AN INVESTIGATION INTO CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN THE LIBYAN OIL AND GAS INDUSTRY USING A MIXED-METHODS DESIGN: AN INSTITUTIONAL PERSPECTIVE

Ibrahem Alshref M Alshbili

GDL, BA (HONS), MSc, PGCert

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ABSTRACT

Given the growing interest in the field of Corporate Social Responsibility Disclosure (CSRD), especially in developing countries, this thesis adopts neo-institutional theory to investigate the extent and types of CSRD practices and factors influencing its adoption in oil and gas companies operating in Libya. Two methods of data collection were used: namely, semi-structured interviews and annual reports. The semi-structured interviews were conducted first with 14 oil and gas firms' managers working in Libya, to identify the factors influencing CSRD adoption, and second with 6 external actors to confirm or reject such claims. The second method involved a collection of 106 annual reports for the period 2009-2013, to first identify the extent and types of CSRD practices, and second to proceed with a regression test to assess the relationship between CSRD determinants and the extent of CSRD practices.

The findings from the qualitative analysis show that managers perceive a diversity of coercive, mimetic and normative pressures interplay to influence CSRD in the Libyan context. Particularly, the adoption of CSRD is influenced by the state through its governance body - the National Oil Corporation (NOC), foreign business partners, other foreign-owned companies' behaviour, the need to uphold firms' reputation, and pressures to meet societal expectations. Other determinants identified include government ownership, parent company factors, board size, board meeting, firm size, age, presence of CSR committee, and profitability. Furthermore, the absence of clear legal requirements, a shortage of knowledge and awareness, the absence of civil society organisations, the absence of the Environmental General Authority's (EGA) role, and a lack of motivation from the government were found to act as major impediments to CSRD development.

The findings obtained from the quantitative analysis show that the level of CSRD is low when compared with Western countries, but in relative terms, the most disclosed types of CSR information were related to the human resources and environment. Moreover, the findings obtained from the CSRD regression model suggest that CSRD practice is positively associated with government ownership, joint venture ownership, foreign ownership, frequency of board meetings, parent company factor, and firm size. However, CSRD has no statistically significant relationship with board size, CSR committee, and age of the company, while profitability is negatively associated with CSRD practices.

These results contribute towards the literature adding to the knowledge of CSRD practices' "implementation", by empirically providing evidence for the context of CSRD in Libya. This is achieved by explaining how specific external and internal determinants contribute to or impede the development of CSRD practices. These findings, therefore, could be useful to corporate regulators and policy makers in developing a more focussed agenda of CSRD activity, when considering regulations for disclosure.

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DEDICATION

I wish to dedicate this thesis to my beloved

Father and Mother for their love and endless support

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LIST OF ABBREVIATIONS

CSR	-	Corporate Social Responsibility
CSRD	-	Corporate Social Responsibility Disclosure
DSE	-	Dhaka Stock Exchange
EU	-	European Union
EIA	-	Energy Information Administration
EGA	-	Environment General Authority
GDP	-	Gross Domestic Product
GP Committee	-	General People's Committee
GP Congress	-	General People's Congress
GNC	-	General National Congress
IMF	-	International Monetary Fund
JV	-	Joint Venture
LAAA	-	Libyan Accountants and Auditors Association
LCAL	-	Libyan Commercial Activity Law
LCGC	-	Libyan corporate Governance Code
LSML	-	The Libyan Stock Market Law
INTC	-	Interim Transitional National Council
NOC	-	National Oil Corporation
OLS	-	Ordinary Least Squares
OPEC	-	Organisation of the Petroleum Exporting Countries
ROE	-	Return on Equity
ROA	-	Return on Assets
RLFD	-	Regulation of Listing and Follow-up Disclosure
SMA	-	Stock Market Authority
UK	-	United Kingdom
UN	-	United Nations
US	-	United States
VIF	-	Variance Inflation Factor

Chapter 1: Introduction and Background

1.0 Overview

This chapter offers an overview of the thesis. It addresses particular areas comprising the background, justification and motivations behind the research, the scope of the study, the research aim, objectives and questions, the research setting and methodology, the research findings and contributions to knowledge, and concludes with an overview of the structure of the thesis. For the purpose of clarity, references and evidence are provided during an elaboration of this thesis during the forthcoming discussion.

1.1 Background, Justification and Motivations for the Research

In the last decade, the field of Corporate Social Responsibility (CSR) has developed dramatically (Li et al., 2013). More firms than ever before are involved in serious efforts to delineate and incorporate CSR into all parts of their business, with their experience being supported by an increasing body of evidence that demonstrates that CSR has a positive effect on the economic performance of businesses (Madueno et al., 2016; Taghian et al., 2015). Nowadays, numerous companies are diligently revising the notion of their social responsibilities, since the influence of business on society is significant, in addition to the influence of business on economic growth and the development of the country. Firms cannot operate in a wholly independent manner and have been compelled to consider the requirements of society and the welfare of the community (Dhaliwal et al., 2014). Companies currently recognise that in order to survive and remain significant in the business world and gain strategic and competitive advantages, they must practice being socially accountable.

Several researchers (see e.g. Dubbink et al., 2008; Weber, 2008) claim that engaging in CSR practice which have been defined as “the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of an organisation as a given point in time" (Carroll, 1979, p. 500), helps companies generate an appearance of "honesty", "openness" and a "commitment to truth", permitting them to achieve "popularity". In this way, a company can improve its image and reputation, thus gain "competitive advantages". Similarly, CSR practice is seen as key in reducing CSR-related risks, such as avoidance of negative media or clientèle boycotts. Likewise, involvement in CSR, through an accompanying improved brand image and market development helps companies attain cost savings, efficiency in operations, and can lead to increases in revenue through higher sales and a greater market share (Weber, 2008). However, a failure to engage in CSR, raises several serious risks, such as harm to the company image, and financial risks caused by pollution leading to the threat of raised regulatory control by international organisations, and national governments (Gerbens-Leenes et al., 2003).

As a result of the growing importance of CSR, firms started to reveal their CSR information through what is known as the *disclosure* concept. Different approaches have been used to classify Corporate Social Responsibility Disclosure (CSRD), although five primary groupings have emerged, namely: human resources, environment, consumers and products, community involvement, and energy (Gray et al., 1995b; Smith et al., 2005). However, the CSRD literature suffers considerably from an absence of agreement of what is meant by CSRD. For example, to some, it takes the connotations of legal accountability or obligation (Gray et al., 1987), whereas to others it refers to socially responsible performance on a voluntary basis, and in an ethical sense (Mathews, 1993), and still to others it relates to the concept of being socially conscious (Ali & Ruhaya, 2013; Barakat et al., 2015). Despite this, Gray et al. (1987, p. ix) has provided a comprehensive definition of CSRD, defining it as "the process of communicating the social and environmental effects of organisations' economic actions to particular interest groups within society and to society at large".

Because companies started attaching high significance to the CSRD concept, several studies have begun to examine the motivational factors that drive firms to engage in CSRD practices. For example, while Toms (2002) found disclosure of CSR policies in annual reports helps UK firms increase their environmental reputation, image and provides useful information for investment decisions, Kolk (2004) in the Netherlands, found that in addition to internal factors, societal aspects such as credibility and reputation are key enablers for firms to engage in CSRD practices. However, Idowu and Papasolomou (2007) found that UK companies engage in CSRD in order to respond to the increased number of stakeholders requesting CSR information, develop positive public relation advantages, and comply with the government's demand to issue CSR information. Furthermore, although Hossain (2012) found firms engage in CSRD practice in order to help them build better relationships with the government and society, Beddewela and Herzig (2013) found that subsidiary firms in Sri Lanka are prodigiously motivated by their necessity to achieve internal legitimacy and comply with the formal institutionalised processes for reporting CSR information. Additionally, Belal et al. (2015) also found that the key motivations for the Islami Bank Bangladesh to engage in CSR reporting includes promoting social welfare motives, gaining publicity, the influence of the central bank of Bangladesh, as well as influence of GRI and ISO 26000 on their CSR practices. More recently, Zhao and Patten (2016) found that in China the key motivation for managers to engage in CSRD is image enhancement, mostly relating to the public.

With such different motivational factors, value systems, and commitments, numerous companies operating in industrialised countries have lately made substantial advances in reporting aspects of their environmental and social issues by publishing separate CSR reports (although they additionally provide such disclosure in their annual reports) (Deegan & Unerman, 2006). While these separate CSR reports are used in developed countries to underline firms' successes in decreasing pollution, caring for the environment, having emphasis on employees' welfare, and community involvement, in developing countries, separate social and environmental reporting are of little use to the majority of firms and it is more likely that the majority of CSR information is disclosed in official annual reports (Abubaker & Naser, 2000; Mashat, 2005).

Consequently, this led the level of CSRD practices to be higher in developed counties than in developing countries (Barakat et al., 2015). For instance, in line with previous findings (Chan et al., 2014; Gamerschlag et al., 2011; Guthrie & Parker, 1990; Loh et al., 2015), Jizi et al. (2014) examined the level of CSRD made by US banks and found that the level of CSR information revealed in their annual reports is high and increased from 93% in 2009 to 97% in 2010 and 2011. However, in developing countries, the level of CSRD was found to be generally low and unsatisfactory (Barakat et al., 2015). For instance, the level of CSRD in Yemen was found to be very poor (Hussein, 2012), and low in Bangladesh (Belal et al., 2010; Imam, 2000), although this practice increased recently in Bangladesh (Belal et al., 2015), a little in India (Nurhayati et al., 2016), was very low in Egypt (Rizk et al., 2008), and it is small in the majority of Arab countries, such as Kuwait, Saudi Arabia, Qatar, Oman, Bahrain, Jordan, Syria, and United Arab Emirates (Kamla, 2007).

Such variations in the level of CSRD can be attributed to the fact that developed countries have applied practical actions and procedures to push firms to reveal their CSR information (Barakat et al., 2015). For example, while the UK government has appointed a minister for CSR in the Industry and Commerce sectors, France on the other hand has passed a mandatory law where firms with 300 employees or more must draft CSR reports (Wanderley et al., 2008). Also, although the European Commission acknowledged 2005 as the year of CSR in countries of the European Community (Luetkenhorst, 2004), in other developed countries such as Australia, Norway, Denmark, Spain, and Sweden, CSRD is regarded as an entirely ethical and mandatory practice (Fleischman & Schuele, 2006), and it is enforced by factors such as governments, professional accounting bodies, societies, and stakeholders, amongst others.

In developing countries, these initiatives have not encountered comparable interest (Jamali, 2007), because the institutions, economic development, standards and official systems that encourage CSRD in such states are fairly weak (Barakat et al., 2015; Kemp, 2001). Additionally, factors such as the governments do not strongly encourage CSRD, Civil Society organisations are not well organized, and companies do not face constant pressure (Wanderley et al., 2008), the absence of resources, legal requirements, awareness and knowledge, a fear of bad publicity (Belal & Cooper, 2011), and an unsatisfactory implementation of laws (Hossain et al., 2016), are some of the reasons for the lack of CSRD in developing countries. The differences between developed and developing countries may reflect the fact that CSRD practice is largely affected by the influence of the institutional context in which firms work, and by dissimilar pressures in these countries. Additionally, dissimilarities in time period, country, and explanatory variables also make generalisations complicated (Adams, 2002; Adams et al., 1998), because where one issue is less significant to one country at a specific period of time, it may be more significant to another country during another period of time. Consequently, since socio-economic challenges in developing countries are different to those of developed countries (Belal & Cooper, 2010), Ntim and Soobaroyen (2013a, p. 121) emphasises the importance of examining CSRD studies in developing country context - where empirical studies are limited (Mahadeo et al., 2011b), because it “contributes to a more complete understanding of the motivations and factors that influence CSR disclosures”. Arguably, this weakness within the existing literature limit present international understanding of why and how different factors impede or enhance CSRD practices direction in developing countries.

Empirically, a review of existing empirical studies shows that the CSRD literature is dominated by a considerable amount of empirical research that was undertaken to examine the extent of CSRD practices at the discretion of senior executives and owners (Haniffa & Cooke, 2005; Ntim & Soobaroyen, 2013a), but the empirical studies that examine how company ownership and board characteristics influence CSRD practices has been so far relatively limited (Fifka, 2011; Ntim & Soobaroyen, 2013a). Even the studies that have been undertaken within the Libyan corporate context (Bayoud, 2012; Elmogla, 2009; Mashat, 2005) fail or neglect to evaluate the influence of CSRD determinants (including ownership and board characteristics) on extent[1] of CSRD practices, are still mostly descriptive, are limited to local companies, provide indirect explanation of the reasons behind the adoption of CSRD practices, and were conducted outside of the oil and gas sector. This research, therefore, first seeks to contribute to the existing literature by expanding, in addition to trying to overcome the above limitations of prior existing studies in the literature with respect to the reasons behind the adoption of CSRD practices, and how company ownership and board characteristics influence CSRD practices.

The theoretical underpinnings of the CSRD practice concept can be explained and justified by various theories, such as stakeholder theory (Freeman, 1984), legitimacy theory (Dowling & Pfeffer, 1975; Suchman, 1995), or neo-institutional theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Meyer et al., 1983; Scott, 1987, 1995, 2014) amongst others. However, the review of existing empirical studies within neo-institutional literature shows limited empirical studies (Amran & Devi, 2008; Amran & Haniffa, 2011; Ntim & Soobaroyen, 2013b; Zhao & Patten, 2016) exploring the influence of the contextual institutional and social factors on the adoption of CSRD, however, these studies did not assess both external and internal factors leading to CSRD implementation. Consequently, since CSRD is highly contextual (Kuhn et al., 2015), this research employs neo-institutional theory to understand factors (external and internal factors) influencing CSRD practices at the country and company level, with a specific emphasis on its efficiency and legitimation implications with respect to a developing country context, namely Libya. Thus, the theoretical foundations of this research draw on neo-institutional theory in general and institutional isomorphism in particular, arguing that oil

[1] **Extent** refers to the relative quantity of information revealed in the annual reports

and gas companies in Libya may inevitably face institutional pressures that lead them to adopt CSRD, thus, providing the likely bases for explaining and understanding the CSRD in Libya.

Finally, the impetus of this study is also interrelated with the rise in public concern (i.e. demands from customers, workers, government and suppliers for firms to be more transparent about their performance) about the activities of businesses and the effect of such activities on society. In other words, this study is conducted in, arguably, one of the developing countries where oil and gas sector is the most "*sensitive*" sector that has been recognised as causing the greatest environmental damage and several social issues in the past, such as the social impact of the industry on local communities (Frynas, 2009). Thus, because engaging in CSRD has become significant and is highly needed in the international context (Bayoud, 2013), this study can help to identify where Libya is positioned in this dynamic context, so that it might advance knowledge that could improve management practice.

Consequently, to have consequential early knowledge, and successful policy response particularly in the light of Libya's political changes, a mixture of qualitative and quantitative research methods is needed to launch "patterns" and obtain analytical assessment of CSRD. Accordingly, in order to provide a composite assessment of CSRD in Libya and since this research assesses different research questions and objectives, the study adopts concurrent embedded strategy mixed method design (Creswell, 2014; Tashakkori & Teddlie, 1998a), because it helps to gain broader perspectives on CSRD practices owing to utilizing diverse methods as opposite to utilizing single method. Also, it helps to gather two types of data simultaneously during a single data gathering stage.

1.2 The Scope of the Study

This research primarily focuses on CSRD elements, namely: environment, human resources, community involvement, energy, and consumer and product disclosure in the annual reports. There are other sources through which firms may disclose information, but in this research, company annual reports are regarded as the significant mechanism for distribution of information to a broader group of users. The justification behind the selection of annual reports only lies in the following reasons. Firstly, it has been stated (Abubaker & Naser, 2000; Mashat, 2005) that in developing countries other disclosure methods such as promotional leaflets, advertising, and internet, are not widely used by the majority of firms and it is more likely to see most information being disseminated in official annual reports. This is relevant to the context of Libya, in which this study was conducted. It was unlikely that oil and gas companies operating in Libya (as a developing country) would, for example, carry out internet reporting. Secondly, the annual reports have been seen as a merely legalized document that is widely reachable to investigators and have been broadly recognised as a synchronized document with a great degree of reliability enclosed for information disseminated in this way (Jizi et al., 2014). Thirdly, various stakeholders use annual reports as the only source of assured information that have a higher prospective to have an impact because of wide spread delivery (Belal et al., 2015; Deegan & Rankin, 1997; Jizi et al., 2014; Unerman, 2000). Finally, whilst their use to capture CSRD is generally preferred (Amran & Devi, 2008; Haniffa & Cooke, 2005; Nazli & Ghazali, 2007), to be also consistent with earlier CSRD studies (Aldrugi, 2013; Amran & Devi, 2008; Haji, 2013; Haniffa & Cooke, 2005; Khan et al., 2013; Mashat, 2005), where *"annual reports"* are seen as the key method of firm communication, mainly in the case of developing countries.

Additionally, the present study is limited to the oil and gas sector. The justification behind the selection of this sector lies in the following three reasons. Firstly, the oil and gas sector is Libya's most significant sector in economic terms, accounting for about 95% of government revenues, and provides Libya within one of the highest capita GDPs in Africa (OPEC, 2014). Secondly, such companies are highly risky in terms of environmental repercussions and employee health and safety conditions (Jackson & Apostolakou, 2010). Thirdly, companies from this sector might have more to achieve by being proactive and selecting themselves (in other words - controlling) the standards by which they must fulfil rather than laying down this responsibility to the state (Jackson & Apostolakou, 2010).

Furthermore, this research is essentially a single-country[2] study that looked at the disclosure of CSR over a four-year period from 2009-2013. This period included a major event - the 2011 Libyan revolution - thus, the data was gathered from pre and post this event. This time span was selected for two reasons. Firstly, Libya has witnessed tremendous political and institutional changes (2011 Libyan revolution); therefore, the business environment has become more multifaceted and challenging (Bayoud, 2013), hence measuring the extent and type of CSRD has been of interest. In other words, the data was collected from pre and post the event, which may indicate interesting results, since those are the years when the country was liberated from the previous dictatorship regime. This change may have an effect on the extent of CSRD practices of companies, since both governments may have dissimilar levels of concern about such disclosure. Secondly, CSRD practice is still in its early phase in developing country's markets (Saleh, 2009), especially in the Libyan context, where the country is undergoing major political and institutional changes.

1.3 The Study Aim, Objectives and Questions

The current research aims to investigate the extent and types of CSRD practices and the factors influencing its adoption in the oil and gas firms working in Libya in the light of the country's political and institutional changes. To achieve this overall aim, the following four research objectives that underpin the study have been formulated:

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[2] The justification behind the choice of one country lies in the following reasons – (i) while this study follows a line of several similar single country studies (Haniffa & Cooke, 2005; Jizi et al., 2014; Ntim & Soobaroyen, 2013a, 2013b), none of the studies were conducted in a fragile state. (ii) Due to the ongoing political conflict in Libya, using cross county data may not be suitable and valuable in the present time.

1) To examine managers’ perceptions about the definitional constructs of CSRD practices, and examine whether or not such perceptions vary according to company ownership structure.

2) To explore whether or not external institutional factors (coercive, mimetic, and normative pressures) influence the adoption of CSRD practice in the oil and gas firms in Libya, and to identify the specific drivers (external and internal factors) and obstacles for CSRD.

3) To examine and evaluate the current level of CSRD practices by examining oil and gas companies’ annual reports over a four-year period, and explore whether or not such disclosure has increased in the light of the country’s political and institutional changes.

4) To examine the impact of CSRD determinants on the extent of CSRD in oil and gas firms in Libya.

In order to accomplish the aforementioned research objectives, four primary research questions are formulated:

1) What are the perceptions of oil and gas firms’ managers regarding CSRD practices, and do such perceptions vary according to company ownership structure?

2) To what extent do institutional factors (coercive, mimetic, and normative pressures) influence the adoption of CSRD practice in the oil and gas firms operating in Libya, and what are the key drivers (external and internal factors) and obstacles for CSRD?

3) To what extent do oil and gas firms functioning in Libya provide CSR information in their annual reports as a means of communicating their activities to the broader society?

    3.1. Has the quantity and type of CSR information revealed in annual reports, changed over the period covered by this research in the light of the country's political and institutional changes?

    3.2. What types of CSRD information (categories) are mostly being disclosed in their annual reports?

    3.3. Does the level of CSR information disclosed differ according to company ownership structure (local, joint venture, foreign)?

    3.4. What types of news (bad, neutral, and good) are mainly disclosed by the oil and gas firms functioning in Libya?

4) What is the impact of CSRD determinants on the extent of CSRD practices in oil and gas firms in Libya?

1.4 The Research Setting

The present research is focussed on oil and gas companies functioning in Libya. There are three rationales that can justify the choice of Libya as a case for exploration. Firstly, on the economical level, Libya is a member of the organisation of petroleum exporting countries (OPEC), and has the biggest oil reserves in Africa, which accounts for approximately 3% of the world's oil reserves, and therefore, it is a vital contributor to the worldwide supply of sweet and light crude oil (Shareia, 2014). With these huge untapped reserves, Libya has long been one of the preferred investment destination for oil consumers, especially after the restoration of economic ties in 2004 with developed countries such as: Italy, Spain, Germany, France, and the UK. After Libya declared its aim to destroy its weapons of mass destruction, annulment of Libya's name from the list of "*state sponsors of terrorism*" proceeded. Such action has offered the opportunity to numerous foreign firms from diverse industrialised nations to make investments in one of the most "*sensitive*" sectors (oil and gas), which has been recognised as causing the greatest environmental damage and instigating several social issues (Shibani, 2012).

Secondly, Libya has witnessed changes in its government regime, unlike developed countries, which are characterized by relative stability in their systems of governance (Eljayash, 2015). The state and its institutional environment is still weak, with local and non-state actors driving the political transition, driven by a free media, and an emergent civil society (Boduszyński & Pickard, 2013), and thus, the business environment has become more difficult and challenging (Bayoud, 2013). This is because for decades, Libyan society has relied on the state institutions, which were barely operational and were often undermined in ways that reflected Qadhafi's paranoia and his ideology of Jamahiriya (Boduszyński & Pickard, 2013). Therefore, there are marked differences between the cultural and institutional context of Libya as compared with other countries, cognisant of a fragile state. Thirdly, the International Monetary Fund (2013) has categorized Libya as one of the states which is developing and trying to quickly shift towards "*economic growth*". The Libyan context, therefore, provides an interesting opportunity for gathering additional insights into the factors affecting both the adoption of CSRD and factors that act as major impediments for its further development.

1.5 The Research Methodology

This thesis uses a concurrent embedded mixed method design, where two types of data were gathered simultaneously during a single data collection phase, but were analysed separately in a complementary manner. This design was used to provide an overall assessment of CSRD in Libya, and to gain broader perspectives using different methods as an alternative to using the predominant method alone (Creswell, 2014; Tashakkori &

Teddlie, 1998b). While the qualitative strand involves the use of semi-structured interviews conducted during three months with 20[3] key stakeholders representing managers of leading oil and gas companies and policy and decision makers, the quantitative strand involves a collection of companies' annual reports over a four-year period (2009, 2010, 2012, and 2013)[4]. The rationale behind selecting firm's annual reports is because they are extensively seen as legal and major official documents (Gray et al., 1995b), are synchronized documents that are generally reachable to researchers (Buhr, 1998), and have been generally acknowledged as a good document with a great degree of reliability (Jizi et al., 2014; Unerman, 2000).

The analysis of the qualitative strand was conducted in four stages: transcribing every interview in Arabic[5] into a notebook document, similar to Microsoft 2013 word document, carrying out a microanalysis of every interview, a translation of every interview from Arabic into English, and transferring and sorting all interviews as a project into NVivo 10 software. The secondary analysis began by developing a system of codes to categorise the data through the thematic analysis technique. This process was carried out through three stages, as suggested by King and Horrocks (2010); the descriptive/initial coding stage, the interpretive coding stage, and defining overarching themes stage.

The analysis of the quantitative strand involved the use of the content analysis method to explore the extent and types of CSRD practices and was followed by a regression test to assess the link between CSRD determinants and the extent of CSRD practices. While this technique has been extensively utilized in many previous CSRD studies (see e.g. Chek et

[3] The key restrictive factor concerning the actual number of interviews was access to, and the readiness of, the managers to voluntarily take part in the study.
[4] The reason behind not including 2011 is attributable to the the Libyan revolution where most of the oil and gas companies were not operating in the country, therefore, the data was not available.
[5] All interview' transcripts were sent to expert translator in order to ensure the consistency of the interview.

al., 2013; Cormier et al., 2005; Das et al., 2015; Deegan & Rankin, 1996; Deegan et al., 2002; Elmogla, 2009; Gray et al., 1995a, 1995b; Haji, 2013; Islam & Deegan, 2008; Jizi et al., 2014; Muttakin & Subramaniam, 2015; Tilling & Tilt, 2010), the particular categories examined in this research were based upon Gray et al. (1995b) work of social disclosure categories.

1.6 Research Findings and Contributions

On the basis of reviewing the relevant literature, and in the light of the gaps identified (a detailed discussion of the gaps is presented in section 1.1 of this chapter), and the data gathered and analysed, the results of this study primarily have "*empirical contributions*" to knowledge, with some policy based contributions:

The findings from the qualitative analysis showed that despite the fragile status of the Libyan institutional environment, managers perceive that a diversity of coercive, mimetic and normative pressures interplay to influence CSRD in the Libyan context. More specifically, the adoption of CSRD in Libya is not associated with only one institutional pressure, rather, it reflects multifaceted interfaces between *external* factors such as the state through its governance body the NOC, foreign business partners, other foreign owned companies' behaviour, the need to uphold the firm's reputation and image, and pressures to meet societal expectations. While the other CSRD *determinants* identified include government ownership, parent company factors, board size, board meeting, firm size, age, presence of CSR committee, and profitability. Additionally, the absence of clear legal requirements referring to CSRD, the shortage of knowledge and awareness, absence of civil society organisations, absence of EGA's role, and lack of motivation from government were found to act as major impediments for its further development.

These findings contribute to the literature towards understanding how different factors combine in the initiation of CSRD implementation in a fragile state. It explored how such institutional context acts as pressures for CSRD adoption, thus highlighting how institutional isomorphism is deeply interrelated within the framework of the national context and cultural values of the societal system (Nurunnabi, 2015a). The present status of CSRD implementation adds a period of dynamic tension, arising from both local and global pressures. Consequently, these findings show that the three types of institutional isomorphism (i.e. coercive, normative and mimetic) contribute to Libyan corporate context reporting behaviour. These results, therefore, add a unique institutional setting to the increasing number of social accounting studies taking a comparable stand (Amran & Devi, 2007; Amran & Haniffa, 2011; Joseph et al., 2014; Zhao & Patten, 2016), which have established the influence of institutional pressures on extant CSRD practices implementation.

The findings obtained from the quantitative analysis suggested that the extent of CSRD is low when compared with Western countries (Gamerschlag et al., 2011; Jizi et al., 2014; Loh et al., 2015; Perrigot et al., 2015), but in relative terms, the most disclosed types of CSR information were related to human resources and the environment. Furthermore, the findings obtained from the CSRD regression model suggest that CSRD practice is positively associated with government ownership, joint venture ownership, and foreign ownership, the frequency of board meetings, parent company factor, and firm size. However, CSRD has no statistically significant relationship with the board size, CSR committee, and firm age, while profitability is negatively associated with the extent of CSRD practices.

These results contribute towards the literature expanding our knowledge of CSRD practices "*implementation*", by empirically providing evidence and contextuality of CSRD in Libya. This is achieved by explaining how specific CSRD determinants either contribute to or impede the development of CSRD practices. These findings therefore could be useful to corporate regulators and policy makers in developing a more focussed agenda of CSRD activity when considering regulations for disclosure in this industry. Additionally, to the best of the researcher's knowledge, this research is the first to examine CSRD using a longitudinal analysis (i.e. within its quantitative stage) thereby examining pre and post 2011 Libyan revolution implications on CSRD. Thus, although the research concentrates on Libya, its findings have implications for other Arab countries facing similar challenges in implementing CSRD, since they possess similarity in their socio-cultural environment and share an identical language, culture, religion, and economic system.

1.7 Organisation of the Thesis

As shown in Figure 1.1 below, this thesis is divided into ten chapters, as follows:

Chapter One provides a brief overall introduction to the thesis. It starts with an introduction to the thesis, which is followed by a concise background, justification for and motivations for the research. It also explains the scope of the study, the research aim, objectives and questions, followed by a summary of the research setting and methodology. Finally, the findings and contributions of the study are explained and the structure of the thesis is presented.

Chapter Two presents an overview of information regarding Libya in relation to the aspects of its geographical location, historical background, political and economic system, and the ownership of the Libyan oil and gas industry and companies ownership structure. It also provides an explanation for the legal and regulatory framework in Libya. This background is seen as vital in the sense that it presents a structure within which the observations of this study are to be shown and understood.

Chapter Three provides an explanation of the theoretical underpinnings of this study, which is the use of neo-institutional theory. The chapter also reviews the concept of institutional isomorphism and critically reviews a number of studies in areas of CSRD in relation to the concept. Finally, after the chapter concludes with a summary of the theoretical framework to guide this study, a summary of this chapter is then presented.

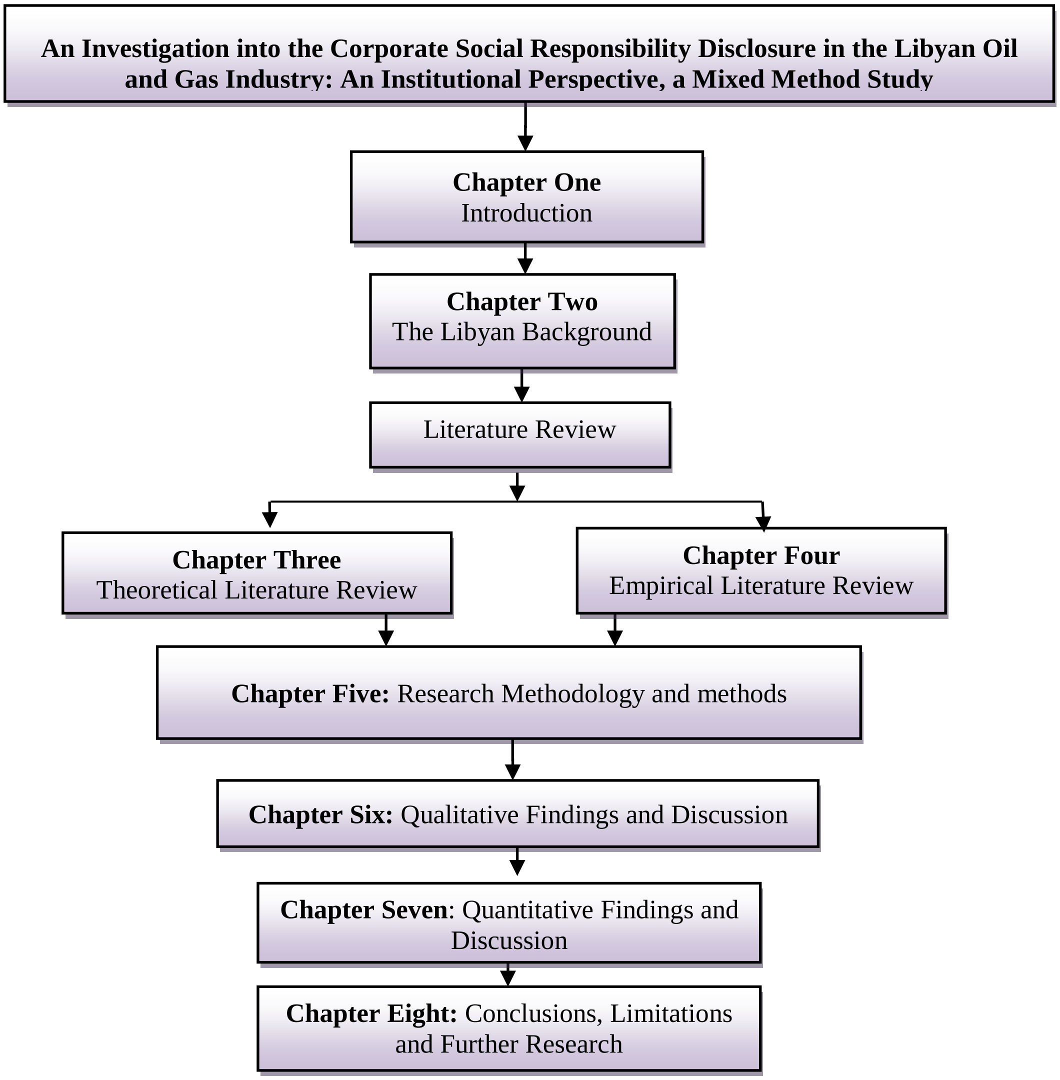
Chapter Four presents the literature on CSRD, which are relevant to the research's interests. It provides a discussion on the concept of CSRD, its meaning and scope. It also reviews the level of CSRD practices in developed and developing countries, prior research on Libyan CSRD, as well as on enablers and barriers of CSRD. Based on the review of the literature on CSRD determinants, a number of hypotheses are developed. For every chosen variable, a brief theoretical literature and empirical is attached in order to critically build up these hypotheses. Finally, the chapter presents the main gaps and limitation of previous studies.

Chapter Five presents the research methodology and methods, focusing on the qualitative and quantitative design. It begins by presenting the pragmatism philosophical paradigm and research design. Following this, the collection and analysis of the qualitative data and a discussion on the credibility, transferability, dependability and conformability of the semi-structured interviews are then presented. Subsequent this, the quantitative stage design is presented comprising how data was collected, independent and dependent variables operationalization, and how data was analysed.

Chapter Six presents the empirical findings obtained from the data gathered from the semi-structured interviews using some statements to demonstrate and explain relevant points. This chapter considers the findings from both managers of oil and gas companies and external actors pertaining to the definitional constructs of CSRD, the external and other CSRD determinants which have an effect on the "*implementation"* of CSRD practices in oil and gas firms functioning in Libya. Following this, the chapter presents the findings regarding barriers that hinder CSRD development, and also discusses the findings from the qualitative stage in relation to previous literature. Finally, a summary of this chapter is presented.

Chapter Seven illustrates the empirical findings from the quantitative stage. This chapter is divided into five main sections: the first section offers the descriptive results of the extent and the most disclosed type of CSR information. The second section demonstrates the regression test findings of the relationship between CSRD determinants and extent of CSRD practices. The third section illustrates the robustness or sensitivity of the empirical findings of this study. Specifically, it aims to establish the degree to which the findings documented in the main model are sensitive or robust to alternative empirical and theoretical explanations, as well as estimations. The fourth section presents a discussion of the empirical findings from this stage in relation to previous studies. The final section presents a summary of this chapter.

Chapter Eight provides an overall conclusion of this research with a summary of key findings discussed in relation to the study's questions. Additionally, after the contribution of the study is outlined and based on the study results, several recommendations pertaining to CSRD practices within the Libyan context are presented. The chapter ends by outlining the study's limitations and offers opportunities for future studies.



1.8 Chapter Summary

An overview of the thesis has been presented in this chapter. The current research is intended to examine the extent and types of CSRD practices and factors influencing its adoption in oil and gas firms working in Libya in the light of the country's political and institutional changes. This has been emphasised as a significant factor to be studied in the existing literature. By identifying several gaps in the literature, this research implements a concurrent embedded mixed method design to fill said gaps. Using NVivo 10 software to analyse the qualitative data through using descriptive/initial coding stage, interpretive coding stage, and defining overarching themes stage, and using SPSS 22 version to quantitatively examine the extent and types of CSR information and the association between a number of CSRD determinants and the extent of CSRD were undertaken. The current study's findings have empirical implications for corporate regulators, practitioners and policy makers, and the management of CSRD within the oil and gas firms.

Chapter 2: The Libyan Background and its Institutional Context

2.0 Overview

This chapter aims to present the economic, political, and social systems of Libya in order to better understand the environment in which oil and gas companies operate, and the institutional framework that could be utilized to explain the CSRD phenomena. After providing an initial overview of the geographical background of Libya, the chapter examines its socio-economic characteristics, and examines the historical and political changes which the country has undergone over time. The chapter also examines the economic background of Libya, specifically focusing on the Libyan oil and gas sector. The final sections of the chapter provide an understanding of the legal and regulatory framework in Libya, in order to provide insights into its fragile institutional environment with respect to CSRD practice.

2.1 Geographical Background of Libya

Libya is an Arab country, geographically located in the north central part of Africa (see Figure 2.1). It is the fourth biggest country in Africa in terms of size and it populates an area of 1,759,540 square kilometres (World Bank, 2016). The country shares common borders with Tunisia and Algeria in the west, Egypt and Sudan in the east, Chad and Niger in the south, and the Mediterranean Sea in the north (see Figure 2.2). The most prominent natural features of the country are the Mediterranean and the Sahara Desert, almost 95% of the land in Libya is desert, and its climate is influenced by the Sahara in the south and by the Mediterranean Sea in the north (World Bank, 2016).

Figure 2.1: the Location of Libya in Africa **Figure 2.2 Libya and its Border**

Figure 2.1: Source: http://www.worldatlas.com/webimage/countrys/africa/ly.htm
Figure 2.2: Source: http://www.wordtravels.com/Travelguide/Countries/Libya/Map

2.2 Population, Religion, and Language of Libya

According to the World Bank (2016), the Libyan population in 2014 totalled around 6,355,112, 78% of which live in cities, whilst the rest are semi-nomadic, nomadic, or live in the countryside. While Islam is the state religion and Sunni Muslims count for approximately 96.6% of the Libyan population, the remainder is made up of a small Christian community that mostly consists of foreigners (The World FactBook, 2016). The official and dominant language in Libya is Arabic. Both English and Italian languages (attributed to the colonial past of Libya) are largely understood in several cities (The World FactBook, 2016). Despite the fact that during the period of colonialism, the Italian language was compulsory in schools, there were not numerous Libyan children go to these schools. Therefore, the influence of the Italian language did not take root in Libya, as French did in other North African countries. However, the case with the English language is different, since it is a widely spoken and is particularly used in international business centres and dealings, truism area, and educated-class families. Additionally, numerous official government websites are also in English in addition to the Arabic language.

2.3 Historical and Political Background of Libya

Historically and politically, Libya has been subjected to several foreign occupations, as indicated in figure 2.3 below.

Figure 2.3: Timeline of the Key Developments in the Historical and Political Systems of Libya

1551-1910	Libya was occupied by the Ottoman Turks
1911-1943	Libya was occupied by Italians
1944-1951	Libya was occupied by British and French
24/12/1951	Libya Independence
1952-1968	King Idris al-Sanusi, formally known as “Idris the first” Era
1969-2011	**Colonel Qadhafi Era**
2011-2012	Interim National Transitional Council Era
2012-2014	General National Congress Era
2014- 2016	House of Representatives Era

However, because this research is focused on examining pre and post the 2011 Libyan revolution implications on CSRD, only the time-frame starting from Colonel Qadhafi era to House of Representatives era will be considered here. Libya used to have a unique political system from 1 September 1969 to 20 October 2011 because of the “Green Book” that consisted of three parts: political, economic and social systems established by Qadhafi (Aldrugi, 2013). Under this book, people themselves come to certain places known as “Hall of Basic People’s Congresses” and decide the political, social and economic goals, make a range of decisions, and pass legislations regarding a variety of features of private and public life. This method of direct democracy - as described by Qadhafi - was based on two main institutions, namely the General People’s Congress (GP Congress) and the General People’s Committee (GP Committee). Regulations and law were approved by the GP Congress, while the administrative regulations and decisions were issued by the GP Committee (Otman & Karlberg, 2007). However, under this book, any type of presidential or parliamentary elections were disallowed and there was no independent media, and it was believed that parties, the constitution, plebiscites, and creating parliaments were falsified and not necessary. Moreover, the private sector was disallowed from having any public media. Consequently, for more than four decades, the Libyan regime under Qaddafi’s leadership insisted on this book (Abouzkeh, 2013).

Gaddafi’s time in power was characterised by unstable relationships with the West. In December 1988, Libya was accused of destroying the US passenger plane Pan Am 103, over the village of Lockerbie in Scotland, killing 270 people. Although two Libyan citizens were accused of the event, when the US and UK governments requested those people to be handed over, the Libyan government refused. As a result, in 1992, the UN, with support from powerful countries, imposed sanctions on the country, by forbidding other nations to supply Libya with aircraft spare parts, oil industry equipment, military equipment, and through cutting all flights from and to all Libyan airports (Mousa, 2005). However, as a result of a long debatable negotiation between Libya, UK and the US, the Libyan government accepted civil liability, paying compensation of $2.8 billion to the victims’ families in 2001. By 2003, the embargo on supplying aircraft spare parts, and oil industry equipment was lifted. Additionally, by December 2003, the Libyan government announced its intention to get rid of its weapons of mass destruction, signalling its willingness to cooperate with the international institutions who were looking for weapons in Libya. A deal was signed in 2004, and by September in the same year, the US formally ended the trade restriction imposed on Libya, and furthermore, European Union (EU) foreign ministers agreed the subsequent month to remove the ban on European arms exports to the country. In 2006, a full restoration of diplomatic relations between Libya and advanced nations was made (Otman & Karlberg, 2007). As a result, American and British companies started to return, with oil companies specifically coming back strongly to invest in the Libyan oil and gas industry.

However, on 15 February 2011, Libya was affected by the "winds" of the Arab Spring that began in Tunisia in 2010, and then rapidly spread to Egypt. The Gaddafi regime had witnessed widespread protests that escalated rapidly into a national popular rebellion. In order to deal with the international community, a governing body named the Interim National Transitional Council (INTC) was established by the local community. In August, rebel forces began their intention to target the capital city Tripoli, and they eventually succeeded. Muammar Gaddafi remained free and at large until 20 October 2011, when he was captured and killed in his own city, Sirt. On October 23, the INTC declared the country liberated after the final defeat of Gadafi's forces.

While the governing body of Libya INTC continued their job until July 2012, the General National Congress (GNC) governed the country legitimately until 25 June 2014. Although the GNC, an Islamist-dominated parliament, located in the Western region, refused to recognise its more liberal successor, the House of Representatives, located in the Eastern region, the GNC is (from a legitimacy perspective) largely unrecognised in comparison to House of Representatives, which is recognised by the international community. This caused each parliament to have its own government. Although the UN has been functioning to reconcile the governments and encourage them to form a national unity government (The World FactBook, 2016), the two parliaments have failed to compromise and reach political agreements until now. This fractious governmental system has made the institutional environment weak, yet still operational, because the

National Oil Corporation and the Central Bank of Libya are two autonomous bodies serving Libya, rather than either of the governments. This has meant that these respective institutions have been operational until the present day.

2.4 Overview of the Libyan Economy

Before the oil and gas discovery, the Libyan economy relied largely on agriculture, pastoralism and trade, and thus, Libya was amongst the world's poorest countries with a per capita annual income not greater than \$50 per person per year before 1955 (Shibani, 2012). However, when oil was discovered in 1959, it turned the country from a dearth economy, where almost 70% of population lived at endurance levels, to a country with a surplus economy, in which the revenues of oil cover both the public budget and the balance of payments. The economy of Libya changed radically after the discovery of oil and Libya became an oil exporter (Shibani, 2012). In 1962, the revenue of oil was about 24.4% of the country's Gross Domestic Product (GDP), in 1969 around 61.7% and in 1992 around 28.3% (Otman & Karlberg, 2007). In the Arab world, by 1968, Libya had become the second largest oil producer, and its per capita income went up from less than \$50 US in 1951 to \$1,250 US in 1967.

After the 1969 revolution, several steps were undertaken by the new government to identify the status of the existing economy and to modify the formation of the Libyan economy system (Shibani, 2012). New rules for Libya's economic activities were therefore formed by the new government, because it was believed that it was unfair and unequal for the foreign international firms to operate in Libya, while the local firms did not have the same opportunities (Kilani, 1988). Consequently, a decision was made that industries needed to be nationalised. As a result of this decision, publicly-owned companies were established, and the private sector, during this period, witnessed a rapid decline, and fast growth of the economy along with the arrangement of a broad variety of public companies were made (Kilani, 1988). Accordingly, this revenue encouraged the country to make a number of economic development plans. These included a "short-term plan”, which covered a duration of one year and specified projects such as roads, water projects, hospitals; a “medium-term plan” with a five year period for the development of some economic sector such as agriculture, industry; and a “long-term plan”, which covered twenty years from 1980 to 2000 (Kilani, 1988). Another development plan was made in 2000, which was similar to the previous plan, the goal of which was to expand the economy and to shift Libya from a developing country to a developed, advanced country (Shibani, 2012). As a result of such plans, there was a significant raise in GDP in million Libyan Dinars (LYDs) obtained through the period 2006–2010 (although this decreased in 2011, which can be seen in table 2.1 below). This increase might be due to the government policy in nationalising the previously oil companies that were owned by foreigners, and the synchronized raise in the world market oil prices (Edwik, 2007).

Nevertheless, after the 2011 political changes, while there was some recovery in 2012 when the war ended and oil production came back quicker than anticipated, the economy has not yet reached a point of sustained, longer term economic growth (Khan & Mezran, 2013) (see table 2.1 below). This can be attributed to several factors, such as the fact that a number of international oil and gas firms operating in the country had left due to the country’s political instability, and due to its security situation continuing to deteriorate (Chivvis & Martini, 2014; The World FactBook, 2016). Such factors led Libya to become a less business-friendly environment, in particular for foreign partner investors, and therefore this has negatively impacted on the overall level of oil production in Libya.

Consequently, despite the political and institutional changes, and the intentions from the postwar government to reform the economy as part of an extensive approach to the country’s re-enactment, Libya still faces many challenges in areas such as economic management, structural policies, social governance and inclusion (Chivvis & Martini, 2014; World Bank, 2016). While some steps have already been undertaken by the postwar government towards reform, such as opening some opportunities for the private sector, increasing the level of foreign firms participation in the capital, passing a law that forbids interest on all transactions involving state institutions and corporate entities (Chivvis & Martini, 2014), economic policies did not change significantly, and thus, no development plans have been implemented (Khan & Mezran, 2013). This is because the state was focusing exclusively on political and security developments (Khan & Mezran, 2013). However, it should be noted that although there are two governments at the moment, the NOC is still an autonomous body serving Libya, rather than either of the governments (more details are provided in the following section).

Table 2.1: The Libyan GDP by Economic Sector over the Period 2006-2014 (In million LYDs)

Economic sector	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Agriculture, hunting & fishing	1,643.1	1,905.3	2,247.9	2,382.7	2,543.6	844.3	928.7	527.4	*
Oil & gas	**53,867.8**	**62,282.6**	**81,149.8**	**47,087.1**	**60,814.5**	**22,267.4**	**76,861.0**	**57,970.4**	**33,970.4**
Mining & quarrying	85.5	114.5	127.5	144.1	155.3	64.8	71.3	52.2	*
Manufacturing	3,602.6	4,032.1	4,888.8	5,447.6	5,809.5	978.0	3,766.2	2,153.4	*
Electricity & water	972.7	1,019.1	1,204.5	1,334.6	1,420.5	561.2	1,434.7	1,148.0	*
Constructions	3,129.3	4,198.4	5,994.5	7,577.5	8,066.8	1,391.7	1,530.8	1,187.3	*
Wholesales, retailer & vehicle repairing	2,724.8	3,225.0	3,761.6	4,092.7	4,388.1	2,873.8	4,699.8	2,365.8	*
Hotels & restaurants	138.5	171.3	187.9	205.4	219.4	49.5	175.5	142.1	*
Transport, storage & Telecommunication	2,724.2	3,299.5	3,884.2	4,125.8	4,432.1	3,317.7	3,553.3	3,215.7	*
Financial intermediary	816.5	980.8	1,081.3	1,181.8	1,262.0	745.9	1066.7	910.2	*
Real estate & business venture activities	4,643.5	5,218.9	5,723.8	6,154.8	6,636.4	4,546.7	5,819.8	3,523.4	*
Government, defence & mandatory social insurance	4935.1	6,507.3	6,670.7	6,870.8	7,128.8	12,319.3	17,406.0	8,961.3	*
Education	84.9	98.9	122.4	133.8	141.4	39.8	113.1	102.8	*
Health care & social activities	132.4	153.7	155.5	164.7	175.1	87.1	140.1	112.3	*
Other services	61.9	69.4	82.3	91.0	98.2	33.7	98.1	58.7	*
Total	**79,562.9**	**93,276.9**	**117,282.6**	**86,994.4**	**103,291.6**	**50,120.9**	**117,674.9**	**79,952.5**	**43,030.2**
Financial services indirectly computed	-533.0	-364.3	-643.1	-705.5	-753.4	-436	-363.7	-257.2	*
GDP	**79,029.9**	**92,693.6**	**116,639.6**	**86,289.0**	**102,538.2**	**49,684.9**	**117,311.2**	**79,695.3**	**43,030.2**

Source: Central Bank of Libya, Research and Statistics Department, Economic Bulletin Vol: 55. (2015).

*****Data not available yet.

2.5 Libyan Oil and Gas Industry Ownership and Companies' Ownership Structure

The oil and gas industry in Libya plays a key role in the country in economic terms, accounting for about 95% of government revenues, and provides Libya with the highest per capita GDPs in Africa (OPEC, 2014). The Libyan oil and gas industry is seen as extremely striking, because of the low costs in terms of its recovery and high quality. This important oil and gas industry is run by the National Oil Corporation (NOC), which was established on 12 November 1970, under Law No. 24 for the year 1970, to carry out the responsibilities of the oil and gas industry businesses (NOC, 2016). The NOC assesses copyrights and gives licenses of exploration and forms and fees associated with petroleum products and oil operations. In the area of manpower improvement, the NOC offers the oil and gas industry with qualified nationals, who are well trained at its training institutions.

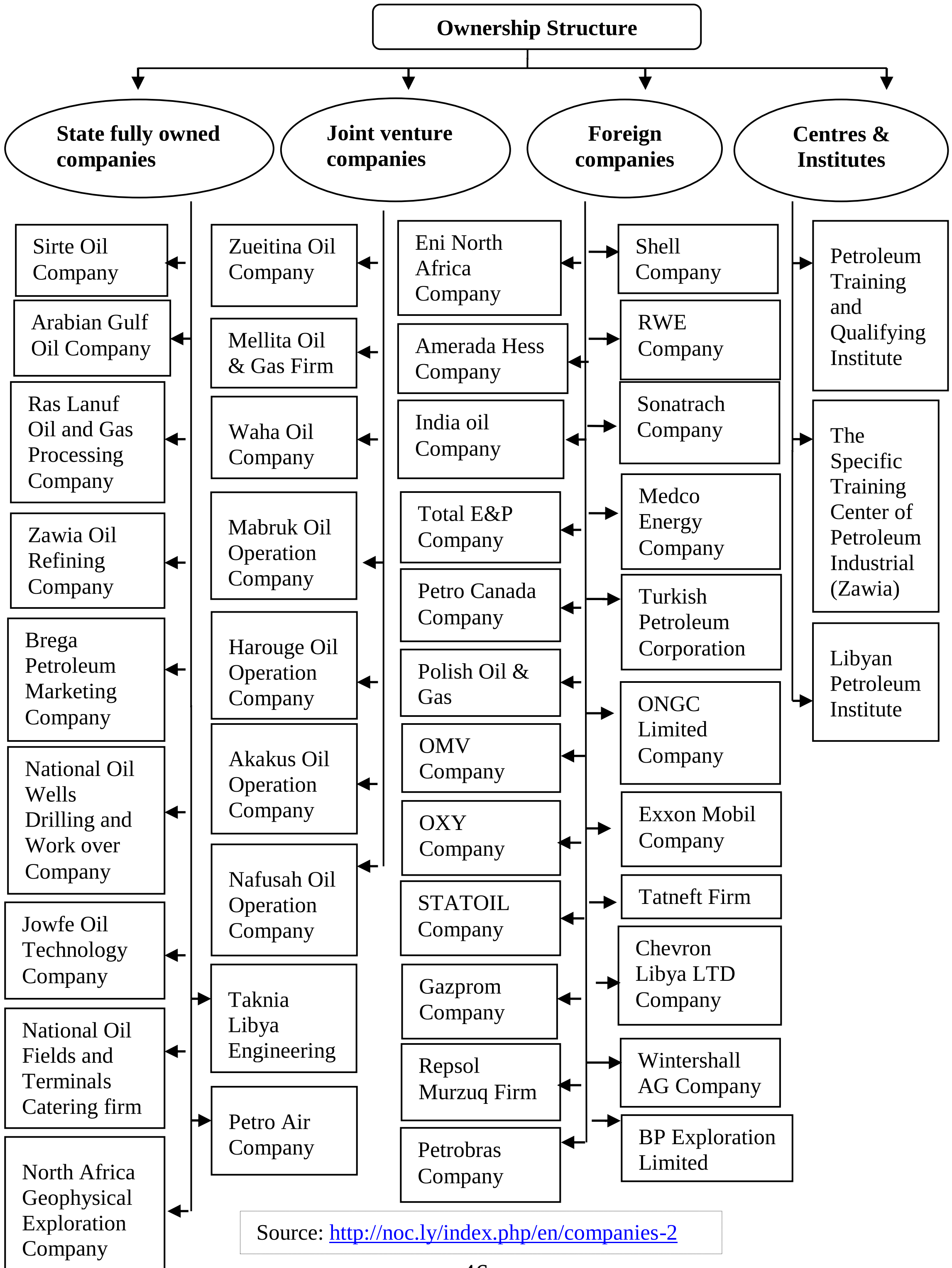
However, with regards to its governance, similar to other developing countries [for example, Qatar Petroleum institution in the case of Qatar, the Oman Oil Refineries and Petroleum Industries Company in the case of Oman], all local firms operating in the Libyan oil and gas sector are either owned or controlled by the state through its governance body, the NOC (NOC Department, 2014). This institution is a state-owned firm that governs Libya's oil and gas sector and supervises all petroleum activities in Libya containing oil exploration and furthermore has the unique characteristic of being responsible for both the oil and gas sector operations (Millad, 2013). The NOC has recently introduced and opened a Sustainable Development department to encourage companies to engage in CSR and its disclosure. This institution has reiterated its willingness to comply with certain social and environmental expectations by issuing and providing HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting requirements guidelines (NOC Department, 2014). This reporting requirement is enforced thorough management commitment and review, supported through supervision and complied with by all managers. The goal of these requirements is to effectively communicate the present social responsibility to all employees, contractors and stakeholders, to generate sustainability in the long term, appreciating the complexity of the social, economic and cultural context, in order to meet the national requirements (NOC Department, 2014).

With regards to the ownership structure of companies operating under this institutional authority, the ownership structure is different from developed countries, but quite similar to other newly industrialised countries, such as Malaysia (see e.g. Nazli & Ghazali, 2007) albeit somewhat different. As illustrated in figure 2.4 below, there are three types of ownership structure, which are: government ownership, joint venture ownership and foreign ownership. Government owned companies is the most dominant form of local oil and gas firms in Libya, and therefore the strong government existence in the board of directors causes the rise of a "culture", where the values of corporate governance attributes are not permanently valued by the management, and therefore it is generally questionable. Indeed, Gabasi et al. (2014) reported that unlike developed countries, the influence of other factors, such as ownership concentration and director ownership, is almost absent in the oil and gas sector in Libya, because such investors usually operate as secondary market traders. Therefore, despite the recent political and institutional changes in the country, state-owned companies continue to dominate the Libyan economy, mainly in the upstream oil and gas industry (Investment Climate Statement, 2014). In this context, Larbsh (2010) finds poor legal structure to be a possible weaknesses for the implementation of western models of corporate governance in Libya.

The second type is joint ventures companies (See figure 2.4), which is the less dominant form of oil and gas firms in Libya. Under this type, the contribution in the capital from foreigners through its existence should not go beyond 49% (Articles 4 and 17 of the Commercial Act 1970). However, this form of joint stock company has recently changed, according to the provision of the decision of the minister of economy No. 103 of 2012. According to this decision, participation in the capital of the joint venture firms from foreigners through its existence should not surpass 65%. However, for singular concerns concerning the location or the nature of the activity or technical requirements, and under justifiable decisions from the Minister of Economy, the foreigner's contribution might go beyond the percentage specified but by no means should exceed 80% (Article 3 of Law No. 103 for the year 2012). Despite such encouragements from the state for involving more foreigners in investment from the government, the joint venture ownership type is still the less dominant form of oil and gas firm working in Libya, which is perhaps due to the current political instability and lack of security in the country (Chivvis & Martini, 2014). However, the considerable presence of foreigners on the board of directors causes the rise of "culture", where the values of corporate governance attributes are permanently valued by the management.

The final type is the foreign companies that operate in accordance with the provisions of the decision of the minister of economy No. 103 for the year 2012. According to Article 7 of this law, after receiving authorization from the Minister of Economy, foreign firms can open branches and operate in Libya in the areas stated in Article (9) of the "resolution", providing that the firm is not part of joint venture functioning in equal activity or field, and the length of the work of the Branch subject to renewal is only five years. As such, foreign companies' ownership type is seen to be the most dominate type in the oil and gas sector in Libya (See figure 2.4), because such firms have advanced technological equipment and knowledge about oil drilling. Therefore, such firms have strong foreigners' existences in the board of directors, which may cause the rise of "culture", where the decisions are made based upon the culture and style of foreign management signalling home country influences.

Figure 2.4: The Ownership Structure of Firms Functioning in the Libyan Oil and Gas Sector



Source: http://noc.ly/index.php/en/companies-2

Additionally, the NOC also has a petroleum research centre (See figure 2.4), which performs technical and research studies in relation to the oil and gas sector, conducts tests and analysis for numerous steps of production and exploration of oil products and issues certificates in this regard (NOC Department, 2014). Additionally, it also has a centre to support a number of research studies to be published in a local and international context.

2.6 The Legal and Regulatory Framework in Libya

In a similar manner to other developing countries, in order to regulate the business environment, the state of Libya has issued several laws which have a major impact on accounting practice, including CSRD, and has created a few institutions. The laws or constitutional regulations (legal systems) of a country can indirectly or directly have influence on its corporate reporting and disclosures practice (Hawashe, 2014). The table below (2.2) therefore outlines these laws, the key aspects of them, followed by a discussion of the relevant aspects of these laws to firms operating in the oil and gas industry.

2.6.1 The Libyan Commercial Activity Law

The Libyan Commercial Activity Law (LCAL) No. 23 was issued on 28 January 2010, as a replacement to the Libyan Commercial Law of 1953. While LCAL has been amended several times between 1953 and 2010, no clear articles referring to CSRD are clearly stated. However, it is relevant to a variety of companies that operate in Libya including the oil and gas firms. According to this law, the Libyan fully or partially state-owned firms are required to have three bodies: a General Assembly body, an Administration Board body, and a Watchdog Committee body. The administration board or the board of directors runs the firm and draws its general policy, which should be approved by the general assembly. Managers of the firms apply these policies and use them as a guide in the process of their decision making (Articles 172 and 182 of the LCAL No. 23 of 2010).

Table 2.2: The Legal and Regulatory Framework in Libya

Name of the law and/or institution	Key aspects of the law	Relevant to firms working in the oil industry	Require CSRD (Yes/No)
The Libyan Commercial Activity Law No 23 of 2010	• The number of board members has not been specified. • Board members are required to meet at least six times a year. • The General Assembly assesses the firm responses to the Public Control Office comments on the annual reports. • State-owned companies or joint venture firms are required to possess the subsequent records: "a minute record of the meetings of the board directors and its decisions, a minute record of the monitoring committee's meetings and its decisions, a minute record of the meetings of the executive committee and its decisions".	Yes	No clear articles referring to CSRD are clearly stated.
The Libyan Corporate Governance Code 2005	• Part one - the essence of corporate governance and its significance in reducing the conflict of interest between parties. • Part two - the criteria of the board, how they should perform their duties regarding the rights of shareholders, access to information, the attendance of the general meeting, voting rights. • Part three - the choice of management and its supervisory role including an explanation of the most important tasks of the board of directors and how they should interact with the executive management. • Part four - planning and policy formulations including a description of the responsibilities of the board of directors and the formulations and monitoring of policies and plans. • Part five - auditing and internal control. All companies must develop procedures and policies of disclosure and supervisory regulations in written forms consistent with the LCGC rules.	It is voluntary but companies are asked to "comply-or-explain" basis.	LCGC indicates clearly that the disclosure and transparency elements are one of the most significant elements that have to be set in line with international accounting standards and to be revised consistent with the international auditing standards, but it did not

			clearly refer to CSRD.
The Stock Market Law 2010	• Covers elements such as: control and management of the stock market, listing requirements, issuance rules, disclosure rules, exception from taxes and duties, establishing investment funds, authentic electronic documents in proof, electronic signature, organisation of resolution and resolution board amongst others.	No as oil and gas firms are not listed on the LSML	No clear articles referring to CSRD are stated.
The Petroleum Law 1955	• Petroleum is the property of the Libyan state. • Firms should prepare their annual reports in accordance with international accounting standards and to be revised in line with the international auditing standards.	Yes	No clear articles referring to CSRD are clearly stated.
The Libyan Accountants and Auditors Association Law no 116 of 1973	• Issuing and monitoring accounting standards in Libya.	Not active	No clear articles referring to CSRD are stated.
The Libyan General Environment Authority Law No. (15) of 2003	• Concerned with environmental issues in terms of regulation, maintenance conservation of natural resources; environmental pollution control; achieving sustainability development; and integrated planning of the community.	Yes	No clear articles referring to CSRD are clearly stated.

However, the number of the board members has not been specified by the LCAL, rather, it is left to firms' general assembly to identify the number that is required, although the members are required to meet at least six times a year.

Under this law, two kinds of meetings need to be held by the General Assembly: extraordinary and ordinary meetings. The ordinary meetings should be scheduled once every year to discuss the administration board annual report and the supervisory body Committee's report (Article 163 of the LCAL No. 23 of 2010). Yet, various issues and decisions such as firm's capital, and selection of the liquidation committee members must be discussed in an extraordinary meeting of the General Assembly. The Watchdog Committee's duties comprise of making sure that the accounting system in the company is running with the procedures of the accounting rule issued by the law. Additionally, according to the Article 196 of this law, the committee should include either three or five effective members, or two non-working members. The members of the committee are usually chosen by the General Assembly for three renewable years, and at least one must have an accounting background. At least every three months, the Committee should meet to make sure that the firm is still in control of its assets and money (Article 201 of the LCAL No. 23 of 2010). To make sure this is the case, a few members are expected to make regular visits to the firm to check and investigate the audit records (Article 200 of the LCAL No. 23 of 2010).

Briefly, the LCAL No. 23 of 2010 has made no reference to CSRD. Furthermore, all kinds of firms are not obligated by LCAL to reveal comprehensive financial and/or social information. It should also be noted that although Libya's political regimes have recently changed, the LCAL has not yet been revised. Thus, CSRD is still similar to other developing countries in the world where it is still not mandatory. In fact, even with regards to companies' income statements, profit and loss account and balance sheet, the LCAL does not oblige mandatory disclosure of them to the general public. However, the

LCAL asks all firms to formulate their accounts in line with the relevant accounting principles and standards, although it does not state these standards and principles.

2.6.2 The Libyan Corporate Governance Code

The worldwide growing concern about the subject of corporate governance has had an influence on the business environment in Libya, resulting in the manual of Libyan Corporate Governance Code (LCGC), which was issued by the Central Bank of Libya in 2005, and is considered a crucial guideline for the boards of directors for the commercial banks (Magrus, 2012). However, most local firms, including firms functioning in the oil and gas sector, do not have any mandatory or legally binding guideline as far as corporate governance is considered. The LCGC rules (see table 2.2 above) are not mandatory, rather, they help and regulate responsible and transparent firm behaviour. However, the LCGC is consistent with the western corporate governance style model which categorizes in terms of the existence of an audit committee, board members' number etc.

Briefly, the most significant articles covered are those that are related to disclosure and transparency elements. The LCGC outlines that all companies must develop procedures and policies of disclosure and supervisory regulations in written forms consistent with the rules determined by the LCGC. More specifically, disclosure in the report should address a number of important points, such as what has been applied from the provisions of these general rules, the composition of management and classifications of its managers, a brief description about the number of meetings, number of members, the results of the annual review for the evaluation of the effectiveness of internal control procedures of the company. Briefly, despite the fact that the LCGC indicates clearly that the disclosure and transparency elements are one of the most significant elements that have to be set in line with international accounting standards and to be revised consistent with the international auditing standards, it did not clearly make any reference to CSR information or its disclosure.

2.6.3 The Libyan Petroleum Law

The Libyan Petroleum Law was established in 1955. In accordance with Article No 1 of this law, petroleum in Libya is the property of the Libyan state and no individual is allowed to explore or yield petroleum in any part of the country, except if it is authorised or permitted by this law. Under this law, accounting requirements and rules are given. Article 14 of the petroleum law (p. 18) explains the profits of oil and gas firms as the income that results from their jobs in Libya, after subtracting the subsequent items:

- "Operating expenses and overheads, the details of which defined in regulations excluding the fees, rents, royalties and income tax and other direct taxes might be deducted.
- Depreciation of all physical assets in Libya, at the rate of 33⅓% per annum and amortisation of all other capital expenditure in Libya, at the rate of 5% per annum, until such assets and expenditure are fully written off. The unamortised balance of the cost of physical assets permanently put out of use may be deducted in the year when such assets are scrapped or sold.
- 16.67% of the value of the crude oil exported".

Within the same article, oil and gas companies are required to apply accounting techniques that are regularly utilized in the petroleum industry to calculate their profit. As such, the basic accounting practices of American and British firms functioning in the Libyan oil and gas sector has influenced the accounting practice in the local Libyan oil and gas firms (Saleh, 2001). In short, none of the articles within the Libyan Petroleum Law specifies clearly that CSR information should be encompassed in the annual reports, yet firms should prepare their annual reports in accordance with international accounting standards and should be revised in line with the international auditing standards.

2.6.4 The Libyan Accountants and Auditors Association

The accounting profession generally plays a vital role in contributing to the growth of the economy of a country. Kaidonis (2008, p. 1) states that "the accounting profession has a role in the state and the corporate sector, and is also expected to serve the public interest". Because of its importance, the Libyan Accountants and Auditors Association (LAAA) was established in 1973 with the aim to improve economic growth, serve community interest and, eventually improve the financial welfare of society. While, the LAAA stayed up to the date of the revolution as the single professional accounting body in the country, it had little social position in Libya (Hawashe, 2014). It did not do anything to construct any "professional theoretical basis" of principles for accounting as a profession in Libya, and it did not even establish a "Code of Ethics" for members to stand by (Shareia, 2014). Additionally, this body has not attained the goal of even advancing its activities in relation to seminars, conferences, research, training program or promoting accounting publications to develop the position of the profession, and consequently its members (Shareia, 2014). Rather, this accounting body has only just followed the requirements of government monitoring regarding accounting practice. As a result of such ineffectiveness, the ITNC made a resolution in March No. 12, for the year 2011, to suspend the activities of all professional associations and unions that are linked to the General People's Congress, including the LAAA, thus the LAAA after this date has had no lawful role in the country.

2.6.5 The Libyan Environment General Authority

The Libyan Environment General Authority **(**EGA**)** was established in 1982 as the Technical Centre for Environmental Protection, and then upgraded to become the EGA. It is considered the only governmental institution responsible for maintaining and improve the environmental conditions across the country under the resolution No. 263 for the year

2000 (ENPI-SEIS Country Report, 2015). This institution has the power to deliver views and approvals on the environment effects of different projects that are perhaps run by different firms, including the oil and gas firms. While this institution exercises its responsibilities in line with the environmental law No. 15 of 2003 to protect and improve the environment, decrease and prevent environmental poverty, achieve safe treatment of contaminants and pollutants, its main role is to formulate a comprehensive and integrated national environmental policy for sustainable development and integrated planning. It also acts to formulate and develop specific standards, strategies, and priorities for environmental protection and natural resource conservation.

Although the 79 articles of this law are concerned with environmental issues in terms of regulation, maintenance conservation of natural resources; environmental pollution control; and achieving sustainability development; none of 79 articles have made clear reference to the disclosure of environmental information. In fact, this law made no obvious articles for CSR in terms of disclosure. Additionally, in spite of the fact that Libya is the first Arab country to create environmental legislations, the enforcement of the law remains below expectations (ENPI-SEIS Country Report, 2015). The reasons behind the weakness in enforcing the environmental law is attributed to problems such as weak institutional structures, lack of an effective mechanism for reconciling environmental legislation (World Bank, 2016), in addition to the "lack of equipment, trained personnel and general awareness are inhibiting the consistent implementation and enforcement of environmental laws in Libya" (ENPI-SEIS Country Report, 2015, p. 11).

Recently, however, a national committee has been established. The goal of this committee is to detect gaps, analyse the current legislations and find ways to strengthen its implementations. This would be achieved through the use of economic instruments in the environmental policies, since they have an immediate effect on a polluter's budget (ENPI-SEIS Country Report, 2015). According to this report, there are currently insufficient pollution monitoring systems and technologies, and thus, fines are based on what has been mentioned on the executive regulations, instead of measurements and calculations. Accordingly, this law is presently under study, and new articles will be added in order to make the law foster sustainable development and participate in the promotion of international measures intended at stabilising the quality of the environment. It will also comprise of the right for the public to access the data related to the environment and its quality, through the reporting obligations (ENPI-SEIS Country Report, 2015).

2.7 Chapter Summary

This chapter has presented a contextual framework within which the research was conducted and has provided the context for interpreting and understanding the environment in which the oil and gas companies in Libya operate. Specifically, an overview of the Libyan geographical, political, and economic backgrounds has been presented. The chapter has also offered an overview of the ownership structure of firms working in the oil and gas sector in which this research is considered. It has also reviewed the legal and regulatory framework in Libya. This review shows that although political and institutional changes have occurred in the country, significant shortcomings in the regulatory framework and legal system and the lack of environmental remediation facilities remain key issues. In other words, this review shows clearly that none of the regulatory frameworks that were reviewed specifies clearly that CSR information should be encompassed in the annual reports. However, the only major development from this review is the opening of the Sustainable Development department within NOC and the establishment of HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting requirements guidelines. The following chapter represents a review of the related theoretical literature.

Chapter 3: Theoretical Literature Review and CSRD Practice

3.0 Overview

This chapter presents a review of the extant knowledge on neo-institutional theory. After providing justifications for employing this theory in this research, the chapter reviews neo-institutional theory, and the concept of institutional isomorphism. Afterwards, it will present a critical review of the empirical studies from both developed and developing countries regarding the institutional isomorphism pillars. Finally, a summary of the conceptual framework derived from the above stated areas of the literature and a conclusion of the chapter are presented.

3.1 Rationale behind using Neo-Institutional Theory in this Research

Corporate Social Responsibility Disclosure, as the literature points out, has now become a worldwide notion and an important aspect of global business, with its practice differing from one country to another. However, in spite of the increasing body of research in developing countries concentrating on CSRD, there is theoretically-based disagreement regarding why firms disclose CSR information. The theoretical underpinnings of CSRD has been explained and justified by various theories, such as stakeholder theory (Freeman, 1984), legitimacy theory (Dowling & Pfeffer, 1975; Suchman, 1995), and neo-institutional theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 1987, 1995, 2008, 2014), amongst others. While a large number of previous studies (Islam & Deegan, 2008; Kuhn et al., 2015; Muttakin & Subramaniam, 2015; Nazli & Ghazali, 2007) have adopted a multiple theoretical framework to explain and understand corporate reporting behaviour, there is also a substantial number of other studies (Amran & Devi, 2008; Amran & Haniffa, 2011; Haniffa & Cooke, 2005; Jizi et al., 2014; Ntim &

Soobaroyen, 2013b) which have adopted a single theoretical framework to explain and understand corporate reporting behaviour.

This research has adopted a single-theoretical framework, namely, the neo-institutional theory for interpreting CSRD practices, for the following reasons. Firstly, Dougherty (1994) explains that neo-institutional theory offers a brilliant foundation for an account of "radical change" and its institutional context. As such, because other theories do not take into account institutional environment changes, which is currently the case in Libya, neo-institutional theory is seen as an ideal theory to explain such phenomena. This is because it explains how firms accept and respond to altering institutional and social pressures and anticipations to sustain legitimacy. Secondly, utilizing this theory as a theoretical framework will help in understanding the factors behind company management decisions with regards to being involved in CSRD practices, by electing the key managers' opinion on the problem. In doing so, it will offer new evidence and insights on different contextual factors that combine in the initiation of CSRD in a fragile state.

Thirdly, neo-institutional theory is a dominant theoretical perspective that offers an explanation for how the mechanisms used by firms align perceptions of their practice with social and cultural values (Amran & Haniffa, 2011). Consequently, adopting this theory, which has been suggested as having a great potential in explaining CSRD within the context of developing countries (Milne & Patten, 2002; Rowe & Wehrmeyer, 2001), may provide evidence for its applicability in the context of a developing country, using Libya as case study. In such countries, behaviours of management, including legitimacy, might not be controlled by managers themselves, rather by "institutional pressures" that construct tendencies towards isomorphism within the organisational field (DiMaggio & Powell, 1983, 1981).

Finally, the neo-institutional theory has been adopted in line with previous studies (Amran & Devi, 2007; Amran & Devi, 2008; Amran & Haniffa, 2011; Ntim & Soobaroyen, 2013b; Zhao & Patten, 2016), that have implemented a single-theoretical angle - the neo-institutional theory. Thus, the findings of these studies can be used for comparison purposes with the current research findings.

3.2 Neo-institutional Theory

Neo-institutional theory suggests that the institutional environment influences the procedures and understandings by which companies function, and emphasises how constitutive societal views come to be entrenched in organisations (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Greenwood et al., 2013). It concentrates on the behaviour of companies who are motivated by pressures in broader society, and focuses on how firms can attain support and gain legitimacy within a particular institutional milieu, by accommodating to norms, rules, and routine interests that are highly respected by the society. As such, through adopting and maintaining particular organisational structures, practices, and policies, firms can display their conformity and compliance to institutional pressures that would result in "legitimacy" (Patten & Crampton, 2004).

Milne and Patten (2002) suggest that the legitimation process is not just strategic, but also is institutional in nature. Supporters of institutionalism describe legitimacy as a consequence of congruency between firms and their cultural environment and argue that they seem to concentrate more on the "cognitive" rather than the "evaluative angle". Further, institutionalists believe that legitimacy is not an effective resource, rather it is a sum of "constitutive beliefs" (Suchman, 1995). Broadly speaking, therefore, neo-institutional theory concentrates on the organisations' values and environment and emphasises that firms adopt institutionalised forms of behaviour in an effort to increase their external and internal legitimacy (Jackson & Apostolakou, 2010; Scott, 1995, 2001, 2014).

Organisations, therefore, would alter their forms and structure to stratify “external expectations” of the organisational field, to obtain legitimacy. In other words, organisations will adopt particular behaviours, as DiMaggio and Powell (1983, 1991) state, so they can attain admittance to resources and endorsement from key stakeholders. Thus, there are specific beliefs and rules in the institutional field that will place institutional pressures on the companies to gain legitimacy. This process will result in a raise in the homogeneity of organizational structure.

In this respect, from an institutional angle, organisations function in a social framework of values, norms, beliefs, routines, habits, traditions, and take for granted assumptions about what is regarded as suitable or appropriate economic behaviour (Oliver, 1997). Thus, they shape, and in turn are shaped, by this social framework. Such insight proposes that the causes for human actions are expanded further than just economic optimization to include social obligations and social justifications. Consequently, compliance and response to social expectations helps organizations survive and achieve success (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Oliver, 1997). In this way, the institutional perspective views organisational communication as a process by which norms are adopted and acted on by members of the organisation (Lammers, 2003).

Although companies have the choice to function within institutional restrictions, failure to do the accepted thing for the crucial institutionalised norms of suitability could intimidate the company’s survival and its legitimacy (DiMaggio & Powell, 1991; Oliver, 1991; Scott, 1995, 2014). While organisations should interrelate with the environment in a way that is suitable to the numerous constituents (to the degree that institutional regulations are integrated within firms as a means of gaining legitimacy and enhancing survival perspective), companies have the key goal of increasing effectiveness in order to maximize their performance (Devinney, 2009). From an effectiveness perspective therefore, neo-institutional theory assumes that conforming to different pressures can help firms compete for crucial resources that will in turn enhance firms' performance.

DiMaggio and Powell (1983, 1991) offer a framework of three dissimilar, interrelated, and equally reinforcing institutional pillars - the coercive, the normative, and the mimetic pillars, which are valuable in analysing institutional pressures and forces on companies. Because it is important for companies to accomplish and sustain legitimacy in the environments that they function in, they may experience different pressures to adopt specific practices and become isomorphic with the institutional context in which they operate (Kostova & Roth, 2002). It has been argued that whatever the kind of institutional pressure (coercive, normative, or mimetic), it effects the development of CSRD practices (Jennings & Zandbergen, 1995). As such, disclosures of CSR information seem to be a good way for firms to provide information about their engagement in CSR, in order to legitimate their behaviours (Labouel, Mansouri & Pertti in Boje, 2015). In other words, CSRD is one of the company strategies that seeks acceptance and authorization of their activities from society. Furthermore, the process of decision making to disclose CSR information is not purely based on the basis of instrumental motives, rather this type of decision is framed in relation to social context (Labouel, Mansouri & Pertti in Boje, 2015). For instance, some firms reveal their environmental and social information by imitating competitors, in order to follow government regulations or avoid state sanctions, and respond to normative understandings of stakeholders groups (Jackson & Apostolakou, 2010). Therefore, firms use CSRD as a means of participating in and responding to institutional pressures.

Similarly, drawing from DiMaggio and Powell's (1991) framework, a great emphasis by Scott (2014) was placed on three levels of analysis namely governance structures, societal institutions, and actors. In brief, the presence of social institutions could push actors to continue accepted practices for the legitimated standard. Governance structures consist of the organisational fields and firms themselves. Because organisations are different in their structure and culture, the organisational level of analysis is similarly significant, since it has the ability to influence and be influenced by organisational fields and the overall institutional setting (Ntim & Soobaroyen, 2013b). Actors consist of individuals and groups. Scott (2001) advocates the position that the institutional pressures (i.e., coercive, normative, or mimetic) can impact (and are impacted by) the forces of institutional norms and practices. Accordingly, neo-institutional theory assumes that actors are not just competing for resources, but are also looking for social acceptance and crucial legitimacy. Thus, those actors at these three levels interact to generate similarity in structure, through action within the institutional context (institutional isomorphism pressures).

3.3 Institutional Pressures and CSRD Practice

In the area of CSRD practices, Patten and Crampton (2004) claim that CSRD is a function of institutional pressures and that companies facing this sort of pressure will provide more environmental and social disclosures. Similarly, Branco and Rodrigues (2008) advocate that firms adopt CSRD practice and structures, in order to increase their acceptance in their social environment and external constituents. Such conformity to institutional pressures - as Aerts et al. (2006) argue - would enhance a company's legitimacy. While firms are seen to be legitimate if their activities comply with the objectives of the social system, organisations change their structure and in turn become increasingly similar, as a result of the three mechanisms pressures advocated by DiMaggio and Powell (1991). Although the significance of this theoretical framework has progressively achieved recognition (De Villiers & Alexander, 2010; Greccoa et al., 2013), its application within the broader CSRD literature, as well as within the context of North African countries, remains as yet limited. Thus, the present research will examine the theoretical implications of neo-institutional theory by examining the three sources;

mimetic, normative, and coercive isomorphism (DiMaggio & Powell, 1983, 1991) and examine its potential implications for CSRD in a North African country.

3.3.1 Coercive Isomorphism and CSRD Practice

Coercive pressure stems from both informal and formal pressures applied by powerful actors, such as the government, on which the firm is dependent. This pressure might occur in the form of invitations, persuasions or orders to change and adopt a particular structure or an organisational practice (DiMaggio & Powell, 1983, 1991). The informal pressures include codes of conduct, monitoring and guidelines, norms of behaviour and conventions, while the formal pressures comprise of the regulations and laws and the ways each of these are imposed (Kim et al., 2013). To avoid punishments or sanctions, therefore, companies act in response to these pressures and implement the necessary organisational practice (Greenwood et al., 2013). In doing so, organisations convey the message to different stakeholders in the organisation that the organisation is responsive to the preference of the society in which they function. Therefore, an organization might be able to seek ultimate legitimacy and social acceptance.

The coercive pressures for CSRD practice directly influences companies CSRD activities through government regulations and rules (Othman et al., 2011). Every government creates its own monitoring pressures on CSRD, facilitating or endorsing specific practices (Pedersen et al., 2013). For example, while in some developed countries like Spain, Norway, (France has already passed a mandatory law where firms with more than 300 employees must draft CSR reports) and Denmark, governments place requirements on companies and mandate specific practices such as CSRD (Wanderley et al., 2008); in other countries CSRD practices are social, and are envisioned to develop relationships between business and stakeholders or societies (Islam & Deegan, 2008). However, in developing countries, these initiatives have not encountered comparable interest (Jamali, 2007), because the standards, institutions, and legal systems that encourage CSRD in such countries are somewhat weak (Kemp, 2001).

Despite this, global pressures could influence firms to adopt CSRD practices in developing countries. For example, worldwide codes, such as the Global Reporting Initiative, ISO reporting requirements, International Reporting Standards, etc (Hedberg & von Malmborg, 2003), could make firms respond to these pressures in order to obtain "legitimacy" with their peers, consumers or investors. Indeed, while De Villiers and Alexander (2010) and Belal et al. (2015) found among other key factors, the influence of GRI guidelines behind the existence of environmental disclosure in South Africa and why Islami Bank Bangladesh Limited get engaged in ethical reporting practices in Bangladesh, Sumiani et al. (2007) found ISO 14000 certification has a certain level of influence on environmental reporting behaviour voluntary amongst 50 Malaysian firms, whilst Prajogo et al. (2012) found the motivation for adopting ISO 14001 is to improve both the social and market benefits in Australia.

3.3.2 Normative Isomorphism and CSRD Practice

The normative pillar influences values (what in a social context is acceptable to follow), and norms (how things should be done). In other words, it highlights the conventions and actions that are legitimate for society, by acting in a way they expect and consider suitable and ethically accurate (Scott, 2001, 2014). This type arises from professionalization, in which it refers to the professionals' expectations to fulfil several standards and to implement certain types of structure or institutional practice (DiMaggio & Powell, 1983). This type occurs, as Greenwood et al. (2008) and Greenwood et al. (2013) state, because organisations are motivated to evade sanctions accessible to organisations on which they depend.

It has been observed (DiMaggio & Powell, 1983, 1991) that professionalization contains two important factors that result in isomorphism, including professional networks and formal education produced by a university specialist. In fact, universities and professional training institutions function as centres of knowledge that pressure the improvement of professional values and norms for organisations amongst mangers and their staff. Such centres promote normative standards which are comparable to a professional setting. An example of a professional association centre is the Association of Chartered Certified Accountants. These professionals have a link with their professional bodies and in turn have criteria that determine professional and proper behaviour.

The normative pressures for CSRD practice also need to involve and be responsive to the social norms, values and expectations of society (Grecco et al., 2013). Conformity with social expectations contributes to the organisational survival and success. While in numerous countries what motivates business is making a profit, in other countries, a social rationalization is needed for achieving such an objective. For example, in North African countries, business is estimated to reflect the values of the economy and the diligence of the East, and they value social development more than singular needs. As a result, international and joint venture companies operating in Libya might find a conflict between such beliefs and expectations of the profits of their stakeholders at home.

3.3.3 Mimetic Isomorphism and CSRD Practice

The mimetic pressure arises primarily from ambiguity within the environment which leads a company to form itself into other fruitful companies (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Greenwood et al., 2013). Thus, mimetic isomorphism could be considered a reaction to organisational questionability in chasing the best course in practice. In other words, the pressure from this mimetic pillar comprises of identifying and benchmarking the most excellent practices in the field, so that copying these practices arises as a result of its institutional approval. Consequently, companies accomplish legitimacy in their environment and raise their opportunities of success and survival by conforming to such pressures (Grecco et al., 2013; Kostova & Roth, 2002). This is significant to protect companies' reputation and guarantee their continued existence.

Additionally, since the organisational field comprises of a set of activities within which organisational actors usually know each other's practices and presence, companies in a similar field are likely to be involved in a joint sense, to equally characterise organisational environments. Therefore, replication will occur amongst competitors and other peers during the period of ambiguity. It has been proposed by institutional researchers (e.g. Scott, 1995, 2014) that when a company follows similar pattern practices in its organisational field, it does not just decrease the ambiguity level of the firm, but also raises its legitimacy by proving the suitability of its action to its diverse stakeholders.

In the area of CSRD practice, the uncertainty also might constrain business activity (Setyorini & Ishak, 2012). The CSRD practices policies and behaviours in many developing countries are based on national and social traditions (Welford, 2005). However, due to the fragile status of the institutional environment in some developing countries, and in the light of uncertainty, some companies may tend to mimic the performance, structure and practices of other companies that are perceived as more successful in terms of CSRD practice (Grecco et al., 2013).

3.3.4 Critical Review of Empirical Studies of Coercive, Normative and Mimetic Isomorphism Evidence in CSRD Practice

Empirically, using the content analysis technique to examine the extent of CSRD in Malaysia for the year ended 2002, Amran and Devi (2008) examined the impact of government and multinational firms on CSRD development in an economy tied with weak pressure group activism. While their findings demonstrated that the government link companies are good reporters, since the CSR agenda is institutionalised within the firms through government pressure, the impact of the foreign association factor was not evident. Despite such interesting findings, it can be noted that the results of the study are limited to only one year (i.e. 2002), therefore, the authors were unsuccessful to trace the development of CSR information over time. In other words, their finding would have been more persuasive if the authors had included data over longer period of time.

Islam and Deegan (2008) examined the CSRD of key garment export firms in Bangladesh using twelve interviews. In the 1990s there was a great deal of anxiety amongst Western consumers that companies in Bangladesh use child labour to secure their products. As a result of different pressures from diverse stakeholders, such as customers, news media, and lobby groups in the West, the majority of companies were coerced to put in place procedures to make sure that supply factories do not use child labour. Despite the fact that the findings of this study are clearly presented, the sample of the interview was too small (i.e. 12 interviews), therefore, this restricts the ability of the results to be generalized over the other sectors. Thus, the results lost its generalization power on the entire population.

De Villiers and Alexander (2010) examined environmental disclosure practice in two countries, namely Australia and South Africa, focusing specifically on the mining companies sector, targeting only 2007 reports. The study is employed using disclosure items recommended by the GRI to measure the level of disclosure. Among the 36 companies of disclosure patterns and characteristics, the study's results show that although the social structures of both countries are dissimilar, environmental disclosure practices in both countries are identical to the "GRI guidelines", in which it could be categorized as a normative isomorphic pressure that pressures convergence in environmental disclosure practice amongst firms from dissimilar countries. Their findings further show that with benchmarking being a common business practice, mining firms in both countries pattern their disclosure on BHP Billiton, as their biggest peers. Despite such interesting results, it might have been more convincing if the authors had provided a larger sample, as their study only targeted 36 observations in total. Therefore, its results restrict the capability of the findings to be generalized, thus the findings lost its generalization power.

In Malaysia, Othman et al. (2011) investigated whether or not coercive isomorphism as forced by an authoritarian establishment is an effectual instrument to endorse a firms' CSRD practice. The sample of the study was based on 117 companies for 2007. While their findings reveal that regulatory efforts are a significant means of supporting CSRD practices, this study is only limited to 2007, and did not include any other years, which may limit the generalizability of the findings reported.

Furthermore, Amran and Haniffa (2011) investigated whether government shareholding and size factor have an influence on sustainability reporting among the 201 companies listed in the Bursa Malaysia for the year 2001. Whilst size factor is verified to have a considerable influence on sustainability reporting, insignificant link between disclosure of social reporting and government shareholding factor was found. This suggests that the intensity of coercion isomorphism may not be strong enough to persuade firms to disclose significantly. Nevertheless, this research is only limited to one year annual reports and thus the results might not be generalizable to other periods. Additionally, this study focused only on the Malaysian environment, therefore restraining any comparison with other countries.

Setyorini and Ishak (2012) examined CSRD practice using 5 year data from 2005 to 2009 of 911 Indonesian publicly listed companies. Although the findings of this research show that CSRD practice has improved from the earlier years, under the uncertainty of the Indonesian government instrument for CSRD practice, firms seem to imitate structure, practice and performance of other successful firms. However, despite such findings, it has to be admitted that this study is still far from being conclusive, since it has not looked at any other isomorphism pressures such as the normative or the coercive, rather it just concentrates on the mimetic pressures.

More recently, using 142 companies annual reports and 16 interviews, Pedersen et al. (2013) investigated how big Danish firms were responsive to new government regulations, in terms of CSRD. While coercive pressures from the government were found to have an influence on CSRD practice, firms reporting for the first time were motivated by other firms, guidelines, standards, and other resources to engage in CSRD. Whilst the authors identified coercive and mimetic pressure implications for CSRD in the context of Denmark, it is not clear whether the outcome of the research can be generalised to firms in dissimilar environmental settings.

Additionally, Ntim and Soobaroyen (2013b) investigated the relationship between corporate governance mechanisms and CSRD using a sample of 75 companies listed on the Johannesburg Stock Exchange from 2002 to 2009. While their study showed that government ownership is linked positively to CSRD, government at the societal level can enact regulations through coercive power to regulate the behaviour of lower actors in the society. While this suggests that more commitment to CSRD can win the support of the government, it is not clear whether the outcome of this research can be generalised to a different context.

In Sri Lanka, through the interview method conducted with 18 managers across 10 subsidiaries, Beddewela and Herzig (2013) examined the pressures, obstacles and enablers which subsidiaries of multinational firms encounter when involved in reporting

CSR information. While their study showed that despite the rather weak coercive and normative pressures, a number of subsidiaries are concerned about the attainment of legitimacy in the country, and to this end they embark on mimetic isomorphism, by imitating other local firms in publishing alternative forms of social reporting media. This suggests that when companies within a country and industry face an institutional environment of uncertainty, such companies will scale their CSRD practices against each other, to ensure that they are accepted and their action is relevant to the expectations of the society. This imitation of other organisations presents them with what is known as the best practice, so they can continue their operations under conditions of uncertainty. Thus, companies are likely to be engaged in imitation conduct that is motivated by their business' competitors.

More recently, Zhao and Patten (2016) examined the perceptions of 14 managers in China regarding the pressures and the purposes of CSRD. Although their findings show that various coercive, normative and mimetic pressures interplay to influence CSRD in China, the sample is limited to only 14 managers and is additionally limited to state-owned enterprises, thus, it is unclear if these results can be generalizable to other sectors and other countries context.

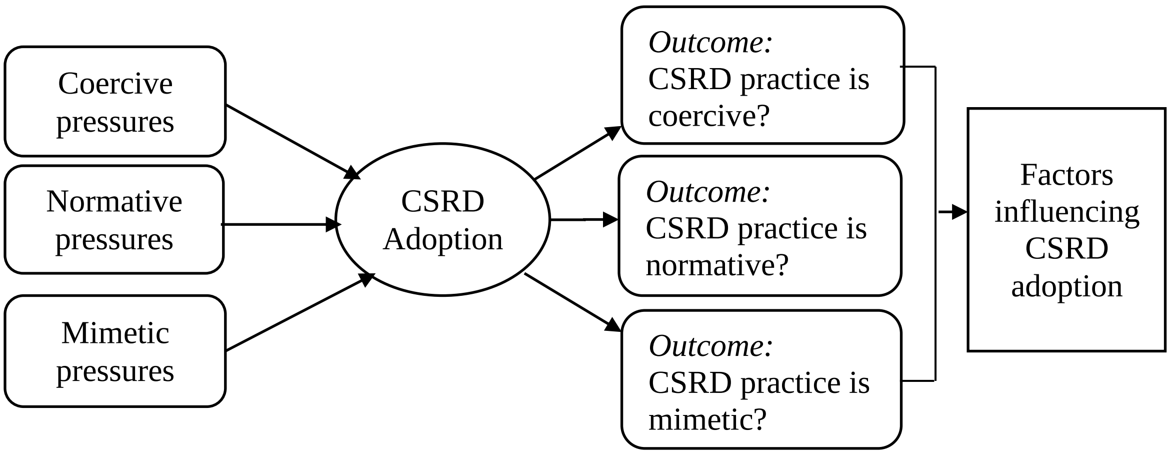
Summary

To summarise, neo-institutional theory has been effectively adopted to explain CSRD (see e.g. Amran & Devi, 2008; Amran & Haniffa, 2011; Beddewela & Herzig, 2013; Islam & Deegan, 2008; Ntim & Soobaroyen, 2013b; Othman et al., 2011; Pedersen et al., 2013; Setyorini & Ishak, 2012), but not extensively (Ntim & Soobaroyen, 2013b), and this is mainly applicable with regards to the North African context. It is debatable that there is a scope to expand our understanding of the institutional antecedents and explanations for the increase of CSRD practices amongst companies. The review of the literature shows that in the Libyan corporate context, the outcome of CSRD is not clear, both theoretically and empirically. Consequently, it is realistic to suppose that coercive, normative and mimetic pressures may influence firms in the oil and gas sector to engage in CSRD. However, since it is not clear yet what factors lead to such CSRD adoption, the present research thus seeks to expand and adopt neo-institutional theory to interpret the variances in CSRD at the country and company level with a specific emphasis on its efficiency and the present legitimation implications with respect to the North African context, specifically in Libya. In doing so, it is theorised that it enables the researcher to understand the pressures and the convergence on homogenised practice and institutionalised behaviour around CSRD practices from a developing countries market.

3.4 Theoretical Framework

In the earlier sections in this chapter, the review of the literature on neo-institutional theory and CSRD practice enabled the researcher to develop a theoretical framework to guide this study (see figure 3.1 below). Based on this review, however, it is unclear (both theoretically and empirically) what actually drive firms in Libya to disclose CSR information. Therefore, the aim of this study will be to adopt a neo-institutional model put forward by DiMaggio and Powell (1983, 1991) and Scott (2001), to examine whether companies in Libya are influenced coercively, normatively and/or mimetically to disclose CSR information at the country and company level with specific emphasis on its efficiency and legitimation implications to CSRD in Libya. More specifically, this study addresses to what extent the institutional pressures explain the adoption of CSRD practice by firms operating in Libya; and discusses what the specific factors are that influence CSRD adoption in oil and gas companies in Libya (as shown in Figure 3.1).

Figure 3.1: Theoretical Framework for the Current Study



3.5 Chapter Summary

A review of the theoretical literature has been presented in this chapter. More specifically, it has provided an explanation of the neo-institutional theory, which offers a foundation for an account of "radical change" and its institutional context, which is currently the case in Libya. Companies change their structure and in turn become increasingly similar, and as a result of this there three mechanism pressures advocated by DiMaggio and Powell (1991). The review of the literature in the previous sections shows that while the significance of this theoretical framework has progressively achieved recognition (De Villiers & Alexander, 2010; Greccoa et al., 2013), its application within the broader CSRD literature, as well as within the context of North African countries, remains as yet limited. Thus, this research will examine the theoretical implications of neo-institutional theory by examining its three sources; mimetic, normative, and coercive isomorphism (DiMaggio and Powell, 1983, 1991) and examine its potential implications for CSRD in a North African country.

Chapter 4: Empirical Literature Review on CSRD Practice

4.0 Overview

This chapter is principally concerned with reviewing the literature on CSRD. It begins with providing the meaning, context, and definitional constructs of CSRD, which is seen as important with regards to examining its contextual application in a developing country. This is followed by discussing the scope, nature, or categories of CSRD, which act as important key objectives to the investigation undertaken in this study. After providing a review of the level of CSRD in developed and developing countries, and prior research on the Libyan CSRD, the chapter critically discusses the previous studies on enablers and barriers for CSRD. The chapter then presents a discussion on determinants of CSRD, which are seen as important in order to develop a number of hypotheses. A summary of the gaps in the literature and limitations of previous studies are then presented, and a summary of the chapter is finally outlined.

4.1 Meaning, Context and Definitional Constructs of CSRD

CSRD has received a lot of attention, has become a topical area of dialogue, and has brought an important growth of academic and business practitioners' interest in this field (Nazli & Ghazali, 2007). Issues such as the rights and status of workers, waste, pollution, resource depletion, the quality and safety of products, and the power of large firms have become the focus of growing attention and concern. Firms, therefore, have become gradually more inclined to become responsible for a larger audience than the creditor and the shareholder groups. Such public interest and awareness in social and environmental issues have resulted in more disclosures of environmental and social information from companies (Gray et al., 1995a; Reverte, 2009).

However, the terms of the CSRD practices may lead to some confusion, because it takes a range of forms and becomes visible under a variety of names (Gray, 2002), causing different researchers to often use it interchangeably. For example, some researchers label it as "Corporate Social and Environmental Disclosure" (Deegan et al., 2002; Gao et al., 2005), whereas to others it is "Corporate Social and Environmental Reporting" (Gray et al., 1995a), and still to others it is "Social and Ethical Accounting, Auditing and Reporting" (Owen et al., 2001), "Sustainability Reporting" (Samuel & Walter, 2010), and "Corporate Social responsibility Disclosure" (Haji, 2013; Nguyen et al., 2015). Although these terms have the same meaning, the researcher in this study prefers to use the term CSRD practices for two pragmatic reasons. Firstly, a CSRD practice is a term that is commonly understood in numerous academic fields and therefore, appears to be the term most widely used. Secondly, the researcher uses "disclosure" instead of "reporting", because this term reflects the fact that firms can disseminate information in various ways - not just via reports.

At present, the common meaning of CSRD is when firms are involved in disclosing or sharing information that is related to human resources management, environmental protection, the relationship of firms with local communities, as well as with suppliers and consumers, and health and safety at work (Gray et al., 1995a; Smith et al., 2005). Furthermore, based upon the economic concept of market value maximisation, Friedman and Miles (2001) offered perhaps the most popular definition of CSRD when they state that demands of profits from shareholders or owners and fundamental rules of society should be consistent with a firm's social responsibility disclosure.

In fact, to date, there is no commonly agreed upon definition for CSRD as yet in the literature, though it has been extensively discussed in practice and theory by academia, policy makers and organisations. As a result, a variety of definitions have been proposed interchangeably, which are frequently subjective towards particular interests and biases, with specific situations and challenges. Perhaps more deeply, this ambiguity or lack of consensus over CSRD's definition causes a huge amount of different definitions to have been established in the literature with an attempt to define CSRD as specifically as possible from dissimilar angles. Thus, there is a need to critically review definitional constructs of CSRD specifically, to examine its contextual application in a developing country. To begin, in one early definition, Gray et al. (1987, p. ix) define CSRD as:

> "the process of communicating the social and environmental effects of organisations' economic actions to particular interest groups within society and to society at large. As such it involves extending the accountability of organisations (particularly companies), beyond the traditional role of providing a financial account to the owners of capital, in particular, shareholders. Such an extension is predicated upon the assumption that companies do have wider responsibilities than simply to make money for their shareholders".

The above definition implies that CSRD is viewed as a means of disclosing environmental and social information that can be used by decision makers, both outside and inside the reporting company. However, Woodward (1997) and Ahmad (2004) criticise this definition in including the accountability term, which essentially means responsibility for action which is "demanded" from a corporation under some explicit or implicit identifiable contract. Therefore, since such a definition might be considered as talking about implicit demand, the use of "demanded" would seem to leave no place for voluntary activities undertaken by companies (Ahmad, 2004). To overcome such criticisms, Mathews (1993) pays particular attention to the voluntary disclosure concept, stating that CSRD is the:

> "voluntary disclosure of information, both qualitative and quantitative, made by organisations to inform or influence a range of audiences. The quantitative disclosures may be in financial or non-financial terms" (p. 64).

While Mathew's definition of CSRD gives more consideration to voluntary disclosure, rather than mandatory, his definition is criticised by authors, such as Ahmad (2004) in the sense that it focuses only on the voluntary disclosure concept. Therefore, this definition does not take into account other types of disclosure, such as the mandatory. This mandatory can be crucial to enforce firms to reveal some important social and environmental information to different users. Having said that, one may think the following up-to-date definition may have some limitations too, such as restricting the CSRD concept to social accountability or social responsibility, or voluntary disclosure. However, CSRD practice might be considered all of them, but not one. Indeed, CSRD does not have a commonly accepted single definition and therefore may have different meanings and different interpretations depending on the perceptions of individuals. Barakat et al. (2015, p. 682) define CSRD as:

> "a process of providing information [...] with regard to environment, employees, society and consumer issues"

As can be seen from the above definitions and their related discussions, despite the vast and growing body of research about CSRD, no widely accepted single definition of CSRD exists just yet (Kotonen, 2009). Rather, every researcher defines it in a way that fits their interests (Campbell et al., 2003). Indeed, because the concept of CSRD is perceived differently from interested parties, its dynamic nature cannot be captured, and would be more likely to meet with objections. Thus, rather than providing a non-flexible and close-ended definition for CSRD, it may be more valuable to provide a definition which does not restrict its potential, or refute its dynamic nature. In this context, it has been suggested (Davut, 1998) that the definition of CSRD should be broad, open-ended and should be altered through time. Such suggestions may also mean that the CSRD definition should be altered in accordance with the contextual requirements and thus it should be "purpose driven" (Davut, 1998). Having said that, for the purpose of the current research, CSRD is defined as follows:

> The disclosure of social and environmental information, voluntary and mandatory within firms annual reports, about firms activities targeting at audience such as government, business partners, employees, investors, communities, and society at large, with a view to increasing corporate performance.

Although, the above definition covers most of a firm's activities to all groups in a society, and satisfies the purpose of the above recommendation (it should be open-ended and flexible), one may disagree in the sense that it does not differ much from previous definitions (Ahmad & Mousa, 2010; Ali & Ruhaya, 2013; Barakat et al., 2015; Gray, 2000; Gray et al., 1987; Hassan & Syafri, 2010; Mathews, 1993). However, it is different from Gray's definition and the other definitions outlined above in the sense that it is broader, since it acknowledges the diversity of audiences (current, emerging and potential), and takes into account all of a firm's social and environmental activities and issues. It also does not limit itself with terms such as social accountability, voluntary disclosure or other such phrases.

In this context, it might be argued that to assist the process of assessing precisely what social and environmental disclosure may include, it is crucial to explain the scope and nature of CSRD, to further de-construct the many facets of CSRD, specifically its applicability to the context of a developing country. This aspect is examined in the following sections.

4.2 The Scope and Categories of CSRD

In today's business world, fulfilling the needs and wants of society is a significant and fundamental contextual consideration. Companies should not only create superb goods and services and yield a strong profit, they also need to be concerned with their relationship with the society at large, comprising of employees, customers, shareholders, creditors, government, suppliers, and the community, as well as with the environment. As such, CSRD has become a tool used by many firms to develop the complicated relationship between firms and society in order to justify its existence. It has been stated (Deegan et al., 2002; Hackston & Markus, 1996) that CSRD covers a wide range of disclosure categories which include: environmental impacts of company operations, energy related information, product information, human resources involving labour relations, and customer and supplier relations. Disclosures on charitable donations, firms involvement in community, and impacts of corporation's products on health and safety of consumers also classified under the scope of CSRD (Gray et al., 1995b).

Currently, most companies worldwide have started to include a section disclosing these activities in their annual reports, which may not exist for financial gains or loss only, but rather might be for larger economic and social aspects of the firm' interests (Deegan, 2009). In this research, the focus will be given to disclosures of social information in relation to five main areas, which include human resources, the environment, community involvement, energy, and consumers and products, which are seen as important to the investigation in this research.

4.2.1 Environmental Disclosure Category

Environmental disclosure refers to the disclosure of information on the influence of firms' operations on the natural environment (Campbell, 2004). Disclosure of environmental information can help firms to gain approval and acceptance of their activities by society and therefore, it is considered to be a vital tool in corporate legitimation strategies (Silva da Rosa et al., 2012). In the literature, environmental disclosure has been defined as:

> "the process by which a corporation communicates information regarding the range of its environmental activities to a variety of stakeholders including employees, local communities, shareholders, customers, government and environmental group" (Pramanik et al., 2008, p. 149).

Empirically, while some prior studies in the literature have implemented an aggregate understanding of environmental disclosures, other studies have, to a certain extent, tried to classify the 'kinds' of environmental disclosures. For instance, Deegan and Rankin (1996) used the content analysis method to examine the practices of environmental disclosure of a sample of 20 Australian firms by analysing seven information categories. These categories include recycling activities, the installation of environmentally friendly machinery, admission of pollution emissions, undertaking site rehabilitation, and the incurrence of fines relating to environmental misdemeanours. García-Ayuso and Larrinaga (2003) investigated disclosure of environmental information based upon a sample of companies listed on the Madrid Stock Exchange by analysing eight information categories based upon Gray et al. (1995b) study of classification, making some amendments as follows: recycling activities, environmental policies, plans and declarations, recognition of the firm's polluting effects, investments in pollution abatement devices and processes, pollution fines, pollution remediation, and any other environmental investment, cost or benefit.

Furthermore, Cormier and Magnan (2003; 2005) used 6 slightly different categories including: pollution abatement, laws and regulations, environmental expenditures and risks, sustainable development, environmental management, and land remediation and contamination (including spills). In examining environmental disclosure, Smith et al. (2005, p. 148) found that this environmental category consists of types such as "waste management programmes, emission levels and controls, environmental impact assessments, fish stocking programmes, energy conservation activities, landscaping activities, electromagnetic radiation monitoring systems" (p. 148). More recently, and in line with previous studies, such as that of Aldrugi (2013), Perrigot et al. (2015) examined environmental disclosure practices in the franchising sector in France, and used Gray's study classifications (i.e. environmental policy, environmental audit, environmental-product and process related, energy, health and safety, and environmental other).

However, to allow fair comparison, and to fulfil the aims of this research, the disclosure of environmental information was taken based on Gray et al. (1995b) to include disclosures regarding environmental policy, environmental-product and process related, environmental audit, sustainability, environmental financially related data and environmental other. These main categories contain a number of sub-items which will be investigated in this research (see appendix 6 for more details). Two items were added and two items were dropped, which were related to energy and health and safety, since these categories are more relevant to human resources and energy categories. These items will be discussed further under their related section.

4.2.2 Human Resources Disclosures Category

By definition, the term 'human resource disclosure' refers to the process of disclosing information about the influence of a company on its employees. It has been stated (Day & Woodward, 2004) that such a concept [human resource disclosure] is significant in the sense that it offers management information to evaluate the competencies and efficiency of human resource development, and allows society at large to evaluate the company's treatment of its employees. Likewise, the importance of such disclosure is also based on the reality that it serves numerous different interdependent objectives, in addition to satisfying the responsibility of the company towards society. Additionally, such disclosure might also provide a device for checking a company's actions from a monitoring viewpoint, where the law necessitates such disclosure. Corporations therefore are normally engaged in disclosing information concerning issues of future employment prospects, equal opportunities, health and safety, training opportunities and appraisal methods (Day & Woodward, 2004).

Empirically, Subbarao and Zéghal (1997) categorized the human resource category into five broad themes including information that is related to training, compensation of executives and employees, contribution of human resources to expand the value of the business; information about the firm relationship with its employees; and variety of the workforce as a responsible company. Smith et al. (2005) found that the human resource disclosure category is related to disclosing information about safety issues, e.g. lost time, accident rates, vocation information, absence rates, promoting mental health and safety of employees, number of employees, and health programmes offered. It also covers absentee rates education and training programs.

Vuontisjarvi (2006) used the content analysis method to investigate the extent to which the biggest French firms disclose human resource information. These categories include work-life balance, equal opportunities, security in employment, employment policy, measurement of policies, employee health and well-being, values and principles, participation and staff involvement, pay and benefits, and training and staff development. Branco and Rodrigues (2008) examined community engagement disclosure on the internet by Portuguese listed firms in 2004. The category includes training and education, issues employee numbers and remuneration, employment of minorities or women, employee consultation, trade union information, and employee share ownership. Additionally, Jizi et al. (2014) adopted Gray's social disclosure categories to investigate the extent that US commercial banks disclose their CSR information for the period 2009–2011. These categories include health and safety policies and measures, number of employees, training and education provided to employees, employee assistance/benefits, equal opportunities in employment, issues associated with the recruitment process, employee compensation amongst others. Perrigot et al. (2015) also examined human resource disclosure items in the franchising sector in France and used Gray's study classifications, such as health and safety, training etc.

However, within the Libyan context, Mashat (2005) and Elmogla (2009) also examined CSRD practices based on Gray's social disclosure categories (i.e. pension data, employee data, consultation with employees, employment disability, value added statements, health and safety, employee training, equal opportunity, and trade with south Africa). Both studies have made minor amendments for such categories in order to be suitable for the Libyan environment. For example, trade with South Africa statement was left out because both authors argue that such a scheme was only relevant to the UK and South African contexts.

Following the preceding discussion and to allow fair evaluation in the same environment, human resources disclosure was taken based on Gray et al. (1995b) categories that were amended later by Mashat (2005) and Elmogla (2009) to include disclosures relating to pension data, employee data, employment of disabled, consultation with employees, share ownership, health and safety, employee training, and employee other.

4.2.3 Community Involvement Disclosure Category

By definition, community engagement disclosure is the disclosure of information about the involvement of business in social initiatives in a bid to meet the wants of the communities in which they function (Moon & Muthuri, 2006). Hence, this category is usually related to disclosing information about a firm's engagements in community and public welfare. For example, many companies nowadays are involved in the support of social programmes and educational programme offers, sustaining local schools, and cultural activities, sports, plant site visitations, volunteer programmes, offering support to community activities, events and organisations, adding medical research (Hackston & Markus, 1996). Branco and Rodrigues (2008) examined community engagement disclosure on the internet by Portuguese listed firms in 2004. The category includes disclosures relating to sponsorship in addition to activities and charitable donations. Jizi et al. (2014) adopted Gray's social disclosure categories to investigate the extent that US commercial banks disclose their CSR information for the period 2009–2011. This category includes sponsoring sport activities, contributions and donations to charities, sponsoring health programmes, NGOs and community activities, sponsoring arts and culture, support to students to continue their education, and participation in social government campaigns.

Accordingly, Ernst and Ernst (1978) classified corporate community involvement disclosure into four key categories, namely: education and arts, health and related activities, community activities, and other disclosures of information regarding community activities. Consequently, studies such as those conducted by Roberts (1992), Gray et al. (1995b), Deegan and Gordon (1996), Hackston and Markus (1996), Haniffa and Cooke (2005), Jizi et al. (2014), Yekini et al. (2015), Loh et al. (2015), and within the Libyan environment Mashat (2005), and Elmogla (2009), all adopted the Ernst and Ernst (1978) classification of corporate community involvement in their studies. Drawing heavily on these research studies, the present research adopts Gray et al. (1995b) work on community involvement disclosure category. These include any reference to social involvement in the community, the involvement of employees if company support is apparent, arts, donations, schools, sponsorship, sport, business-in-the-community, and secondment of staff.

4.2.4 Consumer and Product Related Disclosure Category

This category refers to the disclosure of information that is related to aspects of products such as product development, products safety, and product quality. Empirically, in examining customer related disclosures, Ernst and Ernst (1978) classified consumer and product disclosure into five key categories, namely: product and consumer safety, consumer complains, provision for difficult to reach customers, provision for disabled and aged customers, and specific consumer relations over and beyond duty to the customer.

However, Joyce et al., (2005) found that such a category covers customer service upgrades, information about the safety of the product information, simplicity of self-meter reading systems, developments to customer service centres hours, upgrades to customer service programmes product reliability improvements, improvements in billing payment methods and truthfulness in advertising. From a marketing viewpoint, a number of these aspects are significant already.

In this way, research studies such as Gray et al. (1995b), Hackston and Markus (1996), Sharif and Rashid (2014), and Mashat (2005), all adopted the Ernst and Ernst (1978) classification of consumer and product disclosure in their research. Drawing heavily on these studies therefore, this research maintained the use of the Ernst and Ernst classification, but relying on the updated list by Gray et al. (1995b), to investigate consumer and product related disclosure across oil and gas companies operating within the Libyan institutional context.

4.2.5 Energy Related Disclosure Category

The importance of the disclosure of information about energy saving helps firms continuously improve their energy efficiency (Gunawan et al., 2009). Nowadays, energy has become a crucial subject because of the widespread exploitation of fossil related energy internationally, and therefore, if firms continue to exploit energy, without disclosing information about it, this might lead to threaten firms' continued existence. Empirically, this category usually refers to issues related to energy saving, development, use, and/or consideration of new sources (Gray et al., 1995b; Gunawan et al., 2009). In this research, information linked to energy conservation, use, development, and/or exploration of new sources, and any other energy related disclosure will be the subject of investigation.

4.3 The Level of CSRD Practice in Developed and Developing Countries

While the concept of CSRD practice has already developed dramatically in developed countries, it has also brought an important growth of academic and business practitioners' interest in this field more recently in developing countries (Ali & Ruhaya, 2013; Deegan, 2002; Mashat, 2005; Nazli & Ghazali, 2007). Firms cannot operate in a wholly independent manner and have been compelled to consider the requirements of the society and welfare of the community (Dhaliwal et al., 2014). Companies currently recognise that in order to secure their businesses' sustainability, they must operate in a "socially responsible" manner, which requires a disclosure of their environmental and social information.

4.3.1 The Level of CSRD in Developed Countries

The review of empirical studies in the literature shows that the level of CSRD practices is different between developed and developing countries, where CSRD is higher in the former than the latter (Barakat et al., 2015). For example, Guthrie and Parker (1990) assessed 150 firms' annual reports in three countries and found that 98% of UK firms, 85% for US firms, and 56% for Australian firms made disclosure of CSR information in their annual reports. Their study further shows that more than 40% of these firms disclose human resource issues, 31% on community involvement, 13% on environmental activities, and 7% on energy and product related issues. Gamerschlag et al. (2011) found that the total level of CSRD increased from 10,050 hits in 2006 to more than 21,650 hits in 2009 among 130 listed German companies. More recently, Jizi et al. (2014) examined disclosure of CSR information made by US banks and found that the level of CSR information revealed in their annual reports is high and increased from 93% in 2009 to 97% in 2010 and 2011 among the sampled banks. Their study further showed that 87% of these banks disclose information related to human resources, 47% related to community involvement, 44% related to social products and customer satisfaction, and 12% related to environmental projects and initiatives. Chan et al. (2014) found a high level of CSRD among firms listed on the Australian Securities Exchange, where only three out of 222 firms sampled had no CSRD sentences. On an individual category basis, the environment and human resources disclosure had the highest percentage among firms' CSRD. Additionally, while, Loh et al. (2015) found the level of CSRD in Australia has generally increased between 1995 and 2009, Perrigot et al. (2015) found 86.03% French Franchisors' websites disclose information regarding at least one CSR activity on their website.

4.3.2 The Level of CSRD in Developing Countries

In developing countries, the existing empirical evidence in the literature suggests that the level of CSRD practices is generally low and unsatisfactory (Barakat et al., 2015). For example, Jamil et al. (2003) examined the trends of CSRD over a five year period in Malaysian companies and found that the level of CSRD is considered low, where less than 30% of the sampled firms made disclosure on CSR information every year. Azim et al. (2009a) investigated CSRD practices in the listed firms in Bangladesh, where CSRD is a matter of voluntary disclosure. The findings of analysed annual reports showed that only 15.45% of listed companies made CSRD practices. In India, Nurhayati et al. (2016) examined the extent of CSRD in the 2010 annual reports of a sample of top 100 Indian TA companies listed on the Bombay Stock Exchange and found a low extent of CSRD (only 14% of the sampled firms disclose CSR information). Additionally, in Yemen, the level of CSRD is found to be very poor (Hussein, 2012), and low in Bangladesh (Belal et al., 2010; Imam, 2000), although this practice increased recently in Bangladesh (Belal et al., 2015). There is remarkably little, or no disclosure in Ghanaian companies (Rahaman, 2000), very little in Egypt (Rizk et al., 2008), and it is low in the majority of Arab countries, such as Qatar, Saudi Arabia, Kuwait, Oman, Bahrain, Syria, and United Arab Emirates (Kamla, 2007). Similarly, the level of CSRD in Jordan is found to be low

(Abubaker & Naser, 2000; Barakat et al., 2015), but higher than in Palestine (Barakat et al., 2015). Furthermore in Libya, the existing empirical evidence (Elmogla, 2009; Mashat, 2005) also suggests that the level of CSRD is generally low and unsatisfactory and that the most disclosed items are linked to human resources and community involvement. These Libyan studies are critically reviewed next.

4.3.3 Prior Research on Libyan CSRD Practices

The review of the literature on CSRD within the Libyan corporate context shows that there are two studies focused on CSRD practice (Elmogla, 2009; Mashat, 2005) and three studies concentrating on environmental disclosure (Ahmad, 2004; Aldrugi, 2013; Ishwerf, 2012). This section aims to discuss these studies in order to obtain further clarifications pertaining to the CSRD practices in the country.

Mashat (2005) examined CSRD practices across four Libyan sectors (i.e. insurance, banks, manufacturing, and services) and how CSRD was impacted by the country's political, social and economic environment, covering 1999-2002 period. While the data was collected using two methods, namely, annual reports and a questionnaire distributed to 438 participants exploring their perceptions of CSRD practices, it was concluded that the level of CSR information disclosed was low compared to companies disclosure in developed countries. Mashat (2005) argues that the economic, social and political factors influence CSRD practices, with possible rationales for non-disclosure including lack of mandatory disclosure requirements and a lack of awareness of the potential benefits of CSRD. Although this study examines the impact of external factors on CSRD generally, it did not make any particular reference to CSRD determinants at the company level and was conducted outside the oil and gas sector, and relied on data more than 15 years ago.

Similarly, Elmogla (2009) explored CSRD practices in Libyan firms' annual reports and how it was affected by the social, economic and political environment across three sectors namely; manufacturing companies, financial services, and other service companies, for the period 2001 to 2005. By using companies' annual reports and questionnaire method, identical to Mashat (2005) findings, the study show that Libyan firms in general disclose some CSR information, and that employee and community involvements themes were the most information that companies disclose on. Additionally, while the amount of information disclosed was found to be low compared with their counterparts in developed countries, the surveyed firms confirmed the necessity to disclose more CSR information and saw disclosure as yielding socioeconomic benefits at the macro level. Although this study examined the impact of external factors on CSRD generally, it failed to make any particular reference to CSRD determinants at the company level and was conducted outside the oil and gas sector. The author recommended that further studies are required into the disclosure of social information in other sectors within the Libyan context.

The three remaining studies have focused primarily on corporate environmental disclosure practices and have taken diverse approaches. Ahmad (2004) examined the degree to which environmental disclosure occurs in Libyan local industries with the aim of testing the applicability of environmental determinism theory, identifying how administrative decisions concerning environmental disclosure were impacted by the political, social, and economic situation between 1998 and 2001. While the study employed three methods for the data gathering (annual reports, questionnaire and historiography), his findings revealed that the social context impacted this practice to some degree, but that the fundamental environmental disclosure contributing factors were the country's unique political and economic context, and manager attitudes and qualifications. As a part of the study, Ahmed assessed the perceptions of managers regarding the most important factors for firms to disclose their environmental information, while the company giving the impression of complying with environmental responsibility was found to be the least important motivation, informing the central authorities, offering useful information for sustainable development, and showing a reasonable responsibility in accordance with Islamic Sharia values were the most important enablers. Despite such valuable findings, the authors were also unsuccessful in examining the actual enablers encouraging companies to disclose their environmental information and were focused on speculative results.

Ishwerf (2012) looked at various stakeholder groups' perceptions on requirements of environmental disclosure in a local Ahlia Cement Company using face-to-face semi-structured interviews. His findings show that environmental information has been ranked as the highest disclosure priority, whereas environmental financial issues and energy issues ranked last and second to last respectively. While his findings further show that motivations for environmental disclosure include awareness of environmental issues, market competition, compliance with industrial codes and training programmes, the key impeding factors include the lack of legal requirements, absence of pressure by government, companies' emphasis on economic performance, lack of awareness, fear of bad publicity, sensitive and confidential information, and absence of NGOs. Due to the authors' sole concentration on Ahlia Cement Company, these findings cannot be generalized to other sectors. More recently, Aldrugi (2013) investigated the environmental disclosure practices in the oil and gas sector in Libya using questionnaires, annual reports for the period 2001-2008 and interviews. While his findings indicated that almost all companies provide some environmental information, the environmental regulations and rules are not applied exclusively and control of environmental disclosure is still weak. Although Aldrugi's study has examined the level of environmental disclosure generally within the Libyan context, the results are limited to the period before 2011 Libyan revolution and to environmental disclosure category, therefore, impacting the ability to generalize the results over other social disclosures such as human resources, product development, community engagement and energy saving which might have been able to give a full and comprehensive picture of CSRD practices in the country.

Summary

This dissimilarity in the level of CSRD practices between developed and developing countries suggests that CSRD practice is largely affected by the influence of the institutional context in which companies operate and by dissimilar pressures in this context. Indeed, several developed countries have employed practical actions and procedures to push firms to reveal their CSR information (Barakat et al., 2015). For example, while the UK government has appointed a minister for CSR in the sectors of industry and commerce, France has passed a compulsory law where firms with 300 employees or more must draft CSR reports (Wanderley et al., 2008). Also, while the European Commission acknowledged 2005 as the year of CSR in countries of the European Community (Luetkenhorst, 2004), in other developed countries such as Australia, Norway, Denmark, Spain, and Sweden, CSRD is regarded as an entirely ethical and mandatory practice (Fleischman & Schuele, 2006), and is enforced by institutional factors such as governments, professional accounting bodies, societies, and stakeholders, amongst others. On the other hand, in developing countries including Libya (Elmogla, 2009; Mashat, 2005), these initiatives have not encountered comparable interest (Jamali, 2007), because the institutions, standards and legal systems that encourage CSR and its disclosure practices in such nations are fairly weak (Kemp, 2001). Consequently, to have a better understating about the key enablers for CSRD and the key barriers for low and/or non-disclosure, the following section critically discusses these factors from previous studies found in the CSRD literature.

4.4 Enablers and Barriers for CSRD Practice

4.4.1 Enablers for CSRD Practice

Although a handful of studies have started to probe the motivations behind CSRD, the review of the literature shows that every country has its own enablers for engaging in

CSRD practice (Kolk, 2005). Empirically, through a mail survey sent to 105 listed Australian firms in 1995, Wilmshurst and Frost (2000) examined the chief finance officers perceptions about the significance of several factors that motivate the corporate management to reveal environmental information in their annual reports. While their results suggest that the right for investors' to information, legal responsibilities, diligence requirements, and concerns of the community were the most importance enablers for CSRD, these results, however, only assessed the level of their importance. Additionally, it is not clear if the outcome of the research is generalizable in a different original context or even country-wise.

Solomon and Lewis (2002) on the other hand, used a questionnaire method distributed to 625 individuals and organisations in the UK to examine the significance of lists of suggested enablers that encourage firms to disclose their environmental information. Although increasing the company's reputation was found to be the most important enabler, meeting the demand for environmental information received the lowest score. Despite such valuable findings, the study however has not contributed greatly to the work of Wilmshurst and Frost (2000). The findings might have been much more convincing if the authors examined the actual key enablers for engaging in CSRD, rather than examining their level of importance, which is already well documented in the literature. Additionally, an international survey conducted by KPMG (2011) demonstrated that the desire to integrate CSR into the core business, innovation, reputation and access to capital or increased shareholder value are the most important enablers among the 100 biggest firms in 33 countries.

On the qualitative level, Belal and Owen (2007) examined the views of company managers on the existing state and future prospects for social reporting in Bangladeshi firms (representing multinational, local private and public sectors). Although the desire for managing powerful stakeholder groups was found to be a major drive behind their reporting practice, the perceived pressure from external forces particularly from parent firms' instructions and demands from global buyers was also found to be driving the practice forward. While these findings offer important implications to policy makers in Bangladesh, it is not clear if the outcome of this research will remain the same using a different context. Furthermore, Belal and Roberts (2010) examined the perceptions of a varied set of non-managerial stakeholders in Bangladesh regarding the motivation for CSR reporting practice. Although this practice was found to be driven by 'outside' forces (e.g. international market contributors), some of the interviewees criticized the existing process of imposing social accounting codes and/or standards on developing countries. While the study's results might have important theoretical implications, the findings may be constrained in terms of generalisation.

Furthermore, Beddewela and Herzig (2013) found that subsidiaries of multinational firms in Sri Lanka are prodigiously motivated by the necessity to achieve internal legitimacy. In other words, the need to meet the requirements of the reports from the head office, and the responsibilities it has with regards to the needs of domestic stakeholders, both serve as enablers for CSR reporting. Despite the fact that the authors have successfully identified the enablers for CSRD with respect to the context of Sri Lanka, it is not clear if the outcome of the research will remain the same within a different context.

Belal et al. (2015) undertook an in-depth longitudinal assessment of the social reporting practices of Islami Bank Bangladesh Limited using the mixed method technique. While their findings show a general increase in the level of social disclosures, promoting social welfare motives, and gaining publicity, the influence of the central bank of Bangladesh, GRI and ISO 26000 were found to be key enablers behind engaging in CSR reporting. Although these results have broad implications, it is not clear if the outcome of the research can be generalized in different contexts.

More recently, Zhao and Patten (2016) examined the perceptions of 14 managers in China regarding the pressures and the purposes of CSR reporting. Although their findings show that peer institutions exerted the greatest pressures to engage in reporting CSR information, image enhancement (mostly relating to the public) is also found to drive this practice forward. Despite such valuable findings, the sample is limited to only 14 managers, and only deals with local state-owned enterprises, thus, it is unclear if these results can be generalised in different contexts, and/or even the contexts of other enterprises.

4.4.2 Barriers for CSRD Practice

The review of the literature also shows that the low and/or absence of CSRD practice can be attributed to several factors, such as a lack of government support for CSR, Civil Society organisations being not well organised, and companies not facing constant pressure (Wanderley et al., 2008). Empirically, using the questionnaire method, De Villiers (2003) examined the reasons behind non-disclosure of environmental information made by firms listed on the Johannesburg Stock Exchange in South Africa. The key barriers identified include: an absence of legal requirements, no demand for such information, CSRD is not applicable to this particular sector, no motivation to disclose such information, and the costs of disclosure exceeds the benefits of it. Although these findings have broad implications for corporate managers, such results may not be generalisable, and thus may only remain applicable to the South African context. This is because there are particular barriers that shape CSRD practice in every country (Kolk, 2005).

Ahmad (2004) used a questionnaire method and examined managers perceptions of Libyan industrial companies regarding the most important reasons that discourage Libyan companies from disclosing information regarding the environment. Although the lack of experience, lack of qualification and training, lack of requirements and guidelines by central agencies, and lack of standards published by accounting professional bodies were identified as the most important barriers, the cost of data collection and publication, and avoiding any intervention by central agencies were identified as the least significant barriers. Although these findings might be relevant and important to policy makers, the study, however, has been unsuccessful in examining the actual barriers that impede them from engaging in disclosing information regarding the environment. Rather, it only focused on their level of importance. Also within the study, no attempt was made to offer any recommendation or even a simple strategy for how such barriers can be resolved.

Additionally, while Thompson and Zakaria (2004) found qualitatively that the lack of government and public pressures, as well as lack of perceived benefits from such practices behind the low level of CSRD in Malaysia, Gao et al. (2005) explained that the low of CSRD in Hong Kong owed to weak external pressures that HK companies have traditionally faced. Furthermore, in Russia, using the content analysis technique, Belal and Lubinin (2009) examined the extent of CSRD in the annual reports of 20 big companies that are listed on the Russian Stock Exchange for the year 2004. The overall findings of the research show that the quality of disclosure is poor, while factors such as the lack of mandatory requirements for CSRD and the absence of strong non-government organisations and other pressure groups are key barriers behind Russian companies not to improve their CSRD practice. Although these findings can be important to policy makers to improve CSRD in Russia, the study findings, however, are limited to only 2004 annual reports and 20 companies that are listed on the Russian Stock Exchange. Therefore, its results restrict the capability of the findings to be generalized, thus the findings lost its generalization power. Furthermore, such findings may only remain applicable to the Russian context.

Additionally, Belal and Cooper (2011) examined the barriers behind the absence of CSR reporting in Bangladesh. Using 23 semi-structured interviews with senior companies' managers, their results imply that the key barriers for companies not to disclose information are: absence of resources, absence of legal requirements, the profit imperative, absence of awareness and knowledge, performing poorly in terms of CSR reporting, and fear of bad publicity. The findings of this research are surprisingly comparable to those of Ahmad and Ishwerf (2014), who found that the absence of legal requirements, issues of management and fear of bad reputation, having no existing competition, government agencies not playing a strict role, and the absence of environmental civil society organisations are key barriers for non-disclosure of environmental information in the Cement industry in Libya. While these results can be seen as important to policy and decision makers in both countries, the results may not be generalized to other industry contexts.

Additionally, Beddewela and Herzig (2013) found that complying with the formal institutionalised processes for reporting CSR information act as an obstacle against publishing separate social reports in Sri Lanka. More recently, Hossain et al. (2016) explored the contributing barriers to CSRD practices in Bangladesh using semi-structured interviews with 26 participants from customers, regulatory authorities, shareholders, NGOs, government departments, trade union leaders, and the media. While a lack of coordination, corruption and politics, unsatisfactory implementation of laws, and a lack of government initiatives were perceived as major barriers, such findings may not be generalisable, and thus may only remain applicable to the Bangladeshi context. Additionally, although these results are consistent with the aim of the research, the authors were unsuccessful in examining perceptions of managers who were deemed to be very important stakeholders, since they are in a position to have input on the formulation of both company reports and annual reports.

Summary

To summarise the enablers and barriers of CSRD practice, it is clear from the review of the above two sections that there is no single motivation, *per se*, for disclosing CSR information nor its low or/and non-disclosure. Rather, institutions, regulations and culture, which vary in many countries, are significant in the monitoring firms’ actions and the effective enforcement of CSRD related rules (Dhaliwal et al., 2014). Because every single country has its own particular enablers and barriers that shape their CSRD (Kolk, 2005), understanding the moderating influence of a country’s factors on CSRD may not purely help place the conclusions of the CSR literature in the right perspective, but may also similarly provide new insights into CSRD related issues. This review shows that most of the earlier research studies on CSRD have carried out empirical investigations on the importance of enablers and barriers of CSRD using questionnaires (Ahmad, 2004; De Villiers, 2003; Solomon & Lewis, 2002; Wilmshurst & Frost, 2000), and outside the oil gas sector using interview methods (Ahmad & Ishwerf, 2014; Beddewela & Herzig, 2013; Belal et al., 2015; Belal & Cooper, 2011; Belal & Owen, 2007; Belal & Roberts, 2010; Zhao & Patten, 2016). This study, however, attempts to fill this gap by examining the manager’s view on the actual enablers that drive oil and gas firms’ managers to disclose CSR information, and the actual barriers that act as major impediments for CSRD development from the context of a developing county.

Table 4.1: Summary of Studies Conducted on the Enablers and Barriers for CSRD Practice

Enabler	Author and Country	Barrier	Author and Country
Right for investors' to information, legal responsibilities, diligence requirements, and concerns of the community.	Wilmshurst and Frost (2000), Australia	Absence of legal requirements, no demand for CSR information, CSRD is not applicable to particular industry, no motivation to disclose CSR information, and the costs of disclosure exceed benefits of it.	De Villiers (2003), South Africa
Company's reputation and meeting the demand for environmental information.	Solomon and Lewis (2002), UK	The lack of experience, lack of qualification and training, lack of requirements and guidelines by central agencies, and lack of standards published by accounting professional bodies.	Ahmad (2004), Libya
Informing the central authorities, offering useful information for sustainable development, showing a reasonable responsibility in accordance with Islamic Sharia values, and impression of the company's complying with environmental responsibility.	Ahmad (2004), Libya	Lack of government and public pressures as well as lack of perceived benefits from such practices.	Thompson and Zakaria (2004), Malaysia
		Little external pressures that HK companies have traditionally faced.	Gao et al. (2005), China
The desire on managing powerful stakeholder groups, the perceived pressure from external forces particularly from parent firms' instructions, and demands from global buyers.	Belal and Owen (2007), Bangladesh	Lack of mandatory requirements for CSRD and lack of strong non-government organisations and other pressure groups	Belal and Lubinin (2009), Russia
Driven by 'outside' forces e.g. international market contributors.	Belal and Roberts (2010), Bangladesh	Absence of resources, absence of legal requirements, the profit imperative, absence of awareness and knowledge, performing poorly in terms of CSR reporting and the fear of bad publicity	Belal and Cooper (2011), Bangladesh
Necessity to achieve internal legitimacy.	Beddewela and Herzig (2013), Sri Lanka	Absence of complying with formal institutionalised processes for reporting CSR information.	Beddewela and Herzig (2013), Sri Lanka
Promoting social welfare motives, gaining publicity, the influence of the central bank of Bangladesh and GRI.	Belal et al. (2015), Bangladesh	Absence of legal requirements, issues management and fear of bad reputation, no existing competition, government agencies does not play a strict role, and absence of environmental civil society organisations.	Ahmad and Ishwerf (2014), Cement industry in Libya
Peer institutions and image enhancement (mostly relating to the public)	Zhao and Patten (2016), China	Lack of coordination, corruption and politics, unsatisfactory implementation of laws, lack of government initiatives.	Hossain et al. (2016) Bangladesh

4.5 Determinants of CSRD Practice and Hypotheses Development

A review of the studies in the literature shows that the extent of CSRD practices is also influenced by a number of determinants that influence decision making when considering CSRD (Adams, 2002; Cormier et al., 2005). More specifically, the available existing evidence suggests that determinants such as company ownership structure, board characteristics and firm level specific characteristics are the key determinants that have an influence on the extent of CSRD practices (Haji, 2013; Jizi et al., 2014; Muttakin & Subramaniam, 2015; Nguyen et al., 2015; Ntim, 2016; Ntim & Soobaroyen, 2013b; Soobaroyen & Ntim, 2013). Therefore, several researchers in developed and developing countries have examined the link between such determinants and the extent of CSRD practices, and have reported inconsistent relationships. This suggests that in the context where firms operate, the national and cultural variations are likely to influence the accounting practices more generally and CSRD practices in particular (Mathews, 1993; Perera & Mathews, 1990). Consequently, a summary of the empirical studies in both developed and developing countries that have been conducted in this area including the author(s) and year, variables measurements, location, population and sampling, and key findings are provided in the appendices 5 (a) and (b). A full review and discussion of these studies is presented under the hypotheses development section.

4.5.1 The Importance of Studying CSRD Determinants in Relation to CSRD Practice

While the review of the literature shows that the extent of disclosure could be influenced by a number of determinants, usually identified through corporate governance studies (see e.g. Albassam, 2014; Haniffa & Hudaib, 2006; Ntim, 2009; Ntim et al., 2012), the review also highlights the importance of studying these determinants in relation to CSRD practices. For example, Adams (2002) contends that an understating of the determinants which impact CSRD is essential to improve firms accountability and (a) the comprehensiveness of disclosure; (b) the quality and quantity of disclosure for each firm;

and (c) the completeness of disclosure by understanding the causes for both disclosure and non-disclosure.

4.5.2 Hypotheses Development

4.5.2.1 Ownership Structure

While firms' ownership structure is empirically documented to have an influence on the extent of CSRD practices (see e.g. Haji, 2013; Haniffa & Cooke, 2002; Khan et al., 2013), other studies explain that firms' ownership do not have influence on the extent of CSRD practice (e.g. Abdullah et al., 2011; Amran & Devi, 2008). The present research, accordingly, examines three dimensions of ownership, namely government ownership, joint venture ownership, and foreign ownership, in order to obtain further clarifications pertaining to this issue.

4.5.2.1.1 Government Ownership

From a neo-institutional standpoint, the government, as socio- political institution, has the coercive authority of the state through the enforcement of law to control the behaviour of lower social actors, comprising of those at the organisational level (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Scott, 2001, 2014). Firms that are owned by the government, as a result, may be institutionalized by the government's objectives, beliefs and initiatives (Amran & Devi, 2008), because they are more likely to be more politically sensitive, since their activities are more in the eyes of the public, and thus, there is a strong anticipation for such companies to be aware of their public responsibility. Disclosure of CSR information could reflect how government entities are keen to serve both the society's well-being and its business interests. Consequently, government owners are expected to create pressures for firms to reveal extra information, since the government body is trusted by the public, and thus will need to meet the public's expectations (Muttakin & Subramaniam, 2015). Furthermore, neo-institutional theory proposes that implementing voluntarily and/or copying CSRD can enrich effectiveness and company performance (Ntim & Soobaroyen, 2013b), because it can function as an important tool to legitimise government owned companies' activities.

By contrast, some previous evidence (see e.g. Hou & Moore, 2010) proposes that the usefulness of government ownership to facilitate certain practice depends on the type of governance system. In other words, countries that have a poor governance system (i.e. one with high levels of fraud and corruption) might lead to poor CSRD practice. Indeed, Hou and Moore (2010) found empirical evidence that low monitoring and a high level of fraud are associated with dominant Chinese government ownership. Dhouibi and Mamoghli (2013) provide evidence that suggests the Tunisian government ownership negatively influences the extent of CSRD practice. This, therefore, suggests that the political connection appearance in government owned companies successfully reduces the enforcement actions by corrupt officials and weak regulatory authorities (Ntim & Soobaroyen, 2013b).

Empirically, a limited number of studies have been conducted in the North African countries context (Dhouibi & Mamoghli, 2013) and within the Libyan environment there is an acute gap. However, Nazli and Ghazali (2007), Amran and Devi (2008), Said et al. (2009), Haji (2013), Khan et al. (2013), Ntim and Soobaroyen (2013b), and recently, Muttakin and Subramaniam (2015), found that government ownership is statistically significant and positively linked to the extent of CSRD practices, whilst Dam and Scholtens (2012) found that government ownership is negatively linked to the extent of CSR practices. In spite of the mixed evidence, and since the majority of empirical studies suggest a significant positive relationship (Haji, 2013; Khan et al., 2013; Muttakin & Subramaniam, 2015; Nazli & Ghazali, 2007; Ntim & Soobaroyen, 2013b; Said et al., 2009); the subsequent first hypothesis to be tested is formulated as follows:

> *H_1: There is a positive and significant relationship between government ownership and the extent of CSRD practice.*

4.5.2.1.2 Joint Venture Ownership

From the neo-institutional theory perspective, the local environment and/or a foreign partner might exert coercive pressure, if not mimetic, on the partner to adopt certain practices (Amran & Devi, 2008; Bjorkman & Lu, 2001). Companies with a joint venture type might be under informal or formal pressure from institutional agencies to adopt specific practices (Bjorkman & Lu, 2001). It is anticipated that firms that have business partners from abroad, such as from the US, France and Germany, where the knowledge of certain practice is high on the agenda, will be institutionalized by their partners' culture. Since foreign partners are critical, local companies are likely to meet the anticipations of foreign investors, and especially investors' perceptions on CSRD. Therefore, mutual understanding in all aspects of business operations, including CSRD with foreign partners, would be a wise strategy (Amran & Devi, 2008).

There is an acute lack of empirical research that examines the relationship between joint venture ownership and the extent of CSRD practices. While Amran and Devi (2008) and Amran and Haniffa (2011) report that the foreign associate factor is not associated with the extent of CSRD practice in an economy where the awareness of CSR is low, in the Libyan corporate context, the Libyan firms are largely dependent on foreign companies in terms of technological assistance and operations. Hence, there might be some kind of coercive pressure, if not mimetic, for local firms to adopt CSRD practices. Therefore, foreign partners are expected to impact positively on the extent of CSRD practices. Consequently, given the positive influence of joint venture ownership on the extent of CSRD found in aforementioned studies (i.e. Amran & Devi, 2008; Amran & Haniffa, 2011), and the fact that Libyan firms are dependent on foreign firms in terms of technological assistance and operations, the second hypothesis to be tested is articulated as follows:

> *H_2: There is a positive and significant relationship between a firm that has foreign business partners and the extent of CSRD practice.*

4.5.2.1.3 Foreign Ownership

Given the diversity of institutional environments and the cross-country difference, achieving legitimacy for foreign owned companies can be difficult, particularly when there is high institutional distance between home and host countries (Kostova & Zaheer, 1999). However, since it is important for foreign owned companies to achieve and maintain external legitimacy (owing to powerful outsider interests such as the government), such firms will experience the pressures to adopt local practices and become isomorphic with the local institutional context in which they function (Kostova & Roth, 2002). Because foreign owned companies usually have shareholders, knowledge, financial advantages, and information advantages over local owned companies, managers of these companies are concerned with establishing this external legitimacy. CSRD might work, thus, as a practical legitimating strategy to achieve continued inflows of capital and to attract new potential investors at the host-country level (Amran & Haniffa, 2011; Haniffa & Cooke, 2005). Additionally, foreign owned companies are also more noticeable to local stakeholders leading to heightened expectations and monitoring of their CSRD practice (Christmann & Taylor, 2001). Therefore, foreign owned companies are more likely to be sensitised and aware of the increased pressures for businesses to be socially responsible in the wider global community, and therefore may also be compelled to concede to mimetic pressures through CSRD (Muttakin & Subramaniam, 2015).

Empirically, the literature is in line with the view that foreign ownership is associated with a high extent of CSRD practices. For example, consistent with the previous studies findings (Haniffa & Cooke, 2005; Khan et al., 2013), Muttakin and Subramaniam (2015) found a statistically significant and positive link between CSRD and foreign shareholding ownership, whilst Haniffa and Cooke (2002), Da Silva Monteiro and Aibar-Guzmán (2010), and Sufian and Zahan (2013) report that foreign ownership has an insignificant impact on the extent of CSRD practices. Notwithstanding the mixed evidence, and following earlier research findings and evidence (e.g. Haniffa & Cooke, 2005; Khan et al., 2013; Muttakin & Subramaniam, 2015), this research expects a positive and significant relationship between foreign ownership and the extent of CSRD practices. Therefore, the third hypothesis to be examined is formulated as follows:

> *H_3: There is a positive and significant relationship between foreign ownership and the extent of CSRD practice.*

4.5.2.2 Board Composition Characteristics

The board characteristics are seen as significant in determining the extent of CSRD practice (Das et al., 2015; Jizi et al., 2014; Ntim & Soobaroyen, 2013b). In this research, the board characteristics examined are board size, number of board meetings, and presence of a CSR committee, in addition to the parent company factor.

4.5.2.2.1 Board Size

From an efficiency and legitimacy view within the neo-institutional theory stance, boards with a large number of members are linked with high managerial monitoring that could develop efficiency through accommodating to the firms' conferred norms and regulations (Ntim & Soobaroyen, 2013b). This is because small boards are more likely to be controlled by powerful chief executives in comparison to larger boards. Meanwhile, boards with a large number of members have superior diversity in terms of experience, expertise, knowledge and stakeholders' representation, and accordingly, strategic decisions including those relating to CSRD practices are more likely to be brought into the table for discussion (Belkhir, 2009; Haji, 2013; Ntim & Soobaroyen, 2013b). This suggests that the presence of more members on the board can lead to a greater demand for CSRD practices. Consequently, because disclosure of CSR information becomes a significant component of company disclosure, large boards are expected to be involved more in CSRD practices than their smaller counterparts. In contrast, others argue for smaller sized boards, stating that boards which are small in size, are more valuable in supervising actions of management than large boards (Jensen, 1993; Lakhal, 2005). This implies that while smaller boards can work more efficiently, have better coordination and could arrive at an agreed decision more simply (Ciampi, 2015), managerial monitoring on larger sized boards possibly decreases.

Despite the conflicting theoretical literature, the vast majority of prior existing empirical evidence largely suggests that board size impacts positively on the extent of CSRD practice. For example, and in line with previous evidence (Esa & Nazli, 2012; Rao et al., 2012; Said et al., 2009), Ntim and Soobaroyen (2013b) report a statistically significant and positive relationship between board size and the extent of CSRD practices. Furthermore, while recent evidence from Jizi et al. (2014) and Das et al. (2015) suggests that firms with larger boards disclose more CSR information than smaller boards, Sufian and Zahan (2013) and Kilic et al. (2015) report no relationship between board size and the extent of CSRD practices. Therefore, given the positive influence of board size on the extent of CSRD practices found by earlier studies (Das et al., 2015; Esa & Nazli, 2012; Haji, 2013; Jizi et al., 2014; Ntim & Soobaroyen, 2013b; Rao et al., 2012), it can be expected that board size may have a positive and significant impact on the extent of CSRD practices. Consequently, the fourth hypothesis to be examined is articulated as follows:

> *H_4: There is a positive and significant relationship between board size and the level of CSRD practice.*

4.5.2.2.2 Frequency of Board Meeting

The frequency of board meetings can help to improve effectiveness of a company in terms of managerial monitoring and performance. Haji (2013) contends that the number of board meetings is perceived as sign of an active and dedicated board in managing and addressing organisational issues. This implies that active board members should contribute to different initiatives including CSRD practices in intentionally building a better corporate image. In this regard, in accordance with the Libyan Commercial

Activity Law No. 23 of 2010, this code requires from firms that are fully or partially state-owned firms to have six times mandatory board meeting at least per year, and the details of attendance should be reported (see chapter two, section 2.6.1 for more details about this law).

The empirical evidence on the relationship between frequency of board meetings and extent of CSRD is generally scarce, but Jizi et al. (2014), report that the frequency of board meetings has a significant and positive impact on the extent of CSRD practices in the US banking sector, whereas Haji (2013) found that the frequency of board meetings has an insignificant influence on the extent of CSRD practices. Despite the mixed limited evidence, board members who are active are anticipated to contribute to CSRD practices initiatives in intentionally building a better company reputation, particularly given the surrounding changes in the Libyan context. Building on this argument, this research expects a positive and significant relationship between frequency of board meeting and the extent of CSRD practices. Consequently, the fifth hypothesis to be tested is articulated as follows:

> *H_5: There is a positive and significant relationship between number of board meetings and the extent of CSRD practice.*

4.5.2.2.3 Presence of CSR Committee

Theoretically, from a neo-institutional theory perspective, the presence of CSR committee is associated with better monitoring and therefore may positively influence CSRD practice (Arora & Dharwadkar, 2011). The presence of a CSR committee is linked with better governed companies who are likely to be involved in disclosure activities, as a technique of signalling their quality of corporate governance (Beekes & Brown, 2006). According to Mallin and Michelon (2011), the existence of a CSR committee within a firm, helps to improve corporate behaviour to meet stakeholders' expectations. Similarly, Petrovic-Lazarevic (2010) advocates that an enhanced corporate governance structure, including a CSR committee, helps to ensure that the firms' social values are aligned with those of the community. By managing, coordinating and revealing social and environmental information, it can help firms to maintain their social licence to function (Faisal & Achmad, 2014). Consequently, when a board appoints a CSR committee to control the environmental and social influences on the activities of a business, it is more likely that the firm will have more legitimacy in the society in which they operate. In other words, the existence of a CSR committee is more likely to influence the quantity of reporting, thus, encouraging firms to demonstrate greater transparency and accountably in CSRD (Faisal & Achmad, 2014). Hence, it is expected that firms which have a CSR committee will disclose more CSR information.

Empirically, the evidence on the relationship between presence of CSR committee and extent of CSRD is generally limited, but Cowen et al. (1987), Ntim and Soobaroyen (2013b), Faisal and Achmad (2014), and Yekini et al. (2015) report that the presence of CSR committee is statistically significant and positively associated with the extent of CSRD, suggesting that the CSR committees have a strong influence on CSRD. On the other hand, Rankin et al. (2011) and Michelon and Parbonetti (2012) report a statistically insignificant association between the presence of a CSR committee with the total disclosure score on sustainability and environmental disclosure. However, given the positive impact of CSR committees on CSRD practices found by earlier studies (e.g. Faisal & Achmad, 2014; Ntim & Soobaroyen, 2013b; Yekini et al., 2015), the seventh hypothesis to be examined is articulated as follows:

> *$H_{7:}$ There is a positive and significant relationship between the presence of CSR committee and the extent of CSRD practice.*

4.5.2.2.4 Parent Company

From an internal legitimacy perspective within neo-institutional theory, a foreign subsidiary is not an independent entity, and, if a parent company mandates an organisational practice, the subsidiary is obligated to obey it (Kostova & Roth, 2002). Although the response of a subsidiary to a parent's initiatives is influenced by its perception and interpretation of the practice, achieving internal legitimacy from the parent company remains significant too for its survival (Kostova & Zaheer, 1999). Whilst the pressures from the external institutional environment may affect the adoption of a practice at a foreign subsidiary, a foreign subsidiary also confronts pressures *within* their multinational firms to conform to the parent company's structure and policies (i.e. institutional duality) (Kostova & Roth, 2002). Here, the link between the foreign subsidiary and its parent becomes vital; because it affects the ways such pressures (from the home country) are perceived and interpreted by the subsidiary. Additionally, subsidiaries in general, rely on the support of their parent companies for on-going access to resources such as technology, knowledge, and capital, thus, internal legitimacy becomes important (Kostova & Roth, 2002; Kostova & Zaheer, 1999). In other words, subsidiaries that themselves depend on their parents are inclined to comply with a practice originating from the parent, in order to increase the subsidiary's reputation and internal legitimacy.

In such a context, because of the existence regulations and laws enforcing quality management from the home country, the parents' request for a practice adoption can be interpreted as internal coercion for the subsidiary. Consequently, being foreign in a specific host environment, subsidiaries are, to some extent, protected from the local institutional pressures and are not necessarily anticipated to be totally isomorphic with the other local companies, particularly when the multinational companies are somewhat powerful, and hence, the subsidiary is less dependent on the host country (Kostova & Roth, 2002). In the areas of CSRD, Da Silva Monteiro and Aibar-Guzmán (2010) argue that the environmental norms and culture of the firm's parent's country are normally replicated in its subsidiary behaviour in terms of CSR activities and therefore in their CSRD practice.

Empirically, there are a limited number of studies which examine the relationship between the parent company factor and the extent of CSRD practices. While Amran and Haniffa (2011) found that the parent company factor does not have an influence on the extent of CSRD in Malaysia, Moneva and Llena (2000) and Freedman and Jaggi (2005) report that the parent company factor has a crucial influence on the extent of CSRD practices. Consequently, in line with the results of previous empirical studies (e.g. Freedman & Jaggi, 2005; Moneva & Llena, 2000), and in line with neo-institutional theory expectations (Kostova & Roth, 2002; Kostova & Zaheer, 1999), the sixth hypothesis to be tested is expressed as follows:

> *H_6: There is a positive and significant relationship between the extent of CSRD practice and company status as a subsidiary of a parent company.*

4.5.2.3 Firm-Specific Characteristics (Control Variables)

In addition to ownership structure and board characteristics, other company-specific characteristics were found to have an influence on the extent of CSRD practices in the previous literature. These characteristics include age, size and profitability. The following section discusses the theoretical basis and the empirical evidence from earlier studies for each determinant.

4.5.2.3.1 Firm Size

Theoretically, large firms are usually under pressure and subject to greater attention from public, government regulatory bodies, media, and professional groups than small firms (Luoma & Goodstein, 1999). From a legitimization perspective within neo-institutional theory, Deephouse (1996) suggests that size is a potentially significant determinant of legitimacy. If large companies are more closely scrutinized by government regulatory bodies, media, and/or professional groups, then, there might be a rise in coercive political pressure on these companies (Falkman & Tagesson, 2008). Consequently, large firms can be under more pressure to display certain practices than smaller firms to legitimize their existence (Cowen et al., 1987). Additionally, neo-institutional theory proposes that some large firms may tend to mimic their competitors practices in order to not lose their market share (Amran & Haniffa, 2011). Hence, this can be seen as imitative action by such firms.

Empirically, the literature is largely in line with the view that company size is linked with high CSRD practices. For example, and in line with the results of previous studies (Adams et al., 1998; Alsaeed, 2006; Amran & Haniffa, 2011; Barako, 2007; Brammer & Pavelin, 2008; Chan et al., 2014; Cormier et al., 2005; Das et al., 2015; Eng & Mak, 2003; Galani et al., 2011; Haji, 2013; Haniffa & Cooke, 2005; Hossain et al., 1995; Lisa & Christopher, 2002; Neu et al., 1998; Patten, 1992a; Reverte, 2009), Khan et al. (2013) report that the size of the company is positively and significantly associated with the extent of CSRD practices, whilst Roberts (1992), García-Ayuso and Larrinaga (2003), Akhtaruddin (2005), and Juhmani (2014) found an insignificant association between the firm size and extent of CSRD practice. This research seeks to extend the literature by examining whether firm size is significantly and positively related to the extent of CSRD practice, within the Libyan context. Consequently, following the past suggestions and evidence (e.g. Abd Rahman et al., 2011; Aldrugi, 2013; Chan et al., 2014; Das et al., 2015; Haji, 2013; Khan et al., 2013; Patten, 1992a; Rao et al., 2012; Reverte, 2009), this research expects a significant and positive relationship between firm size and extent of CSRD practice. Therefore, the eighth hypothesis to be examined is articulated as follows:

> *H_8: There is a statistical significant and positive relationship between the size of the firm and extent of CSRD practice.*

4.5.2.3.2 Firm Age

Theoretically, the age of the firm is seen as a significant and influential factor that influences the extent of any organisational practice, where older companies with a longer social existence with more experience are likely to be involved in different practices than modern firms (Akhtaruddin, 2005). A companies' social existence depends on accommodating norms and routines that are highly respected by the society where they function (Greenwood et al., 2013). Old firms in developing economies typically enjoy high legitimacy, because of the longevity of their ties with government officials, whereas new companies can lack the institutional support owing to weak property-rights protection (Shinkle & Kriauciunas, 2010). As such, it is expected that the longer the social existence, the more visible the company is in the eyes of the public, and therefore, the more pressure there is to engage in certain institutional practice.

Empirically, the existing literature is in line with the view that the age of the company is positively and significantly associated with the extent of CSRD practices. For instance, and in line with the findings of previous studies (Abd Rahman et al., 2011; Cormier et al., 2005; Owusu-Ansah, 1998; Roberts, 1992), Khan et al. (2013) report that the age of the firm is positively and significantly associated with the extent of CSRD practices. By contrast, while very few studies (Aldrugi, 2013; Das et al., 2015) report age of the company being negatively associated with the extent of CSRD practices, other studies (Akhtaruddin, 2005; Galani et al., 2011; Juhmani, 2014; Sufian, 2012; Sukcharoensin, 2012) found that companies' age does not have an influence on the extent of CSRD practices. Despite these mixed results, and following past suggestions and evidence (Abd Rahman et al., 2011; Cormier et al., 2005; Owusu-Ansah, 1998; Roberts, 1992), and in line with neo-institutional expectations (Shinkle & Kriauciunas, 2010), the ninth hypothesis to be tested is articulated as follows:

> *H_9: There is a statistical significant and positive relationship between age of the firm and the extent of CSRD practice.*

4.5.2.3.3 Firm Profitability

Informed by the neo-institutional theory perspective, this research contends that firms may engage in CSRD practices for the purpose of either legitimization (relational, moral or social) or efficiency (Aguilera et al., 2007). Consequently, the disclosure of CSR information might not essentially have a strong connection with profitability if companies only get involved in CSRD practices to respond to normative, cognitive, and/or coercive institutional pressures in order to improve company legitimacy (Ntim & Soobaroyen, 2013b). In contrast, if firms show more commitment to CSRD practices in order to enhance their efficiency, then, their involvement in CSRD might have a positive impact on the firm's profitability. In this way, there are two different theoretical views regarding the link between company profitability and their involvement in CSRD practices, which are detailed below.

One view is that more profitable companies are well-established and might not be interested in engaging in CSRD practices (Rao et al., 2012), since social responsibility incurs additional costs (e.g. socio-communal and environmental investments) that may put them at economic disadvantages in comparison to less responsible companies (Devinney, 2009). The alternative view is that profitable companies may be more motivated to engage in CSRD, because this can influence positively on corporate financial performance. In other words, greater commitment to CSRD practices can increase a company's financial performance, by facilitating conformance to social norms to legitimising company operations, that might not just improve a company's reputation, but also offer access to additional resources (Ntim & Soobaroyen, 2013b).

Consistent with this conflicting theoretical perspective, the empirical evidence on the relationship between profitability and extent of CSRD practices reports mixed results. For example, and consistent with past evidence (Haniffa & Cooke, 2005; Khan et al., 2013; Mulyadi & Anwar, 2012; Owusu-Ansah, 1998), Jizi et al. (2014) report a positive and significant influence of profitability on the extent of CSRD practices. In contrast, while there is significant evidence (Alnajjar, 2000; Das et al., 2015; Naser & Hassan, 2013; Rao et al., 2012; Richardson & Welker, 2001) that suggests profitability is negatively associated with the extent of CSRD practices, the findings of a considerable number of studies (Abd Rahman et al., 2011; Akhtaruddin, 2005; Amran & Devi, 2008; Brammer & Pavelin, 2008; Da Silva Monteiro & Aibar-Guzmán, 2010; Esa & Nazli, 2012; Galani et al., 2011; García-Ayuso & Larrinaga, 2003; Hackston & Markus, 1996; Haji, 2013; Juhmani, 2014; Michelon & Parbonetti, 2012; Nazli & Ghazali, 2007; Patten, 1992a; Reverte, 2009; Said et al., 2009; Sufian, 2012) support the view that the profitability factor has an insignificant impact on the extent of CSRD practices. Given the conflicting theoretical and empirical literature, the final hypothesis to be tested is articulated as follows:

> *H_{10}: There is a relationship between profitability and the extent of CSRD practice.*

4.6 Gaps and Limitations of Previous Studies

The link between CSRD determinants and the extent of CSRD practice has inspired a significant discussion due to its importance as determinants of CSRD practices. However, based on reviewing the empirical studies in the literature, it shows that the empirical evidence remains inconclusive, especially with regards to developing countries. Consequently, four levels of gaps have been identified in the following section, which this research intends to address.

First, while a substantial number of previous studies that have examined CSRD practice in relation to CSRD determinants were conducted in developed countries, such as the U.S and Australian market settings (e.g. Jizi et al., 2014; Rao et al., 2012; Reverte, 2009), the empirical studies of CSRD practices outside of these markets with reference to developing countries are limited (Khan et al., 2013) especially within the North African context. As such, it is suggested that generalising the results of western countries to less developing economies would be inappropriate, since the stage of "*economic development*" could potentially be a major factor that impacts CSRD practices (Azim et al., 2009b; Tsang, 1998). Even the studies that have been undertaken within the developing economies are largely concentrated on newly industrialised countries, such as Malaysia (e.g. Esa & Nazli, 2012; Haji, 2013; Haniffa & Cooke, 2005) and some Africans countries such as Nigeria (Uwuigbe & Egbide, 2012) and South Africa (Ntim & Soobaroyen, 2013b). Furthermore, national and cultural variations are likely to influence the accounting practices generally, and CSRD practices in particular (Mathews, 1993; Perera & Mathews, 1990). The review of the literature also shows that dissimilarities in time period, country, and explanatory variables also make generalisations complicated (Adams, 2002; Adams et al., 1998), because where one issue is less significant to one country at a specific period of time, it may be more significant to another country during another period of time (Gray et al., 1995a). In other words, since socio-economic challenges in developing countries are different to those of developed countries (Belal & Cooper, 2010), Ntim and Soobaroyen (2013a, p. 121) emphasises the importance of examining CSRD studies in developing country context - where empirical studies are limited (Mahadeo et al., 2011b), because it "contributes to a more complete understanding of the motivations and factors that influence CSR disclosures".

Second, prior literature has in general examined how company-specific characteristics (e.g., size, age, industry type) determine CSRD practices (Adams, 2002; Aldrugi, 2013; Chan et al., 2014; Deegan & Gordon, 1996; Fifka, 2011; Williams, 1999), in addition to the financial influences of involving in social accounting practices (Callado-Muñoz & Utrero-González, 2011). By contrast, existing research that examines the link between company ownership and CSRD practices are generally limited (Aguilera et al., 2006), and mainly acute in less developed countries (Barako & Brown, 2008; Jamali et al., 2008; Ntim, 2016; Ntim & Soobaroyen, 2013b). Additionally, there has been so far very limited research examining how company ownership and board characteristics influence CSRD practices (Fifka, 2011; Ntim & Soobaroyen, 2013a). Arguably, these weaknesses within the existing literature limit present international understanding of how and why a company's governance structures engagements might impede or enhance its disclosure direction.

Third, with reference to the current case of Libya, although there is a noticeable increase in the numbers of studies on CSRD practice in Libya, (Ahmad, 2004; Elmogla, 2009; Ishwerf, 2012; Mashat, 2005), these studies are still mostly descriptive, lack theoretical underpinning, are limited to local companies, fail or neglect to examine the influence of CSRD determinants on the extent of CSRD practices, and were conducted outside of the oil and gas sector. More precisely, in Libya, although there are two studies that focused on CSRD practice (Elmogla, 2009; Mashat, 2005) which is aimed at identifying the extent to which CSRD occurs in Libya, and three studies concentrated on environmental disclosure (Ahmad, 2004; Aldrugi, 2013; Ishwerf, 2012) that aimed at identifying the extent to which environmental disclosure occurs in Libya, the current study differs from them in the following respects.

- All Libyan studies (Ahmad, 2004; Elmogla, 2009; Ishwerf, 2012; Mashat, 2005) focused on local industry and on companies operating outside of the oil and gas sector (with exception to Aldrugi, 2013 which is limited to ED only). In contrast, the current research study focuses exclusively on this sector, which is of crucial economic importance to the Libyan economy. So, rather than restricting the focus to environmental disclosure and local companies, as previous studies have done, the present study examines the activities and attitudes of both foreign, joint venture and local companies operating in this sector.

- Four out of the five Libyan studies (Ahmad, 2004; Aldrugi, 2013; Elmogla, 2009; Mashat, 2005) identified above rely on data covering the period before the 2009 and the 2011 Libyan revolution, since Ishwerf's study used a case study. In contrast, this study - within its quantitative stage - uses longitudinal data covering a four-year period between 2009 and 2013, making a comparison between two years before the 2011 Libyan revolution and two years after. This allows a significant analysis to be conducted of trends in CSRD practices, especially in the light of the country's political and institutional changes.

- Three out of the five Libyan studies (Ahmad, 2004; Aldrugi, 2013; Ishwerf, 2012) focused on environmental disclosure categories only, which affects the ability to generalise the results over other social disclosure categories. In contrast, this study focuses on CSRD practices more generally in different sector in contrast to the studies of Elmogla and Mashat, in order to provide a full and comprehensive picture of such disclosure.

- Three out of the five Libyan studies identified above (Aldrugi, 2013; Elmogla, 2009; Mashat, 2005) lack theoretical underpinning, since Ahmed's study used the environmental determinism theory and Ishwerf used stakeholder theory. On the contrary, the theoretical foundations of this research draw on neo-institutional theory in general and institutional isomorphism in particular, arguing that oil and gas companies in Libya may inevitably face institutional pressures that lead them to adopt CSRD.

- All the Libyan studies identified above were conducted before the political changes in Libya. In contrast, the current study includes a major event, i.e. the 2011 Libyan revolution, so the data was gathered from pre and post the event, which may indicate interesting results, since those are the years when the country was liberated from the previous dictatorship regime. This alteration may have an influence on the CSRD practices of organisations, since both governments might have dissimilar levels of concern regarding such disclosure.

- Finally, the research studies identified above neglect the impact of CSRD determinants on CSRD practices. In contrast, this study examines the impact of CSRD determinants on the extent of CSRD practices in Libya, which the previous studies did not consider.

Additionally, the review of the literature also shows that most of the earlier studies on CSRD have carried out empirical investigations on the importance of enablers and barriers of CSRD (see e.g. Ahmad, 2004; Solomon & Lewis, 2002; Wilmshurst & Frost, 2000), and outside the oil gas sector (see e.g. Ahmad & Ishwerf, 2014; Beddewela & Herzig, 2013; Belal et al., 2015; Belal & Cooper, 2011; Belal & Owen, 2007; Belal & Roberts, 2010; Zhao & Patten, 2016). In contrast, this study focuses on identifying and discussing both enablers and barriers arising from the institutional environment within the oil and gas industry.

Furthermore, although there are several prior empirical studies (e.g. Beddewela & Herzig, 2013; Belal & Cooper, 2011; Hossain et al., 2016) that have attempted to discuss the obstacles for the absence and/or low of social disclosure in developing countries, such studies have been chased by different stakeholders across dissimilar countries and by varying governance and regulatory systems, thus, its results may not be generalisable, and may only remain applicable to these countries' context. Finally, Aldrugi (2013) suggests that further research is required into CSRD practices in Libya in areas such as human resources, product development, community engagement and energy saving.

Consequently, because of the limited research undertaken on North African countries, this research contributes towards the literature expanding our knowledge of the implementation of CSRD practices, by empirically providing evidence for the context of CSRD in Libya, by focusing specifically on examining the influence of the institutional environment (in the form of enablers and barriers) and pre-defined determinants on the CSRD practices of firms operating in the oil and gas sector.

4.7 Chapter Summary

This chapter has offered a discussion on the concept of CSRD, its meaning, contexts and scope. It has also offered a review of the scope and categories of CSRD, its level in both developed and developing countries, as well as the enablers and barriers of CSRD practices found in previous studies. It also considered the main CSRD determinants that influence the extent of CSRD. In general terms, the previous studies have reported inconsistent relationships. This suggests that the context, national and cultural variations where firms operate are more likely to have influence on CSRD practices. This research therefore seeks to extend the literature by assessing whether CSRD determinants reviewed in this chapter are statistically significant and positively linked with the extent of CSRD practice in Libya. After that a discussion of prior Libyan studies on CSRD, the gaps in the literature and limitations of previous studies is presented.

Chapter 5: Research Methodology and Methods

5.0 Overview

This chapter intends to provide an overview of the research methodology and data collection methods, which will help the reader to understand the techniques and the procedural framework for how this research was conducted. It first starts by providing the philosophical paradigm adopted for this research, followed by the research design, the qualitative stage of data collection method, the pilot study, the selection of the interviews and how they were analysed. The chapter presents then the quantitative stage including the data collection method, how data was analysed through the content analysis technique. The chapter concludes with a summary of this chapter.

5.1 Research Philosophy

Although debates about research philosophy are vital elements to the progress of any research (Easterby-Smith et al., 2012), the research philosophy that the researcher chooses contains a very significant assumption regarding how the researcher views the world. Saunders and Lewis (2012, p. 104) defined the research philosophy as the "overall term that relates to the development of knowledge and the nature of that knowledge in relation to research". In this regard, Easterby-Smith et al. (2012) contends that research philosophies are valuable tools in undertaking any study because; it helps the researcher to take an up-to-date decision about the research design; it could assist the researcher to be aware throughout the study of which design will critically work and which will not work; and finally, it may assist the researcher to recognize and produce designs that might be external to their past experience.

In this way, while Saunders et al. (2016) state that there are three main philosophies that the research design can be derived from, namely positivism, interpretivism, and pragmatism, Creswell (2014) explains that the research problems and questions, the personal experience of the researcher, and the audience whom the research will be written for are the main factors that determine which paradigm to follow. Therefore, for this research study, the researcher has adopted the pragmatism approach. This is due to the reality that one single paradigm has been adopted by very few pure quantitative or qualitative research studies (Easterby-Smith et al., 2012), and each paradigm has weaknesses and strengths, and therefore, by employing the pragmatism approach, it can minimise the disadvantages and maximise the advantages of each one. Additionally, by using the pragmatism approach, it opens the door for the researcher to use multiple methods, different forms of data gathering and analysis (Creswell, 2014), hence, it helps to triangulate the validity and reliability of the study. Finally, it has been chosen due to the nature of the research problem and questions. Therefore, only the pragmatism approach will be discussed in this research.

5.1.1 Pragmatism

Pragmatist researchers argue that rather than adhering to one paradigm, the researcher should be free to mix methods of diverse paradigms, selecting them on the basis of their effectiveness for answering the questions of the research (Collis & Hussey, 2009). Pragmatists, therefore, are not dedicated to any philosophy and reality, and the researcher has a freedom of selection. This implies that researchers are free to select the techniques, methods and procedures that best meet their purposes (Creswell, 2014). Therefore, by ignoring the philosophical debate about reality and the nature of knowledge, the weakness of one paradigm compensates with the strength of the other. Although pragmatist researchers are concerned with “what” and “how” based on the proposed outcomes and where they want to go with it, they accept the question with the faith that reality itself is a product of this knowledge “derivation” procedure.

While pragmatist researchers argue that because studies constantly take place in political, historical, social and other perspectives, meanwhile they do not perceive the world as a complete unity, rather, the truth is what works at the time. Therefore, they have a belief in an outside world autonomous of the mind in addition to what is stuck in the mind, and hence they contest that questions about reality and the nature of laws need to end (Collis & Hussey, 2009; Creswell, 2014). Furthermore, truth under this paradigm, is not based on a duality between realities separated from the mind or inside the mind, rather, researchers should use qualitative and quantitative data to offer the greatest understanding of a research problem. This implies that each researcher has the choice of processes that best meet their desires. Thus, the consideration should be to deal with applications and acknowledgements of the problem. So, rather than considering the method as being significant, the problem is more significant. This means that all approaches should be used to solve the problem, by means of using more than one method to develop knowledge about it, understand it, and discover answers for it (Tsang, 2013).

While adopting this paradigm in this research might be criticised for the incapability of the researcher to adopt a clear-cut philosophical or theoretical stance on research (Nudzor, 2009), adopting this paradigm in this particular research provides chances for better insights that cannot be accomplished by one approach alone (Yauch & Steudel, 2003). It helps to triangulate the validity and reliability of the research (Creswell, 2014), and it is valuable and helpful in the sense that it opens the door for the researcher to use multiple methods, different world-views, as well as the use of different forms of data collection and analysis (Creswell, 2014). While the ontological position of the researcher accepts the existence of an external reality, which is needed to explain the phenomenon of this study in order to produce the desired outcome, the researcher's epistemological position allows him to combine both objective and subjective perspectives. In other words, under this combined approach, knowledge is being constructed, either from his understanding of how reality exists, or perhaps, what reality actually is.

5.2 Research Design

The research design is a vital and fundamental stage in understanding what the researcher wishes to achieve. This term therefore refers to the procedures and plans for study that stretch the steps from wide suppositions to detailed techniques of data gathering, analysis, and explanation (Creswell, 2014). As such, much of the debate in the literature surrounding the selection of the research design has tended to focus on the choice between qualitative, quantitative, and mixed methods design (Creswell, 2014; Saunders et al., 2016). However, because this research adopts a mixed method design, this aspect is discussed next.

5.2.1 Mixed Method Design

A mixed method design involves a mixture of both qualitative and quantitative research in the same study (Creswell, 2014; Tashakkori & Teddlie, 1998b). Under this design, researchers base their enquiry on the assumption that by gathering different types of data, it provides a great and more complete understanding of the research problem than would be achieved by using either qualitative or quantitative alone. From a philosophical perspective, however, such design is generally associated with the pragmatism paradigm, where a mixture of positions will help researchers to undertake their research. As such, the research approach under this design usually takes either a deductive or inductive approach, but it is more likely to integrate both (Bryman & Bell, 2015; Saunders et al., 2016) in which is the case of the current research. Creswell (2014) and Tashakkori and Teddlie (1998b) discussed the importance of the mixed method time-scale strategies, where the researcher needs to make clear whether the research he/she adopts is a sequential transformative strategy, sequential exploratory strategy, sequential explanatory strategy, concurrent triangulation strategy, concurrent embedded strategy, or a concurrent transformative strategy.

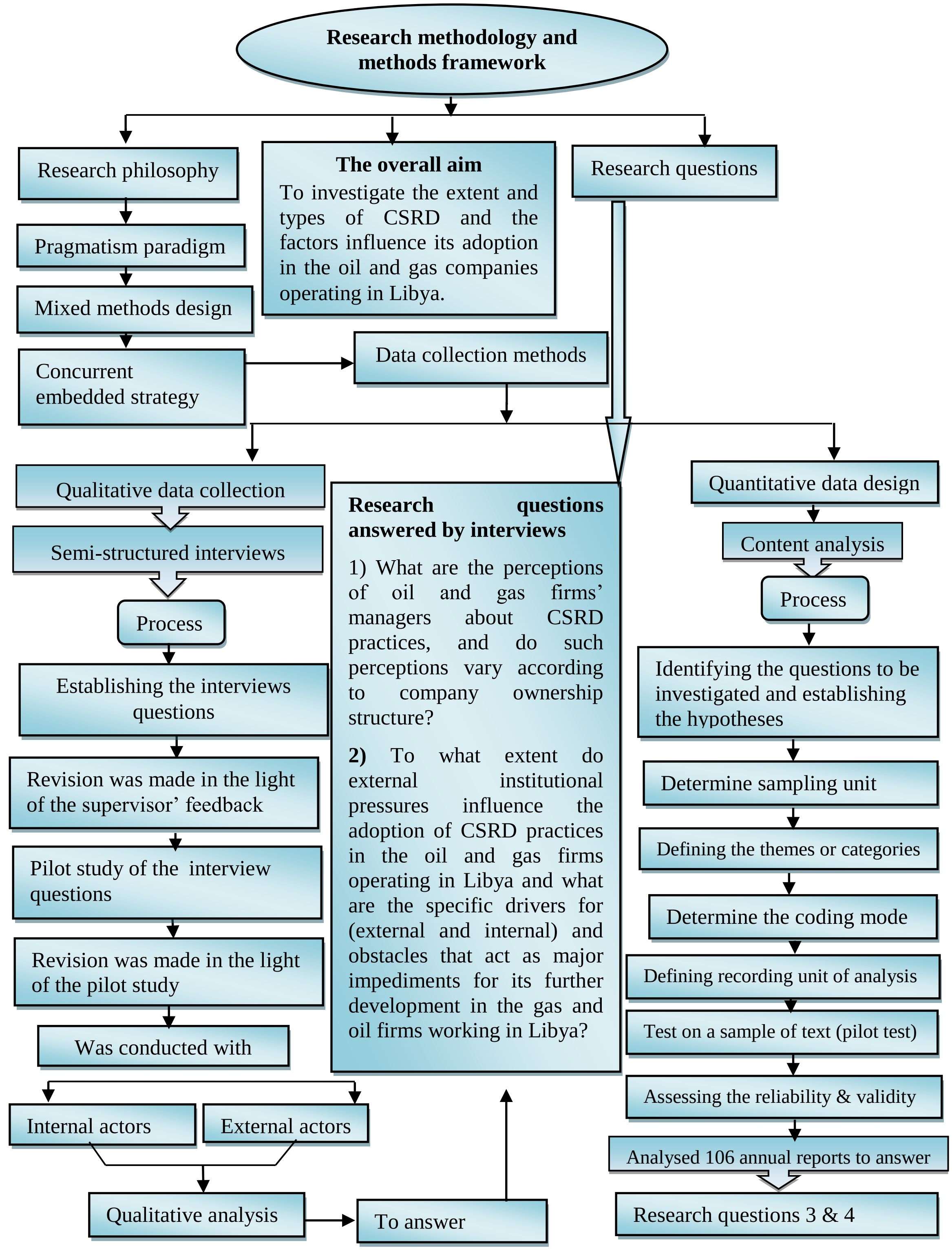
Relatedly, this research employed the concurrent embedded strategy design, where the researcher collected the data simultaneously during a single data gathering stage, but were analysed separately in a "complementary manner". This strategy is adopted in line with the Creswell (2014) and Tashakkori and Teddlie (1998b) approach, since the quantitative data of this research addresses different questions than qualitative data and seeks information at a dissimilar level of analysis. Therefore, the quantitative results may not necessarily relate to or conform to the qualitative results (Creswell, 2014; Tashakkori & Teddlie, 1998b). Additionally, under this strategy, while the mixture of data is usually used to incorporate the information and compare qualitative with quantitative data (or vice versa) in the discussion, the data may be also "reside side by side as two different pictures that provide an overall composite assessment" and/or more complete understanding of the research problem (Creswell, 2014, p. 214).

Consequently, the selection of this design can be justified as follows. This design can help the researcher to gain a broader perspectives and a more complete understanding of CSRD owing to using dissimilar methods as the opposite of using one method alone. It also helps the researcher to gather two forms of data concurrently during a single data gathering phase (Creswell, 2014; Tashakkori & Teddlie, 1998b). While such design is an accepted and regular method of data collection in business and management research (Bryman & Bell, 2015; Collis & Hussey, 2009; Creswell, 2014; Saunders et al., 2016), it is also suitable when the qualitative strand addresses different questions than the quantitative strand (Creswell, 2014). Consequently, since this is the case in this research, adopting this design helps to achieve the study objectives and questions. Also to be consistent with the research paradigm that has been implemented (pragmatic paradigm), and to help to attain the research objectives and increase the confidence and credibility of the findings (Easterby-Smith et al., 2012), this presents greater a diversity of views, and provides stronger inferences (Easterby-Smith et al., 2012).

However, when designing a mixed methods research design, there are principles that the researcher needs to consider, such as the “level of interaction”, and the method priority (Clark & Creswell, 2011). With regards to the “level of interaction” between the qualitative and quantitative method, researchers need to clearly identify where his/her research stands, whether in the interactive level or in the independent level (Clark & Creswell, 2011). The independent level is based on splitting the qualitative and quantitative research questions and the processes of data analysis, and mixes the two methods in the research’s conclusion. By contrast, the interactive style occurs at dissimilar times throughout the research, generally prior to the final interpretation of the findings (Clark & Creswell, 2011). In relation to the current research, it adopts the independent level by splitting the qualitative and quantitative research questions and the processes of data analysis, and mixes the two methods in the research’s conclusion. This choice is made in line with the recommendations of Creswell (2014) and Tashakkori and Teddlie (1998b) who contend that qualitative findings would not necessarily relate to or confirm qualitative results.

Additionally, in line with Clark and Creswell (2011), who advocate that researchers need to clearly state their method priority (i.e. equal priority, qualitative priority and quantitative priority), this research initially focuses on the qualitative and is then followed by the quantitative due to the nature of the study’s problem, objectives and questions. In other words, the research started with qualitative design to identify the key factors from the oil and gas managers who were in position to deal with pressures to disclose CSR information, and later on proceeded with quantitative design in order to assess the variability of CSRD to provide an overall composite assessment and a more complete understanding of CSRD in Libya (see figure 5.1 below).

Figure 5.1: Research Methodology and Methods Framework for the whole Research



5.2.1.1 Limitations of Mixed-Methods Approach

While utilizing the mixed method approach in research helps in providing a broader perspective when examining CSRD in Libya, there are some challenges and limitations of adopting such approach that needs to be acknowledged. First of all, this approach has been criticized because of what has been perceived as the difficultly for one researcher to conduct both qualitative and quantitative research, especially if two or more approaches are anticipated to be conducted simultaneously (Bryman & Bell, 2015; Saunders et al., 2016). This is because such an approach can be very expensive and take up more time than that required to undertake a single method research. Furthermore, the mixed-methods approach is complex to design and undertake because it requires careful planning to describe all aspects of the study, comprising the research sample, timing etc for qualitative and quantitative stage, thus, it needs clear presentation to get maximum advantage out of the research. Additionally, the process of collecting and analyzing qualitative data might force researchers to decrease the sample size, since such approach requires careful coding of the data analysis which is a complex and time-consuming process (Driscoll et al., 2007).

5.3 Data Collection Methods

5.3.1 Qualitative Stage - Interviews

The research interview is a valuable data gathering technique in particular during the exploratory stages of study, where the researcher asks concise and explicit questions to which the interviewee is willing to answer what they think, do and feel (Bryman & Bell, 2015; Saunders et al., 2016; Sekaran & Bougie, 2013). In this way, the interview method has been described as a “flexible and powerful tool to capture the voices and the ways people make meaning of their experiences” (Rabionet, 2009, p. 203). Using the interview as a data collection method could assist the researcher in collecting reliable and valid data directly from participants that are related to the study objectives and questions (Bryman, 2016).

According to the literature, however, interviews could be unstructured, structured, or semi-structured, and each type can be linked to different paradigms and different types of research study. For example, in a structured interview, where the investigator usually has a number of predetermined and standardised or identical questions to be asked, is usually associated with the positivist paradigm (Collis & Hussey, 2009). Furthermore, Saunders et al. (2016) suggest that this type of interview is usually linked to the descriptive study type. However, in an unstructured interview, where the research questions have not been prepared beforehand, rather evolve during the interview course, is usually associated with interpretive paradigm. Saunders et al. (2016) suggest that this kind of interview is most useful in explanatory and exploratory research.

Finally, in semi-structured interviews, where the investigator usually has a number of questions and themes to be enclosed is associated with the interpretive paradigm. Saunders et al. (2016) suggest that this kind can be very useful in both an explanatory and exploratory research type. As such, this research adopts the semi-structured interviews for the following reasons. It provides an in-depth understanding of the research context, allows for the clarification of relevant and interesting issues raised by the respondents, such as how and why questions, and enables the researcher to rephrase or explain the questions if respondents do not understand the questions (Kajornboon, 2005; Louise & While, 1994). Furthermore, semi-structured interviews enable the interviewer to clarify and explore inconsistencies within respondents’ account and explores sensitive issues (Louise & While, 1994). It enables the researcher to rapidly review and delve deeper into given information, adjust questions as required, appropriateness for gathering views of respondent about the reasons or motivations of the adoption of specific practice, thus, helps to gain more clarification (Kajornboon, 2005; Pathak & Intratat, 2012). Additionally, it is very useful in permitting the researcher to consider the interviews’ reliability by investigating the managers’ perceptions of CSRD practices, and whether such perceptions differ according to firms ownership structure, as well as explore the extent to which institutional pressures influence the adoption of CSRD by openly discovering the underlying drivers and obstacles for CSRD practices in Libya.

5.3.1.1 Semi-Structured Interviews Design

Two interview guidelines were developed, one for oil and gas firms' managers and the other for policy and decision makers within the NOC. Both interview' guidelines were attached with a covering invitation letter which offered a short explanation of the importance of the participant's contribution, participants' information sheet, and a consent form (see appendixes 1 and 3). The two interview guidelines were structured into seven sections based on the areas identified in the literature (see appendixes 2, and 4). The first and second sections of the interview contained questions consisting of interviewee details and general information and context. The third and fourth sections enclosed questions about the current level of CSRD, and the sources of institutional factors and institutional mechanisms. The fifth and sixth sections contained questions about the forces and obstacles for CSRD practices and the place and types of CSRD information. The final section contained additional information and a conclusion.

5.3.1.2 Informed Consent

Before the commencement of the study, the researcher formed an information sheet, which enclosed information about the study (see appendix 1). This information was given to each manager who confirmed their willingness to contribute to the research. At least one week was given to managers to read the information and decide whether they wanted to take part in the research. This not only offered the opportunity for them to discuss their participation with family and friends, but also gave them time to raise any questions that may need any clarification if required. On the day of conducting each interview, consent forms were given to managers to sign to indicate their agreement to take part in the research. Prior to starting the interview, managers were also told that they could stop the interviews at any time.

Additionally, external actors were also given an information sheet about the study, which was comparable to that of oil and gas companies' managers (See appendix 2). The process for attaining consent forms was comparable to that used for oil and gas companies' managers discussed above.

5.3.1.3 Ethical Consideration

Before beginning the actual research, a set of guidelines specifying the aim and objectives of the research, the techniques, and methods of the study was sent to the supervision team. Approval of this guideline was received as an acceptable investigation. This set of guidelines (see appendixes 2 and 4) was then sent off to the Business School Ethics Committee at the university, and similarly, approval was received in both cases (internal and external). Leading mangers of oil and gas companies and policy and decision makers within NOC were guaranteed that their identity would not be acknowledged in any means whether in seminars or publication stemming from the research. In addition, both actors were told that the research was carried out for the completion of the researcher' PhD, and that information might be utilized for publication in journals and conferences.

5.3.1.4 The Pilot Study

Before the data was collected, it was necessary to test and pilot the interview questions. The aim of this procedure is to improve and ensure that the questions are understood by the research respondents (Oppenheim, 1992), and to make sure that there are no issues with "wording", "ambiguity" or "measurement" (Sekaran & Bougie, 2013), and to achieve some assessment of the questions' reliability and validity (Bryman & Bell, 2015; Saunders et al., 2016). In this regard, pre-testing might involve a small number of participants to test the appropriateness of the questions and their comprehension (Sekaran & Bougie, 2013). In this research, before conducting the actual interviews, several procedures were undertaken.

A draft of the interview guidelines was discussed with the supervision team and a number of PhD students to improve the validity of the interview questions and to take their opinions before finalizing the questions. After having a detailed discussion of the final draft of the research instrument with the researcher’s supervisors, the form adopted for the pilot study was set. Afterwards, the interviews were translated into Arabic, along with an English version, which were given to an expert translator for any comments. After receiving interview schedules, the pilot study was conducted in late August 2014 amongst 4 participants in Libya. Based on the feedback, one question was modified from asking the respondents directly about the companies’ disclosure of CSR information into asking first for the respondents’ perceptions about CSR, before leading on to the first question about the definition of CSRD practices.

5.3.1.5 Selection of the Interviewees

Prior to conducting the interviews, the first stage was to identify the relevant managers of oil and gas firms who were in charge and/or in a position to deal with or react to the demands/pressures to disclose CSR information. From this identification, the relevant managers, such as environmental managers, finance managers, director of finance, head of health, safety and environment, accounts managers, head of accounts and budget, were targeted. Those managers were selected as a consequence of their roles in decent governance practices and their persuasive influence on the company’s disclosure (Ntim et al., 2015). The second group were external actors, who proposed to put some pressure on companies to disclose CSR information. This group comprised of regulators and policy makers within the NOC who were identified by companies’ managers to be the responsible body for pressuring the firms to disclose (or not to disclose) their CSR information. These groups were selected for two primary reasons. Firstly, they were in a position to have input on the formulation of the company’s annual reports and should have the required information to offer useful and accurate data regarding the interview questions. Secondly, it is realistic to assume that they have a wide perspective on their companies' operations, and are thus viewed as being capable to address questions investigating their motivation and the issues relating to CSRD practice. From these groups, interviewees were selected based on firstly - the interviewee's agreement in willing to be interviewed, and secondly - the interviewee's knowledge on the subject, to assure that all information is covered by the interviews (Bailey & Peck, 2013). This has offered reliable information about CSRD in Libya and the factors that influence its adoption.

5.3.1.6 Administration of the Interviews

When the target groups were acknowledged, the researcher used two methods, namely, telephone and visiting them in person, to check participants' time availability. After such procedures were undertaken and appropriate and suitable appointments were made with them, the process of undertaking the interviews continued as follows:

- The invitation letter, the participants' information sheet, and the consent form (See appendixes 1 and 3) were given to each manager who confirmed his/her readiness to take part in the research. After passing on this information, all managers were given a week to make a decision on whether they would like to contribute in the research. The rationale behind this procedure was that they could talk about it with colleagues and friends, in addition to giving them the time to ask the researcher any questions that may need explanation.
- On the day of conducting the interview, consent forms were given to both managers of oil and gas firms, and regulators and policy makers within the NOC to sign as an agreement that they had accepted to contribute to the research.
- Each interview was conducted in each company or organisation that agreed to contribute to the study and began by introducing the researcher, who thanked the interviewee for providing the chance for conducting this interview.

- Each interview began with warm-up questions, such as questions on CSR in general, in order to direct him/her to more precise questions for which the interview was aimed to achieve. All effort was made to make interviewees convey their own views, and in their words.
- The questions that were employed in the interviews were open-ended style questions, i.e. how/why/what/to what extent, to draw as much data as possible about CSRD in the oil and gas sector.
- In the last part of every interview, interviewees were asked whether they had any questions or wished to add any comments. Each interview was completed by thanking the interviewees for giving their effort, time, and assistance.

The above procedures aimed at increasing credibility (Bailey & Peck, 2013). It should be noted that, the process of conducting the semi-structured interviews was undertaken using the Arabic language. A total of 14 interviews were conducted with oil and gas firms' managers, and only 6 interviews were conducted with policy and decision makers within the NOC as it is shown below in Table 5.1. and Table 5.2.

Table 5.1: Profile of the Interviewees (Companies oil and gas managers)

Case	Firms	Code for the interviewee	Firm type	Profession of interviewee	Gender	Duration of the interview
1	A	Company 1	L[6]	Financial manager	M	73 minutes
2	B	Company 1	JV[7]	Head of health, safety and Environment	M	57 minutes
3	A	Company 1	L	Quality manager	M	51 minutes
4	C	Company 2	L	Accounts manager	M	64 minutes
5	D	Company 2	JV	Communication manager	F	46 minutes
6	E	Company 1	F[8]	Head of health, safety and Environment	M	48 minutes
7	F	Company 3	JV	Financial manager	M	58 minutes
8	G	Company 4	JV	Environmental manager	M	61 minutes
9	H	Company 5	JV	Head of accounts and budget	M	65 minutes
10	I	Company 2	F	Director of finance	M	53 minutes
11	J	Company 3	F	Head of health, safety and Environment	M	68 minutes
12	K	Company 3	L	Environmental manager	M	51 minutes
13	L	Company 4	F	Auditor	F	43 minutes
14	M	Company 4	L	Auditor	M	53 minutes

[6] L = Local company
[7] JV = Joint venture company
[8] F = Foreign company

Table 5.2: Profile of the Interviewees (Policy and decision makers within the NOC)

Name of the Organisation	Code for the interviewee	Profession of the interviewee*	Gender	Duration of the interview
NOC	Interviewee one	-	M	78 minutes
NOC	Interviewee two	-	M	73minutes
NOC	Interviewee three	-	M	64 minutes
NOC	Interviewee four	-	M	56 minutes
NOC	Interviewee five	-	M	66 minutes
NOC	Interviewee six	-	M	69 Minutes

*Note: Interviewee position left blank for confidentiality purposes and replaced by code for the interviewee in the previous column

The above interviews were all conducted in 13 weeks, from the start of September 2014 to December 2014. In total, 20 interviews were conducted, but, there were some limitations that restricted the interviewees' number. The researcher made a sensible effort to observe the different views of all managers from different companies with the aim of obtaining a balanced view of the experiences and perceptions of the participants concerning CSRD. However, the key restrictive factor concerning the actual number of interviews was access to, and the readiness of, the managers to voluntarily take part in the study.

5.3.1.7 Analysis of Semi-structured Interviews

After the data collection process was completed, the analysis of the semi-structured interview data was conducted in four stages. King and Horrocks (2010) suggest that it is important for the researcher to transcribe the interview data, because it inevitably helps the researcher to become more closely familiar with the data. The first stage, therefore, was to transcribe every interview in Arabic into a notebook document similar to a Microsoft 2013 world document. The average length of each interview transcript was around 8 to 10 pages for every respondent on about A4 sized paper. Miles and Huberman (1994) said that before sorting and examining the gathered data, the researcher needs to familiarize themselves with their data and gain an overview of the collected data. Thus, the second stage was to carry out a microanalysis of every interview, in order to understand any unseen meanings within the paragraphs, sentences and words, as Miles and Huberman (1994) has endorsed. A translation of every interview from Arabic into English was then completed as the third stage and great effort was made to retain the original meanings in every instance. The final stage was to transfer and sort all interviews as a project in NVivo 10 software.

A secondary analysis has begun for all interviews by developing a system of codes to categorise the data through the thematic analysis technique, as recommended by King and Horrocks (2010). The thematic analysis coding involved reading and re-reading the interview transcript, and looking for patterns of themes across the full data set based on the research question and pre-defined variables. This process was carried out through three stages, as suggested by King and Horrocks (2010); the descriptive/initial coding stage, the interpretive coding stage, and defining overarching themes stage.

5.3.1.7.1 Descriptive Coding Stage

The first step of coding, which was undertaken on the data of the interviews, involved the use of descriptive coding. Descriptive coding was undertaken on 14 interview transcripts of leading oil and gas companies’ managers across local, joint venture and foreign companies, and on 6 regulators and policy makers within the NOC interview transcripts. The gathered data in the transcripts was read-through a few times without making any attempt to code it to familiarise the researcher with it, as suggested by King and Horrocks (2010). The next step was to highlight and attach brief comments on the relevant material, so that descriptive codes could be assigned to them. Using NVivo 10 helped significantly in this process, because it allowed each code to have a description based upon the source. The final step of this stage involved the researcher using the preliminary comments to define the descriptive codes using short phrases and words. As the researcher was progressing, refining the descriptive coding was taking place on every transcript.

Having identified the descriptive codes in every transcript, the overlap of the codes were redefined where necessary (King & Horrocks, 2010). Although the process of descriptive coding can be undertaken sentence by sentence, or line by line or at the paragraph level, in this research, the descriptive coding was undertaken at the paragraph level due to the nature of the data. Because the descriptive codes were about "how", "what" and "do" factors influence CSRD practice presence and obstacles that act as major impediments for its further development, sentence by sentence or line by line coding could have led the data to become split and the importance of it would have been mislaid. When the investigator felt that no more new codes could be created with reference to this research, this stage of coding ended, leading the researcher to move on to the next step, which was the interpretive coding stage.

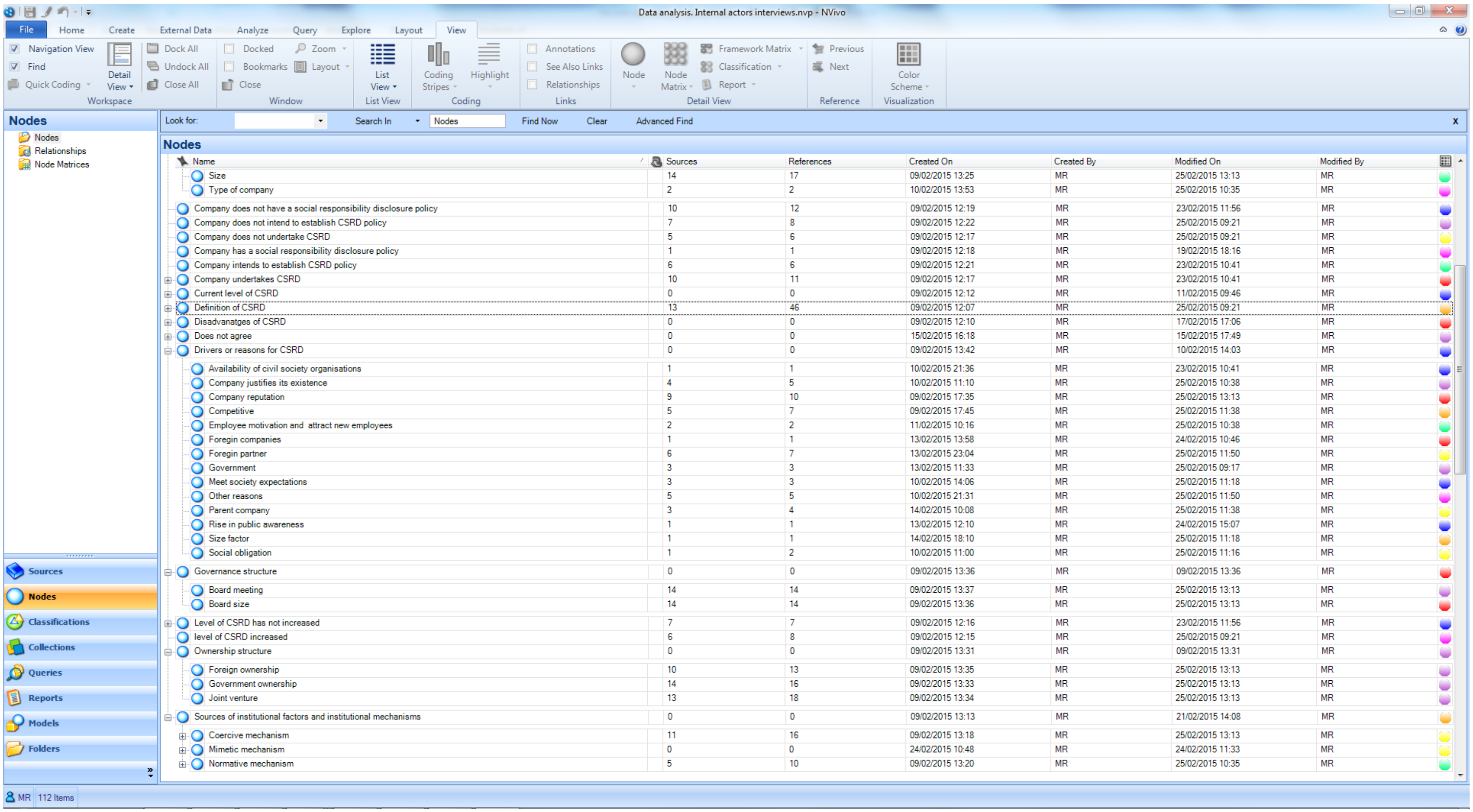
5.3.1.7.2 Interpretive Coding Stage

Once the descriptive coding was completed, the codes that shared a common meaning were grouped together to generate interpretive codes, as recommended by King and Horrocks (2010). In this respect, frequent patterns across descriptive codes were established and were then coded jointly under one interpretive code in relation to the research questions. In line with Langdridge (2007), and King and Horrocks (2010) recommendation, the researcher did not attempt to apply the theoretical concept at this stage, because this could have led to the analysis becoming rather blinkered, picking up just those aspects of the data that fit with the research framework. Rather, the broad disciplinary approach and research questions guided the researcher. For example, the interpretive coding of drivers of CSRD had 21 descriptive codes coded around it, however, several initial codes were dropped, as they were used to fit in more than one interpretive code or had some indirect relation to the research context.

5.3.1.7.3 Defining Overarching Themes

The final stage of coding was carried out through identifying a number of key overarching themes for the data set. These themes were built upon interpretive themes, although at a higher level of abstraction (King & Horrocks, 2010). From a theoretical stance, the researcher at this stage draws directly on the theoretical idea of isomorphism from the neo-institutional theory that underlines this research. The key overarching themes for the data set was then assigned and dragged under the study framework, which aims to explore how the CSRD practices through the mechanisms pressures (coercive, mimetic, and normative) are being adopted. The screenshot table below shows how specific categories developed through this process.

Figure 5.2: The Final Sets of Nodes in NVivo



5.3.1.8 Credibility, Transferability, Dependability and Conformability in Semi-structured Interviews

Due to the nature of qualitative data, which is different from the quantitative data, the validity and reliability of it depends greatly on the gathering of data and the process of analysis (Hesse-Biber & Leavy, 2011). As such, one of the key challenges in qualitative research is to ensure that the collection of data and its analysis meets the tests of validity and reliability (King & Horrocks, 2010). Consequently, in order to accomplish transferability and credibility (external and internal validity), dependability (reliability) and conformability (objectivity) in its results, the researcher followed the criteria as proposed by Lincoln and Guba (1985) and Silverman (2011).

Credibility refers to extent to which the interpretation of the investigator is authorized by those with whom the study was accomplished (Lincoln & Guba, 1985). As this study was carried out only by the investigator himself, the credibility was obtained by ensuring that the access quality was achieved by the investigator to the companies and by keeping full record of the study through having a research diary about the interviews undertaken.

Transferability, which replaces generalizability, refers to the capability of the investigator to provide enough detail that the reader could consider the extent to which the conclusion drawn in one setting could be transferred or that makes the transferability judgements possible to other setting (Lincoln & Guba, 1985). The criteria in this research was addressed by giving details linked to the participants, the interview procedures, transcription and following analysis of the gathered data in this chapter.

Dependability, which replaces reliability, refers to the degree of constancy in the study settings, so that the study can be replicated elsewhere (Lincoln & Guba, 1985). A qualitative research in general assumes that real-world settings unavoidably alter, and replication is therefore not achievable. The necessity, thus, in qualitative studies, is to show that the investigator has taken into consideration the natural unsteadiness of the facts they are researching. However, with the intention of increasing the reliability of the interviews, Silverman (2011) proposes three key criteria. First, the development of interview guidelines in an obvious and understandable way for the interviewees should be considered. Secondly, in order to make the results more dependable, precise taping and transcribing is needed. Finally, inter-coding reliability requests are to be sustained. Therefore, it is significant to stay away from any uncertainty when data is coded, such as the overlap between the coding groupings or errors of simple coding. As such, the dependability of this research was obtained through multiple stages of coding the data, ensuring the robustness of the study results.

Finally, the conformability, which replaces neutrality, refers to where the researcher should present adequate details regarding the data gathering process and analysis, so that it is obvious to a reader how the investigator may have arrived at a particular conclusion (Lincoln & Guba, 1985). Thus, in this part of the study, the conformability was obtained through providing full details linked to all phases of gathering the data, with real evidence of the gathered data, in addition to the stages of the data analysis. In addition to this, while Louise and While (1994) claim that an interviews' validity is established by the extent to which participants are keen to offer a well-informed data in which this research involved a careful selection of interviewees, likewise Hesse-Biber and Leavy (2011) and Silverman (2011) recommend that triangulation of different methods increases a study's validity. As this research has the advantage of using mixed-method, triangulation aids to gain broader perspectives and a more complete understanding of the research problem concluding whether the qualitative results are equivalent to the findings of the quantitative results.

5.3.2 Quantitative Stage – Content Analysis

This research is fundamentally a longitudinal single-country study of a developing country namely Libya. The study covers the period of 2009, 2010, 2012, and 2013. This time span is selected because Libya has witnessed tremendous political and institutional changes (i.e. 2011 Libyan revolution); therefore, the business environment has become more difficult and challenging (Bayoud, 2013), hence measuring the extent of CSRD has been of interest to researchers. In other words, the data was collected from pre and post the event, which may indicate interesting results, since those are the years when the country was liberated from the previous dictatorship regime. This change may have an effect on the extent of the CSRD practices of companies, since both governments may have had dissimilar levels of concern regarding such disclosure.

5.3.2.1 Research Population and Sample

The research population is defined as the whole group of things or people which the researcher is interested in examining (Sekaran & Bougie, 2013). The population of this research is defined as all companies that are functioning in the oil and gas industry in Libya (see chapter two figure 2.4). The justification behind the selection of this sector lies in two reasons: firstly, while within the local context, the oil and gas industry is Libya's most significant sector in economic terms, accounting for about 95% of government revenues and provides Libya within one of the top per capita GDPs in Africa (OPEC, 2014), globally, the Libyan oil and gas sector accounts for about 3% of the world's oil reserves, and therefore, it is a vital contributor to the worldwide supply of sweet and light crude oil (Shareia, 2014). Secondly, such companies are very risky in terms of environmental repercussions and employee health and safety conditions (Frynas, 2009; Jackson & Apostolakou, 2010). The justification for not choosing other sectors, such as the banking and insurance sectors in the country is that other sectors have already been examined in previous studies (see e.g Elmogla, 2009; Mashat, 2005), and because companies' annual reports in other sectors may not be available, or if they are made available, they are more likely to be incomplete (Mashat, 2005). Therefore, it was anticipated that it would be good idea to open a new avenue of research, especially one where CSRD practice as a whole has not been previously explored in the oil and gas sector.

With regards to the research sample, a sampling is a record of the population from which the sampling can be drawn (Collis & Hussey, 2013). In other words, the sample is a subset or subgroup of the population, in which the investigator can produce a conclusion that can be generalisable to the population of interest (Sekaran & Bougie, 2013). In this way, Henry (1990) argues that data should be gathered by the researcher on the whole population, if the population is less than 50 cases. This is due to the fact that the impact of a single extreme on following statistical analysis is more obvious than in bigger samples (Saunders et al., 2012). Accordingly, given the small sample size (i.e. 41 oil and gas companies); the entire population (local, joint venture and foreign companies) was targeted. However, due to the fact that some companies already left the country due to the on-going conflict, political instability and lack of security in Libya (Chivvis & Martini, 2014), out of 41 companies expected to collect their annual reports, only 28 firms (local, joint venture, and foreign) were accessible. The rationale behind selecting the entire population is to make sure that the sample is not biased and is representative.

5.3.2.2 Data Collection Method

The quantitative stage involved a collection of annual reports from oil and gas firms operating in Libya covering the period of 2009, 2010, 2012, and 2013. This was done in order to examine the extent and types of CSRD, and to assess the association between a number of CSRD determinants and the extent of CSRD. Although other sources through which companies may disclose information may be available, only companies' annual reports were considered. The justification for this choice lies under the following reasons:

First, it has been stated (Abubaker & Naser, 2000; Mashat, 2005) that in developing countries, other methods of disclosure, such as promotional leaflets, advertising, and the internet are of little use to the majority of firms, and it is more likely that the majority of

CSR information is disseminated in official annual reports. This is relevant to the Libyan context in which this study was conducted. It is unlikely that oil and gas companies operating in Libya (as a developing country) will, for example, carry out internet reporting, due to the low usage of internet services in the country. Second, the annual reports have been seen as the only legalized document that is widely reachable to investigators and have been widely recognized as a synchronized document with a great degree of reliability enclosed for the purposes of information disseminated in this way (Buhr, 1998). Third, various stakeholders use annual reports as the only source of assured information which has a higher prospective to have impact because of its wide spread delivery (Deegan & Rankin, 1997; Unerman, 2000), and it is the most reliable and regular medium for the firm to communicate with stakeholder (Belal et al., 2015). Furthermore, their use to capture CSRD is generally preferred (Amran & Devi, 2008; Haniffa & Cooke, 2005; Nazli & Ghazali, 2007), and longitudinal analysis can be feasible, which allows the researcher to trace the development of any CSR changes. Finally, to be consistent with earlier CSRD studies (see e.g. Aldrugi, 2013; Amran & Devi, 2008; Haji, 2013; Haniffa & Cooke, 2005; Khan et al., 2013; Mashat, 2005), annual reports are seen as the key form of firm communication in the case of developing countries.

In order to gather companies' annual reports, the researcher went to Libya between late August and December 2014. Having arrived in Libya, and visiting companies locations, the staff who had initially given the researcher a warm welcome, refused to provide their annual reports. However, during a discussion with the managers of these firms about the reasons behind their reluctance to provide their annual reports, they pointed out that these reports are not publicly available. As such, after the many attempts to persuade managers (by explaining to them that most companies' annual reports particularly in developed countries are available publicly), some recommendations were made suggesting that such reports could be accessible on the NOC's site, based on the condition that the researcher provides a letter from the university and a letter from the ministry of oil and gas allowing the researcher to gather the relevant data.

After obtaining these letters, which made a significant difference, the researcher was able to view these reports on the NOC's site on the condition that the companies would not be identified by any means. However, this was not sufficiently helpful, since the researcher wanted to code first on a small sample of text, then send it off to a few colleagues who are aware of the content analysis procedure to reveal any ambiguities that may occur in the process of analysis. After several attempts were made, eight annual reports of four firms were gathered from the planning department within the NOC in order to run a test on a small sample of text to increase the reliability of the measurement utilized. After this process was undertaken, the researcher returned, and was able to collect the remainder of the annual reports from the NOC on the condition that the companies' names would not be identified by any means. The preliminary plan was to obtain the annual reports of the entire population of 41 companies functioning in the oil and gas industry over a 4 year period 2009, 2010, 2012, and 2013. However, this did not work out, because some companies already left the country due to the on-going conflict and lack of security in Libya (Chivvis & Martini, 2014); therefore, their reports were not available within the NOC. As such, out of 164 annual reports expected to be gathered, only 106 valid and complete annual reports from local, joint venture, and foreign companies were obtained covering a four year period of 2009, 2010, 2012, and 2013 (See table 5.3).

Table 5.3: Number of Annual Reports Collected

No. of Annual Reports by company type	**Years**				**Total**
	2009	**2010**	**2012**	**2013**	
No. of annual reports collected from local companies	7	10	10	7	34
No. of annual reports collected from joint venture companies	7	7	7	7	28
No. of annual reports collected from foreign companies	11	11	11	11	44
Total	**25**	**28**	**28**	**25**	**106**

5.3.2.3 Independent Variables Operationalization, Measurements, and Data Sources

The independent variables assessed in this research comprise of 10 variables. These variables were selected based on prior empirical studies in relation to CSRD practices and were confirmed by the interviews regarding their applicability to the Libyan context. Arguably, there might be other variables that may influence CSRD practices, but are not included in this study. The rationale behind limiting the research to these variables is non-applicability to the Libyan context (Gabasi et al., 2014); non-accessibility of data; some variables lack theoretical links with CSRD; and finally to be consistent with previous studies that largely use some of these variables, which may help for comparison purposes (see table 5.4 below). Table 5.4 shows how each independent variable was operationalized, measured, and how their data source and the name of previous studies used these measurements.

Table 5.4: Independent Variables Operationalization, Measurements, and Data Sources

Variable name	**Variable type**	**Variables Operationalization**	**Data source**	**Previous studies used this measurements**
Government ownership	Independent	If a firm is government owned, coded as 1; otherwise 0.	NOC	(Fu, 2015; Ma et al., 2016; Nazli & Ghazali, 2007)
Joint venture ownership	Independent	If a firm is joint venture ownership, coded as 1; otherwise 0.	NOC	(Amran & Devi, 2008; Amran & Haniffa, 2011)
Foreign ownership	Independent	If a firm is foreign owned, coded as 1; otherwise 0.	NOC	(Greenaway et al., 2014; Kinney & Lawrence, 2000)
Board Meeting	Independent	Total board meetings held each year.	Archives of NOC, annual report	(Haji, 2013; Jizi et al., 2014)
Board size	Independent	Number of members on the board.	Archives of NOC, annual report	(Esa & Nazli, 2012; Rao et al., 2012; Said et al., 2009),
CSR committee	Independent	If a firm has a CSR committee, coded as 1; otherwise 0.	Archives of NOC, Annual report	(Faisal & Achmad, 2014; Ntim & Soobaroyen, 2013b; Rankin et al., 2011).
Parent company factor	Independent	If a firm's parent company discloses CSR information, coded as 1;	Annual report	(Amran & Haniffa, 2011; Freedman & Jaggi, 2005).

		otherwise 0.		
Company size	Control variable	Number of employees	Archives of NOC, annual report	(e.g. Abdo & Aldrugi, 2012; Aldrugi, 2013; Amran & Devi, 2008; De Abreu et al., 2012; González-Benito & González-Benito, 2006; Gray et al., 2001; Kuhn et al., 2015)
Company age	Control variable	Number of years from inception	Archives of NOC, company profile	(Khan et al., 2013; Michelon & Parbonetti, 2012)
Profitability	Control variable	ROA = Net income/total assets of the firm	Archives of NOC, annual report	(Haji, 2013; Khan et al., 2013)
Years dummies	Control variable	-	-	(Moneva & Llena, 2000; Muttakin & Subramaniam, 2015; Ntim & Soobaroyen, 2013b).

5.3.2.4 Dependent Variable and its Measurement (Content Analysis Technique)

The extent of CSRD made by firms was investigated by the use of weighted content analysis technique. It has been stated (Neuendorf, 2002) that the content analysis technique is regarded as the fastest increasing technique in quantitative research with varying research objectives and goals. There are many definitions being proposed in the literature, especially in the area of quantitative message analysis. While one of the most popular definitions views it as “a research technique for the objective, systematic and quantitative description of the manifest content of communication” (Berelson 1952: 18 cited in Bryman & Bell, 2011), this technique has been seen as “an approach to the analysis of documents and texts that seeks to quantify content in terms of predetermined categories and in a systematic and replicable manner” (Bryman & Bell, 2011, p. 291). This suggests that content analysis is considered as an “observational” research technique, which is utilized to analytically assess the figurative content of all forms of communication registered. Such communications might be analysed at various levels, such as roles, words, and images, thus, producing a dominion of research chances (Kolbe & Burnett, 1991). Additionally, Abbott and Monsen (1979, p. 574) view it as “a technique for gathering data that consists of codifying qualitative information in anecdotal and literary forms into categories in order to derive quantitative scales of varying levels of complexity". In this manner, the literature points out that using content analysis can be very useful and could provide a variety of advantages to researchers.

Consequently, this research used the content analysis technique because it allowed the researcher to conduct a specific quantity of longitudinal analysis with simplicity, as well as to go further than the imprecise observation about CSRD. In other words, it helped to make a quantitative idiom regarding CSRD, i.e. highlighting it in numbers, in order to be more precise and thematic. Furthermore, it helped the researcher to gather valuable information about oil and gas companies, which is typically hard to access by other means. It is also seen an unobtrusive method in the sense that it did not involve any participants in this stage of the research (Bryman & Bell, 2011). Finally, many researchers have employed content analysis in the area of CSRD studies (e.g. Abdo & Aldrugi, 2012; Aldrugi, 2013; Das et al., 2015; Deegan & Gordon, 1996; Deegan & Rankin, 1996; Gray et al., 1995a, 1995b; Hackston & Markus, 1996; Naser & Hassan, 2013; Zeghal & Ahmed, 1990), thus, this research has adopted a similar technique to measure CSRD practice. The following section explains the stages of the aforementioned procedure.

5.3.2.5 Stages of Content Analysis

In the quantitative content analysis literature, Weber (1990) and Marsh and White (2006) point out that there are several steps that need to be met for the content analysis technique to be seen as a valuable and effective method. These steps include: identifying the questions that need to be investigated and establishing the hypotheses, determining the sampling unit, determining or defining the recording unit, defining themes or categories, determining the coding mode, testing on a sample of text, and finally assessing the reliability and validity. So, in order to meet these criteria, the subsequent section explains each of these steps and how the requirement of each one was met in this research.

5.3.2.5.1 Identifying the Questions to be Investigated and Establishing the Hypotheses

The first step that the researchers need to complete is to identify the substantive research questions that need to be investigated, and to draw on relevant research and an existing relevant theory, and create some hypotheses (Marsh & White, 2006; Weber, 1990). These propositions follow from what is previously known about the available research questions and the problem. In this study, therefore, based on reviewing the relevant literature, a number of hypotheses have been developed (see chapter seven), and as such the subsequent research questions have been established:

3. To what extent do oil and gas firms functioning in Libya provide CSR information in their annual reports as a means of communicating their activities to the broader society?

   3.1. Has the quantity and type of CSR information revealed in annual reports changed over the period covered by this research in the light of the country's political and institutional changes?

   3.2. What types of CSRD information (categories) are mostly being disclosed in in their annual reports?

   3.3. Does the level of CSR information disclosed differ according to company ownership structure (local, joint venture, foreign)?

   3.4. What types of news (bad, neutral, and good) are mainly disclosed by the oil and gas firms function in Libya?

4. What is the impact of CSRD determinants on the extent of CSRD practices in oil and gas firms in Libya?

5.3.2.5.2 Determine Sampling Unit

Sampling units are "units that are distinguished for selective inclusion in an analysis" (Krippendorff, 2013, p. 99). In the literature, two fundamental steps have been identified in determining the sampling unit: text sources and components for analysis.

5.3.2.5.2.1 The Source of the Text

A vital step in any content analysis research is to decide which documents need to be analysed (Krippendorff, 2013). In the area of CSRD, annual reports have been seen as a fundamental and important source of data to a variety of users, including investors, employees, governments, creditors, and public (Neu et al., 1998). In the literature, annual reports have been seen as "a permanent expression of those social issues which top management regard as important and wish to communicate to shareholders and the public, and so are a record of the entity's historical social consciousness" (Macintosh, 1990, p. 168 cited in Buhr, 1998). In fact, various researchers in previous studies have utilized annual reports as the key source of data to discover the extent of CSRD (see e.g. Belal et al., 2015; Belal & Lubinin, 2009; Buhr, 1998; Das et al., 2015; Deegan & Gordon, 1996; Deegan & Rankin, 1996, 1997; Deegan et al., 2002; Gray et al., 1995b; Hackston & Markus, 1996; Haji, 2013; Jizi et al., 2014). Table 8.3 below lists and shows the previous CSRD studies that used corporate annual reports as a key resource of data for analysis. The rationale behind this huge usage is that annual reports have a higher degree of reliability regarding the information written in them than any other source (Tilt, 1994), have been used by various stakeholders as the only basis of assured information (Deegan & Rankin, 1997), and their distribution is widespread (Campbell, 2000; Unerman, 2000), and the most reliable and regular medium for the firm to communicate with stakeholder (Belal et al., 2015). Furthermore, it is nearly impractical to categorize all company communications on social issues over time through other disclosure channels, and hence, it is impossible to be certain how inclusive non-annual report data are, and thus difficult to know how consistent the findings of content analysis will be (Gray et al., 1995b). However, within annual reports, it is more likely to find one annual report for every firm in every year that will be examined. Within the Libyan context, Mashat (2005) claims that separate CSR reports are still not common in Libya, and that firms operating in the country in general make use of annual reports to disclose CSR information. For this reason, and based on the above discussion, annual reports were utilized as the source texts for the current research.

5.3.2.5.2.2 Components for Analysis

The second stage for determining the sampling unit is to determine what part of the text should be analysed. Although corporate annual reports have been chosen as the main source of data, the literature points out that the researcher must decide which part or parts of the reports are to be analysed: for example, internal reports, external reports, or both. However, this study was concerned just with external reports published by firms, because internal reports would not be designed for, or likely to be prepared accessible to external researchers nor the public (Tilt, 1994). Thus, an analysis of the full text of these reports was undertaken.

5.3.2.5.3 Defining the Themes or Categories

The third essential element in the content analysis stage that researchers need to complete is to define the themes or categories that need to be examined. Gray et al. (1995b) developed a series of categories based upon Ernst and Ernst's (1978) study categories, which guide researchers for measuring CSR information. This instrument has been extensively used by many researchers in previous CSRD studies (Aldrugi, 2013; Gray et al., 1995a, 1995b; Hackston & Markus, 1996; Mashat, 2005), which is attributed to the nature of its development. To this end, this study employed the Gray et al. (1995b) research instrument categories to measure the extent and type of CSRD practices. These disclosures categories include five areas, which are: environment, energy, human resources, community involvement, and consumers and products disclosures; while the type of disclosure consists of: good, neutral and bad news (A full definition of each category is attached in the appendix 6). The rationale behind such decisions is attributed to the fact that it is a well-developed instrument, has already been validated in the literature, and used by various researchers in both developed and developing countries (Gray et al., 1995a, 1995b; Hackston & Markus, 1996; Mashat, 2005).

5.3.2.5.4 Defining the Recording Unit of Analysis

Weber (1990) explains that one of the most important and fundamental decisions under the content analysis technique is to define and establish the recording unit of analysis. As such, different measurement techniques have been proposed in the literature, such as counting words, sentences, themes, paragraphs, percentage of pages, and lines (Deegan et al., 2002; Weber, 1990). (See table 5.3 for the measurement method or unit of analysis used in previous studies). However in the literature, it is agreed upon that the preferred unit of analysis seem to be words, sentences and pages (Gray et al., 1995b) and disclosure index. Studies that have justified the extent of quantity in terms of sentences argued that such a method is preferred when someone is seeking to infer meaning (Gray et al., 1995b), and could be calculated with more precision than words (Unerman, 2000). However, this method ignores the possibility that "differences in use of grammar might result in two different writers conveying the same message by using a similar number of words and taking up a similar amount of space but using a different number of sentences" (Unerman, 2000, p. 675).

Likewise, the disclosure index has been criticised for its inability to indicate how much emphasis is given to a specific subject area (extent or level), and therefore, the total score of CSRD might be misleading. However, an alternative unit of analysis that has been proposed to overcome such disadvantages, which is page counting (Gray et al., 1995b; Unerman, 2000). Although this method captures graphs, format, and text size, researchers cannot discover the nature and quality of information. Furthermore, the analysis of photographs and pictures is far more subjective than the interpretation of sentences. For instance, two sentences, which are the same, but in dissimilar font sizes, might result in a dissimilar outcome if the proportion of pages is used as measurement units (Hackston & Markus, 1996).

To overcome the above disadvantages, counting words has been introduced as an alternative unit of analysis, and consequently has been extensively used to determine meaningful patterns (see table 5.5 below). Despite the fact that it ignores non-narrative CSRD, such as graphs (Unerman, 2000), Gray et al. (1995b) claim that counting words has the advantages of a more limited analysis, wherein one may use a database to search for specific words, and categorize them more easily. Furthermore, Unerman (2000) claims that using words as a unit of analysis means they can be recorded in greater detail, thus, enabling the investigator to analyse a large quantity of data. As a result of the above advantages, numerous studies have utilised this method as unit of analysis and as such, in order to facilitate comparison, the following table offers a summary of these research studies over the last 35 years, as well listing the source of the data and the unit of analysis.

Table 5.5: Summary of Studies that used Content Analysis as a Method of Analysis

Authors of the paper	Source of data	Measurement method or unit of analysis			
	Annual reports	No. of words	No. of sentences	% of pages	Other
Cowen et al. (1987)	✓	✓			
Zeghal and Ahmed (1990)	✓	✓			
Gray et al. (1995a)	✓			✓	
Gray et al. (1995b)	✓			✓	
Hackston and Markus (1996)	✓		✓		
Deegan and Rankin (1996)	✓	✓			
Deegan and Gordon (1996)	✓	✓			
Disu and Gray (1998)	✓			✓	
Adams et al. (1998)	✓			✓	
Neu et al. (1998)	✓	✓			
Tsang (1998)	✓		✓		
Abubaker and Naser (2000)	✓			✓	
Campbell (2000)	✓	✓		✓	

Unerman (2000)	✓			✓	
Wilmshurst and Frost (2000)	✓	✓			
Belal (2001)	✓				✓
Deegan et al. (2002)	✓		✓		
Patten (2002)	✓		✓		
Campbell et al. (2003)	✓	✓			
Thompson and Zakaria (2004)	✓		✓		
Campbell (2004)	✓	✓			
Cormier et al. (2005)	✓				✓
Gao et al. (2005)	✓	✓			
Haniffa & Cooke (2005)	✓	✓			
Smith et al. (2005)	✓	✓	✓	✓	
Campbell et al. (2006)	✓	✓			
Jenkins and Yakovleva (2006)	✓				✓
Sunee et al. (2006)	✓	✓			
Nazli and Ghazali (2007)	✓				✓
Islam and Deegan (2008)	✓	✓			
Amran and Devi (2008)	✓	✓			
Elmogla (2009)	✓	✓			
Reverte (2009)					✓
Tilling and Tilt (2010)	✓		✓		
Aribi and Gao (2010)	✓	✓			
Gamerschlag et al. (2011)	✓	✓			
Muthuri and Gilbert (2011)	✓				✓
Mahadeo et al. (2011a)	✓	✓			
Esa and Nazli (2012)	✓	✓			
Khan et al. (2012)	✓				✓
Ishwerf (2012)	✓	✓			
Chek et al. (2013)	✓		✓		
Chu et al. (2013)	✓		✓		
Haji (2013)	✓				✓
Laidroo and Ööbik (2013)	✓	✓			
Ntim and Soobaroyen (2013b)	✓	✓			✓
Ntim and Soobaroyen (2013a)	✓	✓			
Soobaroyen and Ntim (2013)		✓			✓
Kılıç and Uyar (2014)	✓				✓
Lu and Abeysekera (2014)	✓				✓
Eljayash (2015)	✓	✓			

Jariya (2015)	✓	✓			
Loh et al. (2015)	✓	✓			
Majeed et al. (2015)	✓	✓			
Nguyen et al. (2015)	✓	✓			
Talha et al. (2016)	✓	✓			
Szczepankiewicz and Mućko (2016)	✓	✓			

On the basis of the above discussion, therefore, this research uses the number of words to measure the extent of CSRD (i.e. dependent variable) for several reasons. Although counting words has been critically discussed (Milne & Adler, 1999; Unerman, 2000), it has however been used in various previous studies (e.g. Aldrugi, 2013; Deegan & Gordon, 1996; Deegan & Rankin, 1996; Esa & Nazli, 2012; Haniffa & Cooke, 2005; Nguyen et al., 2015; Ntim & Soobaroyen, 2013a, 2013b) (see the above table for more studies). Using words that are the smallest potential units of analysis has the advantages of a more limited analysis, are categorized more easily, is better for articulating the significance placed on a disclosure category, as well as full robustness against error in computing the amount of disclosure is attained (Campbell et al., 2003; Campbell et al., 2006; Deegan & Gordon, 1996; Wilmshurst & Frost, 2000). Moreover, counting words is an ideal measure when "it is intended to measure the amount of total space devoted to a topic and to ascertain the importance of that topic" (Wilmshurst & Frost, 2000, p. 17), and it is a more reliable and accurate approach, because it decreases the scope for human error; the smaller the recording unit, the more reliable it is (Aldrugi, 2013).

5.3.2.5.5 Determine the Coding Mode

According to the literature, coding can be done either by a computer or manually. Although, different software, such as the NVivo software can be utilized to find the frequency distributions of all words shown in a given document, these software packages do not work for the Arabic language (Ahmad, 2004; Aldrugi, 2013). As such, since the annual reports that were utilized in this study mostly were written in Arabic, and in line with Aldrugi (2013) and Ahmad (2004) studies, the coding process was undertaken manually using a table drawn in a 2013 word document.

5.3.2.5.6 Test Code on a Sample of Text (Pilot Test)

The literature review suggests that in order to have the greatest test for the precision of category definition, a code on a sample of text should be undertaken (Weber, 1990). By doing so, it does not only reveal ambiguities in the rules, but usually provides insights about revision of the classification scheme. Testing on a small sample of text also helps the researcher to have practical experience which contributes toward increasing the reliability of the study (Weber, 1990). In the present study, the researcher re-coded the annual reports more than once to confirm the findings. Furthermore, eight annual reports were separately coded by the researcher and were sent to two colleagues who were familiar with the content analysis procedure to reveal any ambiguities that may occur in the process of analysis. Those colleagues were provided with copies of the categories and worksheets for identifying the number of items in every category (see appendix 6) for each company. They were instructed to read each sentence/statement in the annual reports and to mark on the worksheet the number of the words. All ambiguities were checked with the researcher, and then number of words was added together to compute the disclosure scores for each category and for each company on a yearly basis.

5.3.2.5.7 Assessing the Reliability and Validity

Reliability in CSRD measurements is the final issue of content analysis. In the literature, three kinds of reliability for content analysis has been identified, namely, accuracy, stability, and reproducibility (Krippendorff, 2013). Firstly, stability is seen as the extent to which a procedure is not changing over time (Krippendorff, 2013), and can be measured through the extent to which coding procedures yield identical findings on repetitive trails. This means that the assessments of such data are produced under test-retest procedure conditions. In other words, the spectator rereads, re-categorizes, or reanalyses the same text, and should get the same results. The aim is to maximize the reliability and decrease the errors and biases in a research project. Secondly, Krippendorff (2013) claims that accuracy is the extent to which a process conforms to its conditions and gives what intended to give. As such, accuracy is obtained if content analysis is undertaken based upon particular decision rules. In the present study, the decision rules that were based upon Gray et al. (1995b) categories, which have been already defined and validated in the literature globally, and even within the Libyan context (e.g. Elmogla, 2009; Mashat, 2005).

Finally, reproducibility, sometimes known as inter-coder reliability, means the extent to which a process could be repeated by diverse analysts working under different situations, at dissimilar locations, using the same measurement instruments or apply similar recording instructions to similar units of analysis (Krippendorff, 2013). Therefore, in order to achieve reproducibility, content analysis should pass a test known as inter-coder agreement. As such, in the present study, in order to achieve reliability (i.e. reproducibility), firms' annual reports were first autonomously coded by the investigator and a few other colleagues on a sample of text to increase the reliability of the research. The scores offered by the two independent coders, along with the score calculated by the researcher were utilized to assess the scoring method. After this process was undertaken, the researcher ran the reliability test using Cronbach's coefficient alpha among the CSRD categories. The findings of the test for the 5 CSR categories in the research disclosure showed a value of 69.7% coefficient alpha. This compares, for example, with Gul and Leung (2004), who obtained a coefficient alpha of a value of 51% and Khan et al. (2013) who computed coefficient alpha of 70.2%. In contrast to reliability, validity concerns the truths (Krippendorff, 2013) of the study. Validity refers to the degree to which measuring procedures represent only the construct that has been proposed to be measured (Weber, 1990). In the present research, in order to achieve validity, the author relied heavily on categories and dimensions already defined in the literature and validated in a number of previous studies (Gray et al., 1995b; Mashat, 2005).

5.3.2.6 Data Analysis

When the extent of CSRD was premeditated, the next stage was to analyse the data gathered. As such, the first step of the data analysis is to get a feel for the data so that a suitable statistical method can be conducted (Field, 2013). This consists of exploring the nature of the empirical data (qualitative or quantitative), the underlying distribution of the data set, whether it is normally distributed or not, and the nature of the study questions regarding whether or not they are descriptive or inferential. In this part of the research, the data set consists of quantitative data variables and therefore there is a possibility that the data might not be normally distributed, but this needs to be tested. The following section briefly discusses the procedures that were undertaken for the data analysis in this research, since the details will be discussed further in chapter 7.

5.3.2.6.1 Descriptive Statistical Analysis

The first part of the data analysis is concerned with a descriptive analysis of the extent of CSRD practices across 4 years, as well as the categories of CSR information being mostly disclosed. The descriptive analysis also covers the type of CSRD according to news categorization (good, natural, and bad news). This includes looking at the mean, standard deviation, maximum, minimum, kurtosis and skewness. The findings of these analyses are reported and discussed in chapter 7.

5.3.2.6.2 Model Specification

The second part follows prior research (e.g. Haji, 2013; Haniffa & Cooke, 2005; Jizi et al., 2014; Khan et al., 2013), by using a regression analysis to test the link between the CSRD determinants and the extent of CSRD practice. This regression model is based on the study variables discussed in the hypotheses development chapter, and thus to test the hypotheses, the model is set out as follows.

$$CSRD_{it} = \alpha 0 \ + \beta_1 GOVOWN_{it} + \beta_2 JVOWN_{it} + \beta_3 FOROWN_{it} + \beta_4 BSIZE_{it} + \beta_5 FBM_{it} + \beta_6 CSRC_{it} + \beta_7 PC_{it} \sum_{i=1}^{n} \beta_i \mathrm{CONTROLS}_{it} + \varepsilon_{it} \qquad (1)$$

Where CSRD refers to the corporate social responsibility disclosure score, α0 refers to Constant term, GOVOWN, JVOWN, FOROWN, BSIZE, FBM, CSRC, and PC is defined as government ownership, joint venture ownership, foreign ownership, board size, frequency of board meeting, and parent company, respectively. CONTROLS refer to the 4 control variables, namely firm size, firm age, profitability, and 4 year dummies for 2009 to 2013, *it* period indicators, and ε the error term.

To test the robustness of the findings, the general OLS assumptions comprising tests for normality, multicollinearity, homoscedasticity, autocorrelation, and linearity, were undertaken for the whole panel to ensure that the constant variable (α 0) and the slope coefficients (β + β + +β n ,..., 1 2), are both best linear not biased and reliable estimators. Likewise, and as will be discussed further in section 7.2., these tests include correlation analyses, examination of studentised residuals, Durbin-Watson, tolerance, variance inflation factor, amongst others.

5.3.2.6.3 Further Analysis: Robustness Tests and/or Sensitivity Analyses

In addition to the above general OLS misspecifications checks, a further robustness or sensitivity analyses were undertaken to test the robustness of the findings. This includes checking the robustness of the results by different methods, such as lagged effect. In this research, a lagged CSRD-CSRD determinants structure relationship test to deal with endogeneity problems that may arise as a result of a time-lag in the CSRD-CSRD determinants relationship against endogeneity and the estimation of a changes model was undertaken (Further details are discussed in chapter nine section 7.4).

5.4 Chapter Summary

This chapter has provided a deep explanation about the data and methodology utilized in the present research, in order to answer the research questions. More specifically, the chapter first offered details about the research design, the research population and sample, qualitative and quantitative data collection methods, and how the data was analysed. The next chapter will present the results achieved from the interview data, supported with analysis of secondary data where needed.

Chapter 6: Institutional and Cultural Factors Influencing CSRD Practice: Interview Findings

6.0 Overview

This chapter presents the results related to institutional and cultural factors influencing CSRD practice adoption in the oil and gas companies operating in Libya. Within this context, it explores the definitional constructs of CSRD practices, its advantages and disadvantages and whether such perceptions differ according to firms' ownership structure. It also explores and discusses how the leading oil and gas managers who drive and develop the CSRD practices are being influenced by different institutional and cultural factors that influence the CSRD adoption agenda. It also considers the obstacles that act as major impediments for CSRD development. The chapter also discusses the findings in relation to previous literature and concludes with a summary of the results.

6.1 The General Perceptions of CSRD Practice in Libya

The main aim of this section is to explore and discuss perceptions of managers of oil and gas firms about the definitional constructs of CSRD practices, the advantageous and disadvantageous of CSRD, and whether such perceptions vary according to company ownership structures.

6.1.1 Definitional Constructs of CSRD Practice

The analysed data suggests that within the Libyan institutional context, there is a difficulty of coming up with an entirely agreed definition of CSRD amongst oil and gas managers, as a result of the fact that CSRD varies across countries, depending on where those managers come from, how they perceive it, and to what extent they believe business should help in disclosing social information. Such difference in the perceptions of CSRD definition makes it difficult to agree upon one single definition. However, what is common across a number of definitions is the general belief that the concept of CSRD practice is perceived beyond the quest to maximize company profits. For example, the consideration of CSRD practice in terms of companies' behaviour towards human resources and environmental performance is highly acknowledged by local firms, explaining that companies are driven by their desire to engage in environmental roles not only as enforced by law but expected of firms in an ethical sense. One manager from a local company revealed:

> "[CSRD] means the disclosure of information about the firm's environmental influence. I think it is linked to role of the company in relation to how much they disclose about their environmental performance in terms of pollution control, information about repair of environmental damage, compliance with law requirements if any, and the firm's efforts in relation to conservation of natural resources [...] employees, health and safety"
>
> (Financial Manager, Local Company One, 2014)

However, the perceptions of oil and gas managers from foreign firms on CSRD seemed to be slightly different from managers of local oil and gas companies, as they have emphasised the disclosure of full, transparent and visible both social and environmental information in annual reports or in stand-alone reports known as CSR reports. The disclosure of CSR information in their opinion is widely seen as a way to help firms to operate responsibly and in an environmentally sustainable way. Concentrating on all areas of CSR information, managers of foreign firms, in contrast to local firms' managers, seem, however, to be driven by the culture where such investors come from, and who place a high priority on sustainable development issues and their disclosure. Such investors appeared to be pressured by the CSR standards and agenda in terms of reporting and signalling home country influences, and therefore end up emulating the culture adopted in developed countries through focusing on all areas of CSRD practice. For example, two managers from foreign companies explain the meaning of CSRD practice as:

> "Publishing all [CSR] information fully and clearly in the annual reports or in reports known as corporate social responsibility reports, about environmental impacts, employee data, and company social activities within the society"
>
> (Director of Finance, Forging Company Two, 2014)

Another manager from a foreign company adds:

> "It is like an umbrella. It describes all social activities. It is a method, or a way, by which the company can inform the community about its activities in relation to social matters. Financial reports are considered to be a good tool for doing so"
>
> (Head of Health, Safety and Environment, Forging Company One, 2014)

While local and foreign managers have been defining and interpreting CSRD practices as best fits their purposes based upon their internal organisational characteristics signalling home country influences, similarly, managers of joint venture firms have defined CSRD based upon their value-judgments and ideologies. Because of article 5 of the decision of the Minister of Economy No. 103 of 2012, that requires joint venture companies to design yearly programmes for training as well as requiring them to increase the number of local hires and provide more training opportunities in order to develop the national manpower (See chapter two section 2.5 for more details about the ownership structure), not surprisingly, the definitional construct of CSRD practice from the perspective of managers of joint venture firms focuses on areas such as firms' behaviour towards people, the company's engagement in education programmes, health and safety, environment, irrespective of the presence, or absence, of law requirement.

> "The process of revealing all activities undertaken by the company, which are characterized as social, such as disclosure of company's engagement in education programmes, health and safety, environment, regardless of the presence, or absence, of law obligation"
>
> (Communication Manager, Joint Venture Company Two, 2014)

Similar to local company's managers' views, respondents from the regulators and policy-makers' group within the NOC share similar views, and revealed that CSRD practice is the disclosure of environmental and social information by companies to different parties such as government and workers at large:

> "[…] providing adequate information about the company's activity, and its policy and programmes and the contribution in the field of social goals to all segments of society, whether they are workers, consumers, or government. This information may include [...] employee training, environmental impacts and social investment projects."
>
> (Interviewee Three, NOC, 2014)

To sum up, the analysed data show that managers' perceptions on CSRD definition seem to differ slightly based upon internal organisational characteristics, signalling home country influences. While perceptions of local managers concentrated on environment and human resource disclosure issues in definitional terms, foreign and joint venture investors who come from developed countries such as the US, Italy, Canada, and France, who place high significance on CSRD, tend to focus on *all* areas of CSRD. This difference in perceptions implies that, whilst CSRD always means something, it does not always mean the same thing, rather dependent on internal organisational characteristics signalling home country influences. This is being clearly identified from the well-grounded analyzed data concerning actors' perceptions. For example, to some (in the case of local firms), it is defined as socially responsible behaviour in an ethical sense concentrating largely and generally on environmental issues with human resources; whereas to others (i.e. in the case of foreign and joint venture firms) it expresses the awareness of legal liability or responsibility focusing specifically on companies' engagement in areas such as education programmes, health and safety, environment and human resources development.

6.1.2 The Benefits of CSRD Practice

Managers of leading oil and gas companies, and policy and decision makers within the NOC, have provided their perceptions on CSRD practice and believed that CSRD has more advantages than disadvantages. The following section reveals and discusses the respondents' comments and themes, which provide a more in-depth idea about CSRD within the Libyan institutional environment.

6.1.2.1 Reputational Gains

Oil and gas managers clearly highlighted that CSRD involvements could be used as a way, or method, to sanitise any negative activities and might improve company image so as to ensure adherence to internal pressures and to obtain internal legitimacy from the NOC. Companies with enhanced overall reputations for CSR are partially protected from revelations of the scandal. This observation was broadly articulated by most oil and gas companies' managers who were working at all levels, whether in a joint ventures or in international companies, but to a less extent by those who were working at local firms. One manager from a local company and one from a foreign firm remarked respectively:

> "I think the disclosure of social and environmental information is an intangible asset, which is a good instrument in building up a firm's reputation in the long term. It can inspire other companies to develop social programmes, so that they can increase and enhance their image, not only in the local context, but also in the international market context."
>
> (Financial Manager, Local Company One, 2014)

> "[…] letting society know about a firm's social and environmental performance reduces the negative things as a result of our company activities; do you know why? [….] because it shows that the company is committed to social performance. Social things improve our company image. We do not want to give a bad image to our firm among the public by not disclosing!"
>
> (Head of Health, Safety and Environment, Foreign Company Four, 2014)

Both reputation and image seem to be important and could impact on firms' competitiveness and, therefore, can be a key reason why firms engage in such practice. Most senior managers interviewed from the three types of companies perceived that the key advantage of engaging in CSRD can possibly enhance company image by taking a positive stance towards involvements in CSRD practices, in order to promote their image, reputations, and to win the support, trust, and respect from the government and employees. However, such views were not restricted only to oil and gas managers. Even the regulators and policy makers within the NOC held to some extent a similar view regarding reputational gains. It became evident during the interviews that CSRD is widely seen as a simple way to build a positive picture for the company and develop good relationships with the government in order to obtain reputational acceptance. This is clearly identified by two external actors working within the NOC.

> "When the company discloses its information in all areas, whether social or other areas, they do not do it because they are lovely people! Rather, they do it because it improves their company's reputation and standing. It is a sort of marketing instrument or [a way of building] government relations, to differentiate firms from their competitors"
>
> (Interviewee One, NOC, 2014)

> "If a company contributes $1 million towards building some schools and have disclosed this in their reports, and the local community surrounded by this social project know about it, I believe what they are doing is to make themselves [seem] a decent firm among the public, which will increase the company reputation"
>
> (Interviewee Two, NOC, 2014)

6.1.2.2 Relationship Building

Most of the oil and gas managers interviewed perceived building better relationships with government to gain legitimacy as the key advantage of adopting CSRD, while they are functioning within the community. Most of the firms carry out environmental and social responsibilities disclosure practices in response to their personal beliefs of doing something for the society as well as building better relationship with the state. Managers who are very educated are more aware of environmental and social issues, and are more concerned about the disclosure concept, especially those who come from developed countries. For instance, the director of finance of foreign company three provides some insights into the advantages of engaging in this practice:

> "Well, I guess the most important advantage of social responsibility information disclosure is it helps the company to deepen its social role in the society. It shows that it respects the environment in which it operates. As you know, the company continues its working based upon the on-going acceptance by the government and society. The disclosure of this information, therefore, helps the company to build a better relationship with the government and local community and continues its operations for a longer period […]"
>
> (Director of Finance, Foreign Company Three, 2014)

Within the Libyan context, building relationship with state among the central stakeholder groups that companies commonly interact with while doing business is seen as important and critical to success. This is because it contributes to the strength and longevity of firms' operations within the country. The NOC controls the legal and regulatory framework in Libya, and any firm wanting to operate within the country has to obtain a licence from this authority. This institution (NOC) is a state-owned firm that governs Libya's oil and gas sector and supervises all petroleum activities in Libya including oil exploration and has the unique characteristic of being responsible for the oil and gas sector operations (NOC Department, 2014). Thus, in this regard, it is very important for firms to build a decent relationship and perform in a socially responsible manner with this authority in order, perhaps, to have more opportunities for new contracts with the government:

> "When companies act as socially responsible, and disclose their activities, they are more likely to have more opportunities for new contracts with

> government, because government sees these companies as accountable for its citizens. This disclosure also, [...] will have a positive effect on the productivity of employees and the level of wages”
>
> (Environmental Manager, Joint Venture Company Four, 2014)

Whilst regulation, legislation and the tax system have been the constructive tools utilized by worldwide governments to endorse and look after social goals, the concept of CSRD, within the Libyan institutional environment, employed by firms has evolved over the years as a way to build better relationship with the state and to gain legitimacy. This is clearly identified from the above analysed data. Institutionalisation by the state is an appropriate description of CSRD practice in Libya, because the state through its governance body, the NOC, discussed later, has a significant role in supporting social and environmental issues.

6.1.2.3 Gain Competitive Advantages

Oil and gas managers from the oil and gas industry generally attributed gaining competitive advantage in the market as one of the key advantages of CSRD in the Libyan context. To be successful in this environment, managers, as observed, need to engage in CSRD practice which leads to sustainable and successful business over the long term. An increasing recognition of the significance of firms making decisions and utilizing resources in a way that benefits rather than harms the environmental, social and economic conditions in which they function and letting the relevant stakeholders know about it, can help firms to achieve their goals. The analysed interview data tend to suggest that managers seem to think of competitiveness as being a key for CSRD practices. For example, one manager from a joint venture company revealed that:

> “Social disclosure is very important. It helps firms to see what their competitors are doing. It helps firms to see what is happening in the marketplace. Companies that do not disclose [CSR information], might be kicked out of the game of competitive market”
>
> (Head of Health, Safety and Environment, JV Company One, 2014)

CSRD practice, therefore, is presently viewed as a source of competitive benefit that firms should utilize in seeking better competitiveness and greater outcomes. Practically, because of the dynamic market environment, businesses cannot achieve long term competitive advantage, if CSRD activities do not support its strategy. Most oil and gas firms have CSR policies; thus, this research observes the extensively noted fact of how CSRD is used by oil and gas managers as a tool against their competitors. Strengthening competitive position is perceived as a vital impetus for firms to engage in strategic CSRD, both externally and internally. As such, firms could enhance value and achieve competitive benefit by the disclosure of their social activities; nevertheless, CSR needs to be linked with other company strategies.

6.1.3 Drawbacks of CSRD Practice

In spite of the advantages stressed above, CSRD has a number of disadvantages which tend *not* to differ a lot based on internal organisational characteristics signalling home country influences and these act as a major impediment to its further development. This is clearly evidenced by the gathered and analysed data. For example, managers from foreign, joint venture and local companies have mainly identified costs to be a major impediment for CSRD, because they claim that, in spite of the advantages offered earlier on, it has related costs as it requires more staff to carry out the jobs of corporate social responsibility and its disclosure, thus it imposes additional costs.

> "One of the disadvantages of social responsibility disclosure is when a society is unconscious or unaware of this concept; there would be no point of disclosure, because it can just create additional costs for the company. [...] firms have to pay for environmental programmes, reduce waste management programmes, and more employees' training"
>
> (Head of Health, Safety and Environment, Foreign Company One, 2014)

> "The main disadvantage is mainly related to costs [...]"
>
> (Auditor, Foreign Company Four, 2014)

> “Engaging in social and environmental activities and then disclosing this information need money in terms of, for example, employees’ training, and thus it will create additional costs”
>
> (Communication manager, Joint Venture Company Two, 2014)

> “[...] it will cost the company greater admin costs, because engaging in such activities requires well trained staff, budget, and supervision”
>
> (Financial Manager, Local Company One, 2014)

Whilst the perception on cost as a disadvantage of CSRD does not seem to be different amongst respondents based on home country influences, foreign, joint venture and local managers, and despite the analysed data that earlier show a company’s image or reputation as an important advantage when companies disclose, foreign managers identified that they would normally disclose *positive* and *good* news because the company’s image or reputation can be threatened, if sensitive information has been disclosed. The higher concern about the company’s image or reputation among foreign managers is perhaps attributable to the fact that foreign firms are private firms that have shareholders and shares traded on the stock market, and therefore the CSRD concept has a large effect on their market value. They are more concerned with preserving a reputation than are public and local firms, and therefore they are usually interested in disclosing positive news. This is evident from various foreign managers who felt that disclosing sensitive CSR information such as air pollution above agreed “limits” or “safe levels” which can cause cancer, may result in legal actions.

> “We work in an environment that is very sensitive - not only us, but most oil and gas companies - and this environment is subject to oil spill, pollution and so on, so reporting such sensitive information to the public would affect company image and [...] can result in legal actions”
>
> (Auditor, Foreign Company Four, 2014)

In contrast, however, most of the regulators and policy makers within the NOC believed that CSRD practice does not have any disadvantages; rather its advantages are more than its drawbacks. For example, interviewee three within the NOC revealed that:

> "I do not see any disadvantages in social responsibility disclosure; I think it has large and great advantages"
>
> (Interviewee Three, NOC, 2014)

Summary

The above discussion of both sections shows that managers from local, joint venture and foreign oil and gas firms and regulators within the NOC have various perceptions about the CSRD in definitional terms. This is clearly shown by the emerging fundamental themes that have been identified in areas of environmental information disclosure, human resource disclosure and community involvement disclosure, albeit from a perceptual basis. The emerging themes also show that such actors are aware of both the enablers and barriers of CSRD practice. What is remarkable to note, however, are the slight dissimilar perceptions that oil and gas managers themselves have with regard to definitional constructs of CSRD practice in Libya. Their distinct perceptions seem to vary based upon home country influences on their operations in Libya. For example, it is noticeable that local firms' managers concentrated on environmental information disclosure and human resources to build their company image and better relationship with the state, whereas managers' from the joint venture and foreign firms have concentrated on all areas of CSRD in order to gain competitive advantages and augment their company reputation and image.

6.2 Factors Influencing CSRD Adoption in the Oil and Gas Industry

The data analysed revealed that the participants place high concern on different "institutional factors" as well as on some cultural factors that reflect not just the Libyan nation’s cultural values; rather its economic and political interests, as well as its relationship globally in the initiation of CSRD in a fragile state. The next section offers a summary of the responses made by the oil and gas managers on how companies are being pressurised to adopt CSRD practices in order to ensure their survival in Libya. This discussion likewise uses statements from the policy and decision makers within the NOC, either confirming or disconfirming the claims made by the oil and gas managers.

6.2.1 External Institutional and Cultural Factors Influencing CSRD

Several external factors comprising the state through its governance body the NOC, the EGA, foreign business partners, foreign companies’ reporting, cultural factors such as the need to uphold a firm’s reputation and image, and pressures to meet societal expectations were acknowledged by the oil and gas managers as being dynamically involved in influencing CSRD adoption. These external institutional and cultural factors may not include *all* institutional and cultural factors that influence CSRD and, as such, include only the factors as “identified” by the leading oil and gas companies’ managers.

6.2.1.1 The Influence of the NOC

In spite of the fragile status of Libyan institutional environment (i.e. the country’s political instability, lack of security, and the lack of a clear legal requirement referring to CSRD), the Libyan businesses face national pressures that affect CSRD. This research observes the extensively noted fact of how the Libyan state through its governance body, the NOC, exerts pressure on Libyan companies, mainly state owned, to follow its reporting guidelines that are embedded in its unique situation and business culture. These reporting guidelines, namely HSE.GDL.001.00 and HSE.PRO.002.00, contain information on human resources, health surveillance, safety, environment, and sustainability as a part of their reports. Examples of information about the human resources’ category are the number of employee, average size of workforce; total hours worked, and lost time through occupational injury (HSE.GDL.001.00). This is evident from various companies’ managers who stressed that they follow the NOC guidelines in terms of making their annual reports.

The NOC acts as a governmental institution that has the coercive authority of the state to control the behaviour of lower social actors comprising those at the organisational level. This authority has the unique characteristic to assume the responsibility of the oil and gas sector operations in Libya including CSRD (NOC Department, 2014). Any oil and/or gas company wishing to operate in the Libyan oil and gas industry has to obtain a licence from this authority and permit periodic checks to occur (for more details about NOC, see chapter two section 2.5). In this illustration, the firms’ management practice in Libya would have to take into account these controlling impacts. Institutionalisation by the NOC’s aspiration and its pressure is possibly the most suitable explanation for CSRD practice in the Libyan oil and gas industry. Therefore, winning the support of such an authority might not merely aid in legitimizing corporate operations, but similarly enable access to additional resources. One manager from a local company explains this tension well and states that CSR information historically in Libya is disclosed through annual reports:

> “[...] our activity of social responsibility disclosure is guided by the National Oil Corporation from overseas training, medical insurance, and employment of graduates to occupational health. All kinds of social activities at the moment are prepared by us as influenced by National Oil Corporation. [...] company has been performing social awareness activities through using annual reports [...]. If you view our annual reports, you will be able to see this CSR information”.
>
> (Financial Manager, Local Company One, 2014)

> “[...] the only bodies who we are accountable for are the National Oil Corporation and [...]. The National Oil Corporation and [...] require from us to do that, and we respond to this by reporting our health, safety and environmental data in reports, actually we are so ahead of other companies such as the local”.

(Head of Health, Safety and Environment, Foreign Company One, 2014)

However, Libya has witnessed political, social, and legal reforms and has faced pressures to place dissimilar and new demands on business (See table 6.1 below). Among these reforms was the task of introducing a Sustainable Development Department within the NOC to encourage firms to engage in CSR and its disclosure (NOC Department, 2014). The business' CSR itself, amongst other practices, was of low importance within the old regime, which pursued a policy of "statelessness" preventing the development of effective governing institutions. However, the post war government through its governance body, the NOC, has started to take social and environmental issues seriously, when they have set up a fully-fledged department of sustainable development (NOC, 2012). As most local oil and gas companies are public companies, and due to the close connection with the government (because they are owned by the NOC), they need to balance the goal of profit making with NOC reporting guidelines including CSRD agenda. One manager from a joint venture company comments:

> "Actually, the majority of our company's annual reports and other local companies are similar in terms of style, because they are guided by the National Oil Corporation monitoring and reporting requirements, a few other companies might fancy reporting a bit more, yet we report based upon the requirements from the National Oil Corporation [...]".

(Head of Health, Safety and Environment, JV Company One, 2014)

As it can be seen from the above table 6.1, the postwar government has reiterated its willingness to comply with certain social and environmental expectations by issuing and providing HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting requirements guidelines after the 2011. This reporting requirement is enforced thorough management commitment and review, supported through supervision and complied with by all managers. The goal of these requirements is to effectively communicate the present social responsibility to NOC head office to generate sustainability in the long term, appreciating the complexity of the social, economic and cultural context, so as to meet the national requirements, and ensure adherence to internal pressures and obtain internal legitimacy (NOC Department, 2014).

Table 6.1: Tracking the Changes within the NOC Pre/Post 2011 Revolution

The NOC is responsible for the oil and gas operations in Libya, giving licences to companies to operate, being in charge of the implementation of laws and firms settlement, and it is engaged in putting into practice the Social Security Schemes for employees.			
Pre-2011	**Implemented**	**Post-2011**	**Implemented**
• Not Established	-	• Establishment of the sustainable development department to encourage firms to engage in CSR and its disclosure.	• Yes
• The Petroleum Law No. 25 of 1955 (see chapter two section 2.6.4 for more details about this law)	Yes	• In 2012, the Minister of Oil & Gas prepared a draft of a new law; however the procedure for issuing the new law has yet to start.	• No
• HSE.POL.000.00 considering only the CSR policy.	Yes	• Updating the HSE.POL.000.00. • Establishment of HSE.GDL.001.00 & HSE.PRO.002.00 social responsibility monitoring reporting requirements guidelines (NOC Department, 2014).	• Yes
• Not Established	-	• The Minister of Oil & Gas issued decision No (32) for the year 2012 about making sure that the oil and gas companies make the necessary arrangements for the protection of the environment, fight against pollution and the requirements of public safety.	• Yes

Companies, therefore, need to align their decisions with governmental aspiration, which is significant to their continued existence. Through their activities, the dynamic of field coercion comes into play. As one manager from a local firm remarks:

> "We now have guidelines from the National Oil Corporation and minimum reporting requirements of HSE data, [...] the National Oil Corporation is our customer and it's a governmental body, [...] We need to follow their guidelines and report the social and environmental information that are required"
>
> (Environmental Manager, Local Company Four, 2014)

One external actor confirms such pressure and adds:

> "[...] we have [established] monitoring reporting requirements to report environmental data, safety data, and health data, as well as energy data. So the local companies are required to provide [….] reports about their activities whether they are social or financial [...]"
>
> (Interviewee Four, NOC, 2014)

To conclude, the above findings show that NOC, as an institution, has the coercive authority of the state to control the behaviour of firms. The adoption of requirements and policies of the government by companies, especially those owned by the state, seem to result from the necessity to appear legitimate so as to continue their long term survival and gain internal legitimacy from their head office. By complying with the minimum requirements through disclosing social and environmental information by following the established guidelines, oil and gas firms hope to depict and enhance their reputation in the eyes of the state. In such an instance, government seems to play a major role especially in the post 2011 changes where a number of policies and guidelines have been introduced (See table 6.1).

6.2.1.2 The Environment General Authority

The governmental pressure in encouraging firms to engage in CSR activities is evident from the analysed data. The Libyan government has established a technical centre for the protection of the environment under the Law No (263) of 2000, currently known as the EGA (ENPI-SEIS Country Report, 2015). The role of this authority is concerned with environmental issues in terms of regulation, and maintenance conservation of natural resources; environmental pollution control; achieving sustainability development; and integrated planning of the community. This pressure has culminated in Law No (15) of 2003, concerning the protection and improvement of the environment (Law No 15 of 2003 for protecting and improvement of the environment) (See chapter two section 2.6.5 for more details about this authority). Although the government brought in this law with the aim of reducing the negative influences of the firms' activities on the environment, protect it, and encourage them for disclosure, this institutional authority seems to be weak in terms of playing its role. Indeed, according to the ENPI-SEIS Country Report (2015, p. 11), the reasons behind the weakness in enforcing the environmental law by the EGA is attributable to "problems such as a lack of equipment, trained personnel and general awareness that are inhibiting the consistent implementation and enforcement of environmental laws in Libya".

Accordingly, this institutional authority faces a "*chronic problem*" of being unable to tackle issues of sustainability, comprising CSRD practice, due to the non-application of laws. Although Libya is one of the first Arab countries to establish environmental laws with very important legislation and regulations, such legislation and regulations were not activated by the previous regime, or after the recent changes, but these laws will be activated in the coming period to reduce the negative issues caused by several industries (Director of the Environment Agency in Benghazi, Salwa Alhadad in Mohamd, 2013). In this regard, this authority was identified by the companies' managers (e.g. Communication Manager of joint venture firm two, 2014; Senior Manager of Human

Resources, NOC, 2014 amongst others) as an important institutional factor that should play a role in such practices. Indeed, commenting on whether oil and gas managers are pressurised to engage in CSR and its disclosure, some interviewees remark:

> "Look, the National Oil Corporation and our company work in the same way, and we use their guidelines in terms of reporting our information. However, in terms of disclosure and whether we are pressurised, I would say no. The Environment General Authority is the only body who is expected to play a role in this process, but its role is absolutely non-existent"
>
> (Communication Manager, JV Company Two, 2014)

> "Even law No (15) of 2003 issued by the General Authority of Environment for environment protection and improvement, does not officially require disclosure of such information"
>
> (Financial Manager, JV Company One, 2014)

In fact, the Law No (15) of 2003, issued by the EGA, can be regarded as Libya's most significant law on environmental protection, describing and outlining visibly and clearly environmental terms (ENPI-SEIS Country Report, 2015). The overall objective of this law is that all companies and organisations have to make all efforts to pay attention to issues such as control of pollution, and must consider the ways and the means essential to sustain an environmentally friendly balance when planning for further improvement (article 2, Law No. 15 of 2003 for protecting improvement of the environment). The general goal of this is to align the business objectives with advanced economic and social development in Libya. One such way to do so, is by enforcing the existing law and updating it in relation to the concept of disclosure, as noted below by interviewee six within the NOC:

> "The general authority of environment has Law No (15) that obliges companies to protect and improve the environment. This law encourages companies to contribute towards sustainable development projects that

> partly fulfil the needs of the present and future generations. Local companies have their own social responsibility policy and have health, safety and environment policies. [But] these companies are asked to provide the National Oil Corporation and Environment General Authority with the required information on a yearly basis by using pre-designed forms [...]."
>
> (Interviewee Six, NOC, 2014)

Whilst, the findings of the interview support the claims that EGA should play a role in CSRD, it is clear from the above discussion that there is an institutional void, identified by the analysed data, and that the EGA is not an effective actor. Although the EGA has been created in order to tackle issues of sustainability comprising CSRD practice, this authority faces a "chronic problem" of being unable to tackle issues including CSRD practice, due to their absent role resulting from problems such as the lack of equipment, trained personnel and general awareness (ENPI-SEIS Country Report, 2015). Indeed, the law enforcement tends to be limited because of the administrative systems and their inactivity because of the context of the current political instability and lack of security in the country. Therefore, in the light of the absence of law enforcement, and its fragile state environment, it is uncertain as to how much official regulations would be useful in this respect. Yet, we should consider whether the Libyan EGA could become more adequately structured, and powerful enough to propel firms towards social disclosure leading to an increased level of CSRD practice.

6.2.1.3 The Influence of Overseas Partners

The presence of overseas partners in the oil and gas sector in Libya is apparent as a result of the provisions of the decision of the minister of economy No. 103. According to this decision, foreigners' involvement in the capital of the joint venture companies operating in Libya throughout its existence should not go beyond 65% (Article 3 of Law No. 103) (For more details about this law, see the company's ownership structure in chapter two section 2.5). As a result of such a resolution, the decision of management is usually in the hands of foreign investors, and local companies have been exposed *to* and are greatly influenced *by* western management style. Indeed, the presence and visibility of foreign firms in Libya aids to develop and transfer modern CSRD practice. Local companies who operate in the oil and gas industry with a joint venture status have (according to the interview data) progressively complied with their foreign partner standard and regulations such as the ISO 14001, and OHSAS 18001 certifications and polices. The majority of the foreign partners come from developed countries such as the US, Italy, Canada, and France, who put high importance on CSR and its disclosure. These firms are pressurised by the market to conform to the standards of CSR signalling their home countries' influences. As such, in order for local firms to draw more investments and make their foreign partners stay, firms are likely to meet the anticipations of foreign investors, especially the perceptions related to social and environmental issues amongst other practices. The Director of Finance from foreign company two remarks about this tension clearly:

> "[…] local firms with a foreign partner are more driven by their foreign partner to disclose social information. They are subject to additional reporting requirements from their foreign partner, and usually under pressure. Foreign companies usually have shareholders. They always pursue attracting new investors; consequently, more accurate and reliable social information is disclosed"
>
> (Director of Finance, Foreign Company Two, 2014)

Indeed, the Libyan firms are largely reliant on the foreign firms in terms of technological assistance. Thus, the motive for local firms behind entering into the joint venture is unquestionably that of optimising the benefit of merging the expertise, and technical capabilities from their overseas partners. However, in order for foreign partners to enter the country, they have to have local partners who have understanding of the investment climate in the chosen field, the resources and infrastructure readily available in addition to being a national investor entitled to government support and assistance. Thus, it is clear that there is some kind of coercive pressure, if not mimetic, on Libyan firms to integrate different institutional practices such as CSRD. Indeed, the analysed data show that local firms who are in a joint venture status described how - whilst their owner did not mandate the adoption of the CSRD - they were influenced by their foreign partner's reporting style. This is because (according to the interview data) they have good reporting culture and style, and therefore local firms end up matching the culture implemented by their foreign partner. Libyan firms talk to their investors on the extent of their participation in social and environmental issues so as to legitimize their presence in the eyes of the foreign partner. In this regard, the Head of Accounts and Budget of a joint venture company explains:

> "We work here in a partnership with [...]. We follow our partner's reporting style. They have a good reporting system. We follow this reporting trend, in order to be considered as a world class company"
>
> (Head of Accounts and Budget, JV Company Five, 2014)

Indeed, the analyzed data from the annual reports (see table 6.2) show differences in the disclosure of CSR elements between the local firms and joint venture companies. For example, considering the environmental category, joint venture firms tend to include as part of their annual reports information about the environmental policy, environmental audit, and sustainability, in contrast to local firms that concentrate on items such as environmental – product and process-related items (for full difference for other social categories see table 6.2 below).

Table 6.2: CSRD Elements Comparing Joint Venture Companies to Local Companies to Substantiate the above Argument in terms of Disclosure

CSRD elements	JV companies	Local companies
Environment		
Environmental policy	✓[9]	✗[10]
Environmental audit	✓	✗
Environmental – product and process-related	✓	✓
Environmental financially-related data	✗	✗
Sustainability	✓	✓
Environmental other	✓	✓
Energy		
Energy saving and conservation	✓	✓
Use/development/exploration of new sources	✗	✗
Other energy related disclosure	✓	✓
Consumer & product		
Product and customer safety	✓	✓
Consumer complaints	✓	✗
Specific consumer relations	✗	✗
Provision for disabled, aged, etc.	✗	✗
Provision for difficult-to-reach customers	✗	✗
Community involvement		
Any reference to community and/or social involvement	✓	✓
Employee involvement with above if company support is apparent	✓	✗
Donations	✓	✓
Schools, arts, sport, sponsorship	✓	✓
Business-in-the-community, secondment of staff	✓	✗
Human resources		
Employee data	✓	✓
Pension data	✓	✓
Consultation with employees	✓	✗
Employment of disabled	✗	✗
Value added statement	✗	✗
Health and safety	✓	✓
Share ownership	✗	✗
Employee training	✓	✓
Employee other	✓	✓

Source: Author's own, but the CSRD elements are based on Gray et al. (1995b) and Mashat (2005) classifications

By contrast, although the pressures from foreign partner are evident from the interview data and the analysed data from secondary reports, few managers (e.g. Head of Health,

[9] Ticks (✓) refer to the items that companies disclose on.
[10] Crosses (✗) refer to the items that companies do not disclose on.

Safety and Environment, Foreign Company One, 2014) disapproved the claims made by the those mangers from joint venture firms that foreign partner do have a big effect on the extent of environment and social disclosure. The key reason behind this (according to the interview data) is that because the high percentage of ownership is usually in the hands of local companies (based upon the old CAL 1970 which have been updated, see chapter two section 2.5), and therefore, he perceived that there is no influence of a foreign partner on the level of CSRD practice:

> "I do not think local companies who have foreign partnership disclose much social information, because foreign partners do not have a substantial degree of influence on the local partner management, since the structure of these firms is 51% owned by the state and 49% owned by the foreign partner"
>
> (Head of Health, Safety and Environment, Foreign Company One, 2014)

6.2.1.4 The Influence of Foreign Owned Firms

Additionally, the ambiguity and the fragile status of the Libyan institutional environment, especially in terms of the law enforcement and strategic planning at present, encourage company managers imitating the strategy of other companies' CSRD to be more legitimate and successful so as to be accepted as part of a wider global network. This pressure is most evident when there is *no* legal requirement for CSRD practice. Although the NOC authority who carry on the responsibility of the oil and gas industry has the HSE.GDL.001.00 and HSE.PRO.002.00 reporting guidelines (NOC Department, 2014) (see also table 6.1 section 6.2.1.1 for more details), local firms that operate in the oil and gas sector seem to be still struggling in terms of disclosing social and environmental information because these guidelines are still new. The Libyan society places a responsibility on business to create jobs, take care of environment and disclose such activities. Thus, Libyan managers have to reconcile these pressures and engage in disclosing their CSR information. However, in the light of such ambiguity and to avoid state sanctions, Libyan managers respond to such pressures by imitating to some extent their foreign company's competitors. Two local managers working at senior management level illustrate:

> "[...] we just look at how other foreign oil and gas companies like […] oil and gas company include this information in their reports, and we just follow them, and those are the key guidance for us"
>
> (Quality Manager, Local Company One, 2014)

> "[…] what we do is, we take good international companies who are good annual report reporters, and see how they report, how they present their information, and we use them as our guidelines; of course there are things that we cannot copy, but we want to be good too"
>
> (Accounts Manager, Local Company Two, 2014)

In this regard, foreign owned companies usually come from developed countries, like Germany, the US, the UK and they are more concerned about the disclosure of CSR information because of their higher level of awareness on such issues. Such foreign investors usually have diverse knowledge and values to raise their strategic decisions in regards to public and social activities through disclosure. They are well developed in terms of their annual reporting and have very high quality of reports and establish yearly reports. Therefore, in order to appear legitimate to the state among other stakeholders, these firms tend to communicate their CSR activities in order to attract new potential investors from their home country. In this way, local firms, as the analysed data revealed, imitate to some extent the behaviour of these foreign companies in terms of reporting in order to disclose some of their CSR information. The following quotes are illustration of this:

> "We are motivated by the practice of foreign owned companies. These companies are successful. We do not have regulations and laws regarding the disclosure of social and environment impacts here. So we follow the practice of other foreign companies"
>
> (Accounts Manager, Local Company Two, 2014)

> "Companies that are owned by foreigners influence considerably on local companies' corporate behaviour. They are influenced by the western management style. Wherever they go they report and disclose their activities. They are successful".
>
> (Environmental Manager, JV Company Four, 2014)

6.2.1.5 The Influence of Cultural Factors on CSRD

The interviews' data analysis also indicates that the adoption of CSRD by firms operating in the Libyan oil and gas industry is also driven by pressures arising from some cultural factors, namely, the need to uphold the firm's reputation and image, and pressures to meet societal expectations. This is evident from various managers who identified these factors as *social* drivers for CSRD practice in Libya. Some of the leading oil and gas managers interviewed (e.g. Director of Finance, Foreign Company Two, 2014; Quality Manager, Local Company One, 2014) perceived a company's reputation and image as the primary driver and as an important cultural factor for the need to embrace CSRD, while they are working within the society. Most oil and gas firms embark on environmental and social responsibilities disclosure practices in response to their personal convictions to do something for the community. Indeed, the engagement in CSRD practice is more likely to promote a company's reputation and image to become a better business. In such an instance, the director of finance of foreign company two and the quality manager of the local company one, remarked respectively:

> "Our driving force is improving our company's reputation and image, and its value in the market. We have to present a good image to the government [...], and to our employees. This will lead to increase in the level of satisfaction of our employees, thus increasing their devotion and their integration within our company"
>
> (Director of Finance, Foreign Company Two, 2014)

> "It's our reputation. As you know, reputation is built based on company's history, ethics, morality and its public image. One way of keeping this

> reputation, [...] is through participating in social activities, letting the public know about it, and so a positive image is created”
>
> (Quality Manager, Local Company One, 2014)

Another interviewee adds:

> “Our motivation comes from reputation. Reputation takes years to build and it can be ruined in hours through incidents such as environmental accidents. But, by engaging in CSR activities and disclosing these activities, we can draw unwanted attention from governments and media. Hence, building a true culture of “doing the right thing” within a company can offset these risks”
>
> (Communication Manager, JV Company Two, 2014)

The public relation strategies that companies in Libya develop to enhance stakeholders’ trust in them reflect how they reconcile such pressures. Firms in Libya are focusing on issues such as justifying their existence within the society by undertaking a bottom up approach not only to concentrate on government relations, but, more significantly, to build trust and long term relationships with the local residents. This approach further minimizes risks and helps firms to ensure operations run more smoothly when the support from the local community is obtained. As such, the cultural and social norms of Libya would lead us to anticipate explicit CSRD, but these are still hidden. Given such complex pressures, managers do create strategies (for example, following guidelines that are established by NOC) that reflect not just the nation’s cultural business values, but also the country’s economic interest and its international relationship. Focusing on such issues reflects the fact that CSRD practice remains predominately normative in response to the country’s systems and national interest. In a such instances, it became evident during the interviews that several interviewees (e.g. Environmental Manager of joint venture Company three, 2014) highlighted how important public expectations are and how significant they need to be to meet their needs in making immediate CSRD decisions, and acting in a responsible way in order to align themselves with the CSRD practice agenda:

> "The public have expectations from us; we need to communicate our occupational health and safety information. We need to show a good treatment of the local communities and being friendly with the environment [...]. If we, as a company, do not meet these expectations which are always changing, our existence will be threatened. Thus, one way of meeting these expectations is through a disclosure channel of our social activities"
>
> (Environmental Manager, JV Company Three, 2014)

Additionally, a number of interviewees attributed social obligation as one of the key drivers of CSRD practice adoption in the Libyan institutional context. Libya as a country still remains heavily dependent on oil revenues (OPEC, 2014), and this industry is seen as one of the most polluted sectors. Therefore, oil and gas firms have integrated voluntarily into the disclosure element, proactively levering two-way communications to respond to concerns raised by society rather than remaining silent. With such high concern about their activities, oil and gas companies extended the use of activities to address more clearly economic, social and environmental influences and to increase welfare provided to local communities. In many cases, CSRD practice goes beyond compliance with legal requirements, and firms recognize the need to understand how their activities interact with sensitive environments and they are committed to decreasing potential influences and related risks. In such instances, it became evident during the interviews with managers from oil and gas firms that fulfilment of social obligation is a key driver of CSRD in Libya. For example, the Head of Health, Safety, and Environment from a joint venture company two explains:

> "I believe in social obligation. As a company, we work in a sensitive environment that has an affect on the environment and people who live nearby the oil fields; everyone knows this. So the company's commitment is to do something for this community. Today we do make profit; we should share some of it with the society, because as a company we won't be affected much"
>
> (Head of Health, Safety and Environment, JV Company Two, 2014)

To sum up, a more visible and open corporate culture has begun to emerge for oil and gas firms in Libya, and this has allowed CSRD to further embed itself as a critical part of their businesses, mainly because they wish to succeed within the Libyan context. The cultural factors, such as those met in the above discussion, highlight some interesting points. While the pressure from cultural factors is evident, to see explicit CSRD in Libya (i.e. social normative pressures arising from social obligations and companies' reputation and image), a more complex dynamic of the 'powerlessness' of influencing organisational change in a fragile state is evident too. Putting these types of cultural factors together, the local pressures of legitimization, demonstrated in the form of the normative pressures can clearly explain *why* such firms adopt CSRD in the first place. Nonetheless, what is obviously evident from the analysis is that there is a growing *awareness* of CSRD in Libya amongst both the trade associations and businesses.

6.2.2 Other Determinants Influencing CSRD

The detailed analysis of interview data further indicates that there are several other determinants that determine the extent to which oil and gas managers can engage in CSRD practice. When the relevant oil and gas managers were interviewed about the other determinants that might have impact on their level of CSRD practice, they have provided interesting responses. Parent company factor, government ownership factor, board meetings, board size, the presence of CSR committee, age, size, and profitability were identified as being key determinants in determining the extent of CSRD in Libya.

To start, and with respect to the parent company factor, foreign investor firms who operate in the oil and gas industry in Libya are (according to the interview data) coerced by the reporting culture of their parent company from an internal perspective. The majority of the foreign companies come from developed countries such as Germany (in the case of Wintershall), and France (in the case of Total) etc, where social and environmental awareness is high. Such firms usually implement accounting practices and disclosure culture similar to the parent, as they share comparable policies and missions including CSRD practice. This can be seen as crucial for a subsidiary's survival, as a consequence perhaps of their reliance on the parent company for on-going access to resources such as technology, knowledge and capital. This further suggests that CSRD practices of foreign firms are influenced by international stakeholders - moderated by parent company policy - to a bigger extent than just by local stakeholders in Libya. Indeed, the head of health, safety and environment of foreign company three, 2014 and the director of finance of company two, 2014, reflect these tensions very well:

> "We are a subsidiary of […] company. […] has an excellent social and environmental reporting system. We follow the reporting culture of the parent. We share the same policy, the same social responsibility policy"
>
> (Head of Health, Safety and Environment, Foreign Company Three, 2014)

> "For us, we disclose our social information, because our parent expects us to disclose this information to become more efficient. We need to confirm the demands and expectations of our parent. Otherwise we would be in trouble. So we follow […] our parent, and this is our main guidance"
>
> (Director of Finance, Foreign Company Two, 2014)

Indeed, the analysed data from the secondary reports of foreign companies and local companies reveal similar patterns and confirm such claims. For example, considering the environmental category, most annual reports of foreign companies have environmental policy written and disclosed in their annual reports, while the local firms do not clearly outline such policy in their annual reports. This finding confirms the claims made by the oil and gas managers about the fact that foreign investor firms who operate in the oil and gas industry in Libya are coerced by the reporting culture of their parent company. In fact, most of the foreign companies who operate in the Libyan oil and gas sector come from developed countries such as Germany, France and Italy where social and environmental awareness is high, therefore this is being reflected in their subsidiaries (See table 6.3 for other social disclosure elements).

Table 6.3: CSRD Elements Comparing Subsidiaries of Foreign Companies with Local Companies

CSRD elements	Foreign companies	Local companies
Environment		
Environmental policy	✓[11]	×[12]
Environmental audit	✓	×
Environmental – product and process-related	✓	✓
Environmental financially-related data	✓	×
Sustainability	✓	×
Environmental other	✓	✓
Energy		
Energy saving and conservation	✓	✓
Use/development/exploration of new sources	✓	×
Other energy related disclosure	✓	✓
Consumer & product		
Product and customer safety	✓	✓
Consumer complaints	×	×
Specific consumer relations	×	×
Provision for disabled, aged, etc.	×	×
Provision for difficult-to-reach customers	×	×
Community involvement		
Any reference to community and/or social involvement	✓	✓
Employee involvement with above if company support is apparent	×	×
Donations	✓	×
Schools, arts, sport, sponsorship	✓	✓
YTS (or equivalent), business-in-the-community, secondment of staff	✓	×
Human resources		
Employee data	✓	✓
Pension data	✓	✓
Consultation with employees	×	×
Employment of disabled	×	×
Value added statement	×	×
Health and safety	✓	✓
Share ownership	×	×
Employee training	✓	✓
Employee other	✓	✓

Source: Author's own but, the CSRD elements are based upon Gray et al. (1995b) and Mashat (2005) classifications

[11] Ticks (✓) refer to the items that companies disclose on.
[12] Crosses (×) refer to the items that companies do not disclose on.

Additionally, the other interesting finding is related to government ownership. The analysed interview data also show that firms that are owned by the government through its governance body the NOC would decide to engage and reveal voluntarily CSR information to accomplish internal legitimacy from their head office. The reason behind this might be that those companies owned by the government face more pressure because they are more, in the eyes of the public, politically sensitive and therefore these companies usually try to be a model to other companies. As a result of engaging in such practice, the state might not just aid in legitimising firms' operations, but besides allow access to extra resources such as contracts for new oil and gas explorations. Additionally, such firms are politically visible and therefore are likely to faithfully follow the aspirations of the government especially where the government is involved in the appointment of directors on the board and by their actions the dynamic field of coercion takes place. This means that state owned enterprises might be required to balance their objective of profit making with their CSRD in serving the interest of the public. Commenting on such factor, the director of finance of foreign company two states:

> "[...] I think firms, who are owned by the government, disclose social information to mitigate the higher agency cost and weak governance of these companies. Why? Simply because, the directors of these firms who are appointed in the first place by government, should bring into line their decisions with objectives of the society and government"
>
> (Director of Finance, Foreign Company Two, 2014)

Head of accounts and budgets of joint venture company Five, 2014 and environmental manager of the local company three, 2014, add respectively:

> "Companies who are of the government ownership type indirectly reflects ownership by the public. Therefore, these companies are more likely to be active in taking socially friendly programmes and disclosing such activities which will legitimise their existence".
>
> (Head of Accounts and Budgets, JV Company Five, 2014)

> "Usually government has a solid interest in encouraging CSR initiatives as a supplement to its on-going social and environmental programmes to serve long term national interests. So, I think firms that are of a state ownership type disclose a lot of social and environmental information, and have influence on how much should be disclosed [...]"
>
> (Environmental Manager, Local Company Three, 2014)

Moving on to other determinants that pressure firms to disclose CSR information, the analysed interview data show that the activities of large and old firms are of interest to many stakeholders and such factors are seen to be significant in influencing CSRD practice. Large size reflects higher levels of CSRD, which government desires, and age has the advantage of institutional relationships built over time with external institutions that firms can use to their advantage. In such an instance, according to the analysed data, companies with a longer social existence and with more experience are likely to reveal more information than modern ones. Such factors (according to the analysed data) are significant attributes, because they shape the internal capability and behaviour of oil and gas companies, while concurrently interacting with the external environmental context to shape the behaviours and performance of firms. Large and old firms, as observed by leading managers of oil and gas companies, do face different pressures in Libya, because they are more visible to the eyes of government. Therefore, such firms purposely disclose more CSR information to enhance harmony and trust within their organisations as well as having more financial resources, expertise and more shareholders, and stability in the use of CSRD in comparison to new companies to meet these financial expenses. For example, two foreign managers express this tension well:

> "We are a large company in terms of size; we need to engage more in social responsibility activities [...] than small firms. We have to provide high level of disclosure, because we are more visible in the eyes of government, and have more impact on the community. Other large firms practise disclosure and therefore, we need to be like them and disclose more than unknown small companies"
>
> (Director of Finance, Foreign Company Two, 2014)

> "The level of CSRD differs between new firms and old firms, because other circumstances such as experience in the market play a very crucial role. We are new company. We look at new firms; they do not disclose much of this information. Old firms do and get more advantages from disclosure than new firms. New firms usually struggle about how to even report, so usually they use basic reporting style, while the old firms use high standard reporting style"
>
> (Auditor, Foreign Company Four, 2014)

The auditor of local company one confirms such pressure and adds that the influence of the firm's age on the extent of CSRD practices can just occur in the first few years of the life of the firm. As the company gets older than five years, the firm would gain sufficient skills and become knowledgeable about involvement of social and environment disclosure, therefore, it will become like other old companies who are twenty or thirty years old:

> "The influence of age is normally during the first five years, because new companies usually have new staff and equipment, but they do not have enough experience regarding how to disclose social and environmental information. However, after five years' time, I do not see any impact of the age on the level of CSRD"
>
> (Auditor, Local Company One, 2014)

However, the analysed data from secondary reports of all firms, regardless of their ownership structure, about the influence of the number of years of operations on CSRD did not confirm such claims, but it did confirm the influence of size on CSRD. The firms from the sample have been split into two age categories (old and new) and two size categories (large and small) (see table 6.4 below). With regard to the age, companies that are less than 10 years old have been classified as new, while those that are 11 years old or older are classified as old. In this case, younger firms (1 to 10 years old) have almost the same level of adoption as older companies (11 years old or more) apart from the sustainability and secondment of staff; old firms include this information. (See table 6.4).

On the other hand, the analysed data from secondary reports confirm the findings from the interview data that size do indeed have influence on CSRD. The sampled firms have been divided into two firm size categories, namely large and small medium firms based upon on number of employees, where companies that have fewer than 500 employees are categorized as small firms, while those that have more than 500 employees are classified as large companies (Hosen et al., 2011). The different adoption patterns of CSRD elements in table 6.4 can be observed between small-sized companies and large companies where the perceptual difference of adoption is greatest in favour of large companies (See table 6.4 for more details about the CSRD elements).

Table 6.4: CSRD Elements Comparing Old Companies with New Companies, and Large Companies with Small Companies

CSRD elements	Old firms	New firms	Large firms	Small firms
Environment				
Environmental policy	✓[13]	✓[14]	✓	✓
Environmental audit	✓	✓	✓	×
Environmental – product and process-related	✓	✓	✓	×
Environmental financially-related data	×	×	✓	×
Sustainability	✓	×	✓	×
Environmental other	✓	✓	✓	✓
Energy				
Energy saving and conservation	✓	✓	✓	×
Use/development/exploration of new sources	✓	✓	✓	×
Other energy related disclosure	✓	✓	✓	✓
Consumer & product				
Product and customer safety	✓	✓	✓	×
Consumer complaints	×	×	×	×
Specific consumer relations	×	×	×	×
Provision for disabled, aged, etc.	×	×	✓	×
Provision for difficult-to-reach customers	×	×	×	×
Community involvement	✓			
Any reference to community and/or social involvement	✓	✓	✓	✓
Employee involvement with above if company support is apparent	×	×	×	×
Donations	✓	✓	✓	×
Schools, arts, sport, sponsorship	✓	✓	✓	×
business-in-the-community, secondment of staff	✓	×	✓	×
Human resources				
Employee data	✓	✓	✓	✓
Pension data	✓	✓	✓	✓
Consultation with employees	✓	✓	✓	×
Employment of disabled	×	×	×	×
Value added statement	×	×	×	×
Health and safety	✓	✓	✓	✓
Share ownership	×	×	×	×
Employee training	✓	✓	✓	✓
Employee other	✓	✓	✓	✓

Despite such findings, and by contrast, the size and age were identified by few oil and gas managers (financial manager of JV company three, 2014; head of accounts and budget, company five, 2014), as not important internal factors. This is because (according to the

[13] Ticks (✓) refer to the items that companies disclose on.
[14] Crosses (×) refer to the items that companies do not disclose on.

interview data) it depends on the management experiences and on the willingness from the management of the firm and whether the company has the intention of being successful in the market. In other words, this implies that even companies that are new but with highly experienced staff can disclose the same amount or even more environmental and social information than old companies:

> "[…] there is no important difference in the level of disclosure between large and small companies [...]"
>
> (Financial Manager, JV Company Three, 2014)

> "[...] I really do not see an effect of the age on the level of social disclosure, but it depends on the experience of the management"
>
> (Head of Accounts and Budget, JV Company Five, 2014)

Additionally, the frequency of board meetings was also identified by one half of the oil and gas managers, regardless of their ownership structure, as an internal influencing factor on the extent of CSRD practice. The frequency of board meetings is seen as an indicator of a committed and active board in supervising and addressing the oil and gas companies' matters including the disclosure of social and environment information within firms functioning in the Libyan oil and gas industry. The analysed data suggest that active board members do contribute to different initiatives in intentionally building a better corporate image. In this regard, the LCAL No. 23 of 2010 requires from firms that are fully or partially state-owned firms to have a mandatory number of board meetings which should be held at least six times a year, and the details of attendance should be reported (Article 174 of the LCAL No. 23 of 2010) (For more details about the LCAL No. 23 of 2010, see chapter two section 2.6.1). The views of the oil and gas managers about such influence suggests that the frequency of board meetings is necessarily beneficial, which is a sign of an active and dedicated board in managing and addressing organisational environmental and social issues. The Head of Health, Safety and

Environment of Company one, and the Environmental manager of Foreign Company four, illustrated this very well:

> "Actually, the board that meets frequently and keeps tracking its social and environmental performance is more attentive in releasing its information. When the board meets regularly, it gives signal that the board is active in ensuring comparable, reliable and credible reports and this meets governance objectives. Thus, I think boards that meet quite often, they perform their social responsibilities efficiently and effectively, thus, more disclosure of social information"
>
> (Head of Health, Safety and Environment, Foreign Company One, 2014)

> "When the company meets several times, it is an indication of more effective monitoring. Such board usually asks for health, safety and environmental reports. Thus, the more they meet, the greater interchange of free and honest views and opinions between board members there will be. So, when they are effective in discussion of different issues, more social and environmental information will be disclosed"
>
> (Environmental Manager, JV Company Four, 2014)

Furthermore, with regard to the board size, the analysed data indicate that boards with a large number of members are linked to high managerial monitoring which could develop efficiency through accommodating the firm's norms and regulations. The number of board directors has not been specified by the LCAL No. 23 of 2010; rather it is left to the management board of each company to decide regardless of their ownership structure. (For more details about the LCAL No. 23 of 2010, see chapter two section 2.6.1). Although according to the LCGC, the number of board members must be between three and eleven members and the majority of board members must be non-executives, such rules are not mandatory for oil and gas firms; rather it is guidance to help and regulate responsible and transparent behaviour in managing a company's behaviour in accordance with the best international practices. (For more details about the LCGC, see chapter two section 2.6.2). In this respect, the analysed interview data show that almost half of the managers interviewed from foreign and joint venture firms within the oil and gas sector have agreed about the importance of a large number of board members in terms of managerial monitoring because it brings diversity of expertise to the board. They explain that boards with large numbers are linked to better diversity in terms of knowledge and expertise and thus can offer different backgrounds, knowledge and could bring dissimilar ideas onto the table for discussion. Regarding this, the auditor of foreign company four explains that:

> "Boards that have a big size bring variety of experience in terms of managerial perspective right. As a part of their discussion agenda right, those directors normally discuss the strategies and policies of social and environmental matters. If the firm has large board numbers, more attention will be given to the CSR issues. This is in turn leads to higher level of disclosure [...]"
>
> (Auditor, Foreign Company Four, 2014)

Another manager from a foreign company adds:

> "Firms that have a large board within the firm, usually have people from different backgrounds, who have different knowledge; therefore, they might bring to the table different ideas to discuss. I think the diversity of this background motivates companies to carry out disclosure of different social activities, in particular during changes"
>
> (Head of Health, Safety and Environment, JV Company One, 2014)

Interestingly, and contrary to the interviewees' views reported above by foreign managers, managers of local firms (accounts manager of company two, 2014, and auditor, of local company one, 2014) have different views and state that boards with large numbers are ineffective, because of the communication and coordination problems. This suggests that when the size of the board rises, the responsibilities increase leading to lower managerial monitoring. Therefore, there could be some high risk when the board might be controlled by powerful managers which influence negatively on CSRD practice.

> “I do not believe the board size has influence on the level of social responsibility disclosure. I think whether it is a large or small board, whether it is a large or small board, it will be controlled by the chief executive officer anyway. Thus, this will result in less communication, coordination and decision making, since this large number of board directors would not be able to accomplish their role well
>
> (Accounts Manager, Local Company Two, 2014)

> “The larger the board size is, the more disagreements between the board members will occur. However, I think the small the board is; the better discussion and engagements with firms matter whether it is social or financial. It is like your family, the less people you have, the better discussion will come”
>
> (Auditor, Local Company One, 2014)

Additionally, some managers of leading oil and gas companies (i.e. accounts manager, local company two, 2014; director of finance, foreign company two, 2014) have stated that the presence of a CSR committee influences positively on the extent of disclosure of social and environmental information. The presence of a CSR committee (according to interview data) motivates firms to implement policies and strategies that demonstrate greater transparency and accountability in the disclosure of environmental and social information. The role of this committee also is the disclosure of credible CSR information by companies functioning in Libya. As explained by the accounts manager of local company two and the director of finance of foreign company two below:

> “I also consider the existence of the social responsibility committee within the company to be an important factor. The availability of this special committee within the company is more likely to have influence on the level of disclosure made by the company”
>
> (Accounts Manager, Local Company Two, 2014)

> “The availability of this special committee within the company is more likely to have positive influence on the level of social disclosure [...]”
>
> (Director of Finance, Foreign Company Two, 2014)

Finally, while the profitability factor has been identified as an important factor that has influence on the extent of CSRD by half of leading oil and gas managers (e.g. Environmental Manager of Local Company Three, 2014; Financial Manager of Joint Venture Company Three, 2014; Director of Finance of Foreign Company Two, 2014), some managers (e.g. Head of Accounts and Budgets, JV Company Five, 2014), did not openly admit that the profitability has influence on the extent of CSRD. They contended that CSRD practice is rather influenced by other factors such as internal regulations of the firms. Indeed, CSRD practice is more influenced by policies and the internal regulations of the firms and, therefore, more profitable companies are better "established" and might not be interested in revealing CSR information. This view is articulated by managers such as the Head of Accounts and Budgets of joint venture company five, 2014 who states that:

> "From my own perspective in working as a head of accounts and budgets, I do not see a lot of influence. Rather, I think it depends on the policies and the internal regulations of the firms. If the internal regulations of the firms oblige the management to disclose social and environmental information, then, whether they are profitable or non-profitable, they have to disclose. I think it depends on the company regulations and polices"
>
> (Head of Accounts and Budgets, JV Company Five, 2014)

Summary

To sum up, the previous findings show that several factors acknowledged by the oil and gas managers *do* influence CSRD practices. What is interesting to note, however, is that the most important factors that were identified by oil and gas managers are the parent company factor, government ownership, size, age, profitability, board meeting, board size and the presence of CSR committee. However, some of the managers appear to be fairly sceptical about the definite effect of some of the institutional factors being valuable in terms of influencing their own CSRD agendas (e.g. communication manager, JV company two, 2014; auditor, local company one, 2014) but, others are certain of such factors influencing CSRD (e.g. director of finance, foreign company two, 2014). Yet, what is visibly evident from the data is that there is a growing *awareness* of CSRD in Libya amongst oil and gas companies and in some cases it *is* being driven by institutional influences which require firms to reflect these pressures in CSRD practice to some extent.

6.2.3 Barriers that Act as Major Impediments to CSRD Development

In understanding the rationales behind the factors that act as major impediments for CSRD development in the oil and gas firms functioning in Libya, the findings of the analysed data tend to suggest that the absence of clear legal requirements that clearly oblige firms to engage in CSRD, shortage of knowledge and low awareness about CSRD, absence of civil society organisations' pressures and the lack of motivation from government are some of significant contextual factors that act as major impediments to CSRD development.

Although Libya's political regimes have recently been changing, similar to other developing countries worldwide, the environmental and social information disclosure in Libya is still not mandatory as yet and formal regulations do not require companies to disclose such information (see e.g. LCAL No. 10 of 2010; LCGC, Petroleum Law, EGA law No. 15, 2010 in chapter two). The postwar government, however, has created its own CSRD guidelines (i.e. HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting guidelines) that embedded its unique economic situation and business culture to encourage firms to be more transparent in accounting practices (NOC Department, 2014), but it is not mandatory just yet. In contrast, firms in developed countries such as the Japan, Canada, USA, Germany, and France practise and disclose CSR information through their annual reports, separate CSR reports and websites, as a result of the strict laws and regulations towards CSRD issues. However, in the case of Libya, as the analysed data revealed, such laws to embrace CSRD practice are lacking. In such an instance, some interviewees explain the rationale that act as major impediments to CSRD development within this industry is the absence of law that indicate to CSRD, by remarking:

> "[...], the absence of law. Disclosure of social information in Libya is not mandatory, and most firms will say, 'We will just comply if we are lawfully obligated.' That's why I believe social disclosure here [Libya] is low"
>
> (Communication Manager, JV Company Two, 2014)

> "[...] lack of legislation by the state here. Many government authorities have the idea that disclosure of social information is only a moral obligation. It is not required by laws in a clear and concise manner"
>
> (Director of Finance, Foreign Company Two, 2014)

Likewise, one external actor from the NOC affirms such law's absence by claiming:

> "Most companies do not disclose much of their social and environmental information because the law does not require it".
>
> (Interviewee Five, NOC, 2014)

The analysis of the gathered data therefore shows that the lack of mandatory requirements to disclose social and environment information provides oil and gas companies with enough justification for *not* disclosing greatly on these issues, especially in the post-Qadhafi state where the local and non-state actors drive the transition. In fact, the social disclosure is always made in response to the claim from state agencies as a result of issuing official rules; however, in the light of the absence of law enforcement and Libya's fragile state environment, it is uncertain as to what degree official regulations would be useful in this respect.

Additionally, because the concept of CSRD is fairly new for firms that operate in Libya, the analysed data show that some firms are not accustomed to its procedures and necessities. The Libyan business' knowledge and awareness of CSRD practice is low, causing the influence of CSRD on purchasing behaviour to be of only a theoretical nature and, not of practical relevance. Oil and gas managers' personal principles and their awareness towards CSRD are significant, and if they are aware of the pollution that their firms make on society and environment, possibly that will aid them to appreciate the significance of CSRD practice. While CSRD is still an emerging subject and whilst it is still developing in some respects, some managers blamed local managers of oil and gas companies who view such corporate information as confidential information which should be kept internalised. This perception suggests that oil and gas senior managers have not yet appreciated the benefits of CSRD practice. For example, the environmental manager of local company four remarks:

> "[...] We do not have much knowledge about what information should be included and what should not; if we disclose something that is not really beneficial and might be harmful, then this might generate bad and adverse publicity"
>
> (Environmental Manager, Local Company Four, 2014)

The manager from the JV company five adds:

> "Within the Libyan environment, many local companies' managers lack the knowledge and understanding of the importance of social information. They think it is something really sensitive and confidential and it should be kept within the firm"
>
> (Head of Accounts and Budget, JV Company Five, 2014)

An external actor from the NOC shared similar view and adds:

> "Most local companies have the idea that this social information is private and confidential and should not be disclosed, due the lack of the value of social and environmental activities from the public"
>
> (Interviewee Five, NOC, 2014)

Whilst there seems to be a considerable level of agreement about the lack of knowledge on the benefits of CSRD practice that act as major impediment for its development within firms functioning in the Libyan oil and gas industry, likewise the data analysed also show that some managers of those firms shed light on the qualifications issue by pointing out that some managers appear to be not qualified enough, and are usually appointed by the government. Practically, all decisions including CSRD come from the board or management, but such managers (according to the interview data) usually lack training and do not have enough understanding about the significance and the benefits of social disclosure in decision making process; this influences negatively on CSRD practice. This perhaps is attributed to the fact that accounting education in Libya still depends on old curricula, and does not teach social responsibility modules. This perception is highly acknowledged particularly among the local managers of oil and gas managers suggesting that there is a need for the accounting education system in Libya to integrate social and environmental awareness and/or some training on CSRD. Commenting on this issue, one auditor from local company one remarks:

> "[...] I think it is probably attributed to the lack of awareness and knowledge about what CSRD is, and the benefits that can be derived from a good CSRD practice. I mean within the Libyan context, managers are normally appointed by the state. Usually those managers have relevant experience in oil fields, but do not have awareness of social responsibility, nor full understanding and recognition of the importance of disclosing social and environmental information"
>
> (Auditor, Local Company One, 2014)

The other concern surrounding the very low awareness of CSRD is the absence of demand for disclosure. A number of interviewees stressed this absence of demand as a major barrier. For example, the auditor from foreign company four comments:

> "There is currently no demand for CSRD from us"
>
> (Auditor, Foreign Company Four, 2014)

Similarly, some firms within Libya also fear change, because the change is not always successful. Organisational culture plays an important role in CSR and its disclosure developments, and therefore change is always risky and care must be taken when firms make changes for better success and to attain the proposed target or objective. Libya has witnessed massive changes over the last few years; however, such changes still have not played the role that they were expected to play. The director of finance of a foreign company two explains:

> "From my point of view, this is because of firms' policies. Some firms constantly seek alteration and they are prepared to face the consequences, while there are firms that fancy the constancy and they feel afraid from the failure which might result from the alteration. Regrettably, local companies are the firms have doubts about alteration"
>
> (Director of Finance, Foreign Company Two, 2014)

Furthermore, the availability of civil society organisations can put pressure on firms to reveal their environmental and social information such as the Friends of the Earth in the UK. While civil society networks have emerged in Libya after the Arab Spring in general, and the recent changes in Libya in particular, their influence on and involvement with media to reach the general public and key decision-makers to impact on policy making and planning is still lacking (Foundation for the future, 2012). The degree of such absence of pressure was clearly identified and explained by several interviewees:

> "The civil society organisations are not active; they do not play any role. Their role is absolutely non-existent. The country is changing, but they are still sleeping. That is why oil and gas companies do not engage too much in CSR activities or their disclosure"
>
> (Environmental Manager, JV Company Four, 2014)

> "[...] the absence of civil society' organisations. There was no civil society' organisations before the 2011 in the country. Now, they have been created. You know, the more pressure from the civil society organizations

on companies, the more social programmes and sustainable development projects to engage in, then the more disclosure would arise"

(Director of Finance, Foreign Company Two, 2014)

Finally, some governments in developed countries motivate companies to engage and disclose their CSR information through, for example, providing tax benefits/exemptions or giving them loans. Some organisations within Libya, such as the NOC and the EGA, are expected to come forward and encourage corporate sector to improve their CSRD activities by providing, for example, tax incentives, arrange awards such as CSR awards for organisations, which could encourage firms to disclose more CSR information. However, this is not the case within the Libyan context, as explained by the respondents, despite the recent changes within the country. This perhaps attributed to the context of the political instability in the country. The lack of motivation from government acts as a major impediment to its further development; therefore it contributes and provides enough justification for the oil and gas companies to not disclose intensively their CSR information. They thought that this could be among the major barriers that hinder CSRD development in Libya.

"There is no motivation from the government. They do not ask for it; they do not demand it. Even if we get involved in social activities on a voluntary basis, we will not get reward for it. Why should we get involved? In developed countries, they get tax exemptions. Here, there is no tax benefit."

(Auditor, Local Company One, 2014)

"[...] no motivation from the state to push companies to participate in disclosure. To become socially responsible, firms need some motivations and incentives. Companies need to know if their social contributions in the society are recognised by the government. They need to see whether there is penalty for not doing it, or there is a reward for it. If we do not feel we got recognized, we will not disclose too much of our social activities [...]"

(Financial Manager, JV Company Three, 2014)

Summary

To sum up, the findings above give some significant, emergent themes concerning the *barriers* that act as major impediments to CSRD development. It is evident that most of the respondents have highlighted different reasons that contribute to the impediments to CSRD in such companies. These reasons include the absence of clear legal requirements referring to CSRD, shortage of knowledge and awareness, absence of a civil society's organisations, fear of change, and lack of motivation from government. The low level of environmental and social disclosure can be explained, therefore, in relation to the debate that such practice is always made in response to the call from state agencies through official rules and regulations.

6.3 Discussion of the Empirical Results

The results analyzed in the earlier sections within this chapter show that managers from local, joint venture and foreign oil and gas firms, and regulators within the NOC, have various perceptions about the CSRD in definitional terms. This is clearly shown by the emerging fundamental themes that have been identified in areas of environmental information disclosure, human resource disclosure and community involvement disclosure. Their distinct perceptions, however, seem to vary based upon home country influences on their operations in Libya. For example, it is noticeable that local firms' managers concentrated on environmental and human resources information disclosure to build their company image and create a better relationship with government; nevertheless, managers from the joint venture and foreign firms have concentrated on all areas of CSRD.

The emerging themes also show that such managers are aware of both the advantages and disadvantages of CSRD practice, such as relationship building, reputational gains and gaining competitive advantages. These findings are similar to the findings made by earlier studies such as Amran (2007a) and Zhao and Patten (2016) who found that one of the key advantage of engaging in CSRD is to depict and enhance corporate image and reputation to become a better business. Furthermore, the current findings are similar to previous empirical evidence (see e.g. Toms, 2002) that suggests disclosure of CSR information helps firms in increasing their environmental reputation, and provides useful information for investment decisions. Similarly, these finding are similar to Hossain's (2012) results, who found that one of the key advantages in engaging in CSRD practice is that it helps firms to build better relationship with government and society.

6.3.1 Factors Influencing CSRD Adoption

The results analysed in the earlier sections further present useful insights on the influence of several external and internal factors, as well as some social factors on the implementation of CSRD practice by firms functioning in the Libyan gas and oil industry. It similarly presented how CSRD are being utilized by oil and gas firms in the process of gaining legitimacy. More specifically, the results show that CSRD is *not* associated with only one institutional pressure; rather it is a result of multifaceted interfaces between institutional pressures and cultural factors. These institutional pressures (external and internal factors) include the state, through its governance body the NOC, foreign business partners, foreign owned companies' activities' behaviour, the parent company factor, government ownership, size, board size, frequency of board meetings and the presence of a CSR committee; while the cultural factors include the need to uphold the firm's reputation and image, and pressures to meet societal expectations. Putting these institutional and cultural factors together can clearly explain *why* such firms adopt CSRD in the first place. These results are consistent with earlier studies' arguments which show that companies are influenced by the country's institutional factors, and that they need to respond to such influence in order to remain legitimate (Beddewela & Herzig, 2013; Nurunnabi, 2015b; Patten & Trompeter, 2003). The institutional and cultural factors identified from the data analysed can be discussed generally within the neo-institutional theory and specifically within the lens of neo-institutional theory framework put forward by DiMaggio and Powell (1983, 1991), categorising and assessing the coercive, normative and mimetic pressures on CSRD practice behaviour in Libya.

In reacting to the coercive, normative and mimetic pressures within the institutionalists' domain, the analysed data provide some evidence of such elements. Coercive pressures usually stem from both informal and formal pressures applied by powerful actors, such as the government on which the firm is dependent. This pressure might occur in the form of invitations, persuasions or legal requirements to change and adopt a particular structure or an organisational practice (DiMaggio and Powell 1983, 1991). The informal pressures may include, amongst others, codes of conduct, monitoring and guidelines. In Libya, there are no legal requirements for CSRD, but there are available guidelines made by the state through its governance, the NOC. Therefore, it is remarkable to note that numerous respondents highlighted the NOC as the main reference in preparing their annual reports. This establishes the legal disclosure that is needed for the firm to reveal. Thus, it is interesting to note that, firms use intentionally the CSRD as a strategy to response to pressures specifically from the state through its governance body, the NOC, to make sure of adherence to internal pressures and to attend to internal legitimacy from their head office. This is in line with Beddewela and Herzig's (2013) results that multinational firms in Sri Lanka are prodigiously motivated by the necessity to achieve internal legitimacy from their head office.

Government regulations and reporting guidelines influence CSRD practices by, for example, applying penalties if actions are not taken (Gopalan & Kamalnath, 2015). Within the Libyan situation, the political embeddedness of CSR and its disclosure is evident when it is compared to the developed countries, such as the UK, where the government welfare and health system takes concern of the employee issues at the national level. The NOC regulations function particularly in employment matters, such as in the areas of health, safety and labour issues which are covered lawfully by health insurance procedures and highlighted in firms' annual reports, as the analysed data show. Consequently, the implication of this finding suggests that the NOC can enact regulations through the coercive power of the state to regulate the behaviour of lower members of the society. Empirically, these findings are in line with previous research findings, which also indicate that government has an influence on companies to engage in CSRD practice (e.g. Amran & Devi, 2007; Amran & Devi, 2008; Islam & Deegan, 2008; Pedersen et al., 2013; Zulkifli & Amran, 2006), but contradicts the evidence of negative influence by Dam and Scholtens (2012).

Another interesting finding is that local firms who have business partners from overseas tend to be exposed to western environmental and social consciousness and follow their business practice. This may be so because the awareness on environmental and social issues amongst the foreign investors is high and therefore, since they are already practicing their CSRD, it would influence the local firms to involve in CSRD activities especially where the board management has large attendance of foreigners. Empirically, this result is consistent with the findings of earlier studies that identify qualitatively the influence of overseas partners on the CSRD among local firms in Malaysia (Amran & Devi, 2007) and quantitatively (Amran & Devi, 2008; Amran & Haniffa, 2011).

The next noticeable finding is related to the foreign owned companies where local firms are mimicking foreign companies' activities' behaviour. For local firms, despite the relatively informal coercive pressures which can be described as weak (only guidelines have been issued) especially in terms of law enforcement in relation to CSRD, some managers are concerned about attainment of legitimacy and to this end they undertake mimetic isomorphism, by imitating the strategy of other foreign owned companies in terms of CSRD. This finding is in line with previous studies which have ascertained that firms are sensitive to what their peers are doing (Beddewela & Herzig, 2013; Islam & Deegan, 2008), and that mimetic pressure could be more significant than coercive pressures with regard to involving in CSRD (Bebbington et al., 2009).

Furthermore, the analysed data also show that cultural factors such as the need to uphold firms' reputation and image, and pressures to meet societal expectations have been identified as key social drivers for engaging in CSRD practices. These social drivers can be discussed in relation to the normative pressure as identified by DiMaggio and Powell (1983, 1991). The national and social bases in Libya (see chapter two for more details) enable normative encouragement for CSRD. This is evident from managers who identified company's reputation and image, and social obligations to society, as *social* drivers for CSRD practice. Although previous research (e.g. Matten & Moon, 2008) has identified CSR and its disclosure as being mostly normatively influenced, reflecting the political and historical system of a country, as is the case in this study; CSRD is driven even by the country's national interests. Societies usually push trading businesses to engage in CSRD, albeit in a soft-touch approach. Nevertheless, managers of oil and gas companies who employ CSRD are trying to achieve ethical legitimacy that reflects not just the nations' cultural values, rather its economic and political interests as well as its relationships globally. By adopting CSRD, which the main institutional actors regard to be "the right thing to do", firms are trying to impact the ethical judgements of those actors. As such, the findings mean once again that CSRD can be utilized as an on-going means of managing a company's reputation and image, and its relationship in the society. Empirically, this finding is in agreement with earlier studies (Amran, 2007a; Belal et al., 2015; Kolk, 2004; Toms, 2002; Zhao & Patten, 2016) that found firms disclose their CSR information in order to depict and enhance their corporate image and reputation, and meeting society expectations (Ahmad & Ishwerf, 2014).

Moreover, turning to other determinants for disclosing on CSR information, the study highlights that the parent company factor, government ownership, size, age, board size, and frequency of board meetings and the presence of CSR committee were identified as other drivers for engaging in CSRD practices. Many of the interviewed managers within this study express that such factors play a significant role in CSRD practice. With regard to the parent company factor, institutionalists agree that standards operating procedures are part of the coercive pressures and, therefore, subsidiary firms are subject to following the standards (DiMaggio and Powell, 1983, 1991). Based upon the earlier findings in this research, it is interesting to note that most of the respondents from subsidiary firms of foreign firms identified how the parent company factor has influence on their CSRD practice. Although subsidiary firms are connecting their long-term CSRD strategies with those of the Libyan state, they are still exposed to their Western parent company style; this might be as a consequence of their reliance on the parent company for on-going access to resources such as; technology, knowledge, and capital (Kostova & Roth, 2002; Kostova & Zaheer, 1999). This further suggests that CSRD practices of foreign firms are influenced by international stakeholders - moderated by parent company policy - to a bigger extent than just by local stakeholders. Empirically, this finding is also in line with the study conducted by Belal and Owen (2007), who found that firms in Bangladesh report their CSR information because of the perceived pressure from external forces, particularly from parent firms’ instructions. This finding is also consistent with a number of earlier studies (Da Silva Monteiro & Aibar-Guzmán, 2010; Freedman & Jaggi, 2005) that found the disclosure cultural and norms from parent firms normally reflected in its subsidiaries’ behaviour and thus in their disclosure practice.

The government ownership also has been identified as a key factor that has influence on the level of CSRD. This finding corresponds with earlier studies (Amran & Devi, 2008; Haji, 2013; Nazli & Ghazali, 2007; Ntim & Soobaroyen, 2013b) which highlight that government owned firms are more liable to pursue a more socially responsible agenda than poorly governed companies. This is because such firms are more politically sensitive and that the activities of these firms are more in the public eyes, and they would involve in more socially accountable activities, and thus more disclosure to legitimise their presence. That is because companies owned by the government indirectly means that the firm is owned by the society (Nazli & Ghazali, 2007).

Moving on to the size and age of the firms, the evidence from the study indicates that large size reflects higher levels of CSRD, which government desires, and age factor is an indicative of experience-based capabilities, which has the advantage of institutional relationship built over time with external institutions that firms can use to their advantage. While age usually reflects relationships in developed countries, the significance of the institutional relationships is bigger in developing economies, because of the on-going administrative involvement in the economy (Shinkle & Kriauciunas, 2010). Old firms in developing economies typically have high legitimacy, because of the longevity of ties with government officials, whereas new companies can lack the institutional support owing to weak property-rights protection. Companies thus, as the data gathered and analysed reveal, that firms with a longer social existence and with more experience are likely to reveal more information than modern ones. Such factors are substantial attributes, because they shape the internal capability and behaviour of companies, while concurrently interacting with the external environmental context to shape the behaviours and performance of firms (Shinkle & Kriauciunas, 2010). These findings are consistent with the dominant view of CSRD literature that shows size has impact on CSRD practice activities. For example, Reverte (2009) reported quantitatively that size of the company has a positive influence on the extent of CSRD practice. Similar results are found by other previous studies (e.g. Haji, 2013; Khan et al., 2013; Rao et al., 2012). However, while the age of the firm has been identified by the company's managers as a significant factor for engaging in CSRD, the secondary data show that old and young firms have almost the same level of adoption as older companies, apart from the sustainability and secondment of staff, where old firms include this information about it. This corresponds with previous studies (Abd Rahman et al., 2011; Aldrugi, 2013; Sufian, 2012) which have identified that age does not have influence on CSRD practice.

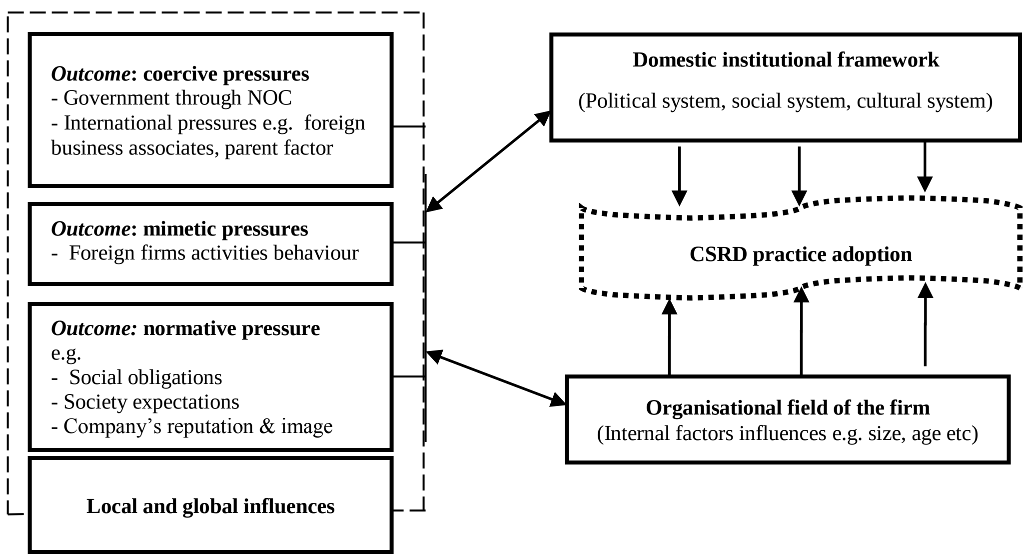
Additionally, the evidence from the study on board size, frequency of board meetings and the presence of CSR committee also indicates that such factors have influence on CSRD practice behaviour. In this context, Jizi et al. (2014) argue that frequency of board meetings can help to improve the effectiveness of the company in terms of managerial monitoring and performance, and therefore empirically he found such a factor has a positive impact on the CSRD in the US banking sector. Similar results were found in previous studies (Das et al., 2015; Ntim & Soobaroyen, 2013b; Rao et al., 2012) in relation to the influence of the board size on CSRD, and the presence of a CSR committee where presence of CSR committee is associated with a greater disclosure of environmental information (Faisal & Achmad, 2014; Ntim & Soobaroyen, 2013b).

Summary

To summarise, based on the above findings and discussion, CSRD in Libya seems to be influenced by national and organisational influences, which are also open to local and global forces of legitimization, manifested in the coercive, normative, and mimetic pressures, as illustrated in Figure 6.1 below. Coercive pressures associated with pressures from, for example the NOC and foreign business partners, on corporate' reporting behaviour, while mimetic pressures involve local firms copying other firms' activities' behaviour, and normative pressures involve what ought to be good business practice. These results indicate that institutional mechanisms do influence the way oil and gas firms engage with CSRD. The consequence of the institutionalised process is that firms begin to disclose their CSR information so as to confirm to the expectations of those who can provide business opportunity.

Consequently, these findings show that three types of institutional isomorphism do contribute to the Libyan corporate context reporting behaviour. In other words, the manifestation of CSRD implementation is mainly a function of institutional isomorphism i.e. coercive, normative and mimetic pressures in the societies of fragile states with developing economies for the pursuit of legitimacy. These results are somewhat similar to Nurunnabi (2015a) and Nurunnabi (2015b) who concluded that the three institutional isomorphism pressures put forward by DiMaggio and Powell (1983, 1991) intertwined in shaping institutional practices' implementation in developing countries' contexts generally, and to Zhao and Patten (2016) in the area of CSRD particularly. As such, the coercive, normative and the mimetic pressures drive firms to be more apparent and environmentally and socially responsible within the Libyan institutional environment, but are low. This is indicative of other studies (Nurunnabi, 2015b; Zhao & Patten, 2016) in developing countries context, such as Bangladesh and China who found that coercive, normative and mimetic isomorphism are low.

Figure 6.1: Multiple Sources of Influence on CSRD, Neo-institutionalism and Outcomes in Libya



6.3.2 The Major Barriers that Hinder CSRD development

The final key finding of the qualitative stage is related to the main barriers that act as major impediments to CSRD development in the oil and gas firms operating within the oil and gas industry. The findings show that the absence of clear legal requirements referring to CSRD, absence of awareness and knowledge, lack of motivation from government, absence of the EGA's role, and the absence of civil society organisational pressures act as major impediments to CSRD development. The major barriers for the extent of environmental and social disclosure can be clarified in relation to the debate that such practice is always made in reaction to the call from state agencies through official rules and regulations (Jacobs & Kemp, 2002). While CSRD in several developed countries is mandatory, such as in Spain (Larrinaga et al., 2002), France (where firms with 300 employees or more must draft CSR reports) (Wanderley et al., 2008), by contrast, in other developed countries, such as the UK, it is mainly due to the pressures arising from social constituents (Belal & Cooper, 2011).

In the case of Libya, however, the formal regulations do not require firms to engage in CSRD just yet and the absence of the EGA's role are perceived as the major barriers that hinder CSRD development in Libya. Consequently, in the light of the absence of law enforcement and its fragile state environment (Boduszyński & Pickard, 2013), political instability (Chivvis & Martini, 2014), and the absence of the EGA's role, it is uncertain to what degree official regulations would be useful in this respect. Overall, the findings make it questionable whether implementing official regulations, at least in the short run, will enable the state to obtain the official objectives of CSRD, particularly in the light of the country's political instability. Yet, policy makers should consider whether emerging pressure from groups such as civil society organisations, and the Libyan EGA could become adequately structured and powerful enough to propel firms towards social disclosure leading to an increased level of CSRD. Empirically, this finding is in line with the results of past studies (Ahmad & Ishwerf, 2014; Belal & Cooper, 2011; Belal & Lubinin, 2009; De Villiers, 2003; Hossain et al., 2016) that suggests the absence of legal requirements is a key barrier for low and/or non-disclosure of CSR information in developing countries contexts.

The absence of awareness, knowledge, and the lack of motivation from government, could be applicable to the context of all developing countries in relation to CSRD (Belal & Cooper, 2011; Hossain et al., 2016). These factors have not been emphasised within North African countries' contexts intensively, but they could provide further explanation of barriers that act as major impediments to and/or absence of CSRD in such countries. The current research further offers substantiation that firms are fear of change. As such, corporate managers, perhaps need training to ascertain the desirable knowledge and skills to be capable of engaging in CSR accomplishments, and disclosure (Belal & Cooper, 2011). Empirically, such results are identical to previous studies conducted in developing countries in the environmental disclosure and CSR reporting, respectively (see e.g. Ahmad & Ishwerf, 2014; Belal & Cooper, 2011; Hossain et al., 2016; Martin & Hadley, 2008; Pedersen et al., 2013). Additionally, the absence of civil society organisational pressures was found to act as major impediments to CSRD development. Although the civil society organisations have recently been created in Libya after the 2011 revolution (Foundation for the future, 2012), and it appeared not playing its expected role in terms of pressure on companies to engage in more disclosure of social activities and sustainable development projects, the research disputes that there is similar necessity to make a major alteration in the company mind-set in order for CSRD to be utilized as a tool for releasing responsibility in the business organisations, instead of utilizing it as a response to pressures from a particular organisation or groups.

6.4 Chapter Summary

To summarize, there are two points to note here. Firstly, the CSRD practice adopted by the oil and gas firms operating in Libya is influenced by different institutional and cultural factors within the Libyan environment. More precisely, the results show that the factors that influence the presence of CSRD include the NOC, foreign business partners, foreign owned companies' activities' behaviour, while the other factors include parent company, government ownership, the presence of CSR committee, board size, board meetings, size, age, while the cultural factors include the need to uphold the firm's reputation and image, and pressures to meet societal expectations. Secondly, the results strongly show the absence of a clear legal requirements referring to CSRD, the shortage of knowledge and awareness, absence of civil society organisations, absence of the

EGA’s role, and lack of motivation from government are perceived as the major barriers that hinder CSRD development in Libya.

Chapter 7: Descriptive Statistics, OLS Assumptions, Empirical Results and Discussion

7.0 Overview

This chapter presents the findings from the weighted content analysis of the annual reports of the surveyed oil and gas firms operating in the Libyan oil and gas sector. After presenting the findings of the descriptive statistics of CSRD practices, the chapter presents the findings of the descriptive statistics of CSRD practices for every year over a 4 year period. This period is divided into pre-revolution period (i.e. 2009 and 2010) and post-revolution period (i.e. 2012 and 2013), making a comparison of both periods. It also presents the findings of the categories of CSR information that are mostly being disclosed, followed by presenting the results of CSRD according to company ownership structure and type of news. The chapter also offers a deep explanation of how the Ordinary Least Squares (OLS) assumptions have been met. The final sections of the chapter present the findings about the associations between the extent of CSRD and CSRD determinants, the robustness or sensitivity of the empirical results to alternative empirical estimations, and a discussion of the findings in relation to previous studies. The final section presents a brief summary of this chapter.

7.1 Findings

7.1.1 Descriptive Statistics of the Overall Mean of CSRD Practices

The descriptive statistics for the extent of CSRD in the years 2009, 2010, 2012, and 2013 is presented in table 7.1. The overall mean of the extent of CSRD for the entire 4 years totalled a mean score of 227.15 words. However, the findings in the year 2009 show that the extent of CSRD ranged from 1 to 501 words, with a mean score of 226.16 words. In contrast, in the year 2010, the extent of CSRD score is ranged from 3 to 479 words with a mean score of 200.64 words. In the year 2012 and 2013, the extent of CSRD score ranged from 4 to 512 words, with a mean score of 252.46, and from 50 to 453 words, with a mean score of 229.48, respectively. The overall findings demonstrate that the extent of CSRD scores are fluctuated over the study period as indicated by the mean scores of 226.16 words in 2009, 200.64 words in 2010, 252.46 words in 2012, and 229.48 words in 2013, respectively.

Table 7.1: Descriptive Statistics on the Dependent Variables of CSRDs

Extent of CSRD	**Pre-revolution**		**Post-revolution**		
Years	2009	2010	2012	2013	Total
Minimum	1	3	4	50	1
Maximum	501	479	512	453	512
Mean	226.16	200.64	252.46	229.48	227.15
Std. Deviation	118.37	116.86	131.10	119.34	121.44
Skewness	0.682	0. 577	0.253	0.388	0.456
Kurtosis	0.696	0.611	-0.682	-0.841	-0.288

Note: The extent of CSRD practices shown in the above table is presented in word count.

At a general level, comparing the pre and post revolution periods, the study findings show that there are fluctuations in the overall means of CSRD practices, where the period of the pre-revolution generally decreased from 226.16 words in 2009 to 200.64 words in 2010, while the period of the post-revolution significantly increased to 252.46 in 2012 and decreased again to 229.48 words in 2013. The simultaneous fluctuations in the extent of CSRD largely reflect the changes, as well as the political instability that occurred in Libya. Nevertheless, it had some positive implications for CSRD in Libya, since the fluctuations has been minor, but going up from an average of 226.16 words in 2009 to an average of 229.48 words in 2013. Such a minor change in the overall mean of CSRD practices could be explained by factors such as the establishment of HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting guidelines as well as introducing a sustainable development department within the NOC that aims to achieve (currently and in the future) economic growth to secure good living standards, while enhancing and protecting the environment (NOC Department, 2014). However, such factors seem to have not yet played its expected role, perhaps because of the political instability arising from the wind of the "*Arab Spring*" in the region and Libya, particularly. The findings further indicate that the scores in the extent of CSRDs are normally distributed as revealed by the values of Skewness and Kurtosis in table 7.1.

7.1.2 Descriptive Statistics of the Categories of CSR Information being Mostly Disclosed in Annual Reports

Table 7.2 provides details of the categories of CSRDs for the 4 years period covered in the present study. The table shows that the most extensively disclosed categories in the year 2009 are the human resources category (122.48 words), followed by the environment category (79.28 words), the energy category (13.08 words), and the community involvement category (11.32 words). The least frequent category that is not being disclosed at all in 2009 is consumer category, which consists of items such as "specific consumer relations", "consumer complaints", and provision for difficult-to-reach customers. The very low disclosure is perhaps attributed to the fact that the recognition and/or concern given to this social disclosure category by the oil and gas firms is not important given the industry type.

Furthermore, although the results in 2010, 2012, and 2013 show similar results in terms of ranking and fluctuations, where the human resources category is ranked as being the most disclosed category, followed by the environmental category, the energy category, and the community involvement category. The consumer category received more attention after the Libyan revolution, in contrast to 2009 and 2010, which included information about the "specific consumer relations", "aged", "provision for disabled", "customers", and "provision for difficult-to-reach customers". Such attention paid to this category is perhaps attributed to the reality that companies (after the recent changes in the country) attempt to build, promote and develop more sustainable practices that may bring together the aspirations and capacities of communities, government and civil society organisations to create a vision for the future.

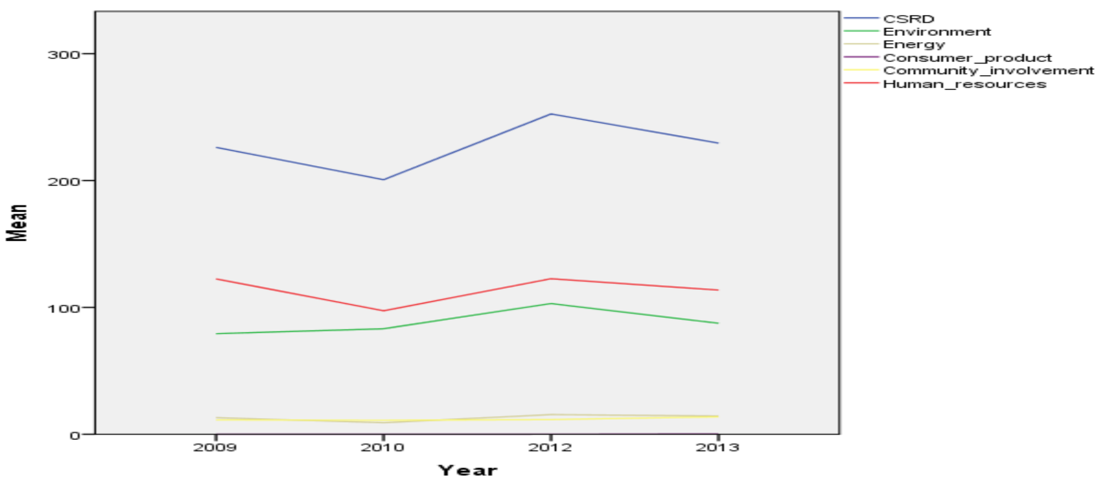
Table 7.2: Descriptive Statistics of the Categories of CSR Information being Mostly Disclosed

Extent of CSRD practice	Pre-revolution		Post-revolution		Total
Years	**2009**	**2010**	**2012**	**2013**	
Human resources					
Minimum	0	1	0	19	0
Maximum	322	299	303	258	322
Mean	122.48	97.32	122.61	113.64	113.78
Std. Deviation	65.563	62.383	72.799	62.147	65.87
Environment					
Minimum	0	0	0	0	0
Maximum	212	244	301	231	301
Mean	79.28	83.18	103.04	87.48	88.52
Std. Deviation	64.195	60.935	81.691	61.930	67.63
Energy					
Minimum	0	0	0	0	0
Maximum	110	111	182	176	182
Mean	13.08	9.11	15.54	14.44	12.99
Std. Deviation	24.930	22.29	36.20	34.91	29.86
Community involvement					
Minimum	0	0	0	0	0
Maximum	42	34	36	67	67
Mean	11.32	11.04	11.57	13.76	11.89
Std. Deviation	11.61	9.97	10.74	15.04	11.78
Consumer					
Minimum	0	0	0	1	0
Maximum	0	0	1	4	4
Mean	0	0	0.04	0.20	0.06
Std. Deviation	0	0	0.189	0.81	0.41

Note: The extent of CSRD practices shown in the above table is presented in word count.

However, comparing the pre and post revolution periods, the findings show that the mean score of the environmental disclosure category increased during the post-revolution compared to pre-revolution, whereas community involvement category disclosure items show steady, but not dramatic, increase in the overall mean results. More specifically, the overall mean score for each year for the environment category which includes items such as "environmental policy", "environmental – product and process-related" and "sustainability" as well as other environmental information show a steady increase in the extent of CSRD, where the overall mean of the number of words, pre-revolution, has increased to 83.18 in 2010 from 79.28 in 2009, and has increased to 103.04 words in 2012 but decreased in 2013 to 88.52 words. However, the disclosure on human resources and energy categories are fluctuated over the study period as indicated by the mean scores reported in table 9.2 above. More specifically, the overall mean for each year for the human resource category which includes information about employee data, pension data, health and safety, and employee training shows fluctuating trends in the extent of disclosure, where it decreased to 97.32 in 2010 from 122.48 words in 2009, but increased again to 122.61 words in 2012, but decreased in 2013 to 113.64 words.

Figure 7.1: The Types of CSR Information being Mostly Disclosed by Oil and Gas Companies



Overall, the fluctuations in the extent of the overall CSRD and each category of disclosure of CSR information (see figure 7.1 above) can be labelled as unstable, reflecting political and economic destabilisations arising from the wind of the "*Arab Spring*" in the region and Libya, particularly. Libya, similar to other developing countries (such as Tunisia and Egypt), has witnessed changes in its government regime, unlike developed countries which are characterized by relative stability in their systems of governance. As such, political changes have evidently influenced the business environment. This includes the way that firms are seen in the country, and more significantly, the way they are anticipated to perform. In fact, many businesses in the country have been criticized and scrutinized for their long term dealings with traditional regimes, but this does not necessarily suggest that all previous business practices were incorrect. More often than not, they reflected standard business involvements with influential decision makers, which in Libya have, until recently, enjoyed significant longevity.

The findings of high disclosure on human resources and environment categories are expected, given that oil and gas companies are perceived to be highly risky in terms of their employee health and safety conditions, as well as environmental repercussions (Jackson & Apostolakou, 2010), thus, oil and gas firms do adopt and disclose more on such categories. Furthermore, these firms may have more to achieve by being active and selecting the standards which they must fulfil, rather than leaving this responsibility to the state. Therefore, because of their impact on society, firms within this industry tend to adopt more codified and explicit CSRD practices on such categories. However, the least frequent category that is being disclosed by one company is the consumer category, which consists of items such as “consumer complaints”, “specific consumer relations”, and “provision for difficult-to-reach customers”. This category appears of low significance, but this problem is broadly documented as an area that deserves further attention. As such, in answering the question regarding the types of CSRD information (categories) that are mostly being disclosed by the oil and gas firms’ annual reports functioning in Libya, the findings show that the human resources category is the category that received the most attention and thus is the most disclosed category, followed by the environment category, energy category, and community involvement category, while the consumer category remains very low and therefore is the least disclosed.

7.1.3 Descriptive Statistics of CSRD according to Company Ownership Structure

The extent of CSRD practices may vary according to the ownership structure (Darus et al., 2013; Hossain et al., 2006; Nazli & Ghazali, 2007). Table 7.3 presents the overall mean of the extent of CSRD practices for each year of the 4 years covered in this study, based on the company's ownership structure (i.e. local and government ownership, joint venture, and foreign). Starting with local companies, table 7.3 shows that the overall mean of the extent of CSRD practices were 191.14 words in 2009, 202.60 words in year 2010, 250.70 words in year 2012, and 264.17 words in year 2013. The table further indicates that all of the surveyed local companies do provide environmental and social information in their annual reports, with the average volume gradually increasing throughout the period covered in this research. The mean row indicates that the mean capacity of CSRD by local companies increased from 191.14 words in 2009 to 264.17 words in 2013. The minimum number of words rose from 46 to 72 and the maximum decreased from 501 to 430.

Table 7.3: Descriptive Statistics of CSRD according to Firm Ownership Structure

Company	**Statistics**	**Pre-revolution**		**Post-revolution**	
	Years	**2009**	**2010**	**2012**	**2013**
Local	Mean	191.14	202.60	250.70	264.17
	Minimum	46	33	75	72
	Maximum	501	479	480	430
	Std.D	144.44	165.94	148.77	167.87
Foreign	Mean	197.36	217.09	245.36	249.58
	Minimum	1	3	4	79
	Maximum	323	345	459	453
	Std.D	87.09	89.80	117.80	100.83
Joint venture	Mean	207.50	170.17	282.67	155.17
	Minimum	97	62	101	50
	Maximum	357	246	512	316
	Std.D	85.42	79.184	150.15	93.48

Note: The extent of CSRD practices shown in the above table is presented based on the number of words.

On the other hand, the overall mean of the extent of CSRD practice by foreign companies was 197.36 words in 2009, 217. 09 words in the year 2010, 245.36 words in the year 2012, and 249.58 words in the year 2013. The overall mean of the extent of CSRD increased from 197.36 words in 2009 to 249.58 words in 2013, with minimum words increasing from 1 to 79 and maximum from 232 to 453. By contrast to local and foreign companies, the extent of CSRD practice among the joint venture firms seems to have fluctuated. More specifically, the overall mean of the extent of CSRD practice by joint venture companies was 207.50 words in 2009, 170.17 words in the year 2010, 282.76 words in the year 2012, and 155.17 words in the year 2013. This fluctuation reflects the political and economic destabilisations arising from the wind of the "*Arab Spring*" in the region (generally) and the context of the political instability in Libya (specifically).

Table 7.3 further suggests that the overall mean of the extent of CSRD for each of the 4 years among foreign companies is higher than the overall mean of the extent of CSRD practices among the local companies. However, the overall mean of the extent of CSRD in both local and foreign companies increased gradually throughout the period. On the one hand, the rise in the extent of CSRD in the local firms might be attributed to a number of possible causes, most significantly including the recent political and institutional changes occurring in the country, the establishment of HSE.GDL.001.00 and HSE.PRO.002.00 guidelines, and the introduction of sustainable development department within the NOC. Although, in practice, there is no real obligation for local firms to reveal social and environmental information, such firms seem to conform to the guidelines that have been established by the NOC. Possibly, because they think that it will show their pledge to social and environmental responsibility. On the other hand, the gradual rise in the extent of CSRD practice among foreign companies might be attributed to such firms attempting to strength their competitiveness and making themselves stand out, in anticipation that this will provide them with priority in terms of new contracts for gas and oil exploration in the future in the country. However, the extent of CSRD practice among the joint venture firms seems to have fluctuated, reflecting the political and economic destabilisations arising from the results of the "*Arab Spring*" in the region (generally) and the subsequent political instability in Libya (specifically). In other words, the fluctuations in the level of CSRD of joint venture companies might be attributed to changing socio-political factors which led Libya to become a less business-friendly environment, in particular for foreign partner investors. This in turn led to diverse challenges affecting (among other things) the level of CSRD practices.

7.1.4 Descriptive Statistics of the Type of CSRD Information

The CSRD can be classified in three forms: good news, neutral news, and bad news (Gray et al., 1995b; Hackston & Markus, 1996). Table 7.4 presents the details of the descriptive statistics of the news categorization as revealed by the oil and gas companies operating in Libya, allowing compression between local, joint venture and foreign companies. The findings reveal that the overall mean of the total of words being disclosed by local firms is 81.24 for good news, 151.62 for neutral news and 13.68 for bad news, while the overall mean of the total of words being disclosed by joint venture companies is 56.96 for good news, 134.33 for neutral news, and 12.58 for bad news. However, the overall mean of the total of words being disclosed by foreign companies is 96.48 for good news, 123 for neutral news, and 5.58 for bad news. The table further shows that local, joint venture, and foreign firms disclose information mostly in the form of neutral and good news, perhaps in order to construct a better image.

Table 7.4: Descriptive Statistics Methods of CSRD

Company	Type of news	Pre-revolution		Post-revolution		Overall mean
		2009	2010	2012	2013	
GOV-OWN	Mean of good news	97.29	68.70	78.80	86.57	81.24
	Mean of neutral news	174.86	124.90	154.80	162.00	151.62
	Mean of bad news	19.00	9.00	17.10	10.14	13.68
Joint venture	Mean of good news	74.00	44.33	69.33	40.17	56.96
	Mean of neutral news	103.17	123.50	202.17	108.50	134.33
	Mean of bad news	30.33	2.33	11.17	6.50	12.58
Foreign	Mean of good news	85.67	88.75	105.25	106.25	96.48
	Mean of neutral news	119.75	119.75	128.42	136.75	123.00
	Mean of bad news	4.83	5.75	5.17	6.58	5.58

Note: The type of news on CSRD practices shown in the above table is presented in word count.

Dissimilarity between the local, joint venture, and foreign companies when considering the disclosure of neutral and bad news is clearly evident from the above table, with the mean of the neutral news accounting for nearly 152 scores of the total disclosures among local companies, 134 among the joint venture firms, and just 123 for the foreign firms. Similarly, the mean for bad news is high among the local (mean 13.68), and joint venture firms (12.58), compared to foreign companies (6). This perhaps means that local firms are more likely to be active in disclosing bad news than foreign companies. The higher average mean for bad news in the local and government owned companies is perhaps because public firms do not have shareholders or shares traded on the stock market, and the disclosure, whether it is bad, neutral, or good, has little effect on their market value. Additionally, considering the period of pre and post revolution, the findings indicate that good, natural and bad news among the foreign companies tend to be steadily, but not dramatically, increasing, while good, natural and bad news among the joint venture and local companies seem to be fluctuating, reflecting the context of the political instability in the country.

7.1.5 Descriptive Statistics of Independent Variables

The descriptive statistics for all independent variables utilized in this research are provided in table 7.5. The average government ownership (GOVOWN) of the research sample is 31%, while the average level of joint venture ownership (JVOWN) is 27%, and the average foreign ownership (FOROWN) is 42%. The average frequency of board meetings (FBM) of the research sample is 7.88%, whilst the average of the board size (BSIZE) is 5.05%, and the average presence of CSR committee (CSRC) is 15% and 38% for the parent company factor (PACOM).

Table 7.5: Descriptive Statistics of Independent Variables

Variables	Mean	Median	Std. Dev.
GOVOWN	.31	.00	.465
JVOWN	.27	.00	.420
FOROWN	.42	.00	.497
FBM	7.88	7.00	1.829
BSIZE	5.05	5.00	1.305
CSRC	.15	.00	.360
PARCOM	.38	.00	.487
FSIZE	1612.52	459	1980.77
FAGE	25.74	26.50	18.45
*ROA	-1.38	-1.36	.473

Variables are defined as follows: Government ownership *(GOVOWN)*, Foreign ownership *(FOROWN)*, Joint venture ownership *(JVOWN)*, Frequency of board meetings *(FBM)*, Board size *(BSIZE)*, CSR committee *(CSRC)*, Parent company *(PACOM)*, Firm size *(FSIZE)*, Firm age *(FAGE)*, Return on assets *(Log10 of ROA)*.

7.2 Bivariate Correlation and Ordinary Least Squares (OLS) Assumptions

As discussed in chapter 5, multivariate regression was utilized to test whether the extent of CSRD is significantly related to a number of CSRD determinants. In line with previous CSRD studies (e.g. Amran & Devi, 2008; Amran & Haniffa, 2011; Haji, 2013; Haniffa & Cooke, 2005; Rao et al., 2012), the assumptions of OLS comprising normality, multicollinearity, homoscedasticity, autocorrelation, and linearity were examined. This is done in order to develop the best model in the sense that all the estimated coefficients have the correct signs (Gujarati, 2003).

In the process of testing the data, the first stage was to test whether outliers exist with the continuous variables. It has been stated (Field, 2013) that it is important that the researcher checks whether the continuous variables have outliers prior to conducting any tests. The rationales behind meeting such assumptions are that (a) extreme values of observed variables can misrepresent estimates of regression coefficients. In other words, the presence of outliers could seriously violate the OLS assumptions (Ntim, 2009), and they might result in a model misspecification (Richard, 2015). As such, the test on the untransformed data indicated that all continuous variables tend to *not* have a problem with outliers (for brevity reasons these are not shown here, but they are available upon request) apart of violations with the ROA variable for measuring profitability, where outliers were found. However, many researchers in statistical books generally (e.g. Field, 2013; Wooldridge, 2012) and in the area of CSRD studies specifically (see e.g. Amran & Devi, 2008; Haji, 2013; Haniffa, 1999; Haniffa & Cooke, 2002; Haniffa & Cooke, 2005) have suggested that researchers looking at CSRD should consider paying attention to the "structure" of the data and also consider the suitability of transformation where needed. Using the log10 for the ROA variable, the data was transformed to a normal score and the data then was checked to see whether the problem still persisted. It was noted that the problem of outliers with this continue variable (namely ROA) had ceased.

The second step that has been undertaken was to run a test on the data to see whether the assumptions of OLS have been violated. As a result, OLS assumptions of normality, multicollinearity, homoscedasticity, autocorrelation, and linearity were examined. To begin, in order to explore whether the continuous variables are normally distributed, the normality of these variables was tested. Following Ntim et al. (2012), this research assessed the normality of data using both probability-probability (P-P) and Histograms.

The constructed variables, as indicated by the findings (for brevity reasons not shown here, but they are available upon request), seemed to be normally distributed. This can be clearly seen from the histogram and the P-P plot of CSRD in the graphs presented in Appendix 8.

In addition to the above two measurements, Skewness and Kurtosis were also undertaken to assess the normality of the data. The data is assumed to be normally distributed, if the standard value of Skewness is ±1.96 and standard value of Kurtosis is within ±3 (Haniffa & Hudaib, 2006). The tests of Skewness and Kurtosis for all continuous variables in this research appeared to be normally distributed. More precisely, table 7.6 indicates that the Skewness of CSRD is 0.445 (slightly skewed to the right), which is an indication of a normal distribution. For Kurtosis, the hypothesis of normality can be rejected if the Kurtosis value exceeds ±3 (Gujarati, 2003; Haniffa & Hudaib, 2006). Table 7.6 indicates that the Kurtosis value of CSRD is -0.292, which indicates that the data is normally distributed. With regards to the other variables, table 7.6 shows that the Skewness values for all continuous variables fall between the range of ±1.96. Similarly, for Kurtosis test statistics, all of the continuous variables fall between the ranges of ±3, indicating that all variables are normally distributed.

Table 7.6: The OLS Assumptions Tests for Normality on the Continues Variables

Variable name	**Skewness**	**Kurtosis**
CSRD	0.445	-0.292
FBM	0.559	-0.289
BSIZE	-0.059	-0.640
FSIZE	0.987	-0.349
FAGE	0.203	-1.246
ROA	0.094	-0.848

Notes: The Skewness and Kurtosis for Government ownership *(GOVOWN),* Foreign ownership *(FOROWN),* Joint venture ownership *(JVOWN),* CSR committee *(CSRC)*, Parent company *(PACOM)* have not been reported here because they are dummy variables. Corporate social responsibility disclosure *(CSRD),* Frequency of board meetings *(FBM),* Board size *(BSIZE)*, Firm Size *(SIZE)*, Firm Age *(FAGE)*, and Return on Assets *(ROA)*. Chapter eight offers detailed definitions for all utilized variables.

The correlation matrix was also performed in this research to test and identify whether there is a multicollinearity problem. In other words, the correlation matrix was utilized in order to test the direction and degree of a linear relationship between the variables, as it aids in identifying the potential existence of multicollinearity amongst the variables. The multicollinearity problem exists when the correlation coefficients between two variables is large (Albassam, 2014). To check the problem of multicollinearity, the rule of thumb is when the correlation is > 0.800 (Amran et al., 2009; Gujarati, 2003; Gujarati & Porter, 2009; Haniffa & Hudaib, 2006), it indicates that the multicollinearity problem does exist. In line with Albassam (2014), and Ntim et al. (2012), the Person correlation coefficients (parametric) was undertaken and the findings are presented in table 9.7. In this table, the correlation matrix for the dependent, explanatory and control variables utilized for the CSRD model are shown. The directions of Person correlation coefficients (parametric) are fairly low, indicating strong justifications that the multicollinearity problem amongst the variables in the model does *not* exist (See table 7.7 below).

Table 7.7: Pearson Correlation Matrices of all Variables for all Company Years

Variables	FSIZE	FAGE	GOVOWN	JVOWN	FOROWN	FBM	BSIZE	CSRC	PARCOM	CSRD	PROFT
SIZE	*1*										
AGE	*.255***	*1*									
GOVOWN	*.534***	*.016*	*1*								
JVOWN	*.186*	*.018*	*-.364***	*1*							
FOROWN	*-.664***	*-.117*	*-.577***	*-.465***	*1*						
FBM	*.040*	*.112*	*.180*	*-.100*	*-.215**	*1*					
BSIZE	*.001*	*-.062*	*.195**	*-.228**	*.013*	*.122*	*1*				
CSRC	*-.306***	*.368***	*-.283***	*-.228**	*.331***	*.390***	*-.137*	*1*			
PARCOM	*-.327***	*-.023*	*-.523***	*.137*	*.316***	*.127*	*-.253**	*.542***	*1*		
CSRD	*.251***	*.119*	*.111*	*-.104*	*.005*	*.319***	*.096****	*.243**	*.172*	*1*	
ROA	*-.123*	*-.148*	*.173*	*.065*	*-.208**	*-.039*	*-.335***	*-.018*	*.056*	*-.416***	*1*

Notes: **, * and *** indicate significance at 1%, 5% and 10% levels, respectively. Variables are defined as follows: Corporate Social Responsibility Disclosure *(CSRD)*, Government ownership *(GOVOWN)*, Foreign ownership *(FOROWN)*, Joint venture ownership *(JVOWN)*, Frequency of board meetings *(FBM)*, Board size *(BSIZE)*, CSR committee *(CSRC)*, Parent company *(PACOM)*, Firm size *(FSIZE)*, Firm age *(FAGE)*, Return on assets *(ROA)*. Chapter eight offers detailed definitions for all utilized variables.

However, some researchers (see e.g. Pryce, 2005) argue that multicollinearity might still pose a risk, even after undertaking all the tests that are linked to normality. Following Albassam (2014), Amran and Haniffa (2011), and Dam and Scholtens (2012), two further tests were conducted to detect whether the multicollinearity problem among the variables does exist. These statistical tests comprise the Variance Inflation Factor (VIF) and Tolerance. It has been suggested (Gujarati, 2003) that there could be a multicollinearity problem when VIF values are greater than 10, and tolerance level values <0.1 (Hair, 2010; Ray, 2012). Table 7.8 shows that the values of VIF for all variables used in this model fall between a minimum of 1.50 and a maximum of 8.62, which indicates that there is no problem of multicollinearity. Similarly, the tolerance statistic test also shows that the values of tolerance lie in this research between 0.116 and 0.665. Consequently, the values of both the VIF and tolerance statistics indicate that the multicollinearity problem does not exist in interpreting the findings of the OLS regression assumptions.

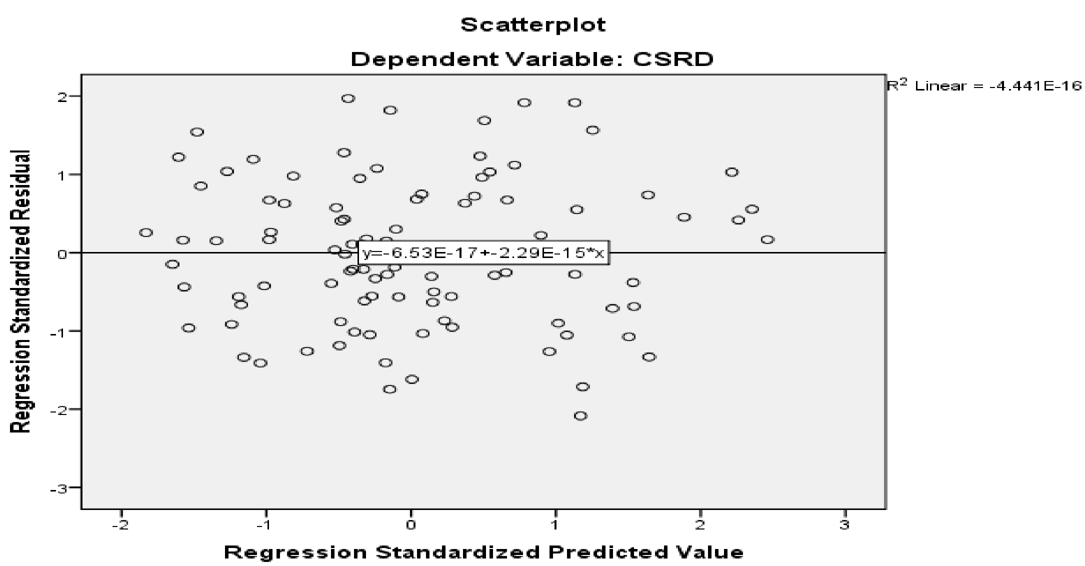
Table 7.8: The Tolerance and VIF Values to Determine whether Multicollinearity Problem Exists among the Variables in the Model

Variable	**Tolerance**	**VIF**
GOVOWN	.125	8.027
JVOWN	.147	6.788
FOROWN	.116	8.628
FBM	.562	1.780
BSIZE	.665	1.504
CSRC	.338	2.890
PACOM	.449	2.957
FSIZE	.364	2.745
FAGE	.616	1.624
ROA	.631	1.585

Government ownership *(GOVOWN)*, Foreign ownership *(FOROWN)*, Joint venture ownership *(JVOWN)*, Frequency of board meetings (FBM), Board size *(BSIZE)*, CSR committee *(CSRC)*, Parent company *(PACOM)*, Firm size *(FSIZE)*, Firm age *(FAGE)*, Return on Assets *(ROA)*. Chapter eight offers detailed definitions for all utilized variables.

After conducting the normality and the multicollinearity tests, the other assumptions of OLS were tested to determine if the OLS technique can be estimated properly. This includes testing the homoscedasticity, autocorrelation and linearity assumptions. With regards to homoscedasticity, the main assumption is that "at each level of the predictor variable(s), the variance of the residual terms should be constant" (Field, 2013, p. 220). In other words, the rule of this is that if standardized residual values appeared to be arbitrarily distributed around a "*horizontal line*" around zero, then the equal variance assumption is met or fulfilled (Field, 2013). However, if the findings show the opposite, a transformation of the data might be required, because when the variances are very unequal (heteroscedasticity), they might result in harming the efficiency, and the standard errors might be biased. Therefore, in line with Amran and Haniffa (2011), and Haniffa and Cooke (2005), this research examined the homoscedasticity by running a graph to check the scatterplot by placing the "standardized residuals" against the "standardized predicted" values. Looking at the scatterplot of standardized residuals against the predicted values (See the graph below), the results indicate that the points are randomly and evenly dispersed and scattered around the horizontal line. This pattern is indicative of the reality that the assumption of homoscedasticity has been met and satisfied in this research.

Figure 7.2: Homoscedasticity Graph



Additionally, the presence of autocorrelation might lead to incorrect standard errors when running the OLS. This test is usually employed to examine the relationship between an error and its lagged value (Albassam, 2014). According to Gujarati (2003), the rule of thumb for checking for autocorrelation is by observing the Durbin-Watson test value, which is normally ranged in a value from 0 to 4. In other words, a value close to 2 shows non-autocorrelation; a value near to 0 shows positive autocorrelation; a value close to 4 indicates negative autocorrelation. In line with Kajananthan (2012), and Ntim et al. (2012), the Durbin-Watson test was utilized to explore autocorrelation in this research. The Durbin-Watson value in this research is 2.31 for the model used, and therefore the findings of the correlation test indicate non-autocorrelation, and do not show serious violation of the autocorrelation problem.

The final assumptions of the OLS are related to linearity among the variables used. Non-linearity appears if the value of Cook distance exceeds 1 (Field, 2013; Maddala & Lahiri, 2009; Pryce, 2005). Constant with Haniffa and Hudaib (2006) and Ntim et al. (2012) research studies, this research employed the Cook's distance test to explore the linearity of the variables utilized. The results of the Cook's distance values for the model ranged between the minimum value of 0.000 and the maximum value of 0.087. Consequently, the value of Cook's distance does not go beyond the critical value, indicating that there is an extensive proof of linear relationship among the variables utilized in this model (see also figure 9.3 showing the PP graph above).

Summary

To summarise, there were several diagnostic tests undertaken to meet the OLS assumptions comprising P-P, scatter and normal histogram plots, Skewness and Kurtosis, tolerance statistics, VIF, correlation matrices, residual, Durbin-Watson and Cook's distance. Together, the findings from these tests generally show that there were no "serious violations" in the assumptions of the OLS, and thus, statistically, it is suitable to carry out the OLS regression test.

7.3 Multivariate Regression Analysis: Empirical Results of the CSRD Model

As discussed in chapter 5, the CSRD model explores the determinants of the extent of CSRD among the oil and gas firms functioning in the Libyan oil and gas industry. More specifically, this model was developed to retort the fourth research question of this study - i.e. what is the impact of CSRD determinants on the extent of CSRD practices made by oil and gas firms working in Libya. The constructed CSRD is the dependent variable, while the explanatory variables include three ownership structures, four corporate governance mechanisms, and three company characteristic variables, which are referred to in this study as CSRD determinants.

To enable comparison and easy following, table 7.9 presents an overview of all of the 7 hypotheses findings for the CSRD model, based upon all firms' years. The variables of attention in this model are the first 7 CSRD determinants. Column 3 of table 7.9 first presents the findings of multivariate regression of CSRD on the 7 CSRD determinants alone without the control variables, whereas column 4 of the same table presents the findings of multivariate regression of CSRD on the 7 CSRD determinants and the control variables for the sample.

Column 3 of table 7.9 advocates that the F-value is statistically significant at 1% level of significance. As a result, the null hypothesis that the coefficients of the 7 CSRD determinants are together identical to zero can be rejected. It advocates that the coefficients of the 7 CSRD determinants can together explicate significant differences in the tested company's CSRD. The adjusted R^2 is approximately 14%. This means that at least 14% of the differences in the surveyed company's CSRD can be explained jointly by the 7 CSRD determinants variables.

The finding of a positive coefficient on government ownership, joint venture ownership, foreign ownership, and frequency of board meeting are theoretically expected, and are in line with the formulated hypotheses (see column 3 of table 7.9). By contrast, the presence of CSR committee, board size and the parent company factor shows a positive influence on CSRD, but is statistically insignificant, which is not in line with the hypothesised relationships (see column 3 of table 7.9).

Consequently, to examine whether or not the perceived theoretically unexpected associations might be spuriously affected by some omitted variables, the control variables are incorporated in the regressions in column 4 of Table 7.9. It advocates that the F-value is statistically significant at the 1% level of significance for the pooled sample. The adjusted R^2 for the entire sample is 42%. This compares, for example, with the adjusted R^2 of 44.6% of Khan et al. (2013, p. 218) and 43.8% of Haniffa and Cooke (2005, p. 416) for their combined regressions of CSRD on several CSRD determinants and control variables.

With reference to the 7 CSRD determinants, the signs of all the coefficients remain unchanged for the complete sample. However, the coefficient on the parent company variable, which was positive but statistically insignificant, is now positive and statistically significant. In contrast, the coefficient on board size was positive, but statistically insignificant, and is now negative but statistically insignificant. These very minor sensitivities might be because of the omitted variables bias resulting from the exclusion of the control variables. Consequently, the discussion below is based on the estimated coefficients that include the control variables. The subsequent section offers the findings of the CSRD model.

Table 7.9: OLS Regression Findings for the CSRD Model

Model	***Expected sign***	***All firms years***	***All firms years***
Constant		.239	.005***
R square		.194	.499
Adjusted R^2		.137	.421
Durbin-Watson		2.285	2.313
F- value		3.379 (.003) ***	6.424(.000) ***
No. of observations		106	106
Explanatory variables			
Ownership structure			
Government ownership	+	.658 (.011) **	.684 (.002) ***
Joint venture ownership	+	.440 (.066) *	.476 (.020) **
Foreign ownership	+	.528 (.046) **	.647 (.006) ***
Board characteristics			
Board size	+	.101 (.307)	-.052 (.582)
Frequency of board meeting	+	.257 (.025) **	.284 (.007) ***
CSR committee	+	.163 (.220)	.219 (.104)
Parent company	+	.194 (.121)	.264 (.024) **
Control variables			
Firm size	+	Excluded	.350 (.008) ***
Firm age	+	Excluded	-.086 (.383)
Firm profitability	+/-	Excluded	-.416 (.000) ***
Year 2009		Excluded	.022 (.814)
Year 2012		Excluded	.097(.323)
Year 2013		Excluded	.005(.958)

*Notes: Coefficients are placed before parentheses. ***, ** and * denote p-value is significant at the 1%, 5% and 10% levels, respectively. Chapter eight provides a detailed definition of the measurement method of all the variables used for the estimation. To avoid the dummy variable trap, 2010 is excluded from regression analysis, while 2009, 2012, and 2013 are included.*

Table 7.10: A Summary Table of all of the Hypotheses and Findings for the CSRD Model based on all Firm Years

Dependent variable	*The corporate social responsibility disclosure model (CSRD)*				
Explanatory variable	No of hypothesis	Expected sign	Finding sign	Finding significance	Hypothesis status
Ownership structure					
Government ownership	1	+	+	Significant at the 1% level	Accepted
Joint venture ownership	2	+	+	Significant at the 5 % level	Accepted
Foreign ownership	3	+	+	Significant at the 1 % level	Accepted
Board characteristics					
Board Size	4	+	-	Insignificant	Rejected
Board meeting	5	+	+	Significant at the 1 % level	Accepted
CSR committee	6	+	+	Insignificant	Rejected
Parent company	7	+	+	Significant at the 5 % level	Accepted
Control variables					
Size	8	+	+	Significant at the 1 % level	Accepted
Age	9	+	-	Insignificant	Rejected
Profitability	10	+/-	-	Significant at the 1 % level	Do not Reject

Notes: The hypotheses are presented in chapter four.

Starting with corporate ownership structure, the first hypothesis of this research predicts that there is a statistically significant and positive relationship between government ownership and the extent of CSRD practices. Table 7.9 shows a positive and statistically significant relationship between government ownership and the extent of CSRD practices at the 1% level of significance. This finding shows an acceptance of the first hypothesis (see column 6 of Table 7.10). This finding suggests that the government can be deemed as exerting coercive pressure on government-owned firms to disclose their CSR information. Consequently, the government can pass regulations through the coercive power of the state to regulate the behaviour of lower members of the society.

The statistically significant and positive coefficient on joint venture ownership supports the second hypothesis that predicts a statistically significant and positive relationship between a firm that has foreign business partners and the extent of CSRD practices. The table displays a positive and statistically significant relationship between joint venture ownership and the extent of CSRD practices at the 5% level of significance. This finding shows an acceptance of the second hypothesis of this research (see column 6 of table 7.10). Such findings suggest local firms that have business associates from overseas (where the awareness of CSRD practice is high on their agenda) are institutionalized by the culture of these overseas partners.

The statistically significant and positive coefficient on the foreign ownership structure supports the third hypothesis that predicts foreign ownership influences positively on the extent of CSRD practice. The coefficient shown in table 7.9 indicates a positive and significant relationship between foreign ownership and the extent of CSRD practice at the 1% level of significance. This finding offers empirical support to the argument that firms that compete for resources from overseas are likely to communicate their activities of CSR, consistent with the expectations of these shareholders to attract new investors and please current investors (Amran & Devi, 2008).

The second set of “explanatory variables” is linked to board characteristics. The fourth hypothesis that predicts there being a statistically significant and positive relationship between board size and the extent of CSRD practice is rejected (see column 6 of Table 7.10). The coefficient on the CSRD determinant board size is negative, but insignificant. Within the Libyan institutional context, this finding seems to suggest that larger boards are associated with more communication and coordination problems, which can impact negatively on the role of a board monitoring on CSRD. Also, this finding suggests that board appointments might be made in order to meet affirmative action provisions, such as concentrating on providing direction for the company on other targets, rather than their contributions to board decisions on environmental and social information issues.

The fifth hypothesis of predicting a statistically significant and positive relationship between the frequency of board meeting and the extent of CSRD practice is accepted (see column 6 of table 7.10). This finding suggests that within the Libyan context, it supports the idea that the frequency of board meetings is necessarily beneficial, and it is a sign of an active and dedicated board in managing and addressing organisational social and environmental issues.

Furthermore, the positive coefficient, despite being statistically insignificant on the presence of CSR committee rejects hypothesis 6 (see column 6 of table 7.10), which predicts that the presence of CSR committee will be statistically significant and positively associated with the extent of CSRD. Given the small number of firms who have CSR committees, their insignificance in explaining CSRD is not empirically too surprising. This is because approximately 85% of the sampled firms do not have a CSR committee; thus, there is a small variation among the sampled firms. This similarly raises questions with regards to the methodological appropriateness of such a variable, since if all firms were to fully comply (or not) to entirely comply with some of the single corporate governance provisions, then there will basically be no cross-sectional variations in the variables for them to be value relevant in any regression.

Additionally, the parent company is found to be statistically significant and positively related to the extent of CSRD for the full sample. This provides support to the seventh hypothesis (see column 6 of table 7.10), which suggests there is a statistically significant and positive relationship between the parent company and the extent of CSRD practices. This finding suggests that subsidiary firms usually adopt the compatible standard practice of the parent company, in which can be seen as a crucial for a subsidiary's survival, perhaps as a consequence of their reliance on the parent company for on-going access to resources such as: technology, knowledge, and capital. Such findings also suggest that subsidiary firms are pressurised by the culture of their parent company.

With regards to the control variables, and in line with established predictions, the size of the company is found to be statistically significant and positively related with the extent of CSRD practices. The statistically significant and positive coefficient on firm size suggests that the larger the firms are, the more environmental and social information will be disclosed. Theoretically, it suggests that large firms usually have more shareholders (in the case of foreign and joint venture firms) than small firms, and these shareholders are more likely to be interested in social and environmental issues and therefore might be ascribed to the pressure imposed in large firms by investors who hold a large number of shares and are more likely to influence management decisions.

However, the age of the firm is found to be negatively related to the extent of CSRD, but statistically insignificant. This implies that hypothesis nine (see column 6 of table 7.10) is not supported. This finding suggests that new and old firms face the same pressures from shareholders and other pressure groups, and they are similarly obliged to abide by the NOC requirement to disclose a minimum level of information. Both new and old firms might see CSRD as a way to strengthen their competitive position and to make them stand out.

On the contrary, the findings on hypothesis ten shows a statistically significant and negative coefficient on profitability that hypothesis there is a relationship between the profitability of the firm and the extent of CSRD practices (see column 6 of Table 7.10). With regards to the observed negative relationship, one could argue that it may result from the probability that companies that are less profitable may include more CSRD in an attempt to increase their public image (Alnajjar, 2000) or that profitable firms are well established and do not engage in such practice adequately. Finally, the results show that none of the year dummies is significant for the combined sample.

7.4 Further Analysis: Robustness or Sensitivity Analyses Testing

The key objective of this section is to confirm how the results presented in the main model are robust or sensitive to alternative explanations and estimations. More precisely, this section subjects the findings offered in the previous section to one set of sensitivity analyses, namely carrying out a lagged CSRD- CSRD determinants relationship test to deal with endogeneity problems that may arise as a result of a time-lag in the CSRD-CSRD determinants relationship. Therefore, this section starts with briefly discussing the procedure suggested by Larcker and Rusticus (2010) for positive accounting researchers to address endogeneity problems. This is followed by reporting the results based upon estimating a lagged CSRD- CSRD determinants model.

7.4.4 Endogeneity Problems

The use of a multiple regression model might result in an endogeneity, which usually occurs if the dependent and explanatory variables have a high correlation with the error term (Ntim et al., 2012). Kotchen and Moon (2012) claim that endogeneity might pose a critical problem in inspecting the influence of CSRD determinants on the extent of CSRD practices. The previous studies (e.g., Ntim et al., 2012; Ntim & Soobaroyen, 2013b) claim that there are some factors that can cause endogeneity in the regression model, such as omitted variables due to (for example), unavailability of data; and simultaneity. Larcker and Rusticus (2010) point out that the researcher needs to clearly mention some of the reasons why endogeneity may potentially be a problem. Because of the potential omitted variables and simultaneity, endogeneity might potentially be a problem in this research.

The second step for addressing the endogeneity problem is through exploring the various alternative ways of solving the issue of endogeneity (Larcker & Rusticus, 2010). In this research, problems that the potential existence of endogeneity poses are explicitly addressed by estimating a lagged CSRD- CSRD determinants model. The final step suggested by Larcker and Rusticus (2010) is to compare the magnitude, statistical significance and signs of the OLS and endogeneity corrected estimations to ascertain the extent to which they are robust or sensitive to the presence of endogeneity problems. It should be noted that existing research in the areas of CSRD using the number words as a measurement technique do not discuss the problems of endogeneity sufficiently. This research, however, attempts to examine the potential endogeneity problems. This aids to ensure the robustness and constancy of the estimated coefficients. As such, this research follows recent research in addressing endogeneity issues by utilizing a lagged structure econometric method, which is assumed to be suitable to deal with omitted variables and simultaneity problems (Jizi et al., 2014; Ntim & Soobaroyen, 2013b).

7.4.5 Estimation of a Lagged Structure and its Empirical Findings

In order to address the potential omitted variables and simultaneity problems, the main model of CSRD is re-estimated with a one-year lag between the dependent variable and the explanatory independent variables (Ntim et al., 2012). This is because the dependent variable might also be impacted by the prior years' corporate governance practices (the explanatory variables). For example, establishing a CSR committee within a firm may not influence the CSRD practice in the same year, rather it may have an influence on the following year. Consequently, this sample excluded 2010 as the first year, and in doing so, it reduced the total company-year observations from 106 to 78 observations. Columns 5 and 6 of table 7.11 encompass the findings obtained by estimating lagged CSRD-CSRD determinants for the CSRD model as specified in the equation below:

$$CSRD_{it} = \alpha 0 \; + \beta_1 GOVOWN_{it} + \beta_2 JVOWN_{it} + \beta_3 FOROWN_{it} + \beta_4 BSIZE_{it} + \beta_5 FBM_{it} + \beta_6 CSRC_{it} + \beta_7 PC_{it} \sum_{i=1}^{n} \beta_i \mathrm{CONTROLS}_{it} + \varepsilon_{it} \qquad (2)$$

Where CSRD refers to the corporate social responsibility disclosure score, α0 refers to Constant term, GOVOWN, JVOWN, FOROWN, BSIZE, FBM, CSRC, and PC is defined as government ownership, joint venture ownership, foreign ownership, board size, frequency of board meeting, and parent company, respectively. CONTROLS refer to the 4 control variables, namely firm size, firm age, profitability, and 3 year dummies for 2009 to 2013, *it* period indicators, and ε the error term.

As suggested by Larcker and Rusticus (2010), in order to facilitate comparison, columns 3 and 4 of table 7.11 repeat the findings based on estimating an un-lagged CSRD and CSRD determinants relationship reported in columns 3 and 4 of table 7.9. Similar to the findings that are reported in columns 3 and 4 of table 7.9, based on estimating the un-lagged structure, column 5 of table 7.11 presents the findings of a multivariate regression of the CSRD on the 7 CSRD determinants alone, without control variables. Column 6 then presents the findings of a multivariate regression of the CSRD on the 7 CSRD determinants and the control variables, based on estimating a lagged structure.

Consistent with the findings based on estimating the un-lagged structure, column 5 indicates that the F-value for the CSRD is statistically significant at the 5% level. As such, this implies that the null hypothesis that the coefficient on the CSRD is equivalent to zero can be rejected. Similarly, this suggests that the coefficients on the 7 CSRD determinants can together elucidate significant variations in the surveyed companies' CSRD. The adjusted R^2 is roughly 11% for the CSRD. This implies that at least 11% of the differences in the sampled firms' CSRD can be elucidated by the 7 CSRD determinants. This is very similar to the findings documented in column 3 of table 7.9 based on estimating the un-lagged structure, which is nevertheless statistically 3% higher.

With regards to the coefficients on the 7 CSRD determinants in column 5 of table 7.11 based on estimating the lagged structure, a few key cases of sensitivities can be perceived in comparison to those in column 3 of table 7.9 based on estimating an un-lagged structure. Firstly, the sign on the coefficient of the frequency of board meeting in column 5 has altered from positive and statistically significant to negative, but statistically not significant. Secondly, the statistical significance of the coefficients on joint venture ownership and foreign ownership in column 5 has changed. More precisely, the coefficient on joint venture ownership, which was statistically significant at the 10% level, is no longer statistically significant. Similarly, the coefficient on foreign ownership, which was statistically significant at the 5% level, is now statistically significant at the

10% level. By contrast, the coefficient on the CSR committee, which was statistically insignificant, is now statistically significant at the 5% level. The statistical significance and direction of the coefficients of the remaining CSRD determinants, namely government ownership, board size, and parent company remain unchanged - whether a lagged or un-lagged CSRD- CSRD determinants is estimated. This suggests that the majority of the findings based on the un-lagged structure documented in the main model are not sensitive to lagged CSRD- CSRD determinants.

Additionally, in order to assess whether the limited sensitivities acknowledged in the findings of the lagged structure above are spuriously caused by some omitted variables, the control variables were integrated in the regression in column 6 of table 7.11. Consistent with the findings reported in the main model, column 6 indicates that the F-value for CSRD continues to be statistically significant at the 1% level. Therefore, the null hypothesis that the coefficients on the 7 CSRD determinants and the control variables are together equivalent to zero can be rejected. This also implies that the 7 CSRD determinants and the control variables can together explain significant variances in the surveyed companies' CSRD. The adjusted R^2 is 43%, which means that at least 43 of the differences in the surveyed firms' disclosure can jointly be elucidated by the 7 CSRD determinants and the control variables. This is also very similar to the findings reported in column 4 of table 7.8, based on estimating an un-lagged structure, however statistically it is slightly higher by 0.0098%. The slight increase in explanatory power might also be elucidated by the decrease in the number of company-year observations from 106 to 78.

Table 7.11: Results of the CSRD Model based upon a Lagged CSRD - CSRD Determinants

	Expected sign	*Results Based on an Un-lagged CSR disclosure - CSRD Determinants*		*Results Based on a Lagged CSR disclosure - CSRD Determinants*	
		All firms years	**All firms years**	**All firms years**	**All firms years**
Constant		.239	.005***	.876	.115
R square		.194	.499	.188	.526
Adjusted R^2		.137	.421	.106	.430
Durbin-Watson		2.285	2.313	2.381	2.342
F-value		3.379 (.003) ***	6.424(.000) ***	2.309 (.035) **	5.466(.000) ***
No. of Observations		106	106	78	78
Explanatory variables					
Ownership structure					
Government ownership	+	.658 (.011) **	.684 (.002) ***	.858 (.010) **	.801(.010) **
Joint venture ownership	+	.440 (.066) *	.476 (.020) **	.466(.128)	.430(.111)
Foreign ownership	+	.528 (.046) **	.647 (.006) ***	.589(.080) *	.637(.028) **
Board characteristics					
Board size	+	.101 (.307)	-.052 (.582)	.040(.729)	-.213(.051) *
Frequency of board meeting	+	.257 (.025) **	.284 (.007) ***	-.020(.891)	.198(.161)
CSR committee	+	.163 (.220)	.219 (.104)	.358(.034) **	.223(.196)
Parent company	+	.194 (.121)	.264 (.024) **	.191(.196)	.277(.043) **
Control variables					
Firm size	+	Excluded	.350 (.008) ***	Excluded	.141(.368)
Firm age	+	Excluded	-.086 (.383)	Excluded	-.001(.996)
Firm profitability	+/-	Excluded	-.416 (.000) ***	Excluded	-.544(.000) ***
Year 2009		Excluded	.022 (.814)	Excluded	.151(.162)
Year 2012		Excluded	.097(.323)	Excluded	.190(.092) *
Year 2013		Excluded	.005(.958)	Excluded	-

*Notes: Coefficients are placed before parentheses. ***, ** and * denote p-value is significant at the 1%, 5% and 10% levels, respectively. 2013 is excluded from regression analysis, while 2009, 2010, and 2012 are included. To facilitate comparison, columns 3 and 4 repeat the results based on an un-lagged CSRD - CSRD Determinants reported in columns of 3 and 4 of tables 9.9, whereas columns five and six present alternative results based on a lagged CSRD- CSRD determinants. Note further that the un-lagged structure is based on 106 company year observations, whilst the lagged structure is based upon 78 firm year observations*

With reference to the coefficient on the 7 CSRD determinants based on a lagged CSRD in column 6, although the sign of the coefficients on the 7 CSRD determinants go in the same direction, a limited number of sensitivities in terms of significance can be identified. First, the statistical significance of the coefficients on joint venture ownership and board meeting has changed. Specifically, the coefficients on joint venture ownership and board meeting which were statistically significant in Column 4 are no longer statistically significant in column six. In contrast, the coefficient on board size which was negative and statistically insignificant in Column 4 is now statistically significant in column six. Additionally, the statistical significance of the coefficient on government ownership and foreign ownership in Column 4 has changed. Precisely, the coefficient on government ownership and foreign ownership, which were statistically significant at the 1% level, are now statistically significant at the 5% level. The direction and statistical significance of the coefficients on the remaining CSRD determinants namely CSR committee and parent company remain unaffected whether a lagged or un-lagged CSRD-CSRD determinants is estimated.

In general, the findings imply that the sign concerning the robustness or sensitivity of the 7 CSRD determinants to lagged CSRD- CSRD determinants are mixed. Specifically, while the coefficients on most of the 7 CSRD determinants are robust to the estimation of a lagged structure, the coefficients on variables (i.e., board size and frequency of board meetings) is sensitive to the estimation of a lagged structure with or without the control variables. With reference to the perceived sensitivities in few of the corporate characteristics, such as board size and frequency of board meetings might be because of “misspecifications” within the operational equation, such as possible omitted variables bias, or it might be elucidated by the variances in the number of company-year observations. Generally and on a comparative basis, it provides extra support empirically to the earlier conclusion in the main model that there is either a statistically strong or insignificant association between most of the 7 individual CSRD determinants and the extent of CSRD practices.

With regards to the control variables, although all coefficients are going in the same direction, there are two main cases of sensitivities in the control variables to the estimation of a lagged structure that can be identified in terms of significance. Firstly, the statistical significance of the coefficients on firm size in column 6 of table 7.11 has changed from statistically significant to being statistically insignificant. By contrast, the coefficient on year dummy 2012 in column 5, which was statistically insignificant, is now statistically significant at the 10% level in Column 6 of table 7.11. However, the direction and statistical significance of the coefficients on the remaining control variables - namely firm age, firm profitability and the year dummies remain unaffected, whether a lagged or un-lagged structure is estimated.

7.5 Discussion of the Empirical Results

This section presents a discussion of the empirical results on the quantitative data strand regarding the extent of CSRD practice in the firms functioning in the Libyan oil and gas industry, organised according to the research questions and/or objectives.

To begin, with regards to the third question about the extent of CSRD (i.e. research question 3.1), the analysis shows that oil and gas firms functioning in Libya do provide CSR information in their annual reports. This is clearly shown by the overall mean of the extent of CSRD for the entire 4 years with an overall score of 227.15 words. The findings further show that there is fluctuations in the extent of the overall mean of CSRD over the study period. This fluctuations can be labelled as unstable, reflecting political and economic destabilisations arising from the wind of the "*Arab Spring*" in the region and Libya, particularly. Libya, similar to other developing countries (such as Tunisia and Egypt), has witnessed changes in its government regime, unlike developed countries which are characterized by relative stability in their systems of governance. As such, political changes have evidently influenced the business environment in the country. Nevertheless, it had some positive implications for CSRD in Libya, since the fluctuations has been minor going from an average of 226.16 words in 2009 to an average of 229.48 words in 2013. Such a minor change in the overall mean of CSRD practices might be attributed to a number of contextual changes, such as the establishment of HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting guidelines, and opening sustainable development department within the NOC in Libya. This suggests that firms would engage in a higher level of CSRD practices following such changes, because firms would want to respond to the state's initiatives, aspirations and interests in the environmental effects of business activities within the social spheres - for legitimacy purposes. However, a failure to respond to such changes may result in a break of the social contract, therefore possibly risking the existence of the company (Haji, 2013). However, the overall level of CSRD is low when compared with Western countries, such as Germany (Gamerschlag et al., 2011), US (Jizi et al., 2014), Australia (Loh et al., 2015), and France (Perrigot et al., 2015), yet it is higher than in Palestine and Jordan (Barakat et al., 2015), and is equivalent to previous Libyan studies (Elmogla, 2009; Mashat, 2005).

Empirically, the changes in the level of CSRD practices were formerly observed contextually (Ahmad & Mousa, 2010; Aldrugi, 2013) and globally (Esa & Nazli, 2012; Haji, 2013; Haniffa & Cooke, 2005). For example, while Ahmad and Mousa (2010) report that the level of environmental disclosure has increased as a result of key changes, such as the creation of the Libyan Stock Market and the enactment of Law No. 15 of 2003, Haji (2013) reported regulatory changes in the form of governance restructuring, the CSR specific awards, and the mandatory CSR requirement are major factors for the increase in level of CSRD practices in Malaysia. Additionally, the increase in the level of CSRD practices is also observed in a number of other studies in the case of Malaysia (Haniffa & Cooke, 2005), South Africa (Wagiciengo & Belal, 2012), Denmark, China, Malaysia, South Africa (Ioannou & Serafeim, 2014), and Bangladesh (Belal et al., 2015), subsequent to the introduction of the best CSR Award in the case of Malaysia, and the introduction of the King Report to align with the societal expectations in the case of South Africa, establishment of disclosure regulations in the case of Denmark, China, Malaysia, and Bangladesh Bank's directive on CSR, ISO 26000, and GRI guidelines in the case of Bangladesh. Consequently, the current research findings provide evidence that changes in the level of CSRD practices also exist, following the establishment of social responsibility monitoring reporting guidelines, and opening sustainable development department in fragile states such as Libya.

Secondly, with reference to the third question (i.e. research question 3.2), the study findings show that the most disclosed type of CSR information is related to the human resources category, followed by the environment category, energy category and community involvement category. The least frequently disclosed category is related to the consumer category, which consists of items such as "specific consumer relations", "consumer complaints", and the provision for difficult-to-reach customers. The very low incidence of consumer category disclosures throughout the period may be attributed to the fact that the recognition and/or concern given to this social disclosure category is not important due to the industry type. Additionally, the results across the 4 years covered in the current study also show similar results in terms of ranking. Such findings are expected, given that oil and gas companies are perceived to be highly risky in terms of employee health and safety conditions, as well as their environmental repercussions (Jackson & Apostolakou, 2010). Additionally, these firms may have more to achieve by being active and selecting for themselves the standards they must fulfil, rather than leaving this responsibility to the state. Therefore, because of their impact on society, firms within this industry seem to adopt more codified and explicit disclosure practices on such categories.

Empirically, these findings are largely consistent with the observation that firms that operate in controversial industries usually disclose more information on human resources and environment categories. For example, and in line with the results of past evidence contextually (Ahmad, 2004; Mashat, 2005) and globally (Amran, 2007b; Aribi & Gao, 2010; Belal, 2008; Belal & Lubinin, 2009; Gray et al., 1995a), Jizi et al. (2014) report that the most disclosed type of CSR information is mainly related to human resources. This finding implies that employees are vital assets to companies and therefore, by disclosing more information on this category, it may have an important influence on current and future investors' assessment of companies. Additionally, the finding on environmental disclosures as being the second dominant category to make disclosure on is in line with Belal and Lubinin's (2009) results, which report that the most disclosed type of CSR information is mainly related to employees, followed by information on environment, among 20 large companies listed on the Russian Stock Exchange. However, the present study findings are different from Chan et al.'s (2014) findings, which report that the environment, followed by human resources categories had the highest percentage of disclosure among firms listed on Australian Securities Exchange. The results of the present research therefore imply that oil and gas companies seem to pay a great deal of attention to legitimation strategies on human resources and environment categories when preparing annual reports, due to the sensitivity of the industry where such companies operate.

Thirdly, with regard to the third question (i.e. research question 3.3), the study findings show that the overall mean of the extent of CSRD for each of the 4 years among foreign firms is greater than the overall mean of the extent of CSRD practices among the local companies. However, the extent of CSRD practice among the joint venture firms seems to have fluctuated, reflecting the political and economic destabilisations arising from the results of the "*Arab Spring*" in the region (generally) and the subsequent political instability in Libya (specifically). A brief glance at the joint venture firms in the sample shows that although the postwar Libyan government has taken a few steps towards economic reform, for example, changing the participation of foreigners in the capital of the joint venture firms from 49% to 65% (decision of the minister of economy No. 103 of

2012), the lack of security has had negative repercussions across the country, especially on the oil and gas sector. With the armed takeover of some of Libya's oil facilities post revolution, as a way to accomplish their political and economic demands (where most joint venture companies operate), this led Libya to become a less business-friendly environment, in particular for foreign partner investors (Chivvis & Martini, 2014). This in turn led to diverse challenges affecting (among other things) the level of CSRD practices.

However, the overall mean of the extent of CSRD in both local and foreign companies increased gradually throughout the period covered in this study. On the one hand, the rise in the overall extent of CSRD in local firms, especially post 2011 revolution, might be attributable to factors such as the introduction of sustainable development department within the NOC, the establishment of HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting guidelines by the NOC. This implies that Libyan firms would get more involved in CSRD practices, particularly, if these initiatives come from the state. These companies, therefore, would want to respond for legitimacy purposes and not to breach the social contract. On the other hand, the rise in the extent of CSRD practice among foreign companies might be attributed to the reality that such firms attempt to strengthen their competitiveness and make themselves stand out, in the anticipation that this will provide them with priority in terms of new contracts for oil and gas exploration in the future in the country. Additionally, the rise in the extent of CSRD by foreign companies can be explicated as company legitimation goals to avoid the "legitimacy gap" with the state (Haniffa & Cooke, 2005). However, the higher level of CSRD among foreign companies compared to local firms could be explained by the absence of a detailed CSRD framework for the Libyan firms, and therefore policy makers in Libya might want to formulate specific and detailed CSRD obligations, rather than the present general voluntary adoption.

Empirically, the findings of the current study are largely consistent with the view that foreign firms disclose greater CSR information than their local counterparts. For example, on the one hand, and in line with the findings of previous studies (Aluchna & Saida, 2009; Sulaiman & Siswantoro, 2003; Teoh & Thong, 1984), Abdo and Aldrugi (2012) report that foreign internationally active multinational firms reveal more information about the environment than those functioning only in their home country. On the other hand, the current study findings are different from Hossain et al. (2006) and Da Silva Monteiro and Aibar-Guzmán (2010) findings, who report that there is no clear evidence that foreign firms disclose more than their local counterparts. Therefore, the findings of the present study give support and validity to those empirical studies (Abdo & Aldrugi, 2012; Aluchna & Saida, 2009; Sulaiman & Siswantoro, 2003; e.g. Teoh & Thong, 1984), that believe that company ownership structure is a key driver with an influence on the extent of CSRD practices.

Furthermore, with regards to the third question (i.e. research question 3.4), the findings show that the local, joint venture, and foreign companies mostly disclose information in the form of neutral and good news in order, perhaps, to build a better public image. However, the difference between the local, joint venture, and foreign companies when considering the disclosure of bad news is evident, where the mean for bad news is high among the local (mean 13.68), and joint venture firms (mean 12.58), compared to foreign companies (mean 6). This perhaps means that local firms are more likely to be active in disclosing bad news than foreign companies. The reason behind the higher average mean for bad news in local companies might be that these companies are public firms that do not have shareholders or shares traded on the stock market. Consequently, disclosure, whether it is bad, neutral, or good news, has little effect on their market value in comparison to foreign firms.

Empirically, the finding that local firms disclose a higher proportion of bad news than foreign firms is in line with the findings of previous empirical studies. For example, in line with previous findings (Ahmad, 2004), Aldrugi (2013) found local firms disclose more negative news in the area of environmental disclosure- as part of CSRD practices - than foreign firms. However, considering the overall mean of companies regardless of their ownership structure, this study finding is in line with the previous findings (Amran, 2007b; Aribi & Gao, 2010; De Villiers & Alexander, 2010) suggesting that whilst good and neutral news are the most common type being used by companies to disclose their CSR information, bad news were the least to be utilized.

With regards to the final question about the impact of CSRD determinants on the extent of CSRD practices (i.e. research question 4), the study findings show mixed results. First, with regards to corporate ownership structure, the first hypothesis of this research which predicts that there is a statistically significant and positive relationship between government ownership and the extent of CSRD practices is supported. This finding is supported by the neo-institutional theory assumption that companies that are owned by the government can be institutionalized by the government's objectives, beliefs and initiatives concerning CSRD practices. Theoretically, such a finding implies that government can be considered as exerting coercive pressure on government owned firms to disclose their CSR information. This is because such firms tend to be more politically sensitive as their activities are more in the eyes of the public, and thus, there is a strong anticipation for such companies to be aware of their public responsibility. Thus, they are more involved in socially responsible actions to legitimize their presence (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Meyer & Rowan, 1977; Nazli & Ghazali, 2007). Consequently, the implication of this finding suggests that the government can enact regulations through the coercive power of the state to regulate the behaviour of lower members of the society. Empirically, the reported findings of the current study contradicts the evidence of negative influence by Dam and Scholtens (2012), but offers support for similar results of existing empirical studies in the literature (e.g. Amran & Devi, 2008; Amran & Haniffa, 2011; Haji, 2013; Muttakin & Subramaniam, 2015; Nazli & Ghazali, 2007; Ntim & Soobaroyen, 2013b; Said et al., 2009).

The second hypothesis that predicts a statistically significant and positive relationship between a firm that has a foreign business partner and the extent of CSRD practices is empirically supported. This implies that companies that have foreign partners, such as Mellita Oil and Gas company and Zueitina Oil company from the US and Germany, are institutionalized by the culture of their overseas partners who have a high awareness of CSRD practice on their agenda. Theoretically, this finding suggests that the level of coercive isomorphism pressure, if not mimetic, on the local partner to adopt CSRD, may be really strong to encourage firms to disclose significantly. Consequently, the implication of this finding is that local companies are likely to meet the expectations of foreign investors on CSRD. Therefore, a mutual understanding in all features of business operations, including CSRD with foreign partners, seems to be a wise strategy. Empirically, the current study evidence is also not in line with the findings of previous studies that suggest foreign partners have an insignificant influence on the extent of CSRD practices (Amran & Devi, 2008; Amran & Haniffa, 2011).

The third hypothesis that predicts foreign ownership positively influences on the extent of CSRD practice is empirically supported. Theoretically, this finding suggests that the need for legitimacy and public accountability is more of an issue in companies with foreign ownership because of powerful outsider interest, as well as they are more noticeable to international and local stakeholders leading to heightened expectations and monitoring of their CSRD practice (Christmann & Taylor, 2001). Therefore, foreign owned companies might be sensitised and aware of the increased pressures for businesses to be socially responsible in the wider global community, and therefore may be compelled to concede to mimetic pressures through CSRD. Thus, CSRD is being used as, perhaps, a practical legitimating strategy to achieve continued inflows of capital and to attract new potential investors at the host-country level. The implication of this finding therefore suggests that foreign companies have better financial, knowledge, and information advantages linked to contextual matters over local companies, and therefore managers of foreign firms tend to invest more in CSRD practices in line with the expectations of their shareholders. This is perhaps done to re-establish or strengthen their competitiveness and make themselves stand out in the expectation that this may give them the priority in the future of securing new contracts for oil and gas exploration. Empirically, this finding contradicts the results of prior studies in the context of developing countries (Amran & Haniffa, 2011; Da Silva Monteiro & Aibar-Guzmán, 2010; Said et al., 2009), but provides support to similar findings by Haniffa and Cooke (2005), Khan et al. (2013), and Muttakin and Subramaniam (2015).

The second set of "explanatory variables" is related to board characteristics. The fourth hypothesis, which predicts that there is a statistically significant and positive relationship between board size and the extent of CSRD practice is empirically rejected. The insignificant influence of board size on the extent of CSRD practice provides support for similar results by Sufian and Zahan (2013), Haji (2013), Kilic et al. (2015), but contradicts the findings of Said et al. (2009), Ntim and Soobaroyen (2013b), Jizi et al. (2014), and Das et al. (2015). The current evidence is not consistent with the predictions of neo-institutional theory, but from a legitimation view, it implies that larger boards are linked to fewer CSRD practices. In other words, the presence of different stakeholders on larger boards is associated with less managerial mentioning, therefore leading to less demand of CSRD practices. The implication of this finding therefore suggests that as a board's size increases, there is a greater possibility that managers' monitoring will decrease. In other words, the negative coefficient but insignificant on board size implies that larger boards are associated with more communication and coordination problem, which can impact negatively on the role of a board monitoring CSRD. The other implication of this finding is that appointments of a larger board may be made in order to meet affirmative action provisions, such as concentrating on providing direction for the company on other targets, rather than their contributions to board decisions on issues of environmental and social information disclosure.

The fifth hypothesis that predicts a statistically significant and positive relationship between the frequency of board meeting and the extent of CSRD practice is empirically accepted. Theoretically, the frequency of board meetings helps companies to improve managerial monitoring and performance, and constitutes a way of enhancing legitimacy by serving as sign of an active and dedicated board in managing and addressing organisational social issues. Consequently, more meetings may put more pressure on managers to engage in CSRD practices. The implication of this finding supports the idea that frequency of board meetings is necessarily beneficial, and is a sign of an active and dedicated board in managing and addressing organisational, social and environmental disclosure. Empirically, this finding contradicts the insignificant influence of board meetings on the extent of CSRD practices by Haji (2013), but provides support for same finding by Jizi et al. (2014).

Sixth, the findings on the CSR committee suggest that companies with CSR committees have statistically no influence on the extent of CSRD. This fails to support hypothesis 6. This is less surprising (empirically) given the small number of CSR committees within corporate boards sampled that are currently operating within the oil and gas industry. Theoretically, although complying with good corporate governance rules in the form of coercive pressures to increase CSRD or increase loyalty to duplicate (mimetic/normative pressures) or implement good CSRD practice could improve firms' effectiveness, the study finding implies that the presence of CSR committee may not be an effective monitoring device for improving CSRD in Libya. The implication of this finding suggests that the presence of a CSR committee may not be associated with the decision to disclose CSR information within the Libyan institutional environment. Consequently, the theoretical recommendation that firms should have a CSR committee to disclose more CSR information may not necessarily be applicable to companies functioning in the Libyan oil and gas sector. Empirically, this finding is consistent with that of Rankin et al. (2011) and Michelon and Parbonetti (2012), but contradicts the evidence of positive influence by Ntim and Soobaroyen (2013b), and Faisal and Achmad (2014).

Seventh, the hypothesis that predicts there is a statistically significant and positive relationship between parent company factors and the extent of CSRD practices is empirically supported. This evidence is in line with predictions of neo-institutional theory (Kostova & Roth, 2002; Kostova & Zaheer, 1999). Theoretically, it suggests that subsidiary firms usually adopt the compatible standard practice of the parent company, which can be seen as a crucial for a subsidiary's survival, as a consequence of their reliance on the parent company for on-going access to resources such as: technology, knowledge, and capital. Clearly, this is an indication that companies are behaving in line with the culture of their parent company in order to maintain their survival. Empirically, this finding does not support the evidence of insignificant influence of the parent firm factor on the extent of CSRD by Amran and Haniffa (2011), Da Silva Monteiro and Aibar-Guzmán (2010), and Moneva and Llena (2000), but provides support for similar findings of Freedman and Jaggi (2005).

With regards to the control variables, and in line with prediction, size of the company is found to be statistically significant and positively associated with the extent of CSRD practices. The positive coefficient on firm size offers empirical support to previous evidence, which advocates a positive and statistically significant relationship between the size of the firm and the extent of CSRD practices (e.g Chan et al., 2014; Das et al., 2015; Jizi et al., 2014; Ntim & Soobaroyen, 2013b; Wang et al., 2013). In contrast, it rejects the results of Khan et al. (2013). The statistically significant and positive coefficient on firm size suggests that the bigger the companies are, the more environmental and social information will be disclosed, which is theoretically in line with the expectations of neo-institutional theory. Theoretically, it suggests that big companies provide more CSRD to legitimise their activities because of the coercive pressures from external stakeholders, such as the state, or may stem from mimetic pressures from their competitors. Thus, such external stakeholders are more likely to influence management decision. The implication of this finding is that when oil and gas firms realize that other large firms already practice CSRD, these companies seem to follow suit. This is an indication that in reality large firms are more likely to reveal their environmental and social information performance, and therefore publish their success in their annual reports in comparison to the smaller firms. This is perhaps due to their reduced power and observed political interest in the adoption of government's policy in comparison to big firms. Therefore, the external stakeholders can be regarded as exerting coercive or mimetic pressures on large firms to engage in CSRD. This is line with the findings of Amran and Haniffa (2011).

Age of the company however is found to be negatively associated with the extent of CSRD, but statistically insignificant. The negative, but statistically insignificant relationship between the age of the firm and the extent of CSRD practices for the sample is theoretically not expected. Empirically, this finding however, contradicts previous empirical studies results (e.g Abd Rahman et al., 2011; Khan et al., 2013) indicating that it is statistically significant and positively associated with the extent of CSRD practices. On the contrary, the negative coefficient but statistically insignificant on firm age offers empirical support to the results of the previous Libyan studies (e.g Aldrugi, 2013) and international empirical studies (e.g Das et al., 2015; Juhmani, 2014; Michelon & Parbonetti, 2012; Sufian, 2012) indicating that the age of the firm does not seem to be significant in explaining the environmental and social information disclosures. Theoretically, such a finding suggests that new and old firms face the same pressures and are similarly obliged to abide by the NOC requirement to disclose a minimum level of information. The implication of this finding is that although the power of various institutions arises as a result of the necessity to legitimate their activities, the expectation is that the longer the social existence, the more visible the company is in the eyes of the public and therefore the more normative pressure to engage in certain institutional practices is not evident within the Libyan corporate context. This suggests that both new and old firms seem to face the same coercive, mimetic normative pressures to implement CSRD practice. Therefore, these companies are similarly obliged to abide by the NOC requirement as a way to strengthen their competitive position and to make them stand out.

With respect to profitability, theoretically, the statistically significant and negative association between the profitability and the extent of CSRD supports neo-institutional theory. This result lends support to the Williams (1999) and Nazli and Ghazali (2007) argument that CSRD is more influenced by "public" rather than the market place, or "economic" pressure. One possible explanation for this finding is that more profitable companies are better "established" and might be not interested in disclosing CSR information to their stakeholders, or might disclose this information in an alternative media, such as standalone reports (Rao et al., 2012). Empirically, the negative significance of profitability is in line with the results of earlier studies (e.g Alnajjar, 2000; Naser & Hassan, 2013; Rao et al., 2012; Richardson & Welker, 2001), but contradicts past evidence (Haniffa & Cooke, 2005; Khan et al., 2013; Mulyadi & Anwar, 2012; Owusu-Ansah, 1998).

Furthermore, the results show that none of the year dummies is significant for the sample. This fails to support prior results of Ntim and Soobaroyen (2013b) that suggests CSRD of firms differ across different financial years. By contrast, the results are in line with the results of earlier studies (e.g. Khan et al., 2013; Moneva & Llena, 2000) that find no significant differences in any of the years under study with respect to the CSR information being disclosed.

Finally, with regards to the robustness or sensitivity of the empirical results of this study, the findings imply that the sign concerning the robustness or sensitivity of the 7 CSRD determinants to lagged CSRD determinants is generally robust. Specifically, while the coefficients on most of the 7 CSRD determinants are robust to the estimation of a lagged structure, the coefficients on variables (i.e., board size and frequency of board meetings) is sensitive to the estimation of a lagged structure with or without the control variables. With reference to the perceived sensitivities in a few of the CSRD determinants, such as board size and frequency of board meetings, this might be because of "misspecifications" within the operational equation, such as possible omitted variables bias, or might be elucidated by the variances in the number of company-year observations.

With regards to the control variables, although all coefficients are going in the same direction, there are two main cases of sensitivities in the control variables to the estimation of a lagged structure can be identified in terms of significance where the statistical significance of the coefficients on firm size has changed from statistically significant to being statistically insignificant, and by contrast, the coefficient on year dummy 2012, which was statistically insignificant is now statistically significant at the 10% level. However, the direction and statistical significance of the coefficients on the remaining control variables, namely firm age, firm profitability and the year dummies remain unaffected whether a lagged or un-lagged structure is estimated. Generally and on a comparative basis, it provides extra support empirically to the earlier conclusion in the main model that there is either a statistically strong or insignificant association between most of the 7 individual CSRD determinants and the extent of CSRD practices.

7.6 Chapter Summary

This chapter has concentrated on presenting and discussing the empirical results of the extent that oil and gas firms functioning in Libya provide CSR information in their annual reports and the impact of a number of CSRD determinants on the extent of CSRD practices. The findings show that the overall level of CSRD disclosed in annual reports is low when compared with Western countries and that that there is steady, but not dramatic, increase in the overall mean of CSRD practice. The most disclosed types of CSR information were related to the human resources and environment categories and is mainly disclosed in a good and neutral news form. Additionally and consistent with the previous evidence, the findings based on the CSRD model indicate either a statistically strong or no relationship between the CSRD determinants and the extent of CSRD. Finally, the chapter has examined the robustness or sensitivity of the empirical results of this study and the findings remain generally unchanged suggesting that better-governed oil and gas firms tend to be associated with higher CSRD than their poorly-governed counterparts. The next chapter will provide the conclusions of the thesis.

Chapter 8: Conclusions, Contributions, Limitations, Recommendations, and Future Research

8.0 Overview

This chapter aims to offer, bring together, and emphasise the key conclusions of the main findings of this research. After providing an initial overview of the research questions, and the extent to which they have been achieved and answered, the chapter discusses the theoretical and empirical contribution to knowledge, and presents the contributions to management practices. The chapter also presents the limitations of the research, recommendations, and some suggestions for future research in the field of CSRD practices. The final section of this chapter offers a summary of this chapter.

8.1 Research Questions and Key Findings

The key aim of this research was to investigate the extent and types of CSRD practices and the factors influencing its adoption in the oil and gas firms working in Libya in the light of the context of the country's changes. In order to achieve this overall aim, this research used a concurrent embedded mixed method design, where the qualitative and quantitative data were gathered simultaneously during a single data collection phase, but analysed separately in a "complementary manner".

8.1.1 The Qualitative Stage

The qualitative strand sought to answer the following two research questions:

RQ1: What are the perceptions of oil and gas firms' managers regarding CSRD practices, and do such perceptions vary according to company ownership structure?

RQ2: To what extent do institutional factors (coercive, mimetic, and normative pressures) influence adoption of CSRD practice in the oil and gas firms working in Libya, and what are the key drivers (external and internal factors) and obstacles for CSRD?

Key Findings and Conclusions of the Qualitative Strand

- In relation to the first question of this research (i.e. RQ1), the key findings indicate that managers' perceptions on CSRD's definition seem to differ slightly based upon internal organisational characteristics signalling home country influences. While perceptions of local managers' concentrated on environment and human resource disclosure issues in definitional terms, foreign and joint venture firms who come from developed countries such as the US, Italy, Canada, and Germany place high significance on CSRD, tend to focus on all areas of CSRD practices. This difference in perception implies that whilst CSRD always means something, it does not always mean the same thing to individuals. Rather it is dependent on internal organisational characteristics signalling home country influences. This is being clearly identified from the well-grounded analysed data concerning actors' perceptions. For example, to some (in the case of local firms), it is defined as socially responsible behaviour in an ethical sense concentrating largely and generally on environmental issues with human resources; whereas to others (i.e. in the case of foreign and joint venture firms) it refers to awareness of legal liability or responsibility focusing on a company's engagement in different areas such as education programmes, health and safety, environment and human resources development. Additionally, with reference to managers' perceptions on CSRD advantages and disadvantages, managers from local, joint venture and foreign oil and gas firms and regulators within the NOC have identified building their company image, gaining competitive advantages and better relationship with the state as key advantages, whilst the cost is a major disadvantage for engaging in such practice.

- In relation to the second question of this research (i.e. RQ2), the key findings indicate managers perceive that various coercive, mimetic and normative pressures interplay to influence CSRD in the Libyan context. The use of CSRD practices by firms functioning in the Libyan oil and gas sector whilst being driven by coercive and normative institutional influences, also provide a more complex dynamic of the 'powerlessness' of burgeoning institutions in influencing organisational change in a fragile state and the role of culture in shaping CSRD practices. This is marked in several cases. First, most of the oil and gas companies operating in Libya who disclose their CSR information seem to be institutionalized by the state thorough its governance body - the NOC. The NOC can be seen as an authority that creates the CSRD regulations that control the way oil and gas firms should behave. This finding is consistent with neo-institutional theory expectations where the government, as social institution, has the coercive authority of the state to control the behaviour of lower social actors comprising those at the organisational level (DiMaggio & Powell, 1983, 1991). From an-institutional angle, the implementation of guidelines and policies (e.g. HSE.GDL.001.00 and HSE.PRO.002.00 reporting guidelines) of the state results from the necessity to be seen as legitimate in order to continue their long term endurance. Similarly, other factors such as foreign business partners and parent company will, through the pressure exerted by their parent companies, influence the subsidiary companies to implement CSRD practices.

  Second, due to the ambiguity and the fragile status of the Libyan institutional environment especially in terms of the country political instability and law enforcement at present (Boduszyński & Pickard, 2013; Chivvis & Martini, 2014), the findings also show that oil and gas companies' managers facilitate and imitate the strategy of other foreign owned companies CSRD to be more legitimate and successful in order to be accepted as part of a wider global network. This pressure is most evident when there is no legal requirement for CSRD practices (Belal &

Cooper, 2011). The findings suggest that although the NOC, who assumes the responsibility of the oil and gas industry, has established reporting guidelines, local firms are still struggling in terms of disclosing social and environment information because such guidelines are still considered new. The Libyan society places a responsibility on businesses to create jobs and take care of the environment and disclose such activities (Ishwerf, 2012). Thus, Libyan managers have to reconcile these pressures and engage in disclosing their CSR information, but, in the light of such ambiguity, local firm managers respond to such pressures by imitating their foreign owned companies competitors. This is consistent with the neo-institutional theory perspective, where the institutionalists' claim that firms are likely to follow other successful firms when the environment is ambiguous (DiMaggio & Powell, 1983, 1991). Third, the findings also show that normative isomorphism plays a determinant role in the explanation of the adoption of CSRD practice in the oil and gas companies operating in Libya. This is evident from managers who identified the need to uphold firm reputation and image, and pressures to meet societal expectations as *social* drivers for CSRD practice. This is consistent with the neo-institutional theory expectations. As such, the coercive, normative and the mimetic pressures drive firms to be more apparent and environmentally and socially responsible within the Libyan institutional environment, but are low. This is indicative of other studies (Nurunnabi, 2015b; Zhao & Patten, 2016) in developing countries context, such as Bangladesh and China who found that coercive, normative and mimetic isomorphism are low.

Additionally, the findings from the qualitative analysis also show that the specific drivers for CSRD adoption and obstacles that act as major impediments for its further development include external factors such as the state through its governance body - the NOC, foreign business partners, other foreign owned companies' behaviour, the need to uphold a firm's reputation and image, and pressures to meet societal expectations. While the other *determinants* identified include government ownership, parent company factors, board size, board meeting, firm size, age, presence of CSR committee, and profitability. Furthermore, in the context of the many challenges facing the new Libya, it is not surprising that the absence of a clear legal requirements referring to CSRD, the shortage of knowledge and awareness, absence of EGA role, absence of civil society organisations, absence of EGA's role, and lack of motivation from government are perceived as the major barriers that hinder CSRD development in Libya.

8.1.2 The Quantitative Stage

The quantitative strand sought to answer the following two main research questions:

RQ3: To what extent do oil and gas firms functioning in Libya provide CSR information in their annual reports as a means of communicating their activities to the broader society?

3.1. Has the quantity and type of CSR information revealed in annual reports increased over the period covered by this research in the light of the country's political and institutional changes?

3.2. What types of CSRD information (categories) are mostly being disclosed in their annual reports?

3.3. Does the level of CSR information disclosed differ according to company ownership structure (local, joint venture, foreign)?

3.4. What types of news (bad, neutral, and good) are mainly disclosed by the oil and gas firms function in Libya?

RQ4: What is the impact of CSRD determinants on the extent of CSRD practices in oil and gas firms in Libya?

Key Findings and Conclusions of the Quantitative Strand

In relation to the third question of this research (i.e. RQ3), the findings are presented and interpreted in relation to sub-questions of this question:

- Firstly, with regards to whether the extent of CSRD revealed in annual reports has increased, the findings indicate that while the level of CSRD is low when compared with Western countries, in relative terms, the extent of CSRD scores are fluctuated over the study period as indicated by the mean scores. On an individual category basis, with reference to environmental category disclosure, the findings reveal that there is a slight steady increase in this category after 2011 Libyan revolution. However, only 2 out of 6 environmental categories were heavily disclosed, and these include environmental – product and process-related, and environmental other related information. The high priority given to the disclosure of these two categories might be attributed to the increased attention of the local community regarding these two issues. Furthermore, the level of disclosure concerning community involvement related information is slightly increased. However, the disclosure on human resources and energy categories are fluctuated over the study period as indicated by the mean scores. However, consumer disclosure category does not seem to be disclosed by the oil and gas companies much and although it appears of low significance, the problem is broadly documented as an area that deserves further attention. The fluctuations in the extent of the overall CSRD and each category of disclosure of CSR information can be attributed to the political and economic destabilisations arising from the wind of the "*Arab Spring*" in the region and Libya, particularly. Libya, similar to other developing countries (such as Tunisia and Egypt), has witnessed changes in its government regime, unlike developed countries which are characterized by relative stability in their systems of governance. As such, political changes have evidently influenced the business environments in the country. Overall, despite the introduction of HSE.GDL.001.00 and HSE.PRO.002.00 social responsibility monitoring reporting guidelines, the level of CSRD has slightly changed which suggests that - following the changes - firms would want to response to the state's initiatives (e.g. following HSE.GDL.001.00 and HSE.PRO.002.00 reporting guidelines) aspirations and interest in the environmental effects of business activities within the social spheres for legitimacy purposes.

- Secondly, with regards to the types of CSRD information (categories) that are mostly being disclosed, the findings show that the most disclosed type of CSR information was related to the human resources and mainly related to employees. This type is followed by the environmental information, but the information that they disclose is centred purely on two categories, namely; environmental – product and process-related, and environmental other. The third category that companies disclose most on is related to the community involvement and energy category respectively. However, consumer disclosure was not undertaken much and only a few oil and gas companies disclose on this category. This perhaps indicates that the recognition and/or concern given to this social disclosure category by the oil and gas firms is not important because of the industry type.

- Thirdly, with regards to whether the extent of CSRD practices varies according to the company ownership structure (local, joint venture and foreign), the findings indicate that the overall mean of extent of CSRD differs according to company ownership structure. More specifically, the overall mean for each of the 4 years among foreign companies is higher than the overall mean of the extent of CSRD practices among the local companies. Whilst the overall mean of the extent of CSRD practice among the joint venture firms seems to have fluctuated over the 4 years period, this reflects the political and economic destabilisations arising from the results of the "*Arab Spring*" in the region generally and the context of the political instability in Libya specifically, which is generally less than the disclosure made by foreign firms. The overall mean of the extent of CSRD in both local and foreign companies increased gradually throughout the period.

- Finally, with regards to what type of news (bad, neutral, and good) are mainly disclosed by the oil and gas firms, the findings indicate that most CSR information that is being revealed exists in the form of neutral and good news, followed by bad news. However, considering the findings in accordance with ownership structure, the results show that, bad news is highly disclosed by local firms in comparison to joint venture and foreign firms. The higher average mean for bad news in the local companies may be because such firms are public firms that do not have shareholders or shares traded on the stock market, and the disclosure whether it is bad, neutral, or good news, has little effect on their market value.

- With regards to the final question of this research (i.e. RQ4) about the impact of CSRD determinants on the extent of CSRD practices, the findings show mixed results. Specifically, the study's results indicate that the government ownership has a positive influence on the extent of CSRD practices at the 1% level of significance. Second, the influence of overseas partners is likewise supported by the regression test and shows a positive and statistically significant relationship between joint venture ownership and the extent of CSRD practices at the 5% level of significance. Third, a positive and significant link between foreign ownership and the extent of CSRD practice at the 1% level of significance was also reported. Fourth, the findings on board size indicates that even though having more directors on the board is observed positively by the market, it has no statistical significant influence on extent of CSRD in Libya. Fifth, the findings on the number of board meetings advocate that the frequency of board meetings has statistically significant and positive influence on the extent of CSRD practices. However, the findings on the CSR committee suggest that companies with CSR committees have statistically no influence on the extent of CSRD. Finally, the parent company factor is found to be statistically significant and positively associated with the extent of CSRD. With regard to the control variables and consistent with prediction, while company size was found to have positive influence on the extent of CSRD, the statistically significant and negative coefficient on profitability supports the argument that companies that are less profitable may include more CSRD in an attempt to increase their public image. However, age of the firm is found to be negatively related to extent of CSRD, but statistically not significant. Finally, the results show that none of the year dummies is significant.

8.2 Contributions

8.2.1 Empirical Contributions

While the interest in CSRD practices has been present within existing research for some time, there is dearth of a mixed-method studies which concentrate entirely on North African countries. Because the emphasis to closely examine a “particular institutional context” has been highlighted previously (Scott, 1995, 2014), Libya is seen as a remarkable and valuable institutional environment to undertake this study. This unique contextual institutional environment pursued a policy of statelessness precluding the development of operational governing institutions (Boduszyński & Pickard, 2013), an area, which to date, comprises of very dissimilar governance systems and values compared with other countries, cognisant of a fragile state, and thus could provide an understanding of the impact of the institutional context on firms’ strategies, which depends on cultural heritage and economic effects. As such, the current study, with its focus on Libya and those oil and gas firms functioning there, provides a significant contribution to knowledge in the following ways:

- First, it adds to knowledge about CSRD in the country, and extends the findings of the very few studies which have already assessed the CSRD practices in Libya (Elmogla, 2009; Mashat, 2005), thus, adding to the emerging empirical body of research on CSRD which adopts a developing country context (Beddewela & Herzig, 2013; Belal, 2008; Belal & Momin, 2009; Belal & Roberts, 2010; Hossain, 2012).

- Second, using neo-institutional theory for the first time in the country by depending on insights obtained from the neo-institutional model put forward by DiMaggio and Powell (1983, 1991), and Scott (2014) has provided an important contribution to the literature towards understanding how different contextual factors (e.g. the NOC) combine in the initiation of CSRD in a fragile state. It explored how such institutional context acts as pressures for CSRD adoption, thus, highlighting how institutional isomorphism is intensely interrelated within the framework of the cultural values of the societal system and national context (Nurunnabi, 2015a). The present status of CSRD adoption adds a period of dynamic tension, occurring from the local and global pressures. Consequently, the study findings show that the three types of institutional isomorphism i.e. coercive, normative and mimetic contribute to the Libyan corporate context reporting behaviour. These results, therefore, add a unique institutional setting to the increasing number of social accounting studies taking a comparable stand (Amran & Devi, 2007; Amran & Haniffa, 2011; Beddewela & Herzig, 2013; Joseph et al., 2014; Zhao & Patten, 2016), which have established the influence of institutional pressures on specific CSR practices implementation in a developing country context.

- Third, by including the consideration for causes for the little CSRD, this research sheds light on the question of why firms in developing countries usually reveal very low of CSR information (Ahmad & Ishwerf, 2014; Beddewela & Herzig, 2013; Belal & Cooper, 2011; Hossain et al., 2016).

- Fourth, the current research provides additional evidence for existing studies (Jizi et al., 2014; Khan et al., 2013; Ntim & Soobaroyen, 2013b) which suggest that on average better governed companies are more likely to follow a more socially accountable agenda than poorly governed companies.

- Fifth, the study results show a statistically significant and positive coefficient on companies with government ownership, joint venture ownership, foreign ownership, frequency of board meeting, and parent company factors which are theoretically expected, and are in line with the formulated hypotheses, but the presence of CSR committee and board size show a positive influence on CSRD, but statistically insignificant, which is not in line with the hypothesised relationships. These results contribute towards the literature expanding our knowledge of CSRD practices' "*implementation*", by empirically providing evidence for the contextuality of CSRD in Libya. This is done by explaining how specific determinants contribute to or impede the development of CSRD practices. Meanwhile, overcoming a major weakness in existing Libyan studies (see Elmogla, 2009; Mashat, 2005), which have mainly used descriptive data to create results. Consequently, this study extends empirical data (Das et al., 2015; Haniffa & Cooke, 2005; Khan et al., 2013; Naser & Hassan, 2013; Nazli & Ghazali, 2007; Ntim & Soobaroyen, 2013b) regarding CSRD practices in a developing country context.

- Sixth, the results of the present study also address the existing gap in CSRD studies that so far have neglected and excluded the firms operating in the oil and gas sector. Consequently, this study has provided new evidence that suggests that on average firms operating in sensitive industries disclose more CSR information on human resources and environmental information categories than other social categories.

- Finally, to the best of the researcher's knowledge, this research could be the first to examine CSRD using a longitudinal analysis (i.e. within its quantitative stage) thereby examining pre and post the 2011 Libyan revolution's implications on CSRD. Thus, although the research concentrates on Libya, its findings have implications for other Arab countries facing similar challenges in implementing CSRD, since they have similarity in their socio-cultural environment and share an identical language, culture, religion, and economic system.

8.2.2 Contribution to Management Practice

Companies worldwide are still continuously challenged to display accountable company behaviour. Currently, however, there is no agreement as to "how" CSRD should be managed, despite the variety of standards and guidelines available world-wide. Despite this, on a policy/practice level, the results of this study contribute towards better understanding the development of *management* practice in a variety of ways.

- The findings of this research could be useful to regulators, policy makers, practitioners, and companies in developing a more focussed agenda of CSRD activity when considering regulations for disclosure. Consequently, the outcome of the research brought out some knowledge that could improve management practice in this industry. To this extent, based on the above results, oil and gas companies could consider exploring the strategic incorporation of CSRD practices by, for example, making some aspects of CSRD practices mandatory. This would increase the disclosure of environmental and social information, and will reduce uncertainty and help companies disclose more homogeneous information. Institutionalisation of CSRD practice by companies could ensure that rather than just short-term business advantages, more constant long-term competitive benefits are accomplished.

- The factors that are identified and derived from the analysed data may offer a valuable indication to managers of oil and gas firms regarding how to get engaged with main institutional actors, such as the NOC and the EGA in order to develop a more focussed agenda of CSRD activity. As such, if implemented in a more sensible context, it can be utilized as a benchmark by other firms in addition to other local organizations of a comparable size as the best practice in controlling institutional influence through CSRD practices.

- The study findings can be used as a learning instrument by other managers functioning in comparable industries in other contexts of developing countries to better understand the factors and the difficulties involved in the adoption of CSRD practices.

8.3 Limitations

In spite of the findings and contributions described above, this research nevertheless, has a number of limitations:

- Firstly, although examining CSRD practices using Libya as a case has the prospective to offer unique insights into the North African countries context, especially in the light of the political upheavals in the region, the findings of the study can be limited in terms of generalizability (Bryman & Bell, 2015). This is because the study focuses only on the Libyan context, and thus limits any comparison with other countries that do not share a similar governance structure, language, culture, religion, and economic systems.

- Secondly, within its quantitative stage, this research is annual reports centric. It did not assess any other reports that the firms may have made on the environment or society. The decision to disregard any other type of reports was made based on evidence from prior published studies (Abubaker & Naser, 2000; Mashat, 2005) within developing countries, which show the annual reports as being the key and fundamental channel (or mechanism) for the dissemination of information by companies for both non-financial and financial data to a wider group of users, the extensively documented as a synchronized document with a high level of reliability, and are generally seen as key legal and official documents (Jizi et al., 2014; Unerman, 2000).

- Thirdly, this research is limited only to firms functioning in the oil and gas sector. Therefore, looking into other industries and categorising dissimilarities in CSRD practices because of industry dissimilarities might be possible and valuable.

- Furthermore, with regards to the sample size, although the quantitative strand observations are relatively small, the rationale behind such limited observations is attributed to the fact that the entire sample size is only 41 oil and gas firms. While the entire population has been targeted over a 4 year period in order to make sure that the sample is not biased and is representative, data for some companies were not assessable, because some firms already left the country due to the on-going conflict, political instability and lack of security (Chivvis & Martini, 2014).

- Additionally, this research adopted the neo-institutional theory perspective, in contrast to the body of literature on CSRD determinants and CSRD practices that prefers theories such as agency and legitimacy.

- Finally, although the study used a concurrent embedded mixed method design, namely interviews and annual reports, the interviews method usually depends on language and meaning (Saunders et al., 2012; Sekaran & Bougie, 2013). Consequently, because the data was gathered by conducting interviews in Arabic translated into English, this process of translation might influence the analysis of the data gathered.

8.4 Recommendations for Libyan CSRD

Based on reviewing the relevant literature and the current study's results, a number of recommendations are offered regarding CSRD within the Libyan context. There are a number of key recommendations that can be made which are outlined as follows:

- In order to raise the disclosure level within the Libyan institutional environment, companies should be made aware that all stakeholders comprising of: employees, customers, the public at large have the right of entry to the companies' information at any time, like developed countries. This can be accomplished through more awareness of the legal requirements, accounting education system, governmental bodies, and the media.

- The role of the Environment General Authority should be amended as it should be given a greater role in controlling the companies' behaviour. For example, although law No.15 of 2003 for improving and protecting the environment is available, it should be amended and the disclosure element should be added, and additionally, more emphasis on follow-up procedures and compliance with environmental regulations and laws should be emphasised.

- In order for companies' managers to better understand the importance of the concept of CSRD practices, workshops and seminars should be conducted. This will provide opportunities for them to meet, discuss and learn about the importance of such practices.

- In order to offer guidance for firms in releasing this sort of information, the NOC, the Libyan LCAL, and the Libyan petroleum law, and the EGA should regulate the CSR information themes to be revealed and launch this as one of its standard, or launch this as part of making an investment in the country.

- There should be penalties and reward systems in place to encourage companies to reveal environmental and social information. On the one hand, firms that disclose social and environmental information should be rewarded by the state with moral or financial encouragements, for example, through low cost loans or gain priority in terms of new, future oil and gas contracts exploration. On the other hand, punishments should be enforced on firms that do not comply with the minimum CSRD requirements when it is being created.

8.5 Directions for Future Research

- First, management in Libya is a topic of active interest, and presents a case of a developing state where the idea of CSRD practice is still fairly fresh and struggles between dissimilar institutional pressures, especially in the light of the country's political and institutional changes. Consequently, research on CSRD practice in Libya is still inadequate and more studies of the state could potentially provide policy makers with the chance to attain a more in-depth understanding of CSRD development. Therefore, one potential aspect that should be investigated in future research is the perceptions of stakeholders, such as the users. For example, how useful is the environmental and social information to these stakeholders, and how do they utilize it? What are their perceptions of the revealed environmental and social information? Such future research might offer valuable information that could increase our understanding of the need for CSRD in Libya. It will help firms regarding what to disclose and what should be included in the reports.

- Second, cross-country context comparative future studies should be made, which might arguably enhance the generalizability of their results (Ntim & Soobaroyen, 2013b). While some previous studies (see e.g. Wang et al., 2014) that look into the dissimilarities of CSRD practice between the east and the west is generally restricted towards exploring *what* these differences are, instead of *why* the variances occur. Perhaps future CSRD cross comparative studies would be valuable in exploring particular questions on, for example, why differences of CSRD practices occur and how these differences could be managed internally within firms.

- Third, further studies should integrate agency, legitimacy and the neo-institutional theories to offer a richer basis for understanding and explaining CSRD determinants that influence CSRD practice than would be from considering one theory.

- Furthermore, future research should be conducted utilising discourse analysis of CSRD data, specifically annual report or social reports data, which will enable a deeper understanding of the impact of the Libyan revolution on CSRD, if any.

- Finally, a similar study should be conducted targeting longer periods and other sectors, such as the cement sector, financial sector, and other services sectors, since this is the stage where the country has undergone (and are still going through) major changes. This allows tracing the development of CSRD changes over time, and as such, it allows decision makers to draw the right and appropriate strategies and policies for such practice.

8.6 Chapter Summary

This chapter has presented a general conclusion of this research. It first revisited the study questions, followed by the main contributions of its results to empirical knowledge, theory and management practice. Within this chapter, the final sections also concentrated on critically outlining the key limitations of this study and a summary of key directions for future studies.

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Appendices

Appendix 1: Invitation Letter, Participants' Information Sheet, and Consent Form for Managers of Oil and Gas Companies

Huddersfield Business School

Invitation letter

Dear Sir,

I am a full-time doctoral student at the University of Huddersfield Business School, in the United Kingdom. I am currently undertaking a research study leading to the award of Doctor of Philosophy (PhD). My research looks at the extent and types of corporate social responsibility disclosure and the factors influencing its adoption in the oil and gas firms operating in Libya in the light of the country's political and institutional changes.

As a significant part of my study, I am currently gathering data with reference to the above research and as you are a valued member of .... company, you are invited to take part in this study. Before you decide, it is vital to understand why this study is being conducted and what it will encompass. To explain to you some concerns that you may have, as a potential participant of this research, I have enclosed a brief participant information sheet covering different issues such as the privacy and confidentiality of data which will be provided.

Please take your time to read the subsequent information carefully. I would be happy to provide any clarification you may require. I would like to thank you in advance for your assistance and corporation in the research. Your help and contribution in this study would be extremely valued.

Yours Faithfully,

....
Ibrahem Alshbili, Doctoral Researcher
The Business School
University of Huddersfield
Queensgate, Huddersfield
HD1 3DH, West Yorkshire, England, United Kingdom
Tel: 0928404533
E-mail: U1077933@hud.ac.uk

Participant Information Sheet

Date: / /2014

Research title: An investigation into corporate social responsibility disclosure in the Libyan oil and gas sector: An institutional perspective.

What is the purpose of the research?

The aim of this research is to investigate the extent and types of corporate social responsibility disclosure and the factors influencing its presence and absence in the oil and gas companies functioning in Libya, in the light of the country's political and institutional changes.

Do I have to take part?

No, your participation in this research is entirely voluntary. However, I would like you to consent to participate in this research because I believe that you can really make a significant contribution to the success of this study.

Why I have been selected?

The rationale behind your selection is: this study is partly aimed at identifying and discussing the institutional factors that may affect the social responsibility disclosure in gas and oil firms functioning in Libya. Hence, you are in a position to provide input on the formulation of company disclosure of CSR and would have the required information to offer useful and accurate data pertaining to the interview questions.

What will I do if I take part?

If you are happy to participate in this study, a face to face interview shall be conducted. This should not take more than one and half hour of your time.

Will all my details be kept confidential?

Yes, all the information that you provide will be confidential and anonymised in compliance with the Data Protection Act 1998 and ethical research guidelines and principles of the University of Huddersfield.

What will happen to the results of the study?

The findings of this research will be available in one or more of the following sources: researcher's PhD thesis, journals, papers, presentations at a regional conference, and local seminars. The full findings will be available from the electronic archive of the University of Huddersfield Repository upon the completion of the PhD thesis.

Who has reviewed and approved the research?

The researcher's supervision team have reviewed and approved the research and they can be contacted at the University of Huddersfield email and/or phone number on:

Dr Eshani Beddewela

E-mail: e.s.beddewela@hud.ac.uk

Phone number: 01484 472104

Dr Olu Aluko

E-mail: o.aluko@hud.ac.uk

Phone number: 01484 471592

Who can be contacted for further information?

For further information regarding the research, please contact the researcher on:

Ibrahem Alshbili, Doctoral Researcher
The Business School
University of Huddersfield
Queensgate, Huddersfield
HD1 3DH, West Yorkshire
England, United Kingdom
Tel: 00218928404533
E-mail: U1077933@hud.ac.uk

Consent Form

Research title: An investigation into corporate social responsibility disclosure in the Libyan oil and gas sector: An institutional perspective.

Please tick all boxes

1. I, the participant, confirm that I have read and understand the information as provided in the information sheet dated / /2014 for the above research. ☐
2. I have been given the chance to ask questions about the research and have had these answered adequately. ☐
3. I understand that my participation in this research is voluntary and that I am free to withdraw at any time without giving any reasons and that I will not be penalised for withdrawing, nor will I be questioned on why I have withdrawn. ☐
4. I understand that all the information that I shall provide will be treated in a complete confidence and my anonymity is assured during the analysis, and discussion in the thesis production. ☐
5. I understand that the researcher will destroy the taped information and the transcripts at the end of the study. ☐
6. I agree to take part in the above research. ☐

Name of participant	Date	Signature
....	....	....

Appendix 2: Interview Guide for Managers of Oil and Gas Companies

Date: / /2014

Section 1: Interviewee details:

Company..
Degree held..
Your profession.................................
Gender..

Section 2: General information and context:

1. Can you give me an overview of your firm and its key activities in relation to corporate social responsibility?

2. What do you think corporate social responsibility disclosure means?

   [Probe: environmental and energy disclosure, human resources disclosure, community involvement disclosure, consumer and products disclosures]

3. Can you tell me what you perceive to be the benefits and drawbacks of corporate social responsibility disclosure are for a firm?

   [Probe: <u>benefits</u>: serve society as a whole, gain competitive advantages, serve consumers, develop human resources/employee, <u>disadvantages</u>: harm to the company image, financial risks caused by pollution, threat of raised regulatory control national governments]

Section 3: The current level of social responsibility disclosure and country's political and institutional changes:

4. How effective do you think the present level of social responsibility disclosure is by the oil and gas companies operating in the country? Why?

[Probe: successful in disclosure, not successful]

5. In the light of country's political and institutional changes, do you think the level of social responsibility disclosure made by the oil and gas companies has increased? If so, why/why not? [depending on the answer]

   [Probe: creation of new law, establishing relevant standards]

6. Does your company undertake social responsibility disclosure practice? If so, what types of social responsibility disclosure information are mostly being disclosed by your company? Why?

   [Probe: environmental, human resources, community involvement, consumer and products]

   If the answer is NO to above question, the following question will be raised

   Does your company have a social responsibility disclosure policy? If so, does your company disclose these policies? Why or why not?

   If the answer is NO to above question, the following question will be raised

   Does your company have a social responsibility disclosure policy? If so, does your company disclose these policies? Why or why not?

Section 4: Sources of institutional factors and institutional mechanisms

7. Do you perceive that there are external pressures that drive your company to disclose CSR information? If so, which external pressures influence your company's choice to undertake corporate social responsibility disclosure?

   [Possible external pressure factors coercive: Government (e.g. Environmental General Authority), Regulators and Policy Makers (e.g. the National Oil Company), Financial Institutions (e.g. Central Bank of Libya), normative: the Libyan Accountants and Auditors Association, Libyan Petroleum Institute, The Specific Training Center of Petroleum Industrial (Zawia), Petroleum Training and Qualifying Institute, mimetic factors e.g. competitor pressure]

[Probe: Based upon response to Q7, why? to what extent? how does your company response to such pressure? Possible examples; staff training, volunteering and pro-bono, reducing its impact on the environment

If no, are there any legal requirements you are aware of obliging your company to disclose CSR information? And if so, what are they? If no, how your company disclose CSR information then?

8. Do you believe that company characteristics, such as size, have an influence on the level of social responsibility disclosure of your company? If so, how?

   [Probe: age, profitability, ownership (government, overseas partner, foreign), board characteristics (e.g. board size, board meeting)]

Section 5: Forces and obstacles for corporate social responsibility disclosure

9. What do you think motivates oil and gas companies to engage and disclose CSR information?

   [Probe: legal requirements, social forces (e.g. religion, spread of CSR awareness) market forces (e.g. competition), economic factors (e.g. company reputation), legitimacy forces (e.g. justify their existence within the society].

10. What reasons do you think may act as impediments for CSRD in oil and gas companies?

    [Probe: absence of legal requirements, market forces (e.g. lack of awareness/knowledge, lack of demand), issue of management and fair of bad reputation (e.g. lack of staff), other reasons e.g. lack of competition, absence of civil societies, lack of resources]

Section 6: Place of social responsibility information

11. What do you think is the best form of disclosure when disclosing to the public on issues of CSR? Why?

    [Probe: annual reports, stand-alone reports, internet websites, advertising].

12. What do you think are the best types or forms of disclosure which can be used to reveal CSR information by a firm? Why?

    [Probe: descriptive/declarative, qualitative, monetary quantitative data, other quantitative (non-monetary)]

Section 7: Additional information and conclusion

13. What changes do you think will occur in the future in relation to social and environmental disclosure made by your company? Why?

14. Is there anything else you would like to include?

Appendix 3: Invitation Letter, Participant Information Sheet, and Consent Form for Policy and Decision Makers

University of HUDDERSFIELD

Huddersfield Business School

Invitation letter

Dear Sir,

I am a full-time doctoral student at the University of Huddersfield Business School, in the United Kingdom. I am currently undertaking a research study leading to the award of Doctor of Philosophy (PhD). My research looks at the extent and types of corporate social responsibility disclosure and the factors influencing its presence and absence in the gas and oil firms functioning in Libya in the light of the country's political and institutional changes.

As a significant part of my study, I am currently gathering data with reference to the above research and as you are a valued member of............................, you are invited to take part in this study. Before you decide, it is vital to understand why this study is being conducted and what it will encompass. To explain to you some concerns that you may have, as a potential applicant of this research, I have enclosed a brief participant information sheet covering different issues such as the privacy and confidentiality of data which will be provided.

Please take your time to read the subsequent information carefully. I would be happy to provide any clarification you may require. I would like to thank you in advance for your assistance and corporation in the research. Your help and contribution in this study would be extremely valued.

Yours Faithfully,

Ibrahem Alshbili, Doctoral Researcher
The Business School
University of Huddersfield
Queensgate, Huddersfield
HD1 3DH, West Yorkshire, England, United Kingdom
Tel: 00218928404533
E-mail: U1077933@hud.ac.uk

Participant Information Sheet

Date: / / 2014

Research title: An investigation into corporate social responsibility disclosure in the Libyan oil and gas sector: An institutional perspective.

What is the purpose of the research?

The aim of this research is to investigate the extent and types of corporate social responsibility disclosure and the factors influencing its adoption in the oil and gas companies working in Libya in the light of the country's political and institutional changes.

Do I have to take part?

No, your participation in this research is entirely voluntary. However, I would like you to consent to participate in this research because I believe that you can really make an important contribution to the success of this research.

Why I have been selected?

The rationale behind your selection is: this study is partly aimed at identifying and discussing the institutional factors that may affect the social responsibility disclosure in gas and oil firms working in Libya. Hence, you are in a position to provide input on the factors that affect companies to disclose (or not disclose) CSR information. Thus, I believe that you would have the required information to offer useful and accurate data pertaining to the interview questions.

What will I do if I take part?

If you are happy to participate in this study, a face to face interview shall be conducted. This should not take more than one hour of your time.

Will all my details be kept confidential?

Yes, all the information that you provide will be confidential and anonymised in compliance with the Data Protection Act 1998 and ethical research guidelines and principles of the University of Huddersfield.

What will happen to the results of the study?

The findings of this research will be available in one or more of the following sources: researcher's PhD thesis, journals papers, presentations at a regional conference, and local seminars. The full findings will be available from the electronic archive of the University of Huddersfield Repository upon the completion of the PhD thesis.

Who has reviewed and approved the research?

The researcher's supervision team have reviewed and approved the research and they can be contacted at the University of Huddersfield email and/or phone number on:

Dr Eshani Beddewela
E-mail: e.s.beddewela@hud.ac.uk
Tel: 01484 472104

Dr Olu Aluko
E-mail: o.aluko@hud.ac.uk
Tel: 01484 471592

Who can be contacted for further information?

For further information regarding the research, please contact the researcher on:

Ibrahem Alshbili, Doctoral Researcher
The Business School
University of Huddersfield
Queensgate, Huddersfield
HD1 3DH, West Yorkshire
England, United Kingdom
Tel: 00218928404533
E-mail: U1077933@hud.ac.uk

Consent Form

Research title: An investigation into corporate social responsibility disclosure in the Libyan oil and gas sector: An institutional perspective.

	Please tick (✓) all boxes
1. I, the participant, confirm that I have read and understand the information as provided in the information sheet dated / /2014 for the above research.	☐
2. I have been given the chance to ask questions about the research and have had these answered adequately.	☐
3. I understand that my participation in this research is voluntary and that I am free to withdraw at any time without giving any reasons and that I will not be penalised for withdrawing, nor will I be questioned on why I have withdrawn.	☐
4. I understand that all the information that I shall provide will be treated in a complete confidence and my anonymity is assured during the analysis and discussions in the thesis production.	☐
5. I understand that the researcher will destroy the taped information and the transcripts at the end of the study.	☐
6. I agree to take part in the above research.	☐

Name of participant	Date	Signature
....	....	....

Appendix 4: Interview Schedule - External Actors

External pressures on the oil and gas industry to disclose CSR information

Date: / /2014

Section 1: Interviewee details:

Organisation......................................
Degree held......................................
Your profession.................................
Gender...

Section 2: General information and context:

1. Can you give me an overview of your organisation and its key activities in relation to corporate social responsibility?

2. What do you think corporate social responsibility disclosure means?

   [Probe: environmental and energy disclosure, human resources disclosure, community involvement disclosure, consumer and products disclosures]

3. Can you tell me what you perceive to be the benefits and drawbacks of corporate social responsibility disclosure are for a firm?

   [Probe: <u>benefits</u>: serve society as a whole, gain competitive advantages, serve consumers, develop human resources/employee, <u>disadvantages</u>: harm to the company image, financial risks caused by pollution]

Section 3: The current level of social responsibility disclosure and country's political and institutional changes:

4. How effective do you think the present level of social responsibility disclosure is by the oil and gas companies operating in the country? Why?

[Probe: successful in disclosure, not successful]

5. In the light of country's political and institutional changes, do you think the level of social responsibility disclosure made by the oil and gas companies has increased? If so, why/why not? [depending on the answer]

   [Probe: creation of new law, establishing relevant standards]

Section 4: Sources of institutional factors and institutional mechanisms

6. Are there any legal requirements you are aware of obliging oil and gas companies to disclose CSR information? And if so, what are they?

7. As you are an external institutional actor to companies, to what extent do you think you have influence on oil and gas companies to disclose their CSR information?

   [Probe: Based upon response to Q6, how? why?]

8. In the light of country's political and institutional changes, what do you propose to do as an external institutional actor about social and environmental information disclosed? Why?

Section 5: Forces and obstacles for corporate social responsibility disclosure

9. What do you think motivates oil and gas companies to engage and disclose CSR information?

   [Probe: legal requirements, social forces (e.g. religion, spread of CSR awareness) market forces (e.g. competition), economic factors (e.g. company reputation), legitimacy forces (e.g. justify their existence within the society)].

10. What reasons do you think may prevent oil and gas companies from disclosing CSR information?

    [Probe: lack of legal requirements, lack of resources, market forces (e.g. lack of awareness/knowledge, lack of demand), issue of management and fair of bad reputation (e.g. lack of staff), other reasons e.g. lack of competition, absence of civil societies, lack of resources]

Section 6: Place of social responsibility information

11. What do you think is the best form of disclosure when disclosing to public on issues of CSR? Why?

    [Probe: annual reports, stand-alone reports, internet websites, advertising].

12. What do you think are the best output types that can be used to disclose CSR information by a firm? Why?

    [Probe: descriptive/declarative, qualitative, monetary quantitative data, other quantitative (non-monetary)]

Section 7: Additional information and conclusion

13. What changes do you think will occur in the future in relation to social and environmental disclosure made by oil and gas companies operating in the country?

14. Is there anything else you would like to include?

جامعة هدرسفيلد كلية التجارة

رسالة دعوة: المدراء

سيدي العزيز،

أنا طالب دكتوراه بدوام كامل بكلية التجارة، جامعة هيدرسفيلد، في المملكة المتحدة. أنا حاليا أقوم بإجراء دراسة بحثية للحصول على درجة الدكتوراه في مجال المحاسبة. هذه الدراسة تركز على مدى الإفصاح عن المسؤلية الإجتماعية للشركات العاملة في قطاع النفط والغاز في ليبيا والعوامل التي تؤثر على وجود الإفصاح من عدمه في ضوء التغيرات السياسية والمؤسسية في البلاد.

كجزء مهم جدا من دراستي، أنا حاليا أقوم بجمع البيانات للبحث المذكور أعلاه وبما أنك عضوا مهم جدا في ....، فأنت مدعو للمشاركة في هذا البحث. قبل أن تقرر، فمن المهم جدا أن تفهم لماذا يجري هذا البحث وماذا سوف يشمل. لكي أوضح وأشرح لك بعض النقاط التي قد تكون لديك، كمشارك محتمل لهذه الدراسة، فقد أرفقت ورقة معلومات مشارك موجزة تغطي مختلف القضايا مثل الخصوصية وسرية البيانات التي سيتم توفيرها.

يرجى أن تأخذ وقتك لقراءة المعلومات المرفقة بعناية وسأكون سعيدا لتقديم أي توضيح قد تحتاجون إليه بالخصوص. أود أن أشكركم مقدما على مساعدتكم والإشتراك في هذا البحث. علما بأن مساعدتكم والمساهمة في هذه الدراسة سوف تحضى بتقدير كبير جدا من قبل الباحث.

تفضلوا بقبول فائق الإحترام،

....

إبراهيم الشبيلي، طالب دكتوراه
كلية التجاره
جامعة هدرسفيلد
HD1 3DH
غرب يوركشير
إنجلترا، المملكة المتحدة
الهاتف: 00218928404533
البريد الإلكتروني: U1077933@hud.ac.uk

ورقة معلومات مشارك

تاريخ: / / 2014

عنوان البحث: الإفصاح عن المسؤولية الإجتماعية للشركات في قطاع النفط والغاز الليبي: منظور مؤسسي.

ما هو الغرض من هذا البحث؟

الغرض من هذا البحث هو دراسة مدى الإفصاح عن المسؤلية الإجتماعية للشركات العاملة في قطاع النفط والغاز في ليبيا والعوامل التي تؤثر على وجود الإفصاح من عدمه في ضوء التغيرات السياسية والمؤسسية في البلاد.

هل يجب عليّ المشاركة؟

لا، مشاركتكم في هذا البحث هو طوعي تماما. وبالرغم من ذلك، أود منكم أن توافقو على المشاركة في هذا البحث لأنني أعتقد أنه يمكنكم حقا أن تسهمو إسهاما كبيرا في نجاح هذه الدراسة.

لماذا تم إختياري أنا؟

الأساس المنطقي وراء إختيارك هو؛ أن هذه الدراسة تهدف جزئيا إلى تحديد ومناقشة العوامل المؤسسية التي قد تؤثر على وجود أو غياب الإفصاح عن المسؤولية الإجتماعية في شركات النفط والغاز العاملة في ليبيا. وبالتالي، أنت في وضع يمكن من خلاله أن تقدم مساهمة مهمه وفعاله بشأن العوامل التي تؤثر على وجود الإفصاح من عدمه عن المسؤولية الإجتماعية لشركتكم. ولذا، أعتقد أن لديكم المعلومات المطلوبة لتقديم بيانات مفيدة ودقيقة تتعلق بأسئلة المقابلة.

ماذا سأفعل إذا قرر تَ المشاركة؟

إذا كنتَ سعيدا للمشاركة في هذه الدراسة، ستكون هناك مقابلة معكم، حيث لا ينبغي لهذه المقابلة أن تأخذ أكثر من ساعة واحدة من وقتك.

هل ستبقى كل التفاصيل الخاصة بي سرية ؟

نعم، جميع المعلومات التي تقدموها سوف تكون سرية ومجهولة المصدر إمتثالا لقانون حماية البيانات لعام 1998 والمبادئ التوجيهية والمبادئ الأخلاقية للبحوث في جامعة هدرسفيلد.

ماذا سيحدث لنتائج الدراسة؟

نتائج هذا البحث سوف تكون متاحة في أحد المصادر التالية: أطروحة الباحث، المقالات، عرض في مؤتمر علمي، الندوات المحلية. ولكن، النتائج الكاملة سوف تكون متاحة من الأرشيف الإلكتروني لجامعة هدرسفيلد بعد الإنتهاء من أطروحة الدكتوراه.

مَن ناقش هذا البحث ووافق عليه؟

فريق الإشراف على البحث، حيث يمكن الإتصال بهدا الفريق في جامعة هدرسفيلد من خلال البريد الإلكتروني أو على رقم الهاتف :

الدكتوره إشاني بدويلة	الدكتور أولو ألوكو
البريد الإلكترووني esbeddewela@hud.ac.uk	البريد الإلكتروني : o.aluko @ hud.ac.uk
الهاتف:472104 1484(0) 44+	الهاتف :471592 1484(0) 44+

مَن الذي يمكن الإتصال به للحصول على مزيد من المعلومات؟

للمزيد من المعلومات حول هذا البحث، يرجى الإتصال بالباحث

إبراهيم الشبيلي، طالب دكتوراه
كلية التجاره
جامعة هدرسفيلد
Queensgate، هدرسفيلد
HD1 3DH، غرب يوركشير
إنجلترا، المملكة المتحدة
الهاتف: 00218928404533
البريد الإلكتروني: U1077933@hud.ac.uk

نموذج موافقة

عنوان البحث: الإفصاح عن المسؤولية الإجتماعية للشركات في قطاع النفط والغاز الليبي: منظور مؤسسي.

يرجى وضع علامة (✓) على كل المربعات

☐ 1 أنا، المشارك، أقر بأنني قد قرأت وفهمت المعلومات على النحو المنصوص عليها في هذه الورقة وبتاريخ / 2014 للبحث المذكور أعلاه.

☐ 2. لقد أعطيت لي الفرصة لطرح الأسئلة حول البحث وكانت الإجابة وافيه.

☐ 3. أنا أدرك أن مشاركتي في هذا البحث هي طوعية وأنني حر في الإنسحاب في أي وقت دون إبداء أي أسباب، وأنني لن أعاقب علي إنسحابي، ولن أساءل عن السبب في ذالك.

☐ 4. أنا أدرك أن جميع المعلومات التي سأقدمها سوف يتم التعامل معها بكل سرية، وأكد لي على عدم ذكر إسمي خلال التحليل والمناقشات في *الأطروحة*.

☐ 5. أنا علي ثقة أن الباحث سوف يتخلص من جميع المعلومات المسجلة وكذلك النصوص في نهاية الدراسة البحثية.

☐ 6. أنا أوافق على المشاركة في البحث المذكور أعلاه.

إسم المشارك	التاريخ	التوقيع
....	....	....

اسئلة المقابلة: المسؤولين الداخلين (المدراء)

تاريخ: / / 2014

القسم 1: تفاصيل المشارك :

الشركة ....
المؤهل ....
المهنة ....
الجنس ....

القسم 2: معلومات عامة

1. هل يمكن ان تعطيي لمحة عامة عن الشركة وأنشطتها الرئيسية فيما يتعلق بالإفصاح عن المسؤولية الإجتماعية؟

2. في رأيك ماذا يعني الإفصاح عن المسؤولية الإجتماعية للشركات؟

[نقاط النقاش: الإفصاح عن البيئة والطاقة، الإفصاح عن الموارد البشرية، الإفصاح عن المشاركة المجتمعية، الإفصاح عن المنتجات الإستهلاكية]

3. هل يمكن أن تخبرني بمزايا وعيوب الإفصاح عن المسؤولية الإجتماعية للشركات؟

[نقاط النقاش: الفوائد: خدمة المجتمع ككل، اكتساب مزايا تنافسية، خدمة المستهلكين، تطوير الموارد البشرية، العيوب:

الضرر بصورة الشركة، المخاطر المالية الناجمة عن التلوث]

القسم 3: المستوى الحالي للإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز والتغيرات السياسية والمؤسسية في البلاد:

4. ما مدى فاعلية أو نجاح المستوى الحالي للإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز العاملة في البلاد؟ ولماذا؟

[نقاط النقاش: ناجحة في الكشف، ليست ناجحة]

5. في ضوء التغيرات السياسية والمؤسسية للبلاد، هل تعتقد أن مستوى الإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز قد زاد؟ إذا كان الأمر كذلك، لماذا / لماذا لا؟ [تعتمد على الجواب]

[نقاط نقاش: وضع قانون جديد، وضع معايير ذات صلة]

6. هل تقوم شركتكم بممارسة الإفصاح عن المسؤولية الإجتماعية؟ إذا كان الأمر كذلك، ما هي أنواع الإفصاح عن المسؤولية الإجتماعية التي يجري الكشف عنها في الغالب من قبل شركتكم ؟ ولماذا؟

[نقاط النقاش: الإفصاح عن البيئة، الإفصاح عن الموارد البشرية، الإفصاح عن المشاركة المجتمعية ، الإفصاح عن الإستهلاك والمنتجات]

إذا كان الجواب بالنفي على السؤال أعلاه، سيتم طرح السؤال التالي:

هل لدى شركتكم سياسة خاصة بالإفصاح عن المسؤولية الإجتماعية؟ إذا كان الأمر كذلك، هل تقوم شركتكم بالإفصاح عن هذه السياسات؟ لماذا أو لماذا لا؟

إذا كان الجواب بالنفي على السؤال أعلاه، سيتم طرح السؤال التالي:

هل تعتزم شركتكم إنشاء خطة للإفصاح عن المسؤولية الإجتماعية في المستقبل القريب؟ لماذا أو لماذا لا؟ ؟ [تعتمد على الجواب]

القسم 4: مصادر العوامل المؤسسية والآليات المؤسسية

7. هل تعتقد أن هناك ضغوطات خارجية تدفع الشركة إلى الإفصاح عن المسؤولية الإجتماعية؟ إذا كان الأمر كذلك، ما هي العوامل أو الضغوطات التي تؤثرعلى إختيار الشركة للإفصاح عن المسؤولية الإجتماعية؟

[الضغوط الخارجية المحتملة أو العوامل القسرية: الحكومة (مثل الهيئة العامة للبيئة)، المنظمون وواضعو السياسات (مثل الشركة الوطنية للنفط)،المؤسسات المالية (مثل مصرف ليبيا المركزي) ضغوط معيارية: جمعية النقابة العامة للمحاسبين والمراجعين الليبيين، معهد النفط الليبي، المركز النوعي للتدريب على الصناعات النفطيه بالزاوية، معهد النفط للتدريب والتأهيل، عوامل المحاكاة على سبيل مثال ضغط المنافس]

[نقاط النقاش: إستنادا إلى إجابة سؤال 7، لماذا؟ إلى أي مدى؟ كيف تستجيب الشركة لمثل هذا الضغط؟ أمثلة؟ تدريب الموظفون، العمل التطوعي والموالية للمصلحة العامة، الحد من أثارها على البيئة.

إذا كان الجواب بالنفي، هل هناك أي متطلبات قانونية تلزم الشركة بالإفصاح عن المسؤولية الإجتماعية؟ وإذا كان الأمر كذلك، ما هي؟ إذا كان الجواب بالنفي، كيف شركتكم تمارس الإفصاح عن المسؤولية الإجتماعية إذا؟

8. هل تعتقد أن خصائص الشركة مثل الحجم لها تأثير على مستوى الإفصاح عن المسؤولية الإجتماعية؟ إذا كان الأمر كذلك، كيف؟

[نقاط النقاش: العمر، الربحية، الملكية، الجنسية]

القسم 5: الضغوطات والعقبات التي تتعرض لها الشركات للإفصاح عن المسؤولية الإجتماعية

9. في رأيك، ما هو الشي الذي يحفز شركات النفط والغاز على الإفصاح عن المسؤولية الإجتماعية؟

[نقاط النقاش: المتطلبات القانونية، القوى الإجتماعية (مثل الدين، وانتشار وعي المسؤولية الإجتماعية للشركات) القوى السوقية (مثل المنافسة والتنمية في عملية الإنتاج)، العوامل الإقتصادية (مثل سمعة الشركة)، القوى الشرعية (على سبيل مثال تبرير وجودها داخل المجتمع، وتطبيق متطلبات البيئة].

10. برأيك، ما هي الأسباب التي قد تمنع شركات النفط والغاز من الإفصاح عن المسؤولية الإجتماعية؟

[نقاط النقاش: عدم وجود المتطلبات القانونية، نقص الموارد، القوى السوقية (مثل نقص الوعي والمعرفة، وعدم الطلب)، المسألة الإدارية (مثل نقص الموظفين، والصعوبات الإدارية)، لأسباب أخرى مثل وكالات الحكومة ليست صارمة، عدم وجود منافسة، غياب المجتمعات المدنية]

11.في رأيك، ما هي أفضل طريقة يمكن إستخدمها وتلزم شركات النفط والغاز على ممارسة الإفصاح عن معلومات المسؤولية الإجتماعية؟

[نقاط النقاش: من خلال سن القوانين، من خلال القوانين واللوائح الداخلية للشركات، العقوبات، العقود المبرمة بين المؤسسة الوطنية للنفط وشركات النفط]

القسم 6: : مكان معلومات الإفصاح عن المسؤولية الإجتماعية

12. في رأيك، ما هي أفضل وسيلة للإفصاح للعامة بشأن قضايا المسؤولية الإجتماعية للشركات؟ ولماذا؟

[نقاط النقاش: التقارير السنوية، تقارير قائمة بذاتها، مواقع الإنترنت، الإعلانات].

13. برأيك، ما هي أفضل وسيلة يمكن استخدامها للإفصاح عن المسؤولية الإجتماعية من قبل شركتكم ؟ولماذا؟

[نقاط النقاش: وصفية، نوعية، البيانات الكمية النقدية، وغيرها الكمي (غير النقدية)]

القسم 7: معلومات إضافية وخلاصة

14. ما هي أهم التغيرات التي تعتقد أنها سوف تقدمها شركتكم في المستقبل فيما يتعلق بالإفصاح عن المسؤلية الإجتماعية؟ ولماذا؟

15.هل هناك شيء آخر تود أن تضيفه في هذا السياق ؟

جامعة هدرسفيلد كلية التجارة

رسالة دعوة: الممثلين الخارجين

سيدي العزيز،

أنا طالب دكتوراه بدوام كامل بكلية التجارة، جامعة هيدرسفيلد، في المملكة المتحدة. أنا حاليا أقوم بإجراء دراسة بحثية للحصول على درجة الدكتوراه في مجال المحاسبة. هذه الدراسة تركز على مدى الإفصاح عن المسؤلية الإجتماعية للشركات العاملة في قطاع النفط والغاز في ليبيا والعوامل التي تؤثر على وجود الإفصاح من عدمه في ضوء التغيرات السياسية والمؤسسية في البلاد.

كجزء مهم جدا من دراستي، أنا حاليا أقوم بجمع البيانات للبحث المذكور أعلاه وبما أنك عضوا مهم جدا في......................، فأنت مدعو للمشاركة في هذا البحث. قبل أن تقرر، فمن المهم جدا أن تفهم لماذا يجري هذا البحث وماذا سوف يشمل. لكي أوضح وأشرح لك بعض النقاط التي قد تكون لديك، كمشارك محتمل لهذه الدراسة، فقد أرفقت ورقة معلومات مشارك موجزة تغطي مختلف القضايا مثل الخصوصية وسرية البيانات التي سيتم توفيرها.

يرجى أن تأخذ وقتك لقراءة المعلومات المرفقة بعناية وسأكون سعيدا لتقديم أي توضيح قد تحتاجون إليه بالخصوص. أود أن أشكركم مقدما على مساعدتكم والإشتراك في هذا البحث. علما بأن مساعدتكم والمساهمة في هذه الدراسة سوف تحضى بتقدير كبير جدا من قبل الباحث.

تفضلوا بقبول فائق الإحترام،

....

إبراهيم الشبيلي، طالب دكتوراه
كلية التجاره
جامعة هدرسفيلد
HD1 3DH
غرب يوركشير
إنجلترا، المملكة المتحدة
الهاتف: 00218928404533
البريد الإلكتروني: U1077933@hud.ac.uk

ورقة معلومات مشارك

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عنوان البحث: الإفصاح عن المسؤولية الإجتماعية للشركات في قطاع النفط والغاز الليبي: منظور مؤسسي.

ما هو الغرض من هذا البحث؟

الغرض من هذا البحث هو دراسة مدى الإفصاح عن المسؤلية الإجتماعية للشركات العاملة في قطاع النفط والغاز في ليبيا والعوامل التي تؤثر على وجود الإفصاح من عدمه في ضوء التغيرات السياسية والمؤسسية في البلاد.

هل يجب عليّ المشاركة؟

لا، مشاركتكم في هذا البحث هو طوعي تماما. وبالرغم من ذلك، أود منكم أن توافقو على المشاركة في هذا البحث لأنني أعتقد أنه يمكنكم حقا أن تسهمو إسهاما كبيرا في نجاح هذه الدراسة.

لماذا تم إختياري أنا؟

الأساس المنطقي وراء إختيارك هو؛ أن هذه الدراسة تهدف جزئيا إلى تحديد ومناقشة العوامل المؤسسية التي قد تؤثر على وجود أو غياب الإفصاح عن المسؤولية الإجتماعية في شركات النفط والغاز العاملة في ليبيا. وبالتالي، أنت في وضع يمكن من خلاله أن تقدم مساهمة مهمه وفعاله بشأن العوامل التي تؤثر على وجود الإفصاح من عدمه عن المسؤولية الإجتماعية للشركات. ولذا، أعتقد أن لديكم المعلومات المطلوبة لتقديم بيانات مفيدة ودقيقة تتعلق بأسئلة المقابلة.

ماذا سأفعل إذا قرر تَ المشاركة؟

إذا كنتَ سعيدا للمشاركة في هذه الدراسة، ستكون هناك مقابلة معكم، حيث لا ينبغي لهذه المقابلة أن تأخذ أكثر من ساعة واحدة من وقتك.

هل ستبقى كل التفاصيل الخاصة بي سرية ؟

نعم، جميع المعلومات التي تقدموها سوف تكون سرية ومجهولة المصدر إمتثالا لقانون حماية البيانات لعام 1998 والمبادئ التوجيهية والمبادئ الأخلاقية للبحوث في جامعة هدرسفيلد.

ماذا سيحدث لنتائج الدراسة؟

نتائج هذا البحث سوف تكون متاحة في أحد المصادر التالية: أطروحة الباحث، المقالات، عرض في مؤتمر علمي، الندوات المحلية. ولكن، النتائج الكاملة سوف تكون متاحة من الأرشيف الإلكتروني لجامعة هدرسفيلد بعد الإنتهاء من أطروحة الدكتوراه.

مَن ناقش هذا البحث ووافق عليه؟

فريق الإشراف على البحث، حيث يمكن الإتصال بهذا الفريق في جامعة هدرسفيلد من خلال البريد الإلكتروني أو على رقم الهاتف :

الدكتوره إشاني بدويلة

البريد الإلكتروني esbeddewela@hud.ac.uk

الهاتف:472104 1484(0) 44+

الدكتور أولو ألوكو

البريد الإلكتروني : o.aluko @ hud.ac.uk

الهاتف :471592 1484(0) 44+

مَن الذي يمكن الإتصال به للحصول على مزيد من المعلومات؟

للمزيد من المعلومات حول هذا البحث، يرجى الإتصال بالباحث

إبراهيم الشبيلي، طالب دكتوراه
كلية التجاره
جامعة هدرسفيلد
Queensgate، هدرسفيلد
HD1 3DH، غرب يوركشير
إنجلترا، المملكة المتحدة
الهاتف: 00218928404533
البريد الإلكتروني: U1077933@hud.ac.uk

نموذج موافقة

عنوان البحث: الإفصاح عن المسؤولية الاجتماعية للشركات في قطاع النفط والغاز الليبي: منظور مؤسسي.

يرجى وضع علامة (✓) على كل المربعات

☐ 1 أنا، المشارك، أقر بأنني قد قرأت وفهمت المعلومات على النحو المنصوص عليها في هذه الورقة وبتاريخ / 2014 للبحث المذكور أعلاه.

☐ 2. لقد أعطيت لي الفرصة لطرح الأسئلة حول البحث وكانت الإجابة وافيه.

☐ 3. أنا أدرك أن مشاركتي في هذا البحث هي طوعية وأنني حر في الإنسحاب في أي وقت دون إبداء أي أسباب، وأنني لن أعاقب علي إنسحابي، ولن أساءل عن السبب في ذالك.

☐ 4. أنا أدرك أن جميع المعلومات التي سأقدمها سوف يتم التعامل معها بكل سرية، وأكد لي على عدم ذكر إسمي خلال التحليل والمناقشات في *الأطروحة*.

☐ 5. أنا علي ثقة أن الباحث سوفيتخلص من جميع المعلومات المسجلة وكذلك النصوص في نهاية الدراسة البحثية.

☐ 6. أنا أوافق على المشاركة في البحث المذكور أعلاه.

إسم المشارك	التاريخ	التوقيع
....	....	....

اسئلة المقابلة: الممثلين الخارجين

الضغوطات الخارجية على شركات النفط والغاز للإفصاح عن المسؤولية الإجتماعية

تاريخ: / / 2014

القسم 1: تفاصيل المشارك :

المؤسسة ....
المؤهل ....
المهنة ....
الجنس......................................

القسم 2: معلومات عامة:

1. هل يمكن ان تعطيني لمحة عامة عن المؤسسة وأنشطتها الرئيسية فيما يتعلق بالإفصاح عن المسؤولية الإجتماعية للشركات؟

2. في رأيك ماذا يعني الإفصاح عن المسؤولية الإجتماعية للشركات؟

[نقاط النقاش: الإفصاح عن البيئة والطاقة، الإفصاح عن الموارد البشرية، الإفصاح عن المشاركة المجتمعية، الإفصاح عن المنتجات الإستهلاكية]

3. هل يمكن أن تخبرني بمزايا وعيوب الإفصاح عن المسؤولية الإجتماعية للشركات؟

[نقاط النقاش: **الفوائد**: خدمة المجتمع ككل، اكتساب مزايا تنافسية، خدمة المستهلكين، تطوير الموارد البشرية، **العيوب**:
الضرر بصورة الشركة، المخاطر المالية الناجمة عن التلوث]

القسم 3: المستوى الحالي للإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز والتغيرات السياسية والمؤسسية في البلاد:

4. ما مدى فاعلية أو نجاح المستوى الحالي للإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز العاملة في البلاد؟ لماذا؟ / لماذا لا؟ [تعتمد على الجواب]

[نقاط النقاش: ناجحة في الكشف، ليست ناجحة]

5. في ضوء التغيرات السياسية والمؤسسية للبلاد، هل تعتقد أن مستوى الإفصاح عن المسؤولية الإجتماعية لشركات النفط والغاز قد زاد؟ إذا كان الأمر كذلك، لماذا / لماذا لا؟ [تعتمد على الجواب]

[نقاط النقاش: وضع قانون جديد، وضع معايير ذات صلة]

القسم 4: مصادر العوامل المؤسسية والآليات المؤسسية

6 .هل هناك أي متطلبات قانونية تلزم شركات النفط والغاز على الإفصاح عن المسؤولية الإجتماعية؟ وإذا كان الأمر كذلك، ما هي؟
7. كجهة رقابية خارجية تشجع على الإفصاح، إلى أي مدى تعتقد أن لديك تأثير على شركات النفط والغازلكي تفصح عن المسؤولية الإجتماعية؟

[محاور: إستنادا إلى إجابة سؤال 6، كيف؟ لماذا؟]

8. في ضوء التغيرات السياسية والمؤسسية للبلاد، وبإعتبارك كمؤسس خارجي، ما هي رؤيتكم (الشي الذي تعتزمون القيام به) حول الإفصاح عن المعلومات الإجتماعية والبيئية لشركات النفط والغاز؟ ولماذا؟

القسم 5: الضغوطات والعقبات التي تتعرض لها الشركات للإفصاح عن المسؤولية الإجتماعية

9. برأيك ما هو الشي الذي يحفز شركات النفط والغاز على الإفصاح عن المسؤولية الإجتماعية؟

[نقاط النقاش: المتطلبات القانونية، القوى الإجتماعية (مثل الدين، انتشار الوعي للمسؤولية الإجتماعية للشركات) القوى السوقية (مثل المنافسة والتنمية في عملية الإنتاج)، العوامل الإقتصادية (مثل سمعة الشركة)، القوى الشرعية (على سبيل مثال تبرير وجودها داخل المجتمع، تطبيق متطلبات البيئة].

10. برأيك ما هي الأسباب التي قد تمنع شركات النفط والغاز من الإفصاح عن المسؤولية الإجتماعية؟

[نقاط النقاش: عدم وجود المتطلبات القانونية، نقص الموارد، قوى السوق (مثل نقص الوعي و المعرفة، وعدم الطلب)، مسألة إدارية (مثل نقص الموظفين، والصعوبات الإدارية)، لأسباب أخرى مثل وكالات الحكومة ليست صارمة، عدم وجود منافسة، غياب المجتمعات المدنية]

11.في رأيك، ما هي أفضل طريقة يمكن إستخدمها لألزام شركات النفط والغاز على ممارسة الإفصاح عن معلومات المسؤولية الإجتماعية؟

[نقاط النقاش: من خلال سن القوانين، من خلال القوانين واللوائح الداخلية للشركات، العقوبات، العقود المبرمة بين المؤسسة الوطنية للنفط وشركات النفط]

القسم 6: مكان نشرمعلومات الإفصاح عن المسؤولية الإجتماعية

11. برأيك ما هي أفضل وسيلة للإفصاح للعامة بشأن قضايا المسؤولية الإجتماعية للشركات؟ ولماذا؟

[نقاط النقاش: التقارير السنوية، تقارير قائمة بذاتها، مواقع الإنترنت، الإعلانات].

21. برأيك ما هي أفضل وسيلة يمكن إستخدامها للإفصاح عن المسؤولية الإجتماعية من قبل شركات النفط والغاز؟ ولماذا؟

[نقاط النقاش: وصفية، نوعية، البيانات الكمية النقدية، وغيرها الكمي (غير النقدية)]

القسم 7: معلومات إضافية وخلاصة

13. ما هي التغيرات التي تعتقد أنها سوف تحدث في المستقبل فيما يتعلق بالإفصاح عن المسؤولية الإجتماعية والبيئية لشركات النفط والغاز العاملة في البلاد؟ ولماذا؟

14.هل هناك شيء آخر تود أن تضيفه في هذا السياق؟

Appendix 5a: A Summary of the Empirical Studies on CSRD Determinants Influencing CSRD Practice in Developed Countries

Author(s) and Year	Variables	Measurement technique	Location	Population and sampling	Results
Cowen et al. (1987)	Size	Fortune rank	US	Fortune 500 companies	-*[15]
	Profitability	Return on Equity (ROE)			x
	Presence of CSR committee	1 if the company has CSR committee, and 0 otherwise			x
Patten (1992b)	Size	Revenues	US	156 firms drawn from eight industry classifications in the 1985 Fortune 500	+*
	Profitability	Return on Assets (ROA)			x
Roberts (1992)	Size	Average revenues of firm	US	130 major corporations in 1984, 1985, 1986 from seven industries namely automobile industry, health and personal care industry, food industry, hotel industry, airline industry, oil industry, and appliance and household products industry	x
	Age	Age of company at period t- 1			+*
Hossain et al. (1995)	Size	Log of total assets	New Zealand	Firms listed on New Zealand Stock exchange	+*
Hackston and Markus (1996)	Size	Market capitalization, sales, and total assets.	New Zealand	50 firms listed on the New Zealand Stock Exchange at 31 December 1992	+*
	Profitability	ROE & ROA			x

[15] (-*) = refers to negative and significant relationship, while (+*) = refers to positive and significant relationship, and (x) no relationship between the examined variables.

Adams et al. (1998)	Size	Turnover	Six European countries	150 annual reports from six European countries	+*
Neu et al. (1998)	Size	Natural logarithm of gross revenue	Canada	330 observations among 33 publicly-traded Canadian corporations operating in environmentally-sensitive industries over the 1982-1991 periods.	+*
Alnajjar (2000)	Size	Natural log of 1990 total assets and natural log of 1990 revenue	US	A total of 451 annual reports out of Fortune 500 firms for 1990	+*
	Profitability	ROE and ROA			-*
García-Ayuso and Larrinaga (2003)	Size	logarithm of the total market capitalization of the firm	Spain	142 annual reports firms listed on the Madrid Stock Exchange between 1991 - 1995	x
	Profitability	ROE			x
Cormier et al. (2005)	Size	Natural long of total assets	Germany	304 non-financial firms observations over seven years, 1992–98	+*
	Age	Fixed assets age			+*
	Foreign ownership	Total percentages of shares owned by foreigners			-*
Freedman and Jaggi (2005)	Size	Log of total asset	20 countries	120 of the largest public companies from the oil and gas, chemical, energy, and motor vehicles and casualty insurance industries	+*
	Parent company	1 when the firm belongs to a country that ratified Kyoto Protocol, Otherwise 0			+*
Brammer and Pavelin (2008)	Size	The natural logarithm of firm total assets	UK	447 large UK firms drawn from a diverse range of industrial sectors for 1999	+*
	Profitability	ROA			x
Reverte (2009)	Size	Natural logarithm of market capitalization	Spain	Spanish firms listed on the Madrid Stock Exchange for 2005-2006	+*
	Profitability	ROA			x
Da Silva Monteiro and Aibar-Guzmán (2010)	Firm size	Logarithm of total assets	Portugal	109 large companies functioning in Portugal during the period 2002–04	+*
	Profitability	ROE			x
	Foreign ownership	1 when the firm is a subsidiary of a foreign			x

		multinational and 0 in the opposite situation			
Rankin et al. (2011)	Size	Natural logarithm of market capitalisation	Australia	187 Australian firms annual reports and sustainability reports for the year 2007	+*
	Presence of environmental committee	Dummy variable of environment committee which 1 if the firm has a specific environment committee, 0 otherwise			x
Esa and Nazli (2012)	Size	Market capitalization	Australia	Annual reports of 27 government-linked companies for two years (2005 and 2007)	x
	Board size	Number of directors on the board			+*
	Profitability	Profit before tax over total assets			x
Michelon and Parbonetti (2012)	Presence of CSR committee	1 if the company has CSR committee and 0 otherwise	US	57 companies for the year 2003	+*
	Firm size	The logarithm of total sales			+*
	company age	Number of years since establishment			x
	Profitability	Return on equity			x
Rao et al. (2012)	Size	Total assets Operating revenue Market capitalisation	Australia	2008 annual reports of the largest 100 Australian companies listed on the Australian Stock Exchange	x
	Profitability	ROA			-*
	Board size	Number of directors on board			+*
Faisal and Achmad (2014)	Presence of environmental committee	1 if the company has environmental committee and 0 otherwise	59 countries	163 listed companies on the GRI website for the fiscal year 2009	+*
Chan et al. (2014)	Firm size	Market capitalization	Australia	222 company annual reports for the year 2004	+*
Jizi et al. (2014)	Size	The distance of each bank's log total assets from the	US	Large US commercial banks for the period 2009–2011.	+*

		sample mean, scaled by the log total assets' standard deviation			
	Banks' profitability,	ROA			+*
	Board meeting	The number of board meetings per year			+*
	Board size	Number of board members			+*
Gallego-Álvarez et al. (2016)	Firm size	Log of firm total revenues	5 countries	110 firms for the year 2014	+*
	Profitability	Return on assets			x

Appendix 5b: A Summary of the Empirical Studies on CSRD Determinants Influencing CSRD Practice in Developing Countries

Author(s) and Year	Variables	Measurement technique	Location	Population and sampling	Results
Owusu-Ansah (1998)	Size	Log of total assets	Zimbabwe	49 listed companies on Zimbabwe Stock Exchange for the year 1994	+*
	Ownership structure	Proportion of outstanding equity shares held by corporate insiders			+*
	Company age	Half-yearly since flotation date to December 1994			+*
	Profitability	Returns on turnover			+*
Haniffa and Cooke (2005)	Size	Total assets	Malaysia	139 non-financial firms listed on the main board of the KLSE in 1996 - 2002	+*
	Profitability	ROE			+*
	Foreign ownership	Proportion of foreign shareholders to total shareholders			+*
Gao et al. (2005)	Firm size	Turnover	China	154 annual reports of 33 HK listed firms from 1993 to 1997	+*
Nazli and Ghazali (2007)	Size	Market capitalization as at 31 December 2001	Malaysia	87 non-financial companies annual reports for the financial year 2001	+*

	Profitability	Profit before tax/Total assets			x
	Government ownership	1 if the government is a substantial shareholder in the company; 0 otherwise			+*
Amran and Devi (2008)	Size	Number of employees	Malaysia	133 annual reports for year 2002/2003 of firms listed on Bursa Malaysia	+*
	Profitability	Prior year's ROA			x
	Government ownership	Ratio of government shareholding to total number of shares issued			+*
	Foreign partner	1 if the firm has a foreign partner and 0 otherwise			x
Said et al. (2009)	Firm size	Total assets	Malaysia	150 non-financial Malaysian public listed companies' annual reports and web sites for the year ended December 2006	x
	Profitability	ROA			x
	Board size	Number of directors sit on the board			+*
	Foreign ownership	Percentage of shares owned by foreign shareholders to total number of shares issued			x
Abd Rahman et al. (2011)	Size	Log of total assets	Malaysia	44 government-linked companies listed on Bursa Malaysia from 2005 to 2006	+*
	Age	Annual general meeting			x
	Profitability	Net profit after tax by sales ratio			X
Sufian (2012)	Firm size	Total assets	Bangladesh	70 annual reports of nonfinancial companies listed firms in Bangladesh for the year 2010	x
	Age	The years of operation in the market			x
	Profitability	Net earnings of firm			x
Aldrugi (2013)	Firm age	More than five years as old and new otherwise	Libya	126 annual reports of oil and gas companies covering 2002-2009	x
	Firm size	Number of employees			+*
Haji (2013)	Company size	Total sales	Malaysia	Annual reports of 85 firms listed on Bursa Malaysia for the years 2006 and 2009	+*
	Profitability	ROA			x
	Board size	Number of directors on the			x 2009

		board			
	Government ownership	Ratio of shares held by Governmental bodies			+*
	Board meetings	Number of board meetings in the year			x
Khan et al. (2013)	Firm size	The natural logarithm of total assets	Bangladesh	Annual reports of Bangladeshi companies	x
	Firm age	The natural log of the number of year since the firm's inception			+*
	Profitability	ROA			+*
	Foreign ownership	Percentage of shares owned by the foreign investors			+*
Naser and Hassan (2013)	Corporate size	The natural logarithm of total assets	UAE	Non-financial companies listed on Abu Dhabi Securities Exchange	+*
					-*
	Profitability	Net income over sales			
	Government ownership	Percentage of company's shares owned by government			+*
Ntim and Soobaroyen (2013b)	Board size	Natural log of the total number of directors on the board of a company	South Africa	75 non-financial companies listed on the Johannesburg Stock Exchange over the period 2002–2009	+*
	Firm size	Natural log of the total assets			+*
	Government ownership	Percentage of government ownership to total company ordinary shareholdings			+*
	CSR committee	1 if the company has environmental committee and 0 otherwise			+*
Sufian and Zahan (2013)	Board size	Board size defines number of director on the board	Bangladesh	70 firms listed on the Dhaka Stock Exchange up to December, 2010	x
Wang et al. (2013)	Firm size	The natural logarithm of	China	800 listed companies on the Shanghai Stock	+*

		total assets		Exchange for 2008 and 2009	
	Firm age	The number of years from when firms are listed on the stock exchange to the reporting year			-*
Juhmani (2014)	Firm size	Total of assets	Bahrain	33 Bahraini companies listed on Bahrain Bourse for the year 2012	x
	Firm age	From the date of incorporation to the end of the 2012 financial year			x
	Profitability	Earnings per share			x
	Age of the company	The number of years passed from listing			x
Das et al. (2015)	Firm size	The log of total assets	Bangladesh	29 banks listed both on the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) for the years 2007 and 2011	+*
	Board size	The number of members of the board			+*
	Firms' profitability	ROE			x
Muttakin and Subramaniam (2015)	Foreign ownership	Percentage of shares owned by the foreign investors	India	Top 100 Indian public listed firms listed on the Bombay Stock Exchange (2007-2011)	+*
	Government ownership	Percentage of shares owned by the government			+*
Kilic et al. (2015)	Board size	Number of members on board	Turkey	25 banks between 2008 and 2012 in Turkey	x
Omnamasivaya and Prasad (2016)	Firm size	Total assets	India	NSE NIFTY 50 companies for the 2014	-*
	Profitability	Return on equity			+*
	Firm age	1 if age > median value, 0 otherwise			-*

Appendix 6: Categories of CSRD Used in the Content Analysis of Annual Reports

1) "Environment: This category is broken down into
    - Environmental policy;
    - Environmental audit;
    - Financially-related data;
    - Sustainability;
    - Environmental other;
2) Customers;
3) Energy;
4) Community;
5) Charitable and political
6) Employee data;
7) Pension data;
8) Consultation with employees;
9) Employment of disabled;
10) Value added statement;
11) Health and safety;
12) Equal opportunities donations; "racial and sexual equality";
13) Employees' share ownership
14) Employee other;
15) General other".

Adapted from Gray et al. (1995b, pp. 95-96)

Appendix 7: The Decision Rules For the Categories of CSRD*

- **Environment**

a) "Environmental policy:
   - Actual statement of policy;
   - Statements of rules for the formal intentions;
   - General statements of "the company will, the company does"

b) Environmental audit:
   - Reference to categories of environmental review, scoping, audit, assessment, including independent attestation.

c) Environmental product and process related:
   - Waste(s);
   - Packaging;
   - Pollution;
   - Recycling;
   - Products and product development;
   - Land contamination and remediation

d) Environmental financially-related data:
   - Reference financial/economic impact;
   - Investment and investment appraisal;
   - Discussion of areas financial/economic impact;
   - Discussion of environmental-economic interaction;
   - Note: care should be taken when splitting between other categories

e) Sustainability:
   - Any mention of sustainability;
   - Any mention of sustainable development.

f) Environmental other:
   - Landscaping;

- Public amenity provision;
- Wildlife
- Conservation;
- Environmental education (note: care with overlap with community).

Consumers

- Product and customer safety;
- Consumer complaints;
- Specific consumer relations
- Provision for disabled, aged, etc. Customers;
- Provision for difficult-to-reach customers

Energy

- Saving and conservation;
- Use/development/exploration of new sources, efficiency, insulation,
- Except in so far it is part of the business (e.g. oil exploration firms).

Community

- Excluding charities;
- Any reference to community and/or social involvement outside the labour force;
- Employee involvement with above if company support is apparent.
- Schools, arts, sports, sponsorship;
- Secondment of staff

Charity and political Donations

- Donations in Libyan Dinar or involvement in any kind to officially recognized charity institutions (i. e. Registered charities);
- Donations ditto by/through employees; donations
- Include references to and amount of political donations

Employee data

- Average numbers employed by category and wages (including social security costs)
- Average numbers employed by geographical area.
- Disclosure of directors' emoluments.

Pension data:

- Commitments for pensions, whether or not provided;

Consultation with employees:

- Action regarding informing employees, consulting employees,, encouraging (and engaging in) employee participation;
- Increasing employee financial and economic awareness;
- Excludes profit sharing and employee share option plans (ESOPs)

South Africa[16]:

- Any information/reference to employment in South Africa other than as part of economic/review or employment data.

Employment of disabled

- Employment of disabled persons (including retraining);
- Distinction between registered/unregistered disabled.

Value added statement

- Any reference to the creation and distribution of value added
- Any statement headed value added or added value;
- Any statement with "distributions" to employees and state (not including shareholders)

Health and safety

- Health and safety at work;
- Toxic hazards (e.g.) to employees and the public state

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[16]South Africa refers to compliance with the South African code. Given the fact that no South African code exists in Libya, this rule was not used in this research.

- Information to employees, training;
- Accidents.

Equal opportunities:

- Equal opportunities;
- Racial equality;
- Sexual equality

Share ownership:

- Participation of employees in share schemes, profit sharing etc
- Schemes/reference must be to employee;
- Loans for this purpose but not directors

Employee:

- Anything else on employees not covered above; for example: staff turnover; thanks to employees; length of service; and sexual equality; pensioners; employee trends/statistics reference is to executive racial by sex, age, for more than two years, statement of employment policy(ies); redundancy; changes in salaries/wages.

General other:

- Anything else; for example; objectives, mission statement; statement of social responsibility; code of practice on behaviour including transnational corporations; ethics; political statements (need/approval/disapproval of government policy, control of unions), value of transnationals/ companies misunderstood; value of company to community, society, nation, economy, money transactions with government/inland revenue.

Human resources disclosure:

- Employment data + pension data + consultation with employees + employment of disabled opportunities + value added statement + employees' share ownership + employee other + health and safety

Environment disclosure:

- Environment + energy

Community disclosure

- Community + charity + general other

Customer disclosure

- Consumers

Measurement Rules for Content Analysis

Proportions of CSRD are measured based upon the number of words.

News categorisation

The categorisation of "news" must be subjective but it generally complies with the following:

- Neutral: statement of policy or intent within statutory minimum with no details of what or how; statement of facts whose credit/discredit to the company is not obvious – which are unaccompanied by editorializing
- Good: statements beyond the minimum which include (for example) specific details where these details have a creditable or neutral reflection on the company; any statements which reflect credit on the company; upbeat analysis/discussion/statements
- Bad: any statement which reflects/might reflects discredit on the company. Include, for example, numbers made jobless (if redundancy is spoken of as a human rather than an economic act), and any increase in accidents".

***Note:** The above decision rules for the categories of CSRD were adapted from Gray et al. (1995b, pp. 96-99).

Appendix 8: The Histogram and the P-P plot of CSRD Practices