Corporate Social Responsibility', *Academy of management review*, vol. 32, no. 3, pp. 946-967.

Campbell, L., Gulas, C. & Gruca, T. 1999, 'Corporate Giving Behavior and Decision-Marker Social Consciousness', *Journal of Business Ethics*, vol. 19, no. 4, pp. 375-383.

Carey, A. 1992, 'A Questioning Approach to The Environment', in *Green Reporting: Accountancy and the challenge of the nineties*, ed. D. Owen, Chapman & Hall, London.

Carnegie, G. D. & Wolnizer, P. W. 1996, 'Enabling Accountability in Museums', *Accounting, Auditing & Accountability Journal*, vol. 9, no. 5, pp. 84-99.

Carney, T. F. 1972, *Content Analysis: A Technique for Systematic Inference from Communications*, Batsford London.

Carroll, A. B. 1979, 'A Three-Dimensional Conceptual Model of Corporate Performance', *Academy of management review*, pp. 497-505.

Carroll, A. B. 1991, 'The Pyramid of Corporate Social Responsibility: Toward The Moral Management of Organizational Stakeholders', *Business Horizons*, vol. 34, no. 4, pp. 39-48.

Carroll, A. B. 1998, 'The Four Faces of Corporate Citizenship', *Business & Society Review*, vol. 100, no. 1, pp. 1-7.

Carroll, A. B. & Shabana, K. M. 2010, 'The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice', *International Journal of Management Reviews*, vol. 12, no. 1, pp. 85-105.

Chamberlain, G. 1980, 'Analysis of Covariance with Qualitative Data', *The Review of Economic Studies*, vol. 47, no. 1, pp. 225-238.

Chapple, W. & Moon, J. 2005, 'Corporate Social Responsibility (CSR) in Asia: A Seven-Country Study of CSR Web Site Reporting', *Business & Society*, vol. 44, no. 4, pp. 415-441.

Chen, S. & Bouvain, P. 2009, 'Is Corporate Responsibility Converging? A Comparison of Corporate Responsibility Reporting in The USA, UK, Australia, and Germany', *Journal of Business Ethics*, vol. 87, pp. 299-317.

Cheng, E. C. M. & Courtenay, S. M. 2006, 'Board Composition, Regulatory Regime and Voluntary Disclosure', *The International Journal of Accounting*, vol. 41, no. 3, pp. 262-289.

Clarkson, M. B. E. 1991, 'Defining, Evaluating, and Managing Corporate Social Performance: The Stakeholder Management Model', *Research in corporate social performance and policy*, vol. 12, no. 1, pp. 331-358.

Clarkson, M. B. E. 1995, 'A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance', *Academy of management review*, vol. 20, no. 1, pp. 92-117.

Cologni, A. & Manera, M. 2013, 'Exogenous Oil Shocks, Fiscal Policies and Sector Reallocations in Oil Producing Countries', *Energy Economics*, vol. 35, pp. 42-57.

Cooke, T. E. 1992, 'The Impact of Size, Stock Market Listing and Industry Type on Disclosure in the Annual Reports of Japanese Listed Corporations', *Accounting and Business Research*, vol. 22, no. 87, p. 229.

Cormier, D. C., Magnan, M. & Velthoven, B. V. 2005, 'Environmental Disclosure Quality in Large German Companies: Economic Incentives, Public Pressures or Institutional Conditions?', *European Accounting Review*, vol. 14, no. 1, pp. 3-39.

Coupland, C. 2006, 'Corporate Social and Environmental Responsibility in Web-Based Reports: Currency in The Banking Sector?', *Critical Perspectives on Accounting*, vol. 17, no. 7, pp. 865-881.

Cowen, S. S., Ferreri, L. B. & Parker, L. D. 1987, 'The Impact of Corporate Characteristics on Social Responsibility Disclosure: A Typology and Frequency-Based Analysis', *Accounting, Organizations and Society*, vol. 12, no. 2, pp. 111-122.

Creswell, J. W. 2008, *Educational Research: Planning, conducting, and evaluating quantitative and qualitative research*, Prentice Hall.

Creswell, J. W. 2014, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 4th edn, SAGE, Thousand Oaks.

Creswell, J. W. & Clark, V. L. P. 2011, *Designing and Conducting Mixed Research Methods*, SAGE, California.

Creswell, J. W., Plano Clark, V. L., Gutmann, M. L. & Hanson, W. E. 2003, 'Advanced Mixed Methods Research Designs', *Handbook of mixed methods in social and behavioral research*, pp. 209-240.

Crotty, M. 1998, *The Foundations of Social Research : Meaning and Perspective in the Research Process*, SAGE, USA.

Cycyota, C. S., Ferrante, C. J. & Schroeder, J. M. 2016, 'Corporate Social Responsibility and Employee Volunteerism: What Do The Best Companies Do?', *Business Horizons*, vol. 59, no. 3, pp. 321-329.

Dagiliene, L. 2010, 'The Research of Corporate Social Responsibility Disclosures in Annual Reports', *Inzinerine Ekonomika-Engineering Economics*, vol. 21, no. 2, pp. 197-204.

Dahlsrud, A. 2008, 'How Corporate Social Responsibility is Defined: An Analysis of 37 Definitions', *Corporate Social - Responsibility and Environmental Management*, vol. 15, no. 1, p. 1.

Danastas, L. & Gadenne, D. 2006, 'Social and Environmental NGOs as Users of Corporate Social Disclosure', *Journal of Environmental Assessment Policy and Management*, vol. 08, no. 01, pp. 85-102.

Davison, J. 2011, 'Barthesian Perspectives on Accounting Communication and Visual Images of Professional Accountancy', *Accounting, Auditing & Accountability Journal*, vol. 24, no. 2, pp. 250-283.

Dawkins, C. & Ngunjiri, F. W. 2008, 'Corporate Social Responsibility Reporting in South Africa: A Descriptive and Comparative Analysis', *Journal of Business Communication*, vol. 45, no. 3, pp. 286-307.

De Jonge, A. 2014, 'The Glass Ceiling That Refuses to Break: Women Directors on The Boards of Listed Firms in China and India', *Women's Studies International Forum*, vol. 47, Part B, pp. 326-338.

de Villiers, C. & Alexander, D. 2014, 'The Institutionalisation of Corporate Social Responsibility Reporting', *The British Accounting Review*, vol. 46, no. 2, pp. 198-212.

Deegan, C. 2006, 'Legitimacy Theory', in *Methodological Issues in Accounting Research: Theories, Methods and Issues*, ed. Z. Hoque, Spiramus Press, London, pp. 161-182.

Deegan, C. & Gordon, B. 1996, 'A Study of The Environmental Disclosure Practices of Australian Corporations', *Accounting and Business Research*, vol. 26, no. 3, pp. 187-187.

Deegan, C. & Rankin, M. 1996, 'Do Australian Companies Report Environmental News Objectively? An Analysis of Environmental Disclosures by Firms Prosecuted Successfully by The Environmental Protection Authority', *Accounting, Auditing & Accountability Journal*, vol. 9, no. 2, pp. 50-50.

Deegan, C., Rankin, M. & Tobin, J. 2002, 'An Examination of The Corporate Social and Environmental Disclosures of BHP From 1983-1997: A Test of Legitimacy Theory', *Accounting, Auditing & Accountability Journal*, vol. 15, no. 3, pp. 312-343.

Dias, A. K. 2012, 'Wayne Visser and Nick Tolhurst (eds), The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility', *The Journal of World Energy Law & Business*, vol. 5, no. 3, pp. 266-278.

DiMaggio, P. J. & Powell, W. W. 1983, 'The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields', *American Sociological Review*, vol. 48, no. 2, pp. 147-160.

Doh, J. P. & Guay, T. R. 2006, 'Corporate Social Responsibility, Public Policy, and NGO Activism in Europe and the United States: An Institutional-Stakeholder Perspective', *Journal of Management Studies*, vol. 43, no. 1, pp. 47-73.

Donaldson, T. & Preston, L. E. 1995, 'The Stakeholder Theory of The Corporation: Concepts, Evidence and Implications', *Academy of management review*, vol. 20, no. 1.

Dougherty, C. 2007, *Introduction to Econometrics*, Oxford University Press.

Dow Jones 2013, *Corporate Sustainability*, viewed 27 July 2013, <http://www.sustainability-indices.com/sustainability-assessment/corporate-sustainability.jsp>.

Dowling, J. & Pfeffer, J. 1975, 'Organizational Legitimacy: Social Values And Organizational Behavior', *Pacific Sociological Review*, vol. 18, no. 1, pp. 122-136.

Dusuki, A. W. 2008, 'What Does Islam Say About Corporate Social Responsibility?', *review of Islamic economics*, vol. 12, no. 1, pp. 5-28.

Eberhard Falck, W., Hilton, J., Schnell, H. & Tulsidas, H. 2015, 'Social licensing and Stakeholder Communication in Uranium Exploration and Mining', in *Uranium - Past and Future Challenges*, eds B. J. Merkel & A. Arab, Springer, pp. 87-94.

Ebrahim, A. 2003, 'Making sense of accountability: Conceptual perspectives for northern and southern nonprofits', *Nonprofit Management and Leadership*, vol. 14, no. 2, pp. 191-212.

Elijido-Ten, E., Kloot, L. & Clarkson, P. 2010, 'Extending The Application of Stakeholder Influence Strategies to Environmental Disclosures: An Exploratory Study From A Developing Country', *Accounting, Auditing & Accountability Journal*, vol. 23.

Elzahar, H. & Hussainey, K. 2012, 'Determinants of Narrative Risk Disclosures in UK Interim Reports', *The Journal of Risk Finance*, vol. 13, no. 2, pp. 133-147.

Emtairah, T., Al-Ashaikh, A. & Al-Badr, A. 2009, 'Contexts and Corporate Social Responsibility: The Case of Saudi Arabia', *International Journal of Sustainable Society*, vol. 1, no. 4, pp. 325-346.

Ernst & Ernst 1978, *Social Responsibility Disclosure: 1978 Survey*, Ernst & Ernst, Cleveland, Ohio.

Esa, E. & Mohd Ghazali, N. A. 2012, 'Corporate Social Responsibility and Corporate Governance in Malaysian Government-Linked Companies', *Corporate Governance: The international journal of business in society*, vol. 12, no. 3, pp. 292-305.

ESG 2014, *Environment, Social and Corporate Governance (ESG)*, viewed 20 August 2014, <http://www.hawkamah.org/sectors/esg/>.

European Commission 2011, *Corporate Social Responsibility: A New Definition, a New Agenda for Action*, http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=5511,

http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=7010.

Faisal, M. N., Jabeen, F. & Katsioloudes, M. I. 2017, 'Strategic Interventions to Improve Women Entrepreneurship in GCC Countries: A Relationship Modeling Approach', *Journal of Entrepreneurship in Emerging Economies*, vol. 9, no. 2, pp. 161-180.

Fama, E. F. & Jensen, M. C. 1983, 'Separation of Ownership and Control', *Journal of Law and Economics*, vol. 26, no. 2, pp. 301-325.

Farache, F. & Perks, K. J. 2010, 'CSR Advertisements: A Legitimacy Tool?', *Corporate Communications*, vol. 15, no. 3, pp. 235-248.

Farook, S., Hassan, M. K. & Lanis, R. 2011, 'Determinants of Corporate Social Responsibility Disclosure: The Case of Islamic Banks', *Journal of Islamic Accounting and Business Research*, vol. 2, no. 2, pp. 114-141.

Farrelly, F. & Quester, P. G. 2003, 'What Drives Renewal of Sponsorship Principal/Agent Relationships?', *Journal of Advertising Research*, vol. 43, no. 4, p. 353+.

Fassin, Y. 2009, 'The Stakeholder Model Refined', *Journal of Business Ethics*, vol. 84, no. 1, pp. 113-135.

Felder, D. & Vuollo, M. 2008, *Qatari Women in the Workforce*, RAND, Qatar, http://ssrn.com/abstract=1291424.

Fifka, M. S. 2013, 'Corporate Responsibility Reporting and its Determinants in Comparative Perspective – a Review of the Empirical Literature and a Meta-analysis', *Business Strategy and the Environment*, vol. 22, no. 1, pp. 1-35.

Foran, T. 2001, *Corporate Social Responsibility at Nine Multinational Electronics Firms in Thailand: A Preliminary Analysis*, Nautilus Institute for Security and Sustainable Development, Berkeley, CA.

Forbes Insights 2013, *BNP Paribas Individual Philanthropy Index: Measuring Commitment in Europe | Asia | Middle East*, New York, USA.

Frederick, W. C. 1994, 'From CSR1 to CSR2', *Business & Society*, vol. 33, no. 2, pp. 150-150.

Freedom House 2017, *Freedom in The World 2017*, USA.

Freeman, R. E. 1984, *Strategic Management: A Stakeholder Approach*, Mass: Ballinger, Cambridge.

Freeman, R. E. 2010, *Strategic Mmanagement: A Stakeholder Approach*, Cambridge University Press.

Friedman, M. 1970, 'The Social Responsibility of Business is to Increase its Profits', *New York Times Magazine*, vol. 13.

Friedman, M. 2002, *Capitalism and Freedom*, University of Chicago press.

Galbreath, J., Singh, I. & Van Der Zahn, J. 2008, 'The Link Between Corporate Governance and Sustainability: Evidence From The Oil and Gas Industry'.

Gamble, G. O., Hsu, K., Jackson, C. & Tollerson, C. D. 1996, 'Environmental Disclosures in Annual Reports: An International Perspective', *The International Journal of Accounting*, vol. 31, no. 3, pp. 293-331.

Gamerschlag, R., Möller, K. & Verbeeten, F. 2011, 'Determinants of Voluntary CSR Disclosure: Empirical Evidence From Germany', *Review of Managerial Science*, vol. 5, no. 2-3, pp. 233-262.

Gao, S. S., Heravi, S. & Xiao, J. Z. 2005, 'Determinants of Corporate Social and Environmental Reporting in Hong Kong: A Research Note', *Accounting Forum*, vol. 29, no. 2, pp. 233-242.

García-Meca, E. & Sánchez-Ballesta, J. P. 2010, 'The Association of Board Independence and Ownership Concentration with Voluntary Disclosure: A Meta-analysis', *European Accounting Review*, vol. 19, no. 3, pp. 603-627.

GCC 2013, *Foundations and Objectives*, viewed 06 June 2013, <http://www.gcc-sg.org/eng/index13ac.html?action=Sec-Show&ID=36>.

Genest, C. M. 2005, 'Cultures, Organizations and Philanthropy', *Corporate Communications*, vol. 10, no. 4, pp. 315-327.

Golob, U. & Bartlett, J. L. 2007, 'Communicating About Corporate Social Responsibility: A Comparative Study of CSR Reporting in Australia and Slovenia', *Public Relations Review*, vol. 33, no. 1, pp. 1-9.

Goujon, A. & Barakat, B. 2010, 'Future Demographic Challenges in the Arab World1', *The Emirates Occasional Papers*, no. 75, pp. 1-65.

Goyal, A. 2006, 'Corporate Social Responsibility as a Signalling Device for Foreign Direct Investment', *International Journal of the Economics of Business*, vol. 13, no. 1, pp. 145-163.

Gray, R. 2001, 'Thirty Years of Social Accounting, Reporting and Auditing: What (if Anything) Have We Learnt?', *Business Ethics: A European Review*, vol. 10, no. 1, pp. 9-15.

Gray, R., Javad, M., Power, D. M. & Sinclair, C. D. 2001, 'Social and Environmental Disclosure and Corporate Characteristics: A Research Note and Extension', *Journal of Business Finance & Accounting*, vol. 28, no. 3-4, pp. 327-356.

Gray, R., Kouhy, R. & Lavers, S. 1995a, 'Corporate Social and Environmental Reporting: A Review of The Literature and A Longitudinal Study of UK Disclosure', *Accounting, Auditing & Accountability Journal*, vol. 8, no. 2, pp. 74 - 77.

Gray, R., Kouhy, R. & Lavers, S. 1995b, 'Constructing A Research Database of Social and Environmental Reporting by UK Companies', *Accounting, Auditing & Accountability Journal*, vol. 8, no. 2, pp. 78 - 101.

Gray, R., Owen, D. & Adams, C. 1996, *Accounting and Accountability: Changes and Challenges in Corporate Social and Environmental Reporting* London: Prentice Hall, New York.

Gray, R., Owen, D. & Adams, C. 2010, 'Some Theories For Social Accounting?: A Review Essay and a Tentative Pedagogic Categorisation of Theorisations Around Social Accounting', *Advances in Environmental Accounting and Management*, vol. 4, pp. 1-54.

Gray, R., Owen, D. & Maunders, K. 1987, *Corporate Social Reporting: Accounting and Accountability*, Prentice/Hall International, London.

Gray, R., Owen, D. & Maunders, K. 1988, 'Corporate Social Reporting: Emerging Trends in Accountability and the Social Contract', *Accounting, Auditing & Accountability Journal*, vol. 1, no. 1, pp. 6 - 20.

Grbich, C. 2013, *Qualitative Data Analysis: An Introduction*, 2nd edn, SAGE, Washington DC.

Greene, J. C. 2007, *Mixed Methods in Social Inquiry*, John Wiley & Sons, Inc, USA.

Greene, J. C., Caracelli, V. J. & Graham, W. F. 1989, 'Toward a Conceptual Framework for Mixed-Method Evaluation Designs', *Educational Evaluation and Policy Analysis*, vol. 11, no. 3, pp. 255-274.

Greene, W. H. 2003, *Econometric Analysis*, 5th edn, Prentice Hall, New Jersey, USA.

Greene, W. H. 2008, 'The Econometric Approach to Efficiency Analysis', *The measurement of productive efficiency and productivity growth*, pp. 92-250.

Greening, D. W. & Turban, D. B. 2000, 'Corporate Social Performance As a Competitive Advantage in Attracting a Quality Workforce', *Business & Society*, vol. 39, no. 3, pp. 254-280.

Greenwood, J. D. 1989, 'Realism', in *Explanation and Experiment in Social Psychological Science: Realism and the Social Constitution of Action*, Springer, New York, pp. 38-42.

Greenwood, M. 2001a, 'The Importance of Stakeholders According to Business Leaders', *Business & Society Review*, vol. 106, no. 1, pp. 29-49.

Greenwood, M. 2001b, 'Community As A Stakeholder: Focusing on Corporate Social and Environmental Reporting', *The Journal of Corporate Citizenship*, pp. 31-45.

Gujarati, D. N. 2009, *Basic Econometrics*, 5th edn, McGraw-Hill, New York.

Gujarati, D. N. & Porter, D. C. 2003, *Basic Econometrics*, 4th edn, McGraw-Hill, New York.

Gunawan, J. 2007, 'Corporate Social Disclosures by Indonesian Listed Companies: A Pilot Study', *Social Responsibility Journal*, vol. 3, no. 3, pp. 26-34.

Guthrie, J. 1982, Social Accounting in Australia: Social Responsibility Disclosure in The Top 150 Listed Australian Companies, 1980 Annual Reports, WAIT.

Guthrie, J. & Abeysekera, I. 2006, 'Content Analysis of Social, Environmental Reporting: What is New?', *Journal of Human Resource Costing & Accounting*, vol. 10, no. 2, pp. 114-126.

Guthrie, J. & Mathews, M. R. 1985, 'Corporate Social Accounting in Australasia', *Research in corporate social performance and policy*, vol. 7, no. 1, pp. 251-277.

Guthrie, J. & Parker, L. D. 1989, 'Corporate Social Reporting: A Rebuttal of Legitimacy Theory', *Accounting and Business Research*, vol. 19, no. 76, pp. 343-343.

Guthrie, J. & Parker, L. D. 1990, 'Corporate Social Disclosure Practice: A Comparative International Analysis', *Advances in Public Interest Accounting*, vol. 3, no. 2, pp. 159-176.

Guthrie, J., Petty, R. & Ricceri, F. 2006, 'The Voluntary Reporting of Intellectual Capital: Comparing Evidence From Hong Kong and Australia', *Journal of Intellectual Capital*, vol. 7, no. 2, pp. 254-271.

Guthrie, J., Petty, R., Yongvanich, K. & Ricceri, F. 2004, 'Using Content Analysis As A Research Method to Inquire into Intellectual Capital Reporting', *Journal of Intellectual Capital*, vol. 5, no. 2, pp. 282-293.

Hackston, D. & Milne, M. J. 1996, 'Some Determinants of Social and Environmental Disclosures in New Zealand Companies', *Accounting, Auditing & Accountability Journal*, vol. 9, no. 1, pp. 77-108.

Haider, M. B. 2010, 'An Overview of Corporate Social and Environmental Reporting (CSER) in Developing Countries', *Issues in Social and Environmental Accounting*, vol. 4, no. 1, pp. 3-17.

Hair, J. F., Wolfinbarger, M., Money, A. H., Samouel, P. & Page, M. J. 2015, *Essentials of Business Research Methods*, 2nd edn, M.E.Sharpe, New York, USA.

Haji, A. A. & Mohd Ghazali, N. A. 2012, 'The Influence of The Financial Crisis on Corporate Voluntary Disclosure: Some Malaysian Evidence', *International Journal of Disclosure and Governance*, vol. 9, no. 2, pp. 101-125.

Halal, W. E. 1990, 'The New Management: Business and Social Institutions in The Information Age', *Business in the Contemporary World*, vol. 2, no. 2, pp. 41-54.

Hall, N. L. & Jeanneret, T. 2015, 'Social Licence to Operate: An Opportunity to Enhance CSR for Deeper Communication and Engagement', *Corporate Communications: An International Journal*, vol. 20, no. 2, pp. 213-227.

Hamann, R. & Acutt, N. 2003, 'How Should Civil Society (and The Government) Respond to 'Corporate Social Responsibility'? A Critique of Business Motivations and the Potential for Partnerships', *Development Southern Africa*, vol. 20, no. 2, pp. 255-270.

Hammoudeh, S. & Li, H. 2008, 'Sudden Changes in Volatility in Emerging Markets: The Case of Gulf Arab Stock Markets', *International Review of Financial Analysis*, vol. 17, no. 1, pp. 47-63.

Haniffa, R. & Hudaib, M. 2007, 'Exploring the Ethical Identity of Islamic Banks via Communication in Annual Reports', *Journal of Business Ethics*, vol. 76, no. 1, pp. 97-116.

Haniffa, R. M. & Cooke, T. E. 2002, 'Culture, Corporate Governance and Disclosure in Malaysian Corporations', *ABACUS*, vol. 38, no. 3, pp. 317-349.

Haniffa, R. M. & Cooke, T. E. 2005, 'The Impact of Culture and Governance on Corporate Social Reporting', *Journal of Accounting and Public Policy*, vol. 24, no. 5, pp. 391-430.

Harjoto, M. A. & Jo, H. 2011, 'Corporate Governance and CSR Nexus', *Journal of Business Ethics*, vol. 100, no. 1, pp. 45-67.

Harrison, R. L. 2013, 'Using Mixed Methods Designs in The Journal of Business Research, 1990–2010', *Journal of Business Research*, vol. 66, no. 11, pp. 2153-2162.

Harrison, R. L. & Reilly, T. M. 2011, 'Mixed Methods Designs in Marketing Research', *Qualitative Market Research: An International Journal*, vol. 14, no. 1, pp. 7-26.

Hasan, S. 2017, 'Corporate Social Responsibility and Public Governance: An Analysis of Their Interrelationships in GCC Countries', in *Corporate Social Responsibility and the Three Sectors in Asia: How Conscious Engagement Can Benefit Civil Society*, ed. S. Hasan pp. 149-175.

Hassan, A. & Sofyan, S. H. 2010, 'Exploring Corporate Social Responsibility Disclosure: The Case of Islamic Banks', *International Journal of Islamic and Middle Eastern Finance and Management*, vol. 3, no. 3, pp. 203-227.

Hassan, A. M. H. 2003, 'Financial Integration of Stock Markets in The Gulf: A Multivariate Cointegration Analysis', *International Journal of Business*, vol. 8, no. 3.

Hassan, M. K. 2012, 'A Disclosure Index to Measure the Extent of Corporate Governance Reporting by UAE Listed Corporations', *Journal of Financial Reporting and Accounting*, vol. 10, no. 1, pp. 4-33.

Hassan, N. T. 2010, Corporate Social Responsibility Disclosure: An Examination of Framework of Determinants and Consequences, PhD thesis, Durham University.

Hazelton, J. 2005, 'The Amorality of Public Corporations', *Essays in Philosophy*, vol. 6, no. 1.

Hazelton, J. 2013, 'Accounting as a Human Right: The Case of Water Information', *Accounting, Auditing & Accountability Journal*, vol. 26, no. 2, pp. 267-311.

Henseler, J., Wilson, B. & Westberg, K. 2011, 'Managers' Perceptions of the Impact of Sport Sponsorship on Brand Equity: Which Aspects of the Sponsorship Matter Most?', *Sport Marketing Quarterly*, vol. 20, no. 1, pp. 7-21.

Hess, D., Rogovsky, N. & Dunfee, T. W. 2002, 'The Next Wave of Corporate Community Involvement: Corporate Social Initiatives', *California Management Review*, vol. 44, no. 2, pp. 110-125.

Hess, D. W. 2014, 'The Framework for CSR Assessment, Measurement, and Reporting', in *Christian Ethics and Corporate Culture: A Critical View on Corporate Responsibilities*, ed. O. Bartholomew, Springer, New York, pp. 177-192.

Hesse-Biber, S. N. & Leavy, P. 2011, *The Practice of Qualitative Research*, 2nd edn, SAGE, London.

Hill, R. C., Griffiths, W. E. & Lim, G. C. 2008, *Principles of Econometrics*, John Wiley & Sons.

Hillman, A. J. & Keim, G. D. 2001, 'Shareholder Value, Stakeholder Management, and Social Issues: What's The Bottom Line?', *Strategic management journal*, vol. 22, no. 2, pp. 125-139.

Hillman, A. J., Shropshire, C. & Cannella, A. A. 2007, 'Organizational Predictors of Women on Corporate Boards', *Academy of management Journal*, vol. 50, no. 4, pp. 941-952.

Himmelstein, J. L. & Hewa, S. 1999, 'Looking Good & Doing Good, Corporate Philanthropy & Corporate Power', *Canadian Journal of Sociology*, vol. 24, no. 2, pp. 308-310.

Hines, R. D. 1988, 'Financial accounting: in communicating reality, we construct reality', *Accounting, Organizations and Society*, vol. 13, no. 3, pp. 251-261.

Hirsch, P. M. & Lounsbury, M. 1997, 'Ending The Family Quarrel: Toward A Reconciliation of "Old" and "New" Institutionalisms', *The American Behavioral Scientist*, vol. 40, no. 4, pp. 406-418.

Ho, S. S. M. & Shun Wong, K. 2001, 'A Study of The Relationship Between Corporate Governance Structures and The Extent of Voluntary Disclosure', *Journal of International Accounting, Auditing and Taxation*, vol. 10, no. 2, pp. 139-156.

Hockerts, K. 2015, 'A Cognitive Perspective on the Business Case for Corporate Sustainability', *Business Strategy and the Environment*, vol. 24, no. 2, pp. 102-122.

Hodges, J. 2017, 'Cracking The Walls of Leadership: Women in Saudi Arabia', *Gender in Management: An International Journal*, vol. 32, no. 1, pp. 34-46.

Hogner, R. H. 1982, 'Corporate Social Reporting: Eight Decades of Development at US Steel', *Research in Corporate Performance and Policy*, vol. 4, pp. 243-250.

Holder-Webb, L., Cohen, J., Nath, L. & Wood, D. 2009, 'The Supply of Corporate Social Responsibility Disclosures Among U.S. Firms', *Journal of Business Ethics*, vol. 84, no. 4, pp. 497-527.

Holsti, O. R. 1969, *Content Analysis for the Social Sciences and Humanities*, Addison-Wesley Co., USA.

Hooghiemstra, R. 2000, 'Corporate Communication and Impression Management–New Perspectives Why Companies Engage in Corporate Social Reporting', *Journal of Business Ethics*, vol. 27, no. 1, pp. 55-68.

Hossain, M. & Hammami, H. 2009, 'Voluntary Disclosure in The Annual Reports of An Emerging Country: The Case of Qatar', *Advances in accounting*, vol. 25, no. 2, pp. 255-265.

Hossain, M., Islam, K. & Adndrew, J. 2006, Corporate Social and Environmental Disclosure in Developing Countries: Evidence from Bangladesh, paper presented to the Asian Pacific Conference on International Accounting Issues, Hawaii.

Hossain, M., Momin, M. A. & Al-Naama, K. 2014, 'Female Managers' Perception Regarding Female Participation in Corporate Boardroom: Evidence From an Emerging Country', *Academy of Taiwan Business management Review*, vol. 10, no. 3, pp. 1-19.

Hossain, M. M., Momin, M. A., Rowe, A. L. & Quaddus, M. 2017, 'Corporate Social and Environmental Reporting Practices: A Case of Listed Companies in Bangladesh', *Sustainability Accounting, Management and Policy Journal*, vol. 8, no. 2, pp. 138-165.

Hsiao, C. 2014, *Analysis of Panel Data*, 3rd edn, Cambridge University Press.

Htay, S. N. N., Ab Rashid, H. M., Adnan, M. A. & Meera, A. K. M. 2012, 'Impact of Corporate Governance on Social And Environmental Information Disclosure of Malaysian Listed Banks: Panel Data Analysis', *Asian Journal of Finance & Accounting*, vol. 4, no. 1, p. 1.

Hussain, M., Islam, M. M., Gunasekaran, A. & Maskooki, K. 2002, 'Accounting Standards and Practices of Financial Institutions in GCC Countries', *Managerial Auditing Journal*, vol. 17, no. 7, pp. 350-362.

Hussain, S. H. & Mallin, C. 2002, 'Corporate Governance in Bahrain', *Corporate Governance: An International Review*, vol. 10, no. 3, pp. 197-210.

Huther, J. 1997, 'An Empirical Test of The Effect of Board Size on Firm Efficiency', *Economics Letters*, vol. 54, no. 3, pp. 259-264.

Ibrahim, N. & Angelidis, J. 1991, 'Effects of Board Members' Gender on Level of Involvement in Strategic Management and Corporate Social Responsiveness Orientation', *Proceedings of the Northeast Decision Sciences Institute*, vol. 208, no. 10.

Ijiri, Y. 1983, 'On The Accountability-Based Conceptual Framework of Accounting', *Journal of Accounting and Public Policy*, vol. 2, no. 2, pp. 75-81.

ILO 2012, *Rethinking Economic Growth: Towards Productive And Inclusive Arab Societies*, Beirut, Lebanon.

ILO 2013, *Global Employment Trends 2013: Recovering From A Second Jobs Dip*, Switzerland.

IMF 2013, *World Economic Outlook Database*, International Monetary Fund, 05 June 2013, http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/index.aspx.

Islam, M. A. & Deegan, C. 2010, 'Media Pressures and Corporate Disclosure of Social Responsibility Performance Information: A Study of Two Global Clothing and Sports Retail Companies', *Accounting and Business Research*, vol. 40, no. 2, pp. 131-148.

Jamali, D. 2010, 'MNCs and International Accountability Standards Through an Institutional Lens: Evidence of Symbolic Conformity or Decoupling', *Journal of Business Ethics*, vol. 95, no. 4, pp. 617-640.

Jamali, D. & Mirshak, R. 2007, 'Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context', *Journal of Business Ethics*, vol. 72, no. 3, pp. 243-262.

Jamali, D. & Sidani, Y. (eds) 2012, *CSR in the Middle East: Fresh Perspectives*, Palgrave Macmillan, Basingstoke, UK.

Jannadi, B., Alshammari, H., Khan, A. & Hussain, R. 2008, 'Current Structure and Future Challenges for the Healthcare System in Saudi Arabia', *Asia Pacific Journal of Health Management*, vol. 3, no. 1.

Jensen, M. C. 1993, 'The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems', *The Journal of Finance*, vol. 48, no. 3, pp. 831-880.

Jensen, M. C. & Meckling, W. H. 1976, 'Theory of The Firm: Managerial Behavior, Agency Costs and Ownership Structure', *Journal of financial economics*, vol. 3, no. 4, pp. 305-360.

Jizi, M. I., Salama, A., Dixon, R. & Stratling, R. 2014, 'Corporate Governance and Corporate Social Responsibility Disclosure: Evidence from the US Banking Sector', *Journal of Business Ethics*, vol. 125, no. 4, pp. 601-615.

Jo, H. & Harjoto, M. 2011, 'Corporate Governance and Firm Value: The Impact of Corporate Social Responsibility', *Journal of Business Ethics*, vol. 103, no. 3, pp. 351-383.

John, K. & Senbet, L. W. 1998, 'Corporate Governance and Board Effectiveness', *Journal of Banking & Finance*, vol. 22, no. 4, pp. 371-403.

Johnson, R. B. & Onwuegbuzie, A. J. 2004, 'Mixed Methods Research: A Research Paradigm Whose Time Has Come', *Educational Researcher*, vol. 33, no. 7, pp. 14-26.

Jones, D. A., Willness, C. & Macneil, S. 2009, 'Corporate Social Responsibility and Recruitment: Testing Person-Organization Fit and Signaling Mechanisms', *Academy of Management Proceedings*, vol. 2009, no. 1, pp. 1-6.

Jones, G. R. 2007a, Deafening Silence: Philanthropic Reporting by Australia's Largest Public Corporations, Master thesis, Flinders University of South Australia.

Joseph, R. & Fernandez, M. 2016, 'Growth of Stock Market in the UAE through Merger: A Comparative Study of GCC Stock Markets', *Accounting and Finance Research*, vol. 5, no. 3, pp. 190-199.

Kamla, R. 2007, 'Critically Appreciating Social Accounting and Reporting in the Arab MiddleEast: A Postcolonial Perspective', *Advances in international accounting*, vol. 20, no. 0, pp. 105-177.

Kathyayini, K., Tilt, C. A. & Lester, L. H. 2012, 'Corporate Governance and Environmental Reporting: An Australian Study', *Corporate Governance*, vol. 12, no. 2, pp. 143-163.

Keim, G. 2003, 'Nongovernmental Organizations and Business-Government Relations: The Importance of Institutions', in *Globalization and NGOs: Transforming business, government, and society*, eds J. P. Doh & H. Teegen, PRAEGER, London, pp. 19-34.

Kemp, L. J., Madsen, S. R. & Davis, J. 2015, 'Women in Business Leadership: A Comparative Study of Countries in The Gulf Arab States', *International Journal of Cross Cultural Management*, vol. 15, no. 2, pp. 215-233.

Kemp, L. J., Madsen, S. R. & El-Saidi, M. 2013, 'The Current State of Female Leadership in The United Arab Emirates', *Journal of Global Responsibility*, vol. 4, no. 1, pp. 99-112.

Kent, P. & Zunker, T. 2013, 'Attaining Legitimacy by Employee Information in Annual Reports', *Accounting, Auditing & Accountability Journal*, vol. 26, no. 7, p. 2.

Kerlinger, F. N. 1964, *Foundations of Behavioral Research: Educational and Psychological Inquiry*, Holt, Rinehart and Winston, Inc., USA.

Kevin Honglin, Z. 2001, 'Does Foreign Direct Investment Promote Economic Growth? Evidence From East Asia and Latin America', *Contemporary Economic Policy*, vol. 19, no. 2, pp. 175-185.

Khafagy, R. 2009, 'Global Philanthropy: Gulf Organization and Lessons from Western Foundations', *The Global Studies Journal*, vol. 2, no. 1, pp. 155-170.

Khalifa, A. A. 2012, 'Macroeconomic Competitiveness

of the GCC Economies', in *The GCC Economies: Stepping Up To Future Challenges*, ed. M. A. Ramady, Springer, New York.

Khan, H. U. Z. 2010, 'The Effect of Corporate Governance Elements on Corporate Social Responsibility (CSR) Reporting: Empirical Evidence From Private Commercial Banks of Bangladesh', *International Journal of Law and Management*, vol. 52, no. 2, pp. 82-109.

Khasharmeh, H. & Suwaidan, M. S. 2010, 'Social Responsibility Disclosure in Corporate Annual Reports: Evidence From The Gulf Cooperation Council Countries', *International Journal of Accounting, Auditing and Performance Evaluation*, vol. 6, no. 4, pp. 327-345.

Kilcullen, M. & Kooistra, J. 1999, 'At Least Do No Harm: Sources on The Changing Role of Business Ethics and Corporate Social Responsibility', *Reference Services Review*, vol. 27, no. 2, pp. 158-178.

Kiliç, M., Kuzey, C. & Uyar, A. 2015, 'The Impact of Ownership and Board Structure on Corporate Social Responsibility (CSR) Reporting in The Turkish Banking Industry', *Corporate Governance*, vol. 15, no. 3, pp. 357-374.

Kirchberg, V. 1995, 'Arts Sponsorship and The State of The City', *Journal of Cultural Economics*, vol. 19, no. 4, pp. 305-320.

Knights, D. & Willmott, H. 2007, *Introducing Organizational Behaviour and Management*, Thomson Learning, UK.

Knox, S., Maklan, S. & French, P. 2005, 'Corporate Social Responsibility: Exploring Stakeholder Relationships and Programme Reporting across Leading FTSE Companies', *Journal of Business Ethics*, vol. 61, no. 1, pp. 7-28.

Kolk, A. & Pinkse, J. 2006, 'Stakeholder Mismanagement and Corporate Social Responsibility Crises', *European Management Journal*, vol. 24, no. 1, pp. 59-72.

Kotonen, U. 2009, 'Formal Corporate Social Responsibility Reporting in Finnish Listed Companies', *Journal of Applied Accounting Research*, vol. 10, no. 3, pp. 176-207.

KPMG 2005, *KPMG International Survey of Corporate Responsibility Reporting 2005*, University of Amsterdam and KPMG Global Sustainability Services, Amsterdam, The Netherlands.

KPMG 2008, *KPMG International Survey of Corporate Responsibility Reporting 2008*.

KPMG 2011, *KPMG International Survey of Corporate Responsibility Reporting 2011*.

KPMG 2015, *The KPMG Survey of Corporate Responsibility Reporting 2015*, Netherlands.

Kreiner, P. & Bhambri, A. 1991, 'Influence and Information in Organization-Stakeholder Relationships', *Research in corporate social performance and policy*, vol. 12, pp. 3-36.

Krippendorff, K. 1980, *Content Analysis: An Introduction to its Methodology*, SAGE, London.

Kuasirikun, N. & Sherer, M. 2004, 'Corporate Social Accounting Disclosure in Thailand', *Accounting, Auditing & Accountability Journal*, vol. 17, no. 4, pp. 629-660.

Kulkarni, S. P. 2000, 'Environmental Ethics and Information Asymmetry Among Organizational Stakeholders', *Journal of Business Ethics*, vol. 27, no. 3, pp. 215-228.

Kumar, S. & Tiwari, R. 2011, 'Corporate Social Responsibility: Insights into Contemporary Research', *IUP Journal of Corporate Governance*, vol. X, no. 1, pp. 22-44.

Kutner, M. H., Nachtsheim, C. & Neter, J. 2004, *Applied Linear Regression Models*, McGraw-Hill/Irwin.

Kuttab, A. & Johnson, P. 2011, *Better Knowledge, Better Giving: The Need for Philanthropic Data in the Arab Region*, The American University in Cairo, Egypt.

Lajili, K. 2009, 'Corporate Risk Disclosure and Corporate Governance', *Journal of Risk and Financial Management*, vol. 2, no. 1, p. 94.

Lakin, N. & Scheubel, V. 2010, *Corporate Community Involvement*, Stanford University Press, Stanford, California.

Lawrence, A. T., Weber, J. & Post, J. E. 2005, *Business and Society: Stakeholders, Ethics*, Public Policy, 11th edn, McGraw Hill, New York.

Lee, L. & Higgins, C. 2001, 'Corporate Volunteering', *Journal of Corporate Citizenship*, vol. 2001, no. 4, pp. 79-90.

Levitt, T. 1958, 'The Dangers of Social Responsibility', *Harvard Business Review*, vol. 36, no. 5, pp. 41-50.

Lewis, M. K. 2001, Islam and Accounting, paper presented to Accounting Forum, Wiley Online Library, vol. 25, pp. 103-127.

Lewis, M. K. 2006, 'The Foundations and Principles of Accounting and Accountability under Islam', *European Journal of Management and Public Policy*, vol. 5, no. 1, pp. 19-34.

Li, J., Pike, R. & Haniffa, R. 2008, 'Intellectual Capital Disclosure and Corporate Governance Structure in UK Firms', *Accounting and Business Research*, vol. 38, no. 2, pp. 137-159.

Li, N. & Toppinen, A. 2011, 'Corporate Responsibility and Sustainable Competitive Advantage in Forest-Based Industry: Complementary or Conflicting Goals?', *Forest Policy and Economics*, vol. 13, no. 2, pp. 113-123.

Li, Q., Luo, W., Wang, Y. & Wu, L. 2013, 'Firm Performance, Corporate Ownership, and Corporate Social Responsibility Disclosure in China', *Business Ethics: A European Review*, vol. 22, no. 2, pp. 159-173.

Lim, S., Matolcsy, Z. & Chow, D. 2007, 'The Association between Board Composition and Different Types of Voluntary Disclosure', *European Accounting Review*, vol. 16, no. 3, pp. 555-583.

Lindblom, C. K. 1994, The Implications of Organizational Legitimacy for Corporate Social Performance and Disclosure, paper presented to Critical perspectives on accounting conference, New York, vol. 120.

Lorenz, C., Gentile, G.-C. & Wehner, T. 2013, 'Exploring Corporate Community Engagement in Switzerland: Activities, Motivations, and Processes', *Business & Society*.

Maali, B., Casson, P. & Napier, C. 2006, 'Social Reporting by Islamic Banks', *ABACUS*, vol. 42, no. 2, pp. 266-289.

Madden, K., Scaife, W. & Crissman, K. 2006, 'How and Why Small to Medium Size Enterprises (SMEs) Engage With Their Communities: An Australian Study', *International Journal of Nonprofit and Voluntary Sector Marketing*, vol. 11, no. 1, pp. 49-60.

Madrigal, R. 2001, 'Social Identity Effects in A Belief-Attitude-Intentions Hierarchy: Implications for Corporate Sponsorship', *Psychology & Marketing*, vol. 18, no. 2, pp. 145-165.

Maignan, I. & Ralston, D. A. 2002, 'Corporate Social Responsibility in Europe and The U.S.: Insights from Businesses' Self-Presentations', *Journal of international business studies*, vol. 33, no. 3, pp. 497-514.

Mailand, M. 2004, 'Social Partnership As An Approach to CSR: ‘Traditional’ and ‘New’ Actors, Their Roles and Relations', *Transfer: European Review of Labour and Research*, vol. 10, no. 3, pp. 416-432.

Majeed, S., Aziz, T. & Saleem, S. 2015, 'The Effect of Corporate Governance Elements on Corporate Social Responsibility (CSR) Disclosure: An Empirical Evidence from Listed Companies at KSE Pakistan', *International Journal of Financial Studies*, vol. 3, no. 4, pp. 530-556.

Mallin, C. A. (ed.) 2006, *International Corporate Governance: A Case Study Approach*, Edward Elgar, USA.

Mallin, C. A. & Michelon, G. 2011, 'Board Reputation Attributes and Corporate Social Performance: An Empirical Investigation of The US Best Corporate Citizens', *Accounting and Business Research*, vol. 41, no. 2, pp. 119-144.

Malone, D., Fries, C. & Jones, T. 1993, 'An Empirical Investigation of The Extent of Corporate Financial Disclosure in The Oil and Gas Industry', *Journal of Accounting, Auditing & Finance*, vol. 8, no. 3, pp. 249-273.

Mandhachitara, R. & Poolthong, Y. 2011, 'A Model of Customer Loyalty and Corporate Social Responsibility', *Journal of Services Marketing*, vol. 25, no. 2, pp. 122-133.

Mandurah, S., Khatib, J. & Al-Sabaan, S. 2012, 'Corporate Social Responsibility Among Saudi Arabian Firms: An Empirical Investigation', *Journal of Applied Business Research*, vol. 28, no. 5, pp. 1049-1057.

Marcel van, M. 2003, 'Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion', *Journal of Business Ethics*, vol. 44, no. 2/3, pp. 95-105.

Marios, I. K. & Tor, B. 2007, 'Corporate Social Responsibility: An Exploratory Study in the United Arab Emirates', *S.A.M. Advanced Management Journal*, vol. 72, no. 4, pp. 9-20.

Marmenout, K. 2009, 'Women-Focused Leadership Development in the Middle East: Generating Local Knowledge '.

Marshall, B., Cardon, P., Poddar, A. & Fontenot, R. 2013, 'Does Sample Size Matter in Qualitative Research?: A Review of Qualitative Interviews in is Research', *Journal of Computer Information Systems*, vol. 54, no. 1, pp. 11-22.

Mathews, M. R. 1997, 'Twenty-Five Years of Social and Environmental Accounting Research is There A Silver Jubilee to Celebrate?', *Accounting, Auditing & Accountability Journal*, vol. 10, no. 4, pp. 481-531.

Matten, D., Crane, A. & Chapple, W. 2003, 'Behind The Mask: Revealing The True Face of Corporate Citizenship', *Journal of Business Ethics*, vol. 45, no. 1/2, pp. 109-120.

Maxwell, J. A. & Mittapalli, K. 2010, 'Realism as a Stance for Mixed Methods Research', in *Mixed Methods in Social & Behavioral Research*, 2nd edn, eds A. Tashakkori & C. Teddlie, SAGE Publications, Inc., USA.

McGuire, J. B., Sundgren, A. & Schneeweis, T. 1988, 'Corporate Social Responsibility and Firm Financial Performance', *Academy of management Journal*, vol. 31, no. 4, pp. 854-872.

Meenaghan, T. 1991, 'The Role of Sponsorship in the Marketing Communications Mix', *International Journal of Advertising*, vol. 10, no. 1, pp. 35-47.

Mescon, T. S. & Tilson, D. J. 1987, 'Corporate Philanthropy: A Strategic Approach to The Bottom-Line', *California Management Review*, vol. 29, no. 2, pp. 49-61.

Metcalfe, C. E. 1998, 'The Stakeholder Corporation', *Business Ethics: A European Review*, vol. 7, no. 1, pp. 30-36.

Miles, M. B. & Huberman, A. M. 1994, *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd edn, SAGE, USA.

Milne, M. J. & Adler, R. W. 1999, 'Exploring The Reliability of Social and Environmental Disclosures Content Analysis', *Accounting, Auditing & Accountability Journal*, vol. 12, no. 2, pp. 237-256.

Minnee, F., Shanka, T., Taylor, R. & Handley, B. 2013, 'Exploring Corporate Responsibility in Oman – Social Expectations and Practice', *Social Responsibility Journal*, vol. 9, no. 2, pp. 326-339.

Mitchell, R. K., Agle, B. R. & Wood, D. J. 1997, 'Toward A Theory of Stakeholder Identification and Salience: Defining The Principle of Who and What Really Counts', *Academy of management review*, vol. 22, no. 4, pp. 853-886.

Mohanty, S. K., Nandha, M., Turkistani, A. Q. & Alaitani, M. Y. 2011, 'Oil Price Movements and Stock Market Returns: Evidence From Gulf Cooperation Council (GCC) Countries', *Global Finance Journal*, vol. 22, no. 1, pp. 42-55.

Mohd Ghazali, N. A. 2007, 'Ownership Structure and Corporate Social Responsibility Disclosure: Some Malaysian Evidence', *Corporate Governance: The international journal of business in society*, vol. 7, no. 3, pp. 251-266.

Moir, L. & Taffler, R. 2004, 'Does Corporate Philanthropy Exist?: Business Giving to The Arts in The U.K.', *Journal of Business Ethics*, vol. 54, no. 2, pp. 149-161.

Momin, M. A. 2006, Corporate Social Responsibility and Reporting by Multinational Corporations in Bangladesh : An Exploration, PhD thesis, University of Glasgow.

Momin, M. A. & Parker, L. D. 2013, 'Motivations for Corporate Social Responsibility Reporting by MNC Subsidiaries in An Emerging Country: The Case of Bangladesh', *The British Accounting Review*, vol. 45, no. 3, pp. 215-228.

Moon, J. 2007, 'The Contribution of Corporate Social Responsibility to Sustainable Development', *Sustainable Development*, vol. 15, no. 5, pp. 296-306.

Moon, J. & Mathuri, J. N. 2006, *An Evaluation of Corporate Community Investment in The UK: Current Developments, Future Challenges*, (ICCSR), Nottingham University Business School for CAF (Charities Aid Foundation), Nottingham, U.K.

Morgan, D. L. 1998, 'Practical Strategies for Combining Qualitative and Quantitative Methods: Applications to Health Research', *Qualitative Health Research*, vol. 8, no. 3, pp. 362-376.

Morris, R. D. 1987, 'Signalling, Agency Theory and Accounting Policy Choice', *Accounting and Business Research*, vol. 18, no. 69, p. 47.

Muller, A., Pfarrer, M. & Little, L. 2013, 'A Theory of Collective Empathy in Corporate Philanthropy Decisions', *Academy of management review*, vol. 39, no. 1, pp. 1-21.

Mundlak, Y. 1978, 'On the Pooling of Time Series and Cross Section Data', *Econometrica (pre-1986)*, vol. 46, no. 1, p. 69.

Munhall, P. L. 1988, 'Ethical Considerations in Qualitative Research', *Western Journal of Nursing Research*, vol. 10, no. 2, pp. 150-162.

Munro, V. 2013, 'Stakeholder Understanding of Corporate Social Responsibility (CSR) in Emerging Markets with a Focus on Middle East, Africa (MEA) and Asia', *Journal of Global Policy and Governance*, pp. 1-19.

Muscat Daily 2012, *Ahlibank Unveils Expanded CSR Strategy for 2012*, viewed 22 April 2013 <http://www.muscatdaily.com/Archive/Business/Ahlibank-unveils-expanded-CSR-strategy-for-2012>.

Muthuri, J. N. 2008, 'Participation and Accountability in Corporate Community Involvement Programmes: A Research Agenda', *Community Development Journal*, vol. 43, no. 2, pp. 177-193.

Muthuri, J. N., Chapple, W. & Moon, J. 2009, 'An Integrated Approach to Implementing 'Community Participation' in Corporate Community Involvement: Lessons from Magadi Soda Company in Kenya', *Journal of Business Ethics*, vol. 85, pp. 431-444.

Muthuri, J. N., Moon, J. & Idemudia, U. 2012, 'Corporate Innovation and Sustainable Community Development in Developing Countries', *Business & Society*, vol. 51, no. 3, pp. 355-381.

Muttakin, M. B. & Khan, A. 2014, 'Determinants of Corporate Social Disclosure: Empirical Evidence from Bangladesh', *Advances in accounting*, vol. 30, no. 1, pp. 168-175.

Muttakin, M. B., Khan, A. & Subramaniam, N. 2015, 'Firm Characteristics, Board Diversity and Corporate Social Responsibility: Evidence from Bangladesh', *Pacific Accounting Review*, vol. 27.

Muttakin, M. B. & Subramaniam, N. 2015, 'Firm Ownership and Board Characteristics: Do They Matter for Corporate Social Responsibility Disclosure of Indian Companies?', *Sustainability Accounting, Management and Policy Journal*, vol. 6, no. 2, pp. 138-165.

Myers, R. 1990, *Classical and Modern Regression with Application*, Pacific Grove, CA, Duxbury.

Nacheva, V. 2007, 'CSR Gaining Momentum in Kuwait, Middle East', *McClatchy - Tribune Business News*, 2007 Apr 29, p. 1.

Nalband, N. A. & Al-Amri, M. S. 2013, 'Corporate Social Responsibility–Perception, Practices and Performance of Listed Companies of Kingdom of Saudi Arabia', *Competitiveness Review: An International Business Journal incorporating Journal of Global Competitiveness*, vol. 23, no. 3, pp. 5-5.

Naser, K., Al-Hussaini, A., Al-Kwari, D. & Nuseibeh, R. 2006, 'Determinants of Corporate Social Disclosure in Developing Countries: The Case of Qatar', *Advances in international accounting*, vol. 19, no. 6, pp. 1-23.

Naser, K. & Hassan, Y. 2013, 'Determinants of Corporate Social Responsibility Reporting: Evidence from An Emerging Economy', *Journal of Contemporary Issues in Business Research*, vol. 3, no. 2, pp. 56-74.

Naser, K. & Nuseibeh, R. 2003, 'Retracted: User's Perception of Corporate Reporting: Evidence from Saudi Arabia', *The British Accounting Review*, vol. 35, no. 2, pp. 129-153.

Naser, K., Nuseibeh, R. & Al-Hussaini, A. 2003, 'Users' Perceptions of Various Aspects of Kuwaiti Corporate Reporting', *Managerial Auditing Journal*, vol. 18, no. 6/7, pp. 599-617.

Nasrullah, N. M. & Rahim, M. M. 2014, 'Trends in CSR Practices in Developed and Developing Countries', in *CSR in Private Enterprises in Developing Countries*, Springer, London, pp. 41-74.

Naushad, M. & Abdul Malik, S. 2015, 'Corporate Governance and Bank Performance: A Study of Selected Banks in GCC Region', *Asian Social Science*, vol. 11, no. 9.

Nawas, H. 2016, 'Countering Iran from Within: Demographic and Economic Diversification in GCC Countries', in *The Arms Trade, Military Services and the Security Market in the Gulf States*, Gerlach Press, pp. 63-79.

Nelson, S. 2011, 'Poverty Hides Amid Saudi Arabia's Oil Wealth', *NPR*, viewed on 30 August 2012.

Newell, P. 2005, 'Citizenship, Accountability and Community: The Limits of The CSR Agenda', *International Affairs*, vol. 81, no. 3, pp. 541-557.

Ng, L. W. 1985, *Social Responsibility Disclosures of Selected New Zealand Companies for 1981, 1982 and 1983*, Faculty of Business, Massey University.

Nik Nazli, N. A. & Sulaiman, M. 2004, 'Environmental Disclosures in Malaysian Annual Reports: A Legitimacy Theory Perspective', *International Journal of Commerce & Management*, vol. 14, no. 1, pp. 44-58.

Ntim, C. G., Lindop, S. & Thomas, D. A. 2013, 'Corporate Governance and Risk Reporting in South Africa: A Study of Corporate Risk Disclosures in The Pre- and Post- 2007/2008 Global Financial Crisis Periods', *International Review of Financial Analysis*, vol. 30, pp. 363-383.

Nurunnabi, M. 2017, 'Transformation from An Oil-Based Economy to A Knowledge-Based Economy in Saudi Arabia: The Direction of Saudi Vision 2030', *Journal of the Knowledge Economy*, pp. 1-29.

O'Dwyer, B. 2002, 'Managerial Perceptions of Corporate Social Disclosure: An Irish Story', *Accounting, Auditing & Accountability Journal*, vol. 15, no. 3, pp. 406-.;436.

O'Dwyer, B. 2003, 'Conceptions of Corporate Social Responsibility: The Nature of Managerial Capture', *Accounting, Auditing & Accountability Journal*, vol. 16, no. 4, pp. 523-557.

O'Dwyer, B. 2008, 'Qualitative Data Analysis: Illuminating A Process for Transforming A 'Messy' but 'Attractive' 'Nuisance'', in *The Real Life Guide to Accounting Research: A behind the scenes view of using qualitative research methods*, eds C. Humphrey & B. Lee, CIMA Publishing, UK.

O'Dwyer, B. & Boomsma, R. 2015, 'The Co-Construction of NGO Accountability: Aligning Imposed and Felt Accountability in NGO-Funder Accountability Relationships', *Accounting, Auditing & Accountability Journal*, vol. 28, no. 1, pp. 36-68.

O'Rourke, A. 2003, 'A New Politics of Engagement: Shareholder Activism for Corporate Social Responsibility', *Business Strategy and the Environment*, vol. 12, no. 4, pp. 227-239.

O'Rourke, D. 2004, *Opportunities and Obstacles for Corporate Social Responsibility Reporting in Developing Countries*, The World Bank, USA.

Ogden, S. & Clarke, J. 2005, 'Customer Disclosures, Impression Management and The Construction of Legitimacy: Corporate Reports in The UK Privatised Water Industry', *Accounting, Auditing & Accountability Journal*, vol. 18, no. 3, pp. 313-345.

Oliver, C. 1991, 'Strategic Responses to Institutional Processes', *Academy of management review*, vol. 16, no. 1, p. 145.

OPEC 2013, *OPEC Bulletin: Kuwait Hosts First Petrolum Media Forum*, Kuwait.

Oppenheim, A. N. 2000, *Questionnaire Design, Interviewing and Attitude Measurement*, Bloomsbury Publishing, London.

Othman, R. & Ameer, R. 2009, 'Corporate Social and Environmental Reporting: Where are We Heading? A Survey of The Literature', *International Journal of Disclosure and Governance*, vol. 6, no. 4, pp. 298-320.

Panapanaan, V. M., Linnanen, L., Karvonen, M.-M. & Phan, V. T. 2003, 'Roadmapping Corporate Social Responsibility in Finnish Companies', *Journal of Business Ethics*, vol. 44, no. 2-3, pp. 133-148.

Park, H. M. 2011, 'Practical Guides to Panel Data Modeling: A Step-by-Step Analysis Using Stata', *Tutorial Workin Paper, Public Management and Policy Analysis Program, Graduate School of International Relations, International University of Japan*.

Patelli, L. & Prencipe, A. 2007, 'The Relationship between Voluntary Disclosure and Independent Directors in the Presence of a Dominant Shareholder', *European Accounting Review*, vol. 16, no. 1, pp. 5-33.

Patten, D. M. 1991, 'Exposure, Legitimacy, and Social Disclosure', *Journal of Accounting and Public Policy*, vol. 10, no. 4, pp. 297-308.

Patten, D. M. 1995, 'Variability in Social Disclosure: A Legitimacy-Based Analysis', *Advances in Public Interest Accounting*, vol. 6, no. 4, p. 273.

Paul, T. & Zarina, Z. 2004, 'Corporate Social Responsibility Reporting in Malaysia: Progress and Prospects', *The Journal of Corporate Citizenship*, no. 13, pp. 125-136.

Peloza, J. & Falkenberg, L. 2009, 'The Role of Collaboration in Achieving Corporate Social Responsibility Objectives', *California Management Review*, vol. 51, no. 3, pp. 95-113.

Peloza, J., Hudson, S. & Hassay, D. N. 2009, 'The Marketing of Employee Volunteerism', *Journal of Business Ethics*, vol. 85, no. 2, pp. 371-386.

Pérez, A. 2015, 'Corporate Reputation and CSR Reporting to Stakeholders: Gaps in The Literature and Future Lines of Research', *Corporate Communications: An International Journal*, vol. 20, no. 1, pp. 11-29.

Perks, K. J., Farache, F., Shukla, P. & Berry, A. 2013, 'Communicating Responsibility-Practicing Irresponsibility in CSR Advertisements', *Journal of Business Research*, vol. 66, no. 10, pp. 1881-1888.

Peterson, D. K. 2004, 'Benefits of Participation in Corporate Volunteer Programs: Employees' Perceptions', *Personnel Review*, vol. 33, no. 5/6, pp. 615-627.

Philip, G. M. C. V. & Frits, J. C. v. A. 2005, 'Annual report IC disclosures in The Netherlands, France and Germany', *Journal of Intellectual Capital*, vol. 6, no. 1, pp. 89-104.

Piacentini, M., MacFadyen, L. & Eadie, D. 2000, 'Corporate Social Responsibility in Food Retailing', *International Journal of Retail & Distribution Management*, vol. 28, no. 11, pp. 459-469.

Pillai, R. & Al-Malkawi, H.-A. N. 2017, 'On the Relationship between Corporate Governance and Firm Performance: Evidence from GCC Countries', *Research in International Business and Finance*.

Pless, N. & Maak, T. 2009, 'Responsible Leaders as Agents of World Benefit: Learnings from “Project Ulysses”', *Journal of Business Ethics*, vol. 85, no. 1, pp. 59-71.

Plewa, C. & Quester, P. G. 2011, 'Sponsorship and CSR: Is There a Link? A Conceptual Framework', *International Journal of Sports Marketing and Sponsorship*, vol. 12, no. 4, pp. 22-38.

Pope, N. K. & Voges, K. E. 2000, 'The Impact of Sport Sponsorship Activities, Corporate Image, and Prior Use on Consumer Purchase Intention', *Sport Marketing Quarterly*, vol. 9, no. 2.

Porter, M. E. & Kramer, M. R. 2002, 'The Competitive Advantage of Corporate Philanthropy', *Harvard Business Review*, vol. 80, no. 12, pp. 56-68.

Porter, M. E. & Kramer, M. R. 2011, 'Creating Shared Value', *Harvard Business Review*, vol. 89, no. 1/2, pp. 62-77.

Prado-Lorenzo, J.-M., Gallego-Alvarez, I. & Garcia-Sanchez, I. M. 2009, 'Stakeholder Engagement and Corporate Social Responsibility Reporting: The Ownership Structure Effect', *Corporate Social Responsibility and Environmental Management*, vol. 16, no. 2, pp. 94-107.

Prencipe, A. 2004, 'Proprietary Costs and Determinants of Voluntary Segment Disclosure: Evidence from Italian Listed Companies', *European Accounting Review*, vol. 13, no. 2, pp. 319-340.

PressTV 2012, '60% of Saudi Citizens Live Below Poverty Line: Saudi Daily', *PressTV*, viewed on 30 August 2012.

Preston, L. E., Sapienza, H. & Miller, R. 1991, 'Stakeholders, Shareholders, Managers: Who Gains What from Corporate Performance', *Socio-economics: Toward a new synthesis*, vol. 149.

Preston, L. E. & Sapienza, H. J. 1990, 'Stakeholder Management and Corporate Performance', *Journal of Behavioral Economics*, vol. 19, no. 4, pp. 361-375.

Qasim, Z., Muralidharan, P. & Ramaswamy, G. 2011, Corporate Social Responsibility and Impact of CSR Practices in the United Arab Emirates, paper presented to International Conference on Technology and Business Management March, vol. 28, p. 30.

Qian, C., Gao, X. & Tsang, A. 2014, 'Corporate Philanthropy, Ownership Type, and Financial Transparency', *Journal of Business Ethics*, vol. 130, no. 4, pp. 851-867.

Rahaman, A. S., Lawrence, S. & Roper, J. 2004, 'Social and Environmental Reporting at The VRA: Institutionalised Legitimacy or Legitimation Crisis?', *Critical Perspectives on Accounting*, vol. 15, no. 1, pp. 35-56.

Raja Ahmad, R. A. 2010, Corporate Philanthropic Discourse PhD thesis, Curtin University of Technology.

Ramady, M. A. 2010, *The Saudi Arabian Economy: Policies, Achievements, and Challenges*, 2nd edn, Springer, New York.

Ramady, M. A. 2012, *The GCC Economies: Stepping Up to Future Challenges*, Springer, New York.

Rao, K. & Tilt, C. 2015, 'Board Composition and Corporate Social Responsibility: The Role of Diversity, Gender, Strategy and Decision Making', *Journal of Business Ethics*, pp. 1-21.

Ratanajongkol, S., Davey, H. & Low, M. 2006, 'Corporate Social Reporting in Thailand: The News is All Good and Increasing', *Qualitative Research in Accounting & Management*, vol. 3, no. 1, pp. 67-83.

Raynard, P. & Forstater, M. 2002, *Corporate Social Responsibility: implications for Small and Medium Enterprises in Developing Countries*, United Nations Industrial Development Organization, Vienna, Austria.

Rettab, B. & Brik, A. B. 2009, *Beyond 'Zakat': Corporate Community Involvement in Dubai*, Dubai: Dubai Chamber Centre for Responsible Business, https://www.researchgate.net/profile/Belaid_Rettab/publication/265360175_Beyond_'Zakat'_Corporate_Community_Involvement_in_Dubai/links/54be2b210cf218da9391da0c.pdf.

Reverte, C. 2009, 'Determinants of Corporate Social Responsibility Disclosure Ratings by Spanish Listed Firms', *Journal of Business Ethics*, vol. 88, no. 2, pp. 351-366.

Richter, A. & Weiss, C. 2013, 'Determinants of Ownership Concentration in Public Firms: The Importance of Firm-, Industry- and Country-Level Factors', *International Review of Law and Economics*, vol. 33, pp. 1-14.

Rizk, R., Dixon, R. & Woodhead, A. 2008, 'Corporate Social and Environmental Reporting: A Survey of Disclosure Practices in Egypt', *Social Responsibility Journal*, vol. 4, no. 3, pp. 306-323.

Robb, S. W. G. & Zarzeski, L. E. S. T. 2001, 'Nonfinancial Disclosures Across Anglo-American Countries', *Journal of International Accounting, Auditing and Taxation*, vol. 10, no. 1, pp. 71-83.

Roberts, C. B. 1991, 'Environmental Disclosures: A Note on Reporting Practices in Mainland Europe', *Accounting, Auditing & Accountability Journal*, vol. 4, no. 3, pp. 62-71.

Roberts, R. W. 1992, 'Determinants of Corporate Social Responsibility Disclosure: An Application of Stakeholder Theory', *Accounting, Organizations and Society*, vol. 17, no. 6, pp. 595-612.

Robertson, C. J. P., Al-Khatib, J. P. & Rasheed, M. F. P. 2013, 'A Cross-National Analysis of Corporate Citizenship: Saudi Arabia Vs. The United States', *Journal of Managerial Issues*, vol. 25, no. 3, pp. 284-298,218.

Robins, F. 2005, 'The Future of Corporate Social Responsibility', *Asian Business & Management*, vol. 4, no. 2, pp. 95-115.

Rochlin, S. A. & Christoffer, B. 2000, *Determining the Value of Corporate Community Involvement*, The Center for Corporate Citizenship at Boston College, Boston, USA.

Ronnegard, D. 2013, *CSR in Saudi Arabia: Far Behind or Another Path?*, INSEAD, Fountainebleau, May 2013, http://search.proquest.com/docview/1349923804?accountid=10910.

Rowley, J. & Williams, C. 2008, 'The Impact of Brand Sponsorship of Music Festivals', *Marketing Intelligence & Planning*, vol. 26, no. 7, pp. 781-792.

RSF 2017, *2017 World Press Freedom Index*, Reporters Without Boarders, viewed 06 July 2017 <https://rsf.org/en/ranking/2017>.

Ruef, M. & Scott, W. R. 1998, 'A Multidimensional Model of Organizational Legitimacy: Hospital Survival in Changing Institutional Environments', *Administrative Science Quarterly*, vol. 43, no. 4, pp. 877-904.

Saeed, A., Belghitar, Y. & Yousaf, A. 2016, 'Firm-Level Determinants of Gender Diversity in The Boardrooms: Evidence from Some Emerging Markets', *International Business Review*, vol. 25, no. 5, pp. 1076-1088.

Said, R., Yuserrie Hj, Z. & Haron, H. 2009, 'The Relationship Between Corporate Social Responsibility Disclosure and Corporate Governance Characteristics in Malaysian Public Listed Companies', *Social Responsibility Journal*, vol. 5, no. 2, pp. 212-226.

Sale, J. E. M., Lohfeld, L. H. & Brazil, K. 2002, 'Revisiting the Quantitative-Qualitative Debate: Implications for Mixed-Methods Research', *Quality and Quantity*, vol. 36, no. 1, pp. 43-53.

Samaha, K., Dahawy, K., Hussainey, K. & Stapleton, P. 2012, 'The Extent of Corporate Governance Disclosure and its Determinants in a Developing Market: The Case of Egypt', *Advances in accounting*, vol. 28, no. 1, pp. 168-178.

Sanchez-Hernandez, M. I. & Gallardo-Vázquez, D. 2013, 'Approaching Corporate Volunteering in Spain', *Corporate Governance*, vol. 13, no. 4, pp. 397-411.

Sangeetha, K. & Pria, S. 2012, 'Resources Affecting Banks' CSR in Sultanate of Oman: A Stakeholders' Perspective', *Journal of Business Ethics and Organization Studies*, vol. 17, no. 1, pp. 31-40.

Scharfenort, N. 2012, 'Urban Development and Social Change in Qatar: The Qatar National Vision 2030 and the 2022 FIFA World Cup', *Journal of Arabian Studies*, vol. 2, no. 2, pp. 209-230.

Scott, W. R. 2008, 'Approaching Adulthood: The Maturing of Institutional Theory', *Theory and Society*, vol. 37, no. 5, p. 427.

Seifert, B., Morris, S. A. & Bartkus, B. R. 2003, 'Comparing Big Givers and Small Givers: Financial Correlates of Corporate Philanthropy', *Journal of Business Ethics*, vol. 45, no. 3, pp. 195-211.

Seifert, B., Morris, S. A. & Bartkus, B. R. 2004, 'Having, Giving, and Getting: Slack Resources, Corporate Philanthropy, and Firm Financial Performance', *Business & Society*, vol. 43, no. 2, pp. 135 - 161.

Seitanidi, M. M. & Ryan, A. 2007, 'A Critical Review of Forms of Corporate Community Involvement: From Philanthropy to Partnerships', *International Journal of Nonprofit and Voluntary Sector Marketing*, vol. 12, no. 3, pp. 247-266.

Selznick, P. 1996, 'Institutionalism "Old" and "New"', *Administrative Science Quarterly*, vol. 41, no. 2, p. 270.

Sethi, S. P. 1975, 'Dimensions of Corporate Social Performance: An Analytical Framework', *California Management Review*, vol. 17, no. 3, pp. 58-64.

Shafik, N. 2016, *Economic Challenges Facing Middle Eastern and North African Countries*, Springer.

Sharma, S. & Vredenburg, H. 1998, 'Proactive Corporate Environmental Strategy and The Development of Competitively Valuable Organizational Capabilities', *Strategic management journal*, vol. 19, no. 8, pp. 729-753.

Sharmin, S., Khan, N. A. & Belal, A. R. 2012, 'Corporate Community Involvement in Bangladesh: An Empirical Study', *Corporate Social Responsibility and Environmental Management*, vol. 21, no. 1, pp. 41-51.

Sheldon, P. J. & Park, S.-Y. 2010, 'An Exploratory Study of Corporate Social Responsibility in The US Travel Industry', *Journal of Travel Research*, vol. 50, no. 4, pp. 392-407.

Shrivastava, P. 1995, 'The Role of Corporations in Achieving Ecological Sustainability', *Academy of management review*, vol. 20, no. 4, p. 936.

Situ, H., Tilt, C. & Seet, P.-S. 2016, 'Changing Economies for a More Sustainable Future: The Influence of Stakeholders and Environmental Reporting Developments in Transforming Chinese Corporate Practices', in *China's Changing Economy: Trends, Impacts and the Future*, ed. C. Anderssen, Routledge, London.

Situ, H. & Tilt, C. A. 2012, 'Chinese Government as a Determinant of Corporate Environmental Reporting: A Study of Large Chinese Listed Companies', *Journal of the Asia Pacific Centre for Environmental Accountability*, vol. 18, no. 4, pp. 251-286.

Skouloudis, A., Jones, N., Malesios, C. & Evangelinos, K. 2014, 'Trends and Determinants of Corporate Non-Financial Disclosure in Greece', *Journal of Cleaner Production*, vol. 68, no. 0, pp. 174-188.

Slack, R. 2010, Voluntary Disclosure Narrative Reporting Content, Stakeholders, External Materiality and Usefulness, PhD thesis, Northumbria University.

Smith, J. K. 1983, 'Quantitative Versus Qualitative Research: An Attempt to Clarify the Issue', *Educational Researcher*, vol. 12, no. 3, pp. 6-13.

Smith, J. K. & Heshusius, L. 1986, 'Closing Down the Conversation: The End of the Quantitative-Qualitative Debate Among Educational Inquirers', *Educational Researcher*, vol. 15, no. 1, pp. 4-12.

Smith, L. & Abouammoh, A. 2013, 'Higher Education in Saudi Arabia: Reforms, Challenges and Priorities', in *Higher Education in Saudi Arabia: Achievements, Challenges and Opportunities*, eds L. Smith & A. Abouammoh, Springer, Netherlands, pp. 1-12.

Sobhani, F. A., Amran, A. & Zainuddin, Y. 2012, 'Sustainability Disclosure in Annual Reports and Websites: A Study of The Banking Industry in Bangladesh', *Journal of Cleaner Production*, vol. 23, no. 1, pp. 75-85.

Spitzeck, H. 2009, 'The Development of Governance Structures for Corporate Responsibility', *Corporate Governance*, vol. 9, no. 4, pp. 495-505.

Starik, M. & Rands, G. P. 1995, 'Weaving an Integrated Web: Multilevel and Multisystem Perspectives of Ecologically Sustainable Organizations', *Academy of management review*, vol. 20, no. 4, p. 908.

Suchman, M. C. 1995, 'Managing Legitimacy: Strategic and Institutional Approaches', *Academy of management review*, vol. 20, no. 3, pp. 571-610.

Sunitha, T. R. & Edward, M. 2015, 'Cause Marketing - The Corporate, Consumer and Cause Partnership for Mutual Benefit: An India Perspective', *IUP Journal of Marketing Management*, vol. 14, no. 1, pp. 39-50.

Suttipun, M. & Stanton, P. 2012, 'The Differences in Corporate Environmental Disclosures on Websites and in Annual Reports: A Case Study of Companies Listed in Thailand', *International Journal of Business and Management*, vol. 7, no. 14, pp. 18-31.

Suwaidan, M. S., Al-Omari, A. M. d. & Haddad, R. H. 2004, 'Social Responsibility Disclosure and Corporate Characteristics: The Case of Jordanian Industrial Companies', *International Journal of Accounting, Auditing and Performance Evaluation*, vol. 1, no. 4, pp. 432-447.

Suzuki, K., Tanimoto, K. & Kokko, A. 2010, 'Does Foreign Investment Matter? Effects of Foreign Investment on the Institutionalisation of Corporate Social Responsibility by Japanese Firms', *Asian Business & Management*, vol. 9, no. 3, pp. 379-400.

Tagesson, T., Blank, V., Broberg, P. & Collin, S.-O. 2009, 'What Explains The Extent and Content of Social and Environmental Disclosures on Corporate Websites: A Study of Social and Environmental Reporting in Swedish Listed Corporations', *Corporate Social Responsibility and Environmental Management*, vol. 16, no. 6, pp. 352-364.

Tamkeen 2010, *The Evolution of CSR in Saudi Arabia*, Tamkeen Sustainability Advisors, Saudi Arabia.

Tamkeen and IIIEE 2007, *Saudi Companies & Social Responsibility: Challenges and Ways Forward*, Tamkeen Development and Management Consulting and The International Institute for Industrial Environmental Economics, Saudi Arabia.

Tate, W. L., Ellram, L. M. & Kirchoff, J. F. 2010, 'Corporate Social Responsibility Reports: A Thematic Analysis Related to Supply Chain Management', *Journal of Supply Chain Management*, vol. 46, no. 1, pp. 19-44.

The World Bank 2015a, *GDP Growth (Annual %)*, The World Bank, 23 June 2017, http://databank.worldbank.org/data/reports.aspx?source=2&series=NY.GDP.MKTP.KD&country=BHR,KWT,OMN,QAT,SAU,ARE.

The World Bank 2015b, *Gross Domestic Product 2015*, The World Bank, 23 June 2017, http://databank.worldbank.org/data/download/GDP.pdf.

Thompson, H. & Toledo, H. 2010, 'Labor Skills and Factor Proportions Trade in The Gulf Cooperation Council', *International Review of Economics & Finance*, vol. 19, no. 3, pp. 407-411.

Tilt, C. A. 1994, 'The Influence of External Pressure Groups on Corporate Social Disclosure: Some Empirical Evidence', *Accounting, Auditing & Accountability Journal*, vol. 7, no. 4, pp. 47-47.

Tilt, C. A. 1998, An Exploration of Australian Corporate Environmental Policies, PhD thesis, Flinders University of South Australia.

Tilt, C. A. 2001, 'The Content and Disclosure of Australian Corporate Environmental Policies', *Accounting, Auditing & Accountability Journal*, vol. 14, no. 2, pp. 190-212.

Tricker, B. 2015, *Corporate Governance: Principles, Policies, and Practices*, 3rd edn, Oxford University Press, UK.

Trotter, R. T. 2012, 'Qualitative Research Sample Design and Sample Size: Resolving and Unresolved Issues and Inferential Imperatives', *Preventive Medicine*, vol. 55, no. 5, pp. 398-400.

Tsang, E. W. K. 1998, 'A Longitudinal Study of Corporate Social Reporting in Singapore The Case of The Banking, Food and Beverages and Hotel Industries', *Accounting, Auditing & Accountability Journal*, vol. 11, no. 5, pp. 624-648.

Tsang, S., Welford, R. & Brown, M. 2009, 'Reporting on Community Investment', *Corporate Social Responsibility and Environmental Management*, vol. 16, no. 3, pp. 123-136.

Uhrich, S., Koenigstorfer, J. & Groeppel-Klein, A. 2014, 'Leveraging Sponsorship with Corporate Social Responsibility', *Journal of Business Research*, vol. 67, no. 9, pp. 2023-2029.

Ullmann, A. A. 1985, 'Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms', *Academy of management review*, vol. 10, no. 3, pp. 540-540.

Umaru Mustapha, Z., Olalekan Bua, S. & Chetubo Kuta, D. 2011, 'Social Reporting Practices of Islamic Banks in Saudi Arabia', *International Journal of Business and Social Science*, vol. 2, no. 23, pp. 193-205.

Unerman, J. 2000, 'Methodological Issues - Reflections on Quantification in Corporate Social Reporting Content Analysis', *Accounting, Auditing & Accountability Journal*, vol. 13, no. 5, pp. 667-681.

Unerman, J. 2008, 'Strategic Reputation Risk Management and Corporate Social Responsibility Reporting', *Accounting, Auditing & Accountability Journal*, vol. 21, no. 3, pp. 362-364.

Uyan-Atay, B. 2012, Corporate Community Involvement Activities : New Evidence for Turkey, PhD thesis, University of Bath.

Valor, C. 2005, 'Corporate Social Responsibility and Corporate Citizenship: Towards Corporate Accountability', *Business & Society Review*, vol. 110, no. 2, pp. 191-212.

van den Berg, L., Braun, E. & Otgaar, A. H. J. 2004, 'Corporate Community Involvement in European and US Cities', *Environment and Planning C: Government and Policy*, vol. 22, pp. 475-494.

Van der Voort, J. M., Glac, K. & Meijs, L. C. 2009, '"Managing" Corporate Community Involvement', *Journal of Business Ethics*, vol. 90, no. 3, pp. 311-329.

Veleva, V. 2010, 'Toward Developing a Framework for Measuring the Business Value of Corporate Community Involvement', *Applied Research in Quality of Life*, vol. 5, no. 4, pp. 309-324.

Vinke, J. & El-Khatib, A. 2012, 'The Development of CSR Reporting in the Middle East', in *CSR in the Middle East: Fresh Perspectives*, eds D. Jamali & Y. Sidani, Macmillan Publishers Limited, London, UK.

Vision 2030 2016, *Saudi Vision 2030*, Riyadh, Saudi Arabia, http://vision2030.gov.sa/sites/default/files/report/Saudi_Vision2030_EN_0.pdf.

Visser, W. 2008, 'Corporate social responsibility in developing countries', *The Oxford handbook of corporate social responsibility*, pp. 473-479.

Waddell, S. 2000, 'New Institutions for the Practice of Corporate Citizenship: Historical, Intersectoral, and Developmental Perspectives', *Business & Society Review*, vol. 105, no. 1, pp. 107-126.

Waddock, S. A. 1988, 'Building Successful Social Partnerships', *Sloan Management Review*, vol. 29, no. 4, p. 17.

Wadham, H. 2009, 'Talking Across Boundaries: Business and NGO Perspectives on CSR, Sustainable Development and Partnership', *The Journal of Corporate Citizenship*, no. 34, pp. 57-68.

Waldman, D. A., Siegel, D. S. & Javidan, M. 2006, 'Components of CEO Transformational Leadership and Corporate Social Responsibility', *Journal of Management Studies*, vol. 43, no. 8, pp. 1703-1725.

Wallace, R. S. O. & Naser, K. 1995, 'Firm-Specific Determinants of the Comprehensiveness of Mandatory Disclosure in The Corporate Annual Reports of Firms Listed on the Stock Exchange of Hong Kong', *Journal of Accounting and Public Policy*, vol. 14, no. 4, pp. 311-368.

Wanderley, L. S. O., Lucian, R., Farache, F. & de Sousa Filho, J. M. 2008, 'CSR Information Disclosure on the Web: A Context-Based Approach Analysing the Influence of Country of Origin and Industry Sector', *Journal of Business Ethics*, vol. 82, no. 2, pp. 369-378.

Wang, H., Bi, J., Wheeler, D., Wang, J., Cao, D., Lu, G. & Wang, Y. 2004, 'Environmental Performance Rating and Disclosure: China's Greenwatch Program', *Journal of Environmental Management*, vol. 71, no. 2, pp. 123-133.

Wang, J. & Coffey, B. S. 1992, 'Board Composition and Corporate Philanthropy', *Journal of Business Ethics*, vol. 11, no. 10, pp. 771-778.

Wartick, S. L. & Mahon, J. F. 1994, 'Toward a Substantive Definition of the Corporate Issue Construct', *Business & Society*, vol. 33, no. 3, pp. 293-311.

Watts, R. L. & Zimmerman, J. L. 1978, 'Towards a Positive Theory of The Determination of Accounting Standards', *The Accounting review*, vol. 53, no. 1, pp. 112-134.

Webb, E. 2004, 'An Examination of Socially Responsible Firms' Board Structure', *Journal of Management & Governance*, vol. 8, no. 3, pp. 255-277.

Weber, R. P. 1990, *Basic Content Aanalysis*, vol. 49, SAGE, London.

Welford, R. 2004, 'Corporate Social Responsibility in Europe and Asia: Critical Elements and Best Practice', *The Journal of Corporate Citizenship*, no. 13, pp. 31-47.

Werbel, J. D. & Carter, S. M. 2002, 'The CEO's Influence on Corporate Foundation Giving', *Journal of Business Ethics*, vol. 40, no. 1, pp. 47-60.

Wild, C. 1993, *Corporate Volunteer Programs: Benefits to Business*, vol. 1029, Conference Board, New York.

Williams, R. J. 2003, 'Women on Corporate Boards of Directors and their Influence on Corporate Philanthropy', *Journal of Business Ethics*, vol. 42, no. 1, pp. 1-10.

Williams, S. J. & Adams, C. A. 2013, 'Moral Accounting? Employee Disclosures from A Stakeholder Accountability Perspective', *Accounting, Auditing & Accountability Journal*, vol. 26, no. 3, pp. 449-495.

Williams, S. M. 1999, 'Voluntary Environmental and Social Accounting Disclosure Practices in the Asia-Pacific Region: An International Empirical Test of Political Economy Theory', *The International Journal of Accounting*, vol. 34, no. 2, pp. 209-238.

Williams, S. M. & Ho Wern Pei, C.-A. 1999, 'Corporate Social Disclosures by Listed Companies on their Web Sites: An International Comparison', *The International Journal of Accounting*, vol. 34, no. 3, pp. 389-419.

Wood, D. J. 1991, 'Corporate Social Performance Revisited', *Academy of management review*, vol. 16, no. 4, pp. 691-718.

Wood, D. J. & Logsdon, J. M. 2001, 'Theorising Business Citizenship', *Perspectives on corporate citizenship*, pp. 83-103.

Wooldridge, J. M. 2015, *Introductory Econometrics: A Modern Approach*, 6th edn, CENGAGE Learning, USA.

Wymer, W. 2006, 'Special Issue on Corporate Philanthropy', *International Journal of Nonprofit and Voluntary Sector Marketing*, vol. 11, no. 1, pp. 1-2.

Yaffee, R. 2003, 'A Primer for Panel Data Analysis', *Connect: Information Technology at NYU*.

Yaftian, A., Wise, V., Cooper, K. & Mirshekary, S. 2012, 'Social Reporting in The Annual Reports of Iranian Listed Companies', *Corporate Ownership and Control*, vol. 10, no. 1, pp. 26-33.

Yaftian, A. M. 2011, An Empirical Investigation of Corporate Social Reporting in Iran: Practices, Needs and Perceptions, PhD thesis, University of Wollongong.

Yekini, C. O. 2012, Corporate Community Involvement Disclosure: An Evaluation of the Motivation & Reality, PhD thesis, De Montfort University

Yekini, C. O. & Jallow, K. 2012, 'Corporate community involvement disclosures in annual report: A measure of corporate community development or a signal of CSR observance?', *Sustainability Accounting, Management and Policy Journal*, vol. 3, no. 1, pp. 7-32.

Yekini, K. C., Adelopo, I. & Adegbite, E. 2016, 'The Impact of Community Expectations on Corporate Community Involvement Disclosures in the UK', *Accounting Forum*.

Yin, J. 2015, 'Institutional Drivers for Corporate Social Responsibility in an Emerging Economy: A Mixed-Method Study of Chinese Business Executives', *Business & Society*.

Yin, R. K. 2014, *Case Study Research: Design and Methods*, 5th edn, SAGE.

Yongvanich, K. & Guthrie, J. 2007, 'Legitimation Strategies in Australian Mining Extended Performance Reporting', *Journal of Human Resource Costing & Accounting*, vol. 11, no. 3, pp. 156-177.

Young, S. & Marais, M. 2012, 'A Multi-level Perspective of CSR Reporting: The Implications of National Institutions and Industry Risk Characteristics', *Corporate Governance: An International Review*, vol. 20, no. 5, pp. 432-450.

Yu, Y. & Choi, Y. 2016, 'Stakeholder Pressure and CSR Adoption: The Mediating Role of Organizational Culture for Chinese Companies', *The Social Science Journal*, vol. 53, no. 2, pp. 226-235.

Zappalà, G. 2004, 'Corporate Citizenship and Human Resource Management: A New Tool or a Missed Opportunity?', *Asia Pacific Journal of Human Resources*, vol. 42, no. 2, pp. 185-201.

Zeghal, D. & Ahmed, S. A. 1990, 'Comparison of Social Responsibility Information Disclosure Media Used by Canadian Firms', *Accounting, Auditing & Accountability Journal*, vol. 3, no. 1, pp. 38-53.

Zhu, Q. & Zhang, Q. 2015, 'Evaluating Practices and Drivers of Corporate Social Responsibility: The Chinese Context', *Journal of Cleaner Production*, vol. 100, pp. 315-324.