Sustainability Reporting in the United Arab Emirates

Institutional Insights

Jeannette Vinke ACA MBA BA Hons

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Edinburgh Business School

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Name:	Jeannette Vinke		
School/PGI:	Edinburgh Business School		
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Dedication

This thesis is dedicated to my parents, for their love, support and encouragement.

Acknowledgment

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Abstract

This thesis attempts to answer the following research question: "What social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change?" A social constructionist viewpoint is held throughout. The research question is attempted to be answered by using Neo-Institutional Theory as a theoretical lens, including the role of organisational fields as well as Institutional Entrepreneurs. The research is broken down into three phases.

The first phase looks at analysing all annual reports and sustainability reports of listed companies in the UAE. The research finds that only 26 out of 148 made any Sustainability Reporting (SR) disclosure, and very few produced qualitatively good reports. The second phase consists of 33 semi-structured in-depth interviews with 22 individuals from 21 organisations. Phase 3 is an in-depth organisational study of a mini organisational field, focusing on one of the most successful organisations in SR from the original sample of 148, as well as an interdependent network organisation. Phase 2 and 3 reveal that there are a complex number of issues currently hindering institutionalisation of SR to occur. However, there are some positive elements that could aid change in future.

The research finds the following: The level of SR in the UAE is generally low, as might be expected based on previous research. There are, however, exceptions where companies actively promote sustainability and SR.

The cultural context plays a more important role than generally recognised; small organisational fields ('mini-fields') play an important role in successful implementation of SR; Institutional Entrepreneurs are important; their success relies on their personal approach including commitment and resilience. For the Institutional Entrepreneur to succeed it is helpful to have a network of like-minded individuals inside and outside the organisation to connect with. The findings also suggest that influence regarding institutionalisation emanates from and towards the organisational context.

Connections and interdependence play a critical role; there is evidence that change happens at a more subtle level than previously recognised.

Glossary

Corporate Social Responsibility (CSR): "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large" (Holme and Watts, 1999).

Sustainability: "development that meets the needs of the present without compromising the ability of future generations to meet their needs" (Brundtland, 1987: 8).

Sustainability Reporting (SR) and CSR Reporting: "both self-reporting by organisations and reporting about organisations by third parties; information in the annual report and any other form of communication; both public domain and private information; information in any medium (financial, non-financial, quantitative non-quantitative). It is not restricted necessarily by reference to selected information recipients; and the information deemed to be CSR may, ultimately, embrace any subject"(Gray, 1995:47).

Social and Environmental Accounting (SEA): the area of accounting that deals with all forms of accounting relating to social and environmental issues and, more broadly, "the universe of all possible accountings" (Gray, 2002:692).

Integrated Reporting: "a process founded on integrated thinking that results in a periodic integrated report by an organisation about value creation over time and related communications regarding aspects of value creation" (IIRC, 2012).

Global Reporting Initiative (GRI): a not for profit organisation that promotes Integrated Reporting with the view of encouraging organisations to become more sustainable.

Triple bottom line reporting: enhances reporting by reporting not only on financial issues ("profit") but also social ("people") and environmental ("planet") items.

Institute of Chartered Accountants in England and Wales (ICAEW): professional British accounting organisation, active in the United Arab Emirates.

Association of Chartered Certified Accountants (ACCA): professional British accounting organisation, active in the United Arab Emirates.

American Institute of Certified Public Accountants (AICPA): professional American accounting organisation, active in the United Arab Emirates.

Institute of Chartered Accountants of Pakistan (ICAP): professional Pakistani accounting organisation, active in the United Arab Emirates.

Institute of Chartered Accountants of India (ICAI): professional Indian accounting organisation, active in the United Arab Emirates

Chapter 1 Introduction

1.1. Introduction

This thesis attempts to answer the research question: what social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change? The data of three research phases are analysed using the lens of Neo-Institutional Theory. The thesis has 11 chapters. Chapters 2 to 4 discuss potential theories to use in framing empirical analysis and research available on Sustainability Reporting (SR). Chapter 5 starts with a statement of research philosophy which concludes that social construction is an appropriate frame for most of the data collection. The chapter then continues to discuss the research methodology and methods used for all three phases of data collection. Chapters 6, 7 and 8 discuss the findings of the three research phases. Chapter 9 analyses and discusses the findings and chapter 10 provides conclusions. The thesis is rounded-off with personal reflections in chapter 11.

This chapter will provide some introductory comments concerning the various research phases, as well as describing the relevant geographical context of the study.

1.2. Chosen research area

The research area of Sustainability Reporting (SR) is of great interest both as an academic field of study as well as an area of current focus and change in practice. However, it has been argued that the area remains somewhat under researched and under theorised (Larrinaga-Gonzalez, 2011), and this is the 'gap' that this thesis seeks to engage with.

The majority of research into SR uses stakeholder theory and/or legitimacy theory as its base. Examples of this claim are Mashat (2005) and Belal (2003). There are a small number of new publications that use Neo-Institutional Theory as a lens and tentative indications are that SR may not be (solely) influenced by a rational decision making process, but may (also) be influenced by elements of institutionalisation (see, for example, Bebbington et al. 2009). These studies indicate a clear need for using Neo-Institutional Theory to understand various aspects of SR and provide an opportunity for new theoretical insights.

Most of the literature surrounding SR looks at the developed world, but there also is a growing interest in SR in the developing world. Findings in the developed world indicate that SR is richer in quantity, quality and the themes that are being disclosed than in developing countries (Prieto-Carron et al, 2006). There is no study to date that looks at disclosures of sustainability in the UAE, and it is in this geo-social empirical gap that this study aims to add to the body of knowledge.

1.3. The research question

The main research question this thesis is attempting to answer is as follows:

What social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change?

This main question is broken down in order to match the various aspects of the question to three consecutive research phases:

What are the observable practices of SR disclosures in the UAE?

What do companies currently disclose, and what is the variation between companies?

Why do these companies choose to disclose or not disclose their environmental and social activities?

What social and institutional factors impact the current state of affairs?

How is the potential for change impacted upon?

1.4. Salient areas of the knowledge base

The research operates from a social constructionist framework. The chosen theoretical lens of Neo-Institutional Theory is based mainly on foundational research (Meyer & Rowan, 1991; Scott, 2008), and the understanding of SR more specifically draws upon work such as Larrinaga-Gonzalez (2011) and Bebbington et al, (2009). The study uncovered some aspects of change and hence the field of Institutional Entrepreneurship (DiMaggio,1988; Sanal et al 2013) is also incorporated as it helps when considering what can be done to bring about change.

1.5. Methodology and methods

The study uses social construction to frame the research, as this school of thought will encourage thinking beyond the status quo. It uses a three stage approach, starting with a

large amount of data on what companies report in public, followed by an in-depth organisational analysis and a subsequent focus on particular practices and individuals. A similar 'funnel approach' was used by Bebbington (1999) in her thesis concerning SR in the UK. The first phase of the research analyses the annual reports and sustainability reports of all the 148 companies listed in the UAE as per 30th September 2011. Only 26 companies provide any sustainability disclosures. The main focus of disclosure is on community aspects of sustainability, indicating a traditional philanthropic focus for sustainability rather than strategic embedment for most companies.

Phase 2 of the research consisted of 33 semi-structured in-depth interviews with 22 individuals from 21 organisations. The data were initially analysed in 76 emergent data categories. Further analysis clustered the categories and introduced theoretically informed framing to produce 14 hybrid categories. Phase 3 consisted of an in-depth organisational study. The analysis of that study includes an investigation using Tolbert and Zucker's (2005) institutionalisation model.

1.6. Limitations

Gaining access to relevant data for this type of research is difficult. It involves participants discussing matters which are routinely disguised. Hence, at the more detailed level, a close focus is taken on a limited number of research participants. In common with studies within the paradigm of social construction the conclusions relate to theoretical insights which may be applied more generally by others, but there is no intention to produce what in other paradigms would be regarded as 'objective' knowledge.

1.7. Key findings

Key findings from the thesis are that Neo-Institutional Theory and especially the concept of Institutional Entrepreneurship is helpful to explain the current state of SR in the UAE. The social and institutional factors at play are complex. Cultural aspects play a much larger role than is sometimes acknowledged in Neo-Institutional Theory studies. Connectedness between like-minded and change-minded individuals is critical, as is the connectedness within organisational fields and between individuals, companies and the government in order for positive change to be possible. Analysing this connectedness has the potential to reveal insights which add 'mid-range' theory to the Neo-Institutional model to date. Institutional Entrepreneurs do have an important part

to play in change, but their personality traits appear more value-driven than previously research implies. There is no paradox for the embedded agent – it is necessary for the agent to be embedded ('stuck') in the organisation to create the passion necessary to push for change.

Having introduced the various aspects of the study, it is to time set the scene of the geographical and social environment in which this study takes place: the United Arab Emirates

1.8. The context of the United Arab Emirates

Meyer & Rowan (1991) discussed the importance of the cultural and historical context in which institutions operate, as they shape beliefs, symbols and regulatory requirements. It is, therefore, important to set the scene and explore some of the aspects of the United Arab Emirates relevant to this research.

The United Arab Emirates is a constitutional federation of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah and Fujairah. The federation was formally established on 2 December 1971. Each Emirate is ruled by a hereditary Ruler, generally the head of the most influential tribe of the Emirate (Toledo, 2013). With an estimated 10% of global oil reserves in the country, the United Arab Emirates is a wealthy nation. In 2009, more than 85% of the UAE's economy was based on the exports of natural resources (Toledo, 2013). The UAE scores higher than its neighbouring Arab states on the Human Development Index, showing particular strength in health and income, but less so in education (Baker, 2008).

The state religion is Islam with the native population adhering to a conservative way of life. Religion is at the heart of Emirati culture, and the social calendar is set around religious festivals and the holy month of Ramadan. Charitable giving forms an important part of this culture. Religiously, charitable giving through zakat and sadiqa is encouraged; this is likely to be done discretely. The country is a demographically diverse country, with one of the highest net migration rates in the world. As at 2010, the UAE's population was estimated at 8,264,070. Only an estimated 13% of the population are Emirati (Hernandez, 2009) while the majority of the population are expatriates. In 2009 it was estimated that the majority of the expatriates come from the Indian subcontinent, and other large groups are Philippine citizens, citizens of other Arab states and Western expatriates.

The large and growing expatriate population causes some unease among Emiratis, with 60% reportedly feeling isolated due to this large influx (Richardson, 2008). As the main research study will show, the fear of losing language, culture and religious values lies at the heart of the concern. Similar concerns were raised earlier by Mohammed (2008). As we will also learn further during the main study, expatriates have their own concerns. Many expatriates view the UAE as their home; some of them have been living in the country for generations. However, no matter how long someone stays in the UAE, there is no permanent residency option or route to citizenship available. Visas are linked to employment, so if the employment stops, the expatriate has to leave the country, leaving the identity of the long-term expatriate and the role he/she plays in society ambiguous (Pugh-Thomas, 2009).

Currently there are around 225,000 Emiratis of working age, 90% of them are employed by the government, where jobs are well paid and working conditions are good (Arnold, 2013). The government is trying to increase the number of Emiratis in the private sector through Emiratisation, which effectively means encouraging more Emiratis into the private sector. One of the ways of doing that has been through setting quotas, especially in the financial sector. The banks are supposed to strive towards 40% of Emirati employment, but as the content analysis in chapter 6 will show, many banks are unable to make that number. There appear to be some unwanted side effects from the Emiratisation policy, with 'ghost contracts' where Emiratis receive some money but do not actually work for the company (Salem, 2010). The issue of Emiratisation is a critical one in the country and is the key area of reporting (Arnold, 2013; Kawach, 2010; Khan, 2012). This is confirmed by findings in this study in chapter 6, 7 and 8.

Another area that will repeatedly be mentioned in the data of this study is the general education system in the UAE. In 1962, there were fewer than 20 schools, with 4000, mainly male, students. The development of the education system has been phenomenal with free education for all nationals now the norm. Educational levels and literacy rates are rising, and the country is doing particularly well in decreasing the educational opportunity gender gap. The general standard of education though, remains behind some of the neighbouring countries on the education index of the United Nations (Baker, 2008). As will be discussed in Chapter 7, critical thinking and innovation skills do not appear to receive enough priority in the current education system. This may be one of the reasons why the government is basing its new educational plans on the Australian methodology and methods used in New South Wales (Baker, 2008).

There is no freedom of the press, which has been highly criticized internationally. Certain internet sites, usually either politically sensitive or with sexually explicit content, are blocked. Local press is mainly self-censored, avoiding sensitive topics (Freedom of the Press, 2012). This research shows that such topics are sensitive issues in Sustainability Reporting too. The research especially highlights a level of reluctance to disclose human rights issues in relation to labour practices. Although generally considered the most tolerant among its neighbours, the UAE has had its share of questions concerning the human rights of its residents. In 2006 Human Rights Watch issued a report which focused on the plight of migrant labourers. The report, which was critically titled "Building Towers, Cheating Workers" (Human Rights Watch, 2006), highlighted issues concerning the large sums of money these, often illiterate, south Asian men have to pay to get to the UAE; the customary confiscation of passports; late payment of salaries; the lack of minimum wage legislation and the fact that collective bargaining and unionisation is forbidden. Although the government did not accept all of the accusations in the report, substantial progress appears to have been made in some areas, but the general lack of transparency and lack of freedom of the press make it impossible to verify such. In 2013, Human Rights Watch reported that the general human rights situation had in fact deteriorated, specifically highlighting a crackdown on political dissent which may be related to the political situation following the 'Arab spring' in neighbouring countries.

Other human rights related areas include the status of refugees, as the UAE has not signed up to the UN charter on refugees, and only has recognised a few hundred refugees. Another area related to this research is the taboos around AIDS awareness. Expatriates are screened for HIV/AIDS before entering the country, and upon renewal of their work permit. If residents are found to carry the disease, they are subsequently deported. Another sensitive area is that of practicing homosexuality which is forbidden by law.

With its tax free environment, good infrastructure and strategic geographical location, the UAE is considered a good environment for business. Corruption is relatively low (Al-Fil, 2012) and bureaucracy fairly well organised. The major businesses in the UAE are family owned, with public listing playing only a minor part in the economy. Where companies are listed, shareholder awareness is considered relatively low and financial reporting, although required, is not given the same importance as it is in more mature economies. There are two major stock exchanges: the Abu Dhabi Securities Exchange

(ADX) and the Dubai Financial Market (DFM), which has merged with the Nasdaq Dubai. The ADX and DFM are small, retailer driven exchanges, with limited liquidity, partly due to the fact that the UAE is still considered a frontier market (Al-Fil, 2012). In 2004 the Freezone International Financial Centre was founded in the Emirate of Dubai, but with its own separate legal system based on the common law of England & Wales. The aspiration was to become one of the large global financial hubs, bridging the time gap between New York, London, Singapore and Tokyo. This ambition did not materialise since its new stock exchange, DIFX (now Nasdaq Dubai), did not attract listings as expected and has subsequently merged with the DFM.

In 2011, Standards & Poor and Hawkama (a local institute concerned with Corporate Governance) launched the Pan Arab ESG index. This index lists the top 50 companies in the region based on its Environmental Social and Governance rating, determined by the two companies. The ESG-index is frequently referred to by various interviewees, often as an incentive for companies to consider ESG issues.

Having provided some context in this part of the chapter, and having summarised the main aspects of the study in this chapter, it is now time to move towards understanding the available literature in depth. The next three chapters review the literature. In chapter 2 the place of SR in the literature is discussed and the concept is defined. Chapter 3 will review the theoretical base, and chapter 4 will look at the field of SR.

Chapter 2 Sustainability Reporting: where it fits in and how it is defined.

2.1. Introduction

The field of Social and Environmental Reporting (SER), or Sustainability Reporting (SR) as it is increasingly referred to (Unerman et al, 2007), is one stream from the wide field of Social and Environmental Accounting (SEA) (Thomson, 2011). This chapter will first attempt to explore broadly the field of SEA and the various themes within it. It will then attempt to define SR for the purpose of this thesis and introduce the next two chapters of the literature review. The first question to ask then is, where does Social and Environmental Accounting fit in?

2.2. Accounting Research defined

Coyne et al (2010) produced a 'ranking' based on research in the top 40 US institutions and divided the topic areas in Accounting Information Systems (AIS), auditing, financial, managerial, tax and 'other':

"Other: studies that do not fit into one of the other topical areas. The topical areas in these studies vary significantly and include such things as education, methodologies, law, psychology, history, the accounting profession, work environment, etc."
Coyne et al (2010: 635)

In this categorisation, SEA could be considered as part of other. Pickerd et al (2011) use the same categorisation as Coyne et al (2010) when ranking individual accounting researchers. Of the 100 ranked researchers, none of these is recognisably one of the prolific researchers in the SEA field. Pickerd et al (2011) point out that:

" ..the top accounting journals do not evenly or proportionally publish all types of accounting research …. this causes problems in assessing the research contribution of faculty members who publish in topical and methodological areas that are not as readily published in top-tier accounting journals. Authors of research that is underrepresented by the major journals may be prolific in their research area, but not have as many articles published in top journals relative to scholars who perform research that is more highly represented in the top-tier journals."
Pickerd et al (2011:472)

The prolific researchers in SEA are not part of the top 100 ranking, and SEA appears not to be a major topic in accounting research. Does this mean that SEA is an obscure sub-area in accounting research? Like in many other fields, there are differences of opinion regarding what SEA really stands for. Gray (2002), calls it Social Accounting and for him the justification of the areas is:

"… informed, not by any love for capitalism or managerialism, nor, equally, by any subscription to terrorism or revolution, but by a deep rooted sense of justice, decency, need for change, personal commitment and reasonableness outraged by unreasonableness."
Gray 2002:700.

Social Accounting according to Gray is "the universe of all possible accountings" (Gray 2002:692). In that universe, there is a place for the orthodox and conservative research, which is the majority of the research conducted by the 100 "top researchers" by Pickerd as discussed above. Gray talks about the research related to the current General Accepted Accounting Principles (GAAP) and research into amendments of the current GAAP, which may include amendments of the current practice. A related area is the research about increasing disclosure in the field of Social and Environmental Accounting. There is also a space for theorisation, although social accounting remains under theorised (Ball & Craig, 2010; Guthrie, et al. 2007; Larrinaga-Gonzalez, 2011). Other areas are, for example, Social and Environmental Accounting in Education, Environmental Reporting and Feminist Themes.

Gray complains of the 'fashions' within the field that are reflected, for instance, by the waxing, waning and currently again waxing importance of the environment, and the once so prominent area of employees now under researched. It could be argued that some of these 'fashions' are, in fact, a reflection of the real concerns of society of the time, which academic research, ultimately, is to serve. Other, perhaps more valid, considerations raised are that authors' presence in the field is not consistent, and the field may be dominated by "passion rather than rigour" (Gray, 2002, p.702) through a large number of inexperienced researchers. These new researchers, however, may be the so needed experienced researchers of the future.
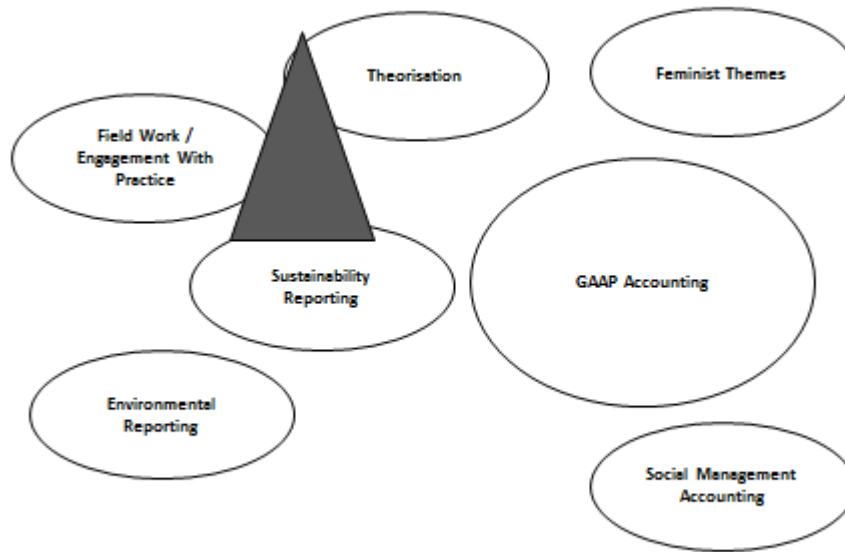
Figure 2.1.: Universe of All Accounting- adapted from Gray (2002; p. 962)

A simplified map of Gray's definition of the field of SEA as the 'Universe of All Accounting' is depicted in figure 2.1. The triangle symbolises the place of this research.

Possible areas range from Feminist Themes to current mainstream topics like GAAP. The GAAP research symbolises the vast bulk of current research based on the list of topics as discussed above by Coyne et al (2010). SEA and SR researchers contribute here by the discussion of adjusting current GAAP to include new (or newly perceived) responsibilities of companies to include social and environmental disclosures, with discussions concerning new standards to reflect these.

The 'theorisation' reflects the range of theories that are used to provide lenses on the various accounting topics researched. These may be linked to any of the diverse topics under discussion. Chapter 3 will discuss the choice of theory for the current work.

So if 'Social Accounting' is the universe of all possible accountings, then Sustainability Reporting would arguably be the universe of all possible accounting reporting. This

would include the traditional research area of GAAP reporting, but also any of the other research themes that are likely to have a reporting angle.

The literature does not provide us any comprehensively agreed and clear definitions; rather, most authors agree that there is a state of confusion around defining Social and Environmental Reporting. Increasingly, the word 'sustainability' is used, as many companies replace Corporate Social Responsibility (CSR) Reports with Sustainability Reports (Aras & Crowther, 2009).

In order to understand the reporting, it is necessary to consider the definitions of CRS and Sustainability before being able to reach a conclusion on the definition of the reporting of it.

2.3. CSR and Sustainability

Gray *et al*. (1987:4) provide us with an early definition of CSR as "responsibilities of actions which do not have purely financial implications and which are demanded of an organisation under some (implicit and explicit) identifiable contract". The interest of this study is in the reporting of these actions, and Gray *et al.* (1995) point out that social accountability only arises if the organisation accepts social responsibility. One role of (social and environmental) disclosure is to discharge accountability. Although the bulk of the literature available uses the phrase CSR, increasingly the term Sustainability has entered the arena (for detailed discussion see Barkemeyer, 2009; Garriga and Melé, 2004; Freeman and Hasnaoui, 2011; Okoye, 2009).

In practice, CSR and Sustainability appear to refer to largely the same field. This is evidenced by Michael Izza, Chief Executive Officer of the Institute of Chartered Accountants in England and Wales (ICAEW), who contributed the following at a Middle East conference on Corporate Social Responsibility (CSR):

"we can spend days talking about how to define CSR and Sustainability, but this will only distract us from the real issues which are about the action that needs to be taken to ensure we leave a liveable planet for our children" (M. Izza, personal communication, March 22, 2010).

What is sustainability? A widely quoted definition of sustainability stems from the Brundtland Commission: "development that meets the needs of the present without compromising the ability of future generations to meet their needs" (Brundtland, 1987:

8). This definition is very wide and encompassing, and leaves many details open to debate. Nevertheless, it does provide a broad framework for sustainability. Bebbington and Gray (2001) provide a fundamental analysis of the Brundtland Commission's definition. They explain firstly that sustainability is anthropocentric as current and future humans are at the core of the definition. Secondly, sustainability is about satisfying needs, not wants. Needs and wants in themselves are difficult to define, as many needs are socially constructed. Thirdly, sustainability is intergenerational: current and future humans are equally important. Lastly, sustainability is intra-generational; there is no distinction between the so called developing and developed world. The needs of those in developing countries carry equal weight to those in developed countries.

Can we assume that sustainability is part of CSR and/or vice versa? As far as corporations are concerned, it can both be argued that acting sustainably under the above definition is part of the "contract" mentioned by Gray et al. (1987), and that "contract" helps in acting sustainably. The literature concerning the definition of both topics is inconclusive. A substantial number of authors use CSR and sustainability interchangeably (Dutta et al, 2006, Van der Woerd and van de Brink, 2004, Igalens and Gond, 2005).

A widely accepted definition of CSR comes from Holme and Watts (1999) from the World Business Council for Sustainable Development: "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large" (Holme and Watts, 1999). This definition of CSR places business, rather than humanity, at its centre. It implicitly does refer to the "contract" a business has with society (Gray et al. ,1987). In light of the increasing importance placed on current and future environmental issues, sustainability appears the more appropriate term in 2014 to describe the implicit or explicit contract a business has with society. For that reason, the term sustainability will be used in this thesis. SEA, CSR and other similar definitions will be used only when quoting others that use those terms. Similarly, the term Sustainability Reporting (SR) will be used rather than Social and Environmental Reporting or CSR Reporting.

It is important at this stage to recognise that businesses will have their own understanding of both social and environmental concepts and these need to be understood as such. In terms of environmental concepts this is well described by Schaefer et al, the same would hold true for social concepts:

"In order to understand where business organisations currently stand in terms of environmental impact and the chances for an eventual state of sustainability, it is paramount not only to understand their environmental impacts in technical terms but also the way in which they understand environmental issues and frame their role in contributing to sustainability. The environment should not be understood as a given, unproblematic concept but – as far as human involvement in it is concerned – as a socially constructed one" (Schaefer et al, 2003:209)

Having established what sustainability is, and that this is our preferred term over CSR, what then is Sustainability Reporting (SR)? Gray et al (1995) explain why there is no clear definition: "there is little about CSR [sustainability was not yet a widespread term in 1995] which is not contestable – and contested. CSR, at its broadest may embrace: both self-reporting by organisations and reporting about organisations by third parties; information in the annual report and any other form of communication; both public domain and private information; information in any medium (financial, non-financial, quantitative, non-quantitative). It is not restricted necessarily by reference to selected information recipients; and the information deemed to be CSR may, ultimately, embrace any subject." (Gray et al, 1995:47)

As if this were not enough, interest in the topic has waxed and waned as, in contrast to financial reporting, there is no prescriptive legislation and hence is interpreted by every company in its own way.

It is with this understanding of the elusiveness of the definition in mind that the wider controversies around sustainability will now be analysed.

2.4. Controversies concerning Sustainability and current Reporting Systems

Part of the controversies around sustainability is caused by the fact that there is no common agreed definition for the term. Although it means different things to different people there is a widening debate about whether sustainability at a corporate level is possible:

"…there is a growing awareness (or diminishing naivety) that one is, indeed, involved in a debate about what sustainability means and, crucially, the extent (if at all) to which it can be delivered by corporations in the easy manner they promise" (Aras and Crowther, 2009:281).

A further, perhaps bigger, follow-on issue from this is how can a company know whether the amount of resources it is using is sustainable at a global level? Some of the literature does discuss this (Aras & Crowther, 2009; Gray, 2010; Coulson, 2009), but many remain silent. How will a company, or its stakeholders for that matter, know whether what it does is "enough" or rather, what it does is not too much (using up of resources)? Reporting on sustainability in some form or another will need to be part of the solution, and most solutions, like the current sustainability reports or integrated reports (Arroyo, 2012; Lee, 2011) are often linked to the current financial reporting system.

Gray puts financial reporting right at the heart of the sustainability problems the world is facing:

"Few ideas could be more destructive to the notion of a sustainable planet than a system of economic organisation designed to maximise those things which financial reporting measures. Conversely, few notions could be more fundamentally antagonistic to financial reporting and all its cosmetic adjustments than a planet wishing to seek sustainability." (Gray, 2006)

Gray argues that the traditional way of looking at SR has been with the perspective that SR ultimately does, or should, add to shareholder value. Much of the debate around SR has indeed been whether and how much SR adds to shareholder value, both in the long and short term (Lee, 2011).

Gray, however, argues that there is a tension between shareholder value as defined in our current corporate financial reporting terms (i.e. short- and long-term profit) and sustainability for the planet and humanity. Gray also argues that the system of financial reporting is taken for granted and takes its authority from pristine liberal economic theory (Gray, 2006). This moral authority stems from the belief that financial reporting produces rational data, approved through legislation. These data in turn assist rational decision makers to make economically beneficial decisions which will stimulate competition and produce economic growth, which is for the benefit of society as a whole (Friedman, 1970). Gray further argues that there is no direct support available for these assumptions which confirm superiority of the capitalist system. The state, argues Gray, puts financial reporting in place to ensure the continuing functioning of capitalism. Accounting as "one of the few true monopolies in capitalism" (Gray, 2006:801) serves those who have the most economic power, the shareholders. Therefore financial reporting is argued to be hegemonic.

Some studies suggest that at some point the ever growing economy no longer increases welfare in society (Brown & Flavin, 1999; Meadows, Randers, & Meadows, 2004), and that this point has long been reached in certain western countries. Since capitalism in its current form is argued to be inimical, Gray argues that accounting and financial reporting which support the current economic system are inimical as well.

Gray's argument is very powerful, and invites us to question the basis of our financial reporting system. Whilst not disagreeing with this argument, this thesis asks a more processual question: how, if at all, might change within the system be possible; and does it do so by examining a situation which would be expected to be particularly difficult? Short of the revolution which Gray (2002: 700, cited above) mentions, what change might be possible, and how might we understand the kind of practices which might further such change?

This chapter looked at both the definition of sustainability and some of the controversies surrounding the topic. The data findings in chapters 6-9 will show that the lack of clear definition, as well as confusion among and amidst companies, directly affect the quality of SR. With this background, the next stage is to move onto the theorisation of sustainability, and a discussion of the choice of theoretical lens for this study in chapter 3.

Chapter 3 Theoretical Framework

3.1. Introduction

In the previous chapter the place of SR research within the wider field of accounting research was discussed. This chapter will move the discussion towards theoretical angles that can be used to research SR. The area of SR is generally thought to be under theorised (Deeban, 2000; Hassan, 2010; Mathews, 1993; Ullmann, 1985). One way of classifying the various theories which are used to research SR is that offered by Gray et al (1995) into, first, decision-usefulness studies, second, economic theory studies and finally social and political theory studies.

The decision-usefulness studies include both studies that 'rank' companies based on their SR reporting and studies that look at the financial benefit of SR. These types of studies remain popular. The paradigm in which these studies take place ultimately tends to focus on shareholder value and is, therefore, arguably too limited to be truly meaningful in a world where not just shareholders are affected by the way in which businesses manage resources.

The economic theories, in their purest form, imply perfectly functioning free markets. Since the call for sustainability and SR is fed by the very imperfections of these markets, SR would not be necessary. This class of theories is, therefore, arguably least useful for this analysis.

The most generally discussed theories in this field have been taken from social and political sciences (Gray et al, 1995, Coulson and Shenkin, 2007). Unlike the economic theories, theories stemming from this field are based on the assumption that not only economic aspects, but also political and social dimensions need to be considered when viewing companies (Gray et al, 1995). From this field, initially the social contract theory but more notably the stakeholder theory (Bebbington & Gray, 2001) and the Legitimisation Theory (Zimmerman & Zeitz, 2002) emerged. Institutional Theory is not as often used in the SR context, but may provide fresh insights. These theoretical lenses will be discussed, and reasoning for the preference of the use of Institutional Theory for this thesis will be provided.

3.2. Social Contract Theory, Stakeholder Theory and Legitimisation Theory

In Chapter 2 the implicit contract that a company has with its stakeholders and society was discussed in light of the analysis of the definition. The area of social contract theory, although having been part of the CSR theories for a relatively long time (see for example Ramanathan, 1976), is not well developed. Donaldson and Dunfee (1999) aim to extend the theory to "Integrated Social Contract Theory", explicitly including socio-cultural aspects as well as normative management aspects, but this theory has not found much research following.

More prominent has been the Stakeholder Theory, which acknowledges the importance of stakeholders of an organisation other than its owners. If a company is to survive it needs to manage its relationship with important stakeholders appropriately (Bebbington, 2001; Freeman, Wicks & Parmar, 2004). SR provides a reporting and communication tool which deals with stakeholders from an accounting perspective within the framework of annual reports and beyond to separate reports (Deeban, 2000).

The legitimacy theory makes SR a tool for companies to legitimise their behaviour. SR provides a framework through which what is reported is viewed as right and proper (Tyler, 2006) The information that is provided through SR aims to influence stakeholders and society at large concerning its perception of the company. Legitimacy can be considered to be an intangible asset – it may help companies accumulate capital and staff (Zimmerman & Zeitz, 2002). It also shapes support for a company (Aerts & Cormier, 2009).

The Stakeholder Concept and Legitimisation Theory overlap because in both theories stakeholders and the wider society play an important role. In spite of similarities, the two concepts differ in their emphasis on the society as a whole (for the Legitimisation Theory) and specific stakeholders with different, and sometimes conflicting, goals.

The Stakeholder Concept is deemed to be more appropriate to provide an in-depth analysis of SR in a specific society (as used for example by Mashat (2005) and Belal (2003)). The Legitimisation Theory has been used more consistently in studies that compare countries (as in Hassan, 2005), although Amaeshi (2007) also compares between countries, he opts to use the stakeholder concept to provide more depth.

Although overlapping, the differences between the two theories can be found in the interpretations of the political economic world. Gray describes the Stakeholder Theory as "(typically) explicitly bourgeois in that the world is seen from the perspective of the management of the organisations who are concerned strategically with the continued success of the company" (Gray et al, 1995: 53). In this vision, the stakeholders play an important part in the continued existence and success of the company, and hence the relationship is important, the more powerful the stakeholder, the more attention this relationship receives from the company.

Legitimacy Theory, although also founded in bourgeois political economy, goes beyond this in its application. It on the whole deals more with broader, society wide responses and relationships, not just between companies and stakeholders, but general societal and intra-societal relationships (Deegan, 2007).

Deegan (2007) accepts Suchman's (1995) notion that the there are two distinct groups of studies that use legitimacy. One group focuses on the strategic and one on the institutional aspects:

"Work in the strategic tradition (e.g., Ashforth and Gibbs, 1990; Dowling and Pfeffer, 1975; Pfeffer, 1981; Salancik and Pfeffer, 1978) adopts a managerial perspective and emphasises the ways in which organisations instrumentally manipulate and deploy evocative symbols in order to garner societal support. In contrast, work in the institutional tradition (e.g., Di Maggio and Powell, 1983; Meyer and Rowan, 1991; Meyer and Scott, 1983; Di Maggio and Powell, 1991; Zucker, 1987) adopts a more detached stance and emphasises the ways in which sector-wide structuration dynamics generate cultural pressures that transcend any single organisation's purposive control." (Suchman, 1995:572.)

Most studies, many discussed in Chapter 4, in the field of SR focus on the strategic branch of Legitimisation Theory. The institutional branch, which overlaps with Institutional Theory, is less well developed in SR.

3.3. Institutional Theory

Institutional Theory is used in political science, economics, sociology and organisational theory. This section will discuss the development of modern Institutional Theory with some of the early work starting in the 1970s. It will discuss the initial assumption of Meyer and Rowan (1977) that formal organisational structures do not add to efficiency; they are merely based on generally accepted myths. These assumptions are critiqued by later scholars like Scott and Meyer (1994) who argue that Meyer and Rowan's point of view is too extreme, and that formal structures do have a practical role to play. Institutional Theory is further developed by Tolbert and Zucker (2005) who argue that institutionalisation follows a certain process.

The foundation of the stream of research has been laid by Meyer and Rowan (1977), and, therefore, their work needs be explored in sufficient detail. They argued that

 "…the formal structures of many organisations in post-industrial society …. dramatically reflect the myths of their institutional environments instead of the demands of their work activities." (Meyer & Rowan, 1977)

In organisational analysis it may be useful to separate formal structure from actual day-to-day working practices. Formal structure is designed based on the formal goals of an organisation, with a suitable formal, impersonal organisational structure to support these. The foundation of the assumptions that these structures are most suitable for carrying out the work is found in Weber and Maximilan's work (1947). Meyer and Rowan argue that the assumptions that formal structures of organisations that have made organisations successful is in part incorrect. They quote other early researchers like Bendix (1964) who have cast doubt, and have found a major difference between formal and informal organisations. The daily workings of organisations are only partly explained through the formal structures. For instance, formally implemented procedures are often ignored and orders not executed. This, so argue Meyer and Rowan, means that there must be other factors at play to explain the popularity of formal structures. They argue that legitimacy of the formal structure in organisations is incorrectly considered a given, as the theories of bureaucracy are considered to be generally accepted norms by society. Contrary to this they argue that certain elements of formal structure are in fact myths:

"Formal structures are not only creatures of their relational networks in the social organisation. In modern societies, the elements of rationalised formal structure are

deeply ingrained in, and reflect widespread understandings of, social reality. Many of the positions, policies, programs, and procedures of modern organisations are enforced by public opinion, by the views of important constituents, by knowledge legitimated through the educational system, by social prestige, by the laws, and by the definitions of negligence and prudence used by the courts. Such elements of formal structure are manifestations of powerful institutional rules which function as highly rationalised myths that are binding on particular organisations" (Meyer and Rowan, 1977:343).

The definitions of myths generating formal organisational structure are considered to have two main characteristics: first, social elements are considered "technical", and second, these technical prescriptions are then pursued in a highly structured, prescriptive manner.

The argument is developed that since many of these myths are generally expected by society, organisations are bound to implement them as they might otherwise look illegitimate. An example could be that of the area of accounting. Accounting has many generally accepted and highly detailed myths: the qualification of a person necessary to be an accountant ("qualified" through a "recognised" training institute); the way and the type of data that needs to be gathered, the presentation of the data (as per "Financial Reporting Standards"), quality and control (internal and external audits- with its own myths). Any organisation not adhering to these myths would run the risk of not being considered legitimate.

Meyer and Rowan provide a new lens to look at organisations. They argue, through six propositions, that the starting points of the formalised structure are in fact institutionalised myths. As such myths describe new areas, formal organisations appear. As a society modernises, the extent of such rationalised institutional structure increases per area, and the number of areas increase. Organisations then achieve legitimisation from society through implementing the expected formalised structure, hence making the organisation successful. Since, however, the formalised structure does not effectively control and coordinate the activities of the organisation, informal structures are created to ensure the organisation works well, and elements of the structure are decoupled from the actual activities and from each other. This decoupling safeguards the legitimacy derived from the institutionalisation. Some organisations are more dependent on institutionalised myths than others: the stronger the embedded myths, the

more displays of confidence and satisfaction in the structure appear. The organisation will avoid the myths to be questioned.

A large body of research has been based on this founding work. Institutional Theory is now used widely in political science, economics, sociology and organisational theory, and a wide body of research is available further developing these classic ideas.

Meyer and Rowan argued that formal organisational structures are based on myth only. Tolbert and Zucker (2005) effectively argue a flaw in the assumption that institutional structures can be decoupled. Meyer and Rowan, like Luckmann (1966), argue that a structure only becomes instutionalised as it is taken for granted by its members. Contrary to this opinion Tolbert and Zucker argue that the institutionalisation is unlikely to happen if its function was only symbolic, rather, to be fit for instutionalisation means the structure must generate some action. If the structure does create action, and hence has a practical purpose, it would not be that easy to completely decouple. Scott & Meyer (1994) review the empirical evidence concerning decoupling. Their conclusion is that there is no evidence which proves the proposition that structures are regularly decoupled.

Tolbert and Zucker describe the process of institutionalisation through Figure 3.1. below:
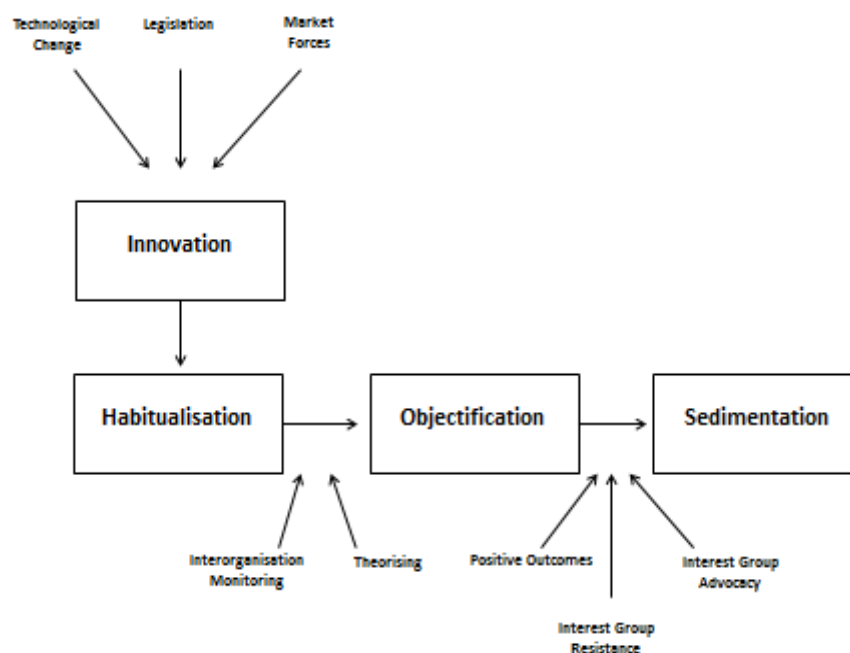
Figure 3.1.: Component Processes of Institutionalisation

Tolbert and Zucker, 2005:176

When an organisation responds to a problem or set of problems, habitualisation occurs. This process involves providing new structures, policies and procedures to help adjust the organisation at this pre-institutionalisation stage. There can be simultaneous intervention, or imitation may take place. According to Anderson and Tushman (1990) adoption depends on the technological and economic viability of the invention. At this stage, there will be limited adopters.

The next stage, objectification, accompanies the 'diffusion of structure' (Scott & Meyer, 1994; Tolbert & Zucker, 2005). Some consensus among management will lead to increasing adoption by organisations. The more organisations implement this, the lower the perceived risk for new adopters will be: other organisations have tried and tested the approach. The adoptions may be encouraged by an individual ('champion') or a group of individuals that have a vested interest in the adoption of the new structure. An example brought by Patel and Zucker is that of the Total Quality concept championed by consultants. Scott & Meyer (1994) discuss that champions need to be able to define an organisational problem as well as an institutional solution for adoption to be successful. Theorising, together with evidence of successful adoption, provides the necessary legitimacy to the new structure which may encourage further adoption and enhanced institutionalisation. At this stage of semi-institutionalisation, structures often are short-lived, compared to a fad or fashion (Abrahamson, 1991).

The end-stage, "sedimentation", means that the instutionalised structure survives over an extensive period of time – although no details are given for an appropriate time-frame, but it is mentioned that such sedimentation "survives across generations of organisational members" (Tolbert & Zucker, 2005).

In the above section Institutional Theory was introduced. The basis of the modern debate was laid by Meyer and Rowan (1977), who claimed that formal organisational structures are decoupled from practice; they are based on myths that are generally accepted in society. This decoupling was questioned by later researchers; Tolbert and Zucker (2005) argue that formal structure must have some practical use. Scott and Meyer (1994) reviewed the empirical evidence and found that decoupling does not take place regularly, hence questioning the earlier assumptions made by Meyer and Rowan. Having discussed the main development of Institutional Theory it is now worth investigating the newer strand of the theory which has been developed after the

refinement of the initial arguments of Meyer and Rowan, this field is known as Neo-Institutional Theory.

3.4. Neo-Institutional Theory

Since Meyer and Rowan's article in 1977, Institutional Theory has developed further. As argued by Larrinaga-Gonzalez (2011) relevant to SR can be considered the "Neo-Institutional" research field (Di Maggio, 1991). This research is using the Neo-Institutional stream of research. This section and the next will discuss Neo-Institutional Theory, and the parts relevant for this study will be summarised in Figure 3.2.

Under this new strand of Institutional Theory it is argued that institutions are transported by a culture, structure and routine. Thus, culture and historical context become very important as they shape the beliefs, symbols and regulation requirements (Scott and Meyer, 1994).

Di Maggio and Powell (1983) emphasise the homogenisation of organisation structures, which they call 'isomorphism'. The isomorphism arises from the need for organisations to respond to environmental expectations, and causes clusters of organisations ("organisational fields") to homogenise. They identify three mechanisms through which these occur: coercive isomorphism that results from issues of achieving legitimacy for companies and other political aspects; mimetic isomorphism that occurs when companies react to uncertainty in a standard way and, finally, normative isomorphism, which is linked to an organisation's professionalisation. They also emphasise that the three aspects may overlap in a practical setting, as we shall see in the case studies later in the thesis, but, according to DiMaggio and Powell, they stem from different conditions and may lead to different outcomes.

Scott and Meyer (1994) define three pillars for institutions: cognitive, normative and regulative. They closely relate to mimetic, normative and coercive mechanisms described above. Scott, however, focuses more on how these three pillars provide the context for the stability of the organisation through its structures and activities, rather than creating change and homogenising companies in specific organisational fields.

In this study we have chosen use DiMaggio and Powell's lens of coercive, mimetic and normative forces which, although overlapping to a certain degree with Scott's pillars, are more useful in this context as they are geared towards explaining change, which is in line with the research question. These are therefore included in figure 3.2.

Larrinaga-Gonzalez (2011) reviews the literature on Neo-Institutional Theory from an SR perspective. He aligns himself with DiMaggio and Powell (1983) and describes 'organisational fields' as groups of institutions that have increased interaction and maturing awareness around a certain area where their institutions may be homogenising. Friedland and Alford (1991) also talk about 'mimetic processes' in this context. Peers may imitate organisations that seem to be more successful and legitimate (see also Tolbert and Zucker ,1983).

The concept of Organisational Fields is important for our study, as these fields were found by Larrinaga-Gonzalez before in an SR context to explain homogenisation that occurs, and hence this included in figure 3.2.

As discussed above, Neo-Institutional theory has developed further. Scott (2008) is pointing out the importance of the historical and cultural context, whereas Di Maggio (1997) adds to the debate by re-emphasising isomorphism between organisations to the forefront. The importance of organisational fields (Larrinaga-Gonzalez, 2011) also adds to the increasing depth of the field. However, the importance of the activities of individuals within institutions has not received a lot of attention: most of the Neo-Institutional work appears to assume a one-way street where institutions influence individuals. The potential of the individuals does not receive adequate attention (Leca and Naccache, 2006), leading to the research field of Institutional Entrepreneurs. Since this research provides the opportunity to look at the role of individuals, the current literature relating to Institutional Entrepreneurs will be analysed below.

3.5. The Institutional Entrepreneur

Institutional Theory is often used to explain why organisations may be resistant to change (Scott, 2008), but what about addressing change? In its early days, studies like Selznick (1957) included the influence of individuals. For many decades after, however, research to some extent ignored the influence of individual agents, implying that institutional change was caused by factors external to the organisation. This is what much of the Neo-Institutional Theory, discussed above, seems to imply. The fact that the role of agents was ignored was criticised and subsequently reintroduced. Eisenstadt (1980) used the term Institutional Entrepreneurship to describe the agents that effect change within institutions. DiMaggio (1988) developed this concept further explaining that Institutional Entrepreneurs are able to change institutions despite inherent pressures for stability. Since these early days, the research relating to Institutional Entrepreneurship has increased exponentially and can now be considered a research stream in its own right (Leca and Naccache, 2006). One of the key areas of tension, for which many studies have been criticised as not dealing with appropriately, is the so called 'paradox of the embedded agency'. This paradox relates to the tension that on the one hand actors are supposedly acting to change institutions, which would imply them being independent of these institutions, while on the other hand the agents are in fact embedded in these institutions and, therefore, part of all the various institutionalising aspects and hence unable to be independent. Critics (like Delmestri, 2006) have argued that much of the literature suggests that "entrepreneurs were viewed as heroes who were disembedded from their institutional environment" (Leca and Naccache, 2006: 5). Although in some of the earlier research there does appear a lack of consideration of the paradox, this researcher argues that some recent studies do explicitly recognise agents' embeddedness within institution and show clear attempts towards solving the paradox (like Lounsbury and Crumley, 2007, for instance). The literature shows that the paradox of the embedded agency is an important issue when exploring the impact of individuals on organisational change, and hence is included in Figure 3.2.

Leca and Naccache (2006) divide the relevant aspects affecting Institutional Entrepreneurs usefully into three distinct areas: field-level conditions, the actor's social position and his or her specific characteristics. These three areas will be briefly analysed.

The importance of field-level conditions appears undisputed in the current literature, although the available studies differ in emphasis on what important conditions are. Jolts or crises are, for example, mentioned by Child et al (2007) as creating conditions that may enable institutional change. Greenwood and Suddaby (2006), argue that Institutional Entrepreneurs may be more likely to be able to facilitate change when events such as social upheaval, regulatory changes or technological disruption occur. Phillips and Tracey (2007) specifically mention environmental issues as a potential condition, which is particularly relevant for this study.

Another facet highlighted in the literature relates to the potential enabling role of the agent's social position, although there does not appear to be consensus as to what social position would most facilitate Institutional Entrepreneurship. Philips et al (2007) argue that individuals more at the periphery of an institution are more likely to engage in institutional entrepreneurial activities. Greenwood and Suddaby (2006), however, argue actors at the centre of a field may be more successful Institutional Entrepreneurs.

Some studies have started to look at the personal characteristics successful Institutional Entrepreneurs seem to have: Fligstein (2001) mentions the importance of social skills, especially empathy. Wade-Benonzi (2002) provides an example of members in an activist group, where their personal values and belief drive their actions as social entrepreneurs.

Field level conditions, the agent's social position and the individuals personal characteristics all appear to play a part in the role the individual can play when it comes to organisational change: they are therefore included in our summarising figure 3.2.

What do we currently know about the process of Institutional Entrepreneurship? DiMaggio (1988) already mentioned the challenge such Institutional Entrepreneurs face at the outset, as stability of current institutionalisation is likely to be protected by those who benefit from this. Usually those dissidents need to be won over for change to take place. The process itself is complex, the Institutional Entrepreneur is likely to recruit allies, develop alliances and exhibit cultural sensitivity and political skill depending on the type of project at hand (Perkmann and Spicer, 2007). The way agents handle discourse will also affect the outcome (Munir and Phillips, 2005). Agents need to have intuitive flair to understand how to avoid sounding too risky or radical in order not to alienate stakeholders in the process. Fligstein and Mara-Drita (1996) provides an excellent example in showing how, at a time where none of the stakeholders could

agree on any of the major issues, he managed to start an institutionalisation project around the idea of a common market which was theoretical and unspecific enough to inspire without alienating any of the stakeholders.

The resources available to the Institutional Entrepreneur, and the manner in which these resources are used, can play a critical role in the success of any project. Tangible assets like financial assets may be just as useful as intangible assets. Fligstein mentions the need of substantial social capital for a successful Institutional Entrepreneur. Other potential resources may be legitimacy as well as formal authority of the agent. In a recent study McKague (2011) confirmed that legitimacy management is a key factor for agents to be able to influence institutional change.

The many studies that have been conducted in this area have used a variety of methods. Most of the studies use qualitative data, and have often been ethnographic in nature with major data collection methods relating to observation, case-studies and interviews (for example, Zilber, 2002; Lawrence et al, 2002;de Holan et al., 2002; Demil and Bensedrine, 2005; Hsu, 2006). Other studies have, however, used quantitative methods, often to look at discourse (for example, King and Soule, 2007, Haveman and Rao, 1997). McKague (2011) uses similar data to this study, and then presents the data in a table with categories, subcategories and examples, similar to those presented by this study in Chapter 6.

Institutional Entrepreneurship does not appear to have been considered in detail as yet in the field of SR. Social responsibility, however, is included in a study by Sanal et al (2013). This purely quantitative study finds that social responsibility has a negative relationship with risk and a positive relationship with proactivity, both of which they assume are linked to more or less effective Institutional Entrepreneurship. Unfortunately the data used is merely described as: "institutionalisation level of The Second 500 Major Industrial Enterprises determined by the Istanbul Chamber of Commerce" (p. 58) without providing any further detail. Although the study concludes that there is a positive relationship between enterprises' social responsibility level and proactivity, without a deeper understanding of how these two concepts have been defined and measured, the conclusions do not contribute substantially. In general accounting research, the influence of Institutional Entrepreneurship, also appears to be under researched (but see, for example, Hassan and Vosselman, 2010).

As DiMaggio (1988) identified, for an individual to become an Institutional Entrepreneur, he or she must have both the interest and resources available to do so. The social position of an individual may drive his or her interest. A person's social position relates to where he or she stands in the structure of social networks (Dorado, 2005), and this position may shape the view that an individual has about the current state of institutionalisation.

According to Battilana (2006) an individual's position in their organisation is determined by their formal position within the organisation and their informal position within social networks. It is these informal networks, which we shall see later in this thesis, that play a critical role within the framework of Sustainability and SR in the UAE. Battilana (2006) argues that: "existing institutional arrangements are a source of power for some people and not for others in a given organisational field depending on the organisation and social groups to which they belong". (Battilana, 2006:660). Those that benefit more from the current structure of institutionalisation are therefore less likely to be Institutional Entrepreneurs.

This literature review so far shows that the individual at times has not received due attention within the field of Neo Institutional Theory, although this is mitigated to a certain extent by the increasing interest in the field of Institutional Entrepreneurship. As we shall see later, the data in this study shows that agents play a very important role. This is, to a certain degree, recognised by the literature on Institutional Theory, specifically Institutional Entrepreneurship, but for deeper meaning it would be useful to include other areas of literature in psychology and sociology. A full review of such fields goes beyond the scope of this thesis, but in the multi-cultural setting of the UAE it seems fitting to at least mention DiMaggio (1997) as he finds that "the research explains the capacity of individuals to participate in multiple cultural traditions, even when those traditions contain inconsistent elements". We shall find later in our research that key individuals, who can often be described as institutional entrepreneurs, indeed manoeuvre between various cultures, which impact their work and hence the findings of this study considerably.

3. 6. An Institutional Framework

After having discussed some of the major developments both in Neo-Institutional Theory and in the research into Institutional Entrepreneurs, and having mentioned those elements that are of particular interest to this research which looks at organisational

change, figure 3.2. summarises the salient elements relating to our research question.
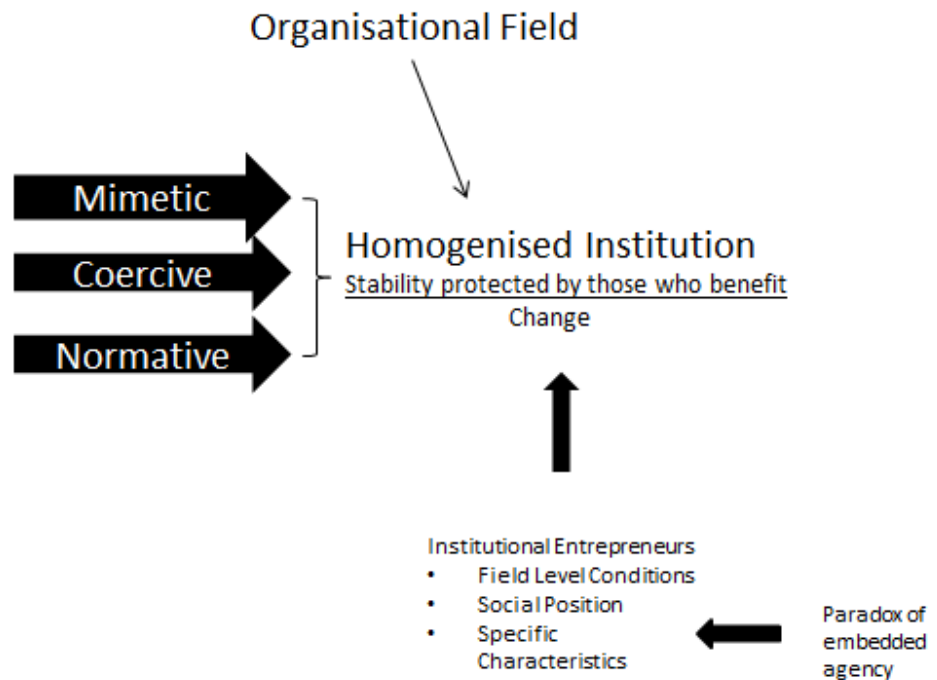
Figure 3.2.: An Institutional Framework for Analysis

Figure 3.2. summarises the major research streams in Neo-Institutional Theory that are relevant for this study. The institution, at the centre of our research, sits in the middle. The institution may be homogenised through being part of an organisational field as discussed earlier. Since organisational fields may cause an institution to homogenise, the relationship is depicted by an arrow which points from the field to the individual institution. As discussed earlier, DiMaggio's three mechanisms (DiMaggio, 1997) are also expected to play a role. The three elements, through which isomorphism may occur, encourage institutionalisation and stability. Since it is these three elements that influence the institution, the relationships are described through arrows from the elements to the institution. The resistance to change is challenged by Institutional Entrepreneurs, and the extent of this influence depends on specific conditions as defined by Leca and Naccache (2006). Since these Institutional Entrepreneurs are expected to influence the Institution by challenging the status quo, they are depicted as influencing the institution in figure 3.2. by an arrow pointing towards the institution. The three bullet points of Field-Level Conditions, Social Position and Specific Characteristics describe issues relating to the Insitutional Entrepreneurs and hence are

shown as bullet points underneath the Institutional Entrepreneur. The fact that the Institutional Entrepreneurs are embedded in the institution creates a paradox which may stop any potential change. This embeddedness may be influencing the Institutional Entrepreneur's actions; this influence is depicted by an arrow pointing towards the Institutional Entrepreneur.

It is this framework that will guide the analysis of the data findings later in this thesis.

3.7. The use of Institutional Theory in SR reporting

In the SR field there are currently not many explicit references to Institutional Theory, but some important exploratory work has been carried out (see, for example, Bebbington et al, 2009; Kolk, 2005). Larrinaga-Gonzalez (2011) mentions four fields that deserve attention relating to SR: initiating events that may alter institutional arrangements; whether or not, and if so how, many organisational fields evolve; what elements play a part in changes to coercive, normative and cognitive structures and what relationships exist between competitive forces and institutional structures in the process of institutionalisation. More work can be found in the wider area of sustainability: for instance, by Wooten and Hoffman (2008) and Christmann and Taylor (2006).

Looking at institutionalisation in relation to SR may be of use though for two reasons. Firstly, when reflecting on, for instance, the findings of Bebbington et al (2009) it seems that the decisions for companies to implement SR may not be due to a rational decision making processes, but may be influenced by elements of institutionalisation. Larrinaga-Gonzalez (2011) points out that using the Neo-Institutional Theory lens is useful in SR, as other more established themes in social and environmental accounting overlap with this theory: for instance, legitimisation theory. Scott (2005) says about legitimisation, that, from an institutional perspective this legitimisation is a "condition reflecting cultural alignment, normative support or consonance with relevant rules or law" (Scott, 2005:45) and hence "not a commodity to be possessed or exchanged" (Scott, 2005:45). Neo-Institutional Theory can thus be used to build an explanation of the development of SR and to ascertain the consequences of the institutionalisation of SR (Larrinaga-Gonzalez, 2011).

An important exploratory study was carried out by Bebbington et al. (2009), with an in-depth analysis of a group of New Zealand NGO's. The focus of this study was the more detailed level of organisations rather than fields. The study tried to understand the

institutionalisation process of SR. The study found many diverse regulative, normative and cognitive influences that contributed to the instutionalisation of SR. Many of these findings are not, as might be expected, under Legitimisation Theory or Stakeholder Theory. The largest organisation, for instance, was the one with the poorest reporting record, in spite of its size, and stakeholder pressure. Bebbington et al (2009) point out the use of Institutional Theory as a different but complementing framework. The study indicates that, unlike what might be expected under Stakeholder and Legitimisation Theory, organisations do not appear to base their decisions around SR on clear strategies, but rather in an intuitive attempt to 'fit in' with institutional expectations. Another important finding from this study confirms earlier views from Scott & Meyer (1994) that when highly regulated, institutions may just comply without proper buy-in. Bebbington et al (2009) found that the organisations researched tended to comply with regulations, but often in a rather superficial, non-committal way.

Scott and Meyer assume that normative organisations influence both values and norms. Bebbington et al found evidence of this: In one organisation SR was implemented even though there was no evidence of a business case to do so, and in another organisation it was implemented in spite of some resistance of employees. This finding is of specific relevance for this study as the data in chapter 7 and 8 show ethical motivations that drive some Institutional Entrepreneurs to pursue SR.

Bebbington et al (2009) also found some evidence of cognitive institutions emerging. Such institutions exert subtle pressures and hence actions may not be fully articulated, rather responses are automatic. Bebbington et al mention the indication that one of the organisations is ready to abandon GRI should the 'next thing' come along.

In the sample of Bebbington et al it appeared that SR was becoming institutionalised, but only in the weak form and not driving a change in corporate philosophy. Contrary to this finding, this study will later explore in chapter 8 the in-depth case study which analyses a company where SR in combination with Sustainability is driving a sea change in corporate philosophy.

The current evidence shows that institutional pressure may not always be adhered to:

"What goes on inside the organisations is as important as what goes on outside the organisations to the institutionalisation process" (Bebbington et al, 2009:616).

The study by Bebbington et al, however informative, is limited due to the exploratory nature. The New Zealand setting and the non-profit aspect of organisations limit its findings to time and place. Further research is necessary to help fill the gap in the understanding that Neo-Institutional Theory can bring to SR, and this thesis aims to do so.

So far this review shows that Neo-Institutional Theory may provide a useful approach for studying SR, and early research efforts have been undertaken in this field. In chapter 5 it is concluded that social construction is an appropriate base philosophy in which Institutional Theory appears to find a natural home, and hence it is the approach in which most of this study will be operating. Not only institutions are pure social constructions; the field of accounting as a whole can also be considered as socially constructed. One important way in which the accounting profession achieves legitimisation is by the use of General Accepted Accounting Principles (GAAP), which form the base of accounting standards like the International Financial Reporting Standards. If GAAP aids in institutionalising the field of accounting, then it can be argued that including SR in GAAP, or alternatively providing separate SR standards may have the same function for SR. It is therefore useful to understand SR standards in this context, and hence this will be discussed below.

3.8. Sustainability Reporting Standards

With the demand for more transparency and responsibility as far as sustainability is concerned, a number of various International Accounting Standards (IAS's) have emerged, providing a new institutional framework. Gilbert et al (2011) provide an overview of these standards explaining the current academic research gap. The authors analyse the standards and provide a new classification: Principle-based standards; Certification standards; Reporting standards and Process standards. The article itself does not provide a robust theoretical framework, but it is part of a series of articles which talk about the available accountability standards using Neo-Institutional Theory (Benham & MacLean, 2011a), and the concept of decoupling. The authors build on the idea first introduced by Meyer and Rowan (Meyer & Rowan, 1977) that when there is a tension between company efficiency and legal and normative pressures from external stakeholders, decoupling is likely to occur. Decoupling is at the one end of a continuum where implementation of the alternative is at the other end of the continuum:

"Integrating a structure or program—incorporating it into the central processes of the organisation, ensuring it has the appropriate resources to be effective, making certain that employees receive necessary training and are held accountable for adhering to its tenets" (Benham and Maclean, 2011:49).

Decoupling means that a company formally adopts legal or normative requirements. Informally, however, it does not act upon them and does not provide the necessary resources to properly implement the formal policy. The company is likely to try to avoid close scrutiny.

What are the consequences of decoupling? A decoupled company formally committed to sustainability but informally not acting upon that, may find such a stance to be more damaging than a company not providing any formal or informal commitment:

"At the macro, organisational level, public commitment without concomitant organisational behavioural change can lead to the standards providing a 'credibility cover' that perpetuates business as usual. In other words, by divorcing standards adoption from implementation, organisations gain legitimacy that may shield them from closer scrutiny, thus enabling rather than constraining the types of activities the standards were designed to discourage. At the micro, individual level, the disconnect between formally stated values and policies and actual organisation practices may have a non-trivial, negative impact on employees". (Benham and MacLean, 2011b:49)

Benham and Maclean do not provide empirical evidence to confirm the above statement from a sustainability perspective, but refer to studies in other fields where decoupling has been studied to hypothesise that the extent of decoupling may depend on: the clarity of the IAS; the cost of adopting the IAS; the presence of sanctioning mechanisms built into the standard; and the degree of assurance of compliance required by the standard. The study concludes that companies that have commitment from the top; and/or see adherence as a strategic/competitive advantage; are less likely to decouple than organisations where this is not the case. The authors provide three key ideas to decrease the extent of decoupling. Firstly, the standard should be clear, leaving little room for differences in interpretation and implementation. Secondly, compulsory auditing will be beneficial. Finally, voluntary standards without sanction mechanisms are most likely to decouple.

As we shall see in the phase 1 of the research of this study, GRI appears currently to be the preferred standard for SR in the UAE. Etzion and Ferraro (2010) use GRI as a case study to investigate the role of analogy in Institutional Theory. They are finding that in the early stages of GRI, the organisation used the established Financial Reporting process and standards to legitimise the GRI standards. This analogy was useful initially, as it provided immediate legitimacy and thus allowed for initial traction for the project. However:

"…Yet although from a normative point of view stressing similarities through the financial reporting analogy paid off in terms of legitimacy, from a cognitive point of view this approach would not stimulate innovative recombination of available templates and could not lead to the emergence of a novel institution."
(Etzion and Ferraro, 2010:1104)

The analogy with Financial Reporting initially led to companies superficially reporting, meeting the standards, and thereby missing out on the value of true innovation around the reporting and embedment in the strategy. The analogy has been unshackled due to both the innovative experience of some organisations, which did take SR further in spite of the initial analogy, and GRI actively encouraging the innovation.

SR standards help to institutionalise SR, but does it help to make a company more sustainable? Or will it aid in legitimising unsustainable behaviour? Some of the interviewees mentioned in chapter 6 of this study believe that SR standards will lead to 'greenwashing' only, whereas others believe that institutionalisation may in the long-run lead to a genuine philosophical change in a company's strategy and will ultimately lead to more sustainable behaviour. Since this study operates in UAE where SR is in an embryonic state, as will be concluded in chapter 7, it will not be possible to answer this question with empirical evidence.

3.9. Conclusions

This chapter has found that the area of SR is generally considered to be under theorised. Most theories used stem from the political-economic field, as this provides the opportunity to analyse the complexities in society where organisations seek to legitimise themselves with various political, economic and social pressures. The most popular theories, that of the Stakeholder and Legitimisation Theory, both have their

roots in the idea that companies have an implicit or explicit contract with society which includes, but goes beyond, a mere profit motive. Stakeholder Theory focuses specifically on the direct stakeholders that a company needs to satisfy; here SR is used as a tool to do such. Legitimisation Theory has a wider perspective than Stakeholder Theory and sees the need for companies to satisfy broader societal issues, and has a strategic and an institutional focus. Most SR studies have emphasised the strategic angle for Legitimisation Theory, missing the opportunity to analyse the institutional angle, which overlaps with Institutional Theory, recognising pressures on institutions causing homogenisation. The gap in SR research, to look at the institutional angle is recognised, and hence Institutional Theory is recognised as a useful lens for research. Institutional Theory has seen major developments in the last decade. Whereas Meyer and Rowan saw an institution as something quite static and formal structures purely based on myth, Neo-Institutional Theory has brought more flexibility to the approach. With the introduction of the concept of Institutional Entrepreneurs the influence of individuals is now recognised to a degree.

Neo-Institutional Theory is a relatively new approach for looking at SR, but first findings are informative. Within the social constructionist framework of this study, Neo-Institutional Theory appears an appropriate angle to research the UAE. This thesis aims to look at a geographical area which has not yet been researched, and aims to help fill the gap from a theoretical perspective by choosing to use a Neo-Institutional Theory stance. The first exploratory study in this field was carried out in New Zealand, and it seems to be appropriate to contribute by exploring SR in a developing economy.

Before being able to look at this area in-depth, the available SR research to date deserves to be looked at in more detail.

Chapter 4 Research in Sustainability Reporting

4.1. Introduction

After having looked at potential theoretical lenses in the previous chapter, it is now time to look into more detail at the available research in SR regardless of its theoretical base. It is important to understand especially methodological approaches and methods used from these studies in order to make an informed choice in methodology and methods for this research. This chapter starts with the major global studies, followed by a focus on the developing world, and specifically the geographical area close to and including the United Arab Emirates.

4.2. Global Research

Sustainability Reporting is now a widely researched field in developed economies (Gray et al, 2002; Gray et al 1987; Zeghal & Ahmed, 1990). Most empirical studies to date have looked at providing a descriptive analysis of SR, and hence providing some insight into the patterns in which they are disclosed (Hackston & Milne, 1996). An important early study from Ernst and Ernst (1978) looked solely at the US, followed by Guthrie & Parker (1989) also using US data. Gray et al. (1987 and 1995) provide a longitudinal study, which started in 1979 and ended in 1991, based on UK data. These three milestone studies describe the amount of SR companies provide and the themes of this reporting. In some countries, like the UK, some sustainability disclosures are now mandatory so distinctions need to be made between the voluntary and mandatory disclosures.

Amaeshi (2007) looks at sustainability by analysing UK and German firms that are part of the Global Fortune 500 through the stakeholder theory lens. The study concludes that sustainability is not only determined by discretionary choices of management, quantity and focus of sustainability, but it is also determined by the institutional contexts the companies operate in. The main data used in the study relates to selected industries (Aviation, Financial Services and Utilities). It is a longitudinal study (2000-2006) where annual reports of 73 companies are studied using quantitative analysis. The study is then triangulated by a brief quantitative survey of the 73 companies with a 61% response rate. Although the study provides interesting insights, the quantitative nature provides limited evidence concerning the quality and effectiveness of sustainability.

Hassan (2010) argues that most studies to date have looked at SR without referring to an adequate framework that could explain sustainability in terms of determinants and consequences, and hence Hassan researches which variables could represent a framework of variables and consequences. Using the legitimisation theory as a basis, two levels are investigated: country level and company level.

For the country level the author uses the index from the Global Competitiveness Report. From a sample of 58 countries data was collected from the index for three consecutive years (2004-2006). It is found that SR is more developed in countries with high economic development and low power-distance (Hofstede, 2001), confirming the idea that sustainability is a western phenomenon (Kemp, 2001).

For the company level study only UK companies from the FTSE 100 and FTSE 250 have been analysed. A sample of 317 annual reports from 2005 and 327 annual reports from 2006 are analysed using various quantitative analysis methods. The study used a quantitative deductive approach by analysing annual reports and stand-alone sustainability reports. The findings of the study support the assumption that SR is a function of the public pressure put on a company, often described as Legitimacy Theory (Magness, 2006).These findings are interesting, but the study has serious limitations as no attempts have been made concerning the quality of sustainability disclosures. Also, the conclusion that SR is in effect a western phenomenon needs further investigation.

What do these and other smaller studies tell us concerning what drives SR? Some tentative conclusions as described by Gray et al. (1995) can be made that still hold true today. First, SR is not a systematic activity, it waxes and wanes in popularity, starting in the 1970's, all but completely forgotten by the 1990's and before the global 2008 crisis at a new found peak (Guthrie et al., 2007). Second, the debate linking SR to profitability continues. Most studies do conclude that it does not relate to profitability in the period under review, but as stakeholders increasingly perceive the risk of the absence of SR most studies indicate some correlation with future profitability and survival (Gray, 2006; Roberts, 1992; Singh & Ahuja, 1983). Third, there does appear to be a link between company size and level of SR (Singh & Ahuja, 1983; Tonkin & Skerratt, 1992) Fourth, there appears to be some industry effect, although results remain inconclusive to date (Singh & Ahuja, 1983; Zeghal &Ahmed, 1990). Last, it is

now generally accepted that both the country where the company is operating, as well as the country of final ownership have a clear influence.

4.3. Research in the developing world

There is a growing body of work in the developing world, mostly of an initial exploratory nature (Belal & Roberts, 2010; Momin, 2006). These studies highlight the fact that most of our current understanding of SR has been formed by the available developed economy research, and findings may be different for developing economies (Momin, 2006; Prieto-Carron et al, 2006). This concern has caused researchers from the sustainability field to question the adequacy of current mainstream sustainability approaches to produce effective results in developing countries (Blowfield & Frynas, 2005; Prieto-Carron et al., 2006; Utting, 2005). This study will analyse studies carried out in Asia, as these may arguably be more relevant to provide a context for SR in the United Arab Emirates.

Mashat (2005) looks at SR in a Libyan context. His study uses content analysis (which will be discussed in more detail in the methodology section of the thesis) to investigate annual reports from four industries over a four-year period for a sample of 56 Libyan companies. These results are triangulated with a survey amongst 438 users of financial statements, divided into the following groups: academic accountants, financial managers (or accountants), government officials, bank credit officers and external auditors.

The findings of Mashat's study show that the companies do disseminate some information, but this is much less than in developed countries, and deals mainly with community involvement. The study is interesting and could be used to compare, for instance, the case of the United Arab Emirates. Weaknesses of the study, however, are that although the 'what' (what do companies disclose?) of SR in Libya is described well, the answers to why disclosures are limited are weak.

Two interesting studies in Bangladesh provide insight into the state of SR there. Momin (2006) uses qualitative content analysis from annual reports of 7 subsidiaries of Multi-National Companies (MNC's) and 7 large domestic companies. This is followed up by 58 interviews from a combination of both domestic companies and MNC's. Using the stakeholder concept, the study finds that like Mashat (2005) found in Libya, SR disclosures are weak and focus mainly on employees and community involvement. Momin's study provides explanations obtained from interviews, which indicate that

there seems to be little incentive for these companies to disclose further. The study is limited to the extent that only local branches of multinational companies are analyzed.

In another study relating to Bangladesh, Belal (2003) uses both content analysis and semi-structured interviews to look at local Bangladeshi companies. He found that companies evaded certain sensitive topics (like child labour in the textile industry and pollution in the tannery industry) and on the whole catered only for the government or other economic stakeholders such as customers, employees and investors, largely ignoring other groups like the environment and the local community. Using Stakeholder Theory, qualitative content analysis is used to review 79 annual reports from the top 100 listed on the Dhaka stock exchange. Findings are triangulated through 28 semi-structured interviews. Belal effectively begins to answer not only the 'what' question, but also starts to find some answers as to the 'why'. The absence of SR appears to be explainable in many cases by the absence of stakeholder pressure.

Other studies in developing countries concur with the above findings that SR in these countries is limited (Imam, 2000; Lodhia, 2003; Naser & Baker, 1999; Rahaman et al., 2004; Singh & Ahuja, 1983; Tsang, 1998) mainly describing what is reported without effectively answering as to why Sustainability Reporting is limited.

4.4. Research in the United Arab Emirates and surrounding countries

SR in the United Arab Emirates (UAE) and its neighbouring countries is under researched. Two papers that have been produced which look at sustainability in the UAE, are Rettab et al (2008) and Mezher et al (2010). One chapter that looks specifically at Sustainability Reporting is from the author of this thesis and a colleague (Vinke and Khatib, 2012).

Vinke and Khatib (2012) investigate the drivers and obstacles for SR in the UAE, based on ten interviews with subject matter experts. Although the chapter provides a useful addition of understanding the current state of SR in the middle east, it lacks a theoretical lens through which these findings can be explained and deliver a fuller contribution. The outcome of the study is summarized in figure 4.1.
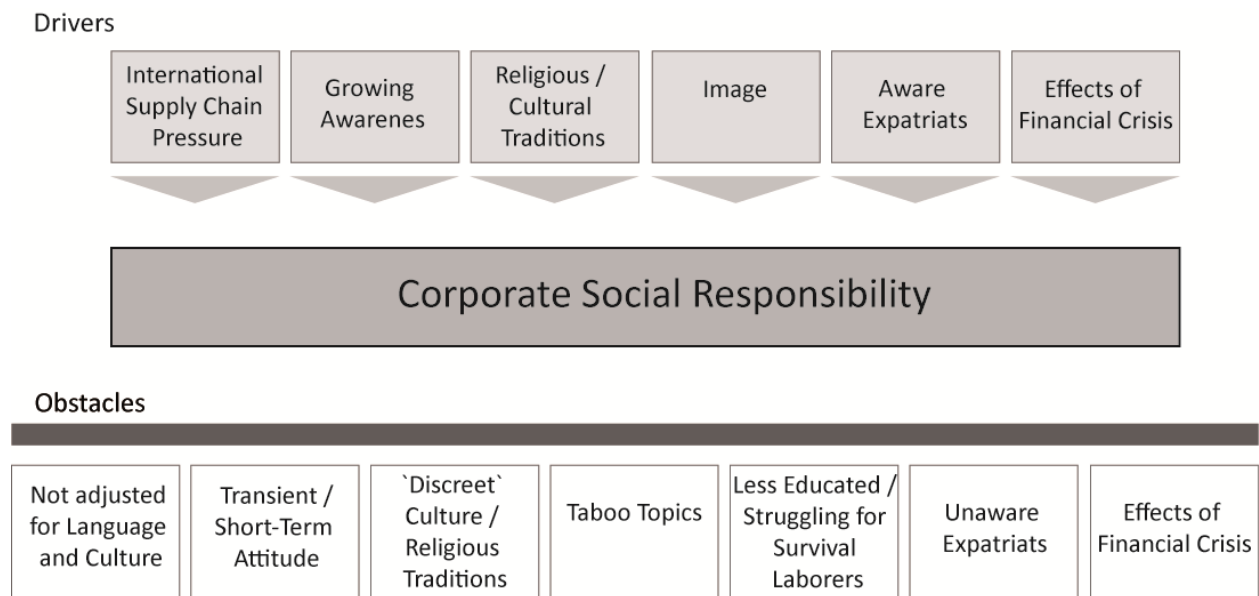
Figure 4.1.: Drivers and Obstacles of SR in the UAE

From Vinke and Khatib, 2012:150

The overall findings are that the drivers for SR appear to be weak, with the strongest drivers being international drivers, where, for instance, customers demand certain sustainability standards from their UAE suppliers. One of the major weaknesses appears to be the overall lack of awareness, with some pockets of society having more awareness then others – often linked to the heritage of the community in this mainly expatriate society. Other interesting findings relate to cultural issues, such as transparency. The authors quote one (anonymous) interviewee:

"Disclosing what you give in charity may look almost vulgar in the Islamic tradition where helping people discretely is worth more than trumpeting about your good deeds. This contradicts the Western model of transparency and disclosure around CSR." (Vinke and Khatib, 2012:150)

Rettab et al. (2008) do not research SR, but provide some insight into sustainability as they investigated the perception of companies concerning sustainability's impact on organisational performance, broken down into financial performance, employee performance and corporate reputation. This analysis is conducted through a survey among companies listed in the database of the Dubai Chamber of Commerce, of which 280 responded. The study finds that sustainability, on the whole, impacted all three aspects positively. The method of investigation through the self-report survey for both the dependent and independent variables may mean that the data is biased. It is likely that only those companies that understood the concept and had something to say about

it responded. The level of awareness of sustainability and understanding of business implications still appears to be limited. Given the method – executed through questionnaires and not through in-depth interviews – the study was unable to provide in-depth explanations.

The other study available from Mezher et al (2010) looks at sustainability in the Renewable Energy Sector and gives examples from the Masdar Initiative in Abu Dhabi. The paper successfully describes the social and environmental element of the project, but fails to address wider issues beyond the government of Abu Dhabi and Masdar City, apart from hoping for a 'spill-over effect'. It brushes over remaining issues merely mentioning remaining challenges that "include cultural differences, low consumer interest, and other challenges that are common in developing countries" (Mezher et al, 2010:758).

A study from Qatar, a neighbour of the UAE, explored the perceptions of social responsibility and accountability (Al-Khater & Nasser, 2003). A sample of 260 people related to the financial sector was sent a questionnaire; 143 people from this sample participated and returned the completed document. The study found that participants agreed in general that sustainability should be encouraged, and disclosure of sustainability activities by companies would serve society at large. The study does not provide any indication of the current level of SR in Qatar.

4.5. Reflection on the future of SR research

Having reviewed some of the major research in the area in the developed and developing world, it is important to reflect on where the research area is heading. Bebbington and Larrinaga (2014) reflect that: "there appears to be widespread pessimism that accounting can contribute to a more sustainable/less unsustainable society." Bebbington and Larrinaga, therefore, advocate a change in approach, aligning research with that of sustainability science which : "is a distinctive approach that has developed as a result of a belief that there are problems that are sufficiently different in nature that we need to experiment with new ways of knowing, including new forms of research engagement." (2014:16).

Motivating is also the call to arms from Bebbington et al (2007): "one further task that we have to work at if we are to remain engaged in the creation of more benign accounting technologies. This task is finding ways to nurture hope that change is possible, to make realistic assumptions about how change happens and keeping

faith/keeping one's self together in the face of evidence that the world is most probably approaching a tipping point (with regard to global climate change) that will mean that our futures will be played out in a more chaotic world."

This thesis hopes to bridge some of the 'new forms' of research engagement through the in-depth study, and with its unexpected hopeful findings in the institutions studied aims to contribute to this hope.

4.6. Conclusions

The above has clarified that in the area of SR there is a substantial amount of literature available that looks at the developed world, and there is a growing interest in SR in the developing world. Findings in the developed world indicate that SR is richer in quantity, quality and the amount of themes that are being disclosed than in developing countries. In developing countries so far the focus has been on country-wide studies. These indicate that generally, there is an emphasis on disclosures concerning employees and the local community. Especially disclosures relating the environment are lacking. As far as the UAE is concerned, there is a literature gap with regard to the extent that research into SR is available. There appears to be no substantial study to date that looks at SR in the UAE, and it is in this gap that this study would aim to add to the body of knowledge.

The literature review of this and the previous two chapters has highlighted three important gaps in current SR studies. First, there is a lack of SR related research that looks at institutional and social aspects. Second, there is lack of understanding, especially in developing countries, as to why countries choose to disclose or not. Last, the geographical area of the UAE is under researched. It is with this synthesised knowledge in mind that we now turn to the next stage of the study. It is important to establish strategies concerning the methodologies and various methods used, as well as formulating appropriate research questions. This will be done in the following chapter.

Chapter 5 Research Methodology

5.1. Introduction

This chapter sets out the formation of the research question, as well as details concerning the methodology and methods used during the three phases of the research.

5.2. Social Construction and the Institutional Framework

Social construction is a research paradigm which focuses on subjective and inter-subjective phenomena. The concern is with meanings, intentions and understandings of actors in social situation (Gergen, 2003). Actors are regarded as taking part in interactions, or encounters, through which they build up an understanding of what is going on, who the others are and, indeed, who they are themselves. The approach aims to investigate the social realities that people live and work within a given setting. Therefore, observed behaviour, spoken and written text and objects produced through work activity are part, but not the whole, of the reality to be investigated. At least as important are the various meanings that actors associate with behaviour, language and objects (Gergen, 2003). For example, a policy document on sustainability may be interpreted as being based on a genuine commitment or as merely 'window dressing' depending on the meanings the actors associate with the documentary object. In addition, social structures are regarded as being constructed. Formal hierarchies, such as those represented in the organograms of organisations are created by companies to represent authority, responsibility and reporting relationships. However, informal structures are also constructed, such as in-group/out-group structures, friendship networks and other networks of influence. Both the formal and informal social structures influence what is regarded as legitimate action (for example, who can make decisions about what is written in a policy) and the very nature of legitimacy (for example, whether or not policies are regarded as significant or merely window-dressing within a particular group).

Viewing the world from the social constructionist paradigm allows the researcher to be open to recognise subjective and intersubjective elements. This can provide meaningful data that allow contribution and further understanding of the many actors involved in positioning SR. Social constructionists aim to explain reality, and they view reality as created by the mind, rather than discovered by the mind (Schwandt, 2003):

"We invent concepts, models and schemes to make sense of experience, and we continually test and modify these constructions in the light of new experience." (Schwand, 2003:197).

The origins of Social Construction can be traced to Berger and Luckmann (1966), who in turn refer to the influence Durkheim (1950) and Marx (as in Lukács, 1923) have had on their thinking. It can be traced to an interpretive way of thinking, as, like interpretive thinking, it believes that reality is created, negotiated, sustained and modified (Schwandt, 2003).

Human life includes many repetitive actions. According to Berger and Luckmann, such repetitive actions become habitualised over time, as the routine way of doing something takes away the need to consciously consider every action. If there is reciprocal typification of such actions, institutionalisation occurs. Institutions also imply historicity and control: institutionalisation takes time. In practice, institutions generally occur among groups of people, although institutionalisation can occur if there is reciprocal typification of actions between two individuals.

Berger and Luckmann (1966) talk about the role of institutions in society:

"…the objectivity of the institutional world, however massive it may appear to the individual, is a humanly produced, constructed, objectivity. The process by which externalized products of human activity attain the character of objectivity is objectivation. The institutional world is objectivated human activity, and so is every single institution." (Berger and Luckmann, 1966:60)

Berger and Luckmann claim that although humans perceive institutions as objective, these institutions do not have an ontological status independent of human activity. The authors also explain that as institutions survive generations, there is a need for legitimacy, as a new generation would view the institution as inherited traditions, and would look for legitimacy of the institution, to serve to explain the social construct.

What, then, is socially constructed in the world of Sustainability Reporting? This thesis will come across a wide variety of elements including the construction of reports; what is deemed professional behaviour and what is regarded as legitimate in the field?

Phase 1 of this research maps out what is there, and by asking "What are the practices of SR disclosure in the UAE?" and "What do companies currently disclose?", provide an insight into what the construction currently looks like. In Phase 2 through listening to many of the actors that contribute to this construction – companies, regulators, auditors and accounting bodies, the other sub-research questions will be answered. Phase 3, like phase 2, continues to investigate the process of construction focusing on a scenario where the construction of SR seems to have more positive outcomes than elsewhere in the UAE.

Having discussed social construction in general, for the purpose of this research it is important to consider social construction in institutions.

As discussed in Chapter 3, Meyer and Rowan, in their discussion of institutional theory, talk about the decoupling of the formal structure and the actual world. The formal structure, through symbols and myth, is socially constructed but survives through its objectivation. Like the earlier writing in Institutional Theory, much of the writing on Neo-Institutional Theory, which is the preferred theoretical lens for this thesis, is done within a social-constructionist paradigm, although this is not always explicitly mentioned.

Chapter 3 discussed the overlap of Legitimisation Theory and Institutional Theory. Berger and Luckmann recognize the need for legitimacy in institutions as part of their work on Social Constructionism:

"….the institutional world requires legitimation, that is, ways by which it can be 'explained' and justified. This is not because it appears less real. As we have seen, the reality of the social world gains in massivity in the course of its transmission." (Berger and Luckmann 1966:145)

Understanding the social construction of an institutional world in which SR is or is not successful is critical for this research. Understanding the socially constructed world of SR includes understanding and recognising symbolism and its meaning. This research will focus on the dynamic processes of interaction that produce this particular version of reality in this particular context: institutions in the UAE.

5.3. A Mixed Method Approach

This section will discuss what is understood by a mixed methods approach, the benefits and challenges and why the researcher believes this approach is most appropriate in this case.

Mixed methods have a long history in research in social sciences. (Johnson et al, 2007). In the many papers that discuss the methodology it is called the "third method" (Hall and Howard, 2008). It is popular in management studies (Greene, 2008), but the method, although used for example by Davila and Foster (2007), has had limited discussions in accounting (but see Modell, 2005 and 2010).

What is meant by mixed methods - or the "third method"? Johnson et al provide a useful definition:

"Mixed methods research is an intellectual and practical synthesis based on qualitative and quantitative research; it is the third methodological or research paradigm (along with qualitative and quantitative research). It recognizes the importance of traditional quantitative and qualitative research but also offers a powerful third paradigm choice that often will provide the most informative, complete, balanced, and useful research results."

 (Johnson et al, 2007:129)

An important advantage of the mixed methods approach to research is that it enhances the research. For example in this study, the research question has both a 'what' element (what is being reported), as well as a 'why' element (why do organisations report) and 'how' (how this may impact change). The 'what' is most appropriately answered by a more quantitative approach - but 'why' and in this case 'how' can only be understood by qualitative research. Grafton et al (2011) explain it as follows:

"Research enhancement through mixed methods is constructed in a range of ways. The notion of extension implies that mixed methods contribute "more" than can be achieved by the application of individual methods, potentially by addressing different aspects of a research question."

(Grafton et al, 2011:12)

In addition to providing a richer answer, the third method assists in providing more meaningful research questions:

 "Furthermore, the mixed methods research paradigm offers an important approach for generating important research questions and providing warranted answers to those questions. This type of research should be used when the nexus of contingencies in a situation, in relation to one's research question(s), suggests that mixed methods research is likely toprovide superior research findings and outcomes."

(Johnson et al, 2007:129)

What are the potential risks of this approach? The literature describing mixed methods discuss two dominant points of view: the incompatibility thesis and the pragmatists' view. The incompatibility thesis claims that the qualitative methodology is based on inductive login which is irreconcilable with the hypothetic-deductive logic used in quantitative methodology (Scott and Briggs, 2009). According to this point of view, trying to combine the two will make good interpretation not possible, and hence should be avoided. Scott and Briggs (2009:230) believe that arguments will become incoherent if a researcher aims to "blend paradigms with incommensurable epistemic and ontological foundations". Mixing methodologies should hence be discouraged.

Pragmatists hold the opposite point of view by encouraging mixing methodologies. Brannen (2005) for example argues that the research purposes are rooted in methodological assumptions, and in order to answer the research questions fully, it is often meaningful to use more than one method, and in many cases, this will mean including qualitative and quantitative methods.

The conclusion drawn from the incompatibility thesis is that the mixing of methodologies in mixed methods research is not a reasonable proposition and should therefore be discouraged. Incompatibility theorists state, however, that the fact that the two methodologies are incommensurate does not mean that researchers should abandon mixed methods research. Mixed methods can be used in a single study if it is done for complementary purposes (Sale et al., 2002).

This researcher agrees with the pragmatic point of view and argues that the funnel approach provides the richest answer to the research question in this study: one cannot decouple methods from the broader research process. However, the researcher also

acknowledges one of the major challenges in using mixed methods is that of successful integration.

There is substantial focus in the literature regarding how to integrate design and execution (Alise and Teddlie, 2010). Grafton et al point out that:

"Conceptual integration seems important in establishing a coherent foundation from which to exploit multiple perspectives."

(Grafton et al, 2011:7)

The major issues tend to arise around successfully integrating the findings of the various methods. This research is based on complementary findings – the quantitative element uncovers exceptions which are then further researched through qualitative methods.

The researcher agrees with Grafton et al (2011), who argue that:

"We see significant potential for the accounting literature to adopt mixed methods research strategies. Given the acknowledged strengths of mixed methods designs to enhance both theory testing and theory building through extension, convergence and contradiction of findings, the lack of use of such methods suggests missed opportunities."

(Grafton et al, 2011:8)

This research uses the strength as described by Grafton to explore rich data and integrate findings achieved through the various methods.

The researcher thus wholeheartedly accepts the notion that the research method cannot be viewed separate from the research process, and in this case the research question is answered through using both quantitative and qualitative methods, which complement each other. They are not merely researched in parallel, but rather, through a funnel approach, the results of the quantitative data provide a deeper understanding which helps the data gathering in the qualitative phase.

Having discussed the main epistemological stance and methodological approach of the work, it will be useful to look into the development of the research question and conclude on the final research question before discussing the methods used.

5.4. Development of Research Questions

The development of the final research question took several years. At the initial exploration stage, it became clear that in the area of SR there is now a large body of work. Most of the research has focused around what is being reported, and who is reporting it. The question as to why SR is present (or absent) remains largely unanswered.

From a geographical perspective, the Middle East remains under researched, and it appears that so far no notable research into SR has been carried out in the United Arab Emirates

A theoretical angle for the research needed to be established. As we have seen in Chapter 2, the area of SR is generally considered to be under theorised. Of the theories that have been applied, the legitimisation and stakeholder perspectives have been most widely used. Other alternatives include Institutional Theory. Neo-Institutional Theory has been developed for SR from a theoretical perspective (eg. Larrinaga-Gonzalez, 2011) and has been tested on a small scale in an SR setting (for example, Bebbington et al., 2009). Using this lens in an alternative setting (the UAE) would contribute to the further understanding that institutionalisation may have on SR. Some annual reports of listed companies were analysed and some interviews were conducted to aid the understanding of the subject matter in the UAE before drafting the final research question:

What social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change?

 Broken down into the following:

What are the practices of SR disclosures in the UAE?

What do companies currently disclose, and what is the variation between companies?

Why do these companies choose to disclose or not disclose their environmental and social activities?

What social and institutional factors impact the current state of affairs?

How is the potential for change impacted?

Having established the research questions, it is important to explore the most appropriate research methodologies to explore the questions.

5.5. Research Methods

The study used three research methods as depicted in figure 5.1., to answer the research questions. The first one is the analysis of annual reports and sustainability reports by listed companies in the United Arab Emirates, a similar approach as pioneered by Bebbington (1999) in the UK and applied by Belal (2003) in Bangladesh.

The second method relates to semi-structured interviews, applied in a similar study by Belal (2003). The interviews were conducted with company representatives and stakeholders

The third method is an in-depth organisational study involving two institutions and various key employees. Each method of analysis will now be discussed in turn.
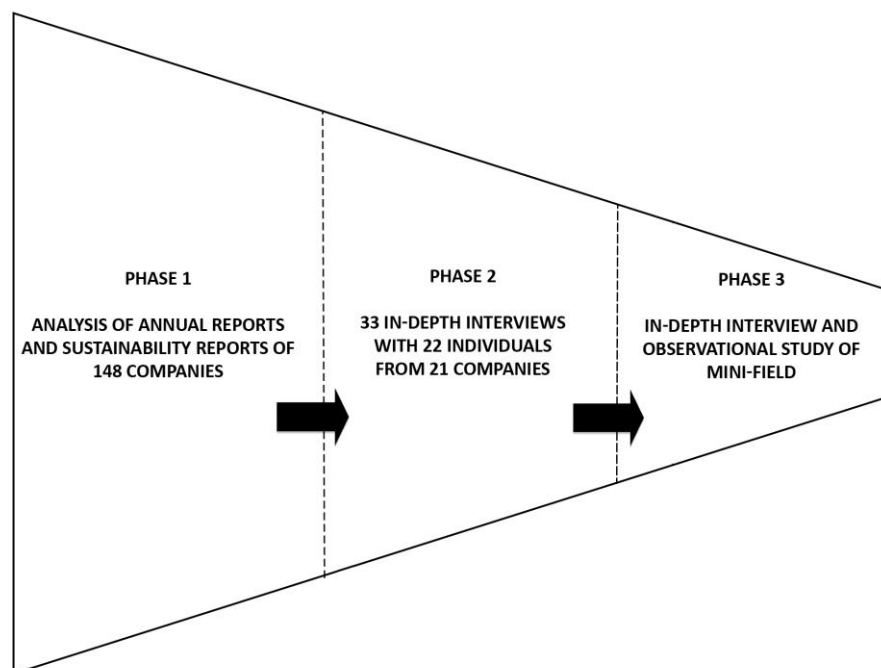
Figure 5.1.: Description of three phases of research

Phase 1: Analysis of annual reports and sustainability reports

Phase 1 of the research tries to understand the constructed landscape of SR in the UAE by answering the first sub research questions:

What are the practices of SR disclosures in the UAE?

What do companies currently disclose, and what is the variation between companies?

Similar questions have been posed before for different geographical areas, such as those by Belal (2003) and Mashat (2005). In both studies content analysis has been the preferred option.

Analysis of Annual Reports and Sustainability Reports
There are various ways in which text can be analysed. Unerman (2002) explains that analysis can be qualitative as well as quantitative. A good example of quantitative analysis in the context of SR is the work of Gray et al (1995), where a longitudinal study measured the percentage of single pages that were dedicated to a certain SR theme. Mashat (2005) replicated this method in Libya. This approach has helped to understand the themes and relative importance of these themes. These studies, however, have not provided deeper insight in the quality of disclosure.

Bebbington (1999) pioneered a more qualitative approach in the SR field, and thereby focusing on the meaning and implications of disclosure. It is this methodology that is used for this study and a similar method is applied.

Sources of Data
There are a number of ways in which companies can make Social and Environmental disclosures, including annual reports, stand-alone reports, websites, company brochures etc. (Zeghal and Ahmed, 1990). Most studies to date have used annual reports of companies (Gray et al., 1995; Bebbington 1999; Belal 2003; Mashat 2005) as this is considered the most important medium for companies to disclose (Unerman, 2000).

A previous study indicated that those companies that are seriously looking into SR may be more inclined to produce stand alone sustainability reports (KPMG, 2011). This study, therefore, includes any sustainability reports the companies in the sample may have produced as long as they are readily available from their websites.

Using annual reports and stand-alone sustainability reports was a conscious choice to gather the most important data. Neither the interviews in phase 2, nor the interviews and observations in phase 3 provided any indication that other disclosures, like, for instance, web-based disclosures would provide substantial further information.

Previous studies have indicated that listed companies may be more likely to provide sustainability disclosures (Mashat, 2005). In the UAE, only listed companies need to make their annual reports publicly available. Therefore, this study has chosen to focus on the listed companies in the UAE.

Data Collection

As of 30[th]September 2010, 148 companies were listed at the three exchanges in the UAE (Nasdaq Dubai, the Dubai Financial Market and the Abu Dhabi Securities exchange). All companies are required to make their annual reports available through the website of the Securities and Commodities Authority, based in Abu Dhabi. The annual reports used in this thesis were retrieved through this site. A number of companies had only uploaded Financial Statements with an audit report, rather than the full annual report as required by the authority. Therefore, an additional check was performed during October 2011 for all company websites to check whether full annual reports were available. If the company website provided a more comprehensive report than the one from the authorities' site, this has been used.

11 companies did not provide any report (be it only financial statement and auditor's report or full annual report). Those companies were contacted by email, but none of the companies responded. Hence the total sample of companies is 137, which is 92.5% of all listed companies.

An additional check was performed to see whether companies had produced stand-alone sustainability reports. Six companies had produced such reports. These stand-alone reports were subsequently included in the analysis.

Categorisation

Throughout the three phases data was gathered and analysed. In phase 1, the data was gathered in SR Data Categories from the data of the reports. These then later, in Chapter 9, form the basis of hybrid categories (called Analytical Topics), which cluster data categories and insight from theory.

For phase 1, the starting point was with the three areas (Environment, Community, Employees) on which in the current paradigm there seems to be consensus as being the major areas (KPMG, 2011). Refinement within these areas was first obtained by referring to the relevant literature, and later SR Data Categories were added based on the disclosures that were found within the reports. An example for instance poses 'Emiratisation'. Within the employee area, the literature provides categories concerned

with diversification and gender. The issue of Emiratisation is unique to the United Arab Emirates, and relates to government policies pertaining to positive discrimination for Emirati citizens. This is an important issue in today's UAE community, and hence is fairly widely reported and warranted a new category in this study.

As far as a definition is concerned, like Bebbington (1999) all disclosures that have some relation to sustainability were initially included. The final SR Output Categories are a localised tool specifically designed for this study. Each company is assigned to one of these SR Output Categories based on the quality and quantity of SR disclosures.

Phase 2: In-depth Interviews

In phase 1 of the research, the first two sub-research questions, namely: "What are the practices of SR disclosures in the UAE?" and "What do companies currently disclose, and what is the variation between companies?" were answered through analysis of annual reports and sustainability reports of UAE listed companies. The next set of research questions, namely: "Why do these companies choose to disclose or not disclose their environmental and social activities?; "What social and institutional factors impact the current state of affairs?" and "How is the potential for change impacted?" require a different approach. These potentially complex questions require in-depth examination. Two additional phases have been added to the research. In phase 2 the chosen method is semi-structured, in-depth interviews. The third phase is an in-depth organisational study involving two institutions and various key employees.

Although the remaining research questions have not been directly posed before as research questions in SR focused studies, related research questions have been asked by, for instance, Bebbington, Higgins, & Frame (2009) and Belal (2003).

Bebbington et al (2009) look at why companies initiated SR and use mainly semi-structured interviews, which were transcribed and mind mapped. The research is than presented in a narrative way, written in the third person but presenting the story from the interviewees' point of view. Belal (2003) also chooses semi-structured interviews after analysing annual reports to provide more depth to his exploration of emerging SR in Bangladesh. He summarises the findings of 23 interviews by themes. Bebbington (1999) in her thesis uses a three stage approach: First, disclosures in environmental reports were analysed; second, semi-structured interviews with 39 individuals from 22 organisations were conducted; and lastly, an in-depth organisational study was carried

out. This funnel approach provides rich data at various levels and a similar approach has thus been chosen for this thesis.

In-depth interviews

Although limited in number, some studies have used semi-structured interviews before to look at SR (Bebbington, 1999; Bebbington et al., 2009; Belal & Roberts, 2010; Belal, 2003). Belal (2003) also studied annual reports in a developing country (Bangladesh) and found an absence of disclosures. He subsequently chose the semi-structured interview method to investigate the reasons behind these absences further.

Interview structure – development of the questions

Questions used by Bebbington et al. (2009) and Belal (2003), as well as the key topics of the chosen theoretical lens of Neo-Institutional Theory, served as an inspiration to arrive at a structure for the initial interviews. After four initial interviews, these questions were re-assessed and adjusted. The appendix includes the preliminary questions, as well as an assessment conducted after four initial interviews were conducted concerning the appropriateness, clarity and order of the questions. Finally, the altered structure for the remaining interviews is disclosed.

Semi-structured interviews

The first four interviews were specifically useful for the learning process of the researcher to develop a 'naïve eye' (Gillham, 2005). The researcher had a close personal and professional relationship with all four interviewees. These interviewees had in-depth knowledge of the subject matter, and on all four occasions the researcher thought she 'knew' what the interviewees' opinions would be on various matters. It was a revelation to find that in all of the cases, answers were different from what was expected and the researcher was humbled by the experience. Since the first four interviewees had in-depth knowledge on the subject matter, they could be classified as 'elite' interviews (Gillham, 2005), with the interviewees sharing their thoughts on order of questions and content of questions, as well as referrals to other interviewees.

After these four interviews, the list of questions was slightly enhanced, the development of which is included in Appendix 3. As is custom in a semi-structured interview (Saunders et al, 2011), the list of questions that were actually asked varied slightly from interview to interview given the specific organisational context in relation to the research topic. Also, the order of questions was adjusted to the flow of the conversation, and in many instances additional questions were asked where appropriate to explore the research question. All interviews except for two were recorded and

transcribed. Of the two interviews that were not recorded as per the interviewees' wishes, extensive field notes were taken.

Sample Selection for Phase 2

It is often said that interviews should be conducted until saturation is achieved (Pratt, 2009). Buchanan and Bryman (2009) mention that using the saturation requirement is difficult, as "it forces the researcher to combine sampling, data collection, and data analysis, rather than treating them as separate stages in a linear process". It also means that it is impossible to determine the amount of interviews at the outset of the research. The researcher carried out interviews concerning the topic of SR in 2010 (Vinke & Khatib, 2012), when she found that after 10 interviews with SR experts few new ideas seem to come to the forefront. That research, however, had limited depth and limited theoretical underpinning. Based on that experience, it was decided to take a sample of interviews with company representatives from the listed companies that had been identified as having SR disclosure in the report analysis part of the project.

Interviews were arranged with listed companies as follows:

SR Output Category	Total Companies	Co representatives interviewed	% of companies interviewed of total
1	111	1	1%
2	6	1	17%
3	12	3	25%
4	2	2	100%
5	5	5	100%
6	1	1	100%
Other Experts		9	n/a
Follow-up interviews		11	n/a
Total interviews phase 2		**33**	

Figure 5.2.: Interview Summary Research Phase 2

Output Categories relate to the unique localised tool that will be described in Chapter 6 to categorise companies based on their annual reports. Output Category 1 means no

disclosure at all and Category 6 means a fully integrated report. Further details are described in section 6.3.

Although some of the interviews had to be rearranged several times, all of the interviews eventually took place. Two companies, one from category 3 and one from category 4 had recently merged, and a joint interview with one representative from each company, was organised.

Additionally, nine experts from other organisations were interviewed. These organisations represented regulators, government, semi-government, NGO's and 'Big ' audit firms.

After initial analysis of these interviews the researcher had, in many cases, follow-up questions to further explore findings. Eleven follow-up interviews took place to answer those questions. Details of the companies, interviewees and dates the interviews took place are included in figure 7.1.

Transcribing
All interviews but two were transcribed. A summary of the themes that were established from the data are included in figure 7.2.

Anonymisation of Personal and Company names
In order to protect the privacy of both the individuals and the companies involved, the following policy concerning anonymisation of data has been adopted:

Phase 1: Since the annual reports and sustainability reports surveyed are publicly available information actual company names have been used.

Phase 2: All interviewees are anonymised by number. Figure 7.1. provides brief background information relating to both the interviewee and their employer. Organisations are not named, but are identified by a letter.

Phase 3: Similar to phase 2, the organisations are identified through a letter. The employees that are an integral part of the in-depth organisational study have received an alias corresponding to their gender and ethnic background.

The researcher is aware that there is no guarantee to anonymity, given the limited number of potential interview partners in the UAE, especially in phase 3.

Methods of Analysis of Phase 2

Already during the interview-phase, initial analysis was performed. The data was read in NVIVO and various methods to establish patterns and themes were explored. After the initial 22 interviews were conducted, the data was gathered into 76 topics, which were then narrowed down into 14 topics (Interview Data Categories), and further divided into subcategories. Due to the volume of data, it was not possible to provide detailed examples of all sub- Interview Data Categories. Therefore, the data is presented in Chapter 7 in a summary table, and then described at topic level, using representative information and vignettes to illustrate the themes. Additionally, five further topics were defined, which, although based on the data have a deeper theory-driven element imbedded. These five hybrid categories (called Analytical Topics) are discussed in Chapter 9.

Phase 3: In-depth organisational study

Phase three focused in-depth on part of the organisational field, for which the term 'mini-field' will be introduced later, that had evolved around organisation X, specifically in Bank Z. Organisation X is a government sponsored networking organisation that promotes sustainability and SR in the Emirate of Abu Dhabi. Bank Z is one if its members which produced a high quality Sustainability Report which was included in phase 1. In phase 2 representatives, of both Organisation X and Bank Z were interviewed. Having established that the positive example of the field around organisation X in phases 1 and 2, and specifically the unusual level of activity around sustainability and SR in Bank Z, an in-depth analysis was carried out including interviewing and observing key employees of both organisations as well as observing networking events and interviewing people within the broader circle around organisation X who had an interest in sustainability and SR.

The data that were collected from organisation X consisted of six in-depth interviews with three members of the organisation, and observing two full-day membership events. A variety of documents were available for background understanding, some supplied to the researcher by organisation X and some publicly available on their website. The data collected from Bank Z resulted from eight interviews, four meeting observations and several opportunities to observe in the organisation and with the sustainability team: the researcher spend around 20 hours in the office and participated in team meetings and informal lunches.

This qualitative approach where parts of in this case the mini-field is investigated in depth, is similar to Bebbington et al (2009). In the vein of Bebbington et al (2009), this in-depth study is presented in narrative form to provide contrast to the themes analysed in phase 2. The data further adds to data collected in phases 1 and 2 leading to the hybrid categories in chapter 9, which are refined from the data categories established earlier and enhanced by reading.

A similar approach is also taken by Spence and Rinaldi (2012), who focus on the effect of sustainability of the supply chain of a supermarket, exploring this by interviewing relevant employees within the supermarket and from outside. For example, a sheep farmer, a key lamb processor supplying the retailer, and a representative from the National Farmers Union.

Both the example of Bebbington et al (2009) and of Spence and Rinaldi (2012) show interesting illustrations where an approach is taken similar to this thesis: not a case study of a clearly defined organisation as a whole is explored, but relevant subjects are interviewed and/or observed. In the case of this research the mini-field around organisation X is investigated. This includes understanding the positive actions within Bank Z within the sphere of that mini-field, and understanding the positive exception to the otherwise lacklustre state of SR in the UAE.

In-depth interviews (between 46 and 131 minutes each)					
organisation	interviewee	No of interviews	Date	process	
X	Hans Mainz	3	Various dates in May, 2013	transcribed	
X	Samah Khalifa	2	Various dates in May, 2013	transcribed	
X	Farah Maktoub	1	11th May, 2013	transcribed	
Z	Lucy Welsh	4	Various dates in May, 2013	transcribed	
Z	Sarah Smith	2	Various dates in May, 2013	transcribed	
Z	Khadija Khan	2	Various dates in May, 2013	transcribed	
Total in-depth interviews		14			
Mini-interviews before and after Hiwa events (between 10-21 minutes)					
Company	Interviewee	No of Interviews	Date	process	
Consulting company A	a	1	May 2013	Field notes	
Consulting company B	b	1	May 2013	Field notes	
Bank C	c	1	May 2013	Field notes	
Construction Company D	d	1	May 2013	Field notes	
Bank E	e	1	May 2013	Field notes	

Figure 5.3.: Research Phase 3 Data Collection

Figure 5.3 provides a summary of the data collection methods for the in-depth organisational study of the mini-field. After having discussed current literature in chapters 2, 3 and 4, and determining the methodological approach and methods to be used in this chapter, the data findings can be explored. Chapter 6 will do so by discussing the first phase of the data – the analysis of the annual reports and sustainability reports.

Chapter 6 Analysis of Phase 1: Content Analysis of Annual - and Sustainability Reports

6.1. Introduction

As discussed in chapter 5, the first phase of the research aims to understand the current state of SR in the UAE. In order to answer the main research question, it is useful to understand the SR environment of the UAE through answering the sub-questions:

What are the practices of SR disclosures in the UAE?

What do companies currently disclose, and what is the variation between companies?

Gaining insight into these questions will provide an overview of the constructed area of SR as it currently stands. The data and the analysis of this data will provide insight into what is happening in various institutions and may provide clues for companies and issues that would be worthy of a more in-depth investigation in the next phases.

Having established that analysing annual reports and sustainability reports would be an appropriate method in Chapter 5, this chapter will now discuss the findings of this research.

6.2. The usage of sustainability standards

Figure 6.1 presents a table with brief analysis of the total sample of 137 annual reports, highlighting those reports that use the sustainability standard GRI, and those that have their GRI reports audited. There were no other sustainability standards used in any of the companies in the sample. The table has the format of categories which will be explained in the next section and will be referred to later in this chapter as well as in the discussion and conclusion sections.

SR Output Categories	1	2	3	4	5	6
Total Sample	111	6	12	2	5	1
Using GRI	0	0	0	0	3	1
GRI audited	0	0	0	0	1	1

Figure 6.1.: Summary of Findings of 137 annual reports 2010

Explanation of Figure 6.1.: The total companies of 137 refer to the sample of companies, mentioned under data collection. The various SR Output Categories relate to method of categorisation mentioned earlier in Chapter 5. Category 1 means no disclosure at all, and category 6 stands for a fully integrated report. To summarise, the categories indicate the quality and quantity of sustainability disclosure.

Out of 137, only four companies used GRI standards, and out of those four companies, only two had their reports independently audited. This brief initial analysis explains that the use of sustainability standards is very limited to date. With this knowledge, the next stage is to look deeper into the reports, and determine the quality and quantity of current disclosure levels in section 6.3.

6.3. Categorisation of Sustainability Reporting

In chapter 5 the various considerations into how the annual reports could best be analysed were discussed, and a unique localised tool that divides the companies into various Output Categories is the result of this. This section will begin with a description of the Output Categories. After this a detailed analysis will follow with examples concerning the type of disclosure, which will be called SR Data Categories for the purposes of this thesis, followed by analysis and initial conclusions.

Summary description of Disclosure Categories:
Output Category 1: No mention of sustainability

Output Category 2: Only general comments, less than 1% of total report

Output Category 3: Separate section, 1-2 pages, 1-5% of total report

Output Category 4: Separately issued sustainability reports (6-92 pages)

Output Category 5: Fully Integrated Report (GRI Audited A+)

Determining the sample to be analysed
Of the 137 annual reports reviewed only 26 (19% of the sample) companies made any reference to sustainability in any form.

The 26 relevant reports have been ranked by both the quality and quantity of the sustainability related content, and looked at in different categories. The current literature does not provide an adequate framework to follow when it comes to defining categories that are based both on quality and quantity. The following analysis therefore has the disadvantage of potential subjectiveness and bias of the researcher.

Output Category 1 – no mention of sustainability (111 companies)
111 companies did not make any mention of sustainability. Several of the companies in this Output Category did not meet the minimum disclosure standard of the UAE authorities, as often only financial statements and the external auditors' report were available. As a minimum, the Chairman's statement and Management Analysis need to be included annually. This indicates a lack of quality of disclosure and lack of enforcement on the part of the authorities, both were confirmed by interviewees in the pilot study.

An example of the perceived lack of commitment is the submission by Dubai National Insurance and Reinsurance. Both the Annual Report on the website of the Securities and Commodities Authority and on the company's own website shows a report which appears to have been prepared by the auditors Grant Thornton, as their letterhead is included in the top page. Only the Directors' report appears to be an insert into this report as this has been printed on the company's own letterhead.

Output Category 2 – sustainability mentioned, but no separate section. (6 companies)
Of the 26 annual reports, there were six companies that did have some mention of any wider sustainability issue. For all six, their sustainability reporting was less than 1% of the total annual report.

Gulf Pharmaceutical Industries only mention the word 'community' as a bullet point under 'values'. Both Shuaa Capital and Navigation Holdings have a one-line mention only. China Security and Development and Deyaar Development both have 2 paragraphs providing general descriptions. The telecom provider Du describes examples of their community development in four paragraphs. Pictures of the relevant parts of Gulf Pharmaceuticals and Du reports can be found in the Appendix 1.

Output Category 3 – Separate section of sustainability, but merely descriptive, no evidence of clear strategic policy. (12 companies)

Twelve companies fell in this category. They have a separate section relating to sustainability in their reports, all between one and two pages long, making up 1-5% of their total annual reports.

A number of companies merely discussed their community involvement, providing examples.

For instance, Abu Dhabi National Insurance dedicates two pages to "Our Corporate Commitment to the Community' and 'Our Social Activities – Balancing Work and Social Life" which consists mainly of pictures and a few examples of activities. These pages are provided in Appendix 1. Etisalat, the other major UAE telecoms provider competing with Du, is another company that provides only examples of its community involvement. Dana Gas also emphasises its community involvement, but does make general comments about diversity, health and safety and the issue of environmental emissions.

MAN Industries however, reported one page only, but with more substantial content, mentioning their main focus of health safety and environment including the ISO standards they are adhering too. A copy of this page is also included in Appendix 1.

DP World is listed on Nasdaq Dubai, and hence has to adhere to the more stringent requirements of the Dubai Financial Services Authorities (DFSA). Its annual report is a hefty 90 pages, with only two paragraphs devoted to sustainability, mentioning community and environment. They are, however, the only company of this category mentioning that they have joined the carbon disclosure project.

Air Arabia has a three-page CSR section, but only includes general comments about the charities they are involved in and some general comments about environmental concern.

Al Baraka Banking group discusses only one issue in its one page report: religious ethics as a sharia compliant bank. Abu Dhabi Islamic Bank also talks about ethics and charitable activities befitting an Islamic bank, as well as a substantial disclosure relating to Emiratisation.

Emirates Food Stuff and Mineral Water write on two pages about health and wellness, food safety and food security, people, and environment. Although this is also

descriptive without any real depth in measuring or reporting, the company does discuss issues that relate to its business rather than the pure community involvement as discussed by the likes of Abu Dhabi National Insurance.

In this category Ras Al Khaimah Ceramics Company appears one of the more robust in its disclosure. The otherwise modest looking annual report describes a 5- year sustainability policy around the general themes of customer feedback, environment, community and stakeholder feedback

Also at the stronger end in this category is Abu Dhabi National Energy which dedicates one page describing its community involvement and has one page dedicated to environmental issues mentioning ISO 14001, OHSOS18001 and ISO9001 EVG. It is also the only company mentioning Health and Safety KPI's like RIR (Reported Incident Rate) and DAWFWR (Days Away From Work Rate), with numbers for both 2010 and 2009 available.

Output Category 4 – substantial sustainability sections in the annual report (2 companies)
There were 2 companies in this section. Both companies had clearly identified separate sections in their annual reports, both of which were at least five pages long.

Qatar Telecom splits up its sustainability section into healthcare, education, environmental initiatives and sport. The sections start with an explanation of policy and strategy, including references to government funds, partnerships and sustainability of the various projects (see Appendix 1). After that, the report is mainly a listing of the various projects, with no reference to measuring or reporting of the activities.

Aldar Properties presents a comprehensive report. It expresses firm commitment:

"The Group's comprehensive Corporate Responsibility policies are managed through an effective governance structure which includes commitment from the Board of Directors level to individual employees. Key sustainability issues are discussed in the day-to-day planning processes of the Group's businesses and are reviewed by top management in order to improve sustainability performance. The Group is committed to producing Annual Corporate Sustainability Reports; with its first report issued in June 2010, covering the period of 2009." (Aldar Properties annual report, 2010, p. 82.)

Its policy is split into People, Community, Health and Safety and Environment. The people section mentions the company's equal opportunities policy. Interestingly, no reference is made to Emiratisation, neither in the sustainability section, nor elsewhere in the report. Both in the community section and in the environmental section most space is devoted to community projects, like 'clean the beach', 'blood bank drive' and 'turtle rescue' (see Appendix 1).

The health and safety section provides a more robust policy framework when compared to community and environment, and does mention audits that are being carried out.

In none of the sections is any kind or reporting mechanism for sustainability mentioned.

Output Category 5 – separately issued sustainability reports (5 companies)
Five companies fell into this category. Four of these companies are listed in Abu Dhabi, and one, Agility, is listed in Dubai. Three of the companies are banks, all listed in Abu Dhabi.

The Abu Dhabi Commercial Bank (ADCB) is listed in Abu Dhabi and is semi-government owned. The report produced does not seem to be prepared in accordance with any standard, like GRI, and does not appear to be audited.

The content appears to focus more on the items reported on by companies in the third category, mainly community projects like the sponsorship of a chess tournament and a breast cancer awareness drive. It also describes projects for staff, with a clear focus on Emiratisation. The report is one of the shortest CSR report with 11 pages in English and 11 pages in Arabic.

The Bank of Sharjah, listed in Abu Dhabi, and part owned by the government of Sharjah, produced a combined report on Corporate Governance and CSR. The CSR section was a mere 6 pages, discussing very general issues on employees, community and the environment. The most extensive disclosure related to Emiratisation. There is no mention of any reporting standard like GRI, or any audit.

The ADCB and the Bank of Sharjah are the two companies that produced the least comprehensive reports in this category

The Abu Dhabi based real estate company Sorouh, produced a 92 page long sustainability report with a GRI 'C+' rating. This is the only company in the real estate sector to report so substantially. The report gives some indication as to why the company chooses this path. It is a member of the Abu Dhabi Sustainability Group, which is a group of 16 semi-government companies based in Abu Dhabi which have all committed to sustainability reporting. Findings in chapter 8 confirm the perceived importance of the commitment of this group through the Abu Dhabi government, and indicate the influence of government itself in the UAE concerning this topic.

The report discusses all aspects of GRI reports, but has a clear focus linking its mission to that of the government of Abu Dhabi:

"We are committed to supporting sustainable growth in the wider community. The thrust of our business in 2009 extend this ambition, in alliance with the policies and objectives of the Government of Abu Dhabi and the Emirate's planning authorities." (Sorouh Real Estate Sustainability Report – p. 70)

The National Bank of Abu Dhabi produced a detailed 92-page report, with a GRI 'B' rating. This rating indicates the report is not audited, as '+' next to the rating confirms the successful audit of the company. Like Sorouh Real Estate, the bank is part of the Abu Dhabi Sustainability Group and is part-government owned. Its report also discusses all major areas from the GRI guidelines but has specific reference to its alignment with the Emirate of Abu Dhabi. On p.22 reference is made to "Our Alignment with Abu Dhabi's Economic Vision 2030". The full page is included in Appendix 1.

Agility, a large logistics company operating in over 100 countries and listed on the Kuwaiti Stock Exchange and the Dubai Financial Market, produced a comprehensive sustainability report. The company openly talks about the journey that is sustainability reporting. The company produced its first report in 2008, and uses the GRI standards to develop its reporting further. So far, it has not sought audit approval.

Initial conclusions in this category point to only 3 companies producing extensive reports; ADCB and Bank of Sharjah provide only superficial overviews.

Sorouh Real Estate and National Bank of Abu Dhabi are the only two companies that operate mainly in the UAE but provide comprehensive sustainability reports. The National Bank of Abu Dhabi is mentioned by several interviewees in Chapter 8. Both Sorouh Real Estate and the National Bank of Abu Dhabi are members of the Abu Dhabi Sustainability Group.

Output Category 6 – fully integrated annual report (1 company)
There was only one company in this category: Aramex is a logistics company working worldwide but rooted in the Middle East, where the bulk of its work is. It is listed in Dubai. The report received the highest rating in the sample together with Gold Fields: GRI 'A+'. It produced its first audited sustainability report in 2006, which, according to the company, was the first in the region:

"At Aramex, we have long believed that a company's success is intertwined with the wellbeing of all its stakeholders. Four years ago, we released the first independently assured sustainability report in the Arab world, underlining our holistic stakeholder approach and long-term vision. Today, in our efforts to further enhance stakeholder communications, we are releasing the first integrated annual report, which combines our financial and non-financial reporting and further highlights the strategic role that sustainability plays in our operations and performance."
(Annual Report Aramex 2010, letter from the CEO, p.2)

Aramex would be interesting to explore further in the main study to investigate its reasons for extensive reporting where other companies do not.

6.4. Disclosure themes
What are the themes that companies choose to disclose? Apart from the above examples, understanding the themes that companies choose to disclose may provide further insight into what institutions deem of importance. A detailed analysis has been performed to examine the themes.

The companies that used GRI will have had to adhere to the GRI checklist (See Appendix 2), and so analysing their themes may be of limited interest. These companies are led by the socially constructed GRI framework, which is an international framework and, therefore, less likely to help in understanding what is important to

UAE companies. Three companies (Aramex from Category 6, Agility and National Bank of Abu Dhabi from category 5) have been excluded from the analysis of phase 1, but not for phase 2 and 3, where the focus is less on the SR output but rather on exploring the social and institutional factors that contribute to SR and their potential for change, i.e. the process of construction.

Other studies have performed similar investigations (Gray et al., 1987; Mashat, 2005). These studies have tended to use a '% of page' method to identify how much of each theme overall has been reported. Due to the lack of disclosure our sample is small, and volume of disclosure will not provide any statistically significant data. Rather, this study of analysing themes is performed to provide us with qualitative insights into what is being reported, which will be helpful preparation for answering the main research question.

The method used is that the annual reports and stand-alone sustainability reports of all remaining 22 companies have been analysed, resulting in a list of 197 topics.

In a second stage, these topics were grouped together in the core themes of 'Employees', 'Community' and 'Environment' with several subtopics in each of the three. Within each core theme, subthemes grouped together individual entries.

Core Themes	Sub Themes	Output Category 2	Output Category 3	Output Category 4	Output Category 5	Total
Employees						
	General and non-financial extra's	1	18	5	4	28
	Emiratisation	0	6	0	7	13
	Diversity	0	2	4	4	10
	Training & Development	0	2	4	4	10
	Financial Benefits	0	4	0	2	6
	TOTAL Employees	**1**	**32**	**13**	**21**	**67**
Community						
	Medical	2	10	7	2	21
	Education	5	14	9	2	30
	Sport	0	5	5	5	15
	Religion Related	0	4	4	0	8
	Women Issues	0	2	3	2	7
	Disaster Relief	0	3	3	0	6
	Culture and Art	2	2	2	0	6
	General Donations	0	6	0	2	8
	Community Environmental Projects	0	7	0	0	7
	Mass Weddings	0	2	2	2	6
	Children and Elderly	0	2	6	0	8
	Disabled	0	0	3	0	3
	TOTAL Community	**9**	**57**	**44**	**15**	**125**

Environment		Category 2	Category 3	Category 4	Category 5	Total
	Health and Safety	0	11	2	1	14
	Reduce, reuse, recycle	0	1	0	6	7
	Planting of trees	0	3	0	0	3
	Awareness Raising	0	1	0	2	3
	General Policy	0	1	1	0	2
	Maintaining Young Fleet	0	1	0	0	1
	Water Conservation	0	1	0	0	1
	Energy Efficiency	0	1	0	0	1
	General	0	0	1	0	1
	TOTAL Environment	**0**	**20**	**4**	**9**	**33**
Grand Total		**10**	**109**	**61**	**45**	**225**

Figure 6.2.: Summary of Core themes and Sub themes

Explanation of figure 6.2: the above table summarizes the 197 themes into three core and 26 sub-themes. The number under each Output Category displays the number of times this subtheme is mentioned by the companies in the Output Category. The grand total of 225 indicates that, in total, various themes were discussed 225 times by the 22 companies in their annual and sustainability reports. Each entry represents an entry in an annual or sustainability report; one company can have more than one entry in each subtheme.

The majority of disclosures are in the 'Community' theme, which resonates with the understanding of the interviewees in the second section of findings that sustainability and CSR are for many companies still a matter of giving back to the community, usually in the form of charity.

As per figure 6.3., most companies had mentions in the employees and community section. It is clear that environment receives the least disclosures.

	Output Category 2 (6 companies)	Output Category 3 (12 companies)	Output Category 4 (2 companies)	Output Category 5 (2 companies)	Total (22 companies)
Employees	4	12	2	2	20
Community	2	10	2	2	16
Environment	0	4	2	2	8

Figure 6.3.: Number of Companies that report under each theme

Explanation of figure 6.3.: An entry means that a company in the category has disclosed in the theme.

Employees

All companies except for China Security and Development and Deyaar Development reported in this category.

General and non-financial extras

The largest subgroup was of a general nature. Most companies reported a general statement concerning the importance of their employees. For example, the Bank of Sharjah talks about "respecting its employees" and "maintaining a good working environment" (Bank of Sharjah, CSR Report 2010, p.7)

Others reported specific initiatives, like Abu Dhabi National Insurance Company, which mentions the organisation of a family day, weekly staff football matches and free dinners during Ramadan for staff. Qatar Telecom aims to be among the region's top employers. Aldar Properties mentions the importance of work-life balance for its employees.

Emiratisation

The most mentioned specific topic is that of Emiratisation, which is reported on by four companies: Abu Dhabi Islamic Bank and Emirates Foodstuffs and Mineral Water from Category 3 as well as Abu Dhabi Commercial Bank and Bank of Sharjah from category 5. As explained in the introductory chapter, Emiratisation is a key topic of discussion for companies and governments alike. Three companies reported the percentage of Emiratis in the workforce, one reported on the five Emirati employees in management. Some companies explained the various initiatives they undertake specifically for Emirati employees. An interesting example is that of Abu Dhabi National Insurance Company. On page 27 of its annual report it proudly announces that:

"ADIB leads the banking industry in its drive to recruit UAE nationals and, at a ratio of 44 percent of the total of 1,672 employees, has one of the highest levels of Emiratisation in the entire sector. In further developing the proportion of UAE nationals in the Bank's workforce, ADIB focuses strongly on events such as Careers UAE, where the Bank was a platinum sponsor in 2010." (ADIB, p. 27, 2010)

Later in its report it states that:

"A prime priority is encouraging the Bank's large contingent of Emirati employees to become top-notch bankers by enlisting in the Pioneer and Management Associate programmes that advance professional education and skills." (ADIB, p. 34, 2010)

"ADIB also provides summer internships for talented UAE students, partnering with the Abu Dhabi Tawteen Council to create career opportunities for them and meet the demand for Emiratis to play a leadership role in the banking sector and advance the national economy. In this respect, ADIB has led the banking industry in its drive to recruit UAE nationals and now has one of the highest Emiratisation ratios in the sector. Platinum sponsorship of events such as Careers UAE 2010 further highlights the Bank's commitment to building up its UAE national workforce by attracting and recruiting Emiratis." (ADIB, p. 34, 2010)

"Although every effort is made to provide job security, ADIB will not – and does not – tolerate poor performance. However, through proper training and development of the UAE nationals in the workforce, the issue of job security is replaced with a focus on career growth and development. This in turn increases staff productivity and the overall contribution of UAE nationals, better positioning them to play a meaningful role in the development of the country's economy into the future." (ADIB, p. 34, 2010)

It is particularly interesting that ADIB explicitly discusses poor performance, job security and Emiratisation. Its explicit attitude towards improving the position of Emiratis to help develop the country, rather than providing mere job security should be noted.

Another interesting example is that of the Abu Dhabi Commercial Bank (ADCB). In the Chief Executive's report a general statement is made:

"The Bank also remained committed to its Emiratisation strategy. ADCB's recruitment and development drive now supports over 1,000 UAE nationals, which totals 36% of all employees (excluding the recent acquisition), working for the Bank at the end of 2010." (ADIB, p.12, 2010)

An example of an initiative to increase the number of Emiratis is included in the CSR section of the report:

"Women are leading the way at ADCB's Al Ain call centre with operations being run entirely by female staff. The outbound call centre has been operational since January 2008 and was part of the Bank's strategy to employ and empower UAE nationals in Al Ain. Al Ain Telecommunications Calling Centre accommodates all the customer's requests and inquires and deals with services such as the activation of cards, updating customer records and maintaining records for 'Know Your Customer' and cross-sell credit cards, Islamic segment and deposits. Being a local Bank, it is the Bank's strategy to strengthen the overall workforce of the nation, specifically by employing more UAE nationals."(ADIB, p.35, 2010)

The bank is clearly accommodating cultural issues in a country where some families are concerned about women working in a mixed gender environment.

It should be noted that Emiratisation is arguably discriminatory in nature. The three companies that report under GRI do not mention any Emiratisation policy.

After Emiratisation, 'diversity' is the most popular topic.

Diversity
Issues concerning diversity were disclosed by three companies: Emirates Foodstuffs and Mineral Water from Category 3, Aldar Properties from Category 4 and Abu Dhabi Commercial Bank from Category 5. Both Emirates Foodstuffs and Mineral Water and Abu Dhabi Commercial Bank report both on Emiratisation and diversity.

Emirates Foodstuffs and Mineral Water mentions both equal opportunities and Emiratisation in one sentence:

"Investing in people, promoting Emiratisation, and providing equal opportunities are central to Agthia policy."

(Emirates Foodstuffs and Mineral Water, annual report 2010, p.24)

On the same page it goes on to describe Emiratisation initiatives:

"As of December 2010, Emiratis occupied 7 percent of administrative and managerial positions within the Agthia workforce, but this is expected to increase through Agthia's National Talent Program (NTP) and recently established Agthia sholarships. Agthia's NTP contributes to developing intellectual, practical, creative, and leadership skills in selected Agthia UAE employees through career-oriented and aspiration-tailored mentoring and coaching. The scholarships are open to Emirati graduates and provide fully sponsored two-year studies in Switzerland, leading to career opportunities in Agthia's Flour & Animal Feed business." (Emirates Foodstuffs and Mineral Water, annual report 2010, p.24)

This apparent contradiction can also be noted in the report of Abu Dhabi Commercial Bank. On page 42 of its annual report it mentions Emiratisation:

"In 1999, as part of a policy of 'Emiratisation', UAE banks were instructed by the Government of Abu Dhabi to increase the number of UAE nationals on their payroll by at least 4 per cent per annum. In line with UAE government policy, ADCB has made a commitment to employing and training UAE nationals. ADCB has implemented a wide number of initiatives to recruit, train and retain qualified UAE nationals across all business segments and positions in ADCB. ADCB's recruitment and development drive now supports over 1,000 UAE nationals, which totals 36% of all employees (excluding the recent acquisition), working for the Bank at the end of 2010. In furtherance of its efforts to attract and retain UAE talented employees, ADCB launched Mahara Emirati Academy a specialized banking learning programme for UAE nationals, whereby graduate trainees can receive on the job training in their preferred departments and branches and launch onto a successful career in banking. ADCB has always been proud of its steady strides in the implementation of its strategic plan to increase the percentage of the UAE national professional and skilful employees among its personnel." (ADCB, annual report, p.42, 2010)

One page later the bank explains its equal opportunities policy:

"Each employee has the right to be respected and to receive fair and equitable treatment. Harassment of individual or group on the basis of race, sex or gender, disability, national or ethnic origin, colour, religion, marital status or any other category is prohibited at ADCB. Any allegations are handled in a timely and sensitive manner, with the rights of the complainant and the respondent respected at all times. As at 31 December 2010, ADCB employed over 3,824 people, out of which 1703 were females, representing 48 nationalities." (ADCB, annual report, p.43, 2010)

There is an obvious tension for companies to adhere to expectations of supporting Emiratisation on the one hand, and being non-discriminatory on the other hand. The three companies that reported under GRI do not make any mention of an Emiratisation policy.

Training and Development
Five companies provided disclosures around this subtheme. These ranged from general mentions about commitment to training and development to the description of specific initiatives. An example is the scholarship scheme for factory employees in India provided by MAN Industries, a company which mainly operates in India.

Financial benefits
Three companies made mention of benefits provided. ADCB discloses:

"Non-Financial Benefits
The Bank offers a range of benefits in order to meet a variety of employees needs. The non-financial benefits include:
1- End of Service Gratuity: paid to employees who have served the Bank with good conduct for at least one year.
2- Life Insurance: a benefit provided to all employees through the Bank's life and accident policy.
3- Medical Insurance: a benefit provided to all employees, their spouse and up to three children below the age of 18 years, who are resident in UAE.
4- Loans and Advances: employees are eligible for personal loans, mortgage loans, and car loans as per the policy applicable to employees.

5- Retirement Pensions and Benefits: the Bank is a member of Abu Dhabi Retirement Pensions and Benefits Fund and participates in the mandatory pension scheme for the UAE nationals." (ADCB, annual report p.44, 2010)

The above disclosure in the bank's CSR section of the annual report includes benefits that are mandatory by UAE law, like the End of Service Gratuity and the mandatory pension scheme for UAE Nationals. The other benefits, such as life- and medical insurance as well as loans and advances may be considered an industry standard, it is interesting to see that the bank clearly identifies these as part of the CSR policy.

Community
By far the most disclosures relate to community projects and initiatives. 125 disclosures were identified, which were divided into 12 subthemes. All 22 companies in the sample provided community related disclosures.

Most of the projects discussed were not related to the core business of the companies, but were supporting general charitable causes.

Education
The most mentioned were projects that related to education, and usually refer to educational projects in the various countries where the companies operate. For example, Dana Gas discusses the refurbishment of a primary school in the Kurdistan region of IraqEtisalat, which operates in many of the region's countries, talks about a school it sponsored in Nigeria and educational and career advice its employees give to youngsters in Pakistan. MAN Industries gives back to its Indian market by assisting poor and orphaned children in their education. Air Arabia sponsors schools in Nepal, Sri Lanka and India, which are important markets for the airline. Qatar Telecom is another internationally operating company and provides educational assistance in Jordan, Iraq and the Philippines.

Companies which operate mainly in the UAE disclose education assistance accordingly. Deyaar development discusses its support for the Dubai Autism Center and scholarships for Emiratis. Aldar Properties, also mainly active in the UAE, discloses its special programmes to assist education for Emiratis.

Medical
Second most popular were medical projects. Again, most companies supported hospitals and clinics in markets where the companies were active. Eight companies reported on their efforts in blood drives. These related mainly to blood donation

activities in the United Arab Emirates. Other activities reported in the UAE related to awareness raising activities for heart disease and breast cancer.

Substantial disclosure related to providing assistance in relevant markets. Etisalat, the regionally operating telecoms company, discusses its involvement in an anti-malaria campaign in Nigeria as well as the medical aid it supports for children in Egypt. Another example is that of Abu Dhabi National Energy, which supports health clinics in India and Ghana.

Sport
Sport is another popular area of disclosure, with a wide variety of activities. Some examples include Qatar Telecom sponsoring the first Omani woman to climb the Kilamanjaro; Etisalat supporting the Paralympics in Egypt, as well as cricket in Afghanistan and Air Arabia choosing to finance sailing activities.

Religious charities
Many company report activities relating to the religious festivities of Ramadan and Eid. Examples are food and gift donations during Ramadan by both Qatar Telecom and Etisalat in the markets they operate and Ramadan assistance to the Red Crescent by Aldar Properties.

Abu Dhabi Islamic Bank provides financial respite for its clients during Ramadan:

"In postponing the payment of instalments for Murabaha customers during the Holy Month of Ramadan, we have also led the UAE banking sector. The move, designed to help customers save money during a month that often proves one of the most costly in a year, has been implemented as a goodwill gesture on behalf of the Bank as part of its ongoing Ramadan and Eid Al Fitr celebrations." (Abu Dhabi Islamic Bank annual report 2010, p. 34,) see also Appendix 1.

Another culturally/religiously related disclosure is that of women's issues.

Women's Issues
Three companies that disclosed support for women in the region receive several special mentions. The two telecom providers, Qatar Telecom and Etisalat, disclose their support for women-related programmes in some of their markets. Qatar Telecom mentions the support provided in Iraq and Algeria. Etisalat discusses its support for women in Afghanistan. Abu Dhabi Commercial Bank sponsors the 'Emirati Women's' Award' in its home market.

Weddings

Weddings are traditionally lavish affairs in the UAE, a fact which reportedly has led to more mixed marriages, where Emirati men marry foreign women hence avoiding expensive traditional weddings (Beattie, 1999). Emirati women are culturally expected to only marry Emirati men, so this trend has led to an increase in the number of single women. The concerned government has started a marriage fund, providing financial assistance to local weddings. Two local banks have reported their financial support. ADCB mentions its financial contribution to the marriage fund. ADIB discloses the following:

" For the past five years, ADIB has facilitated the organisation of mass weddings for UAE nationals and members of the Emirates' tribes. This is a tradition revived by the late President HH Sheikh Zayed bin Sultan Al Nahyan (may Allah bless his soul) to preserve national culture and tradition by financing marriages between Emiratis. We are honoured to continue on his prescribed path and thus reinforce the integrity of our culture and values." (Abu Dhabi Islamic Bank annual report 2010 p. 34)
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Qatar Telecom reports its assistance with organising mass weddings in Iraq, where similar financial considerations may otherwise prevent couples tying the knot.

Disaster Relief

Providing help in disasters in the region was disclosed by Qatar Telecom and Etisalat. The sponsoring of culture and art projects were mentioned by two companies from category 2, Deyaar Development and Shuaa Capital, and one company from category 3, Abu Dhabi National Energy Company.

Other

Other disclosures relate to general donations companies make to support communities, as well as projects assisting children, elderly and the disabled.

Environment

This area received least attention by the companies in the sample. None of the companies in category 2 made any mention concerning the environment, and only eight companies in total had any disclosures on this theme.

Health and Safety

The largest sub-theme by far was that of health and safety, which arguably also relates to the core theme of employees. Three companies mentioned ISO certification in the field of health and safety. Two companies refered to their policy and reporting on

health and safety. Most other disclosures were rather general in nature. Aldar Properties, for instance, merely mentions that it aims for high health and safety standards. Other companies provide details of projects which may not be very significant. For example, ADCB provides a mere one paragraph concerning health and safety:

"ADCB believes and considers employees its most important asset and accords high priority to their welfare. In order to ensure safety for all ADCB staff, the Bank carried out full fire safety training and fire drills in all ADCB branches and operational premises during 2010. ADCB also introduced its new health and safety policy, and health and safety statement for the business. Through its prudent policy on highlighting risks in the workplace, and training staff in the management of those risks, ADCB had no incidents or accidents in 2010." (Abu Dhabi Commercial Bank, annual report, 2010, p. 42)

Reduce, Reuse, Recycle
The next most disclosed sub-theme relates to recycling, reducing and reusing waste. Both the Bank of Sharjah and ADCB (both in category 5) mention their policy to encourage customers to use E-statements.   Both these banks, as well as Abu Dhabi National Insurance (in category 3) talk about their general efforts to reduce, reuse and recycle.

Other environmental disclosures
Three companies mention their efforts in the planting of trees in markets they operate in outside of the UAE. Several companies also disclose on general awareness raising campaigns internally to conduct business in a more environmentally sustainable manner. Two companies mention a general environmental policy: Air Arabia talks about the environmental benefits of maintaining a young fleet, and Ras Al Khaimah Ceramics refers to energy efficiency and water conservation efforts in its production.

6.5. History of disclosure

The above analysis relates to the state of reporting in 2010, and it is clear that reporting is limited. However, it is useful to review any potential trends. Mashat (2005) and Bebbington (1999) have reviewed several years of disclosures in their studies. To investigate the usefulness in the case of the UAE, an analysis has been carried out relating to the 26 companies that reported in 2010.

	2000	2005	2008
Listed in the UAE as per End of Year	3	16	26
Companies that have CSR/Sustainability disclosures in Annual Reports	0	1	15
Companies that have separate CSR/Sustainability Reports	0	0	2
Companies that have Integrated Reports	0	0	0

Figure 6.4.: Analysis of Company's history for categories 2-6

The above analysis shows that most companies only acquired listing in the last ten years, which concurs with the context of the United Arab Emirates being a new developing economy. It is also clear from the above that the trend is towards increasing disclosure. In these circumstances, further analysis of past reports may not provide sufficient further findings to warrant the research effort.

6.6. Initial Analysis

At the beginning of the chapter, the importance of obtaining an overview of the state of SR in the UAE was discussed. After the above analysis, it is now possible to discuss some initial indications that help with understanding the current state of the construction of SR in the UAE

What are the practices of SR in the UAE? What do companies currently disclose and what is the variation? It is now clear that the majority of companies do not provide any disclosures. There are only 26 companies that do report, four of which use a recognized framework, in this case all companies have chosen GRI. The topics that these four companies report on are dictated by these guidelines. A summary of the topics for disclosure and structure under the relevant version from GRI for 2010 (GRI 3) is included in Appendix 2. Since these companies already follow the GRI structure,

'what' they report is now heavily influenced by the GRI guidelines, which are internationally constructed and not decided by the company and/or influenced locally. Therefore, the topics that these companies are reporting are of limited interest, and hence in-depth analysis is not carried out for these companies.

For the remainder of the companies, the analysis showed that the majority focus on community disclosures, rather than employee or environmental disclosures. This finding is in line with findings of similar studies in developing nations: for example, Belal & Roberts (2010) in respect of Bangladesh and Mashat (2005) in respect of Libya. These community activities mainly relate to charitable activities from companies, and show little evidence of sustainability activities being embedded in core strategy. Medical and educational charitable activities and donations are most talked about. There are also interesting local themes like the organisation of mass weddings, indicating a concern about maintaining Emirati culture.

Employee disclosures are on the whole limited, the majority in this category talk about general (financial) benefits for employees. One country-specific theme is that of Emiratisation. The next two phases of research will show the importance of the issue, and the related issue of large numbers of expatriates and the vulnerabilities of both groups.

It is interesting to note that for most companies, environment does not appear to be part of what most companies still call CSR. The burning issue of global warming and CO_2 emissions are underrepresented by these companies.

Overall there seems to be a silence around many topics which could normally be considered part of sustainability. Phase 2 and 3 of the research will explore this further, and find that 'the language of silence' (one of the analytical topics in chapter 9) is deeply embedded within UAE society and may explain the absence of disclosure.

It is now also possible to draw upon the relevance of Neo-Institutional Theory – from the disclosures it appears that institutions in the UAE at this stage are not transparent regarding many of the sustainability issues facing them. It is possible to determine 'what' is being reported: companies disclose very little, and where they do, disclosures are on the whole very superficial. What is causing this lack of transparency? What other social and institutional aspects drive or hinder companies to report? Why are there a few companies that do provide substantial reports, where others do not? What

are the social and institutional factors that affect SR? What is the role of Institutional Entrepreneurs? Is there any isomorphism or other influences from organisation fields? The answer to these questions cannot be explored through analysis of the annual report, and hence our institutional understanding remains limited at this stage.

It is, however, useful to note that the 'what' and 'whom' sub-questions of the research question have provided insight into the current state of SR in the UAE. It is currently constructed in such a way that most companies have chosen not to report at all, and if they do, most do so minimally.

The analysis will now take a more qualitative approach in phase 2 where less, but more in-depth, data-gathering will take place. The understandings gained in this chapter will assist in selecting a useful sample for further analysis.

Chapter 7 Analysis of Phase 2 – Data Driven Topics

7.1. Introduction

Chapter 6 looked at what companies currently disclose, providing an interesting overview of the level of SR as currently constructed in the UAE, as well as an indication of the topics that are of interest. This chapter looks at reasons, and in specific social and institutional factors, that contribute to the current status quo. As discussed in the methodology section in chapter 5, semi-structured interviews can be considered an appropriate method to employ. After the data was collected through conducting 33 interviews, 76 categories were established, which were then narrowed down to 14. Like much in this research, analysing the data and finding ways to present it has not been a step-by-step approach; rather it has been an almost circular effort. After the list of total themes and subthemes was prepared (figure 7.2.), the analysis of the data was carried out. Once the major analytical topics and conclusions began to take shape, this chapter was written, choosing to provide more details to the topics that require explanation in order to further understand the discussion and conclusions in chapters 9 and 10.

Figure 7.1 lists the interviews with details of the interviewee and the company date(s) of the interview(s). After the list of summarised themes and examples in Figure 7.2., the chapter will discuss these themes with examples. Due to the large amount of data only a small number of examples can be explored in depth.

No	Type	Company Category	Description of the Company	Description of the Individual	Date 1st interview	Date 2nd interview
1	Interview	Stakeholder	B2B NGO	Head of the organisation, English	12-Aug	13-Apr
2	Interview	Stakeholder	Large audit firm	Partner responsible for SR, English	12-Sep	13-May

No	Type	Company Category	Description of the Company	Description of the Individual	Date 1st interview	Date 2nd interview
3	Interview	Stakeholder	Semi-government	Senior Sustainability Manager, Indian	12-Nov	-
4	Interview	Stakeholder	International Bank	CSR Manager, Australian,	12-Nov	-
5	Interview	5	UAE Bank	Head of Sustainability, Emirati	13-Jan	13-Apr
6	Interview	5	UAE Bank	Sustainability Director, South African	13-Feb	13-Apr
7	Interview	6	Logistics Company	Head of Sustainability, Jordanian	13-Feb	-
8	Interview	4	Local Construction	Head of Sustainability, British	13-Feb	
9	Interview	3	Local Airline	Finance Director, Lebanese	13-Feb	
10	Interview	Stakeholder	Accounting Institute	Regional Head, British	13-Feb	13-Apr
11	Interview	5	UAE Bank	Head of Sustainability, Emirati	13-Feb	
12	Interview	Stakeholder	Regulator	Director, Emirati	13-Feb	13-Apr
13	Interview	2	Retail	Controller, British	13-Feb	13-Apr

No	Type	Company Category	Description of the Company	Description of the Individual	Date 1st interview	Date 2nd interview
14	Interview	4	Regional Telecom	Sustainability Manager, Qatari	13-Feb	13-Apr
15	Interview	2	Telecom	Sustainability Director, British	13-Feb	
16	Interview	Stakeholder	Government	Director, Emirati	13-Feb	
17	Interview	5	Local Telecom	Finance Director, British	13-Feb	13-Apr
18	Interview	2	Local port operator	Finance Manager, Emirati	13-Feb	
19	Interview	5	Local Construction	Head of Sustainability, American	13-Mar	
20	Interview	Stakeholder	Semi-government	Senior Manager Sustainability, German	13-Mar	13-Apr
21	Interview	3	Local Oil & Gas	Sustainability Manager, English	13-Mar	13-May
22	Interview	Stakeholder	Large Audit Firm	Assistant Audit Manager, Emirati	13-Mar	

Figure 7.1.: Summary of Interview Data Collection

Figure 7.1. provides an overview of the following:In the first column, a number is provided for each interviewee, which is then used to reference the interviewee anonymously. As discussed in 5.6, there is a limitation to any guarantee that can be offered. Column two describes the type of data collection – which are all interviews in this phase. The third column refers to whether the interviewee was part of one of the organisations that were included in the sample in phase 1, and if so, the Output Category of the company. In addition to organisations from the sample of Phase 1, employees from stakeholder organisations were interviewed. These included audit firms, semi-government organisations, a regulatory body, an international bank, an accounting institute and a B2B NGO.

Figure 7.2 will provide an overview of the major interview themes (Interview Data Categories) and sub-themes.

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
Defining Sustainability	CSR v sustainability		"CSR Report 2010"
		Sustainability considered more advanced	"I keep telling them we are doing sustainability, it's strategic, not just cutting a check"
			"Local companies have a CSR department, in international companies sustainability is integrated"
		CSR often related to Charity	"through our CSR program we want to help the needy in our society"
			"we have a CSR budget which we spend on worthwhile projects"
			"We support all kinds of projects, sometimes our employees will get involved, sometimes we give cash"
		No good translation linguistically and culturally/religiously	"There is no training material for CSR in Arabic"
			"All the examples are from the West"
	Government	no clear definition provided	"we tried to engage government departments to say what it means…they weren't ready
			"we are all trying to interpret what the government wants us to do"
			"what it means depends on whom you speak to"
	Local companies	often little awareness	"people just don't know what it means"
			"they used to think we -CSR- were Customer Service Representatives"
			"they think it's an extra cost, but you can do a lot without a budget"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
		often view sustainability as charity	"local companies do not see the business case"
			"during the crisis budgets were cut as it was just seen as an extra cost"
		often have few drivers to improve sustainability	"shareholders do not ask for sustainability practices"
			"unless they have international clients, there is no incentive"
	International Companies	often adopt global in-house definition	"our HQ tells us what our minimum global standards are"
Defining the need for SR	Necessary to combat environmental and social problems	High environmental footprint	"We are exposed globally to international risk, so need to pay attention here too even if no one cares locally"
		Human Rights issues	"The international focus on Human Rights has caused the government to act
	SR as a tool for change	Government may want to use SR to initiate change	"government wants a more long-term approach by companies"
		SR can be used to change behaviour in companies	"SR is a weapon"
			"what gets measured gets done"
	International Pressure	International pressure on governments	"Qatar is under the spotlight with the World Cup"
			"Human Rights issues create reputational damage"
		International pressure on companies	"Many of these countries we can't tender if we don't have a report"
			"When we wanted to open in Jordan we needed to show our SR"

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Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	Risk of decoupling	SR may be done only for reputation	"So that they can stand up at the next international conference and say we are doing it"
		Risk of Greenwashing	"It's just a glossy brochure to look good"
			"SR is based in the marketing department…so you know what it's about"
	Issues with GRI	collective bargaining is not allowed	"We will never be able to get A+ as collective bargaining is not allowed"
		material issues need to be reported	"Look, as a construction company how we treat our labourers is material….but it's very sensitive"
			"We need to compete with Chinese companies that apparently bring prisoners to work for $1… how can we compete?"
		value chain reporting	"European clients need to report on their value chain, and hence we are getting questions"
			"SME's haven't even started the journey, we need to lead them as their customers"
		complexity and cost of reporting	"most people think SR is too costly"
			"the business case is clear in Europe…it's not so clear here"
	Integrated Reporting	Only one company is using it	"None of the companies in our network is thinking about it"
	First time reporters	GRI is too complex	"companies need a step-by-step process to start the journey"
			"We won't be able to do GRI 4 when it comes out"
			"No one will be able to manage GRI 4"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	Alternative reporting frameworks		"We need to look at a local solution, step-by-step
			"Do you know any industry specific reporting tools we could introduce?"
Lack of Awareness and Education	General lack of education	A large number of residents are less educated in general	"labourers are often struggling to survive on a day-to-day basis"
			"Many workers are illiterate"
			"We have information available in Hindi, Urdu, Singhalese, Filipino… but most other companies don't"
			"It's a developing country at the end of the day"
		Society has been through huge changes	"Society has developed so quickly, awareness has not yet had a chance to settle in"
	Transient Society	Many people do not have a long-term attachment	"many people just come here to earn some easy money and move on
			"if you don't plan on being here, you don't care as much"
		New people may come from countries with low awareness levels	"new people are arriving all the time… we don't seem to be able to keep up with our basic training"
		Expats may not feel empowered for change	"it's not our country"
	Sustainability not home-grown	Sustainability viewed as a western concept	"it's a western concept. It doesn't always match our values"
			"We give zakat, but we don't do it because there's a business case"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
		Few Arabic resources	"CSR doesn't translate well"
			All courses are in English, examples are from the West, trainers are Westerners"
		Own cultural/religious values not aligned	"CSR is nothing new. The idea that business had no responsibility was a western issue"
			"Sadqa is important, but I don't want to brag out it"
Regulation	Reporting no linked to business	Risk of reporting for reporting's sake	"if you make it mandatory there won't be any genuine link to the business"
			"You need to create awareness and understanding, regulation won't help"
		May lose credibility	"It will become a meaningless paper exercise"
		Cost to business	"many companies do not see the business case, and if they do something without understanding there is no business case, just a cost"
			"it will just add another cost to the business"
	Problem with enforcement	Regulations around Financial Reporting not enforced	"there are many other issues that need to be fixed first"
			"many laws that are already in place are not being enforced"
			"Financial Reporting requirements are not enforced properly, so what's the point?"
Commitment	From the top	Figurehead often Patriarch of family firm	"These leaders genuinely care about the region, they want to leave a legacy"
		Commitment from the top through other exposure	"we hope that our new CEO will come from somewhere with good SR background"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	From elsewhere	Driven employees	"without people on the ground who care nothing would happen"
	At company level	Sustainability processes need to be embedded	"sustainability is in everything we do"
		Sustainability as part of KPI	"people are now evaluated on how they live the values, not just operational targets, that has made a huge difference"
Networks	Organisation A (Chamber of Commerce in one of the Emirates)	Centre for Responsible Business encourages simple SR	"we encourage our members to start the journey, can be very basic report"
			"we give feedback on the report to our members if they wish"
		Only local organisation providing accreditation ('label')	"the label is the sort of local solution we need"
		Strictly Voluntary, oldest initiative	"Check out Organisation A, they were the only ones doing anything for a long-time"
		Low levels of awareness among members	"new people come in all in the time… and with them we often need to start from scratch"
		Sustained demand for basic courses due to transient nature	"we don't even seem to have started to scratch the surface"
		A special fee-paying network for more committed members	"network is booming"
	Organisation B	B2B, but patronage of Sheikh of Sharjah	"Sharjah is a good choice - it's small and therefore more neutral - not like an Abu Dhabi initiative"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
			"There is a lot of regional competition - basing in low-key Sharjah is a good idea"
		Figurehead leaders to drive change	"these leaders want to leave a legacy"
			"they genuinely care about the region"
		Set-up by two influential business leaders using their network	"the founding members were all close contacts of the founders"
		Membership organisation for fee	"members need to see the benefit - out of genuine concern of just wanting to be part of it for image"
	Organisation X	Semi-government organisation	"Initiative from the Emirate of Abu Dhabi"
		Fast growing	"we've grown to 40 members this year"
		Members are typically Abu Dhabi government, semi-government	"listing is not a driver - the organisations join because they belong to Abu Dhabi"
		increasingly multinational members	"International companies are now taking an interest
		Not official, but members believe they are expected to produce SR report	"we don't force our members to report - we are not that kind of organisation"
Human Rights	General	International Pressure	"the government is well aware of the international pressure, they don't like negative reports in the foreign media"
		Refugees	"refugees are not recognised by the government"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	Labour Conditions	Law on treatment of construction labourers	"the law only comes into effect in 2015, we already adhere, but some of our competitors don't"
			"government is starting to enforce better labour conditions"
	Collective Bargaining		"collective bargaining and unionisation will never be allowed
Transparency	Culture	The culture does not advocate transparency	"family businesses see no need to disclose"
			"it's the culture, nobody wants to be the first to open up"
			"they are afraid of giving away trade secrets"
			"everybody is secretive - government, companies, individuals"
			"there's a paranoia that anything I say can be used against me"
			"it's driven by insecurity"
	GRI	GRI requires transparency	"it's a sea change"
	Change	Government	"Did you see during the crises, it was all hush-hush and then suddenly Sheikh Mohammad came out and said we've made mistakes, that was big"
			"Government may want to use SR to create change"
		Companies	"They are seeing others are doing it"
		Standard & Poor's ESG Index	"ESG is helping"
			"The ESG index is a real incentive, companies want to have a high ranking"
			"Realising we were low on the ESG index made us think"
	Media	No free press	"Media will only report good news"
	AIDS awareness		"AIDS officially doesn't exist in the UAE, so we can't talk about it"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	Equal Opportunities		"discrimination is overt in many companies"
			"read the advertisements - western educated means white people only"
Emiratisation	Quotas	Will force companies into positive discrimination	"It's critical that Emiratis get the opportunity to develop, they need to take over in the future"
		Will encourage special initiatives	"It's the only way to force companies to change"
		Undesired outcomes - shadow employees	"While I was studying I was officially employed somewhere and got salary - but never went there, it's just to fill the quota"
		Undesired outcomes - not training employees	"some companies will just let Emiratis sit in a room, not give them any work to do or any training"
		Undesired outcomes - creates complacency	"it makes young Emiratis lazy, they know they can't get fired"
	Culture	Fear for loss of cultural values through many foreigners	"society is changing really fast, and not all in good ways"
		Dominance of certain nationalities	"we feel pushed out by the Indians in the accounting firms"
	Expat concerns	Uncertain future	"I can be fired anytime, and then I have to leave this country which I consider home"
		Discrimination	"if you don't judge people on their qualities, it's bad for business"
			"discrimination for any reason will not work"
			"I know I [western expat] am paid more than my Pakistani colleagues, but I could earn more at home than them."

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
		Lack of initiative due to job insecurities	"it causes us not to rock the boat - often not doing anything is the safest option"
Government	Policy	No official policy or definition	"it depends whom you talk too"
		Confusion as to what is expected	"there seem to have been whispers that SR is expected"
	SR may be used as a tool for change		"the government may see this as an opportunity to make people think long-term"
	Strength of government important		"it may not work in KSA"
Public Listing	Not considered a driver for SR	Shareholders have low levels of interest and awareness	"shareholders here do not ask for SR"
		Exchanges are small and hence have no incentive to delist companies	"Exchanges have other problems to deal with first"
		Regulation around reporting is often not enforced	"They [the exchange] doesn't even enforce all of the current regulation"
International Drivers	International companies	Usually global minimum standards to adhere to	"HQ looks at all standards globally and tells us what we need to stick to"
		International, sustainability aware staff	"we have people coming in from places were sustainability is more advanced, they ask questions"
		Global exposure to reputational risk	"we can't afford to be seen to be unsustainable here, as it may reflect bad on us globally"
	Local companies	Only if international customers ask for it	"[local hotel chain] has been doing a lot on SR, as the tour operators from Europe demand it"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
	Society	Input from new arrivals from aware countries	"people may come in with good sustainability experience"
		Image of sustainability of growing importance globally	"Image is so important here - they want to look good on the international stage"
	Government	International pressure, for instance through Human Rights watch	"the government is in the spotlight"
		International media pressure	"the articles in the UK must have really hurt"
		International pressure for image	"the government is keen to protect its brand"
	Individuals	Emiratis sometimes foreign educated may be more aware	"I know all about it - but it's easy to forget once you are back here"
Culture and Religion	Religion	Deeply religious society	
		Discreteness in charity	
	Culture	SR considered a western idea	"it's cut and paste from the west - that doesn't work here"
		Culture strongly influenced by expats	
		Specific issues	"we set up a call centre just for Emirati women - for those who are culturally uncomfortable to work in a mixed environment"
Solutions	Better definition	Needs to be localised	"unless we know what we are talking about not much will happen"
		Everybody needs to be aware	"GRI 4 is too complicated for first timers"
	Build a coalition	National/International	"Build an international coalition, a working group"
		Include government, large companies, SME's,	"Large companies can help small companies"

Topic (Interview Data Category)	Sub-theme	Response Elements	Examples
		accounting institutes	
	Emiratisation	Few well qualified Emirati accountants	"there is no point in having an Emirati in position if he is not qualified"
		Emiratis have long-term buy-in	"Emiratis need to be in positions to take long-term decisions"
	Provide localised option	Adjust reporting to local requirements	"We will not get buy-in if the companies do not see the relevance"
	Engage powerful figurehead	Commitment from the top crucial especially in UAE culture	"It only takes one powerful figurehead to take the lead"

Figure 7.2: Summary of coded data by theme and with examples

7.2. Presenting interview findings

Topic 1: Defining Sustainability

The meaning of sustainability in the UAE is opaque. Interviewees talk about confusion not only at company level, but even at government level. This was, for example, confirmed by interviewees that work for a semi-government organisation tasked to provide sustainability networks in the various Emirates. Interviewee 20 explained:

"The difficulty with us is to define what sustainability for Abu Dhabi actually is, that's one thing that we have tried to push a couple of times, and again it's been sort of…they're not ready for that yet. Because we suggested that we do some sort of scenario exercises about what does sustainability actually mean, but that's, they are not ready…"

From the language used it is clear that the interviewee is struggling to find the right words for a tricky topic. When questioned about whom was meant by 'they', he explained that he meant the government, but the same was valid for most companies. It thus appears that government at the moment is not providing leadership on defining sustainability. The interviewee, himself an expert on the topic, is clear in his mind what sustainability means, but finds political resistance to identify it specifically. As far as companies are concerned, there appears to be a continuum around the definition for sustainability.
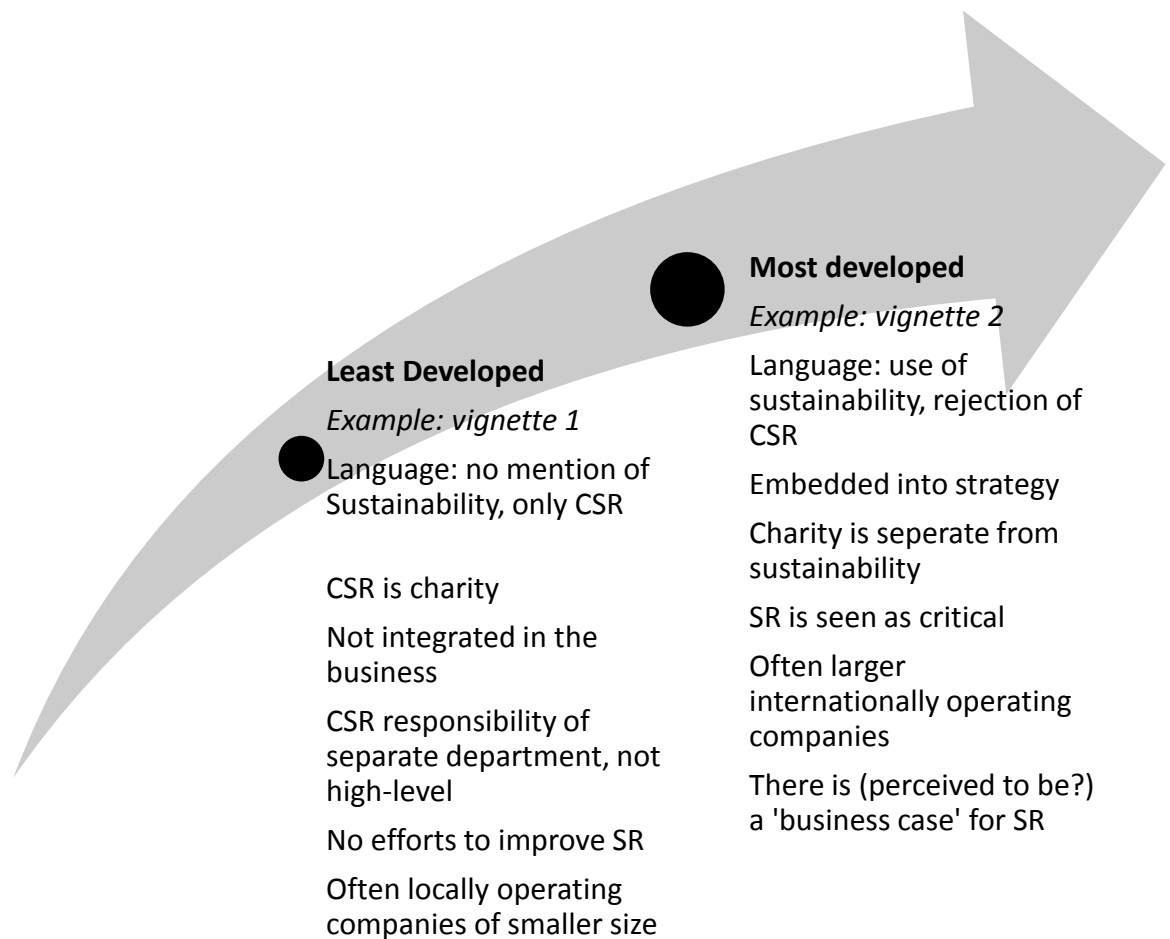
Most developed

Example: vignette 2

Language: use of sustainability, rejection of CSR

Embedded into strategy

Charity is seperate from sustainability

SR is seen as critical

Often larger internationally operating companies

There is (perceived to be?) a 'business case' for SR

Least Developed

Example: vignette 1

Language: no mention of Sustainability, only CSR

CSR is charity

Not integrated in the business

CSR responsibility of separate department, not high-level

No efforts to improve SR

Often locally operating companies of smaller size

Figure 7.3 Definition Continuum

Representatives from companies that were less evolved in their sustainability efforts were more likely to talk only about CSR, and were also more likely to view CSR as a charitable exercise, often separate from the business. Companies generally had somebody responsible for CSR, who would be quite removed from the business. This person generally had a budget to spend on charitable projects, sometimes involving volunteering from staff.

Vignette 1: Company seeing sustainability as charity

Company N is a medium-sized, mainly family owned listed company listed on Nasdaq Dubai. The company operates mainly locally and is in the retail industry. The annual report was analysed in Part 1 and determined to be category 2. A manager who has CSR responsibilities as well as some HR responsibilities was interviewed in phase 2 of the research (interviewee 13).

The annual report has some disclosures where the company talks about some charity projects: a blood-drive, donations to a local school for children with learning

difficulties and zakat donations to a governmental charity fund. The word sustainability is not mentioned in the annual report. The interviewee said: "we are grateful to the Ruler, the Emirate of Dubai and its people for entrusting us with business and making it flourish; we therefore have the duty and pleasure to help people who are less fortunate than us. "

Company N is an example for those with limited understanding of sustainability. Using the terminology CSR and equating it with charity rather than strategically with the business is quite common in developing countries, but indicates that the company is likely to be behind modern management views prevailing in western countries concerning sustainability.

The quote from the manager was quite formal, and hence appears to be an often repeated statement. Reference to the Ruler indicates the company's willingness to adhere to what it perceived to be desired behaviour by the government. In his statement is an inherent assumption that CSR relates to charitable activities, rather than embedded sustainability in strategy. His statement is political, showing political allegiance to the current regime.

On the other side of the continuum are companies that talk about sustainability and often reject the use of the term CSR.

Vignette 2: Company with integrated sustainability strategy

Company H is a logistics company with a large transportation fleet operating internationally. The company has won several sustainability awards, and has been working at sustainability for a long time. The company has been producing a fully integrated sustainability report for some time. All employees have sustainability responsibilities, and new processes and procedures need to be signed off by the sustainability expert.

This expert was interviewed and defined sustainability as follows:

"CSR goes where the business goes. CSR is a component of sustainability, sustainability is holistic, and it should encompass all aspects of the business. In a perfect world all businesses would be 100% sustainable, the thing you are doing in terms of sale and product development and, you know, design, manufacturing, delivery and recycling and everything else should be oriented and focused on sustainability.

Social responsibility is part of that sustainability framework and I think it is important for a company to be engaged in social responsibility because it gives them an opportunity to get the pulse of the local community."

The social responsibility projects the company was engaging in were closely monitored by the sustainability team and were focused on the target markets of the company.

Vignette 2 shows a company on the advanced side of the sustainability continuum. This interviewee does not linguistically reject the term CSR (as some of the other companies in this space do), but he does show a mature approach to the place of social responsibility within the sustainability strategy of the company. The social responsibility projects were driven by employees locally. The statement is less political than the example from Vignette 1. It expresses more confidence and expertise. This may be related to the fact that Company H, although listed in the UAE, is headquartered outside of the country.

Apart from the company representatives, external experts often provided useful insight into the difficulties around defining sustainability. For example," It's about you being a responsible business. It's misunderstood as a cost, philanthropy, writing a check." (interviewee 2) and "I think you have to pay a lot of attention to the words people use, and how they intend them to be meant, because I think there's a lot of confusion created. People talk about sustainability and going green as if it was the same thing, but it's not. Sustainability to me is very specific, business focused. People may do sustainability efforts, they may do them for different reasons, and they may have different meanings attached to what they mean by sustainability." (interviewee 2).

The quotes from the external experts above confirm that the governmental standpoint is opaque concerning the meaning of sustainability and responsible for causing some of the confusion that prevails in the market. This is not unique to the UAE; similar confusion exists elsewhere. What does appear specific to the UAE is the overall lack of awareness of recent developments in the area of corporate sustainability elsewhere in the world, as well as the apparent lack of direction from government in this area. It would seem that the two key elements that may help sustainability develop would be government leadership on providing specific guidance and goals for businesses, as well as general education and awareness-raising among people in the corporate world concerning new approaches to sustainability.

Topic 2: Defining the need for Sustainability Reporting

How do the interviewees define SR? In line with the report analysis during Phase 1, all interviewees agreed that the current state of reporting in the UAE is not good: "most reports are not really strategic at all. They're sort of add-on, external. I do believe, still, if you say the phrase CSR to the majority of business leaders, that's what they think about. They think of donating to Al Noor [local charity helping special needs children] or Clean the Beach."(interviewee 1). If the state of SR is not good, what do the interviewees believe good SR should look like?

Vignette 3: Using SR strategically

Interviewee 4 is responsible for sustainability and SR in an international bank (Company D). The bank is the oldest international bank in the UAE, and has close links to the local government. The interviewee described SR as follows: "SR is really talking about the impact and outcomes of sustainability projects and programs for all your stakeholders. And I think it's necessary because a lot of times, people, companies, don't quantify sustainability initiatives. They may have a drive or they may have little band-aid CSR projects, which is fine. But everything has an impact, an outcome; everything has, I guess, a deeper meaning. That's why company D does really thorough SR. For example, my 2011 report, I basically compare it with some of the discussions I've had with the executive council, or some of the devised strategy plans, I can identify gaps where Company D can help the government. It helped me get the golden ideas – what we're good at and not."

The above example shows that strategy can aid sustainability and SR, but SR can also help focus strategy. This thesis shows that this level of maturity is very rare currently in the UAE.

Most of the interviewees agree on the necessity for SR. There are several reasons for that. Firstly, the society is currently considered unsustainable: "by many measures, Dubai, Abu Dhabi, are two of the most unsustainable places in the world. You look at resource consumption. Look at environmental performance, labour practices, etc." (interviewee 6) Secondly, comparisons to the need for increased corporate governance are made: "Governance came about because people were misusing and abusing powers. Sustainability and CSR came about because people were abusing environmental laws and neglecting communities and stakeholders." (interviewee 21) Thirdly, there is a need to make it explicit: "Sustainability is a code of conduct, it's sad but human nature

is such that we want to obviously behave in a certain way and do the right thing. But unless there's something in place, most people won't do that." (interviewee 21)

There are also concerns about the misuse of SR for marketing purposes: "if it's pushing the bar up, then I'm all for it. But not using it as a marketing tool. It's about image for a lot of organisations" (interviewee 3). Another concern is that reports tend to focus on positive aspects only: "they're not terribly self-critical, these reports, they're very much we're improving this and this, very few organisations say we're not doing very well in this area." (interviewee 5)

The benefits of SR are clear to those who are engaging in it, as expressed by interviewee 11 representing company L, a category 5 company:

"A CSR report is a good tool for CSR programme managers to see whether they're doing good or not. If you're going to manage your programme, how are you going to know whether you're managing it correctly or not? So internally there is a strong business case. Externally there is a strong business case as well especially if you're a listed company. For example, one of our country managers last week... he's realigning and changing some aspects of the CSR program because the prior management team had been making donations on their own for local charities and everything in his response to that was it's all well and good but it's the shareholders' money. So the shareholders have a right to know where their money is being spent. There is also stakeholder value if you want to engage in those kinds of communities and show people who you are and what your brand is and who your people are." His ideas are echoed by other interviewees. The interviewees with direct responsibility for SR see the benefit of SR to encourage behavioural changes.

The use of language around this topic was interesting. Some interviewees were clearly defending their professional territory. Two interviewees mention SR as a 'weapon' in this respect, explaining that when a company engages in SR, these reports will then be a 'weapon' to use internally to improve the company's sustainability and externally to prove its sustainability efforts. The choice of the word 'weapon' in this respect expresses the emotive urgency. During four interviews the adage "what gets measured gets done" was mentioned, in defence of reporting in general and sustainability reporting specifically, for example: "we need to understand the importance of reporting to make sustainability work, what gets measured gets done as you know, so we need to start measuring and reporting in order to really make an impact. Without understanding

where we currently are, how can we improve?" (interviewee 6). Also: "you know how important accountants are in this respect… but currently finance people are not represented sufficiently. Without proper reporting sustainability can never become strategic. Unless we measure it, it won't get done. We need to report on sustainability in order to prove the business case and to make it strategic." (interviewee 2). The above two examples use the adage to justify SR. It is also a political statement: if you don't measure, it won't be sustainable, it won't be strategic, and you won't be able to prove the business case: you need us, SR accountants.

There were some less positive comments by representatives from category 2 and 3 companies. They pointed out that they do not notice any demand for SR, either from shareholders, management or other stakeholders: "So far, no one has asked me whether we intend to produce an SR report…in the west shareholders will read the sustainability reports before the annual reports… no one does that here. They just don't have that long-term point of view. If no one wants to read it, why produce it? It's just the way things are here, people barely read the annual reports of companies". (interviewee 9). The use of language "it's just the way things are here" refers to the lack of awareness and education, and the inherent assumption that things can't be changed.

The interviewees that see a need for SR generally are outside experts, or part of companies that are reporting from Disclosure Category 4. It is important to keep in mind that these interviewees are professionally involved in sustainability and, therefore, are likely to gain in their personal career from increased SR activity. They also bring knowledge and expertise which may not be prevalent in the wider business community; hence the wider business community may not share their opinions.

The accounting framework used for SR also plays a role. As we learnt from the annual report analysis, there are a few companies using GRI as their reporting framework, no other frameworks are considered, apart from one company publishing an Integrated Report. But that appears to be an anomaly at the moment:

"Integrated Reporting is finding its way itself at the moment; we're not quite clear where it's going and how it's going to relate to GRI and so on, so I think it'll be relevant here simply in terms of being aware of what developments are coming, and then seeing where it's happening. But companies here won't be interested in adopting until it's tried and tested elsewhere." (interviewee 1)

GRI is about to launch a new version: GRI 4. All of the interviewees that had knowledge about GRI were concerned about the complexity of GRI 4 for UAE companies:

"GRI 4 is a problem, it's too complicated. My point of view is that most companies in this part of the world are using GRI. It's a framework to start off on. When this [GRI 4] comes out, nobody, nobody in this region is going to be able to use it, because it is so far removed from where companies are here. I think 99% of companies in this region can't use GRI anymore, especially if it's a first report. They will not be able to start the journey." (interviewee 1)

One of the issues that is also brought up is that GRI 4 focuses on materiality, which is key in SR, but: "the material issues are really sensitive here" (interviewee 3). Another point of focus for GRI 4 is reporting on the value chain, again generally considered a key improvement for SR, but causing concern with local companies, as GRI 4 compliant suppliers may be more expensive: "if we have to report on our value chain we have to change suppliers. We will lose customers." (interviewee 15)

Topic 3: Lack of awareness and education
In most interviews one of the recurring themes was the lack of awareness around sustainability, which was already indicated by the difficulties of defining sustainability. All the outside experts agree that levels of awareness are generally low. Several reasons were discussed by a large number of interviewees.

The first one related to the large number of lesser educated people in society, like one external expert explained:

"About half of the population consists of an illiterate, poor working class. These people come from India, Sri Lanka, Pakistan… they are here to support their families back home and struggle to survive. They have no awareness of environmental issues."(interviewee 19) The interviewee is referring to the large number of labourers that work, for example, on construction sites. They often come from countries where environmental awareness may be considered low. That, coupled with abject poverty, creates very little urgency for environmental issues.

A second issue repeatedly pointed out related to the fact that educational efforts within the UAE are hampered by the transient nature of society. New people, with their own

level of awareness arrive continuously, and others that may have benefitted from some of the awareness and education campaigns, leave.

Interviewee 3, who is responsible for sustainability training in a quasi-government network explained: "We had provided basic sustainability courses for a number of years. Three years ago, we decided to focus on slightly more advanced stuff. But last year we realised, there still is a need for basic courses. Basic awareness levels are still not there. I feel as if still, we haven't even started to scratch the surface." She explained that new people arrive continually. Many of them come from countries that have low levels of sustainability awareness.

Interviewee 4 pointed out that according to her it is partly due to an age gap. Older middle managers, who are often not in tune with newer developments in sustainability, she considers are the 'perma-frost' stopping sustainable development. Younger people, according to her, are more aware.

Finally, the country is developing, and sustainability awareness levels in developing countries are generally lower than in more developed countries. Just as in other developing countries, overall levels of education appear to impact the awareness of social and environmental issues, in the UAE this is coupled with a transient workforce, which comes overwhelmingly from countries with lower levels of awareness.

The lack of awareness and education does not always appear to be the reason behind the low levels of interest in sustainability.

Interviewee 22, a well-educated young Emirati said:

"…we all know about global warming and stuff like that. We have learnt about it in school…. but frankly, we just don't care. What difference would we make? We are anyway the super polluting nation. I like having a nice car. [the interviewee now moves away the recording device and starts to whisper] "I have tuned my car and taken out the device that stops emissions… we all do it, but it's illegal." Later on in the interview, the topic turns to social issues: "I really do care about how we treat the labourers… my friends and I, we heard of this woman who goes to the camps to teach them English, we thought that was great. And she was English, you know, not even a local. But we all thought it was great." And bringing environmental and social topics together: "we care about those social issues, how people are treated, but not about the environment. It's not just me; you know what we are like. It's not that we don't know."

In saying "you know what we are like" the interviewee is referring to the fact that the researcher is his former teacher, who has discussed SR in class. There is a clear short-term mind set when it comes to the environment: we would like to enjoy life now (with a nice car) even if this pollutes the environment, because "what difference can we make?" This attitude shows a lack of empowerment. Even in the issues that he does care about, the interviewee is in awe of this lady who actually goes out and does something for the labourers, he thinks it's wonderful, but has never considered taking action himself on an issue close to his heart – and neither have his friends.

Arguably, while low levels of awareness and education seem to play a significant role, the short term view and apathy displayed by interviewee 22, which was potentially caused by a (perceived?) lack of empowerment, also play a role.

Topic 4: Regulation
There is currently no regulation concerning SR in the UAE. Would regulation encourage SR, or would it cause companies to comply without proper buy- in (like in Bebbington et al., 2009)? The opinions of the various interviewees are divided.

Interviewee 17, who has been in the UAE for more than forty years, highlights some of the historical and cultural context related to regulation:

"As a culture, there is very little that is made mandatory. It's a tribal society. The rulers rely on tribal support. They will have a tribal council, influential families and non-influential families.   They don't make things mandatory in the beginning. However, if more and more people take up the voluntary request because it's good for them and good for business, then there will be a tipping point where they will make it compulsory – but then why do you need to make it compulsory as people are already doing it. If you don't make it compulsory and only a couple of people do it voluntarily, then why make it compulsory as it would be too much of a fight." There were several interviewees arguing in favour of SR regulation. On more than one occasion the point was made that the corporate culture here is not one where people readily take initiative: "People here are not good at taking initiative and doing stuff for themselves, they're waiting for people to say what should I be doing, and until you can change that, you need some sort of regulation, you need to do this and you can't do that." (interviewee 15)

Additionally, several interviewees argue that it would aid transparency: "I think regulation here would aid transparency, because transparency is still a big issue. And

it's very difficult to understand how decisions are made and where things come from, due to the lack of transparency." (interviewee 4) There were also voices explaining that regulation could combat some of the short-term thinking: "I am in favour of regulation. One could say it's not coming from the heart, just ticking boxes. This may be the case initially, but it will improve. Particularly in the Middle East sometimes we need regulation, because very often, we look at things with a short-term mind-set, so things don't necessarily get done for the good. Here we are always thinking about short-term costs." (interviewee 2) On a similar note another interviewee argued that without regulation it would just take too long. Companies needed to be forced into reporting, and then supported on how to do it.

The arguments in favour link the culture ("people do not readily take initiative") to the need for regulation. Also, it links regulation to the overall concern of lack of transparency. It is important to realise though that interviewees will be looking at regulation from their own point of view. The interviewees in favour were mainly from companies that were already reporting well, and hence regulation would in a way redeem them for their voluntary efforts. Other interviewees may benefit in a business sense (for instance, auditors) from SR regulation.

Interviewees who argued against made several points too. One of the most repeated arguments was that it would cause reporting just for the sake of reporting, referring to the potential decoupling discussed in the literature. One interviewee explained her point as follows: "It's much more useful to have the right policies in place. At the end of the day it's about doing the right thing because it makes business sense, rather than just a tool or a regulatory exercise. Starting the journey, like questioning accountability and transparency, is useful. But I don't think there has to be regulation." (interviewee 3)

There were also concerns on how regulation would be perceived: "the overall response will be very negative, because there's very little requirement, we don't have to submit accounts, we don't pay taxes. We are not used to any regulation around transparency." (interviewee 12)

 In a similar line of argument, interviewee 6 says: "…because I think that they have other priorities that they need to put in place first. The legal system still has many areas that need to be addressed. They don't have a credit bureau, for example. I think that certain basic fundamentals are not there. To a lot of people, when they get started here

in a developing country, they aren't so concerned about sustainability. They're more concerned about 'Am I going to be able to pay my bills at the end of the month, and how am I going to do that?' And if you add the layer of sustainability as a regulation onto it, I think you're going to quash a lot of business. So I think there has to be a balance. Maybe it's a maturity level, after a certain point in time, after so many years, the regulations kick in. Or at a certain size of the company it kicks in."

Practical concerns were around the difficulty for companies to collect data, and for regulators to enforce regulation. The majority of interviewees with strong concerns were not currently strong SR reporters.

Another area that may drive SR rather than formal regulation is the personal commitment from key individuals.

Topic 5: The importance of commitment from the top – and from elsewhere
The importance of commitment, especially from executive leaders, is of undisputed importance for all interviewees: "the main driver is the figurehead of the organisation and whether they have an interest or not" says interviewee 2. This is echoed by all interviewees. The CEO of Bank Z has recently resigned, and interviewee 11 commented: "we are waiting for a new CEO, we're hoping that he comes from somewhere where they've got a good culture supporting innovation through sustainability." Interviewees mention two kinds of figureheads: CEO's of family firms, who, because of the ownership structure of the company, have a long-term interest; and if this is combined with a personal dedication then that can make for a powerful commitment. The other example given is that of an international CEO, who may have been exposed to companies with strong cultures around embedding sustainability.

Interviewee 5 draws out another interesting point. She argues that drive can come from other areas of the organisation: "…but doesn't need to come from the top. If you read the textbook it says it needs to be sponsored at board level. And then we should…. but, you know, it doesn't matter where it comes out? Usually it's one person that says "hang on a minute". You know? We could be doing something much better than what we're doing now." This interviewee is not a Board member, but has initiated sustainability initiatives in previous organisations she worked for, and some of these initiatives were subsequently adopted by the board.

On a similar note, interviewee 3, who represents a network organisation, also mentioned the importance of genuine personal commitment of those involved: "We

take sustainability into our lives and I think that's what makes us passionate about what we do, passionate about passing that information on, passing that knowledge on."

It appears that neither commitment from the top alone, nor commitment from 'elsewhere' alone may be enough. Interviewee 5 is clearly passionate about SR: "We have a huge responsibility. We do try to be sustainable, but we are not currently communicating this to the outside world. It is part of what accountants should be doing, but since it's not part of what the management team demands, it's never a priority." Bringing both together seems to have the most effect: "The chairman, he asked for it, he is on the Board of this other company… they do it. So when it came, I said, I'll do it, I've done it before and I have the qualifications. We brought together more ambassadors, people who cared, usually women, somehow they care more? We started from there." (interviewee 5)

Topic 6: Networks

From the content analysis in the pilot study, it was clear that there were only a small number of companies engaging in SR at a relatively high level. Of the companies that reported under GRI, two were not headquartered in the UAE. During the interviews it became clear that the other organisations are all part of a quasi-government organisation called Organisation X, a network organisation which will be analysed in detail in the case study in Chapter 8.

Another often mentioned organisation in the interviews was Organisation A as described in the context chapter earlier. This organisation has developed a sustainability network, which, according to the representative from the organisation that was interviewed, has developed quickly, from 11 to 30 members in a couple of years. Interviewee 3 describes the organisation's strategy to encourage sustainability: "Big companies are ambassadors for others to follow. Our mission is to plant seeds for change. We can't ambush them, we can't force them, it is voluntarily. We can't say what you are doing is wrong, but at least try to move forward the good practices to show that and keep what they're doing." The interviewee does not believe that regulation would help, it would cause "reporting without understanding, just a tick in the box. It would be reporting for reporting's sake, and would not impact the sustainability of the company". She believes incentivising would be a better idea. According to her, SR is "of increasing interest, but execution is still low". She also believes that personal commitment is an important element of success in creating awareness in and commitment to sustainability among stakeholders.

An example of another emerging network organisation is provided in Vignette 4.

Vignette 4: The Emergence of Organisation B

The researcher was personally involved with the set-up of Organisation B, and the information in this vignette is a based on a combination of her personal experience, information from the website of Organisation B and interviews with the current Executive Director of the Initiative.

Two professional friends, decided to launch Organisation B. The first one is an Oxford educated business leader and has a leading role within his powerful family business. The second friend is associated with the UN and specializes in global partnerships to address social and environmental problems. He arranged for a launch of the initiative at the UN, and the founding members of the organisation are mainly the first friend's personal business contacts.

The website describes the organisation as follows:

"Organisation B is a private sector-led not-for-profit organisation set up to improve transparency, accountability and business practices in the Arab world. It is a growing regional membership network of business leaders committed to driving joint action and sharing knowledge and experience. Organisation B has been developed in cooperation with the United Nations Office for Partnerships.

Organisation B aims to create a culture of greater transparency and accountability within the Arabian Gulf region in order to positively impact the business environment and foster competitive economic growth and sustainable social development."

Organisation B is described by its executive Director as: "a group of enlightened business leaders who aren't necessarily all doing this to the max themselves at the moment, but what they want to do is find a path to improve themselves and to encourage the wider business community to improve. It's a very long-term vision which is effectively that we, the business community, have to take action, proactive action, ourselves. If we want a region which is growing economically and competitively and creating jobs, the business community has to in some way take the lead and take the initiative to do whatever it can to create that vision. It's the leaders personally."

The vast majority of the member companies of this organisation are not listed, and hence were not included in the content analysis of the pilot section. One company is, however, listed; its annual report was classified as a category 4 company, which confirms the above statement that these companies are not "doing this to the max themselves". What is apparent from this group of companies is the importance of the figurehead of the organisation. The combination of commitment from the CEOs of these locally based family firms and the importance of relationships give some indication of how change may be brought about in the UAE.

Organisation X, Organisation B and Organisation A are the three organisations interviewees refer to throughout the interviews. They appear to play an important role in driving SR: "Organisation A really was the first organisation to take CSR reporting seriously… we would come together for seminars and talk about what it could mean… it was quite inspiring to get together." (interviewee 6). And "It all really started when Organisation X was launched….they walked in here and asked us to join" (interviewee 19). Also: "it's people like Organisation B who are trying to raise the profile of things like transparency and SR… getting companies together, talking. Saying we've got to do it." (interviewee 11).

From the interviews it becomes clear that these network organisations play a significant role in encouraging SR.

Topic 7: Human Rights
As described in Chapter 1, the UAE has been criticised for human rights related issues. Part of the wider human rights issue is related to the fact that unions and collective bargaining are illegal (UAE Federal Law 8, 1980). Additionally, as discussed in the context, UAE has had negative feedback concerning the treatment of construction workers.

A number of interviewees were reluctant to speak about the area of human rights: "it's not something that concerns our company" (interviewee 13), or made what seem like political statements: "the government has put good policies in place… there were some companies not adhering to those policies, but I believe they have been dealt with." (interviewee 16). Interviewee 8 commented on the improvements his company had made in the last few years:

"We looked at how much they have to pay to come here in the first place and how long it will take to pay off those entry permits and visas. We now only work with approved agents. The ministry check us and we have a good rating. Workers are accommodated maximum 6 per room, with good facilities." On the question whether he believed the human rights concerns were appropriate he said: "if we'd pay them what we get back home [in the UK]…. or give them the same living standards….these buildings would never be built. They still earn so much more than they would in their home country."

Interviewee 19, who works for a foreign construction company, commented on the differences between standards in the Emirate:

"When there is a tender, we first look who's calling for the tender. Some companies do not ask for certifications and standards. If it's with them we don't submit our proposal, as we know we can't compete with, for instance, Chinese companies who don't pay their workers and treat them terrible. There are rumours that they bring their prisoners to work on construction sites. We only have a chance if it's companies that require certain standards." There's an interesting contrast between interviewee 16 and interviewee 19. Interviewee 16, working for a local construction company, is happy now that the company is meeting the ministry standards and has 'dealt with' the issue of human rights. The fact that these workers are treated very much differently from 'back home' is acceptable as otherwise "these buildings would never be built." Interviewee 19, who had to deal with the standards set by the international company (which appear to be higher than the standards adopted by interviewee 16's company), appears to segregate the market into those that 'ask for standards' and those that do not. He points to terrible working conditions of the competition. These differences may point to the issues highlighted in chapter 6: although some standards are being set, they are low from a mature economy perspective.

Vignette 5: Taboo topic: Human Rights and the Treatment of Unskilled Migrant Workers

Interviewee 21 has been dealing with recruiting migrant workers for many years. He explained that workers have been coming for a long time and gives the example of India: "there was a huge, and there has been for years, a huge influx of workers in many sectors, and primarily in the late 70's and early 80's they came from India, the majority from Kerala, that is why Kerala is the richest state in India because of the money going back." One of the bigger issues in the picture of migrant workers, as

confirmed by other interviewees is the amounts the workers have to pay before getting to the UAE, in bribes. "The problem is that every other minister in India has their own recruitment agency as it's such a lucrative business. If you could imagine a construction company here in 2007 recruiting 5000 workers for a construction project and each worker paid anything from AED 2k to AED 10k to get the job, there's a lot of money for officials involved." So, to a certain extent, problems are in the value chain outside of the UAE.

The attraction for workers to come remains. "…if you take someone, like this guy who just served you coffee, and he is from a rural village, he needs to pay the headman of the village the right to leave the village. A sub-agent will bring them to the next city where they are accommodated and fed, and prepare them for interviews. Then recruiters would come and offer them AED 900 a month [back in the 70s] and provide them with housing, uniform, food, free flight. Subsistence in India was Rs 100 [AED 10 per day]. They were happy to pay a years' salary for a three year contract, they would work 8 or 9 years. The ratio was about 8 or 9 years. If you'd come in those days as a waiter, and did not spend any money, take the overtime etc, then after 8 or 9 years you could go to India, and have enough money to take on a business, buy a car, marry-off your sisters and be financially settled for life. There is nowhere in the western world where you can do that. This hasn't changed, but with the relative decrease in wage and increase in bribes it's probably 12-15 years."

The debt that people have incurred to get to the UAE appears to be an increasing problem. The UAE has illegal immigrants, who often have extra debt as they pay dhow-owners or others to get them into the country. Every few years the government will declare an amnesty and send illegal workers back home. "In the past they would round up a few hundred workers for each amnesty and send them back. But at the beginning of the recession there were thousands of people that needed to be sent home, legal and illegal. Because of the pressure of the debts they still owed, a few committed suicide."

About the topic, interviewee 21 says: "human rights in the UAE have always had a bad press, to some degree justified." But he is also of the opinion that "Human rights elsewhere have been just as bad as here, some cases worse. Slavery was abolished in Oman in the 1940's". When questioned about the reports published by Human Rights Watch concerning the plight of construction workers he says: "Human Rights Watch in

New York, I can't think of a more hypocritical organisation. It regularly criticises the UAE for their record, but says nothing about the daily torture that goes on in Guantanamo Bay and in Mexico."

He argues that on the whole, the UAE is a civilised society: "here there is no crime, I don't remember the last time there was a mugging. Last guy that got shot was an Indian baker that raped a 7 year old girl, he got executed."

Topic 8: transparency

The issue of (lack of) transparency was a repeating theme throughout many of the interviews. One of the reasons of the launch of Organisation B (see vignette 4) was to encourage more transparency. Interviewee 8 is a sustainability manager who has successfully introduced GRI reporting in his company talked about this: "the culture is resistant to transparency. For instance, we needed to report on casualties on our construction sites. People were concerned that it would make us look bad. But I said if we don't report, there will be rumours, we will look worse. Like when the collapse happened at Dubai Airport [a few years ago an accident happened with another company which was not disclosed and rumours were circulating] people will think the worst. If they know we are honest we look better. In fact we've only had 7 fatalities in the last 13 years, and if we disclose what happened and how we are going to fix it, it is much better". He also pointed out that under GRI companies are encouraged to disclose targets: Management was concerned about setting targets – "what if we wouldn't meet them, here one never reports anything but success."

Interviewee 1 commented concerning the lack of transparency: "…don't know where the lack is coming from…maybe from the trading mentality where you think you're going to have the competition and giving away any information is giving advantage to the competition." The example she gave was from the area of governance, and the lack of readiness of companies to disclose executive pay information: "they don't see the business benefits to being so transparent about executive pay now in this part of the region, because they don't need to be. This is different from the example in Europe where there is a clear business benefit in being transparent."

Transparency became an issue in some of the interviews. Several interviewees mentioned that there are sensitivities around certain topics, and before talking about these, two interviewees sought reassurance that comments would be treated confidentially. Interviewee 4, a representative from an international organisation,

explained that a lot of awareness raising the company does in other markets, it doesn't do in the UAE: "We have such deep ties to the government and to the royal family that we do have to respect the laws and culture of the country." Another interviewee mentions "there are many topics we don't touch". What are these sensitive topics? Apart from the human rights-labour relations issue discussed in topic 7, "we can't do AIDS awareness here as we do in other countries. We don't talk about gay rights. We can't mention refugees because the UAE does not accept refugees. We go with safe options."(interviewee 4). This is echoed by interviewee 2: "they are a lot more nervous talking about things to do with workers' rights, human rights, employee conditions; executive pay, anti-bribery and corruption, those sort of ethical, labour, human rights issues." And, "there's just no culture of transparency".

Topic 9: Emiratisation
As was clear from the content analysis, Emiratisation is one of the few areas that is regularly reported. Chapter 4 explained the prominence of the issue in society. So, what are some of the points of view from the interviewees? Opinions are divided. One Emirati (interviewee 11) was very concerned: "we are a conservative people. We are afraid our children will pick up a lifestyle that we did not want for them." Other Emiratis show less concern: "we have always been a trading country, and we thrive on our dealings with so many nations…" (interviewee 22). There is a clear concern about the transient nature of society caused by many expatriates only staying for a short time:

"… there are people who look at the UAE and they come on short-term contracts… And they do that by choice. They just want to come here for a short period. You know, experience and a good salary but they always have it in their mind they're not going to be here any longer than—well, some people—they may come for monies. You know, in Australia, people would come here, do an assignment here because it might help them with their tax position back in Australia. So, that's very short-term. Some people come for maybe two to five years. Some people want to be here for the long term." (interviewee 9)

The concern with these transient visitors is that they may not care about the long-term sustainability of their environment: "how do you get that buy-in? How do you get that person to care about the place where they're living if they're only going to be here four months? They're not. They're going to come in, almost use and abuse the four months, five months and then leave and go back to their own community where they belong and fall back into that community living." (interviewee 4)

Many corporate sustainability programs globally involve an element of employee volunteering. The transient nature of the society affects this: "The whole gulf is an anomaly because most of the people living in the Gulf are not from there and have no expectation of permanent residency. So, therefore, there is a different sense of belonging and engagement in those societies there." (interviewee 15)

Other expatriates express a very personal concern about not being able to obtain citizenship. Most interviewees were expatriates, and most have been in the UAE for a considerable amount of time, and view it as their home to a certain extent. The researcher is in a similar situation, which may have unconsciously invited interviewees to discuss their concerns openly. One interviewee working for a construction company shared the following:

"For this country to be truly sustainable they need to choose people on their qualifications and experience and, you know, we're always going to be visitors here. You know, I own an apartment here. You know, I've bought an [company built] apartment but I still—I'm only as good as my last job. You know, I've then got three months to leave this country. My children were born here. You know, our receptionist who you met, she was born here and her father was born here and just recently lost his job and she's, like, this is all I know. I haven't got a home in Lebanon and where do I go? And I felt horrendously sorry for her. So there's always this, how sustainable can this country be if they don't let expats become truly embedded into this country? You know, it's almost—and I can remember I was at one meeting and I was completely shocked and we were talking about Emiratisation and this lady was talking about, you know, it can work but you will always need expats here —there will always be jobs for expats and she blatantly came out and said, we will use people and gain their knowledge and then we will send them back to their own countries. I'm not saying that's what all Emiratis think but, if that's what she thinks, you know, that's a sore point and that's not going to work….My children call this place home…for many of us, as our long-term home we want to be part of its history and part of its development." (interviewee 8)

With all the sensitivities around Emiratisation, how do companies view reporting the numbers? None of the interviewees had any doubt that Emiratisation was part of sustainability, in spite of its inherent discrimination. The view on reporting seemed to depend on the type of company the interviewee represented. International companies

appear to avoid reporting on the topic, as the discriminatory aspect would not fit in with global policies. Local companies are, on the whole, keen to show their Emiratisation efforts, but companies with more mature SR (category 5 and 6) all avoided the topic.

Topic 10: Government
All interviewees agreed that the role of the government is critical for the success of sustainability and SR. However, as mentioned in topic 1, the government strategy in this field is not completely clear. In topic 1 it became obvious that there is no clear national definition for sustainability. Apart from Organisation B though, all major activities have come from government or semi-government organisations. The content analysis showed that companies listed in Abu Dhabi were more likely to have strong reporting than companies listed in Dubai. Most interviewees mentioned the Emirate of Abu Dhabi as more active in this area. This will be confirmed further discussed in the next chapter.

The government does not have a detailed, explicit strategy on sustainability, nor has it provided official encouragement for SR, but there does appear to be tacit approval: "There is no official policy in Abu Dhabi that sustainable development is what we have to have, but it's mentioned by very senior people." (interviewee 3) and: "…but it may well be somebody at the executive council level has said it would be good if everybody reported, and again very often in Abu Dhabi that is how policy is made, somebody very senior says something and then everybody says, right, how do I fit in with that?"(interviewee 2) Other interviewees concur: "The leadership talks about it, and then the people underneath try to figure out what they mean, what I should be doing in order to fit in with it, that's what it feels like. That is a strength because people are trying to innovate and do stuff, but on the other hand it's difficult because there isn't a clear direction so a lot of effort is wasted and goes in the wrong direction, and people are not focused on what they ought to be focusing on, so there's a lack of integration, entities not working together." (interviewee 21)

As mentioned in the topic concerning empowerment, some interviewees raise concerns relating to the passive culture, and point towards to government for change: "The role of government should be to empower people because the big problem is that people here are so used to waiting for somebody to tell them to do something. Now, that in itself is very unsustainable, people here need to be empowered to actually think, to learn, to develop, to take risks, and so, rather than wait until next sheikh says… we're going to do that now."(interviewee 8)

Would government guidance be effective? According to one interviewee, it might in the UAE, but not necessarily in countries surrounding it, as one interviewee from a company listed in the UAE, but headquartered in Qatar explained: "…it all depends on where you are, in UAE and Qatar government could ask for reports as these governments are relatively strong. If you have a strong and cohesive government with limited amount of corruption where there is effective government and effective governance, government could play a role. If this is not the case, like for instance in Saudi Arabia, then reports would be just another rubber stamp, without any understanding or depth." (interviewee 14)

There also appears tacit encouragement for SR from the Abu Dhabi government: "Nobody has said it, but I think the word has gone out from the leadership that we want organisations… we want them to report, this is best practice, I don't know what the motives for this are, it is simply so that they can stand up at the next international conference to say we do sustainability reporting the same as you do, or whether it's a genuine desire to actually use SR to change things. Probably a bit of both —depends on who you talk to."(interviewee 6). Additionally, interviewee 2 brings up the point that the government may choose to use SR to effect change: "SR may be used to effect change. About five years ago they tried to make big changes to government. They wanted a different type of government, or they want to get more control on government, what they are trying to achieve. Five years ago with a strategic plan, a major change program, that didn't work, it failed, security issues then overtook things, so this may be a way that they're thinking….maybe this is a way that we can actually effect change, and we can see into organisations, see what they're doing and start to use this."

The government's strategy is not clear, and from the comments of the interviewees above, many companies are trying to read subtle signs from the leadership to understand what is required. Whether this can be effective, and what the real motives of the rulers are is not clear. What does become apparent is that in a nation like the UAE, the role of the government is critical. It seems that the Abu Dhabi government has made more effort than the government of Dubai, and the effect is clear: the state of SR reporting is more mature in the capital.

Topic 11: The effect of Public Listing
Interviewees unanimously agree that the public listing of companies is not a driver for companies to engage in SR, as could already be concluded from the content analysis

performed earlier. Some interviewees point out that the stock exchanges do not have sufficient pressure mechanisms to push companies to engage in SR. The stock exchanges are small, so may be hesitant to provide any barriers to listing. The interviewees also agree that shareholders and other stakeholders are not sufficiently aware to demand SR: "There's no pressure here, I think probably the investment community is also not that far into sustainability and equating sustainability with organisational performance and success. I think the organisational drivers here of performance are maybe not exactly the same, they are not quite the same as they are in the west, and so there are other things that play into the performance of organisations here, even with listed companies. So if you're a listed company, but your brother is minister or whatever, you get government contracts and so on, it's not a very competitive market in a lot of the industries here."(interviewee 1). Interviewee 4, who works for an international company explained: "There is no reputational risk locally. We are globally exposed, but local companies are not worried about it."

Another issue is the problem that regulation around disclosure is often not enforced. An example is the disclosure of executive salaries: "the Securities and Exchange Authority has a formal ruling that executive salaries need to be disclosed, but it's not enforced and not everyone does it. There is no punishment. There are plenty of rules and laws here that are not enforced. So if any global, world-class stock exchange demands this they would give a deadline and enforce, and if companies do not comply they would be delisted. But they have huge problems here as there are not enough listed companies. There is not enough liquidity." (interviewee 1).

What did seem to be of importance to some of the companies was a rating in the Hawkema-S&P ESG index: "When they saw that we were not on the index they said hey, what's going on? We did so well with our governance, but SR is missing and hence we had no rating." (interviewee 6) And, "It's one of our targets now; we have to maintain our ESG ranking. It's an index, a number, it's what our CEO understands." (interviewee 11)

Topic 12: international influences
It is the overriding perception of the interviewees that international companies are a great deal ahead both in sustainability and SR, as interviewee 4 puts it: "The local companies just aren't there as they only started this journey in the last 5-10 years. With multinationals, there are elements of sustainability that are pretty much expected levels of knowledge for all managers. So even our on boarding process has a sustainability

element, which would not be the case for local companies. [Our company] has good processes and policies in place; we also have an understanding which is dictated by Group. And we have top management support, which local companies don't. Local companies don't understand, they go down the philanthropy path. They don't see it as a strategic advantage, but as a PR stunt. Local companies do feel the pressure from international elements through the supply chain." Several interviewees mentioned that they were triggered to do SR due to requirements from international customers or governments: "when we started to expand abroad, regulators started to ask. We realised that if we want to be an international company we need to have international sustainability standards." (interviewee 5).

There also seems to be an increasing awareness of the demands of international investors: "One of the reasons large institutional investors don't want to touch this area is our lack of transparency, not only on governance, but also on sustainability. The ESG Index was set-up with that in mind. Some companies are starting to get it, but in general awareness is still low." (interviewee 1).

Additionally, the global perspective of sustainability was highlighted: "It should be looked at on a global level in many ways. The global situation dictates what should be happening at the local situation. So if there are issues in terms of resource depletion, then locally everybody should be geared towards that… if you take climate change, climate change is a global issue, so everybody should be saying, okay, well, what can I do at the local level, or at the individual level, but if scaled up to the global level, would actually deal with this problem. I think there's a huge gap, people say, I'm doing this, I'm doing this, I'm doing this, but people think they're doing it well, or doing a good job, but in reality it is woefully inadequate, it's just trying to understand that linage from local initiative… if it were scaled up to the global level, would it actually be enough? This requires quite different discussions within corporations and at different levels….inter-governmental panel…. machinery is trying to do that, but it just doesn't seem to be working terribly well, so somewhere else, that drive has to come from, in terms of saying this is what we have to achieve at the global level, and what are you going to do, and that… I don't think you're going to get that through regulation or through reporting, people have to realise for themselves what's at stake, and say this is what needs to be done." (interviewee 20).

Lastly, there is international pressure on governments: "Qatar is going to come under unbelievable spotlight with the World Cup, and they do realise this from the top, they're looking at the value chain of the contracts they're giving out, both from a labour point of view and an anti-bribery and corruption point of view. But these are external, global driving forces. The driving forces are not coming from local government legislation or regulation." (interviewee 1).

Topic 13: Culture and religion
National cultural and religious aspects influence any company's norms, routine, rituals, and symbols. In a deeply religious environment like the UAE, aspects to do with ethics are often linked to religion. One outside expert says: "you can't produce incentives or drivers here which are completely divorced from how important their religion is in this part of the world. That makes it different to anywhere else. And I think it's a positive thing, it's an opportunity. It's a value. It's something …. You can have a really strong positive set of values ingrained in the way people think. It's a fantastic opportunity." (interviewee 2).

The religious influence starts with the activities companies choose to engage in, as was concluded in the content analysis, many of the community engagements are based around the religious calendar, with Ramadan being the highpoint for charitable activities. The religious tradition of charity giving is also closely related to CSR activities of many companies.

There is a tension between SR and traditional values of humbleness and discreteness about charitable activities, as one Emirati interviewee explains: "the best charity is done discretely. It feels wrong to give some monies and then tell the whole world about it, especially if it's a family business." (interviewee 11) And, "we [leaders of family companies] have a duty to take care of the people; together with his Excellency [ruler of the Emirate the company is based in] we want all to do well. But then producing a report to brag about it….it feels awkward. It's a western idea which doesn't fit here." (interviewee 16)

Another aspect highlighted, stemming from the personal commitment of many leaders was brought up by an external auditor: "one issue is that there are many family companies where boundaries are vague. The chairman may do a lot of charity, maybe from personal account." (interviewee 2). This mixing of personal and business complicates the reporting aspect.

On the one hand, there is a resistance to report, due to the religious value of discreetness around charity. On the other hand, for some companies, reporting is used to improve the image of the company: "image is everything. Companies love to win awards, and a lot of the CSR projects are really image building marketing events, it's very superficial." (interviewee 14).The marketing factor of sustainability is well known all over the world, but image does seem to be very pronounced in this part of the world according to most interviewees.

The idea that sustainability is a western concept was echoed by several interviewees, as one Emirati explained: "all training sessions that are organised are in English and use western examples… that doesn't inspire the way local examples would. We need materials in Arabic, adjusted not just for our language, but for our culture and values."(interviewee 12) An expert from an NGO: "we have just started to organise workshops in Arabic. We need to localise it, bring it into their comfort zone." (interviewee 3).

The culture is highly influenced by the large number of expatriates as discussed in topic 9. Other cultural aspects relate to the autocratic corporate culture that prevails, leading to a lack of empowerment. Lack of transparency and sensitivities around reporting certain topics are all largely cultural aspects influencing SR.

Topic 14: Solutions
Many interviewees had their own points of view about how SR could be improved in the UAE. Addressing the lack of definition and awareness is one many interviewees feel strongly about, as expressed by this outside expert:

"It must be possible to come up with a philosophy of what sustainability or social responsibility means in this part of the world. Map it out and somehow link it to the culture and the values in this region, because I think that would be quite a powerful call to action where people would identify with. Nobody has done that. Over and over again at conferences they tend to bring in people from outside. This is the way Fortune 100 Company X from North America does it, so why doesn't the UK or Germany? It's different. You can't just cut and paste. It would be quite a call to arms to people to really think through what it means here." (interviewee 1)

Another expert commented: "we need a coalition which builds pressure on regulators, stock exchanges and business; this probably needs to come from an international angle.

We need to have benchmark studies, rankings; we need to name and shame."
(interviewee 3).

Additionally, initiatives to improve transparency were often mentioned. For example, an auditor expressed the following: "there is quite little financial disclosure anyway, except for the public companies. So I think it would be good for the UAE if there was more transparency, and maybe the first place to start is financial, and then it would be the sort of ESG-type activities, and then moving to a fully-integrated report. To move straight into an integrated report, I don't see that companies would understand." (interviewee 16)

Several interviewees mentioned addressing the issue of Emiratis in the field, especially the lack of qualified Emirati accountants. Other parts of the solution that were mentioned included providing more local research and training, and more government input.

There were also strong feelings about how to engage the companies to report first time:

"To start the journey, GRI is of no use, these companies are not in the league that GRI reporters are. We need a locally specific set of rules." (interviewee 8)

The importance of a powerful figurehead was echoed by several interviewees. One commented: "Sheikh Zayed talked about protecting the planet and religious duties to do so, so we have the ultimate figurehead, the father of the nation. Then there is the Green Sheikh, there are others." (interviewee 21).

7.3 Initial Conclusions

The above discussion sheds some light on the forces at play that have constructed, and continue to construct, the field of SR in the UAE. One of the key players, the government, is not transparent in public about its desire for companies to provide SR, thereby influencing the weak current construction. This is because, although formally sanctioning SR, the informal construction fosters a sceptical view of SR and encourages the 'window dressing only' perspective. Unsurprisingly, few companies see a positive and active uptake of SR as strategic, rather, the way to gain socio-political positioning is to treat SR as culturally suspect, and hence there is strategic risk in taking it too seriously. The lack of awareness and education, as discussed in topic three, is also a weakening factor. Arguably the government and the broader social structures in the country as a whole have constructed this situation. The lack of regulation, again

through the government, reinforces the field as one in which SR should be minimally engaged with, in order to have overseas recognition and also not fall foul of the cultural de-legitimation of SR within UAE. There are many cultural and religious elements at play. The one area that that is clearly considered important is that of preserving national culture and looking after Emiratis through Emiratisation programmes. This is one area where companies are most likely to be keen to disclose their efforts and show their alignment with the government. For other topics, there is an overall lack of transparency. Topics that at a global level receive attention like labour rights and human rights are considered taboo. The hesitation to discuss taboo topics and the discreteness around 'doing good' has played a role in the current state of affairs.

Within that larger societal field, organisations themselves construct their own view on SR. Those institutions that have commitment from the top are much more likely to view SR as important and strategic, as do companies that feel international pressure. Both at an institutional and individual level, networks appear to play an important role in constructing a view where SR is important.

In the next phase of empirical research, the aim is to become even more focused and 'granular' in data collection. Once that is complete after the third phase, the data will be combined with theory in hybrid categories ("Analytical Topics") in Chapter 9. Subsequently, these will be used in theory building relating to the Institutional Framework as discussed in Chapter 3.

 Although in-depth application to the theory will follow in Chapter 9, it is worth noticing at this stage that the data touches the institutional framework in many ways. Emerging from phase 1 and 2 in the data is that the impact of culture on many of the institutions is strong. Some evidence of mimetic, coercive and normative mechanisms is at play. The interviewees mention driven individuals who seem to appear to act as Institutional Entrepreneurs. There also appear to be clusters of organisations that are homogenising around their SR output. These indications will be analysed in-depth in Chapter 9.

Having analysed the main data-driven topics emerging from the interviews, it is time to look at a specific example in detail through an in-depth study of a mini-field in the next chapter, after which the combined results will be analysed and discussed in chapter 9.

Chapter 8 In-depth Organisational Study

8.1. Introduction to the in-depth organisational study approach

One specific example many of the interviewees talked about in phase 2 related to what can be defined as an organisational field. In Chapter 3, the work of Larrinaga-Gonzalez on organisational fields is discussed. He defines them as groups of institutions that have increased interaction and maturing awareness around a certain area where their institutions may be homogenising (Larrinaga-Gonzalez, 2011). Since the organisational field referred to in the literature relate to large, global fields, this study suggests the term 'mini-fields' for the smaller fields identified in this study. One such mini-field has evolved around organisation X. Bank Z is part of this mini-field. Having established the example of the apparently positive mini-field around organisation X in phases 1 and 2, and specifically the unusual level of activity around sustainability and SR in Bank Z, these were chosen as sites for further investigation, as they seemed unusual in comparison to the broader field. At this point, the focal research questions were: "What social and institutional factors impact the current state of affairs?" and "How is the potential for change impacted?" An in-depth analysis was carried out, including interviewing and observing key employees of both organisations as well as observing networking events and interviewing people within the broader circle around organisation X, which had an interest in sustainability and SR.

The data that were collected from organisation X consisted of six in-depth interviews with three members of the organisation, and observing two membership events. For background understanding, a variety of documents were available, some supplied to the researcher by organisation X and some publicly available on its website. The data collected from Bank Z resulted from eight interviews, four meeting observations and several opportunities for more general ethnographic observation in the organisation and with the sustainability team: the researcher spent some time in the office and participated in team meetings and informal lunches, in total around 20 hours.

This approach, where parts of the mini-field are investigated in depth, is similar to Bebbington et al (2009). As in Bebbington et al (2009), this in-depth study is presented in narrative form to provide contrast to the themes analysed in phase 2. The approach leads to the hybrid categories in chapter 9, which are refined from the data categories established earlier and enhanced by the literature discussed in Chapter 3.

A similar approach is also taken by Spence and Rinaldi (2012), who focus on the effect of sustainability reporting of the supply chain of a supermarket, exploring this by interviewing relevant employees within the supermarket and from outside, like, for example, a sheep farmer, a key lamb processor supplying the retailer, and a representative from the National Farmers Union.

Both the example of Bebbington et al (2009) and Spence and Rinaldi (2012) show interesting illustrations of where an approach is taken similar to this thesis. It is not case study research, as the organisation is not defined as the unit of analysis and the purpose is not to explain the systems and outcomes in and of the case organisation. Rather, it is a constructionist approach to exploring interactions in a focused site. In this case the boundaries are not synonymous with an organisation but go beyond, into what has been identified as a mini-field.

8.2. Introduction to the mini-field

The content analysis from Chapter 6 identified a few companies in Abu Dhabi who were more advanced in their SR then other organisations. During the interviews, it became clear that all companies that used an official SR framework (all used GRI) either had headquarters outside of the UAE or were part of a government sponsored organisation (Organisation 'X'). The interview sample included representatives from organisation X and the three listed companies that are part of this group. Since organisation X has had evident success, it was decided to investigate in more depth through an in-depth study of the organisational mini-field around Organisation X, and use this way to identify relevant social and institutional factors.

Of the three listed companies that are part of Organisation X, the interviews with the Bank Z proved particularly interesting: the organisation appears to be the most successful as far as SR is concerned within this sample and the data indicated specific social and institutional elements that contributed to this. Since Bank Z forms part of the mini-field around Organisation X, Bank Z was also considered worth further investigation. Both organisations welcomed the opportunity to contribute to the research. As discussed in Chapter 5, an in-depth study can provide further interesting data. In the vein of Spence and Rinaldi (2012), relevant employees were interviewed and relevant events observed. This included employees from both Organisation X and Bank Z, as well as attendees at two events organised by Organisation X. The data collected consisted of in-depth interviews, as well as the observation of an event and

short interviews. This variety of data provided interesting insight into the mini-field. A list of the data-collection for this phase was provided in figure 5.3. In order to uncover the details of the social and institutional factors, substantial time was spent with the team of Bank Z, and especially with Lucy Smith who seemed to be a key Institutional Entrepreneur. In order to fully understand the dynamics of why sustainability and SR were successful in Bank Z, personal background information, specifically Lucy Smith's previous experience, were investigated.

This chapter will first discuss findings from Bank Z, followed by Organisation X. The chapter will conclude with an initial discussion concerning the findings of the case study in light of Neo-Institutional Theory.

As with the findings in the previous chapter, interviews and observations provided a large amount of data. The personal nature of the data-gathering makes it impossible to provide an unbiased view. At this stage of the data gathering the researcher felt attached to the main characters. This helped create openness, but restricted objectivity. Also, deciding which aspects of the data to highlight is difficult. As in the previous chapter, the findings presented here started off as a long list, and as analysis was conducted and conclusions drawn. This chapter was summarised to its current state, which is the researcher's best attempt to include the most relevant aspects affecting social and institutional aspects.

Although fake names are used for the individuals and the real names of Bank Z and Organisation X are not mentioned, anonymity cannot be guaranteed given the limited number of potential organisations and individuals in the UAE that could be included in this research.

8.3. Bank Z

Bank Z is the largest bank in the UAE. The government has a majority stake in the bank, but it is also a listed company with shares publicly available without any restrictions. It publishes its sustainability reports on its website.

The bank's sustainability team has five members. The head, Lucy Welsh, a manager, Sarah Smith, and three sustainability officers Khadija Khan, Khalil Ahmed and Farah Makhtoub. Several interviews were conducted with Lucy, Sarah and Khadija. Although written in the third person, the study is meant to reflect their story. The case is divided into various topics discussed during the interview- and observation period.

Commitment from the top

All interviewees mention the importance of commitment from the top to some extent. This issue is best illustrated by comparing the experiences both Lucy and Sarah had with an ex-employer and Bank Z.

Most of the team members have had various roles in the area of sustainability, most notably Lucy and Sarah who both worked – at different times – for the Organisation Y, a Financial Centre in Dubai. Both left in frustration and explained that they have been much more successful at their current organisation (Bank Z) than any of the previous organisations, notably Organisation Y. What made/makes the difference between these institutions as far as success for sustainability is concerned? It is worth exploring the differences further to understand potential institutional and social factors that have played a role.

Lucy was the first one to join the Organisation Y. She is a naturalised Emirati who came to the UAE around 15 years ago, where initially she worked as a PA for the governor of the newly set-up Organisation Y in the early 2000's. The governor was one of the Ruler's protégés. She saw that Organisation Y was approached for charitable donations and felt the organisation could deal with them in a more coordinated and strategic fashion. She approached the governor, who agreed with her. According to Lucy, the sponsorship from the governor in those early days was critical. Lucy believes that his motivations were partly because he would believe good CSR would improve business, but mostly it would be good publicity for the organisation to be seen to be leading in the field.

The organisation paid for her to be educated in the UK on the topic of CSR. Apart from a university post-graduate certificate, Lucy went to UK companies to learn how they dealt with CSR, which was very informative. Upon her return, Lucy formed a CSR committee with like-minded people within the organisation. She was to report to the Head of HR, who had little understanding of CSR, and really was only interested in philanthropy.

International companies were joining the Organisation Y, and had sustainability requests, concerning, for example, recycling. Lucy's committee investigated the potential for recycling water, since all water, including for irrigation and toilet flushing, came straight from the mains. They made a proposal indicating how the centre could

recycle water and make considerable cost-savings, but at that time Lucy did not get any traction within the organisation. Her boss was not interested, and eventually she was discouraged and left to join Bank Z. Her job at the Organisation Y was to be taken over by Sarah Smith. Sarah found similar frustrations with not receiving the understanding and commitment from her boss, as well as a general lack of awareness and detachment within the organisation. She says: "if people do not have a long-term buy-in, if they do not care for the future of the community and are only here for the short-haul, it is very difficult to make any real long-lasting changes." She eventually joined Lucy's team at Bank Z.

Both Lucy and Sarah believe that one of the significant things that make a difference is the commitment from the top.

Networking

When talking about the early days of CSR in the UAE, Lucy mentions that what kept her going was a small group of peers who started to meet and encourage each other. These were people from, for example, the Centre for Responsible Business at Organisation A, a chamber of commerce in the UAE. Lucy recalls that they would regularly meet to learn and share about developments in CSR. Most of these pioneers are still in the region, now running some of the more successful CSR initiatives. She felt that the critical element in order to be a successful CSR professional is to not only be passionate about it and believe in it, but to have a supportive network of like-minded people.

Reporting lines

Several of the team members mention the importance of 'being close to the centre' and having 'understanding superiors'. The reasons for that can be explained through the development of what started off as a one-person CSR department and developed into the current sustainability department.

When Lucy first joined Bank Z, her reporting line was into a process and policies department, quite low down the chain. Her manager was very cautious, and didn't want her to make any big waves, but stick to what was safe. This meant that initially, Lucy had to stick with philanthropic and community events that were already in place, but she tried to make them more meaningful.

For example, Bank Z, like many other local organisations, regularly organised blood donation campaigns. Lucy tried to make them more relevant by analysing what was required in the Emirate. The high blood demand in the country is to a large extent due to the large number of thalassemia patients. The blood drive campaigns were now additionally used for raising awareness of thalassemia and employees were given the opportunity to be screened. Similarly, company health days were made more relevant, and rather than inviting plastic surgeons as in the past, employees were supplied with more holistic information about healthy living.

The big break-through came when a new strategy department was formed and headed up by a manager who already knew about Lucy's work. At the same time, the company was approached for ISO 2600 beta-testing, which was approved by Lucy's cautious boss as this was within his comfort zone and not considered threatening. The new head of strategy organised a slot for Lucy to present the ISO plans at the Executive Committee (Exco). Before entering the room, Lucy was approached by the head of policies, who warned Lucy that she was wasting her and the Exco's time – they would not be interested. Lucy, however, did not lose confidence, but went into the meeting. The Exco was supportive and inquired further into sustainability. Lucy explained that the company had lost business already and would lose more business if it did not become more sustainable. The example she gave was that of IRENA, who had recently set-up in Abu Dhabi. The bank had gone to visit IRENA, expecting, as the largest bank of the UAE and so obviously part of the DNA of Abu Dhabi, to be the bank of choice for this organisation. However, IRENA made it clear that they did not want to bank with Bank Z, which they considered unsustainable; instead they went to Standard Chartered, perceived to be more sustainable, as unlike Bank Z, they had generally accepted sustainability practices institutionalised.

The Chairman said to Lucy that they were going to be a sustainable bank from now on – without providing a clear definition, the rest of the Exco agreed, Lucy was transferred to the strategy department and given headcount and resources. From then on, serious work on sustainability could start. Lucy and her new team worked on a strategy. Initially they called themselves the CSR department and were often confused with Customers Service Representatives. They then moved to CR and eventually landed at sustainability, which is a better description for today's strategy of the bank. The bank

now has clear focus points for their integrated sustainability strategy with clear successes in for example, energy savings.

The above development indicates the importance indeed of 'being close to the centre', but also of awareness and support, as well as a working network for success.

Example of success: banking for the unbanked

One example which Lucy likes to talk about relates to the unbanked. When the bank really started to embed sustainability thinking, one of the areas where it could add value was for the unbanked. The sustainability team started to talk to other parts of the bank, which resulted in a special innovation team to focus on the unbanked. One of the products that came out of the sustainability thinking was "Ratabi" which is effectively a prepaid card to which employers can send salaries.

Until recently most labourers in the UAE were paid in cash, and people under a certain salary limit did not have access to banking facilities. It appears that workers' salaries were not always paid in time. The government introduced legislation in 2009, the 'wage protection system', under which all companies need to electronically pay the wages of their employees; the process is monitored by the Ministry of Labour. Lucy later realised that Bank Z's Ratabi initiative had influenced this government policy. Lucy is proud of the difference this has made to the daily lives of the most vulnerable in society. The bank has gained customers and they have gained protection. The bank is now building additional services around this, such as insurance.

Belief and adjusting behaviour

Lucy believes, firstly, that 'believing' in sustainability is the key. She certainly walks the talk by, for example, being the first western expatriate (and equally Emirati) that the researcher has met in the UAE who commutes to work by bus. Secondly, the key sponsor who enables everything is critical. Thirdly, she sees having the right reporting structure as important.

She feels she had to tone down her passion in the early years. She used to frighten people who often would not understand what she was talking about. If the topic did not resonate with them, it frightened them as it was out of their comfort zone. She has had

to learn to reign herself in, in order not to overwhelm people. In recent years she can be more herself as the topic is becoming more widely understood.

Emirati versus Expatriate

Apart from passion and resilience, it has been helpful for her to have insight into both the Emirati culture and the expatriate viewpoint. Lucy believes that there are many biases on both sides which hinder development. She sees the need for Emiratisation, but believes that jobs should not have 'Emirati' packages with higher salaries and different expectations from 'expatriate packages' as this raises unrealistic expectations. She believes that the government could sponsor Emiratis on non-work related matters like housing and education, but that jobs should be the same for everybody. Furthermore she believes that long-term expatriates should be given a future in the country with rights that go beyond the current short-term work permits only, in order to motivate them to contribute.

Sarah mentions that she believes that one of the key mistakes made in the UAE is expatriates believing they know all about sustainability without fully understanding the culture. Sarah has been in the UAE for more than ten years but admits one can never fully understand a culture and, therefore, she believes it is critical to get Emiratis in leading sustainability roles. The dispassionate role an expatriate officer may take can be useful in providing an objective point of view in sensitive matters. Bank Z, with 30+% Emiratis, has a nice mix. Khadija, a 27 year old Emirati female, doesn't believe in "labelling people by their nationality, every country has good and bad people." She likes the mix that Bank Z has.

People, culture and 'doing the right thing'

Sarah has been a sustainability officer for many years. She thinks that believing in the cause, feeling passionate about sustainability, is indicative of her generation. She says that sustainability in the UAE has for a long time not really been about the business case, but about people. She argues that the Islamic culture is based on doing the right thing for society and helping poor people. This culture has made CSR a well-liked area; people are sympathetic, as you are doing something good for society, even if they do not quite understand exactly what it is.

The importance of SR for the success of sustainability

All interviewees believe SR is important, but especially Sarah who is in-charge of SR in the bank. She believes there are three reasons why SR is critical. Firstly, publicity, "you have to show the 'bling' to get the payback". Publicity is key, and SR is great publicity as well as a tool to show the company's support for government policies. Secondly, Sarah refers to reporting as a 'weapon' providing a recent example of passport retention. Although no longer legally allowed, companies in the past would routinely keep employees' passports, only returning them for authorised travel. When Sarah inquired into the banks' policy around passport retention last year, she was assured that the bank did not keep any employee passports. This year, she discovered that this is not true. Thanks to the disclosure requirement, she was able to force the process to stop. Finally, she believes that 'what gets measured gets done' or at least, measuring and disclosing moves things. "Once you publish something then you can't stop doing it. This is one of the reasons why people are often scared of disclosure. This is related to the blame culture in the UAE, people are afraid to be found out."

Tipping point

A 'tipping point' for sustainability in Bank Z was according to Sarah the launch of the Hawkama- Standard & Poor's ESG index, where Bank Z is listed. It is the highest ranking bank, and although the index is not traded, the CEO places great importance as "it's the only measure a banker understands." The ranking is based on publicly available information, which makes disclosures critical to the extent that SR is now on the CEO's balanced scorecard.

8.3. Organisation X

Organisation X is a public private partnership initiative to champion sustainability in Abu Dhabi, which was launched in 2008. The 15 founding members were all semi-government organisations.

The organisation currently staffs a team of five, and for the purpose of this study interviews were carried out with Samah Khalifa, a female Emirati who was recently appointed as Head of the organisation, Hans Mainz, a Director who has been involved with the organisation for many years and Farah Maktoub, a young Emirati that recently joined.

Hans Mainz

Hans explains that the initiative came from the Governing Council of Abu Dhabi, who sent an invitation to the main organisations, which meant that joining up was not something they could refuse, but many had little idea what they were signing up to. Although SR is in the charter, Hans believes that SR is not mandatory for its members, but is encouraged. Organisation X is involved in capacity building, which means that the group organises on-going training and support for organisations to start and continue the SR journey. The training encourages them to build in-house expertise and capacity, which Hans believes to be more effective. In his opinion reports produced by consultants often do not have any effect on the actual sustainability performance of the organisations.

Drivers for joining Organisation X

As of April 2013, the organisation has grown to 41 members, and new interest is expressed mainly by semi-government organisations and international companies. Why do these 41 members engage in SR? The reasons are varied, but the main driver is that it is what the governments seem to indicate it wants, and hence companies comply. Other companies have a more inherent motivation into SR, for instance, Bank Z which has the right support from the top and expertise at execution level. The Hawkama-S&P ESG index has also made companies realise the benefit of providing proper reporting.

Government strategy – what does it want?

Although one of the main drivers is to comply with government expectations, the government strategy is not quite clear. In the last year there has been a sudden increase in interest both in new companies to join Organisation X and old members to take SR more seriously. Hans does not quite understand where this is coming from, but has heard there are rumours that the government is thinking of making it compulsory and believes some influential leaders must have indicated that they would like to see this happen. The opaqueness is typical for how government strategy works: Hans believes that only when SR is adopted by the majority of companies will the government consider making it mandatory.

Two major interest: Emiratisation and Sustainable Procurement

Organisation X has certain working groups. The topics were chosen based on members' discussions. The initial two groups are sustainable labour relations and sustainable procurement. As far as sustainable relations are concerned, the teams started to look at human rights related issues, but it turned out that the majority of the members really wanted to focus on Emiratisation, so this is now a key driver. The Executive Council has written to Organisation X and involved another government organisation charged with Emiratisation.

The sustainable procurement group is really starting to look at some of the value chain issues where a lot of awareness raising is still to be done. The international companies are a welcome addition as they are more used to be asked about these issues.

Emirati versus Expatriate: 'Capacity Building'

As already found in the previous chapter, there appear to be tensions in society as to the role of expatriates – are they here to stay or are they here to train the indigenous population? The relationship between the Emirati Head of Organisation X, Samah, and her right hand, Hans, illustrates the issue.

Samah has recently been appointed as the new Head for Organisation X. She explains that after graduating from a local university, she has had a few appointments in the government, the last one in the Environment Agency, which still financially supports Organisation X.

Samah explains that she relies for her capacity building on Hans and other colleagues in the Environment Agency. Hans especially, is tasked to bring her up to speed, providing an expatriate mentoring position to ensure that Samah will be able to continue to grow as an Emirati leader. She is very open about the necessity of having expatriates to build such capacity among Emiratis, and she prefers to be interviewed with Hans present, relying on him for certain technical questions. Their relationship seems positive, Hans speaks his mind quite frankly: for example, Samah was happy to hear that one of the big audit firms had applied for membership, but Hans warned her to be careful by about letting consultants join the group.

8.4. The HIWA-event: example of politics and language

One of the events regularly organised by Organisation X is a 'Hiwa' event. Hiwa is Arabic and stands for dialogue. The event observed provides a good example of the politics around transparency and the diverse levels of awareness and understanding of sustainability related issues. The observations will, therefore, be explained in some detail below.

In May 2013 there was a Hiwa event for both the new 'Vision Abu Dhabi 2021' and the 'Green Growth Strategy'. Panellists from various government related organisations presented a broad overview of how the government is currently working on a green growth strategy. An inspirational video was shown, displaying how the future of the nation will be built, with strong values and honouring tradition. The video displayed only Emirati citizens of the UAE.

Apart from a welcome speech by Samah, the event was in English. The panellists explained that detailed work was going into how to set goals per industry to introduce green growth, and referred to South Korea, which had already implemented this successfully. When the researcher asked which goals were being set, and which benchmarks were used to determine sustainability, the panel was not quite clear. After some discussion they reached the consensus that the vision meant that by 2021 the journey towards green growth should have started. The audience, and the panel, were very polite and respectful of all parties. Most comments from participants during the event were very positive about the initiatives, congratulating and thanking all involved. Words like 'first class', 'excellence', 'best practice' were used to describe the Emirate frequently. It seemed like everyone in the audience was keen to express political allegiance.

Before and after the event, there were networking sessions where the researcher had the opportunity to have short open interviews with some of the participants. Interesting was the diversity of awareness of sustainability among the audience itself. There were very well informed participants, like interviewees a, b and e (see figure 5.3. for background of the interviewees). Interviewee c seemed less aware. He joined a networking table explaining that he had a proposal. He suggested to start using reusable bags for grocery shopping, rather than the plastic bags supplied by supermarkets "they're already doing it in Europe" he said. He was obviously not aware that even in the UAE efforts had

been made to encourage the use of reusable bags for a few years. He expected his idea to 'go viral'.

The language on the networking occasions was completely different to that used during the formal event. All interviewees openly questioned whether the Emirate would really transform itself into a 'green growth' economy. A consultant who had been involved in the workshops to determine the strategy expected that the biggest benefit was indeed the awareness and education that would come, and hoped that the UAE would be able to teach other countries in the region. But education and awareness would not make the emirate sustainable; the only way to do that would be to make, for instance, petrol and water much more expensive. Whether the government would opt for such unpopular measures she considered questionable. Taxation in some form or the other would be the most efficient way to enforce more sustainable living. She tended to agree with interviewee b, who thought that almost everything about the society in the UAE was unsustainable; it was difficult to imagine that this could really be changed. Interviewee ehad a similar line of thought and found it difficult to imagine that real change could happen fast enough. He talked about the example of paid parking in Abu Dhabi. For the first two years, the meters were set-up, but not put in use, so people could get used to the idea. Now, people have to pay for parking, and complain massively, but it is more the inconvenience of getting a ticket from the meter in the heat than the AED 2 it costs to park.

The convenience topic was picked up by interviewees a and b, when discussing the solution of interviewee 1 that only price increases would help, interviewees a and b added that convenience here cannot be underestimated. People might well be ready to pay AED10 for a plastic bag at a supermarket, rather than having to bother with a reusable bag, reflecting the mentality of people that live here. "Back home" they all agree they would be more prudent with their money, but all had adjusted to the lifestyle of convenience in the UAE. Interviewee d added that if supermarkets were to charge heavily for plastic bags it might even become a status symbol: "I can afford to waste AED 10 on a plastic bag." One part of the solution, interviewee e added, needed to be a radical mind-set change, instilling a pride in preserving resources.

8.5. Analysing the Process of Institutionalisation

The above data show that Bank Z has institutional and social elements where SR is concerned, some relating to the interdependence with Organisation X. To explore these further, and to examine the extent of institutionalisation in Bank Z, it is useful to return to the model discussed in chapter 3 as presented by Tolbert & Zucker (2005), which maps out the process of institutionalisation. They describe the first step in institutionalisation as innovation or imitation – in either way a time of change for the organisation. This innovation or imitation will have one or more drivers: potentially there may be technological change, legislation or market forces that set the process in motion. What caused Bank Z to change it stance on SR? There were various direct drivers, the company had lost business to a more sustainable bank; the company was invited to participate in a beta ISO26000 giving it access to the Exco; the bank had passionate staff in place and a visionary CEO ; the ESG index was launched, highlighting Bank Z positively and lastly Organisation X was formed and Bank Z was invited to be a part of that. There are two ways to view this stage: on the one hand, these direct drivers led to innovation in sustainability and SR – none of Bank Z's local peers were very advanced, Bank Z had to find its way. On the other hand – SR was already practiced by international peers, and Bank Z looked, learned and, to a certain degree, imitated what they were doing.

Tolbert and Zucker argue that adoption will depend on technological and economic viability, and initially one can expect only a limited number of adopters. Implementing SR is technologically not very difficult, but, certainly initially, seen as a short-term cost; it is partly due to this cost that not many companies in the UAE have adopted SR wholeheartedly. Bank Z is indeed one of a few early adopters.

The second stage in institutionalisation occurs after the company has responded to the problem: habitualisation. Tolbert and Zucker identify habitualisation as: "… the development of patterned problem-solving behaviours and the association of such behaviours with particular stimuli" (2005:175). Evidence of this can be found in Bank Z: the organisation has been producing sustainability reports for some time, with processes in place concerning data gathering and reporting. One could argue that it is still not fully habitualised. Since SR is part of the much habitualised process of Financial Reporting, one could argue that being audited by an external auditor would indicate a certain level of habitualisation. In the case of Bank Z the organisation has

tried to work with external auditors for the last two years but has been unsuccessful in doing so: this may be due in part to the external audit organisations not having, as yet, habitualised SR auditing, but Bank Z itself has not been able to do this either.

Tolber and Zucker call the third stage of institutionalisation objectification. Objectification will lead to a more permanent status and accompanies the diffusion of structure. Tolber and Zucker (2005:176) argue that objectification "involves the development of some degree of social consensus among organisational decision-makers concerning the value of a structure, and the increasing adoption by organisations on the basis of that consensus." The move from habitualisation into objectification is often accompanied by theorising and inter-organisational monitoring. Bank Z has found some inter-organisational monitoring within Organisation X, albeit quite informal. Theorising of SR has happened globally: for instance, through the GRI standards and the Integrated Reporting Committee, but it has not happened on a local scale. Although the interviews show a certain need for localised standards, there is no evidence of any substantial action at this point.

One can argue that Bank Z is currently in the process of moving from habitualisation to objectification: the structure is not yet diffused; it is very personality dependent and it is unclear at this stage whether it is institutionalised enough, if staff were to leave, for the processes to remain unchanged. Much of the driving is still through Lucy Welsh personally, rather than it having become firmly part of the entire institution. The fact that Lucy says "I can be more myself these days" indicates that the institution has changed and has started to accept sustainability and SR as something that is part of what it does. In Bank Z's case the advocate from the top has been important, a possibility already indicated by Tolbert and Zucker.

The last stage of institutionalisation is sedimentation which relates to long term survival, for which it is too early within any of the local UAE companies forming part of this research. Tolbert and Zucker put the drivers: "positive outcomes; interest resistance groups and interest group advocates", between objectification and sedimentation. This research indicates some positive outcomes in terms of good rating at the ESG index and evidence of an interest group advocates through Organisation X only. No interest resistance groups are noted.

Within the sphere of Organisation X, there are also indications of companies homogenising as far as SR is concerned. This is caused in part by the pressures of joining Organisation X, and once joined, the interaction and joint capacity building through Organisation X led courses, seems to lead to homogenisation. The group grew from the initial 15 founding members to over 41 (May 2013), showing an increase in momentum in the emerging organisational field and likely increase homogenisation.

Mapping out the actual process of institutionalisation to date for Bank Z would show the following:
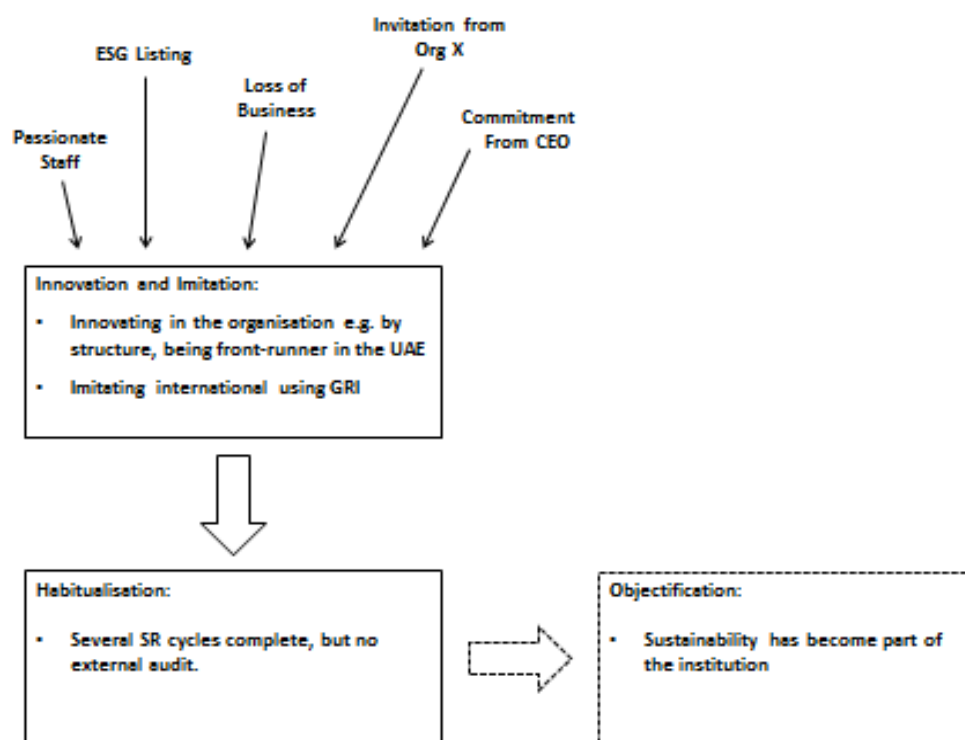

Figure 8.1.: Adaptation to Institutionalisation in Bank Z

8.6. The constructions of the mini-field

This chapter looks at a positive exception as far as SR is concerned in the UAE. Before bringing the data of all the phases together and start applying them to theory in the hybrid categories in Chapter 9, this section will reflect briefly on how this mini-field has been constructed and who the major players are.

As discussed in Chapter 7, the major players in the construction of the field of SR in the UAE can be attributed to the weak stance from the government, the cultural context which successfully blocks transparency as well as effectively avoiding regulatory

practices which would either need to conform to international norms, or would reveal the field to be opposed to SR. The anti-SR field is strong because it is tacit and fits in with pre-existing biases in the culture and is 'supported' by apparently non-action by the authorities. This construction has led to a situation where most companies do not see the need for SR, or if they do, it is minimal. It is hard to accuse anyone of having done anything wrong, because apparently they have not done anything. How, then, has the mini-field investigated in this chapter constructed a situation where SR is believed to be important and strategic? The role of the government has been more active in relation to this mini-field than generally in the country. The commitment from the top, already identified as important in Chapter 7, is in place in this mini-field. Chapter 7 also discussed the importance of networks, and the in-depth study in this chapter shows the effectiveness of such networks in the mini-field, both at organisational and individual level, in constructing a stronger case for SR. Lastly, individuals, who have similarities with what is called in the literature Institutional Entrepreneurs, play a very active role in this mini-field and have constructed an environment where SR is deemed strategic and important. Looking at the analysis of the state of institutionalisation, this positive field has not yet led to objectivication, but there are signs of habitualisation.

The in-depth organisational study discussed in this chapter shows in more detail some of the social and institutional elements that play a part in the SR processes in the UAE. The next chapter will analyse those relating to this study in this chapter, as well as those from Chapter 7, which will then lead to theory building.

Chapter 9 Analysis and Discussion

9.1. Introduction

Chapter 7 provided data-driven topics and chapter 8 showed an in-depth organisational study of relatively successful companies. In order to further understand the social and institutional factors that play a role, this chapter will analyse and discuss the data further. It will start by establishing relevant analytical topics emerging from the data at a general level. In this chapter this data will be analysed and, by going back to the various theoretical aspects of Neo-Institutional theory, applying them to the data described in Chapters 7 and 8, the hybrid analytical topics will emerge. Theory building will then occur and the chapter will discuss these topics, especially the interplay between institutional context and the action of agents in the data, which do not seem to be adequately explained by current Neo-Institutional Theory and only to a limited extent by the concept of the Institutional Entrepreneur.

9.2. Analytical topics

The following topics have been arrived at after careful analysis of the findings summarised in Chapters 6,7 and 8, the three phases of data collection and data analysis.

Analytical Topic 1: Organisational Fields

As discussed in the literature review, empirical peer reviewed research that studies the concept of organisation fields in SR is limited. However, Larrinaga-Gonzalez (2011) points out the potential role organisational fields may play concerning change. He discusses the possibility that groups of institutions may be homogenising if they have maturing awareness and increased interaction. Her examples are generally on a larger scale: for instance, she looks at global industries (see also Amaeshi 2007 and Arroyo 2012).

During this research, it was discovered that whereas on the whole SR in the UAE is embryonic, there are some networking groups that clearly influence companies within their network: Organisation A, Organisation B, and Organisation X. These groups may not be the larger organisational fields that Larrinaga-Gonzalez had in mind, but these 'mini-fields' obviously are of importance in the relatively small geographical area that is the UAE.

The UAE may be influenced by other global organisational fields like GRI, but these are outside the scope of this research.

Larrinaga-Gonzalez points at four areas that deserve attention when looking at Institutional Theory and change: initiating events; whether or not, and if so how, organisational fields evolve; what elements play a part in changes to coercive, normative and cognitive structures and what relationship exists between competitive forces and institutional structures in the process of institutionalisation. (Larrinaga-Gonzalez, 2011)

Initiating Events

The data shows some clear initiating events. Firstly, the ESG-Index (from Hawkema - Standards & Poor) is mentioned by several interviewees as important. Phrases like "It's an index, it's a number, it is what our Board understands." (interviewee 6) indicate the importance of outside legitimisation of ESG related activities. The importance of the ESG index also seems to be related to what interviewee 21 refers to as 'bragging rights'. In a related topic – the value of a company obtaining a general S&P rating, he explains: "Here, it's all about image. You'll hear one Indian businessman saying to another: 'do you have an S&P rating?' And he'll say yes, 'we're A'. And the other one will say 'we're AA' or whatever'. It's not that either of them are going to get finance and need a rating, it's just for bragging rights, to actually have a rating… that's why the ESG index….it's important … although it's not traded…. everyone wants to be rated." Apart from the 'bragging rights' of the ESG index, the ranking has also made companies realise what international companies may be looking for : "If we want to attract large pension funds into the region, we need to have our ESG sorted out, and we need to be transparent about it. The index is based on publicly available data, so this is a great incentive for companies to become more transparent." (interviewee 2) Is the ESG-index influencing homogenisation in an organisational field? There may be a larger organisational field emerging of Pan Arab Companies which are homogenising to improve their ESG rating, but this is beyond the scope of the current research which focuses only on the UAE. As discussed in chapter 8, topic 11, interviewee 6 clearly explains that her company was triggered into looking at sustainability due to them not being ranked in the index. The company subsequently joined Organisation X in April 2013 and has started preparation for its first sustainability report. To conclude, one could say that there may be a pan-Arab organisational field forming around the index, but that is outside the scope of the current study. What is clear is that the ESG Index is a trigger for companies to become more transparent, both driven by 'bragging rights' and a more genuine concern for sustainability.

Another example of an initiating event is international pressure. Interviewee 1 provides the example in topic 12 in chapter 7 of Qatar and the world cup, which will mean the country will come under "unbelievable spotlight" (interviewee 1). Other examples were the international media pressure concerning the treatment of labourers in the UAE, which initiated further activity on government and company level.

Losing business became an initiating event for Bank Z. As described in the in-depth organisational study of the mini field, the company was snubbed by IRENA, as the organisation decided Standard Chartered was a more sustainable bank.

Whether and how organisational fields evolve

The second point to be considered (Larrinaga-Gonzalez, 2011; Marguire 2004) is whether and how organisational fields evolve. As indicated, this study has identified three mini-fields. How did they evolve? Organisation B was a B2B initiative by business leaders, almost exclusively long-term inhabitants that have their roots firmly in the region. The companies are not listed and the interviewees that deal with the organisation indicated that the drive of those business leaders was their long-term stake in the region and their (family) businesses. The trigger was one western educated son of such a patriarch with a drive to do better business similar to that he had been exposed to in the west, and using his family's influence to bring these leaders together. It is interesting that it is this combination of long-term vision and relationships that are making this mini-field work. The influence of the government on this mini-field is smaller than with the other two. The ruler of Sharjah does endorse the organisation with his patronage, but the initiative and financial backing comes from the business community. Evidence of homogenisation is not apparent, which may be due to the fact that the initiative was only launched recently.

Organisation A, a chamber of commerce, is fully funded by the Dubai government, and for many years was the only one of its kind. Although most interviewees talk very positively about the organisation, this study does not have clear evidence of the exact impact of the organisation, and how homogenised the mini-field around it may be.

We have clearer evidence about Organisation X, which was clearly and openly initiated by the government of Abu Dhabi. Although the driving factors behind the initiation of the organisation are not clear ("it depends whom you talk to"), they appear to be a mix of reputational issues and genuine concern for the betterment of society. The organisation started with 15 members in 2010, but is growing rapidly, now including

non-government owned organisations. There is a clear commitment towards SR from the members of the group, and the organisation facilitates and pays for capacity building. These factors indicate that in order for a field to be successful in the UAE it is likely to require backing from an influential source, the government being the most likely candidate for this. Additionally, homogenisation is encouraged through increased interaction between companies and maturing awareness, both of which are facilitated through the training and events organized by Organisation X.

Influences on coercive, normative and cognitive structures

The third field recommended by Larrinaga-Gonzalez to scrutinise are the three pillars of Neo-Institutional Theory, these pillars will be analysed in order relating to the organisational fields. As discussed in Chapter 3, Scott's three pillars overlap to a large extend with DiMaggio's three mechanisms which are part of the basis of the Institutional Framework as used in this research. Since the work of Larrinaga-Gonzalez is the departure point for organisational fields in this study, and since he uses the three pillars, we will refer to these in this section of the analysis.

Scott (2008) talks about cultural-cognitive elements and explains that these are "shared conceptions that constitute the nature of social reality and the frames though which meaning is made" (Scott, 2008:54). For the UAE as a whole this research indicates that, with the low levels of awareness and education around sustainability, SR appears to not be given much thought by many companies. The most pronounced difference is evidenced through Organisation X. With the government and the companies, there may be a paradigm shift as to how sustainability is viewed. Since the government appears to indicate that SR should now be considered important, some companies are starting to embed that belief into their own organisations. Bank Z is a clear example, the interdependence between the government and the bank has led to a positive process as far as sustainability and SR is concerned.

Normative elements "introduce a prescriptive, evaluative, and obligatory dimension into social life" (Scott, 2008:54). Overall in the UAE, SR is non-existent or near to non-existent in most companies, and SR is something 'you just don't do' in these organisations. Again, the field around Organisation X is different. Influenced by a change in communication from the government, companies are homogenising towards including sustainability and SR into their organisation. The end goal, where sustainable

business, well measured and reported, becomes the norm, can only happen if sustainability becomes part of the 'DNA' of a company.

Scott calls it coercive regulative and defines it as follows: "Regulative elements stress rule-setting, monitoring, and sanctioning activities" (Scott, 2008:429). Organisation X does not set formal rules or sanctions ("we are just not that sort of organisation" – Hans Mainz), and, therefore, the coercive elements within the field can be considered weak. Within individual organisations, they are still weak for most organisations within the field. Not all data is available for all organisations in the field, but the state within Bank Z may be indicative: SR was included in the CEO's balanced scorecard for the first time in 2012 only. Rather than rules and sanctions, change is encouraged through influential people. Relationships, which are at the heart of the UAE culture, seem to be much more important. The monitoring element of coerciveness within organisations can still be considered weak, although Organisation X has a clear overview of at what stage each organisation is.

Relationships between competitive forces and institutional structures in the process of institutionalisation.

Research indicates that initially there are often economic or technological drivers for the institutionalisation of SR (Tolbert & Zucker, 2005); what evidence do we find in the UAE? There is no explicit evidence of these in any of the three mini-fields. The Organisation X members refer in their charter to the goal of the Abu Dhabi government to "achieve sustainable development, build a cohesive society and an open economy capable of global competitiveness". There is a growing awareness of the economic implications of not being sustainable as was evidenced in the case of Bank Z where the bank lost business as a potential client did not consider it sustainable enough. Other companies mentioned increased expectations of international partners and potential implications for an international value chain if companies do not become more sustainable. There are no indications of technological elements playing a role in this case.

Analytical Topic 2: The language of silence

The use of language throughout the various data categories has been very informative. A lot of the language appears political. In the annual reports, many companies, especially those with few disclosures, make seemingly political statements showing their allegiance to the government. Many reports show pictures of the rulers. A typical

example is Abu Dhabi Islamic Bank, which starts its report with a picture of "the late Sheikh Zayed, the first President of the UAE. Mercy be upon him" (Abu Dhabi Islamic Bank Annual Report 2010, p.1) followed by pictures of HH Sheikh Khalifa bin Zayed Al Nahyan, the current president, and his son the crown prince Sheikh Mohammed bin Zayed Al Nahyan. The brief statement ends with:

"I extend my sincere appreciation and gratitude to the leaders of the United Arab Emirates, particularly to His Highness Sheikh Khalifa bin Zayed Al Nahyan, the President of the UAE and Ruler of Abu Dhabi, may Allah protect him; and to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE Armed Forces". (Abu Dhabi Islamic Bank Annual Report 2010, p. 14)

Companies listed in Dubai will often have similar statements which mention Rulers of Dubai. For example, the Emirates National Bank of Dubai starts its report with a page of pictures – the first one is that of Sheikh Khalifa bin Zayed Al Nahyan, the current ruler of Abu Dhabi, but next to him is a picture of Sheikh Mohamed bin Rashid Al Maktoum, the ruler of Dubai followed by three pictures of other, younger members of the Maktoum family.

The relating sustainability statements are often similarly political. For example, ADIB starts its section concerning Corporate Social Responsibility in the report with the politically important subject of Emiratisation:

"A prime priority is encouraging the Bank's large contingent of Emirati employees to become top-notch bankers by enlisting in the Pioneer and Management Associate programmes that advance professional education and skills. ADIB also provides summer internships for talented UAE students, partnering with the Abu Dhabi Tawteen Council to create career opportunities for them and meet the demand for Emiratis to play a leadership role in the banking sector and advance the national economy.

In this respect, ADIB has led the banking industry in its drive to recruit UAE nationals and now has one of the highest Emiratisation ratios in the sector. Platinum sponsorship of events such as Careers UAE 2010, further highlights the Bank's commitment to building up its UAE national workforce by attracting and recruiting Emiratis." (Abu Dhabi Islamic Bank Annual Report 2010, p.34)

ADIB makes clear that its main responsibility to society is around Emiratisation, aligning itself with government policy. Referring to 'one of the highest ratios' is interesting, as there are no numbers or KPI's reported on any other sustainability related items.

During the interviewing, cultural sensitivities around taping interviews became clear. It was mainly the Emirati interviewees who were hesitant about having their interview taped. Interviewee 22, who is an ex-student of the researcher and consequently has quite a close personal relationship with her, did not mind the interview being taped. However, when the conversation turned to government policies and Emiratisation, he started writing and passing notes rather than verbally answering the questions,. The interviewer then offered to stop the tape and make some field notes concerning this topic, and later re-started the tape.

There appeared to be two different languages during the interviews and observation: one official language and one unofficial one. The official language is formal, polite, and always focused on what the government is perceived to like to hear. Hans Mainz was interviewed on several occasions, at one time together with his Emirati boss. Although they seemed to have a good understanding, his language during the interview was different to the one on one interviews conducted before and after.

Example of Hans talking formally, in the presence of his superior:
"the members decide what they consider the most important issues facing the Emirate… they believed that within the sustainable labour issue Emiratisation is most relevant."
And informally:
"we tried to engage them in human rights, labour issues etc. but all they wanted to talk about is Emiratisation"

More stark was the contrast during and after the HIWA event. Some examples of formal language during the event by interviewee 3 from the case study:

"may I congratulate the panel on such a clear summary of the strategic vision. I believe that Abu Dhabi is already first class in many things, like infrastructure. This strategy

will make it the most sustainable in the world. I have one question, with the goals for Abu Dhabi 2021, do we mean for them to be reached, or to have started the journey?"

And during the informal networking after the event:

"the society and economy is built on things that are often the opposite of sustainability….it's hard to imagine that that could really be turned around"

On the topic of language, it is clear that, like in other places in the world, people talk differently in public then they do in private. In the case of the UAE, the public language seems very non-confrontational and from this data, without exception, aligned to the government's policy.

What does this difference in language means as far as the institutionalisation of SR is concerned? SR seems to form part of the official language in organisations like the Abu Dhabi Islamic Bank. This is likely to mean that SR may be used to maintain the status quo in those cases, preventing any real change from happening. Other organisations, especially those that use the GRI framework are showing the role that SR can take in producing real change. Taking the successful example of Bank Z, which uses the GRI in its sustainability report and shows real efforts towards sustainable change, it seems that transparency and honesty is necessary for SR to contribute successfully.

Apart from the differences in public and private language there are some topics that appear to be taboo in public. Throughout the research it became clear that there are issues where people are hesitant to discuss things. Scott (2008) mentioned the fact that institutionalisation is transported through culture, and hence this cultural context is important. The report analysis showed that most companies did not disclose any items relating to SR. In a country with no real freedom of the press, and a culture that encourages discreetness, transparency is difficult to promote. There are certain sensitive topics which many companies tip-toe around. Human rights with respect to the treatment of labourers, has received most international attention, but the interview data show that there are other sensitive topics like aids, refugees and homosexuality. Aids, for example, does not officially exist in the UAE, and that being the case, any company that would, for instance, engage in aids awareness might upset the

government. Similarly, the UAE does not recognise refugees, creating another taboo topic around potential social responsibility. Practicing homosexuality is officially illegal in the UAE, and therefore a 'no-go' area for companies.

Is the silence around taboo topics something that affects SR apart from these topics not being present? As with the above mentioned official and unofficial language use, it appears that transparency and honesty is critical in order for SR and sustainability to move. However, interviewee 21 has just completed the first successful HR audit for a semi-government organisation in the UAE, and he says that: "we said, we know we won't be able to deal with collective bargaining, as that will just not happen at this stage, so we said, let's put that aside for now, and focus on everything else we can do." This attitude has meant an HR audit on other important issues, so there may be some merit in pragmatically ignoring some taboo topics for the moment and getting on with what is possible, or in the words of Lucy Welsh: "I'm like a dog, I'm able to bury a bone and leave it for a while, and come back to it when the time is right. That's how I'm seeing some of these sensitive issues at the moment. Not giving up, but pushing ahead with whatever is possible."

Analytical Topic 3: Politics

Throughout all the data the immense role of the government can be sensed. The "benign dictatorship" (interviewee 21) sets the tone, quite literally as well as figuratively. We saw that the government remains unclear about what sustainability stands for, hence leaving companies guessing what sustainability means for the UAE. The government clearly sets the agenda, as two out of the three emerging organisational fields are built around government organisations. Organisation X was started through due influence and support from the government. It is also government policy and influence that appears to prioritise the various sustainability related topics, making Emiratisation by far the most visible.

In Neo-Institutional Theory the role of government would be placed merely in the area of context (Scott,2008), which, in the case of the UAE seems to not be sufficient. The role of government appears to influence all three pillars. As far as cognitive elements are concerned, we have found that the issue of lack of empowerment in general in the UAE is reflected at all levels within organisations, hence creating a culture where staff and management wait to be told what to do. At a normative level, norms and standards appear to be directly linked to the norms and standards within the government.

Contrary to some of the concerns from other parts of the world where governments are considered weak, and following more powerful organisations, in the UAE it appears to be the other way around. "Just the way things are here" (Hans Mainz) seems to very much relate to how things are within the government.

The data also provides some insight as to what the sample of interviewees in unofficial language believe drives the government: "they can't take away any privileges, they don't want a Tunisia here; they don't want an Egypt here" (Sarah Smith). There appears to be a consensus that the government is especially concerned to keep their indigenous populations happy as "that's the way it works in a tribal society. The rulers can't be seen to disadvantage anybody; that would break the unity." (interviewee 21). This apparent need of keeping everyone happy seems to have some similarities with more democratic regimes, where important long-term decisions are difficult to take for a government that requires short-term popularity to remain in power. The advantage that the UAE government may have over such, more mature, democratic regimes is the fact that: "things can be done here very quickly. Back home (UK) it takes twenty years to build a patio… here they decide and just get on with it." Sustainability could be introduced quickly from that perspective but: "it depends on the strength of the government and their assessment on how it will impact them. They seem to have become more careful after developments in Bahrain." (interviewee 7).

Apart from politics at national level, there is, as in any part of the world, politics at organisational level which impacts the institutionalisation of SR in various ways. The inherently autocratic style of management reflects the style at national level, and brings similar issues. Staff, on the whole, seems to be less empowered, waiting for orders to be carried out: "the problem is that people are just not empowered… not used to taking initiative. It starts at the education system which teaches rote learning but not critical thinking… they take that into their work life waiting for directions… it's not much different for expats, those from the subcontinent don't feel empowered anyway, it effects everybody. Change cannot happen without empowerment." (interviewee 2). The above quote is representative of what other interviewees expressed as well. The influence of the educational system on cognitive processes in companies appears to create apathy. Normatively, the lack of empowerment in the culture influences the corporate culture as well.

Analytical Topic 4: Individual commitment ('belief') and connectedness

It is clear that there is a pattern of commitment to sustainability and belief in the importance of it among all organisations captured by the qualitative data. Interviewee 3: "It works as it's not just our job, we live it, we take it into our lives"; Lucy Welsh: "you can't be successful in sustainability if you are not passionate about it"; Sarah Smith: "our generation of sustainability officers… it's all about believing that it's necessary, that it's important and not giving up…finding like-minded people that believe."

Specifically commitment from the top is critical. This is not unique to the UAE, or unique to sustainability, it is certainly very important: "in this region, forget about processes, regulation… once the person in charge decides something is important it will get done – only then. I see very few heads of companies having those ideas with sustainability, including in government." (interviewee 3).

The importance of commitment of all levels of the organisation appears to be extra critical, as it is linked to the lack of empowerment discussed above and the general lack of regulation. "Everything here is about people" (Hans Mainz). Relationships are critical, and the patriarchal culture seeps through institutions, often seeming to 'set' them with as little change possible. So change, real change, is only likely to happen if that desire is clearly communicated by the committed patriarch – whether at government level (sustainability for the nation), organisational level (sustainability and SR) or family level (individual sustainability commitments). When we accept that in the UAE 'everything is about people', then institutionalisation itself will always be limited to the people in the institutions. In a more process driven society, sedimentation (Tolber and Zucker, 2005) is more likely to stick, as processes remain after people change. In the UAE however, we have not yet seen evidence of sedimentation. If we look at the case study, we see that a critical part of Bank Z's institutionalisation lays with Lucy Welsh, the Head of Sustainability, and the supportive visionary CEO. The CEO described in the case study is leaving Bank Z (May 2013) and Lucy Welsh says: "we hope the next one coming in comes from an area where sustainability is already in place." She effectively says that she hopes the new CEO comes from an environment where sustainability was institutionalised. "The CEO needs to understand sustainability otherwise it will become vulnerable" (Lucy Welsh). Lucy Welsh understands that without commitment from the top, sustainability at Bank Z may suffer, especially since

its institutionalisation is still vulnerable as it has not reached sedimentation, and in a culture that is 'all about people' it may never reach that stage.

The influence of individuals on the institutions seems to be impacted not only the personal 'belief', but also by other personality traits. Those individuals that seem truly committed also show great resilience. Lucy Welsh sees resilience as key. Her successes have been due to her resilience, and she compares her behaviour to that of a dog. She says sometimes her ideas did not get any traction, and in those cases, like a dog burying a bone, she would do the same with the issue, but then come back to it later at a more opportune moment.

After one of the interviews Lucy writes a mail which includes the following text:

"I've been thinking about your research and there is one thing I wanted to raise that I didn't mention in the interview and that is about how lonely it can be in an organisation when you are trying to convince everyone that the changes required are for the right reason and at times it can feel that you are the only one who understands what you are trying to achieve – it sort of goes with the resilience required. That's why the networks that you build are so important."

The above text points to the personal attributes of successful committed individuals. Not only do they need to show great resilience, most of them attribute much of their success to a deep connectedness with like-minded individuals.

Interviewee 1 mentions: "we keep meeting, no matter where we happen to work at the time, we support each other and encourage each other when our direct colleagues may not understand. These people are more than just contacts, as sustainability for us is more than just a job… without these connections I think most of us would have not had the successes we've had."

Interviewee 4 agrees: "without the support of my fellow CSR friends in other organisations I would probably have given up."

The researcher found a very active 'inner circle' of professionals who displayed both the belief and the resilience. They met regularly, often over more than ten years, to push the sustainability and SR agenda. Throughout various roles, and often with various organisations during their career paths, these individuals remain strongly

connected through a bond of professional friendships. The additional attribute found with these individuals was a strong desire to connect with like-minded individuals, who were all, without exception, very open to sharing and to including anyone interested in the issue. This connectedness has made the current research successful, as this circle ensured access for the researcher throughout the contry. Once introduced through this circle, the researcher was never refused an interview, and the level of trust created through these referrals became clear through, for instance, the fact that no company rejected any request for an interview.

As the first analytical topic showed that organisational connectedness is important for SR to thrive, the same appears to be true for connectedness on an individual level. Sustainability professionals in the UAE meet regularly, and explicitly recognise the importance of this connection for their professional success.

Analytical Topic 5 – Subtle success factors: the interplay between organisation and individual

In the many examples interviewees talked about, success seemed to depend on small details. The data show that a large part of success seems to depend on how successful the individual interacts with the institution, which could be described as the extent to which individuals are able to subtly adjust their behaviour, and also how they manage and expand their circle of influence. The other side is the institutional discourse which can either help or hinder sustainability and SR.

Many interviewees mention the necessity to adjust their behaviour in order to maximise success. Interviewee 4:"Depending on whom I am talking to, I unconsciously gauge what is acceptable, what is not? For example, some business heads are much more perceptive, and I can suggest more aggressive targets, whereas for others I would just loose them if I sound too radical."

Some of the professionals talk about 'holding back' at times in order not to alienate people around them. Lucy Welsh mentions that "these days, since sustainability has become more mainstream, I can be more myself". There seem to be subtle unwritten rules of behaviour. The professionals know (or test and find out) that in order to have some success they, at times, have to tone down their language and ideas to make themselves and their ideas socially acceptable. Ironically, sometimes they need to tone down language concerning sustainability so that at least one step forward can be taken. If they come across as too radical, they may not get anywhere at all. They also mention

how the ideas around sustainability and SR are constantly in flux: "I keep testing the waters, after the crisis I felt I couldn't push forward as much, people were just concerned about survival, their own jobs, putting aggressive targets just wasn't going to work. This year, it seems easier. I think it's to do with a new awareness and sustainability talk from the top." (interviewee 6)

Although not all interviewees mention it explicitly, they often seem to use their circle of influence, and make efforts to expand their circle of influence to push sustainability and SR issues. The data show that interviewee 2, a Big 4 Partner with a passion for sustainability, has used his circle of influence to make sustainability a mainstream topic in his organisation. Increasingly, as they see him prioritising sustainability, more junior staff who share his belief come forward with new ideas, whereas before they may have been hesitant as this may not have been perceived as socially acceptable. Interviewee 14 mentions: "over the years I know that I need to have the key stakeholders on board before I officially float an idea… I really wanted us to start reporting under GRI, but they just didn't see it… all that effort and expense, for what? I needed to campaign with the key decision makers… talk with them unofficially… show how it could help them, make them look good. For example, we were at this networking event and one of our competitors was there. I know him, he also understands sustainability, and we used to be together at my previous employer. He knew of the resistance against reporting in our company.   I brought [key decision maker] and this competitor together and congratulated the competitor on their report… it just went from there. It makes so much more impact if the benefits are explained by someone like that."

Interviewees often describe both helpful and unhelpful situations which may have helped or hindered sustainability and SR. Both Lucy and Sarah were successful in pushing the sustainability and SR agenda in some organisations they were employed in but not in all; Why were they successful in some organisations but not in others? Most aspects appear to relate to the connectedness or lack of it with allies who could help push the agenda. Interviewee 1 says: "some companies are just not ready, there's no point in trying to talk if they are not interested in listening. Some of us are unable to get successes in one company, because they are not ready, or because they don't get the right exposure, but then they may do well in a more congenial situation."

Analytical Topic 6: Vulnerability of ethnically diverse groups and cultures

The UAE has a unique blend of 'locals' and 'expats'. The consequences of these demographics appear to impact institutions in various ways. Firstly, there is the concern of the indigenous population about losing their heritage and culture. Institutions follow government efforts, for instance, through providing mass weddings and hence encouraging marriages between Emiratis rather than Emiratis marrying expatriates, but more important is the issue that Emiratisation has on companies. The government is driven to ensure wealth and prosperity for the permanent part of the population, which translates to companies being instructed or persuaded to provide jobs and careers for Emiratis.

Emiratisation affects institutions in several ways. Firstly, most companies officially view Emiratisation as a priority. For some sectors the government has introduced quotas. It is arguable whether this is the most effective approach to deal with the issue, but that argument is outside the scope of this research. Emiratisation impacts expatriates in several ways. Lucy Welsh: "there are some odd ideas out there… I met some other expats in the kitchen during Ramadan, and they were discussing whether they would lose their jobs due to Emiratisation." and: "we will always be second-class citizens. Expats don't generally speak out, it's not their country, they don't want to lose their job." (interviewee 13) These quotes and the results from the data-driven topic 'Emiratisation' indicate that at least some expatriates feel vulnerable, which may lead to them not speaking up, and hesitant to change.

Emiratis, on the other hand have their own issues: "I am not in favour of the quota system…when I was a student I was paid to officially be an employee, but I never went to the company, it was just for them to fill their quota… there are lots of places where Emiratis just get a place to sit, no work experience, nothing, just a quota number."(interviewee 22) also: "it's working, not perfectly, but slowly more Emiratis are entering the private sector… although it remains a problem for many families, how can you explain that you are working harder for less money than your brothers, sisters and cousins?" The complexities of Emiratisation would warrant a thesis on its own. What is clear, however, is that the perceived or real vulnerabilities of both the Emiratis and expatriates weaken the potential for change in institutions, and hence hamper real progress in sustainability and SR.

The overall transient nature of the society, caused by the majority of people with no rights to settle permanently in the country cause a specific issue, and gives the feeling that some companies are paralysed. More suitably aware, well qualified, and intrinsically motivated Emiratis in positions of power may help in shifting the focus to a more long-term perspective and could thus enhance the status of SR in companies.

9.3. Discussion and Analysis

I will now explore the application of Neo-Institutional Theory to the current empirical research and discuss potential areas for elaboration of, and contribution to, the theory. In Chapter 3, the various aspects of Neo-Institutional Theory were discussed, and summarised in figure 3.2. These issues will be discussed in light of the data gathered through the three phases and through the focus of the research question. A summary of the enhanced framework, which is part of the contribution of this thesis, and which is discussed below is displayed in figure 9.1.
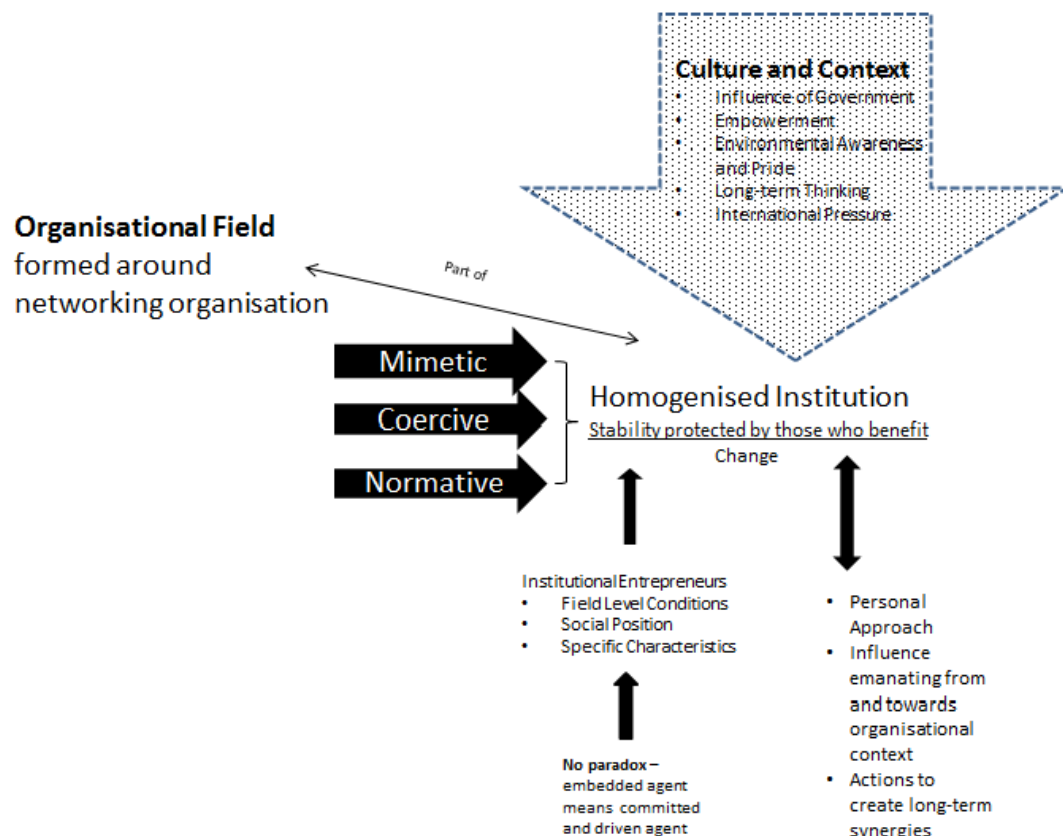

Figure 9.1. Enhanced Institutional Framework

Our main research question concerns the social and institutional aspects that affect SR and how they may impact change. Can DiMaggio's three mechanisms provide further insight into these social and institutional aspects? First, we will look at individual mechanisms in turn. Are there any mimetic elements at play that encourage institutional

change in favour of SR? There is some evidence. Interviewees mention the potential international pressure to conform to SR in some selected cases. Also, the ESG listing has created some pressure. Most mimetic action has been seen around the three networking organisations. Companies within these mini-fields have started to change and started to look at SR more seriously. For example, networking organisation X specifically mentions SR in its Charter. Being government owned, other governmental companies within that network feel pressure to conform.

There is mimetic behaviour in the broad field which militates against SR. Since many companies do not do it, others do not feel any pressure to do it either. The fact that there is limited understanding and sustainability is seen as a cost rather than a benefit by many companies has led to companies choosing to ignore SR, and mimetic pressure to conform.

What coercive elements are at play in the UAE? Again, evidence is strong that the balance of coercive elements is against SR. The few companies that are looking to achieve legitimacy and mention political issues as part of their consideration, all seem to be part of one of the three mini-fields identified. With the lack of regulation and very little pressure otherwise, the coercive element is weak. Since many companies have limited awareness about SR to start with, and generally do not get questioned internally or externally about SR, there is no pressure to legitimise themselves through SR. If legitimisation is sought, it is generally sought in selected areas like Emiratisation, as we saw in the disclosures in the report. This is different for the companies identified in the mini-fields. Here, there is a push for legitimisation as the peer group within the network has an increasing awareness of the importance of the topic.

Lastly, what are the normative elements effecting SR at the moment? The process of thought is affected by the short-termism permeating the UAE society. As discussed earlier, the short-termism seems to be caused by a variety of reasons, one of the main factors being the large number of expatriates in the country. Another issue around normative change leading to SR relates to the general lack of critical thinking skills in the population. Overall, the chances of normative elements leading to institutional change around SR can, therefore, be considered weak. Normative elements affecting the potential for professionalisation specific to the UAE , are mainly focused around the lack of empowerment. Quotes like "what difference can we make" (interviewee 22) and "it's just the way things are here" (interviewee 15) express an apathy and lack of

empowerment. Also, there is clear evidence of the importance of the influence of individuals rather than process or institutions ('all about people'), so if these people do not show that SR is important, then that causes pressure against SR to develop.

The three mechanisms discussed in the literature review in chapter 3 have been found in this research. All three mechanisms are present in the UAE and hence have been depicted in Figure 9.1. They have, in general, stronger forces against SR and weaker forces for SR. This explains the fact that, on balance, SR is not a priority for most companies. From a Neo-Institutional perspective, the expectation would be that there would be no serious SR in this field, given the balance of the three mechanisms. However, in addition to the 'window dressing' apparent in phase 1 of the research, phases 2 and 3 have identified a mini-field which seems to buck the trend. The research has shown us that SR is slowly being institutionalised in some organisations in the UAE, as became clear in the in-depth study in Chapter 8. This may be due to other, more subtle, elements which play an important role concerning action and the potential for institutionalisation of SR. Some of the more recent literature calls for an analysis of individuals who can work as catalysts pushing the institutionalisation of SR. In the 'hard case' of the UAE there are indications that such catalytic action may be occurring and this has significance in developing our conceptualisation of how such action and actors do indeed influence instutional change

The institutionalisation process

Since the vast majority of companies do not produce any significant SR, it is clear that the institutionalisation process for those companies has not yet started. Tolbert & Zucker's model of institutionalisation was applied Bank Z in chapter 8. We found that this company is somewhere between habitualisation and objectification, with diffusions of structure not yet happening and serious concerns whether sedimentation will be able to take place. In a country that is 'all about people', all stages of the institutionalisation process will depend on commitment from influential individuals in the government and in the organisation. In the UAE it is clear that institutionalisation is influenced by individuals within organisations as well as individuals being influenced by institutions. For example, the employment history of Lucy Welsh shows that she was influenced by organisations where she previously worked in the sense that she was unable to implement any SR and start an institutionalisation process. In her current employment, the interaction between her and the organisation is such that SR has started happening and the organisation is in the first stages of institutionalisation.

Organisational fields and homogenisation

The research has found evidence of emerging mini-organisational fields. They were analysed as a topic in the previous chapter. These mini-fields play an important role in SR in the UAE, and may provide a key for future success. It is not possible at this stage to examine whether there is a business case for SR for UAE companies. However, the organisational fields are growing and due to the network organisations at the heart of these fields companies are homogenising. In a similar way, Bebbington et al (2009) found some institutionalisation is happening as companies are attempting to 'fit in'. This research has thus confirmed the relationship of organisational fields on institutions as already discussed in Chapter 3 and the relationship depicted in figure 3.2. and hence remains in figure 9.1.

Isomorphism

As discussed in Chapter 3, Meyer and Rowan (1977) highlight the isomorphism which results in institutionalisation:

"The Impact of Isomorphism with environmental institutions has some crucial consequences for organisations: (a) they incorporate elements which are legitimated externally, rather than in terms of efficiency; (b) they employ external or ceremonial assessment criteria to define the value of structural elements; and (c) dependence on externally fixed institutions reduces turbulence and maintains stability."
(Meyer and Rowan, 1977:348)

What evidence have we found of the above three assumptions in this research? As far as the incorporation of elements that are legitimised externally, rather than in terms of efficiency, there is not much evidence in the UAE. Since we established that external obstacles and drivers, on balance, lead to stronger forces discouraging SR than forces encouraging it, there has been little need for many companies to engage such elements. One exception though is the 'image and reputation' factor. Throughout the themes we found companies being concerned about topics that were desired. For example, philanthropic projects or efforts for Emiratisation were most mentioned. For many companies, covering those themes would be considered all that is required. An example of unfavourable topics ('taboo topics') is that of labour relations. In, for example, Germany, large companies have workers' councils which will have a great element of external legitimisation. Such cannot be found in the UAE. In fact, the 'language of silence'as discussed in analytical topic 2 creates strong forces to not

disclose anything in this area. The 'image and reputation' element has often resulted in the establishment of a Sustainability Department with a budget for charity. Some of the examples of companies that fell in the Output Category 2 and 3 in Chapter 6 appear largely symbolic with image and reputation in mind rather than the organisational efficiency.

As far as external or ceremonial assessment criteria is concerned, there is a keen culture of awards and prizes. Much of the reporting by Output Category 2 and 3 companies, for instance, emphasised awards, ribbon cutting and other gestures, which on the whole were more symbolic than efficient. For the companies that have taken SR to a higher level, the external assessment criteria appears to be GRI. It can be argued that the use of GRI itself is evidence of institutionalisation, as well as homogenisation and is looked upon to 'reduce turbulence and maintain stability'. This also explains the nervousness around changes in GRI by many of the interviewees If GRI itself is not considered stable, then this may be threatening the stability of SR in the institution. Another external institution of significance is the government, which has great influence, and indeed appears to maintain stability. For any change in institutionalisation to happen, government would need to indicate desire for such change, either through formal legislation or other influence.

Applying Meyer and Rowan's principles to SR in the UAE, it appears that isomorphism is only likely to take place if the government enforces such change given that there is already significant isomorphism against SR which is sanctioned, mainly informally, by the government. If GRI should become mandatory, isomorphism is likely to take place fast; however, the depth of the commitment to SR would still be questionable. Other external ceremonial assessment criteria and external drivers appear too superficial to be of real influence. As became clear in Chapter 7 and 8, lack of long-term thinking and lack empowerment and limited environmental awareness and pride in acting sustainably hamper effective pressure on organisations. And although there is some international pressure, this does not suffice in most cases to create real sustainable change. This, on the whole, ineffective context is depicted in Figure 9.1. The arrow is patterned, rather than solid, as the relationship is clear, but the actual elements in the UAE to create change have been found to be weak.

The role of Institutional Entrepreneurs

Throughout the data gathering process, the importance of agents became clear, especially at the level of sustainability of the SR professional. To what extent are these individuals Institutional Entrepreneurs, in the sense of the current literature? In Chapter 3 three dimensions relating to institutional entrepreneurship were discussed: field-level conditions; actor's social position and specific characteristics. We will analyse these in turn in relation to the data.

As discussed in Chapter 3, literature suggests various potential field-level conditions. Greenwood (2002) mentioned crises or jolts like social upheaval, technological disruption or regulatory changes as field level conditions that may drive institutional entrepreneurship. These field level conditions will not only affect Institutional Entrepreneurs, but institutionalisation as a whole. They seem to relate, to some extent, to the initiating events discussed under the analytical topic 'organisational fields' before, with the most obvious jolt being the various environmental crises the world, and this region in specific is facing. More specific to the concept of Institutional Entrepreneurs is the actor's social position. The literature does not seem to have reached consensus on whether actors at the margins of an organisational field (Garud et al, 2007), or at the centre, are more effective. Di Maggio's definition that effective Institutional Entrepreneurs require both the interest and the resources play a big role. This study found that many of the actors are in fact at the centre of their organisation, or seem to be most effective when they have a central position. We saw that both Sarah and Lucy were employed as sustainability and SR professionals by various organisations, and both of them were most successful when they were at the centre of an organisation, both in terms of formal position as well as their social position. These central positions meant they had easier access to resources to pursue their goals. Similar examples can be found with interviewees 4, 14, and 19, who could be considered more successful in pursuing the sustainability and SR agenda, they can all be considered quite central to their institution, in line with findings of Greenwood and Suddaby (2006). This contrasts the assumptions from for instance Phillips and Tracey (2007), who argue that agents at the periphery are most likely to be efficient Institutional Entrepreneurs. Contrary to what the literature suggests, not all successful SR professionals in this study had a lot of social capital. It seems that their personal commitment and belief to the importance of sustainability and SR overrides the lack of social capital.

The third element of Institutional Entrepreneurism, specific characteristics, is also evident in the data. The literature mentions cultural sensitivity, political skills, efficient handling of discourse and intuitive flair. These have all been clearly displayed in the data and described in the analytical topics before. What may be under-developed in the literature is the importance of the connections between these Institutional Entrepreneurs.

The three elements described in chapter three as Field-Level Conditions, Social Position and Specific Characteristics play an important role in this exploratory research. They are thus maintained in Figure 9.1.

At the heart of the Institutional Entrepreneurship debate is the paradox of the embedded agency. The data show clear signs of this paradox. The language of silence (as described earlier), i.e. the unwillingness for people to speak up, is caused by the way they are embedded within organisations. They are not independent of the organisation, and hence are influenced by the culture of non-transparency. More important in the case of the UAE, is the vulnerability of certain expatriate groups (as discussed in chapter 7), meaning that they are less likely to act as Institutional Entrepreneurs. There are, however, clear exceptions as just mentioned above. Sarah, Lucy, interviewees 1, and 14 and 19, are all examples of effective entrepreneurs. They individually seem to have solved the paradox through factors such as a strong personal commitment and belief in sustainability and SR as well as strong connections with supportive like-minded agents.

The paradox of the embedded agency as described in Chapter 3 has been found in the data, but interestingly, and not mentioned in the literature before; there are individuals that seem to have solved the paradox. Figure 9.1. has hence been adjusted to depict the fact that these individuals create change through their embeddedness as it enhances their drive and motivation.

9.4. Flexing the institutionalisation process

As we have seen above, Neo-Institutional Theory appears to explain to a large extent, the state of affairs concerning SR in the UAE. The dynamic of the forces against SR would appear to overpower the forces for SR. However, some of the more subtle and nuanced facets of the data do not seem to be fully explained by the current Neo-Institutional literature. Chapter 7 showed the importance of the interplay between the institutional context and the action of agents in the situation. These are in part discussed

under the umbrella of Institutional Entrepreneurship, but some important facets are missing or under-developed. There are three aspects that would enhance our understanding of institutions and Institutional Entrepreneurs if we add them as mid-range level theory to the current Institutional Framework. These three aspects can be explained as follows:

1. Personal approach

The data shows that the personal approach of the agents involved is not only influenced by the organisation, but the approach of key agents in their turn can influence and create change within institutions. The role of such individuals may be described as Institutional Entrepreneurs. The findings of this study depart from current literature, as key facets are the belief in and commitment of the individual to the cause of sustainability and SR. Successful individuals also have shown a long-term approach and resilience.

2. Influence emanating from and towards the organisational context

Although current theories around Institutional Entrepreneurs acknowledge that influence emanates both from the organisation to the individual and from the individual towards the organisation, our findings provide further detail. Committed individuals tend to seek out organisations open to their ideas, and committed organisations influence their staff. In every case there are helpful and unhelpful situations which more successful individuals intuitively deal with. Examples of helpful situations may be short reporting lines to committed senior people; committed executives; an advanced level of institutionalisation, and a culture of empowerment. Examples of an unhelpful context are general low-levels of awareness; a culture of apathy and short-termism; hierarchical organisations where SR professionals may have to 'battle' through many layers of management.

3. Actions to create long-term synergies

The need for explicit efforts to increase and sustain connectedness both from an organisational point of view as well as from an individual point of view, are key pointers to success. Successful organisations and successful individuals invest in relationships with like-minded institutions and individuals and create long-term synergies. They are able to be flexible in their approach and behaviour and are ready to invest in gaining influence and using it for the long-term goal of furthering the sustainability agenda, of which SR is a part.

The three elements of the Personal Approach, the Influence emanating from and towards organisational context and the Actions to create long-term synergies have not been found in the literature before, and were hence not included in Figure 3.2. The fact that through these elements the organisation is influenced by individuals as well as individuals influencing the organisation is an addition to explaining institutional change and hence is depicted in figure 9.1. Since it is not just the institution that influences the individual, but it is also to individual that influences the institution, the arrow points in both directions in figure 9.1.

The three elements discussed above add to Neo-Institutional Theory, including Institutional Entrepreneurship Theory, at a mid-range level. The Institutional Entrepreneur, according to the literature, may suffer from the paradox of the embedded agent. Although the paradox has been found in some organisations in this study, exceptional cases were identified where individuals have overcome this paradox, which will be called 'Sustainable Institutional Entrepreneurs'. Traditionally, institutions are often viewed as static, despite some calls for a more flexible approach; for instance, through carving entrepreneurial space in institutions. This study finds that for the organisations under review, it appears that the pillars are more dynamic and, apart from the three pillars, it is more subtle elements that help or hinder institutionalisation. The data is topic (sustainability and SR) and geographic (UAE) specific, but may well be an indication for Neo-Institutional Theory overall. The researcher has thus enhanced the Institutional Framework by these elements as pictured in figure 9.1. Institutions are not as static as previously thought, and the influence of the three subtle elements permeate the institution, influencing institutionalisation. This study will refer to these elements going forward as the weaving elements.

9.5. Contributions to Theory

After the discussion and analysis above, it is useful to summarise the key findings that this study contributes to Neo-Institutional Theory.

The study confirmed that Neo-Institutional Theory provides a useful lens to explore SR, especially in combination with the available work regarding Institutional Entrepreneurs. Neo-Institutional Theory helps to explain the balance of forces for and against SR as follows: As discussed in 9.3, there are strong mimetic, coercive and normative forces working against the implementation of SR and weak forces working for in it the UAE in general. However, there are exceptions. This research shows that

when there is a combination of a supportive field through a networking organisation, along with driven and committed individuals, 'Sustainable Institutional Entrepreneurs' are able to create change in favour of SR.

However, studying the hard case of the UAE helps provide insights which could extend or contribute to Neo-Institutional Theory. Firstly, they relate to the mid-range theoretical contributions concerning the weaving elements; second is the development of the concept of the Sustainable Institutional Entrepreneur; and third is the critical role connectedness between entrepreneurs in successful institutionalisation.

The first contribution relates to the finding that institutions may be more flexible than often presumed. Weaving through the institutionalisation process are the elements: the Personal Approach, the Influence Emanating from and toward the Organisational Context and the Actions to Create Long-Term Synergies. Some of these factors overlap with what the current literature describes concerning Institutional Entrepreneurs. This research builds on that knowledge, expanding the importance of connectedness with like-minded individuals (within and outside their organisation) as well as a strong belief in the cause and commitment and resilience to affect change. As mentioned before, these connected Institutional Entrepreneurs work with less self-interest than normally attributed to them and the term suggested is that of 'Sustainable Institutional Entrepreneurs'. The paradox of embeddedness as described in the literature is turned around as it is this embeddedness within the organisation that drives the Sustainable Institutional Entrepreneur.

Another finding is the confirmation that organisational fields, at least in the UAE, do indeed play an important role. They do not need to be large, global fields, but can be more localised and are termed 'mini-field' in this research. They require three major elements to thrive: a networking organisation, a presence of the three weaving elements throughout membership organisations and the presence of Sustainable Institutional Entrepreneurs throughout the field. Further research may explore other geographical areas to map and understand such fields better.

Although culture is recognised as an important contextual aspect influencing institutions in Neo-Institutional Theory, this study found that specific cultural elements were in fact a major force that determined whether any institutionalisation could take place. The findings concerning the language of silence and taboo topics were critical and more than just a contextual influence. For example, in phase 1 we found that when

companies disclose, they tend to focus on topics which are seen to support the government, such as Emiratisation, or other 'safe' topics like philanthropy. Companies that do minimal SR tend to use formal language, with political statements.

This study also found that the transience of the UAE society, and specifically the effect of the more vulnerable expatriates, has a great influence on any institutionalisation process. This aspect has not previously been considered in Neo-Institutional context. In the UAE this is perhaps uniquely explicit, but similar effects may be found in other geographical areas with specific vulnerable groups in society. Vulnerable employees, whose residency depends on their job and who feel threatened by Emiratisation behave in a risk averse manner. This, combined with the traditional power distance related to this culture, leads to lack of empowerment and resistance to change.

Analysing the influence of government also provided interesting insight. The government influences subtly – not through legislation or clear demands as a shareholder, but through building networks and relationships nudging companies to change.

They key finding that runs through the study is that of the importance of connectedness. Only where individuals, organisations and governments connect for the benefit of sustainability and SR does positive institutionalisation seem possible. The key connections run through a network of Sustainable Institutional Entrepreneurs and their connections. Especially in the cultural context of the UAE the explicit support of the government, as in the example of Organisation X, is critical. In order for positive mimetic, coercive and normative forces to gain strength, networking organisations need to connect various organisations in order for this isomorphism towards making SR the norm to happen. Key individuals to drive the change are Sustainable Institutional Entrepeneurs who have specific characteristics. These characteristics are similar to those described in the literature for Institutional Entrepeneurs, but in the hard case of the UAE, these include additional characteristics like long-term commitment and resilience. In order for such Sustainable Institutional Entrepreneurs to be successful, they require a strong network of like-minded individuals.

In this chapter the data-analyses has been completed through the final analysis of the data into hybrid categories (Analytical Topics), applying these findings to the Institutional Framework and discussed the contributions to literature. The next chapter will now revisit these findings through directly answering the research question and stating the additions to theory, empirical research and practice. It will be concluded by recommendations for further research.

Chapter 10 – Conclusions

10.1. Introduction

This chapter provides the final conclusions of the thesis. The chapter starts with answering the original research question, followed by a discussion of the contributions to literature and practical application of the study.

The main research question asked in this study is:

"What social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change?"

The main research question is broken down into the following subset:

a. What are the practices of SR disclosures in the UAE?
b. What do companies currently disclose, and what is the variation between companies?
c. Why do these companies choose to disclose or not disclose their environmental and social activities?
d. What social and institutional factors impact the current state of affairs?
e. What is the potential for change impacted?

10.2. Answering the sub - research questions

We will start with the sub-questions, followed by drawing overall conclusions of the main research question.

a. *What are the practices of SR disclosures in the UAE?*

Phase 1 of the research mainly looked into the practices of SR disclosure by investigating the annual reports of 137 listed companies in the UAE. The main finding was that overall there is an absence of SR disclosure. Of the 137 companies investigated, only 19% (26 companies) did mention sustainability in any form. An analysis of the history of SR disclosure going back to the years 2008, 2005 and 2000 shows that SR disclosure was non-existent in 2000 with a rising trend from 2005. It can, therefore, be concluded that practices of SR disclosure in the UAE are embryonic. Since disclosing is the exception, it is appropriate to say there is a general absence of SR disclosure. It may be that there are institutional forces operating against acknowledgement of SR. Given that there is an increase in SR around the world and

increasing professional expectations amongst accountants that SR is increasingly a standard practice, the UAE exhibits a different set of behaviours. This may relate to the socio-political context of companies in the UAE and little formal support and, what appears to be informal opposition, against SR. These possibilities were further explored in phases 1 and 3 of the research which focused on exceptions. These companies tended to be part of an organisational field around Organisation X.

b. *What do companies currently disclose, and what is the variation between companies?*

This sub-question was also answered through the analysis in Phase 1. Although there is a general absence of disclosure, a small group of companies has started to disclose. Their reports were analysed using a localised tool which was specifically designed for this study. For the majority of the companies, there was little depth to their disclosures. Some specific local issues, like Emiratisation, received significant attention by the disclosing companies. There were only a handful of companies that produced substantial reports, only four companies used a specific SR standard, in all cases this was GRI.

c. *Why do these companies choose to disclose or not disclose their environmental and social activities?*

As we are operating within the social constructionist paradigm, ultimately we do not know for sure why individuals and institutions do what they do, but we read (in phase 1) and hear (in phase 2 and 3) their words and see their behaviours. From this we have analysed patterns of sensemaking which means that we can assert frames of thought and social dynamics. We are equivocal about language use, but it appears that the small number of companies that do disclose, generally have the following in common: they say they do this because of perceived or real encouragement from the government and motivation from the figurehead. There is evidence to support that such companies are also often part of an organisational field, but whether this membership triggers the desire for SR or the desire for SR triggers the membership is not clear. Additionally, as described above, there is evidence that the weaving elements influence institutionalisation of SR and hence influence whether companies get to the stage of actually disclosing their sustainability activities.

The three connecting factors that weave through institutions that successfully report SR are largely missing in the vast majority of companies that do not report. Additionally, there are a variety of other reasons. The lack of definition and strategy from the government provides little incentive. Where there is government support, for example, through governmental networking organisations, SR seems to be taken more seriously. Low levels of awareness within companies, customers and shareholders, do not create urgency for SR. The issue that individuals within organisations and its stakeholders often view SR as a cost rather than a benefit, and even sustainability itself as a mere add-on rather than a strategic advantage creates a situations where companies on the whole seem to prefer to do nothing as far as SR is concerned. There is no evidence of local regulation that would encourage SR. Additionally, there appear to be aspects of the traditional culture that advocate discreteness rather than transparency. Specifically, there seem to be certain sensitive topics like human rights and labour rights that companies avoid. Lastly, GRI, the globally preferred framework, appears to be considered to be a western invention, and SR in general appears to be perceived as a western concept – a concept that perhaps does not fit locally and is therefore not deemed to be a priority

d. *What social and institutional factors impact the current state of affairs?*

We now have a better understanding of the relevant social and institutional factors. These are a general lack of awareness and education, a transient society causing short-termism, an economy built on attracting companies through the low-cost of conducting business and lack of empowerment among employees and autocratic company cultures. Additionally, cultural and religious aspects affect the state of affairs both negatively through the resistance to transparency and positively through the long tradition of charitable giving. Emerging organisational mini-fields have a positive influence. Institutionalisation is effected by politics, both at national and corporate level, as well as the use of language and silence around sensitive topics. These elements were discussed in detail in chapter 8 as separate analytical topics. Institutionalisation is also affected by the presence or absence of the three weaving elements defined in Chapter 9.

SR professionals play an important role in companies with strong reporting. They can be described as Institutional Entrepreneurs who successfully influenced change in their organisations. However, the current literature concerning Institutional Entrepreneurship

does not completely explain the current role of SR professionals. What tends to make them successful is connectedness with like-minded individuals (within and outside their organisation) as well as a strong belief in the cause and commitment and resilience to affect change. This goes beyond the 'interest' that is normally attributed to institutional entrepreneurs: in this case the interest is a more altruistic passion. Chapter 9 therefore introduced the term Sustainable Institutional Entrepreneur to describe such individuals.

e. What is the potential for change impacted?

On the face of it, the current state of affairs is unlikely to change, unless clear commitment comes from the government to raise awareness levels and encourage SR. Formal regulation, if enforced and matched with adequate support, may help. Finding a local solution to SR, which uses the religious and cultural aspects to an advantage, could encourage change. Also, the problem of the transient society is likely only to be overcome by letting fewer foreigners in or allowing long-term residents to become permanent citizens, both solutions would have massive political and economic implications. The in-depth organisational study showed an example of success: the main institutional success factors identified were commitment from the top, sustainability officers with belief, awareness and security through Emirati nationality, encouragement from government, external forces legitimising the need for sustainability and support through a capacity building and networking organisation. Successful change for other companies is likely to require similar elements. Individuals looking to encourage change would be best served to use their personal approach and action within institutions most effectively. They also need to be fully aware of the influence emanating from and toward the organisational context.

So, on the face of it, government seems the major driving force, Other stakeholders appear more willing than in other countries to accept both their overt edicts and their tacit/informal references. This appears to be the case for a variety of reasons discussed earlier, relating to culture, lack of empowerment and lack of awareness. However, beneath the surface, the role of connectedness, passion and resilience of individuals plays an important role. Individuals in the form of Sustainable Institutional Enterpreneurs resist the social forces that drive companies to accept the status quo around the current state of affairs of SR. These individuals seem to be able to do so partly due to personal traits like resilience and a firm commitment to sustainability. There is also is evidence that these individuals tend to be less vulnerable than other

employees. There is strong evidence that networks and individual connections with like-minded people are crucial to the success of these Sustainable Institutional Entrepreneurs.

The weaving elements affect not only businesses, but also governmental organisations. Whatever change has occurred has been due to these connected individuals, and future change is likely to be dependent on that. The case of Organisation X in chapter 8 provides a good example of synergies that occur when weaving elements connect government and business.

10.3. Answering the main research question

After having discussed the sub- questions, it is time to reassess the main question:

"What social and institutional factors impact on the current state of affairs concerning the disclosure of social and environmental reporting of listed companies in the UAE and how do they affect the potential for change?"

In the global arena, it is generally accepted that SR is now institutionalised, as many international companies are disclosing their SR activities (Hoffman, 1999 and Larrinaga-Gonzalez 2011). The process of SR is in itself a form of institutionalising sustainability. But what is the evidence for this in the UAE? We have seen that very few companies are currently pursuing SR at all, indicating currently a lack of institutionalisation. As discussed in Chapter 3, Di Maggio and Powell (1991) have found that the institutionalisation of SR only takes place with late adopters; the companies that are the first ones to implement SR do so because economic and technical issues rather than institutional. If this were the case, the few companies that are serious about SR at the moment in the UAE should not show much evidence of institutionalisation as they could be considered the front-runners. However, if these companies are considered on an international scale, they would not be considered early adopters but followers.

Chapter 7 provided a list of drivers that affect the current state of affairs, and chapter 9 looked at related analytical topics and discussed elements found in the data that add to the existing body of knowledge concerning SR and institutionalisation. Figure 9.1. brought these ideas together, portraying the possible elements that may effect change. All of these emerged from the research and have been discussed in chapters 7, 8, and conclusions made in Chapter 9. The literature currently mentions the organisational

fields, but the individual need for connectedness has largely been left ignored. The organisations and SR professionals are depicted as interdependent since the study has found that influence emanates from both. The effectiveness of the individuals depends upon their personal approach and action as discussed in Chapter 5. The role of government and society, including the effect of prevailing cultural aspects, also play a key role as do international market forces.

How could these elements be brought into force to encourage institutional and social change in the UAE?

The key to changes seems to lie specifically with the government, institutions, SR professionals and international parties and connectedness through passionate and resilient individuals weaving a web of change throughout these organisations.

Throughout the research the critical role of committed and connected individuals has become clear. They will be a key to change within business and government. These institutional entrepreneurs can create further synergies if the supporting weaving elements are present. Are these individuals Institutional Entrepreneurs as described in the literature? Chapter 3 discussed the literature concerning Institutional Entrepreneurs. Our study found that the individuals that cause change within the institutions under review do not necessary have the social capital some of the literature suggests. The literature suggests that Institutional Entrepreneurs act if it is in their interest, interest implied in a capitalist kind of way. The successful change agents in this study are often ideologically driven with a strong sense of commitment and belief in doing what is right. Yes, they believe it is in their interest for businesses to become more sustainable, and part of that will relate to their personal career interest, but an important part of the interest is importance of sustainability for humanity.

The Institutional Entrepreneurs do not necessarily have great social capital, although where possible it is used and built, they know and have learnt how to deal with it. The sense of importance of the issue also creates great resilience – over and above what might be caused by being career driven.

At the heart of all of this is the connectedness, between individuals within institutions, but also between institutions in organisational fields, between institutions and governments and even in society in general and across societies. It seems that when concern for sustainability is a driver, individual drivers are less egocentric, less money

focused and less short-term focused. The researcher suggests the term Sustainable Institutional Entrepreneurs for such individuals. The paradox of the embedded agency as described in the literature unfolds itself in the institutions included in the study: Sustainable Institutional Entrepreneurs are 'stuck' in organisations, dependent on the institutions for their employment and being part of the culture. For the Sustainable Institutional Entrepreneur however it is this very 'stuckness' that inspires and activates the ideology. All agents in this study for one reason or another were working in institutions that form part of one of the worlds' most unsustainable societies. They are also ideologically driven to create change for the better. It is this very embeddedness, this being part of the institution and the society, that drives these Sustainable Institutional Entrepreneurs.

Apart from the role of the individual, is the prominent role of the government. Unlike in some more mature economies, companies and individuals in the UAE clearly look to the government for guidance. The government itself is however restricted. The 'benign dictatorship' (interviewee 21) is limited through various demands. Although not democratically elected, the government appears to have to balance many different needs, specifically in the light of some political unrest in neighbouring countries and even in the UAE itself. These limitations currently seem to have led to a soft approach when addressing social and institutional issues: legislation that enforces sustainable behaviour from companies is very limited.

Lastly, it is the institutions themselves that have a clear role to play, and as the data-show, connectedness of institutions through organisational fields appears to have the biggest chance of success. Connectedness with individuals, specifically SR professionals, is critical through the influence emanating from and towards the organisational context. SR individuals themselves can and do influence change, the connectedness with like-minded individuals is key, as well as their personal approach and the way the plan and execute action as explained earlier.

Will the UAE be able to make these changes? The research has shown that some genuine efforts are being made. However, as long as there is no clear direction and understanding how much needs to be done by when, individual corporation efforts for SR are likely to be inadequate. Companies do not have a conscience, but neither does a country or a government. Especially in a country where relationships define most things, change will have to come from individuals. Individuals, whether they have

responsibility in government, corporations or as consumers would be served well by the understanding that it will be their individual commitment, belief, resilience and adaptability than can make a difference.

On reflection, in a brutal desert climate, on a planet with limited resources, one has to ask whether building huge cities is sustainable for mankind and the planet. At this time, neither governments nor companies seem inclined to ask that question in the official language. Since this question remains taboo, any encouragement for institutional change of which SR would need to be part in order to become sustainable, is likely to remain inadequate. The findings of this research under 'practical application' later in this chapter may provide guidance to individuals keen to encourage change.

After having discussed the findings in the light of the research questions, it seems appropriate to specifically ponder the findings that contribute to the literature as well as discuss practical implications of the findings.

Empirical contribution

The United Arab Emirates and the region are under-researched in management and accounting. This study contributes to the understanding of SR in this socio-geographical area, as well as the wider areas of accounting and reporting. The conclusions from this study only relate to the current data-set, but provide interesting insight. Contributions can be summarised as follows: The empirical evidence shows that SR in the UAE is weak. As discussed in Chapter 6, most companies do not make any SR disclosures in their annual report and very few produce a stand-alone Sustainability Report. A detailed analysis of what is disclosed is available in Chapter 6. For companies that choose to disclose, the emphasis tends to be on community and charity, and especially the specific topic of Emiratisation and related topics the cultural and religious context of the UAE.

Chapter 7 provided evidence that there are fourteen key topics that influence the field of SR in the UAE, these include the lack of awareness and education, a lack of regulation, the importance of commitment (and in many cases the lack of commitment) from individuals, organisations and society; the importance of both individual and organisational networks and the (lack of) transparency.

Since this is the first study of its kind in the UAE, the above findings contribute to the knowledge about the SR field in this socio-geographical area.

Contributions to Theory

As discussed in Chapter 9, there are indications that the Institutional Framework can be enhanced. Elaborating on what has been seen to date, it is useful to re-emphasise the role the cultural context plays. Elaborating on what has been seen to date, it may be useful to consider re-emphasising the role of the cultural context in the use of Neo-Institutional Theory. Examples of culture related influences may include the influence of the government, (lack of) empowerment, vulnerability of groups in society, (lack of) environmental awareness and pride (lack of) long-term thinking and (lack of) international pressure.

The importance of organisational fields is well documented and the literature suggests these are large, often global, fields. This study confirms this, but also provides some initial evidence that some language and behaviour in the data set was not easily explicable by the 'large field' approach. Hence, in order to understand action at a local level, the idea of smaller, 'mini-fields' was introduced. It has been argued that these may have an important role to play in change; in the case of the UAE successful SR was only apparent among companies that were part of such a 'mini-field'. The positive encouragement of peers in those networks provided positive forces to aid change in favour of (more) SR.

The institutional literature pays less attention to networks between individuals from within and outside the organization. This exploratory research indicates that such person-to-person networks were experienced as being particularly important for those who were trying to make change. The research suggests that individuals looking for institutional change need the support of like-minded individuals to make this happen. Neo-Institutional Theory recognised the importance of individuals through the concept of Institutional Entrepreneurs, and the importance of organisational connection through organisational fields.

Institutional change is a two-way street. The literature currently suggests that institutions impact individuals more than the other way around – embedded agents struggle to create change. This research suggests that the interplay between institutions and individuals takes place at a more subtle level. As explained in Chapter 9, the importance of the 'Personal Approach', ' Influence emanating from and towards the

organizational context' and 'actions to create long-term synergies' to a large extent impact on how and whether institutional change happens

This research indicates that successful Sustainable Institutional Entrepreneurs have a strong belief in the importance of sustainability and SR. They also show resilience and personal commitment.

Building on the current theories, which indicate that influence emanates from both the organisation to the individual and from the individual towards the organisation, this research adds detail. Sustainable Institutional Entrepeneurs tend to search for organisations that are open to their ideas. Also, staff is influenced through the commitment displayed by an organisation.

The evidence indicates that both individuals and organisations do well when they make explicit efforts to connect and create long-term synergies.

Recommendations for further research

This research is based on an initial approach seeking empirical evidence of SR and, therefore, the empirical conclusions relate to the data-set investigated only. However, the findings provide an interesting starting point for future research and the potential for generalisation through theory.

This study has found that social and institutional factors are often more subtle than previous research indicates. Findings of the three weaving elements and the concept of the Sustainable Institutional Entrepreneur are effectively based on a small group of companies that are successful in spite of hindrances like the language of silence and the short-termism prevailing in society. Exploring similar detail in others settings, and indeed in areas other than SR would be useful to test this concept. Similarly, it would be useful to further explore the three weaving elements that influence institutions.

The empirical findings discussed above provide interesting insight into the UAE.It would be useful to investigate these issues in other researched areas, especially in neighbouring countries of the UAE such as the Kingdom of Saudi Arabia, to provide a comparison.

Practical implications

Apart from contributions to the body of scientific knowledge, a DBA thesis needs to provide contributions that can be applied to practice. The current study provides

indications for effective practice to individuals, institutions and government. Even at this practical level though, it is important to note that these thoughts are based on the data used in this study, and hence are intended as ideas which might raise questions or possibly inspire others to reflect on their own practice.

Individuals

For individuals seeking to activate change within institutions as far as SR is concerned and even change in general, it may be useful to understand the three elements weaving through institutions facilitating change.

1. **Personal approach**

   Agents need to be aware that an underlying, long-term commitment to the cause of whatever it is they are trying to institutionalise is key. This long-term commitment to and belief in the necessity of institutionalisation needs to provide a personal resilience of the professional. Agents need to be ready to 'bury the bone and dig it up later' in a combination of flexibility and long-termism.

2. **Influence emanating from and towards the organisational context**

   Professionals need to understand the dynamics of their influence upon the organisation and vice versa. In order to maximise changes of success, agents are advised to look for institutions that are most likely to respond positively to their efforts. The place of the individual in the formal hierarchy needs to be considered, where shorter reporting lines to a committed senior executive are generally favourable. An advanced level of institutionalisation of SR and a culture of empowerment may also be helpful.

3. **Actions to create long-term synergies**

   Agents should invest in long-term connectedness with like-minded individuals to ensure long-term success and motivation. They also need to be ready to be flexible in their approach and behaviour and be prepared to manage their circle of influence to benefit change.

Institutions

Like individuals, connectedness with like-minded institutions is critical, establishing an organisational field, or joining one if this is available, is a priority. Also of importance is the connectedness with individuals that can positively facilitate and influence change.

These individuals can be employed or external relationships can be maintained. The institution needs to actively encourage institutionalisation by encouraging supportive environments. Institutions also need to be aware of the effect vulnerable individuals may have on the process of institutionalisation.

Government

The advice provided above to institutions and to individuals counts equally for government institutions and individuals employed by or dealing with government. Additionally, government has a clear role to play in providing an appropriate legislative and tax regime. In the UAE specifically, the government plays a key role in developing the nation's critical thinking skills and general education, as well as allowing and encouraging empowerment. The short-termism in society to some extent caused by the majority of the population not being given any long-term citizenship rights is also a problem only the government can solve. Implementation of a mature tax and reporting regime, as well as appropriate legislation will also depend on governmental action.

Chapter 11: Reflections – a humbling journey

This chapter presents my personal reflections of my journey through the DBA program. It is now five years since I started the journey to find a suitable program. After reflection and advice I settled for the Heriot-Watt DBA program, which objectively seemed to be a fine program, although some of my academic colleagues expressed concerns about it being as 'good' as a traditional PhD, since it is a DBA and an 'online' program. My research had convinced me of the rigour of the program, although I had some unease about not knowing who my supervisor would be.

The modules were interesting, and especially those relating to statistics made me face some old demons from my college days. Passing these increased my confidence. I started to read up on Accounting for Sustainability early on, and started a small interview-based research project, so by the time I came to the proposal stage I had some ideas in mind.

It was at the proposal stage that my transformation really began. I was assigned a mentor, Professor Kay, and although we only ever communicated by email, he was a truly transformational teacher. When I started the proposal stage, I was keen to be efficient, and finish the DBA as quickly as possible, with as little effort as possible. I suggested a research question and plan, where I already 'knew' the answer, not taking any risks. By the end of the stage I was humbled, motivated to learn and develop and very keen to truly contribute. One sentence from Professor Kay that stayed with me was "if you are researching without knowing what you are going to find, that is when you are contributing."

It was thanks to this mentor that I could approach my new supervisor with a more mature attitude. Another humbling experience was to find that I was assigned a phenomenal supervisor, Prof Beech from St Andrews, and reading his work helped me get over whatever had remained from my CFO/Investment Banking ego. I knew little and had much to learn.

The research phase has been the most formative phase of my life in the last twenty years. I see the world differently, and as Prof Beech says: "there is no going back." I have become more reflective and acutely aware of how our lives are driven by emotion rather than fact. The world of great scholars has opened up to me, and reading articulate thoughts about issues I barely grasp is a great joy.

Throughout my DBA years I have been able to disseminate some of my new learning. I have spoken at local conferences; organised a panel discussion at my university; provided a practitioner workshop on sustainability reporting and engaged in several roundtables and discussion groups concerning GRI and Integrated Reporting from a Middle Eastern perspective. I have published a chapter in *"CSR in the Middle East – Fresh Perspectives"* and published in Emerald's *South Asian Journal for Business Research.* Through my membership of the Members Advisory Board of the ICAEW I have been able to suggest an award for sustainability reporting which was awarded for the first time in December 2013. I had to privilege to be a judge for this award. I have also proposed a new course at the American University of Sharjah for our accounting majors concerning Accounting for Sustainability. The ICAEW sponsored the production of video material for a teaching case study based on the work Bank Z is doing for the unbanked (as mentioned in Chapter 8). I hope this case study will inspire the next generation: change is possible.

I have made many new friends among the growing group of professionals passionate about the topic.

I am not used to speaking in superlatives. I am also not easily impressed or intimidated professionally – or at least I had not been for many years, but meeting and being guided by two genuinely excellent teachers, Prof Kay for a short while, and Prof Beech who has profoundly influenced my thinking, as well as being fortunate enough to learn from the research of other truly inspiring minds like Dr Gray and Dr Bebbington has changed me. I now realise rather than 'finishing' I have not yet scratched the surface, I am excited to get started.

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APPENDICES

Appendix 1 Examples – Annual Report Abstracts

Category 2 – Sustainability mention, but no separate section.

Example 1 : Gulf Pharmaceuticals, abstract from page 6

Values

- Integrity
- Respect for People
- Teamwork
- Performance

- Innovation
- Customer Focus
- Leadership
- Community

Example 2: Du, abstract, from page 17

partnership with the American University of Dubai to provide free Internet access for the University's students, in line with our commitment to developing Emirati talent.

We also sought to support expatriates by extending reduced calling rates to Pakistan during the flooding in the summer of 2010 to help maintain contact between family and friends. In addition, our employees also raised more than AED 140,000 for disadvantaged orphans and victims of the flooding in 2010.

A key corporate citizenship focus in 2010 was the 'Pink Ribbon Initiative', which was launched to support breast cancer awareness. This was designed to build solidarity for the cause, increase awareness and raise funds. The entire pink ribbon concept was reflected across du's digital channels and our employees participated in a Pink Walkathon to promote awareness around the disease. An educational video was also created by Dr. Mansoor, our Director of Medical and Occupation Health Services, which was showcased at our retail outlets.

Our community involvement

In addition to our ongoing community involvement efforts, such as blood donation drives, the Ramadan Cup Football Tournament, and our continuing work to help those less fortunate such as providing 70,000 meals during Ramadan, we launched a number of new community initiatives.

Education has been and will remain an important part of our CSR strategy. In 2010, we formalised a

Category 3 – Separate section of sustainability, but merely descriptive, no evidence of clear strategic policy.

Example: Abu Dhabi National Insurance pages 25 and 26

Our Corporate Commitment to the Community

Our corporate philosophy embraces a commitment to improving the quality of life in the community. At ADNIC, we always seek to play a vital role as a major employer and significant contributor to local charities.

During 2010, we contributed and participated in several community events across the UAE through lending our support, facilities and staff.

- **Blood Drive**
- **Terry Fox Run Against Cancer**

Blood Drive

Terry Fox Run Against Cancer

Our Social Activities - Balancing Work and Social Life

ADNIC recognizes the importance of balancing work with social life activities. Therefore, we have established a committee, ADNICity Life Committee, which seeks to balance our employees' work and social life by engaging them and their families in social activities.

ADNICity Life Committee is an approach to employee relations that helps us in our continuous strive to be the Employer of Choice in the insurance industry.

- Annual Family Day
- Annual Ramadan Iftar
- ADNIC Health Day

- Weekly Football Matches
- Cricket Team

Annual Family Day

Annual Ramadan Iftar

Weekly Football Matches

Example: MAN Industries

MAN
Industries (India) Ltd

CORPORATE SOCIAL RESPONSIBILITY

Successful global businesses have the power to make a real difference. Economic performance and social responsibility can go hand in hand, when there is a genuine consideration of our impact on the communities and the environment in which we live and work. True global companies must foster good relations with customers, communities in which they operate, nation and bear the responsibility of the impact their activities have on environment and society.

MAN has 2 Manufacturing Plants in operation in India. All these plants are certified ISO 14001: 2004 and OHSAS 18001: 2007 for its Environmental Management and safety System. The initiative of obtaining this certification is purely based on Man's Environmental and Safety Policy.

Each year, on World Environment Day, we contribute to this global effort with activities such as planting of tree saplings and promoting environmental protection awareness amongst our plant employees through an exhibition van sent by the State Pollution Control Board. To observe National Safety Day, we celebrate the entire month as Safety Health Environment Month at all our manufacturing facilities. Our main objective is to promote safety, health and environment protection to our employees, their families and our local communities.

Pollution Prevention Pays is our way to engage employees to work for Green Projects like Recycling, Reuse, Reduce Recover. Employees who come up with innovative ideas, aimed at protecting the environment, are recognized by the MAN Leadership.

To fulfil its obligation towards society and environment, MAN Industries has undertaken and contributed to the below mentioned welfare activities:-

* Plantation of trees at the vacant land at Khedoi production facility and at other various locations, to improve the scenic beauty and to contribute in maintaining ecological balance.

* For education of poor, orphaned and underpriviledged children.

* By Depositing the Professional Tax of MAN Industries employees with Khedoi Gram Panchayat under the Gujarat Government Scheme, wherein, the amount is to be utilized for the development projects for the village.

* Setting up of stalls on the occasion of "Pad Yatra" by villagers to "MAA Ashapura Temple" during "Navratri" festivities.

* Contributed towards Kutch Ran Utsav, a fair organized for promoting Kutch District to attract investors and contribute towards creating employment opportunities and development of earthquake effected Kutch.

* Contributed towards developmental activities conducted by Local Communities.

With safety, health and environment protection high on its corporate agenda MAN is committed to conducting business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of the quality of life of its employees, customers and the community.

In addition, we have a number of employee welfare activities for plant employees like educational scholarships for children, emergency loans and the like. On an annual basis, office-based employees collect books, clothes, blankets and such other items and donate them to charities.

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Example: Abu Dhabi Islamic Bank

A prime priority is encouraging the Bank's large contingent of Emirati employees to become top-notch bankers by enlisting in the Pioneer and Management Associate programmes that advance professional education and skills.

ADIB also provides summer internships for talented UAE students, partnering with the Abu Dhabi Tawteen Council to create career opportunities for them and meet the demand for Emiratis to play a leadership role in the banking sector and advance the national economy.

In this respect, ADIB has led the banking industry in its drive to recruit UAE nationals and now has one of the highest Emiratisation ratios in the sector. Platinum sponsorship of events such as Careers UAE 2010 further highlights the Bank's commitment to building up its UAE national workforce by attracting and recruiting Emiratis.

Although every effort is made to provide job security, ADIB will not – and does not – tolerate poor performance. However, through proper training and development of the UAE nationals in the workforce, the issue of job security is replaced with a focus on career growth and development. This in turn increases staff productivity and the overall contribution of UAE nationals, better positioning them to play a meaningful role in the development of the country's economy into the future.

For the past five years, ADIB has facilitated the organisation of mass weddings for UAE nationals and members of the Emirates' tribes. This is a tradition revived by the late President HH Sheikh Zayed bin Sultan Al Nahyan (may Allah bless his soul) to preserve national culture and tradition by financing marriages between Emiratis. We are honoured to continue on his prescribed path and thus reinforce the integrity of our culture and values.

In postponing the payment of instalments for Murabaha customers during the Holy Month of Ramadan, we have also led the UAE banking sector. The move, designed to help customers save money during a month that often proves one of the most costly in a year, has been implemented as a goodwill gesture on behalf of the Bank as part of its ongoing Ramadan and Eid Al Fitr celebrations.

ADIB has played a pioneering role in bringing ethics in business to the fore by signing a memorandum of understanding with the Higher Colleges of Technology (HCT) to create the region's first academic institute specialising in the subject.

The ADIB Institute of Islamic Economics and Business Ethics will highlight the importance of doing business ethically, raise public awareness of the issue, and help organisations to strengthen their ethics culture. The Institute's activities aim to encourage high standards of business conduct and provide guidance to employees on ethical behaviour. It will deliver training for corporations and SMEs, and publish research papers and surveys about ethical practices and principled business conduct.

Producing reports to identify solutions to ethical business dilemmas, organising workshops and debates to facilitate the sharing of best practice, and educating business through inclusion of business ethics in various curricula, will form part of the Institute's visible endeavours.

The Institute will be an independent, self-sustaining organisation generating revenues from subscription to workshops and seminars, reports on codes of ethics for corporations, consulting services, development of university curricula, and annual membership fees.

ADIB has become the exclusive official bank of the UAE Football League with a view to supporting its activities, developing the game in the UAE, and assisting in taking it to much higher levels of performance. Our 'ADIB Football' Visa card is the first football card in the UAE that offers fans the opportunity to express their support for football and to win a bonanza of football-related experiences. With this card, ADIB will also give back to the community by donations to the clubs and fan-focused promotions.

ADIB's sponsorship of the UAE Red Crescent's activities for Ramadan has continued without interruption for the past six years. The Bank supports the charity's annual Ramadan campaign, providing 160,000 Iftar meals for needy people at multiple locations across the UAE.

Category 4 – Substantial Sustainability Sections in the annual report or separately issued CSR Reports.

Example: Qatar Telecom

- Healthcare;
- Education;
- Environmental Issues;
- Social Welfare Initiatives;
- Sport.

By prioritising five key areas, we aimed to ensure that the initiatives we supported were sustainable and relevant across the different communities we served. Where possible, we looked to partner with relevant agencies and non-governmental organisations, to ensure that our efforts had lasting value and that the initiatives were developed in accordance with best practice.

In 2010, we began the process of a strategic review of our CSR strategy, both in our home market and across the wider Qtel Group. Legislation passed in Qatar in 2010 saw the creation of a central government fund for CSR activities, to which listed companies provide an agreed contribution. Qtel fully supports this initiative in its role as a flagship company for Qatar.

Across our regional operations, we increasingly looked for programmes where we could replicate the benefits across multiple markets, and which reflected the key brand values of the Qtel Group. Again, our goal was to prioritise sustainability in these activities to ensure long-term value.

Throughout the process of this strategic review, companies within the Qtel Group continued to provide support for key national initiatives and disaster relief in times of crisis. A strong culture of volunteerism saw employees donating time and money to these initiatives.

Example: Aldar Properties

KEY ACHIEVEMENTS

Recycling and waste reduction campaign The Group's recycling and waste reduction campaign improved in 2010 across all business activities; plastic water bottles were significantly reduced, paper consumption was reduced and recycling opportunities for staff were expanded to include mobile phones, used toner and ink cartridges, and used batteries.

2010 Clean up UAE The Group is a corporate member of Emirates Environmental Group (EEG) working together for a better environment.

Beach Clean-up 2010 The Group joined to celebrate Clean-up UAE in support of EEG and AFC

Can Collection 2010 The Group supports EEG to save natural resources, reduce our carbon footprint from the extraction, process & shipping of raw alumina and to promote recycling initiative

Paperless Day 2010 Initiated by the Environment Agency Abu Dhabi; The Group supported the initiative by removing paper from printer at most office

The Group along with many other organisations are now incorporating paper reduction ideas in their daily working cycle. For its efforts relating to the Paperless Environment, the Group received an appreciation award from H.E. Majed Al Mansoori, General Secretary of the Environment Agency – Abu Dhabi.

Turtle Rescue – The Group supports the Burj Al Arab Turtle Rehab Centre in their effort in rescuing distressed sea turtle, and have rescued three turtles in 2010

The Group will continue to support all initiatives that promote awareness in the arena of waste reduction and environmental protection and looks forward to supporting more environment protection initiatives in the future.

Our Alignment with Abu Dhabi's Economic Vision 2030

The Abu Dhabi Economic Vision 2030 is a 20-year roadmap set out by the Government of Abu Dhabi in an effort to achieve effective economic transformation across the Emirate. The Economic Vision uses the Government's policy agenda as a guideline, which focuses on four key priority areas:

(1) Economic development;
(2) Social and human resource development;
(3) Infrastructure development and environmental sustainability; and
(4) Optimisation of Government operations.

Economic Diversification is fundamental to the Government seeing performance gains across its priority focus areas. The Economic Vision 2030 was the first of the 2030 plans to be publicly released, further illustrating its importance to the fabric of Abu Dhabi's Vision 2030.

The Economic Vision identifies 30 strategic objectives, of which NBAD reported 23 opportunities for alignment. As one of the first commitments made in the baseline sustainability report, the Sustainability Stakeholder Group (SSG) reviewed all 30 objectives of the Abu Dhabi Economic Vision 2030 and selected 10 to report back on in this year's report. The following are the 10 objectives selected.

Appendix 2: GRI Standard Disclosures: Indicators

Source: Global Reporting Initiative—Sustainability Reporting Guidelines, Version 3.0.

XX01 Core Indicators are those Indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material unless deemed otherwise on the basis of the GRI Reporting Principles.

Environmental

MATERIALS

EN1　Materials used by weight or volume.

EN2　Percentage of materials used that are recycled input materials.

ENERGY

EN3　Direct energy consumption by primary energy source.

EN4　Indirect energy consumption by primary source.

WATER

EN8　Total water withdrawal by source.

BIODIVERSITY

EN11　Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

EN12　Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

EMISSIONS, EFFLUENTS, AND WASTE

EN16　Total direct and indirect greenhouse gas emissions by weight.

EN17　Other relevant indirect greenhouse gas emissions by weight.

EN19　Emissions of ozone-depleting substances by weight.

EN20　NO, SO, and other significant air emissions by type and weight.

EN21　Total water discharge by quality and destination.

EN22　Total weight of waste by type and disposal method.

EN23　Total number and volume of significant spills.

PRODUCTS AND SERVICES

EN26　Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

EN27　Percentage of products sold and their packaging materials that are reclaimed by category.

COMPLIANCE

EN28　Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

TRANSPORT

Human Rights

INVESTMENT AND PROCUREMENT PRACTICES

HR1   Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

HR2   Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

NON☐DISCRIMINATION

HR4   Total number of incidents of discrimination and actions taken.

FREEDOM OF ASSOCIATION ANDCOLLECTIVE BARGAINING

HR5   Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

CHILD LABOR

HR6   Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

FORCED AND COMPULSORY LABOR

HR7   Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

INDIGENOUS RIGHTS

Labor Practices and Decent Work

EMPLOYMENT

LA1   Total workforce by employment type, employment contract, and region.

LA2   Total number and rate of employee turnover by age group, gender, and region.

LABOR/MANAGEMENT RELATIONS

LA4   Percentage of employees covered by collective bargaining agreements.

LA5   Minimum notice period(s) regarding operational
changes, including whether it is specified in collective agreements.

OCCUPATIONAL HEALTH AND SAFETY

LA7   Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.

LA8   Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

TRAINING AND EDUCATION

LA10   Average hours of training per year per employee by employee category.

DIVERSITY AND EQUAL OPPORTUNITY

LA13   Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

LA14   Ratio of basic salary of men to women by employee category.

Society

COMMUNITY

SO1   Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

CORRUPTION

SO2   Percentage and total number of business units analyzed for risks related to corruption.

SO3   Percentage of employees trained in organisation's anti-corruption policies and procedures.

SO4   Actions taken in response to incidents of corruption.

PUBLIC POLICY

SO5   Public policy positions and participation in public policy development and lobbying

COMPLIANCE

SO8   Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

Product Responsibility

CUSTOMER HEALTH AND SAFETY

PR1   Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

PRODUCT AND SERVICE LABELING

PR3   Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

MARKETING COMMUNICATIONS

PR6   Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

COMPLIANCE

PR9   Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

Economic

ECONOMIC PERFORMANCE

EC1   Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

EC2   Financial implications and other risks and opportunities for the organisation's activities due to climate change.

EC3   Coverage of the organisation's defined benefit plan obligations.

EC4   Significant financial assistance received from government.

MARKET PRESENCE

EC6   Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

EC7   Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

INDIRECT ECONOMIC IMPACTS

EC8   Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.

Appendix 3: Developing interview questions

Questions used by Bebbington et al (2009)(Jan Bebbington et al., 2009) and Belal (2003), as well as they key topics of the chosen theoretical lens of institutional theory served as an inspiration to arrive at a structure for the initial interviews. After the four interviews, these questions were re-assessed and adjusted in preparation for the remainder of the interviews. Below the initial questions are listed, as well as an assessment conducted after the pilot study interviews concerning the appropriateness, clarity and order of the question. Finally the altered structure is disclosed.

Initial questions

1. *What are your information sources concerning sustainability (both social and environmental), and Integrated Reporting (e.g. education, reading, news, etc.?)* This question was seemed was clearly answered by all interviewees and provided valuable insight.

2. *Are sustainability and SustainabilityReporting regular topics of discussion within your company or outside the company in your professional network? If so, in what context are these discussed?* This question was also clearly answered and provided useful information.

3. *Generally, what other topics are considered more important and receive for 'air time' in meetings or in informal discussions?*
   This question took three out of four interviewees by surprise; it needed further clarification that this question was general and not related to sustainability or Sustainability Reporting. Hence for the main study the (general/relating to sustainability) will be clearly defined.

4. *Are you formally encouraged to engage (e.g. through HR evaluation systems)* This question was clearly answered and provided useful information.

5. *In your opinion, who are the ambassadors of sustainability and Sustainability Reporting in your organisation, what are their roles?* This question appeared to be clearly understood and the answers provided useful information.

6. *How important are formal processes in your organisation?*
   This question caused confusion by three out of four interviewees. They assumed this question related to sustainability and Sustainability Reporting, it needs to be clarified that this is a general question.

7. *How important are internal and external relationships compared to formal processes?* Like for question 6, this question caused confusion and it needs to be clarified that this is a general question

8. *Can you tell me a bit about the context of your company?*
   In none of the interviews, this question came naturally at this point. The interviewer, in all cases, knew about the context of the companies generally, and the interviewee knew about this. This question will, therefore, be moved to the beginning of the interview going forward, but the interviewer will continue to research the company before the interview in order to introduce this question properly.

9. *What is the general vision and mission of the company as you see it?*
   Like with question 8, this did not seem a logical place in the interview for such a general question. Although an official vision and or mission statement is likely to be publicly available (it was in all cases in the pilot study), this question still supplied interesting answers, as any deviation from the individual's viewpoint about the mission and vision may be indicative of deviations between the formal and the actual workings of the organisation.

10. *What are the key areas of strategy?*
    The answers to this question overlapped with those of questions three. They will be grouped together in the main project.

11. *What is understood by the terms: Social Accounting, Corporate Social Reporting, and Integrated Reporting?* This question provided interesting information, but seemed it appeared inappropriate to ask this at the end of the interview. This will be moved.

12. *In your opinion, is there a need for Integrated Reporting in the UAE?*
    Using the term 'Integrated Reporting' limited the answers of interviewees as the field of SR is much wider, in the main study this will be addressed.

13. *Please mention the main formal institutions that in your opinion play a role in Integrated Reporting in the UAE, explain the specifics of these institutions/groups, and the role they play in Integrated Reporting (Formal institutions are, e.g. the ICAEW, the government, your organisation).* This question was clearly understood and the answer provided valuable information

14. *Please mention the main informal institutions that in your opinion play a role in Integrated Reporting in the UAE, explain the specifics of these*

institutions/groups, and the role they play in Integrated Reporting (informal institutions are e.g. professionals you meet socially)

This question was clearly understood.

15. *What Sustainability/CSR activities does your organisation engage in?*

Where data is publicly available, the interviewer had researched the activities and reporting of the organisation, which helped keep the answer focused. The question was well understood.

16. *CSR/Sustainability Reporting: What is being done, what is emphasised, and what is edited out.*

This question is sensitive, and although the interviewees received this question ahead of time, when doing the actual interview this question was rephrased depending on the organisation and the relationship between the interviewer and interviewee. At this point in all four interviews the interviewer deemed it appropriate to confirm the safeguarding of the anonymity of both the interviewee and the organisation.

Additional, unplanned, questions that the interviewer spontaneously asked during all interviews and that provided useful information and hence will be incorporated in the main study:

1. *What is your personal professional background?*

Note: the interviewer researches the background of both the individual and company before the interview. This will include secondary data like linked-in profiles, bio's available on company website, Google search etc. This question will then be individually phrased to both validate the secondary data available and fill in any gaps. The purpose of this part of the research/interview is to find out education and professional background of the interview as well as any cultural background, age group and sex.

2. *What formal and informal institutions do you consider yourself a member of?*

This question is likely to require some explanation. For example I (Interviewer Jeannette Vinke) belongs to formal institutions like: American University of Sharjah, my employer;the ICAEW, a professional organisation. Examples of Informal institutions I belong to are: the 'CSR Network' (a linked-in group I engage with virtually); 'Voxies', an informal group of female faculty in the AUS business school who meet monthly.

3. *What are the drivers and obstacles for sustainability and Sustainability Reporting in the UAE?*

4. *Is listing in the UAE a driver for sustainability and/or Sustainability Reporting?*

5. *What formal and informal institutions do you consider yourself a member of?*

New interview questions – as used for all consecutive interviews

The wording of the questions will be adjusted per interview, depending on the knowledge of both the interviewer and the interviewee, their relationship and the 'flow' of the interview. Questions may not be asked in this order, but all areas listed will be discussed in some point in the interview.

General – individual

1. *What is your professional background?*

2. *What formal and informal institutions do you consider yourself a member of?*

General – company

3. *Generally, what other topics are considered important and receive for 'air time' in meetings or in informal discussions?*

4. *How important are formal processes in your organisation?*

5. *How important are internal and external relationships compared to formal processes?*

6. *Can you tell me a bit about the context of your Company?*

7. *What is the general vision and mission of the company as you see it?*

8. *What are the key areas of strateg?*

Corporate Social Responsibility (CSR)/Social Accounting (SA)/Sustainability Reporting (SR) UAE individual and UAE context

9. *What are your information sources concerning sustainability (both social and environmental), and Integrated Reporting (e.g. education, reading, news, etc?)*

10. *What is understood by the terms Social Accounting, Corporate Social Reporting, and Integrated Reporting?*

11. *In your opinion, is there a need for Sustainability Reporting in the UAE?*

12. *Please mention the main formal institutions that in your opinion play a role in Sustainability Reporting in the UAE, explain the specifics of these*

institutions/groups, and the role they play in Integrated Reporting (Formal institutions are, e.g. the ICAEW, the government, your organisation).

13. *Please mention the main informal institutions that in your opinion play a role in Integrated Reporting in the UAE, explain the specifics of these institutions/groups, and the role they play in Integrated Reporting (informal institutions are, e.g. professionals you meet socially)*

14. *What are the drivers and obstacles for S and SR in the UAE?*

15. *Is listing in the UAE a driver for S and or SR?*

CSR/SA/SR Company

16. *Are sustainability and sustainability reporting regular topics of discussion within your company or outside the company in your professional network? If so, in what context are these discussed? Are you formally encouraged to engage (e.g. through HR evaluation systems)?*

17. *In your opinion, who are the ambassadors of sustainability and Sustainability Reporting in your organisation, what are their roles? What sustainability/CSR activities does your organisation engage in?*

18. *CSR/Sustainability Reporting: What is being done, what is emphasised, and what is edited out.*

Final Question – Interviewee driven

19. *Final question: in the context of SR, are there any areas you believe are of importance that we have not yet discussed in this interview?*