Corporate Social Responsibility Reporting Amongst Petrochemical Firms in the Kingdom of Saudi Arabia (KSA): Practice and perception

Sattam Saud Alrowais

Nottingham Trent University

Nottingham Business School

Department of Accounting

Thesis submitted in partial fulfilment of the requirements for the award of the degree of Doctor of Philosophy.

2022

Dedication

This thesis is dedicated to my mother who I lost her at the end of my journey. She encouraged me to pursue my dreams and finish my study. I sadly lost her while she was encouraging me to graduate and come back home. May Allah forgive her sins and put her in paradise. Throughout my life and during my studies, my brothers and sisters have been my source of strength, inspiration, and drive. Thank you for all of your love and support; without your prayers and continued encouragement, I would not have been able to reach this objective. I am extremely fortunate to have such a lovely, caring, and supportive family.

Abstract

The purpose of this study is to look into the disclosure of corporate social responsibility (CSRD) in the context of petrochemical companies in the Kingdom of Saudi Arabia (KSA). In doing so, it responds to a gap in the literature by addressing four main research questions including: 1) In the Saudi petrochemical companies' annual reports, what is the extent and nature of CSRD ?. 2) To what extent did CSRD increase in volume over the period 2012-2017 in the annual reports of the Saudi petrochemical companies? 3) What are the institutional drivers which may drive trends of CSR disclosure in KSA petrochemical sector? 4) What is the relationship between CSRD of petrochemical companies operating in KSA and firm performance? The study is the first to examine the Islamic context, particularly the link among CSRD and company performance in the context of the Saudi petrochemical sector to see how the study assess the patterns, drivers and implications of CSR disclosure in KSA petrochemical sector.

The study applied institutional theory to understand the drivers and pressures that may have the impact on CSRD trends by considering the multilevel forces to answer the aforementioned research questions relating to the practice and perception of CSRD in the kingdom of Saudi Arabia. Institutional theory is used to describe a broader aspect of an organisation form used to adopt legitimacy. However, the author focused on the multilevel model of Institutional Forces and the Drivers for KSA' Petrochemical Industry from the institutional theory angle. The Institutional Forces (Coercive, Memetic, and Normative) have demonstrated how pressures interact and interfere with each other at the same level and at times between several levels, as well as how the strength and influence of each pressure varies depending on the level in which it is placed. For instance, in the study the influence of institutional pressures was investigated at four distinct levels including the global industry, national, and company levels. At all the levels, three institutional pressures were evident. Sharia Law emerged as a coercive

pressure at all the four levels. On the other hand, reporting initiative, as a mimetic pressure was evident across the levels. Ethics emerged as a normative force at all the levels. The most apparent conclusion is that the Islamic culture, which has its origins in Sharia law, has a significant impact on the petrochemical sector in the Kingdom of Saudi Arabia.

The extent and nature of CSRD in the sector was investigated by applying quantitative content analysis to the annual reports published by six sampled companies over the period 2012-2017. The resulting word counts gave an initial overview of general trends in overall CSRD and the four selected disclosure categories (environmental, social, human resources and products and services disclosure). These data were then subjected to descriptive, correlation and regression analysis to test the hypothesised link between CSRD and financial performance.

The quantitative findings revealed that all the sampled companies engaged in all four categories of disclosure, and that the volume of this disclosure rose over the study period. Furthermore, a significant positive link was found between CSRD and financial performance over six years, as measured in Return on Assets (ROA), Net Profit Margin (NPM) and Tobin's q. The analysis of the link between CSRD and ROA, NPM and TBQ showed that all the disclosure categories impacted on financial performance in different ways, with environmental and social disclosure having the greatest impact on ROA and environmental and human resources disclosure having the greatest impact on ROE. All disclosure categories were positively correlated with TBQ. The positive relationships help to assess the patterns, drivers and implications of CSRD disclosure in KSA petrochemical sector. The results thus support the hypothesis that there is a relationship between CSRD and financial performance over the period 2012 to 2017.

Copyright

Acknowledgement

In the name of Allah, grace and blessings be upon the Messenger of Allah (Our Prophet Muhammad, may Allah reward him and give him peace), at the outset I would like to thank Allah the Almighty for everything and for completing this study.

Special thanks go to my mother (Norah), who I sadly lost her in the final year, and I would like to thank her for her prayers and advices during my study in the UK. May Allah forgive all her sins. Without her support and pray I will not reach this level.

Without the amount of people's guidance, support and advice, this research would not have been completed and I would like to thank them for their great support during my long journey.

First, I would like to extend my gratitude and appreciation to Dr.Wendy Chapple, my study director, for her support, guidance and encouragement. She did not withhold any effort during the preparation of this thesis to give me her time and energy. Thanking her during this journey is not enough for all her support. I would also like to extend my thanks to my second supervisor, Dr. Martin Jones, for his support, motivation and consideration throughout this research. Words cannot express my feelings, nor my thanks for all your support. I also would like to extend my gratitude and appreciation to Professor Piers Thompson for his significant support and motivations during my final year.

I would also like to extend my gratitude and express my profound appreciation to my ex supervisor, Professor Hafez Abdo, for his support and assistance during my study journey. This research would not have been completed without his support.

I'd also like to express my gratitude to my sisters, Fowziah, Zaha, Hussah, Salha, Reem and Haya, and special thanks to my brothers, Naif, Sultan, Mohammed and Mamdoh for their support and prayers.

I also like to extend my thanks and express my deep appreciation to the deputy Chair and the PhD programme leader, Dr. Nestor who supported me during my difficult times during my study.

Special thanks to my sponsors, Shaqra University and the Ministry of Higher Education, who gave me the opportunity and financial support to complete my studies in the UK.

Finally, I would like to thank my friends Khalid Hamdan Alruways, Mohammed Shaleh alotibi, Abdullah almohawes, Muteb Ateg, Fahad Suliman Alharbi, Majed alotibi, Sunaitan Alrogy, Ali Alyamy, Mana Alyami, Mohammed Alfatmi and Manea Almansour for their support throughout my study journey.

Research Output

Conferences:

“Corporate Social Responsibility (CSR) reporting amongst petrochemical firms in the Kingdom of Saudi Arabia (KSA): Practice and perception”, Sattam Alrowais, Dr. Wendy Chapple, Dr. Jones Martin (Nottingham Trent University). Presented at the British Accounting and Finance Association Annual Conference of the Northern Area Group, held at the University of Coventry 9th -10th September 2019.

“Corporate Social Responsibility (CSR) reporting amongst petrochemical firms in the kingdom of Saudi Arabia (KSA): Practice and perception*”,* Sattam Alrowais, Hafez Abdo (Nottingham Trent University). Presented at the 18th Workshop on Accounting and Finance in Emerging Economies, held at the University of Sheffield, 26th October 2018.

Table of Abbreviations

Abbreviation	Explanation
CMA	Capital Market Authority
CSEAR	Centre for Social and Environmental Accounting Research
CSR	corporate social responsibility
CSRD	corporate social responsibility disclosure
ENVD	Environmental Disclosure
HRD	Human Resources Disclosure
COMMD	Community Disclosure
PRSERD	Product and Service Disclosure
DZIT	Department of Zakat and Income Tax
ESG	Environmental and social governance
GCC	Gulf Cooperation Council
GDP	gross domestic product
GPCA	Gulf Petrochemical and Chemical Association
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
KAQA	King Abdulaziz Quality Award
KSA	Kingdom of Saudi Arabia
MCI	Ministry of Commerce and Investment
ROA	Return on Assets
ROE	Return on Equity
SAGIA	Saudi Arabian General Investment Authority

SAMA	Saudi Arabian Monetary Authority
SARCI	Saudi Arabia Responsible Competitiveness Index
SASO	Saudi Standards, Metrology and Quality Organisation
SOCPA	Saudi Organisation for Certified Public Accountants
UN	United Nations
UNGC	United Nations Global Compact
WTO	World Trade Organisation

Contents

List of Tables

List of Figures

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Over the years, awareness that the responsibility of any business extends beyond just maximising the wealth of its shareholders has grown considerably (Jones and Felps, 2013; Platonova et al., 2018). Successive economic and financial crises, along with high-profile press coverage of irresponsible business behaviour – from oil spills to unethical accounting and poor labour practices – have fostered an expanding interest in the concept of corporate social responsibility disclosure (CSRD) (Porter and Kramer, 2011; Smith and Rönnegard, 2016; Velte, Stawinoga and Lueg, 2020). Hamidu et al. (2015, p. 84) define CSRD as the duty of people in business to seek and support policies, "to make those choices or to follow those lines of action that are desirable in terms of our society's priorities and values". Similarly, Wang et al. (2016, p. 534) define CSRD as being based on the assumption that every business bears "beyond its owners, accountability to society and a wider range of stakeholders".

1.1.1 The Origins of CSR

One of the drivers behind the increase in CSRD has been the pressure from stakeholders to improve sustainability and accountability mechanism and this pressure could be a coercive pressure. The concept of a sustainable approach to business can be traced back to a report titled "Our Common Future", which was published in 1987 (Brundtland Commission, 1987). The report, the Commission asserted that the world was facing various global crises, notably an environmental crisis, an energy crisis, and a development crisis. While the public was likely to see these as three separate crises, the report argued they were actually interlocking crises, resulting from fundamental change and dramatic growth across the planet (Brundtland Commission, 1987). Forecasting a dramatic growth in population from 5 billion to between 8 and 14 billion, the report concluded that existing generations had to adapt to enable future generations to flourish within a finite environment. It also identified the negative impacts of continued economic growth due to increases in industrial production, notably on natural resources including water, forests, and soils, citing the drought-triggered environmental crisis in Africa, pesticide leaks in India, gas explosions in Mexico, and the contamination of the Rhine River in Switzerland, to name just a few (Brundtland Commission, 1987). While the world has celebrated the technological advancement that has stimulated further economic growth, the report reminded the public about the high risks involved and sought ways to put global development on a more sustainable path. To this end, the Brundtland Commission defined the concept of sustainable development as the ability of the current generation of humans to "meet the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Commission, 1987, p. 16).

The United Nations (UN) has also been at the forefront of efforts to encourage a more sustainable approach to business. The efforts were evidenced in various summits such as the Rio Summit held in 1992, the Johannesburg Summit held in 2002, and the Rio+20 Summit held in 2012. These summits highlighted a range of CSR issues and led to the production of Green Papers in 2001 and 2002 (Archel et al., 2011). Other notable organisations credited with fostering the spread of CSR and its disclosures include the World Council on Sustainable Development, ISO 24000, the Business for Social Responsibility network, with offices in Asia, Europe, and North America, and the Ethical Corporation, a business intelligence, publishing and networking company, based in London socially responsible (Guenster et al., 2011; Bice, 2017). A significant development in this area was the establishment of The Global Reporting Initiative (GRI) in 1997 by two non-profit organizations, including CERES and the Tellus Institute. Both institutes were supported by the United Nations Environmental Programme. In response to the lack of agreement on CSR reporting criteria, it developed a global framework for sustainability reporting, and, in 2016, launched the first global standards for sustainability reporting – the GRI Standards, now the most widely used standards for sustainability reporting. Based on the US financial reporting system (FASBI) (Brown et al. 2009), the GRI "supports a standardised reporting strategy to drive the need for data on sustainability". In recent years, GRI has emerged as the most adopted strategy for voluntary reporting of CSR activities engaged in by companies (Brown et al. 2009). As such, different researchers tend to prefer GRI when conducting CSR disclosure studies (Katmon et al., 2011: Wang et al., 2019) have used GRI to research CSRD.

1.1.2 Changing Views of CSR

CSR reporting has traditionally been seen from a marketing perspective, and there are a number of rationales for this. The main purpose for engaging in and reporting CSR activities among businesses is to maintain and defend a company's reputation and brand (Arora and Cason 1995; Mori and Welch 2008). Bebbington et al. (2008) equally demonstrate that engagement in CSR activities help business in managing their reputations and enhancing their interactions with their stakeholders (Sweeney and Coughlan, 2008).

However, thinking has shifted, and the contemporary corporate world no longer considers CSR as a marketing communications tool for several reasons. To start with, using CSR as a marketing communications tool has led to businesses of all sizes engaging in 'greenwashing'. According to de Jong et al. (2019), greenwashing involves a discrepancy between a firm's 'green' claims and its actual performance in relation to the environment, whereby firms try to reap the benefits generated by green positioning without aligning their operations and behaving accordingly (de Jong et al., 2019). The rise of greenwashing has begun to elicit widespread public scepticism towards the concept of CSR, fuelled by the uncovering of serious corporate scandals involving multinational brands such as H&M, Volkswagen, and Nestle due to their greenwashing tactics. To counter such abuse and address misconceptions of CSR, modern thinking now views engagement and accountability as the key pillars of CSR. Engagement requires the continuous participation and involvement of key stakeholders in every aspect of the business to ensure that all the inputs are considered and incorporated in the final decisions. Meanwhile, accountability demands the factual disclosure and reporting of the business operations by the management to the wider group of stakeholders. Without engagement and accountability, the modern generation of customers and the public in general can lose trust in an organisation and, therefore, switch allegiance to rival brands.

1.1.3 CSR in Developing Country Contexts

As more firms have responded to these pressures and developed policies and strategies aimed at enhancing their social and environmental transparency and accountability, the level of CSRD has risen (Singh et al., 2017; Roy Chowdhury, Shroff and Verdi, 2019). However, as Wuttichindanon (2017) explains, there is a significant difference between developed and developing countries in this regard. Introducing CSRD in the context of developing countries can be made more challenging by a number of factors, including a low level of economic development (Jamali and Karam, 2018), the prevailing legal system, lack of enforcement mechanisms (Lambooy, 2014a), the role played by civil society (Lariche and Helwig, 2011), a polluting fuel industry (Ha, 2016) and the local cultural context, customs, religion, media and values (Brazdauskas and Gaigalaite, 2015). In addition, developing countries tend to lack strong CSR advocacy groups or CSR-sensitive institutional investors, and the enforcement of regulation may be hindered by official corruption (Mangena et al., 2012). However, despite such challenges, businesses in developing countries have developed and now maintain a number of programmes in accountability, ethics, reporting and disclosure (Gill, 2008).

1.1.4 CSR in the Kingdom of Saudi Arabia

As a rising business hub, and a founding member of the Gulf Cooperation Council (GCC), the Kingdom of Saudi Arabia (KSA) presents an excellent model for the analysis of CSRD practices in a developing country and in the Arabian Peninsula in particular. Although the Kingdom is yet to match the development attained by countries such as the United States, the United Kingdom, and others, it has seen a number of industries emerge over the last 30 years, notably banking, manufacturing, and the highly successful oil and gas refining and petrochemical sectors. The petrochemical sector was selected as the site for this research because of the key role it plays within the global economy. Moreover, as a high risk/ high impact sector in environmental and social impact terms, petrochemicals firms are increasing keen to display their green credentials in the face of rising environmental concerns and public demands for more sustainable forms of business. (Aldrugi and Abdo, 2016). However, while oil and gas companies in Saudi Arabia are subject to increasing pressures from stakeholders to disclosure how well they are serving the best interests of society and the environment, the country's political climate does not permit them to engage in CSRD as freely as their Western counterparts (Hadj, Omri and Al-Tit, 2020).

1.1.1.1 CSR within an Islamic Context

As Murphy et al. (2019) observe, KSA is also a useful case study because of its unique economic and political system. In a country with a strong culture and legal system founded on Islamic principles, including philanthropy, giving to the community, and protecting the environment, there are significant opportunities for CSR and improved methods of CSRD to take strong root. The Quran and the teachings of the Prophet Muhammad stress the importance of ethical behaviour and fulfilling one's social responsibilities to the society, and Islamic traditions such as *Zakat* (giving a fixed percentage of one's wealth to charity) are deeply embedded in Saudi culture (Aldrugi and Abdo 2016; Alotaibi and Hussainey, 2016; Alsiary

2015; Rizk 2006). In this respect, standard Islamic business values are closely aligned with the qualities observed in CSR programmes and the very definition of CSR itself, and this has helped to incorporate the concept into common business practice across the Kingdom.

1.1.1.2 Government Measures to Promote CSR

When the concept of CSR was first introduced into KSA, it was promoted as a product of religious affiliation, the implication being that it is the religious or moral obligation of businesses to run in a socially responsible manner. In this first stage of the evolution of CSR, when the focus was mainly on having a charitable outlook, the Government promoted environmental protection as a philanthropic activity. However, although philanthropy and giving to the community have always been a natural part of Islam, due to the increased importance and awareness of CSR in major companies, private firms no longer see CSR as merely philanthropic activities. On the contrary, modern private businesses are increasingly seeing CSR as core responsibilities that are central to their business models.

The idea has become so important that the Saudi government has established programmes to promote CSR, notably the Saudi Arabian Responsible Competitiveness Index (SARCI). Established in 2005 under the auspices of the Saudi General Investment Authority (SAGIA), SARCI was created to assist companies in the Kingdom to compete on a global scale, particularly through the ‘10 by 10’ programme which helped the country achieve its goal of becoming one of the world’s top ten most competitive nations by 2010 (El-Juhany, 2010). SARCI’s role included assessing how CSR principals were being applied in the companies participating in the programme. By 2010, there were 60 companies involved, up from the initial 40 when the programme started (SARCI, 2017).

The Saudi Arabian General Investment Authority (SAGIA) underpinned the second stage of CSRD’s evolution, which saw the Government start to encourage businesses to see CSRD as smart business and a way of maintaining a competitive edge. Environmental departments were expanded, increasing employment opportunities for those with the relevant expertise, and private-public bonds were strengthened as the Government increased investment in its relationship with the business hub. The third stage in this process came about in the aftermath of the Arab Spring (2011), when the Saudi Government realised that CSRD was not just a business necessity, but also a political one. It responded by launching several new schemes to foster partnerships between the private and public sectors, and in March 2016 the Mecca Chamber of Commerce and Industry hosted a global seminar on the importance of CSRD, thus establishing the idea that the country regarded the issue as a top priority.

The Saudi government acknowledges CSR as a key pillar of development, especially in a nation that relies heavily on natural resources to generate national wealth, and is conscious of the need to develop and strengthen CSR initiatives in the country (Aldrugi and Abdo 2016; Alsiary 2015; Hadj, Omri and Al-Tit, 2020). For instance, in 2014, then Minister for Meteorology and the Environment, Prince Turki bin Nasser, argued that minimum standards of CSRD were essential to develop an effective air, water and noise pollution strategy to protect the health of Saudis and their environment (Alsiary, 2015). The government also believes that the contributions of firms to developing CSR initiatives, capital and social capital, along with competitiveness, are linked together, and play an integral role in shaping the business system, as well as the expectations and relationships with stakeholders (Alsiary, 2015). Thus, a greater commitment to CSRD will benefit the environment and the country's economic development, as well as meeting the expectations of stakeholders.

1.2 Rationale for the Study

As Mandurah, Khatib and Al-Sabaan (2012) note, CSR is still a relatively new concept in KSA, its practices are still in the early stages of development, and its potential as a tool to accomplish a firm's strategic objectives is yet to be fully appreciated. This is perhaps unsurprising given that the concept of private enterprise is itself still relatively new in KSA. Despite the changing views of CSR within the business sector, many Saudis, influenced by the prevailing cultural and religious norms, still interpret CSR solely as an obligation to be philanthropic towards the poor (Mandurah, Khatib and Al-Sabaan, 2012). In other words, at this stage of its development, CSR adoption and practices in KSA are mainly influenced by religious and cultural institutional forces rather than a legal and/or a regulatory frameworks (Tamkeen, 2010; Ezzine, 2018). This creates a dilemma for companies within the Kingdom because, while Islam embraces both the public and private giving of alms, disclosing this philanthropy publicly is frowned upon (Alfakhri, 2014). While there is very little research on CSRD in Saudi Arabia, or in the wider Middle East region, a 2007 study by Tamkeen Sustainability Advisors, a Saudi CSR consulting company established in 2005, found that CSR in Saudi Arabia is still trapped in a 'charity mind-set' (Razak, 2015). As a result, scholars have argued that current CSRD in KSA does not truly reflect the extent to which firms engage with social and environmental issues, giving an undeservedly negative impression of CSR as merely superficial engagement without changing core business behaviour (Habbash, 2016; Tamkeen, 2007). This may have a negative impact on Saudi because when the companies in Saudi Arabia not disclose their activities then that will have an impact on Saudi's environment and society.

Although some research into CSR within the CGG has been conducted, there is currently no study on the specific factors that affect CSRD implementation within the petrochemical industry in Saudi Arabia. The programmes developed by SAGIA were used to create a sound foundation for CSR and provide support and assistance to aid the practice of responsible business, and in their GCC-based study, Katsioloudes and Brodtkorb (2007) found that Saudi managers were adequately informed of the benefits of CSR and companies were increasingly sensitive to community affairs, environmental concerns and consumer demands. However, they also found that managers across the GCC region as a whole generally had limited awareness of CSR, and countries lacked clear CSR policies. While the UAE has attempted to address firms' concerns about their ability to meet international CSR standards by encouraging CSR dialogue, training business managers in CSR management strategies, and building relevant infrastructure (Katsioloudes and Brodtkorb, 2007), research by Khan (2008) suggests that firms would engage in CSR more fully if they were legally compelled to do so.

Khan (2008) argues that putting legal measures in place would lead to increased CSR participation, not only in the private sector but also in those areas which are traditionally seen as the preserve of government, such as housing and education. This is as a result of the phenomena known as 'coercive isomorphism' which involves pressure on an organisation from other organisations or a government mandate, typically involving legal, financial, product-related or environmental levers. He suggests that firms can be compelled to participate in CSR in several ways. One approach is through public-private-partnerships (PPPs) between government and the private sector, another is to provide incentives for CSR engagement such as annual awards. Alternatively, firms may be given specific reasons to engage in CSR, for example by encouraging them to partner with schools and other educational institutions. This study adopts a multilevel model of institutional forces to explore the extent to which different forms of isomorphism affect the adoption and performance of CSRD in Saudi Arabia.

KSA is a good case study for this research primarily because CSR in its corporate form is still relatively new within the country (Alfakhri et al., 2018). The Kingdom is a developing business hub, but it has only recently begun to pay serious attention to the idea of CSR as its link with national development has become increasingly apparent (Mandurah et al., 2012). As awareness rises that developing economies must embrace CSR – and be seen to embrace it by the global community – if they are to progress (Akbas and Canikli, 2014; Ali, et al., 2017; Alshbili and

Elamer, 2019), the Saudi Government has started actively promoting CSR among Saudi companies and encouraging the disclosure of these activities to the rest of the world.

With the UN continually pushing the world to embrace its sustainable development goals, KSA is facing mounting pressure to do so, while at the same maintaining its position as a rising global business hub. As such, the country is making efforts to retain its competitive edge in the petrochemical industry – an industry which, according to Habbash and Haddad (2019), has a direct influence on its international standing. As global firms compete amongst themselves to establish their CSR superiority, KSA is doing its best to meet the UN's goals and enhance its sustainability credentials in order to maintain its global business position. However, as one of the world's primary exporters of oil-based products, the Kingdom cannot afford to avoid or ignore disclosure practices given that the public, both at the domestic and international level, is increasingly conscious about natural resource use, energy efficiency and sustainability.

The fact that the Kingdom's economy relies so heavily on the sector that does most harm to the environment makes it a particularly significant case study. As the majority of recorded pollution incidents (e.g. oil spills and petrochemical water poisoning) have been linked to Saudi businesses, KSA arguably faces a greater challenge in this area than its Arab or Western competitors. However, while the Kingdom's primary concern in terms of environmental sustainability must be to reduce the ecological disasters that happen as a direct consequence of oil transport and petrochemical companies' infrastructure, it must also respond to a growing global water crisis and do its part to conserve precious water resources, an issue which is particularly acute in dry, desert regions such as the Gulf states.

In addition, KSA is an important case study subject is that it is one of the few examples of a context in which CSR bridges the gap between business and government (Alharthey, 2016). This underlines the importance of the relationship between public and private sectors in the country. Unlike many states, there is no great divide between the two, and the Government invests significantly in the development of the business structure (Habbash, 2017). The country maintains its traditional geo-political structures and political and social order, and it remains deeply religious and socially conservative, at least outwardly. The case study offers an opportunity to determine whether these traditional systems can cope with modern expectations at the national and international level

In the West, researchers have mostly sought to determine the connection between capitalism and social responsibility, with many arguing that the two are inherently incompatible (Birkey, et al., 2018, Cannon, et al., 2019 and Del Baldo, 2019). However, while Saudi business is capitalist in nature, the country's economy, like all other aspects of Saudi society, is influenced primarily by Islam and the country's businesses and regulations, including petrochemical companies, are influenced by Shariah law. Having previously operated on Western lines, amalgamating its socio-political ideology with the economic strategy of the West, Saudi Arabia is arguably now heading in a unique direction within the business world in terms of responsible growth; it has created its own version of CSR in a highly entangled web of private-public structures, with business operations in the country now relying on CSR as a political device. The case study explores the ways in which this unique form of governance is responding to the requirements of the modern era in respect of corporate social responsibility and disclosure.

In summary, KSA faces a unique set of challenges around CSR. As the oil and gas hub of the world, the country is facing increasing pressure from the West to embrace CSR and is currently struggling to meet these demands without sacrificing economic development. Matters of governance and political hurdles also present challenges. Firstly, it is difficult to understand the role of governance towards CSRD due to strict censorship of the media and research, and this also complicates efforts to determine the true extent of the Government understands of

CSR. While the traditional view sees CSR primarily as a commitment to philanthropic goals, modern thinking emphasizes engagement and accountability as the key pillars of CSR. Adopting the modern approach towards CSR could trigger sustainable development by aligning business operations with the key policy directives and stakeholder input. At present, the issue of CSRD is mostly left to the discretion of each individual firm; however, if the Saudi Government were to take the responsibility to regulate and govern CSRD obligations, especially where the use of natural resources is concerned or where the main victim of corporate actions is the environment, this could provide a blueprint towards ensuring that the country's industrial hubs engage in sustainable development going forward.

The factors discussed above make the chosen research topic – CSRD among Saudi petrochemical companies – particularly interesting, purposeful and timely. As CSRD becomes more deeply embedded in the international market, it is increasingly difficult for Saudi Arabia, or any other Arab country, to opt out of this initiative. Put simply, the Kingdom risks falling out of favour with the international actors due to its failure to adhere to legal or voluntary CSRD frameworks. At the industry level, the petrochemical companies in KSA must adopt CSRD best practices or risk foregoing opportunities that others are using to create core competitive advantages. This study is timely in the fact that KSA is now increasing its commitment towards sustainable national development approaches especially in the area of investment. The Government has created a mechanism of governance which itself influences the drivers for reporting and disclosure of CSR practice, and the Islamic principles which underpin the country also offer a solid foundation for building on CSR reporting and disclosure whilst also pushing for accountability towards the stakeholders. The motivation towards sustainable development has also drawn interest within the policy realm including the vision of the President of Meteorology and Environment in the KSA, and the country's overarching Vision 2030 (See Chapter 3). This case study of KSA's petrochemical industry will provide a significant reference tool for policy framework development in the Kingdom and an approach for change. The study will also contribute towards CSR literature focusing on Saudi Arabia and may provide useful insights for future researchers examining CSR structures in the Arab world at large.

1.3 Research Aims

As already noted, there is a lack of investigation of CSRD in the Arabian context. The current study aims to address this by exploring the patterns and relationships between CSRD and performance within the Saudi petrochemical sector, and the perceived drivers of CSRD adoption and performance. It aims to develop, test and validate a multi-level framework that can be used by policy makers and future researchers in the context of Saudi petrochemical companies and other similar companies in KSA and elsewhere.

1.4 Research Questions

In order to achieve these aims, the study seeks to answer the following research questions:

RQ-1) In the Saudi petrochemical companies' annual reports, what is the extent and nature of CSRD.

RQ-2) to what extent did CSRD increase in volume over the period 2012-2017 in the annual reports of the Saudi petrochemical companies?

RQ-3 - What are the institutional drivers which may drive the trends of CSR disclosure in KSA petrochemical sector?

RQ-4) what is the relationship between CSRD of petrochemical companies operating in KSA and firm performance?

1.5 Research Objectives

The study seeks to achieve the following research objectives:

I. To gain an in-depth understanding of CSRD within developed and developing countries, with a particular focus on the Gulf region, by reviewing the existing literature and petrochemical annual reports.

II. To determine the degree and nature of CSRD in the Saudi petrochemical companies annual reports by analysing the data from the annual reports of selected companies for the period 2012-2017.

III. To determine the drivers that may drive trends of CSR disclosure in KSA petrochemical sector by considering the institutional forces through a multi-level analysis.

IV. To understand the relationship between CSRD of petrochemical companies operating in KSA and firm performance?

1.6 Methodology

Currently, there is scope to extend research in previous studies that have predominantly focused on environmental disclosure by focussing on all aspects of CSRD. This study explores the social, economic, and environmental aspects of CSRD with the intention of exploring the drivers and implications of the disclosure activity.

1.6.1 Research Approach

The thesis addresses the research questions by adopting a longitudinal approach (drawing on data for the period 2012-2017) and undertaking quantitative approaches to explore the extent and nature of CSRD in the annual reports of Saudi petrochemical companies, assess the extent of improvement over the period 2012-2017, and examine the influence of CSRD on overall firm performance. This six-year period covered the three years before the 2014 announcement by the Minister for Meteorology and the Environment calling for minimum standards of CSRD to explore the historical improvement of CSRD and three years after the announcement to explore how the disclosure has been recently improved.

1.6.2 Research Method

The research follows a quantitative research method, comprising quantitative data collection and analysis approaches along with a review of the relevant literature. This study aimed to develop knowledge by exploring the disclosure of CSR practice in KSA, with specific reference to the petrochemical industry. Quantitative techniques are employed to test the influence of CSRD on firm performance whereas content analysis and existing literature helps to complementarily answer the research questions.

The study adopts institutional theory to investigate both the drivers and influences on the relationship between CSRD and firm performance among Saudi petrochemical companies. It also applies a multilevel model of institutional forces, based on the three forces which determine whether an organisation can achieve isomorphism. The results may incentivise companies to carry out CSR activities and engage in CSRD as a way of enhancing their performance (Platonova et al., 2018) and their legitimacy before societies.

1.6.3 Study Population

The study population comprised petrochemical firms which are listed on the Saudi Stock Exchange and associated stakeholders, known in KSA as the ‘Tadawul’, as of December 2017. The sample was selected from the list of listed petrochemical companies published on the Tadawul website. To be selected, firms had to have operated in KSA for at least six years and to have produced annual reports containing CSRD for the period 2012-2017.

1.7 Contribution to Knowledge

This study aims to fill a gap in the existing knowledge on CSRD by making the following novel contributions:

1.7.1 Examining CRSD in a developing Islamic country context

The importance of conducting CSRD research in developing regions is highlighted by Pratten and Mashat (2009) and Ezzine (2018), who argue that, without such research, businesses in these countries will struggle to meet Western standards, limiting their potential for trade. Although greater scholarly attention is being paid to CSR in developing country contexts, there has been little exploration of CSRD in countries, such as the Gulf states, where the economic and political systems are deeply influenced by religious law (Alotaibi and Hussainey, 2016a; Al-Malkawi and Javaid, 2018; Murphy et al., 2019). Studies of CSR disclosure in developing nations have typically focused on rising economies such as China, Malaysia, Singapore and South Africa (Fifka, 2013; Belal and Momin, 2009), and few have considered the role of religion, despite its high potential for influencing the conduct of business, and, thus, the adoption of CSR (Tilt, 2016; Halkos and Skouloudis, 2018).

Ali and Al-Ali (2012) did explore CSR and religion within the Saudi context and found a significant relationship, claiming that Saudi managers saw CSR as part of their religious obligations; however, both culture and religion can play a role in shaping expectations of accountability and transparency and in framing the rewards linked to them in terms of financial performance, and little research has been conducted to ascertain the validity of these claims or to explore the impact of religion on CSRD and company performance within an Islamic nation context.

1.7.2 Creating a comprehensive conceptual framework for CSRD

The literature relating to CSRD has been growing in the past years (Rizk, 2006), and the creation of an effective theoretical framework to enable researchers to gauge why companies behave the way they do has been one of the primary research aims. For example, why do some companies choose to engage in environmental or client disclosure, while others prefer not to disclose, even though they actively engage in CSR activities? Attempts have been made to explain this phenomenon by implementing legitimacy theory, and to a slightly lesser degree, stakeholder theory; however, there remains a need to conduct a study aimed at understanding the institutional and stakeholder forces that influence the shape, nature and level of reporting as well as the relationship between CSRD reporting and financial performance.

Drawing on stakeholders and legitimacy theories, this study develops a comprehensive conceptual framework to explain the different dimensions of corporate social responsibility disclosures and their influence on firm performance. The literature that informed the development of the framework suggests that CSRD is inherently correlated with financial performance; the framework addresses the existing gaps in this literature by taking into account performance factors like liquidity, corporate age and corporate size as controlling variables.

1.7.3 Identifying the relationship between CSRD and company performance in Islamic Context

One of the most consistent attributes the researchers found in their studies concerning developing countries was that there was much use of content analysis. However, there was little research focused on the relationship between CSRD and firm performance. Within the articulated theoretical framework, this study examines the impact of CSRD on firm performance, as determined by ROA, NPM and Tobin’s q. In this, it follows previous studies that have pointed to a link between CSRD and financial performance and which were applied in developed countries (e.g., Branco and Rodrigues, 2008; Husted and de Jesus Salazar, 2006;

Marom, 2006; Nekhili et al., 2017; Axjonow et al., 2018). The current study adopts the quantitative research method to assess the overall relationship as well as potential drivers of the disclosure-performance relationship within an Islamic nation context.

1.7.4 Determining the drivers of CSRD within the Saudi petrochemical sector

While scholars are beginning to investigate CSR within the Saudi context, there is a lack of studies around the real determinants of CSRD within business structures in Saudi Arabia's petrochemical sector, particularly the impact of Islamic culture and government interventions on CSR practices and disclosures and how institutional forces impact disclosure. Previous studies have called for longitudinal research and quantitative studies that give a better understanding of motivation, adherence to Global Reporting Initiative (GRI) guidelines and the integration of CSRD into corporate strategy (Hąbek and Wolniak, 2016; Islam et al., 2018) and the role of cultural dimensions and factors in shaping CSRD motives and practices, as well as the associated rewards, in Islamic countries.

Khurshid et al. (2013) employed Carroll's (1999) CSRD dimensions to investigate the level of CSRD awareness among Saudi MBA students, only to find that this varied widely. More positively, Ali and Al-Ali (2012) and Tamkeen (2010) argued that awareness of CSRD is growing in KSA as the Government refashions the legal environment to stimulate private sector growth. Alsaif (2015) identified a correlation between CSRD and strategic quality management in KSA firms, though Alotaibi and Hussainey (2016a) demonstrated that CSRD quantity and quality are associated with firms' listed status. These factors suggest the influence of institutional forces in shaping accountability and governance with a keen focus on stock market institutional forces. This study examines these relationships based on the CSRD quantity approach and seeks to add to this limited body of literature by investigating the influence of

CSRD on firm performance in Saudi petrochemical companies, an industrial sector which has a significant environmental impact.

In summary, the present research is aimed at contributing to the existing CSRD literature by developing an appropriate, integrated framework to examine the influence of different dimensions of CSRD on firm performance in highly polluting industries within an Islamic country context.

1.8 Research Justification

The petrochemical sector in Saudi Arabia accounts for roughly 87% of the country's revenues. The industry also accounts for 90% of export earnings and 42% of GDP (Mohammed et al. 2021). Given that it remains the highest revenue earner, it is expected to participate more in CSR activities than other sectors. Compared to other industries, the petroleum sector is also primarily and directly managed by a state-owned corporation, Aramco. The corporation emphasises the need for commitment to ethical business practices through its Supplier Code of Conduct. The codes require petroleum companies in KSA to promote environmental conservation, health, and safety in their activities. According to Ramady (2018), when these codes are promoted in society by a corporate entity, they are viewed as CSR. The factors identified justify the need to determine the extent of CSR disclosure among players in the sector. The comparatively higher government involvement in regulating the petroleum sector further implies that Islamic laws control it. According to Dusuki (2008), Islamic laws are pro-CSR, and companies directly held by them should exude comparatively higher participation in activities that benefit the community. Consequently, they should equally disclose more regularly the extent and nature of CSR. The consideration justifies the study's focus on the petroleum industry.

The study's theoretical framework is anchored on institutional theory. As institutions, petrochemical companies' structures inform their participation in CSR activities and CSRD. The rationale is that institutional structures influence organizational behaviour and the acceptance or practice of some values. Institutional structures that inform the implementation of CSR activities and value CSRD contribute immensely to organisational legitimacy. The structures developed through institutional theory adoption also dictate stakeholder power, their roles, and the extent to which they can impact CSR disclosure. Subsequently, the study exploited the tenets of institutional theory to actualise the objectives. This study will focus on the Saudi Petrochemical sector rather than the whole economy of KSA. This allows a more in-depth focus on the institutional forces, particularly industry and government specific factors as discussed below, associated with CSRD and its impact on performance. Moreover, petrochemical sector which interacts with stakeholder demands for higher reporting and accountability.

1.9 Thesis Structure

This thesis is structured as follows:

Chapter 1 addresses the research proposition and discusses the purpose and background of the study. It sets out the rationale for the study, explains the research aims, objectives and the guiding questions, outlines the chosen methodology, and presents the structure of the thesis.

Chapter 2 introduces the geography, population, political and economic systems of KSA before discussing the Saudi Vision 2030 programme currently being implemented by the Saudi Government. It describes the key organisations that shape and regulate the country's commercial structure before discussing other factors that influence the spread of CSR in the Kingdom, including cultural and religious norms, and a range of initiatives and incentives, launched by governmental, NGOs, and regional and international organisations.

Chapter 3 examines the literature pertaining to CSRD and its link with financial performance. It considers existing definitions of CSRD, discusses the nature and scope of the concept, and provides a historical overview of the development of CSRD research. It goes on to describe the main theoretical frameworks that have been employed to explain this phenomenon and introduces the conceptual framework developed for this study.

Chapter 4 describes the research methodology, methods and procedures, which were selected to answer the research questions and meet the aims and objectives of the research. It outlines the major features of the quantitative methodologies and justifies the current study's choice of a quantitative method research design, before describing the data collection methods employed (content analysis) and the approaches adopted to analyse the collected data. It concludes by setting out the stages of the study and considering the ethical issues involved in the research. Furthermore, this chapter presents the initial results derived from the content analysis of the sampled companies' annual reports. It begins by assessing the nature and level of reporting, both overall and in terms of each sub-category: environmental disclosure, human resources disclosure, social disclosure, and products and services disclosure, and goes on identify general trends within the sampled companies' CSRD and the rate at which the volume of disclosure increased over the period 2012-2017.

Chapter 5 presents the results of the statistical analysis of the quantitative data derived from the content analysis, along with the financial data in the sample firms' annual reports. It investigates the patterns and configurations within the CSRD data and tests the hypothesised link between CSRD and financial performance. The chapter concludes by summarises the outcomes of this relationship for Saudi petrochemical companies

Chapter 6 considers the role of institutional theory in CSRD, both in general and within the Saudi context. It goes on to identify the forces which exert pressure on organisations to conform to the expectations in respect of CSRD, and the levels at which they operate. It concludes by providing a multilevel model of the institutional forces and the determinants of CSR for the KSA petrochemical industry and discusses the role Islam plays within this context.

Chapter 7 discusses the main findings of the study and shows how the methods of data collection addressed the research aims and objectives and answered the research questions. It describes the findings in statistical terms and sets out the study's theoretical, literature and practical contributions.

Chapter 8 concludes the study by summarising the key data findings related to the perceived benefits and drivers of CSRD in Saudi Arabian petrochemical companies. It also assesses the generalisability of the research work, sets out its contributions to the existing knowledge base, and considers the research limitations, before offering suggestions for future research.

1.10 Conclusion

This chapter has introduced the concept of CSR and identified some of the obstacles to its effective implementation in developing countries. It has also introduced Saudi Arabia, the site for this study, and framed CSR within the country's Islamic context. In addition, it has set out the rationale for the study, explained the research aims, objectives and the research questions, outlined the chosen methodology, and explained the structure of the thesis. The next chapter examines the literature pertaining to CSRD and its link with financial performance.

CHAPTER TWO: CONTEXT OF THE RESEARCH

2.1 Introduction

This chapter discusses the research context. It briefly introduces the geography, population, political and economic systems of KSA before discussing the Saudi Vision 2030 programme currently being implemented by the Saudi Government. The chapter then introduces the key organisations that shape and regulate the country's commercial structure before discussing some of the other contextual factors influencing the spread of CSR in the country. These include cultural and religious norms, a range of Saudi governmental and non-governmental initiatives and incentives, and initiatives launched by regional and international organisations.

2.2 Background Information

The Saudi petrochemical industry remains the most vital aspect of the Kingdom's economy. The sector accounts for 87% of the country's revenues, 90% of the export earnings, and 42% of GDP. Compared to other oil-exporting countries globally, Saudi Arabia controls the largest share. In 2020, for instance, KSA's crude oil exports were valued at 113.7 billion U.S. dollars. The amount corresponded to a 17.2% share of global crude exports (Mohammed et al. 2021). Given the sector's importance to the economy, it is identified as one of the significant factors that help in the attainment of the National Transformation (NTP) 2020, and Vision 2030. Saudi Aramco directly controls the petrochemical industry in the country by forming policies regulating the sector. Subsequently, the industry remains the most regulated in KSA. Observably, despite the revenues collected from the petrochemical industry in KSA, the country is yet to develop as its Western counterparts. Similarly, KSA is yet to achieve expected CSR implementation and disclosure levels, as witnessed in Western countries (Linsley and Kajuter 2008). Nevertheless, government organizations have made conscious efforts, including Aramco, to enhance CSRD among petrochemical companies in KSA. The focus on the petrochemical companies is anchored on the fact that there have been growing concerns over their environmental impact. For instance, one of Aramco's codes of conduct for petrochemical companies in Saudi Arabia is to ensure that they conserve the environment. Further, they are expected to ensure that their operations uphold requisite health standards. Amran et al. (2017) argue that such directives border corporate social responsibility. When such companies report the extent to which they observe the said standards, they engage in CSRD.

The Saudi General Investment Authority (SAGIA) equally assists corporates, including petrochemical companies in the Kingdom, to compete globally in CSRD disclosure. The rationale is to ensure the legitimacy of the petrochemical companies. In the year 2010, the programme by SAGIA involved 60 companies, among them petrochemical companies. One of the most observable aspects of the SAGA programme is that it created a sound foundation for CSR and provided support and assistance to aid responsible business practice (SAGIA 2017). It also enabled petrochemical managers to understand CSR benefits, and companies became increasingly sensitive to community affairs, environmental concerns, and consumer demands (Katsioloudes and Brodtkorb, 2007). 2012-2017 marks the period when most petrochemical companies adopted various CSR activities and CSR disclosure. Nevertheless, there has been a lack of investigation on the extent of CSRD among petrochemical companies in Saudi Arabia. As a result, there is a need to explore the patterns and relationships between CSRD and performance within the Saudi petrochemical sector and the perceived drivers of CSRD adoption and implementation. The extent and nature of CSRD in Australia are investigated to achieve the aim. Further, the extent of increase in CSRD over the period and the institutional drivers which may drive the trends of CSR disclosure in KSA are reviewed. Lastly, the study investigates the relationship between CSRD of petrochemical companies operating in KSA and firm performance**.** The next sections will provide rich information about the context of KSA where the petrochemical companies operate.

2.2.1 Geography

KSA makes up nearly 80% of the Arabian Peninsula, covering 2.1 million square kilometres. With coasts on the Arab Gulf to the east and the Gulf of Aqaba and the Red Sea to the west, KSA's neighbours include Bahrain, Kuwait, Iraq, Jordan, the UAE, Qatar, Yemen and Oman (see Figure 2.1). The country comprises mostly desert, with a mountainous region extending the length of the west coast.

KSA, which is an Islamic State, is home to Islam's two most sacred sites: Masjid an-Nabawi in Medina and al-Haram Masjid in Mecca (which is the direction that all Muslims follow in prayer). Both are pilgrimage sites for Muslims around the world. Riyadh, the capital city, has a population of 7 million people. As the administrative and political city in the country, it houses a multiplicity of government institutions. The most prominent institutions include banks and private companies, most of which are located at the King Abdullah Financial District. The financial centre offers an environment where organisations thrive in a highly competitive and regulated market.

Figure 2.1: Saudi Arabia (Worldatlas, 2016)

2.2.2 Population and Demographics

Between 2012 and 2014, KSA's population grew by 2.6% to reach 31 million, almost 10 million of whom were expatriates. As of 2014, the estimated size of the workforce was around 11 million Saudis and 6 million expatriates. Unemployment had increased from nearly 623,000 in 2013 to an estimated 651,000 by 2014 (Saudi General Authority for Statistics 2017). Among the youth, the unemployment rate reduced from 42.7% to 36.6%. The changes in the population can be attributed to the Saudi Vision 2030, which is designed to stimulate change in political governance, economic and social dimensions. The vision is designed to reduce the overreliance on the oil sector, through diversification into other sectors. The plan is also designed to enhance the effectiveness of key sectors such as health, recreation, infrastructure and tourism.

2.2.3 Political System

The Saudi Arabian Kingdom was founded by Abdulaziz Al-Saud in 1932 who became the first king soon after. The country has been ruled by Abdulaziz's sons up to and including the current monarch, King Salman, who succeeded his brother King Abdullah in 2015 upon the latter's death. King Salman was born in 31 of December 1935, and he is 84 years old. King Salman is the seventh king of Saudi Arabia, The Prime Minister and the Supreme Commander of all the military forces, the twentieth ruler of the Al Saud family and the twenty-fifth son of the sons of the founding King Abdul Aziz bin Abdul Rahman Al Saud. King Salman has 12 children in total. On Rabi` Al-Thani 3 1436 AH corresponding to January 23, 2015 CE, King Salman pledged allegiance to be The Custodian of the two Holy Mosques and to the Kingdom property of Saudi Arabia, after the death of King Abdullah bin Abdulaziz Al Saud, may God have mercy on him.

The King is the executive branch of the Saudi Arabian Government but in the date of 9/26/1438 AH corresponding to 21/06/2017 AD a royal order was issued to choose Muhammad bin Salman bin Abdulazizl (the King's son and second in command) as a crown prince and a Deputy Prime Minister. As he continues as defence minister and Chairman of the Economic Affairs Council and development in the Kingdom of Saudi Arabia. Prince Muhammad bin Salman was born August 31, 1985 (34 years old) in Riyadh and number of children: 4. among the most important internal achievements made by Crown Prince Mohammed bin Salman is the announcement of the Saudi Vision 2030. It includes economic, development and social plans aimed at achieving a prosperous economy and an advanced society in the Kingdom. Moreover, it establishes the Saudi Company for Military Industries, create the NEOM project[1],

[1] NEOM is an urban development project which has been intended for Tabuk which is a Province in the north west of the country. It will function as a location of business and tourism. It follows the Red Sea..

supporting Saudi women and integrating them into development, in addition to providing them with job opportunities in various sectors. As an Islamic State, KSA's constitution and law are based on the Holy Quran, and all legal judgements must be compatible with the principles of Sharia (Islamic) law.

2.2.4 Economic System

KSA is a member of the Gulf Cooperation Council (GCC) alongside UAE, Bahrain, Kuwait, Qatar and Oman. The GCC states are collectively home to a range of industries including the production and refining of natural gas, oil and other petrochemicals, manufacturing and banking. Generally considered the economic superpower within the region, KSA is also a member of the G20 group. The country is one of the largest producers of oil and natural gas in the world. Nearly 83% of these exports were gas, crude oil and other refined products. The remainder was mostly made up of other petrochemical products (SECOR 2017; US Energy Information Administration 2015).

2.2.5 Saudi Vision 2030

The Saudi Vision 2030 plan, launched in 2016, is an ambitious collection of programmes designed to foster national development within KSA. The plan aims to improve the quality of life in the country by enacting change in a number of areas, from environmental standards to healthcare, and boosting economic growth. The timetable for implementing these various programmes continues to undergo revision, but the main themes of Saudi Vision 2030 are summarised in the following sections.

2.2.5.1 A Vibrant Society

The first aim of Saudi Vision 2030 is the creation of a vibrant society in KSA. The plan identifies three factors as prerequisite for achieving this aim: a strong sense of cultural identity, citizens being able to live fulfilling lives, and universally accepted social values. The plan wants Saudis to take pride in their country and their national identity, a central feature of which is their adherence to Islam. As home to Mecca, Islam's holiest city, KSA already receives millions of Umrah visitors, or pilgrims, every year, but the Government is keen to attract even more, building one of the largest Islamic museums in the world and facilities to welcome up to 30 million Umrah visitors annually. It is also working with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) to create a plethora of national heritage sites.

An integral part of being able to live in a more vibrant society is that Saudi citizens are able to live a fulfilling life. The plan sees this as being promoted by four significant factors: entertainment and culture, good health, highly developed cities and environmental sustainability. The plan sets out a number of measures for promoting cultural and sporting events around the country, such as the Daem programme, which aims to raise awareness of sporting and cultural activities and ensure that these are well funded. The goal is to boost government expenditure on culture and entertainment from 2.9 percent to 6% of GDP, with a 13 percent to 40% increase in people attending cultural events at least once a week. The ultimate goal is to have up to three Saudi cities recognised among the top 100 cultural attractions on the planet.

The third pillar of a vibrant society, according to Saudi Vision 2030, is universally accepted social values. Among the most important of these in Saudi society is a belief in the importance of family. The plan recognises the vital role parents play in shaping their children's future in its Irtiqaa programme, which aims at encouraging 80% of parents to be actively involved in the education of their children. Another key social value is the belief in citizens' right to an efficient and high-quality healthcare system. The plan aims to accomplish this by improving transparency among healthcare providers and giving more options to patients. Saudi Vision

2030 aims to increase the KSA's social capital index rank from 10 to 26 and raise the life expectancy of Saudi citizens from the current 74 to 80 years old.

2.2.5.2 A Successful and Sustainable Economy

The creation of an economy that is both successful and sustainable in the long term is the second theme of the Vision. The plan identifies four key strategies for achieving this aim: expanding opportunity, increasing long-term investment, being open to international business opportunities, and leveraging the country's strategic location.

The goals set out in Saudi Vision 2030 have already increased the overall employment rate in KSA, but the plan also aims to increase the representation of women from 22% to 30% of the workforce. Further, it aims to raise the percentage of GDP contributed by smaller businesses from 20% to 35%. Both goals are to be achieved by boosting education, training and support for these groups and ensuring that opportunities are distributed more equally.

The next major factor in ensuring a sustainable economy is to make long-term investment in the system. In order to diversify the economy away from its current dependency on oil and gas, the Government aims to expand investment opportunities, support the launch of new industrial sectors and privatise a number of public services. KSA is currently rated 19th largest among the G20 economies, but it is the goal of Saudi Vision 2030 to lift the country up the ranking to at least 15th position. As part of this plan, the Government proposes to raise public investment in the domestic economy from SAR 600 billion to over SAR seven trillion, localise the investments in the oil and gas industry from 40% to at least 75%, and expand the defence industry (the current intention is to manufacture 50% of the military's equipment locally by 2030, thereby reducing the country's reliance on foreign imports). There are also plans to create a mining sector that will contribute to the country's GDP, and to develop and implement a renewable energy programme that will add value to the Saudi economy.

The third key strategy for creating a thriving economy is to be ready and open for business, particularly internationally. The plan acknowledges that this will require improvements in the business environment, the rehabilitation of some economic areas, the creation of special enterprise zones and the encouragement of greater competitiveness in the energy industry. The goal set out in Saudi Vision 2030 is to raise the country's status as a destination for international investment to one of the top ten nations. The plan aims to increase the level of foreign investment from 3.8% (the current level) to 5.7% of the GDP, and to raise the level of private sector investment from 40% to 65% of GDP. The King Abdullah Financial District is already being restructured to meet these objectives. There are also plans to expand and modernise the retail sector, reducing the role played by more traditional retail businesses. Finally, the plan acknowledges the need to accelerate the development of the digital infrastructure and to find new ways of enhancing governance during the era of digital transformation.

The last strategy identified in the plan is to leverage KSA's geographic location for maximum economic benefit. The country's location between the three major continents of Asia, Europe and Africa presents a unique opportunity to expand its international export activities, and the Government can do much to assist Saudi companies in this by building a regional logistical hub and integrating it with regional and international transport networks. The goals set out in Saudi Vision 2030 are for KSA to become a world leader in the field of logistics (it wants to see the country rise from 49th to 25th position in the Logistics Performance Index) and to increase its non-oil exports from 16% to 50% of GDP (from SR165 billion to SR1 trillion).

2.2.5.3 The Determination of Nation under Transformation

The success of Saudi Vision 2030 will depend primarily on the Government's persistence in realising the vision it has set out and managing the associated challenges. The initiatives described in the plan need to be carried out with high levels of accountability and transparency and subjected to continuous review to determine areas for improvement. It is particularly important that the Government is transparent about how it is safeguarding the significant national resources, involving the population, engaging in organised spending, balancing the public finances and structuring its institutions. The plan's targets in terms of improving governance include raising the country's rank on the Government Effectiveness Index from 20 to 80 and improving its score on the e-Government Survey Index from 36 to among the top five globally. In order to achieve this, the Government will have to raise the standard of human capital across the country, increase spending through the Qawam,[2] improve government services, and distribute services evenly among its various institutions.

The success of Saudi Vision 2030 also depends on the public, private and non-profit segments of the economy working together to achieve the goals that have been set out. This cross-sector collaboration is viewed as critical to the plan being able to achieve not just economic but also social targets such as the proposed 5%-10% improvement in household income per capita, a rise in the non-profit sector's contribution to GDP from less than 1% to 5%, and a rise in the number of individuals engaging in volunteer work from 10,000 to 1 million per year.

So far, the government has launched three programmes as part of Saudi Vision 2030: the Fiscal Balance programme, the Performance Measurement programme and Strategic Directions programme. Executive programmes such as the Saudi Aramco Strategic Transformation programme, Public Investment Fund Restructuring programme and the Human Capital programme are all meant to deliver on key strategies for achieving the national vision. Many of the objectives of Saudi Vision 2030 address the issue of social responsibility in their focus on areas such as living standards, social mobility, cultural promotion, healthcare, childcare and

[2] The *program* has a plan to break away from process auditing and adopt an integrated approach with a focus on controls for spending and goals around sustaining assets.

development, education as a facilitator of economic growth, and environmental sustainability. There are objectives relating to the safeguarding of natural resources, the promotion of ethical business practices and the strengthening of the non-profit sector, and the improvement of transparency, sectoral efficiency and executive performance. Moreover, the plan recognises that the public sector has to be strengthened and improve human capital in the country (Saudi Vision 2030 2017). Generally, Saudi Vision 2030 recognises the need for improved CSR awareness, transparency and accountability in both the public and private segments of the economy (see Figure 3.2). Thus, national efforts to attain the goals set out in the plan may motivate more organisations to engage in CSR practice and disclosure.

Figure 2.2: Saudi Vision 2030 (Source: Saudi Vision 2030 2017).

The Saudi Government's efforts to improve the economy by boosting technological development and modernising business methods have been criticised by some researchers such as Ahamad, Nalband and Al-Amiri (2013), who view it as a push for progress at the expense of tradition. Nevertheless, the strategy continues on several fronts. Part of the modernisation programme has been the diversification of research and development efforts, which has significantly increased private-sector participation in this area (Mahjoub 2019) and consequently the number of environmental experts working in industry. This has allowed these sectors to begin to play a more sustainable role. At the same time, the Government is recruiting large numbers of public policy analysts from overseas to assist its economic planners in the challenge of meeting the West's sustainability goals.

2.3 Saudi Commercial Structure

This section provides a brief overview of the various governmental and other agencies that regulate economic and commercial activities in KSA.

2.3.1 Ministry of Commerce and Investment

The Ministry of Commerce and Investment (MCI) was created in 1926 (MCI 2017) by King Abdulaziz Al-Saud. The Saudi Government's main trade organisation, the MCI has historically played a key role in steering the national development agenda through its work regulating commercial entities and overseeing activities such as corporate registration and the streamlining of trade rules. The ministry controls both foreign and domestic trade as well as regulating a network of chambers of commerce and industry and handling trade-related issues such as consumer protection (MCI 2017).

2.3.2 Saudi Arabian Monetary Authority

The central bank of Saudi Arabia is the Saudi Arabian Monetary Authority previously known as the Saudi Arabian Monetary Agency (SAMA). Founded in Riyadh in 1952, SAMA defines its duties as being: to address State banking issues; to print the national currency (the Saudi Riyal) and stabilise its external and internal value; to control foreign exchange reserves in the Kingdom; to manage currency policy to maintain the stability of prices and exchange rate; to promote and ensure the solidity of the financial system; to control the country's commercial and trading banks; to supervise the insurance sector and financial and insurance professionals in banking and accounting; to oversee finance firms; and to manage credit reporting (SAMA, 2017).

2.3.3 Saudi Arabian General Investment Authority

The Saudi Arabian General Investment Authority (SAGIA) was founded in 2000 as part of the efforts of the government to facilitate foreign investment into the Saudi economy so that it could attain its development objectives. SAGIA has set up a business hub in Riyadh offering potential investors a range of services, such as helping them find business properties and funding. The authority brings representatives from all the relevant government departments (e.g. the Ministry of Labour and the General Passport Directorate) together in a single location, helping reduce bureaucratic obstacles not just for potential investors but for businesses generally. SAGIA's mission is to set a new benchmark for investment and create new economic opportunities for Saudi Arabia; to assist the Government in delivering its economic plans; and to improve relations with investors by maintaining high standards of customer care and efficiency (SAGIA 2017). Therefore, this study could be of particular interest to SAGIA, as it clarifies factors underpin CSRD, thus incentive measures can be introduced to enhance CSRD by different economic sectors in KSA.

2.3.4 Capital Market Authority

The Capital Market Authority (CMA) is responsible for the control and growth of the capital market in KSA. This involves implementing acceptable standards and working practices for all those entities engaging in securities and commercial transactions and upholding the fairness, efficiency and transparency of these transactions. The authority is responsible for safeguarding investors and the public from unequal and unjust practices including fraud, bribery, theft, coercion and insider trading. To this end, it is tasked to monitoring for securities transactions for listed and unlisted companies and for developing, controlling and tracking stock insurance and non-trade disclosed transactions. Finally, it is accountable for monitoring the operations of relevant organisations to ensure their full compliance with the disclosure requirements. As part of its efforts to improve and sustain the Saudi Capital market, the CMA has issued a set of precautionary guidelines and guidelines for the settlement of securities disputes (CMA 2016).

2.3.4.1 Saudi Corporate Governance Code

The growth of private business in KSA, and especially the establishment of the Tadawul (see Section 3.3.5), have made corporate governance an increasingly relevant issue in the country. Accordingly, in 2006, the CMA released the Saudi Corporate Governance Code (SCGC), which is compulsory for all companies listed on the Tadawul. The code's main principles are to support appropriate corporate governance practices and clarify the governance requirements for all listed Saudi firms. It deals with matters such as the rights and responsibilities of various stakeholder groups; disclosure requirements; and accountability requirements. The code was revised in 2010 in response to changes in global standards (Aldosiri 2017).

2.3.5 Saudi Stock Market

The Saudi Stock Market, known in KSA as the Tadawul, was founded in 2003 to administer and control the exchange of shares and securities by parties licensed by the CMA (Tadawul, 2016). In 2007, the Tadawul upgraded to become a joint-stock corporation with a capital of SR1.2 billion (120 million shares) (Tadawul, 2017). The Tadawul also serves as a source of market data; listed companies are required to disclose any significantly unique information about their operations and performance to stakeholders via the Tadawul, based on the principle of materiality (Tadawul, 2016). The mission of the Tadawul is to establish a fully-fledged securities industry offering robust and diverse financial services that are able to compete internationally.

2.3.6 Saudi Organisation for Certified Public Accountant (SOCPA)

Founded in 1992, the Saudi Organisation for Certified Public Accountants (SOCPA) was created to assist in the development and implementation of standards for accountants and auditors. The SOCPA gives qualification training and certification to qualified individuals who pass the required tests and follow the standards. Today, much work is being done to intergrade these standards with the International Financial Reporting Standards, or IFRS (SOCPA 2017).

2.3.7 Department of Zakat and Income Tax

Under the Ministry of Finance, the Department of Zakat and Income Tax (DZIT) can be found (DZIT 2016). The department was first founded in 1951. It currently operates from over 17 locations around KSA. The primary objective of the department is to assess and collect zakat[3] and income taxes. The assessment and collection are from the Saudi and GCC citizens who live in KSA

The DZIT is required to treat taxpayers fairly and to encourage voluntary compliance with tax rules, but it also has the authority to establish and enforce policies to track delinquent taxpayers and enforce compliance. The department issues regular statistical operations reports and produces an annual report for the ministry detailing its revenues and expenses, both real and estimated.

2.4 CSRD in Saudi Arabia

Much information can be found concerning CSR disclosure and western countries. However, there has not been much research into Islamic countries including the KSA (Alsaif 2015; Kansal et al. 2014; Khurshid et al. 2014; Khan 2013; Uyar et al. 2013; Al-Moataz & Hussainey 2012: Hussainey & Salama 2010; Khan 2010). However, there are good articles that point out a number of important issues concerning CSR and corporate governance (Peters et al. 2011). A good CSR program can increase the confidence of investors, provide support when seeking

[3] Zakat al-mal (the purifying of capital) is the mandatory contribution amounting to 2.5 percent of the value of one's capital each lunar year above a certain level (Eighty-five grams of gold or 595 grams of silver), including net profit, cash, gold and silver.

access to financing, lower capital costs, raise a firm's value and can lead to better operational performance. It is important to note, that a good CSR practice is not the only thing that will be needed to succeed. The program may not help the growth of the business or ensure corruption never takes hold of the company. However, it may not work in certain emerging markets, but it would establish a new culture of ideas that would mature in time.

As related to the studies concerning Saudi Arabia, there have been only a few articles which dive into the driving factors of voluntary disclosure and the extent of voluntary disclosure (Habbash et al. 2013). In one study, companies that were listed on the Saudi Stock Exchange during 2007 to 2011 were chosen and 361 samples were observed. One of the most important findings was that an extremely poor rate of 18.38 percent of the companies participated in a voluntary disclosure program, the lowest recorded in any Arab country. Additionally, the study discovered a number of positive relationships with CSR disclosure programs in the companies that participated. For example, there were positive relationships found with the company's size, profit and the age of the company and the extent that the company participated in voluntary disclosure. However, there were also a number of negative relationships such as the leverage of a company and its extent of voluntary disclosure. There was no significant finding observed relating to the board independence and voluntary disclosure.

While the Western concept of CSRD is comparatively new to civil society and businesses in KSA, it has quickly taken hold by the large companies, many of whom see the improvement of social welfare as a crucial aspect of their corporate function. The acceptance of CSRD may be attributed in part to a growing understanding among Saudi businesses that CSRD and its related disclosure make good business sense. However, it may also be attributed to its compatibility with both established cultural norms and Islamic principles (Aldosiri 2017). The following sub-sections discuss 1) the cultural and religious drivers of CSR in the Saudi context,

2) the various initiatives that have been undertaken by Saudi governmental and non-governmental agencies to promote widespread engagement with the concept, and 3) the regional and international bodies encouraging businesses to incorporate CSRD into their business practice.

2.4.1 Influence of Culture and Religion

Judged against Hofstede's (2001) model of cultural dimensions, Saudi society exhibits high power distance (implying that citizens expect and accept power inequality), a strong sense of collectivism, a moderate orientation towards masculinity (suggesting a lower level of competition and a greater concern for social harmony than in the West), and high uncertainty avoidance (implying a fear of alteration and a feeling for order and regulation). These characteristics are evident in Saudi society's traditional tribal structure, in which individuals give loyalty to an ethnic alliance in exchange for security and wellbeing, and wealthy tribal members give a monthly stipend to support the destitute and pay for weddings and healthcare. A sense of social responsibility is thus part of the fabric of Saudi culture, but its importance is further underlined by Islam, the principles of which infuse all areas of life and all institutions in KSA. Zakat, for example, is one of Islam's five pillars – the fundamental obligations without which a Muslim's religious observance is considered incomplete. The importance of zakat is highlighted repeatedly in the Quran as an act of charity towards those in need. Accordingly, the zakat contributions collected by the State are distributed to the poor. Although Zakat, in addition to other types of charity giving (Sadakah), underpins significant corporate and individual social responsibilities in Islamic context, the religion instructions prohibit disclosing these types of charities to save the receivers social imbursements (Aldosiri 2017).

2.4.2 Saudi Awards, Standards and Programmes

The Saudi Government has played a significant role in improving CSR in the country and promoting the implementation of global standards and certification. As part of its ongoing efforts to improve KSA's place in the international rankings and improve accountability, it has supported a number of initiatives to raise competitiveness, improve the country's human capital and promote ethical business practices. The initiatives are discussed briefly in subsequent sections.

2.4.2.1 Saudi Arabia Responsible Competitiveness Index

The SARCI was formulated in 2005 by SAGIA with the aim of improving both corporate and country-level competitiveness and placing KSA among the top ten most competitive countries globally by 2010. The success of the program has not been empirically proven. Since the creation of the index, corporations have been evaluated on how well they implement the principles of ethical business. Forty-two corporations participated in the SARCI evaluation during the initial year (2005), rising to 60 by 2010. Since 2011, the index has focused on five main areas (SARCI 2011): establishing a competitive human capital within the country, promoting innovative thinking and problem solving, empowering local companies, ensuring quality management at all levels, and promoting environmentally friendly working practices.

2.4.2.2 King Khalid Responsible Competitiveness Award

The King Khalid Responsible Competitiveness Award encourages and identifies the realisation of sustainability goals in KSA. The collaboration between the King Khalid Foundation and SARCI aims to support firms to improve their performance and engage in practices that ensure positive social and environmental outcomes. The award recognises those Saudi firms achieving exceptional sustainability performance as well as the top three firms in the SARCI (KKF 2017).

2.4.2.3 King Abdulaziz Quality Award

The King Abdulaziz Quality Award (KAQA) was established in 2000 with the goal of improving quality and efficiency within the Saudi economy. It is awarded to firms that have attained the highest level of performance, based on the quality of their products and services, as judged by the Saudi Standards, Metrology and Quality Organisation (see Section 3.4.2.4).

2.4.2.4 Saudi Standards, Metrology and Quality Organisation

The Saudi Standards, Metrology and Quality Organisation (SASO) are the government body responsible for the coordination of standardisation, quality control and measurement activities throughout KSA (SASO, 17). Its main objectives are to promote the concept of quality in both the public and private sectors and across all production processes and services, and to encourage firms to adhere to national and international principles. Its responsibilities include:

- Publishing sanctioned standards and guidelines for assessing the conformity of services, products and commodities to these standards.
- Issuing and implementing guidelines on the methodology to be followed during registration of certificates in accordance with environment and safety standards.
- Enhancing awareness on issues related to quality, standards and conformity assessment processes, calibration and metrology.
- Harmonising efforts related to quality, conformity and standards, calibration and metrology within and outside the country’s borders.
- Applying the National System of Metrology and Calibration
- Collaborating with relevant agencies to enforce the adopted Saudi standards and conformity procedures.
- Performing accreditation duties such as laboratory accreditation.

- Performing research and cooperating with other research agencies such as firms and universities.
- Evaluating existing legislation and providing recommendations in line with safety and quality requirements.

2.4.2.5 Saudi Transparency Award

The Saafah Foundation is a Saudi-based agency that focuses on enhancing integrity, accountability and transparency in the country. It conducts research, provides training and education to individuals and institutions and gives an Annual Saudi Transparency Award in public recognition of examples of integrity, accountability and transparency among firms in KSA (Saafah Foundation 2016).

2.4.3 Regional and International Initiatives

2.4.3.1 Gulf Petrochemical and Chemical Association

The Gulf Petrochemical and Chemical Association (GPCA) was established in 2006, represents the common interests of approximately 250 member companies. Strategically, the GPCA focuses on enhancing health and environmental performance, improving security and facilitating communication with various stakeholders on issues related to products and processes. It is responsible for ensuring that petrochemical and chemical companies across the Gulf implement the international Responsible Care initiative (GPCA 2017).

2.4.3.2 United Nations Global Compact

The United Nations Global Compact (UNGC) is a non-binding UN pact that encourages businesses to adopt socially responsible practices and report back on their implementation. The compact identifies ten principles distributed across four themes: labour, human rights, anti-corruption and the environment (UNGC, 2017). Under the labour theme, businesses are advised that: 1. They must maintain freedom of association and recognise the right to collective bargaining, 2. They should not use any kind of forced labour, 3. They should not use child labour, and 4. They should allow no form of discrimination in the workplace. Under the human rights theme, the principles stipulate that: 5. Businesses should not be complicit in any human rights abuses, and 6. they should support and uphold the protection of internationally accepted human rights. The anti-corruption principle states that: 7. Businesses should not accept any form of corruption, while the environment principles state that: 8. Businesses should be cautious about environmental challenges, 9. they should take steps to encourage greater environmental responsibility, and 10. They should concentrate on the creation and dissemination of eco-friendly technologies.

2.4.3.3 International Organisation for Standardization

The International Standards published by the International Organisation for Standardisation (ISO) are one of the most important international tools for enhancing and guaranteeing quality across all sectors of business and industry. Many Saudi companies have acquired ISO certificates, illustrating an increased awareness of the importance of safety, quality and efficiency in the country.

2.4.3.4 Accountability

Established in 1995, Accountability is a non-profit organisation which focuses on helping firms to become more responsible, accountable and sustainable through stakeholder engagement and sustainability assurance (Accountability 2015). It has been instrumental in raising awareness of CSR among corporations around the world. The objectives of Accountability (2015) include: helping members and clients to establish a sustainable competitive advantage and improve the performance of their business; promoting responsible competitiveness; developing fair, open and effective methodologies to facilitate stakeholder engagement; establishing effective and collective strategies of governance for multilateral organisations and partnerships; developing and enforcing sustainability standards among members; and liaising with companies, governments and non-profit organisations to embed ethical, social and environmental governance in all their operations.

2.4.3.5 Global Reporting Initiative

The Global Reporting Initiative (GRI) is an international independent agency established in 1990 to ensure that governments and companies understand the effects that business has on areas such as human rights, climate change and corruption (GRI 2016). Recently, there has been an increase in the number of reports relating to the responsibility of CSR in Saudi. The GRI believes: transparency acts as a catalyst for change; the established standards foster informed decision making; every organisational decision should be driven by the public interest; in the power of inclusivity and multi-stakeholder processes; and that a global perspective is paramount for effective change.

2.5 Sharia Law

“Sharia law is the body of Islamic rules and teachings that governs Muslims’ relationships with their families, society, and nation. Sharia law derives from eleven Islamic references, primarily the Holy Quran, the holy Muslim scripture revealed to the Prophet Mohamed, and the prophetic tradition, i.e., the recorded words and actions of Prophet Muhammad that mainly illustrate and explain the Quran.” (AUF, 2016).

Since religions do influence individuals’ preferences and mind-sets about the concerning CSR, then Islam takes a holistic approach to CSR. Notably, the Islamic religion teaches ethics and morals even for in business practices. Therefore, the Islamic religion approaches CSR holistically. It motivates Muslims spiritually to take part in upright social norms (Dusuki 2008). Furthermore, the Islamic religion values environmental protection. It encourages protection of

Allah’s creation. Furthermore, it is seen as the responsibility of every person (Brammer Williams and Zinkin 2007).

Islamic religion and its teachings are preserved and adhered to in the Saudi Arabian culture. As a result, the social laws governing Saudi require that the country be ruled based on the Shari’a. Notably, the Shari’a encourages responsibility towards other people and the society. Thus, it influences organisations’ and people’s conduct in Saudi communities. Almaslaha is the critical to the CSR activities, as it pertains the giving back to the society. One principle of Almaslaha is that public interests always come before the private intentions (Opwis 2005; Azhar 2010). Public interests are always prioritized in a conflict between private and public concern.

Alistikhlaf is another Islamic concept connected to the CSR practices. Alistikhlaf is a concept stating that Allah appointed humans to be the protectors of earth. For this reason, every human has a responsibility for protecting the rights of others with accountability to Allah (Lewis 2001; Kamla, Gallhofer and Haslam 2006). Therefore, the spiritual laws dictate the guidelines to must be adhered to by Muslims. The centre of the principles are the ethics derived from spiritual laws. Nevertheless, it is important to note that Shari’a are duties that have been drafted into straightforward philosophies specifically: brotherhood, Tawheed and reallocation of resources. Tawheed is oneness Allah. Brotherhood and Tawheed are based on the people relate with each other before Allah (Dusuki and Abdullah 2007). Islam view people as Allah’s delegates on earth, obligated to utilize His resources to benefit everyone in the society to redistribute resources (Visser 2013). Through the Quran, Allah tells Muslims that “You cannot attain to righteousness unless you spend out of what you love. And what you spend, Allah surely knows it.” Mandatory offering is called zakat while voluntary contribution is sadaga (Visser 2013). From these principles, it is visible that the Islamic religion integrates individual and societal view. It considers CSR more as a benefit than a cost, as it collectively benefits the Muslim community. The ethical principles of the Islam communities encourage caring for the needs of the community. This way, it promotes voluntary giving to meet the principle of the brotherhood as well as prevent harm (Abul Hassan and Abdul Latiff 2009). The prevention of harm is also applicable to Allah's creation. Humans are obligated to protect the environment from adverse effects, and protect resources from exploitation. Islam teaches people to conserve natural resources that Allah have humans. Wastage is minimise d and misuse is forbidden by Allah (Dusuki 2008).

Notably, Islam has positively influenced the practices and behaviour individuals and organisations. Businessmen in Saudi Arabia put efforts to adhere to the Sharia laws. For instance, reports from various Saudi firms including one title "The Conformity of the Company's Transactions with the Islamic Law" indicate that the directors are always interested in company transactions being in accordance to the Sharia laws. The laws state that a review committee has to be created and tasked to review all firm activities, financial reports and report its views to the board of management. The form report also stated committee recommendations were considered and all fiscal transactions follow the Islamic law. Due to this, the firm had become a purified firm. Notably, one critical aspects of the recommendation was that transactions were to be conducted according to Shari'a which include Tawarruq, Murabaha, sadaga and Zakat. Furthermore, the firm report indicated that it had traded its shares on some financial institutions and stopped transactions with banks that were not following the Shari'a laws consistently.

In summary, it has been shown from this section that according to these study findings, Sharia law have been found the most influencing factor, not at the national level only but on global, industry and companies' level and this factor should not be ignored, in particular for the research that related to Islamic context.

However, recently, study in adoption of environmental management accounting (EMA) at manufacturing in Pakistan has shown that coercive, normative and mimetic pressures have a substantial and affirmative influence on the adoption of EMA. However, a major criticism of their work is that they made absolutely no mention from scanning for quickly of religion, as the global impact is the same for Saudi Arabia and Pakistan (Latif et al., 2020).

2.6 Annual reports

As stated previously, petrochemical companies' Annual reports are documenting according to Ministry of Commerce. As a result, it is possible to determine the CSR activities engaged in yearly by petrochemical companies. Such reports were analysed during the current study.

2.7 Oil and Gas Regulations

Saudi Aramco, or Saudi Arabian Oil Firm, is a public Saudi Arabian oil and gas company headquartered in Dhahran. Saudi Arabian Oil Company has a great position and it dominant on all above other industry. It is causing a coercive pressure to petrochemical industry in general and to companies differently as it has its own legislation and laws. As such, CSRD by petrochemical companies in KSA are largely influenced by the coercive pressures emanating from the regulator.

2.6 Summary

This chapter offers an overview of the Saudi national context, including its political and economic systems and its significance within the global economy as one of the world's biggest oil producers. The chapter then discusses in detail the Saudi Vision 2030 programme, highlighting that this is designed to boost not just economic but also social development by means of a wide range of programmes aimed at raising living standards, improving human capital and promoting environmental sustainability. As such, the plan is closely compatible with the principles of CSR and may do much to foster wider engagement with the concept among Saudi businesses. The chapter goes on to give a brief overview of the various agencies (mostly governmental) that regulate commercial activities in KSA and thus have a direct interest in the business operation of CSR. Finally, it explores some of the other contextual factors that may encourage businesses in KSA to embrace the concept, from local cultural and religious norms and Government-sponsored award schemes to the international organisations providing guiding principles and monitoring performance. The next chapter discusses the research design and methodological approach of this study.

CHAPTER THREE: LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

3.1 Introduction

While, investors have traditionally focused solely on the financial performance of firms, there is now an increasing interested in how organisations perform in environmental and social terms? In the UK, for example, the passing of the Climate Change Act in 2008 highlighted the practical importance of behaving in a socially and environmentally responsible way, and since then, growing numbers of corporate stakeholders such as owners and government have started to demand more investment in CSR and in disclosure. However, many of the organisations which practice “good management” and now invest in CSR activities and disclosures do so at least partly in the expectation that this will enhance their corporate performance (Waddock and Graves 1997; Gangi and D’Angelo 2016; McWilliams and Siegel 2000). Disclosure is distinct from the sustainability reporting (SR) practice because the former is closely related to the firm’s business performance with stakeholders while the latter extends to cover non-financial measures (Iswati, 2020).

Over the past few decades, various theories have been developed to understand the complex relationship between organisational performance and its commitment to corporate social responsibilities (CSR). Among the most significant theories that underpin CSR in organisations are legitimacy, institutional, and stakeholder theories. However, each of these theories defines the engagement and commitment of an organisation’s practice to its CSR scope differently.

This chapter discusses the literature pertaining to CSRD and its link with financial performance. It begins by considering the various definitions of CSR and CSRD that have been offered by researchers before providing a historical overview of the development of CSRD research and discussing the nature and scope of the concept. It goes on to describe main theoretical framework employed by researchers to explain this phenomenon and highlights the way institutional theory in particular informs this study. It explores the barriers to CSR implementation and its drivers, introduces the Multilevel Model of Institutional Forces and explains the coercive, normative and mimetic forces at play. It then reviews empirical research into CSRD conducted in developed and developing country contexts, and reflects on their implications for the present study. The chapter concludes by presenting the conceptual framework developed for this study and setting out the hypotheses which will be tested.

3.2 Understanding the Broader Concept of CSRD

3.2.1 Corporate Social Responsibility

CSR dates back to when individuals established businesses and employed workers. Howard Bowen first established the concept of CSR in 1953. However, throughout the 1970s and 1980s, scholarly debate over the idea of CSR intensified. Drucker (1984) emphasized the critical and urgent nature of transforming social issues into economic possibilities. Ben & Jerry's was the first firm to issue a social report in 1989, and Shell was the first big corporation to do so in 1998. (Carroll 1999). Most of the previous studies on CSR have mainly focused on demonstrating the positive relationship between CSR practice and the financial performance of an organisation. However, because different businesses operate in extremely different and dynamic conditions, broader issues should be considered when examining organisational commitment to its CSR agenda. Some of these include the institutional framework and the environment in which the firms operate. By considering the broader issues such as CSR and environmental protection, customer experience, community welfare, and even the welfare of the employees within the organisation, a better avenue for understanding the existing relationships is created. Besides being socially responsible, business organisations also have an indispensable role in remaining ethical in the scope of their operations, from the management of activities to the delegation of duties to the employees within their organisations. According to numerous experts, the first step in implementing CSR is identifying internal and external motivations and impediments. In most cases, business and society are inextricably intertwined and dependent on one another and social responsibility is a catalyst for social development. In today's global and changing world, social responsibility enables businesses to remain accountable for their actions. It has been adopted in many academic institutions to ensure that literature on corporate best practices is emphasized in the scope of these organisational goals and objectives.

3.2.1.1 Definitions of CSR

CSR is defined in a variety of ways depending on the scope and core values of an organisation. In 2008, Blowfield and Frynas established the existence of several definitions of CSR in contemporary literature. However, most of these definitions pointed towards a particular point leading to the universal understanding of CSR as a best practice behaviour that strengthens the relationship between the company and its external and internal stakeholders. This means that a useful definition of CSR must integrate the idea of sustainability and the ability of the organisation to share broader issues that are likely to affect the members of the community, such as pollution and environmental protection, and conservation. However, in the scope of this study, CSR will be defined as the continued commitment and desire by an organisation to act ethically while contributing to the economic success of a society in which it operates. For this to be achieved, the business organisations must strive to improve the quality of life for its employees and that of the community members in which it operates.

In a study conducted by Carroll in 1991, it was established that businesses must demonstrate CSR in four areas: economic, legal, ethical, and charitable. Philanthropic duties include the need to prevent damage, act as an excellent corporate citizen, include ethical considerations into company choices, and do the right thing. In many instances, the legal duties associated with a company are those related to the issues of law and how they can be used to determine right or wrong actions or practices carried out by a company or business. Carroll also examined the economic responsibilities of organisations in terms of profits to better understand the meaning of CSR to corporates. Carroll's social responsibility framework also considered issues of philanthropy and ethics to define what firms need to consider to be considered socially responsible in their scope. Ethical duties encompass a range of behaviours that adhere to society's standards, norms, and expectations and are also connected to the need for organisations to comply with the rules and regulations on best practices and behaviour. This means that socially responsible organisations must consider the interest of all stakeholders, including the investors, suppliers, employees, customers, and members of the local community. Philanthropic responsibilities mainly involves the act of business giving back to the society. It might be discretionary or voluntary. It is also not legally mandated but most businesses do it for ethical or marketing reasons (Edmondson and Carroll 1999). The scope of such philanthropic activities ranges from monetary and non-monetary gifts, and product and service donations, community development or volunteerism by the employees of management in community activities.

3.2.2 Corporate Social Responsibility Disclosure

The practice of CSRD seems to have begun in the 1950s. Since then it has changed from voluntary and largely unorganised reporting into a formal aspect of organisational operations, seen as an express duty in many instances (Klonoski 1991). In the early years, CSRD programmes were typically regarded as a branch of accounting. This means that the focus was on the identification or calculation then dissemination of economic data, represented by a denomination of capital totals (Bini and Bellucci 2020), and the disclosure of the financial impacts of firms' engagement in social and environmental projects alongside the results of other financial decisions (Branco and Rodrigues 2006: 82). This information was provided to the stakeholders and managers to demonstrate how their decisions impacted the financial and economic health of the company. However, CSRD has increasingly become a means to communication information about a company's activities both within the company and the overall society in which it operates (Gray et al. 1995b, 48).

Academia has yet to agree of what practices are considered to be acceptable and established as policy for CSR disclosure. In their study Ernst and Ernst (1978) identified environment, fair business practice, and involvement in the community as some of the factors that should be captured in CSRD. For a number of firms, their disclosure types may include environmental issues, employee concerns, the amount of community involvement and the quality that has been built into the product (Branco and Rodrigues 2006: 88). Disclosures about any ethical problems a company has encountered and the amount of ethical investment made may also be included (Belal 2001).

Gray (1995a) argues that the catalyst for early research into CSRD was the efforts by pressure groups and professional accounting bodies in the late 1960s and early 1970s to encourage CSR among companies. These efforts continue today, with the International Accounting Standards Board (IASB) still pushing large organisations to include Operating and Financial Reviews (OFR) in their annual reports and to discuss issues such as environmental protection and potential environmental liabilities (Deegan and Gordon 1996; Smith et al. 2005). The concept of CSRD has become more common in the accounting literature, particularly in developed nations, over the last 30 years (Deegan and Gordon 1996; Dwyer et al. 2005; Katmon et al. 2019; Tilt 2016).

3.2.2.1 Definitions of CSRD

The earliest attempts to define CSRD date back to the late 1960s and early 1970s, though as Gray, Koshy and Lavers (1995b) point out, while a number of definitions have been presented over the years, a single, universally accepted definition remains elusive. As Gray et al. (1996) note, CSR disclosures are a manifestation of CSR actions and performances; therefore, reporting on social issues is an important part of CSR and accountability and governance processes. CSR disclosure is either mandatory or voluntary reporting which concerns ethical, social or environmental data by the firm to its stakeholders (Belal and Jabir 2011; Jenkins and Yakovlev 2006). CSR disclosure has also been defined as financial or non-financial data that concerns organisations' interaction with social or physical environments which may be found in yearly or social reports (Guthrie and Mathew 1985). CSR, environmental or social disclosure has also been referred to as the information that concerns an organisation's actions, goals or reputation concerning employee and customers' needs or environmental community issues (Gray et al., 1995b).

Notably Gray, Owen and Adams (1996) define CSRD as the dissemination (through a structured process) of information about a company's environmental and social activities to specific interest groups. GRI (2018) also sees the disclosure process in formal terms, defining CSRD as the production of a report detailing information regarding the effect a company's activities have on society, the economy and the environment. Some definitions see CSRD as something that is essentially self-initiated; for example, Mathews (1993) defines CSRD as the voluntary disclosure of quantitative (financial or non-financial) or qualitative information to influence one or more stakeholders, while Lupus and Cojocaru (2010) also see CSRD as a voluntary activity. However, others such as Griffin and Sun (2018) and Lee, Walker and Zeng (2017) argue that this emphasis on voluntary disclosure fails to capture the lack of legal ramifications in certain countries, since they are not standardised based on a statutory format.

They assert that central authorities should be concerned about other types of disclosure which may be important in enforcing organisations to disclose certain social information to their stakeholders. Whatever their differences when it comes to defining CSRD, however, the majority of authors see this form of disclosure as something that firms should be both encouraged to do voluntarily or compelled to do by law.

For the purpose of this study, CSRD is defined as the process of reporting qualitative and/or quantitative and financial and/or non-financial information regarding the effects of a corporation’s social, environmental and human-related actions, through any dissemination methods or channels, to a public audience. This definition differs from those provided by the previous literature in several ways:

1- The definition encompasses all types of reporting. It does not support the notion that CSRD should be voluntary rather than compulsory (or vice versa).
2- It does not limit the reporting to annual reports only. CSR reports can be distributed through annual reporting, but advertisements, articles, environmental reports, supplements; press releases may also be used. They can also go out as newsletters, websites or they can be distributed as multimedia such as video files which supported by participants (Jenkins and Yakovlev 2006; Gray et al. 1995a).
3- The definition does not limit the groups or individuals to whom information should be provided; rather, it recognises that this information should be provided to any users who have a relationship with the corporation. The extension of the definition is based on the assumption that corporations have more responsibilities than simply making money (Golob and Barlett, 2007).
4- The definition encompasses not just the environmental effects of firms’ economic activities but also those social and environmental practices which might contribute to

social development and environmental protection as auxiliary benefits to the organisation.

There have been many attempts to determine a sufficient level of CSRD offered by companies and the most popular disclosure categories, however no definition of such levels seems to have been reached (see Clarkson et al. 2008; Cormier et al. 2011; Gao, Xiao et al. 2005; Mashat 2005; Hackston and Milne 1996; Peng et al. 2020). The following sections discuss the generally agreed scope and activities of CSRD, as identified in these studies.

3.3 Scope of CSRD

This section aims to establish the nature and scope of CSRD; that is, what kinds of activities do corporations disclose? In fact, this is an empirical question; CSRD started life in a few leading corporations as a vehicle for disclosing the impacts on social and environmental of their activities, but its scope has since extended to include environmental policy, community participation, employee well-being and training, consumer interests, corporate governance and directors' data (Anas et al. 2015; Gray et al. 1995a; Hopkins 2016; Chambers 2017; Wu and Bu 2020). From the academic perspective, CSRD is one way in which an organisation assumes responsibility for the impact of its business activities on its stakeholders and the environment. In addition, CSRD targets increasing transparency and, by doing so, increasing mechanisms of accountability and governance. In broad terms, it is an indicator of the integrity with which an organisation governs itself, fulfilling its mission, evaluating its objectives, engaging with its stakeholders, and reporting its activities. CSRD might reveal a positive picture of a company operating in harmony with the environment, or a negative picture of a company operating to the detriment of the environment (Alshbili and Elamer 2019; CSEAR 2004). In either case, a company's CSRD is an indicator of how it takes account of the economic, social and environmental impacts caused by its operations while maximising the benefits and minimising the downsides on surrounding communities (Hamrouni et al. 2019).

Although most CSRD is undertaken voluntarily several other measures can prove to be effective too. To start, industry-inspired action can be effective in enhancing accountability and governance whilst also boosting the relationships between CSRD and financial performance (Bayoud et al. 2012b; Hassan 2010; Ni and Zhang 2019). In the modern corporate world, industries have also taken the responsibility of formulating and implementing CSR standards or guidelines. In the oil and gas industry, for example, Berkowitz et al. (2017) reports that pressure has pushed the sector to develop CSR standards. The oil and gas industry has bowed to pressure by establishing non-governmental organisations as well as branches of the oil and gas companies with the focus on CSR (Berkowitz 2017). The industry guidelines are primarily driven by an industry legitimacy perspective. Such action shows that there are other institutional forces that are in play when it comes to influencing the motivation or decisions of the firms to adopt CSR. That is because CSR and disclosure practices cannot be defined or even implemented exclusively at the firm level. On the contrary, the definition and implementation of the CSR efforts require the participation of all actors who are affected by the industry activities either directly or indirectly. It is for this reason that, other factors including market forces and industry forces play a key role in influencing the accountability, transparency, and governance at the industry level.

On the other hand, regulation can prove useful in encouraging organisations nature of regulation of what by whom- who has this manifested elsewhere? For example, government, stock market or “softer” regulations such as accounting standards set by accounting bodies to enhance the quality of this reporting (Van der Laan 2009). Indeed, companies often fail to produce high-quality CSRD in settings where there is no legal enforcement, as is the case in

KSA (Ahmad 2004; Belal and Roberts 2010; Hamrouni et al. 2019; Haniffa and Cooke 2002). Many authors discuss the scope of CSRD from the perspective of legal obligation, suggesting that as companies undertake social and environmental practices voluntarily, the disclosure of these practices should not be legally required (Jamali, 2008). In some countries, there is thus no obligation to disclose CSR activities, even if they serve a social purpose (Aldrugi 2013; Hassan 2010; Yusoff et al. 2019).

On the question of what sort of activities should be disclosed, it has been argued that CSRD activities are all those actions that are carried out in response to public pressure and which have a social rather than financial purpose (Matuszak et al. 2019; Ni and Zhang 2019). Aldrugi (2013) argues that the nature of these activities is the same whether they are voluntary or imposed by law; it follows then that it is the nature of the activity and not the legal requirement that establishes its social importance (Adel et al. 2019). However, Aldrugi (2013) cautions that the constantly evolving nature of culture can make it difficult to define social activities. Conversely, defining them in legal terms means firstly, that they are more likely to differ from one country to another in accordance with the local legal context (Dissanayake et al. 2016; Zerban 2013), and secondly, that they are more susceptible to reclassification; a change in regulation might redefine a social activity as non-social and vice versa. This may have implications for what a company decides to disclose.

3.3.1 Environmental Disclosure

Disclosure in this area involves providing information about how the business impacts on the environment, usually in the form of a policy report setting out how it complies with environmental legislation and standards (Khlif et al. 2015). The principle behind environmental disclosure is to encourage businesses to use sustainable products and services and reducing waste part of their business model. Waste disposal, whether this waste is the product of packing, recycling or emissions, is one of the primaries focuses of environmental disclosure, but increasing attention is also being paid to energy conservation and the protection of plant and animal life. Thus, the disclosure is accountability for the impacts. The resulting accountability and governance response might lead to improvements/ changes in behaviour.

Unfortunately, too many companies see environmental reports as an opportunity for self-promotion rather than an expression of genuine social responsibility (Takyi and Adela 2019). The issue /problem is censoring/ limiting what is reported due to the negative consequences. This is a major criticism of voluntary disclosure practices where what is disclosed is discretionary. It involves a filtering of information thus limiting the accountability and governance mechanisms. Furthermore, so long as they meet minimum legal requirements, society does not hold these companies accountable, and they are able to exploit loopholes, disclose at their own discretion and keep operating in the same way. Takyi and Adela (2019) show that the corporations who are most exact about operating within the legal boundaries are in fact often the ones doing the most environmental damage. Oil and gas companies, in particular, are keen to display their green credentials through their environmental disclosure but continue to do significant environmental harm (Aldrugi and Abdo 2016).

Baalouch et al. (2019) show that if companies disclose more about their efforts to achieve environmental sustainability, the public tends to view them as more environment friendly. It comes down to greenwash/marketing verses accountability for impact resulting from business activity. However, the most concerning aspect of their findings is that this disclosure has no real correlation with actual environmental impact. This could be a criticism of looking at quantity of reporting alone. In fact, companies that disclose the most information tend to have the most harmful impacts on the environment, which is why they have more incentive to cover their tracks in the eyes of the public (Aldrugi and Abdo 2012). Another characteristic of many environmental disclosure reports is "the hypothesising of green technology"; companies include speculative discussions about revolutionary green technology in their disclosure to give the impression that they are headed in the direction of sustainability (Bebbington et al. 2009). However, in reality, the predictions are often either highly implausible or deliberately misleading. Companies then share these predictions on their web pages in vaguely worded statements, without ever giving any specifics of what they are actually doing to sustain the environment. This may be the reasons why industry bodies have intervened in high environmental risk industries such as oil and gas to suggest what should be reported to avoid marketing over risk management and accountability.

3.3.1.1 Islam and environmental justice

From a holistic standpoint, the Islamic religion has an inherent concern for environmental justice. Islam, as a religion, has strong values that are comprehensively applicable when it comes to respecting the concerns surrounding the governance of environmental interests. Based on Islamic principles, commercial and business operations should never be separated from the moral goals or rather objectives of the society (El-Halaby and Hussainey 2015). From an Islamic perspective, CSR is a concept that is based on the idea of "Regarding ultimate responsibility to Allah, in which humans are viewed as khalifah (vicegerent on earth) and expected to interact with other humans in order to care for the natural environment that has been entrusted to them" (El- El-Halaby and Hussainey 2015, p. 4). With Islam considered to be a way of life, El-Halaby and Hussainey (2015) also claims that the concept of CSR is founded upon the three key fundamental principles. These include the vicegerent role play by man on earth, man's divine accountability to Allah, as well as mankind's obligation to enjoin good deeds while avoiding evils (El-Halaby and Hussainey 2015). Therefore, Islam emphasizes the need to embrace disclosure since it is a moral objective of the firms and/or the industries towards the stakeholders. From this viewpoint, it is worth also noting that Islamic organisations are encouraged to practice CSR based on the principle of Tawhid. Where the principle of Tawhid is concerned, accountability is an area of key focus. Towards accountability, the principle of Tawhid emphasizes the need to ensure a continuous and fair flow of information from the person or entity possessing it to the other stakeholder (El-Halaby and Hussainey 2015). Therefore, the business has a moral obligation to ensure total disclosure to all the stakeholder groups linked to the organisation as well as the community at large.

3.3.2 Community Disclosure

Since any organisation needs the support of society to ensure its survival, disclosure of its social commitment is particularly important. This commitment by oil and gas industries may take the form of community participation; the provision of goods or services with a mind to lend assistance to established community activities and events; training; support of other areas of interest such as arts or sport; the promotion of public health; contributions in kind to a formally recognised charity; or political gifts (Aldosari 2017). In Carroll (1991) the argument was made in which social issues was used like philanthropic and ethical ideas in the CSR pyramid. It was suggested that they should go beyond simply obedience to the legal and economic reasons and embrace the philanthropic and ethical (Carroll 1979). There has been a shift from "philanthropy" to impacts on society- resulting from business: so there has been more used of social impact assessments particularly where impacts from operations on communities are high. Focusing on philanthropic activities could be argued to be the same as greenwash above, where the activities of business can have significant impacts on communities.

3.3.2.1 Social accountability in Islam

Even though the importance of CSR and CSRD is embedded within the Islamic context, there it appears that Islamic businesses are yet to fully embrace the social aspect. In a study conducted by Hassan et al. (2011) using 16 Islamic banks from three dissimilar regions, the authors sought to compare CSR disclosure practices to a pragmatic benchmark that had been designed based on the Islamic values. The findings of the study indicated that the Islamic banks were disclosing CSR data way less than the expected level (49%). In another study commissioned and conducted by Aribi and Gao (2010), an analysis of 21 Islamic banks showed that social disclosure was happening at a level of 30%. This was a finding indicating that social disclosure by the Islamic banks was far below the benchmark index set by the researchers. In a separate study, Haniffa and Hudaib (2007) also reported similar findings when they assessed the disclosure practices of 7 Islamic banks. The study done by Haniffa and Hudaib (2007) showed that Islamic ethics were not fully adhered to by the Islamic banks given that there was a 48% gap between the communicated disclosure and the ideal ethical disclosure. The study done by El-Halaby and Hussainey (2015) also presents eye opening findings in relation to social disclosure of Islamic banks. The findings of this study show that the vision, objective, and mission statements of the Islamic banks only reflect 45% disclosure level when it comes to social accountability. Where social accountability is disclosed, the Islamic banks tend to focus on serving the society, engaging in charity, and protecting the environment to give humans a better place to live (El-Halaby and Hussainey 2015). With the Islamic principles giving considerable weight to serving the society, it is surprising to note that Islamic banks only engage in social disclosure on average of 28%. This is very low considering the expectations of the Islamic followers and the basis of Islam in regards to how businesses ought to serve the society. With this in mind, these results indicate that firms must now communicate more efficiently to boost their public reputation and image even though they repeatedly ignore the ideal ethical disclosure standards. While the results of these studies may not be generalized for the entire business fraternity of the KSA, they are indicative of the social disclosure practices adopted by businesses in the Islamic context.

Managers in the Saudi society may have different personal objectives, such as placing Allah and service to him as the first priority instead of the public. However, they are under the responsibility to follow good causes and contribute to society as through alms or giving to charity as taught in the Zakat and Sadaqa. Gifts to the community by way of Zakat and Sadaqa also include a number of areas. For example, they can contribute to Awqafs a charitable trust. Or they may decide to donate to *Soqya Haj* projects providing water, or centres created to help memorize the Koran. They may also help by contributing to the maintenance and costs of upkeep to Mosques (Tihama Advertising and Public Relations Company 2010).

3.3.3 Products and Services Disclosure

Consumers are one of the most influential stakeholder groups in any business (Belal and Owen 2007) and should, therefore, be one of the key drivers of CSR activities. This claim is supported by Naeem (2008), who argues that one of the reasons why CSR reporting is often inadequate is a lack of products and services disclosure activism. Dyduch and Krasodomska (2017) found that CSRD is central to raising customer awareness, memory and perceptions around the activities associated with CSRD, while the provision of reliable and credible environmental information has been highlighted as crucial in helping consumers make informed purchasing decisions, Although it has been argued that consumers do not read CSR reports- product labelling tend to enhance communication between the firm and consumers more effectively. (Belal and Roberts 2010; Devinney et al. 2006). However, the processes involved in developing disclosure may involve increased engagement and communication with those stakeholder groups. Products and services related disclosures also encompass information about customer satisfaction practices; that is, how the company ensures the quality of the services and goods it provides. This includes packaging, market information, the number of complaints made and how these are dealt with, item and customer security, how the business reaches vulnerable groups (e.g. disabled customers or the elderly) and products and services relations.

3.3.3.1 Islam and the need for honesty in business

The Quran emphasizes the need to "offer just weight and measure, and do not withhold from the people what is really theirs …" (11:85). In this verse from the Quran, it can be deduced that the Holy Book emphasizes the need for the businesses to accurately communicate about the quality of their products to the customers, clients, and other stakeholder groups. It is a reflection of the Islamic principle that emphasizes the need for honesty in business. The business, as the holder of the information, must embrace transparency by truthfully disclosing all transactions, processes, raw materials, and other details that are linked to the production line whenever necessary. This is a reflection of the responsibility that an Islamic business has to the customers and clients in relation to product disclosure. Islamic businesses have a high awareness of their responsibilities towards product and service disclosure. In a study conducted by Aribi and Gao (2010), it was reported that product and service disclosure happens based on four key sub-themes. These include new product development and innovation, ISO or other quality awards, quality of services, and related disclosure. In the study conducted by Aribi and Gao (2010), it was reported that product and service disclosure happens at 83% amongst the Islamic banks. The researchers attribute the high level of product and service disclosure to the fact that products and services present the primary foundation upon which interactions between the firms and their customers occur. The products and services are the primary focus in the direct relationship that exists between the business and the clients (Aribi and Gao 2010). Therefore, businesses are always keen on product and service disclosure to protect their public reputation and image.

3.3.4 Human Resources Disclosure

The disclosure of human resources-related information can help businesses improve communication and reach workers directly on critical issues, giving them an opportunity to correct rumours and inaccuracies and promote dialogue among employees because the reporting in itself usually does not reach employees (Bhave et al. 2020). The disclosure may cover areas such as company profits; arrangements for support, reward and compensation of workers; pension commitments; the results of employee consultations; employee training programmes; disability employment policy; retirement plans and payment details; arrangements for employee transport; value-added statements; and health and safety details.

3.3.4.1 The Islamic principle of human well-being and good life

According to Arabi and Gao (2010), social responsibility and justice (which is inclusive of accountability) is based on the Islamic principle of human well-being and good life. This is an Islamic concept that emphasizes the need for brotherhood and/or sisterhood in terms of socio-economic justice. The employees are always in need of material support. Under the Islamic principle of human well-being and good life, there is need for businesses to find a balance between the material needs and spiritual needs of their human resources. The concept of *Zakah*, banning of usury (*Riba)*, encouraging charity, and emphasis on free-interest loans (Al-qard al-hassan) are good examples of how Islam fosters social justice on the humans. Through disclosure, KSA businesses can demonstrate and reiterate their accountability and commitment to the human resource thereby giving them the motivation needed for upholding CSRD.

Early studies (1971-1980), which were generally descriptive and quantitative, explained the nature, extent and volume of CSRD but offered no real theoretical explanation (Katmon et al. 2019; Nekhili et al. 2017), and philosophical discussions were limited to contributions related to the social rather than the environmental aspects of CSRD practice (Akbas and Canikli 2014;

Dienes et al. 2016; Nekhili et al. 2017; Wang et al. 2019). Since 1981, however, empirical studies have become more sophisticated and analytical, exploring factors such as company characteristics, industrial category and affiliation, religion, culture and education, and profession (Anas et al. 2015; Dissanayake et al. 2016; Katmon et al. 2019; Wang et al. 2019; Zerban 2013). The next section presents the theoretical frameworks most commonly adopted to analyse CSR and identifies the institutional forces driving both disclosure and the relationship between CSRD and performance.

3.4 Theoretical Frameworks For CSRD

The concept of CSR is based on the assumption that organisations have responsibilities other than those they owe to their stockholders (Chiu and Wang 2015; Idowu and Papasolomou 2008; Gray et al. 1996). It is thus possible to view CSRD as the process through which firms are held accountable for the way in which they discharge these responsibilities. It has been argued that this is a complex process that may not be completely understood or explained using one particular theoretical approach (Fernando and Lawrence 2014; Gray et al. 1995b); indeed, the lack of a comprehensive theoretical framework capable of interpreting the reasons why companies engage in social and environmental disclosure may explain why previous studies have produced such different findings (Ullmann, 1985). Various theoretical frameworks have been used to explain why firms engage in certain activities. In CSRD, the most widely adopted theoretical framework is institutional theory, but legitimacy theory and stakeholder theory also used. The following sections outline the key assumptions of these three theories and their potential usefulness as frameworks for understanding CSRD practice.

3.4.1 Legitimacy Theory

Legitimacy theory has long been the common way to help describe social reporting. This theory maintains that an organisation must seek to appear to be living up to the normal expectations of the society in which they operate (Deegan 2009). They must show that their actions are intended to be seen by outside individuals as legitimate. What is deemed to be ‘normal’ in each society will not be set in stone: these things change over time and will require an organisation to be able to respond to new ethical and moral issues as they arise? Legitimacy theory supposes that the business has entered into a social contract with their respective societies (Deegan and Samkin 2009). The social contract creates the foundation upon which to determine whether the underlying firm “operates within the society's above-mentioned bounds and norms, or, more simply, within the society's expectations” (Fernando and Lawrence 2014, pp. 152-153). The terms of the social contract may be partly implicit (relating to community expectations) or partly explicit (relating to legal requirements) (Deegan et al. 2000). By operating in the environment inhabited by the societies, the firm has a responsibility to ensure that all terms of the social contract are not breached. That is the basis for the firm to create and maintain a good state of legitimacy, which is necessary for the society to allow the business to continue existing and operating. The businesses need legitimacy, since it is a resource upon which the firm is dependent for its survival (Deegan 2014). From the perspective of legitimacy theory, CSRD may be seen as a company’s response to social pressure. “Legitimacy is (according to the theory) a generalized interpretation or presumption that an entity’s act is desirable (in a socially acceptable way) (Suchman 1995, p. 574). Through legitimacy a firm is empowered by making them seem both natural and meaningful (Tiling 2004). Various factors discussed earlier will determine the level of social pressure a company faces and how it responds to this pressure. These factors may therefore be seen as potential determinants of CSRD. Given that the theory also identifies a number of the potential benefits that arise from achieving legitimacy, it may also be said to offer a theoretical base for describing the consequences of CSRD.

According to legitimacy theory, when the international community changes, other organisations must follow suit. For example, a petrochemical company in Saudi Arabia which relies on the international community to purchase its products must show that it is capable of changing to meet international expectations to prevent a breach of its social responsibility. If that company's legitimacy was ever called into question there would also need to be a plan that could be adopted quickly to re-established that legitimacy. The company's very survival would depend greatly on the way it could show how it is attempting to meet those expectations. These would need to be disclosed to the international community in order to maintain legitimacy in its eyes.

An organisation may be said to have achieved legitimacy when its actions are perceived as desirable or "good" (Ogiri et al. 2012) in the sense that they show the organisation as fulfilling its responsibilities towards the community (O'Donovan 1999). Legitimacy theory posits that an organisation's right to exist within society is not absolute but earned by making a series of contributions towards the overall social good (Linsley and Kajuter 2008). The theory is predicated on the assumption that there exists a social contract between organisation and community in which the latter determines the extent to which the former is expected to contribute to social welfare.

Society puts in place values, rules, norms and models (Zimmerman and Zeitz 2002), and companies must operate within this socially accepted framework (Tyler 2006) to be perceived as legitimate. An intangible, rather than a tangible, asset, legitimacy is vital because it is a key determinant of the organisation's ability to access capital and personnel, both of which directly influence its growth and survival, and to generate other resources (Zimmerman and Zeitz

2002). The shield of legitimacy can also help protect companies from unexpected variations in stock prices (Aerts et al. 2006).

Legitimacy theory has been used to explain why corporations engage in voluntary disclosure (Liu et al. 2006), with researchers arguing that companies deploy CSRD not just to sway shareholders but to present a positive image of the organisation to society at large (Hooghiemstra 2000). It has been suggested that companies use CSRD as a tool to address public concerns about their activities, and that the differences within CSRD practice are a function of the differences in the level of public pressure faced by companies (Liu and Anbumozhi 2009). Patten (1991) argues that while economic legitimacy is assessed through market forces, social legitimacy is assessed through government action processes such as statutory guidelines.

3.4.2 Stakeholder Theory

While legitimacy theory tends to focus only on societal expectations, stakeholder theory is directly linked to stakeholder power, the groups and individuals and their actions that can significantly impact the value creation processes (Freeman 1984). Stakeholder theory relies on the premise that a company or organisation requires the support of its stakeholders for its long-term survival. These stakeholders, according to Freeman and Reed (1983), are all those individuals or groups with the power to influence its ability to achieve its goals and who are affected by its activities. These groups and individuals include investors and their representatives, consumers, staff members, taxpayers, environmentalists and the Government (Baudot et al. 2019). Similarly, Donaldson and Preston (1995) define stakeholders as anyone who is affected – whether positively or negatively – by the company’s actions.

Deegan and Blomquist (2006) argue that stakeholder theory is made of two parts. The first is ethical and the second is managerial. Managing stakeholder relationships is a key element of stakeholder theory, and it encourages senior management to focus on the mutual interests that exist between the different groups of stakeholders as opposed to focusing on finding trade-offs. For this to happen, senior management must identify the specific groups of stakeholders involved in their operations, and those whose input is necessary to guarantee the success of the firm. Stakeholder theory discourages the use of stakeholder management approaches since they seek to encourage the exploitation and manipulation of some stakeholders (Hörisch et al. 2020).

Under stakeholder theory, the responsibilities of managers are broadened from being primarily concerned with maximising shareholder profits to include serving the interests and demands of all stakeholders. According to Kaur and Lodhia (2018), stakeholder engagement is necessary to guarantee sustainable business. Thus, stakeholders should be engaged in the development of strategic plans, the setting of sustainability standards and indicators, the measurement of sustainability performance, as well as the preparation of the sustainability reports. That is because, according to stakeholder theory, corporate management is a field that is influenced by an environment that is more complex than simply the goal of maximizing shareholder value (Herold 2018). The business or firm needs the support of the stakeholders to guarantee its long term survival, which can only be attained when the stakeholders perceive the behaviour and actions of the firm as acceptable (Herold 2018). In practice, however, whether these stakeholders' demands are met, and how quickly or efficiently, will depend on how much power they have. This power, which derives from the extent to which they control critical resources, determines the amount of resources the organisation will devote to their cause, with those with little power being highly likely to see their demands being ignored by the company.

Stakeholder theory is commonly used by researchers in helping to explain what motivates CSR disclosure. As Deegan and Blomquist note (2006), disclosure of data is often used as a tool to maintain the support of a strong stakeholder, be it an individual or a particular group. This may be the case when a certain powerful group has a concern about an issue in the social or environmental area of a certain organisation. That organisation may then provide a public statement describing an action or initiative that will address these concerns.

Since the apparatus for decision making is in the custody of the company's directors, they automatically become the only stakeholder group with the power to enter into contractual agreements with other stakeholders (though as Hill and Jones [1992] note, other stakeholders may have indirect control over the signing of contractual agreements). Consequently, it is the directors who take responsibility for any damage done to the company or any failure to meet stakeholder needs that results from their decisions (Freeman 2010). Social reporting is the best way for directors to manage any conflict between them and other stakeholders, as it offers a channel for communicating with these groups and gaining their support and trust (Hiatt et al. 2018). According to company Van der Laan (2009), employing full disclosure of CSR gives the shareholders and the company stakeholders a positive assurance, trust and loyalty for those willing to buy the company products and services. Consequently, this will increase the net profit of the company as reflected in Thorne et al. (2014), and Oeyono et al.'s (2011) contributions. This also implies that stakeholders are the beneficiaries of CSR and disclosure is a form of transparency that enables stakeholder accountability and governance (Mitchell and Clarke 2019).

The impact of stakeholder engagement is highlighted by Mitchell and Clarke (2019) and Chambers and Odar (2015), who point to a positive link between stakeholder power and social performance. Chiu and Wang (2015) look at the relationship between disclosure and stakeholder engagement from the other direction, arguing that sharing information with stakeholders can help companies head off future pressure from regulatory authorities and put them in a better position to take advantage of future investment opportunities.

Wilmshurst and Frost (2000) argue that it is only by assessing the relative importance of stakeholders' demands that an organisation is able to meet its aims and objectives. This is also implied in Freeman's (2010) conclusion that responsive strategists deal with those groups whom it is possible to influence, while effective strategists deal with the groups that can influence them. Jones et al., (2018) and Todd et al. (2017) argue that the needs of shareholders are only taken care of after everyone else's needs have been met. For instance, it is only after staff members have been paid, environmental regulations met, directors compensated and taxes paid that the shareholders can receive their dividends. Stakeholder theory's assumption that a company's circle of beneficiaries includes employees, customers, suppliers, communities and tax authorities supports its potential usefulness as a theoretical framework for linking CSRD with overall company performance and thus, this knowledge may contribute to helping petrochemical companies in KSA to meet stakeholders' demand to meet its objectives.

3.4.3 Institutional Theory

While legitimacy theory and stakeholder theory approach CSRD from different perspectives, there are a number of ideas in both which overlap each other. These can be found in what is known as institutional theory. Institutional theory is used to explain how organisational structures and dynamics change over time and how operations and reporting policies are structured and used. It also takes account of the amount of influence a particular stakeholder has to promote a particular topic or practice that is adopted by the organisation. Institutional theory is often used as a way to define the amount of communications that exist between practices that are adopted by different organisations. One of the essential elements of institutional theory is a concept called isomorphism. Isomorphism can be defined as the way an institution adopts a certain practice of an organisation (Tuttle and Dillard, 2007) and typically takes three forms: coercive isomorphism, normative isomorphism and mimetic isomorphism. These forces play a significant role in this study and are discussed in more detail in section 2.6 below.

Structures that have been developed through the implementation of formal organisation and traditional social processes that are part of the society's makeup are referred to as Institutional theory. Organisational theory is one of the underlying parts showing major growth in the literature concerning institutional theory. Early sociologically based institutional theorists believed that this phenomenon was only observed in institutional organisations. However, in a more modern view, the theory has found its place in a number of different organisations as every organisation is institutionalized in some way (Scott, 1995). For example, all organisations find themselves subject to regulatory and governance structures. Organisations find themselves structured in a way that follows the institutional framework such as how they are able to legally operate and how they are represented (Scott 1995, p. 136). A common trait found in institutionalized organisations is that they are bound to a set of rules and standards according to their social practice. The process of institutionalization can be referred to a set of social settings that are developed, learned and adopted. The primary concerns that are part of the institutional study is the interaction with institutional environments social expectations and having each of these areas play a part in the organisation's practice and its characteristics (Martinez and Dacin 1999). The actions of organisations are motivated in part by their need to find legitimacy and found in the way they are socially influenced and structured. The only way an organisation can survive is to take part in the environment and be accepted by the individuals of that environment. The collective come to an agreement as what is understood to be accepted behaviour.

Numerous studies have focused on institutional theory as an outcome instead of the process being a role of power (Abernethy and Chua 1996; DiMaggio 1988; Zucker 1987). Others have provided a view of it being a group interest (Covaleski et al. 1993). The process of institutionalization as viewed as an outcome places the practices and its traits of an organisation outside the realm of politics and personal interests.

Contrary to the observations made above, how an institution is viewed is highly dependent upon the social environment that they live (Logue et al. 2016). The form or success that an institution may expect, such as a project, is dependent upon actors who may support, oppose or in some way are able to influence it (DiMaggio, 1988 p. 13). The main element that is constantly at play in an institution is the controlling influence of political efforts of the actors. Power relationships should act in one of the following ways if to maintain or initiate the relationship (Najeeb 2014)

- First is the ability to interpret the standards and normal actions which influence behaviour or a legitimation structure.
- Second, is to be able to implement these models or structures and form policy or signification structure. Which, in time will be taken for granted or institutionalized.

In one theory of power, it was stated that power must include a trade-off because that is what makes it a relationship (Logue et al. 2016). It is the rhetoric of the ones in the power group must be continued in order to make new power structures. This is often referred to as the duality of structures given the changes that occur during reproduction of these institutions. This significant part of power must be identified and interpreted correctly to understand what direction the institution is moving in.

According to Fernando and Lawrence (2014), institutional theory can be used to explain the behaviour of organisations in terms of their efforts to conserve the environment in which they operate. The Saudi Arabian petrochemical industry mainly manufactures petroleum chemicals and refines waste products from petrol, both processes which poses significant environmental risks and industrial risks. These risks are critical issues in the scope of the CSR frameworks of most petrochemical firms in KSA, including the need for environmental protection and the prevention of environmental pollution. Therefore, this study draws heavily on institutional theory to demystify some of these issues affecting the CSR practices of the firms in this industry. For these to work successfully, these firms must consider the social and economic perspectives to ensure they maintain the scope of their CSR practice.

3.4.4 Integrated Theories

Each of the theories set out above observe an organisation as an intricate part of a wider social system, impacted by and able to influence the expectations of others within that system. While stakeholder and legitimacy theorists link CSR reporting to the type and amount of pressure exerted by community or stakeholder groups, institutional theory points towards the social, environmental and accounting practices of CSR reporting policies (Fernando and Lawrence, 2014). However, they all borrow from similar philosophical roots that have a complementary and interrelated perspectives, and it has been suggested that they should not be regarded as distinct theories at all (Deegan 2014).

The position adopted in this study is that a joint consideration of all three theories could give a clearer understanding of the factors motivating CSR disclosure than a standalone theory that may not fully express what is being observed. The major differences that are discovered in the theories concern resolution. Stakeholder theory can focus on a certain plan of an organisation when it reacts to the demands and expectation of its stakeholders. Legitimacy theory suggests that the disclosures are mostly part of gaining or maintaining the support needed from society. Finally, institutional theory is used to describe a broader aspect of an organisation form used to adopt legitimacy. One example could be a multinational business buyer’s code of conducts.

The understanding that can be gathered from these theories is that an organisation will adopt a process or idea in order to survive in a profitable way and those organisations may choose this for financial reasons instead of being motivated by an ethical or moral choice. If there exist a certain stakeholder or a societal group that is recognized as a vital part of an organisation’s survival, the organisation will make every effort it can to meet and show that its activities and its direction are aligned with the stakeholder’s expectations. In this paper, the contention is that all the three theories should coexist to give a clearer picture of what the social and environmental reporting drivers are instead of being constraining by trying to identify these with using only one theory (Islam and Deegan 2008).

3.5 CSR from an Institutional Theory Perspective

According to a study conducted by Brammer, Jackson, and Matten in 2012, CSR has become increasingly pervasive. Subsequently, institutions have an increasing role in remaining cognizant of their CSR models and governance framework to understand what it would take them to deal with institutional forces that affect their engagement and commitment to social responsibilities. The dynamic market situation and emerging economies expose organisations to many challenges that can compromise an organisation's commitment to its business-driven decisions, which can affect the firm from meeting its binding responsibilities. By exploring the operational boundaries, these institutions are obliged to understand how to improve their CSR practice and redefine their institutional forces to achieve the desired compliance and meet the threshold for their economic governance.

In his book Comparative Institutional Analysis, Morgan et al. (2010) define institutional theory as a field that defines how the forms, outcomes, and dynamics of economic organisations of companies, networks, and markets work. Further, it focuses on how such mechanisms are shaped by the social institutions that surround them. Therefore, the institutional framework of CSR is mainly concerned with the understanding of the consequences for economic growth and how they push firms into making critical decisions regarding aspects such as innovation, employment, and inequality in the scope of their operations. The institutional framework of CSR entails the understanding of the informal rules and regulations that govern corporate operations on issues such as environmental protection and conservation, the regulations detailing what firms must do to be considered compliant, and the understanding of how the firms regulate and achieve a balance of enabling and good behaviour that makes it be defined as socially responsible by the society.

This definition of institutional focus of firms on the essence of CSR depicts firms as mostly informal in the scope of their operations, with very little concern on the management roles of ensuring the organisation remains socially responsible. Ideally, most literature from previous studies has failed to focus on the social element of responsibility by firms. As a result there has been confusion in understanding what it would take for organisations to remain socially responsible in the scope of their work and operations. However, the engagement of organisations in the maintenance of their social responsibilities has many things that can be tied to the institutional framework and the need for organisational managers to embrace more socially responsible ways in the management of their organisations. Institutional framework and theory can therefore be understood from the perspective of Vogel (2006), who defined CSR in terms of organisational practices and only associated it with the organisational practices that improve the workplace while benefiting the society in different ways going beyond what the companies are just expected to do. From this perspective, organisations indeed have several functions through their management to ensure that their operations focus on generating profits and ensure a clear and comprehensive understanding of how the business operates and how it should remain socially responsible to the society in which it operates.

3.5.1 Drivers of CSR Implementation

In 2017, Zuo, Schwartz, and Wu analyzed various forms of institutional forces that affect the CSR behaviour of the Chinese food industry (Zuo, Schwartz, and Wu, 2017). The study explored various institutional perspectives that potentially affect organisations' CSR performance, such as the institutional force of coercive isomorphism, mimetic processes, and normative pressures within and outside the organisations. By reviewing these institutional forces, the study provided a better avenue for understanding how these institutional forces impact on organisational behaviour and their commitment to their social responsibilities in the environments or the communities in which they operate.

In research covering Spanish businesses, Agudo-Valiente et al. (2017) discovered that both CSR obstacles and drivers might be categorized as those impacted by the moral interpretations of managers and those not; they are also categorized as subjective and objective. Managers frequently cite objective factors like pressures arising from stakeholders, the institutional framework, and the efforts to enhance and manage organisation’s reputation, while subjective drivers include incorporating sustainable development concepts and ethical conduct into everyday operations. Concerning the hurdles, managers consider philanthropy, charity, and public relations as emotional barriers, but objective CSR constraints include money availability, human resource, and the time needed to adapt CSR activities. Additionally, they discovered that CSR varies by business size and sector. Small enterprises hardly engage in CSR activities compared to their bigger organisations because small firms’ managers have a more limited understanding of CSR and tend to offer more hurdles. The increased engagement in

CSR can be attributed to the fact that management of larger businesses has a more expansive view of CSR.

Bocquet et al. (2017) argues that businesses use CSR activities to profit from the following: preserving and growing a positive image; appealing to new consumers; recruiting and retaining the best workers; and encouraging innovation. Such innovation is usually evident in the quality of the products, the production processes adopted, environmental protection initiatives undertaken, and social innovations. Surveys conducted on adoption of CSR among European companies further reveal that the primary drivers of CSR activities include ethical or moral obligation; prioritization by senior management; risk mitigation and management; and efforts to influence consumer perception (Arlbjrn et al., 2008). An analysis of the Indian oil and gas sector however established that strategic motivations for CSR include profit, brand reputation, and stakeholder satisfaction. The study also found that managers' moral beliefs and corporate ethics were the primary motivators for CSR adoption (Arevalo and Aravind 2011).

In a different study conducted by Orlitzky et al. (2017), it was variations in companies, industries, and nations influence CSR drivers to be adopted. In another study focusing on the apparel industry in Norway, Laudal (2011) compared CSR implementation based on the sizes of the companies in the industry. The study discovered that drivers including sensitivity to risks and barriers to differed depending on the context and size of the business. Sweeney (2007) used semi-structured interviews to examine the potential and challenges to CSR in Irish businesses. He discovered that financial restrictions were the only impediment recognised by small and medium-sized businesses. According to Valmohammadi (2011), CSR activities are not taken into account in the corporate context in Iran, and the principal drivers of CSR include quality development, customer loyalty, and environmental preservation.

Al-Tira (2012) examined the relationship between CSR and business development among businesses in Libya. In his study, he demonstrated that CSR could be considered in formulating core values such as mission, vision, and corporate culture used to drive company operations. Ideally, he demonstrated the need to practice good CSR when handling the shareholders, the community, the employees, and even the organisation's management. Complying to CSR policies and frameworks in organisations is, therefore, an avenue for achieving sustainability and integral in establishing stable operational frameworks that are independent in decision-making and increasing the organisation's competitiveness in the industry. Therefore, the CSR framework adopted by the organisation must start from the senior management and must be embraced by every stakeholder involved in the CSR framework of the company.

Most CSR studies focus on disclosure practices from an agency theory, stakeholder concept, legitimacy theory and signalling model. The studies mention the impact an institutional environment has on implemented CSR disclosure practices. An example of a study is by Scholstens (2009) and it explains that among the OECD (Economic Co-operation and development) companies, specific specialized financial institutions offer savings accounts to its clients and promises to channel the savings into funding environmentally friendly projects. Furthermore, they promise to alternatively finance entrepreneurs who cannot access financial resources from local banks.

Concerning the disclosure of CSR information, different countries face different pressures from different sources. In Denmark, for instance, the government is the source of most pressures. However, the case is not the same in Hungary and Greece. Even so, the Hungarian government imposes laws, such as those relating to environmental protection and equality in opportunities (Metaxas and Tsavdaridou 2010). Likewise, studies by Kim, Wang and Soh (2014) try to interpret the difference in the CSR reporting methods the west and the east. In this study, western countries include UK and USA, while the Asian Pacific countries represent the east. The first difference is that law in the US and UK is powerful enough to create a well-built system of governance. The second reason is that longer and better experience in companies in the western region emphasize more on non-fiscal activities. The third reason is that countries in the west perceive social activities as the critical characteristic of a developed state. The perception makes them emphasize more on CSR and their accountability.

According to research conducted in the United Arab Emirates (UAE), the primary motivator of CSR implementation is environmental conservation, followed by brand image improvement, partnerships with governmental departments, enhanced production, and increased employee retention. A fifth of the firms involved in the study stated that they conduct CSR to adhere to Zakat, and other Islamic beliefs (Dubai Chamber, 2009). Waris et al. (2017), argues that companies in developed countries perceive greater public pressure for CSR practices. However, companies in developing countries do not, implying that the public needs awareness programmes identifying both social and environmental matters arising from lack of knowledge and information.

Other studies in the institutional fields shape the implementation practices of CSR (Vein, Young and Thyil 2014). These studies clarify that the institutional environment has players internally and externally who generate either a positive or negative impact on CSR activities. An alternative study done in Italy looked at investor impact on the value of CSR practices, and how they are perceived by for-profit investors. The study reported that investors interested in the long-tern goals such as pension or insurance funds are likely to have more influence on management decision making pertaining the environmental, ethical and social issues. Therefore, we state that the institutional environment with the different types of institutions (such as the rituals, laws, culture and norms) together can influence CSR disclosure in petrochemical corporations. International concepts suggest that organisations should survive by responding to the interests of the stakeholders, and act in accordance to the societal values to avoid legitimacy issues that may negatively impact on business success (Gavana et al. 2017a). Also, firms operate in environments with distinct economic, social and economic institutions and are expected to effectively respond to pressures in the institutional environment (Campbell 2007). Petrochemical corporations should generally act consistently with their stakeholder’s needs and its societal values. Consequently, they can disclose CSR information to legitimize themselves before the community and stakeholders.

3.5.2 Barriers to CSR Implementation

According to numerous experts, the first step in implementing CSR is identifying internal and external motivations and impediments, and organisations must understand their particular motivations and the barriers to implementing CSR initiatives within their contexts. A number of barriers are captured in literature, for both developed and developing contexts, including the requirement for increased resources, employees’ expertise, accumulated experience, and authority (Arlbjrn et al. 2008).

Shen et al. (2015) did a thorough literature review. They addressed twelve barriers to CSRD, a lack of stakeholder awareness, an insufficient training, a lack of information, a monetary constraints, ignorance among customers, a lack of understanding of the value of their reputation, stakeholder ignorance, a lack of guidelines and values, a lack of diversity, a lack of company culture, a lack of social audit, and a lack of commitment from senior management. Financial limitations are the greatest obstacle to CSR implementation in the Indian textile business, according to the authors' empirical analysis, followed by a lack of consumer knowledge, rules and standards, and senior management support. These elements are crucial in adopting CSR, which the authors believe is more common in developing countries. According to Vimala and Suresh (2017), CSR implementation motives and obstacles differ depending on the company, values, and community where the organisation works. It is equally observable that the drivers and obstacles to CSR differ depending on deliberate or ethical reasons and the company's size.

Within developed country contexts, the most often stated hurdles in the European CSR Survey were: suppliers, the abundance of providers for CSR control, inadequacy of employees, and an inability to influence suppliers. While in India, a rapidly developing country, the most significant barriers facing Indian businesses, according to Arevalo and Aravind (2011), are financial constraints, particularly for training employees on CSR activities, the difficulty of executing CSR activities, a lack of top and middle management support and knowledge, and a lack of information about CSR practises and implementation. Within developing Arab country contexts, a 2009 report entitled 'What Do Middle Eastern Leaders Think About CSR' by the Sustainability Advisory Group identified the following barriers to CSR implementation: an absence of government-instituted regulations, incentives, and accountability for CSR actions; the difficulty of securing financing for CSR; and other competing priorities. According to the findings of another 2009 study which focussed on CSR status in the UAE, the primary hurdles to adopting CSR are ignorance of CSR and incapability to adapt the CSR function. Major hurdles to CSR implementation in this context were inadequate finances and the view that CSR programmes are expensive. Other impediments included a lack of government backing, a lack of senior management commitment, the invisibility of CSR results, a lack of time, and employee opposition to CSR adoption (Dubai Chamber 2009).

Within the Saudi context, Aloitabi et al. (2019) identified seven barriers to CSR in the Kingdom through a comprehensive literature review, expert interviews, and a questionnaire survey. These were increased costs, a lack of awareness and knowledge, a lack of guidelines and a coherent strategy, a lack of stakeholder communication, a lack of law enforcement, and a lack of training.

3.5.3 Implications for this study

The institutional approach is widely applied in environmental and social disclosure works (Joseph and Tablin 2011; Muthuru and Gilbert 2011), and this study is guided by institutional theory. The theory was developed by John Meyer and Brian Rowan in the 1970s. The main assumption of the theory is that the behaviour of an organisation is dictated by its social context, the scope of its activities, and its network of social relationships, and it provides a foundation on which an understanding of how organisations navigate rules can be understood.

Normative organisations have norms and values that determine the behaviours in a firm. Notably, in this context, "values" are those things that are socially desirable and acceptable to pursue. On the other hand, Beddington et al. (2009) define "norms" are the acceptable ways of behaving in an organisation. According to Marquise et al. (2007), ethics and norms in a culture are like the rules that define a game. They are created by different societal stakeholders like media, educational institutions, NGOs, and professional associations. They set bare minimum standards for the suitable corporate socially responsible conduct. In a setting where normative players like NGOs operate, firms might be compelled to unveil their CSR information to imitate normative actors to also gain a normative status. In this case, it is important to note that normative organisations usually overlap with the moral forms of lawfulness that are determined by administrative judgements on whether an act is "right or wrong" (Suchman 1995). Such conclusions bring out the beliefs whether an act benefits the society as dictated by the value system constructed by the society (Suchman 1995).

Besides the isomorphic forces, the institutional theory also has a decoupling viewpoint. In this context, decoupling refers to the situation where organisational practices vary from the conducts of a similar company (Dillard et al. 2004). A firm decoupling formal procedures might have established unclear objectives or may have set goals for ceremonial and evaluative purposes, only to show of its conformity (Kury 2007). The decoupling outlook of the institutional concept is connected to the legitimacy model. The legitimacy theory is where an organisation uses environmental and social disclosures to manipulate the public opinions, so it may be known the social and environmentally accountable, without actually taking genuine steps to change their procedures and processes (Lanis and Richardson 2016: Ogiri et al. 2012: Patten 1991 Platonova et al. 2018). It therefore shows that the legitimacy concept differs with the institutional theory. Pertaining to CSR disclosure, decoupling conducts of a firm may be revealed through observation of genuine practices and disclosures in the social environmental and social environment (Dillard et al. 2004: Kury 2007). Nevertheless, it is important to note that observing decoupling is not the primary focus of the study, and the perspectives of decoupling may be inappropriate.

Institutional theory has implications and can be applied at different levels based on the level of analysis. For example, the National level, Industrial level and issue level can all be considered. The national level joins the broader institutional environment. It also includes the financial schemes, the political structures, cultural systems, labour and education systems, all of which can influence a corporation to choose a particular CSR procedure. Industrial, also referred to as the organisational field, combines the companies with comparable services or products. Furthermore, organisational field includes forms of corporations such as NGOs, resource providers, government bodies, competitors and also business associates who frequently interact with within and outside the field (Bebbington et al. 2009). An alternative is to consider particular issues rather than the industry (Bebbington et al. 2009; Neville 2011) and national field since companies can sometimes adopt specific practices e.g. staff training and equality as a result of social pressures and not the firm's norms (Mezias 1990).

For the purposes of this study, it is important to note that the field is formed in the context of the nation (Saudi Arabia). The activities portrayed or practiced by the corporations are neither restricted to the industry, nor by the level of the issues of concern. The implementation of a corporate activity relies on the characteristics of the firm and its relevance to the society. Companies' attention to certain activities change as time passes as corporations can manipulate their institutional environment over time, and they themselves be influenced by environment. Therefore, it shall be discussed why changes occur in procedures and practices of firms. Notably, the institutional approach provides a somewhat complex explanation about the changes in companies' social disclosure. Firms may reveal their CSR to conform to influential stakeholders, and thereby be legitimized by the members in the organisational environment (Dillard 2007).

Furthermore, new corporate practices may be adopted when one corporation changes or improves its activities to evade or survive a dire situation. This new activity may be legitimized when it is adopted by other corporations in the same environment (Bebbington et al. 2009). Nevertheless, new organisational practices can emerge when new entrants bring activities from new and different contexts. These activities may become accepted and institutionalized by other corporations in the corporate sector (Bebbington et al. 2009). Multinational corporations are a perfect example of new entrants. They can introduced new activates, procedures and practices into a country that may not have existed before. Nonetheless, these multinational corporations are faced by institutional pressures from the new countries they invest in (Jamali and Naville 2011). The pressure is more in host country than in the local native country. This conclusion was reached by research undertaken in Lebanon that revealed significant differences in CSR norms in multinational companies and small to medium sized enterprises (SMEs).

3.6 Multilevel Model of Institutional Forces

According to the Multilevel Model of Institutional Forces, there are three key forces which determine whether an organisation can achieve isomorphism: coercive, mimetic and normative. DiMaggio and Powell (1983) provide a useful definition of these forces as follows:

> *"Coercive: exists when an organisation adopts certain norms because of pressures exerted by other organisations and by society in general, increasing dependence of one organisation on another leads to grater similarity. Mimetic: exists when organisations intentionally imitate one another to increase their legitimacy, environmental uncertainty increases the likelihood of imitation. Normative: the result of customary professional and socially accepted and responsible discourses." (DiMaggio and Powell, 1983, p.150).*

3.6.1 Coercive Isomorphism

As DiMaggio and Powell (1983) indicate, coercive isomorphism is an organisation's implementation of practices in response to external forces exerted by influential stakeholders like the media, governments, and investors. These forces, which may be formal or informal, invite, influence or force organisations to conform to specific behaviours, and are shaped by the cultural environment within which the organisation operates (DiMaggio and Powell, 1983).

It is important to note that coercive or forced isomorphism is connected to stakeholder theory. This is where firms intentionally reveal their information to meet the expectations of influential stakeholders like the government and its shareholders. Some disclosure studies like studies by Amran and Devi (2008) reveal that most companies conform to disclosure due to coercive pressures. An example by Rahaman et al. (2004) is a Ghanaian company called Volta River Authority who willingly disclosed environmental information to conform to World Bank requirements. Likewise, in their disclosure studies, Amran and Devi (2008) found out that most Malaysian companies were motivated to reveal their CSR information by their government regulations.

According to DiMaggio and Powell (1983), coercive isomorphism usually results from legitimacy and political influence issues leading to formal and informal pressure on the organisation. Coercive isomorphism defines the dependence of an organisation on government legislation and the need to continually respond to government mandates by complying with externally codified rules and norms of legitimacy and the requirements for best management practices (DiMaggio and Powell 1983; Katsioloudes and Brodtkorb 2007; Khan 2008). Saudi Arabia is exposed to these coercive institutional factors, which come in the form of laws and regulations, and this impact the business community in terms of their behaviour and normative roles required to comply with the existing homogeneous CSR practices.

3.6.2 Normative Isomorphism

Normative isomorphism occurs where firms conform to certain procedures and practices in the processes of socialisation and professionalism to gain normative status (DiMaggio & Powell, 1983). Normative isomorphism originates primarily from professional networks and trade associations, social movements, and educational institutions, and normative influence can also come from reputable NGOs (such as the WHO and WWF). These sources shape the behaviours of staff and managers in an organisation, and lead companies to intentionally embrace conducts such as educating and training employees, fair treat of staff, sponsoring social events, donating relief food during a disaster, building educational institutions, reducing emissions or saving energy consumption in order to meet certain existing normative standards.

CSR disclosure elucidates how normative institutions may influence the decision and behaviours of managers. In a 1993 study, students who were educated on multi-dimensional organisational models in a business school later adopted these models when they became CEOs (Palmer et al. 1993). The study reveals that normative institutions are likely to change the behaviour and perceptions of executives who interact with the institution. Additionally, a study on Mexican corporations involved in a sustainability programme found that most were sustainable in their operations (Perez et al. 2012). This suggests that company stakeholders encouraging accountable actions may positively influence the overall organisational conducts. It may also lead to CSR exposé in order to follow normative organisational anticipations.

Institutional pressures that result from institutions' professionalization have a significant impact in driving organisational corporate social responsibility practice. Some of the factors affecting normative institutional pressures include education, licensing, and increased professional accreditation (Bitektine and Haack 2015; DiMaggio and Powell 1983). In some instances, these pressures can be realized by integrating the inter-organisational and the professional organisations that corporate organisations can bank on to improve or enhance their corporate social responsibility practice delivery (Amran and Devi 2008; Berman et al. 1999). Normative pressures can also affect organisations by directly or indirectly setting the standards for legitimate organisational practice. This means that corporates are left only with the option of adopting the set CSR standards and ensuring their professionals are trained to comply with the adopted and formulated CSR standards and practices (Amran and Devi 2008: Bitektine and Haack 2015: Perez et al. 2012).

One might also consider the impact of the media, consumers, suppliers, and the general public in establishing anticipated CSR standards as part of normative pressures. For example, Amran and Devi (2008) found that in terms of normative pressures, it looks as though there is a tendency toward increasing professionalization of Chinese managers, including their education, credentials, and establishment of professional networks within the business sector. Another trend appears to be the gradual maturation of knowledge of the idea and relevance of CSR in Saudi Arabian society and business, particularly among various stakeholder groups such as the media and customers. In terms of the media, Nurunnabi, Alfakhri and Alfakhri (2020) study discovered that Saudi Arabian publications promoted CSR as a valid issue for commercial organisations for competitive reasons, global market responsiveness, or "just to do the right thing." Saudi Arabian academics are urging non-governmental organisations (NGOs), particularly food industry associations and consumer organisations, to raise awareness among Saudi Arabian businesses about their responsibility to prevent food safety disasters.

3.6.3 Mimetic Isomorphism

Mimetic isomorphism occurs when a firm mimics the actions of a more effective organisation as a result of uncertainties in the institutional setting. As DiMaggio and Powell (1983) explain:

> "*Not all institutional isomorphism, however, derives from coercive authority. Uncertainty is also a powerful force that encourages imitation. When organisational technologies are poorly understood (March and Olsen, 1976), when goals are ambiguous, or when the environment creates symbolic uncertainty, organisations may model themselves on other organisations" (DiMaggio and Powell, 1983, p.151).*

In mimetic organisational isomorphism, the environmental can play a significant role. Industrial competition may pressure some firms to mimic some practices with the aim of competing favourably. This hypothesis is supported by Gray and Bebbington (2000) who found that industries' environmental reporting was influenced by the type of industry as well as by the country in which it was based. Studies also suggest that the amount of dependence of one organisation on another influences participation in CSR activities, and subsequently CSRD (DiMaggio and Powell, 1983).

Mimetic isomorphism also occurs where companies attempt to imitate the practices of other companies which are thought to be 'right', seeking to enhance their legitimacy and demonstrate their commitment to improvement by adopting 'innovations' developed by others (DiMaggio and Powell, 1983. Matten and Moon (1983) established that firms will tend to imitate one another so long as they perceive the other firm as legitimate or successful. However, in some circumstances, what one organisation might consider a best practice may not work for another organisation based on the scope of their definition of best practice or the programmes they have for defining the scope of their CSR practice. Saudi Arabia encourages its citizens not to attempt to comply with the rules and regulations of 'best corporate practice' but rather to be encouraged by acts of legitimacy to stand out distinctively as a country founded on good principles of practice and one distinguished by positive conduct (Amran & siti-Nahiha 2009; Carrigan et al. 2017; Othman and Ameer 2010). Extending this concept to KSA's corporate framework would help instil institutional best practice standards and ensure that a standardized and professional CSR ranking system is built and strengthened to guide corporations in their practices, including meeting their CSR obligations (Jamali and Neville 2011; DiMaggio and Powell, 1983; Bitektine and Haack, 2015).

Through this institutional force, the KSA has established various CSR programmes and ensures that safety-centric culture is adopted in all the petrochemical firms by ensuring the safety of all the stakeholders, including the communities in which the firms operate, are prioritized (Amran and siti-Nahiha 2009; Khan 2008). Based on this analysis, it can therefore be established that mimetic processes in a nation such as the Kingdom of Saudi Arabia positively influence CSR best practices of the firms in the country, including the petrochemical firms in the country. As such, the government of the country should establish measures and framework that strengthen the establishment and sustainability of such mimetic programs across the country to strengthen organisational commitment and compliance to their corporate social responsibility scope and agenda. Further, measures to ensure that bad CSR practices are not mimicked should equally be put in place.

3.7 Empirical Studies Of CSRD

Over the last 30 years, governments and environmental advocacy organisations have exerted growing pressure on companies to practise CSRD and demonstrate publicly that they are fulfilling their social obligations. As a result, CSRD has become increasingly important within the accounting literature, first in developed countries (see Adams et al. 1998; Anas et al. 2015; Burritt et al. 2016; Dissanayake et al. 2016; Deegan and Gordon 1996; Galani et al. 2011; Watson 2015; Dwyer et al. 2005; Reverte 2009; Unerman 2003) and then in developing countries (see Abdo and Aldrugi 2012; Aldrugi and Abdo 2014; Habbash 2017). The current section reviews a range of studies carried out in both developing and developed countries in order to critically analyse these studies to meet the objectives of this study. The review demonstrates the breadth and variety of studies that have been conducted, particularly in the developed countries.

The concept of CSRD has been the subject of growing academic interests in recent years (Giannarakis 2014; Golob and Bartlett 2007; Yu et al. 2017). The studies conducted fall broadly into three categories: those that are mainly descriptive in nature, comparing the nature and scope of CSRD across different territories and times (e.g. Sahasranamam et al. 2019; Schwartz and Carroll 2003; Turker, 2009); those that investigate the potential impact of volume of activities on CSRD (e.g. Gatti et al. 2019; Jiang and Wong 2016); and those that investigate the influence of universal coverage of stakeholders in the reports, especially in terms of market reaction (e.g. Agudelo et al. 2020; Arikan et al. 2017; Choi et al. 2018). However, most empirical CSRD research focuses on practice in the West, with industrialised countries like the US, the nations of Western Europe and Australia. The key foreign benchmarking studies are those by Gamble et al. (1996), Adams, Hills and Roberts (1998), Williams (1999), Golob and Bartlett (2007) and Silberhorn and Warren (2007). The studies focus on a diversity of variables. Only a few studies examine the differences and similarities between models and hypotheses of CSRD practice within the categories of (environment, social, employees, product and services) in the developed and developing world.

3.7.1 Studies Examining the Impact of CSR on Financial Performance

In terms of theoretical reasoning, social and environmental disclosure practices have been explained and analysed using various theoretical approaches in the accounting literature. Numerous studies have sought to establish a link between the theoretical assumptions underlying CSRD and the activities undertaken by various companies, drawing on a range of political, economic and social theories to explain CSRD practices. Studies examining the impact of CSR on financial performance divided into three groups. Among the first group, the general view is that CSR has a negative impact on financial performance (Simpson and Kohers 2002) because the cost of implementing social programmes inevitably cuts into organisational profits. Friedman and Sarkis (1997) argues that the sole responsibility of managers is to represent the interests of the organisation. Thao et al. (2019) ecoes similar sentiments and further argues that managers should concentrate on activities that will increase the owners' bottom-line. However, a second group of authors finds no relationship between CSR disclosures and overall organisational performance (Alexander and Buchholz 1978; Cannon et al. 2019; Teoh, Welch and Wazzan 1999, Becchetti and Ciciretti 2009; Cai et al. 2019). However, by far the majority of studies argue that CSR have only a positive impact on performance (Ji, Xu and Zhao 2019; Nicolau 2008; Orlitzky, Schmidt and Rynes 2003; Waddock and Graves 1997; Mallin et al. 2014; Wang et al. 2019). The general consensus in this group is that the potential benefits of embracing CSR far outweigh the costs associated with implementing CSR activities (Waddock and Graves 1997) because it enables companies in order to improve their image and increase trust of, and develop positive relationships with stakeholders, which in turn raises performance and value in the market (Malik 2015). Lins, Servaes and Tamayo (2017) suggest that organisations with the high social capital that comes from actively embracing CSR enjoy stock returns as much as 4-7% higher than low capital organisations. This can lead investors to place a higher valuation on such organisations (Lins, Servaes and Tamayo 2019; Guiso, Sapienza and Zingales 2008). The evidence suggest that through CSRD, trust between organisations and their stakeholders and investors increase, and as such, it is easier to weather the storm when the trust of organisations begins to dip in the negative direction. Thus, the mechanisms at play with disclosure is the stakeholder engagement and accountability /governance routes.

Empirical research exploring the link between financial performance and CSR data include that by Callan and Thomas (2009), which established that there is a positive association between the two factors. Financial performance was measured in terms of ROA, ROE and Tobin's q, with the authors concluding that Tobin's q is the best measurement of market performance while ROE is a better indicator of long-term profitability. Peiris and Evans (2010) also found a positive correlation between environmental and social governance (ESG), Market Book Value (MBV), net profit margin (NPM) and ROA ratios, with employment conditions being the criterion most associated with a higher market return and higher operating profits.

One way for organisations to begin their journey into social responsibility is to report their activities voluntarily (Aguilera et al. 2006; Gill 2008; Money and Schepers 2007; Platonova et al. 2018). This can impact on a company's value in several ways; for example, Leuz and Verrecchia (2000) argue that by reducing the company's and its stakeholders' information asymmetry (including prospective investors), CSRD reduces the discount value by which a company issues its shares, lowering the cost of issuing capital and making it easier for the company to secure capital for future projects. High levels of CSRD in corporate bonds are associated with lower yields, and a subsequent lower cost, while environmental disclosure in particular can help manage negative market reaction to environmental disasters (Alkayed 2018). As such, legitimacy theory is at work here.

3.7.1.1 Studies focusing specifically on environmental responsibility

Studies focusing specifically on environmental responsibility include that by Guenster et al. (2011), who deployed Tobin's q and ROA to determine the relationship between financial performance and eco-efficiency, which they defined as a company's performance with regards to the conservation of the environment and adherence to related regulations. They found eco-efficiency to have a direct relationship with the market value of a company and its operating performance. As such, it was established that Tobin's q is an adequate measure of financial performance and that it reflects the impact of environmental performance on the company's reputation and consequently, the investor trust and acceptance of risk (Guenster et al. 2011). From various pieces of literature reviewed, there is no definitive association or linkage between

Tobin's Q and CSR disclosure. Some studies have found a positive correlation between CSRD and Tobin's Q. Such studies justify their standpoint from the fact that, since Tobin's Q reflects market trust and legitimacy, increased CSR reporting is likely to increase market legitimacy, and trust. (Brown and Perry 1994; Cheung et al. 2010; Dowell et al. 2000; Fombrun and Shanley 1990; King and Lenox 2001; Saleh et al. 2011). There appear to be no previous studies examining the relationship between Tobin's Q and CSRD done in Saudi Arabia, so this study will contribute useful knowledge in this context.

Busch and Hoffmann (2011) used ROA, ROE and Tobin's q to examine the correlation between climate change, carbon emissions and financial performance. Using a set of 13 questions to determine the level of carbon emissions and strategies for managing these emissions, an aggregate score was calculated to measure process-based environmental performance as the ratio of each sample firm's carbon intensity against sales in US$. The study found no correlation between ROE or the q ratio and process-based measures of carbon management, but it did find a positive correlation between the q ratio and environmental performance, as an output-based measurement.

Clarkson's (2011) longitudinal study (covering the period 1990-2003) describes the results of the adoption of proactive environmental policies in some of the US's most polluting industries. After outlining the decision-making process that led to the adoption of these policies and showing how they improved financial performance in terms of indicators such as ROA, the study uses 3SLS analysis to test the performance of the policies using a q ratio. The authors observe that by adopting a policy of resource-based idealism, organisations with strategic resources (e.g. managerial or financial) were able to gain an advantage in the competitive world of sustainability. Organisations with a track record of positive financial growth saw an improvement in environmental performance, while organisations that were able to improve their environmental performance in a certain quarter also saw increases in their ROA when considering Granger causality test. The 3SLS tests confirmed the existence of a common ground between financial and environmental performance as per the q ratio, but while the results suggest that “going green” is financially beneficial, the authors conclude that this only applies to companies who are already in a strong financial position and who have the managerial capacity to embrace environmental policies.

Scholtens (2009) created his own framework to evaluate the performance of CSR of 32 international banks from the US, EU and Pacific regions over the period 2000-2005. This framework, which comprised four categories (socially responsible financial products include social behaviour, code of ethics, environmental management, sustainability reporting, and socially responsible financial products) and 29 indicators, was used to score each bank’s performance, as disclosed in its CSR reporting. Regression analysis was then conducted to provide an overview of each bank’s CSR score and its financial performance according to its size. The study, which concluded that banks are increasingly engaging in CSR practices, was based on the stakeholder perspective on the grounds that banks play a central social role and are expected to act responsibly towards their community. Those that embrace CSR are more likely to be regarded by society as being appreciative of the values and expectations of stakeholders and are therefore more likely to exist in harmony with it.

3.7.1.2 Methodological approaches employed by researchers

In terms of the methodology employed by different researchers, quantitative studies have generally collected data from annual reports (Bae et al. 2020; Dahlsrud 2008; De Villiers and Van Staden 2006; Nuhoglu 2003; Tilt 1998; Williams and Pei 1999) and questionnaire surveys, while qualitative studies have tended to favour face-to-face interviews (to date, interviewers have not made use of Internet-based platforms such as Skype). Researchers are starting to investigate alternative communication channels, such as blogs, adverts, leaflets and social and environmental news, to arrive at a more comprehensive explanation of CSRD (Unerman 2000), but these communication channels are not widely used in KSA (Elmogla 2009; Mashat 2005). As in other developing countries, web-based communication (e.g. via a website) in KSA is still in its very early stages (Nuhoglu 2003), and annual reports remain the most widely used method of corporate social communication (Montecchia et al. 2016, Tilt 1994).

The majority of CSRD-related studies are cross-sectional, with a few exceptions (Aldrugi and Abdo 2012; Campbell 2003; Gray, Koshy and Lavers 1995b; Nekhili et al. 2017; Tsang 1998). As a result, the development of CSRD practice can only be traced by reviewing multiple studies conducted over time. In contrast, longitudinal research allows the researcher to study transition and growth within CSRD practice within the context of a single investigation (Saunders, Lewis and Thornhill 2009). Studying the phenomenon over an extended period can help the researcher determine why the scope, nature and components of disclosure vary between companies. The current study adopts a similar approach by investigating the factors that determine the level and nature of CSRD in the sample petrochemical companies over a six-year period. By exploring the relationship between ownership structure, CSRD and company performance over this period, the study aims to complement the existing literature and provide useful insights for policymakers and to offer a platform for future similar studies on the other hand.

3.7.1.3 Determinants that influence CSRD practice

Researchers have identified a range of determinants that can influence CSRD practice. These determinants fall into two main categories: company characteristics such as ownership structure, size, age, whether private or public, the activities it engages in and location and general contextual factors such as the prevailing political, economic and social systems, the company's country of origin and culture, stakeholder pressures and social norms (Abd Rahman et al. 2011; Abreu et al. 2012; Aldrugi and Abdo 2014; Goncalves et al. 2014; Thorne et al. 2014; Dienes et al. 2016; Yuet al. 2017; Wang et al. 2019). Researchers have investigated contextual factors from the perspective of managers (Belal and Owen 2007; Elsayed and Hoque 2010), stakeholders (Chiu and Wang 2015; Liu and Anbumozhi 2009; Epstein and Freedman 1994; Roberts 1992; Smith, Adhikari and Tondkar 2005) and accountants and managers (Fassin et al. 2015; Islam and Dellaportas 2011).

A number of studies have concluded that there is an important positive relationship between measured levels of CSRD and certain company-specific characteristics. For example, there is strong evidence that corporation size has an influence on CSRD patterns (Chiu and Wang 2015; Haji 2013; Abdo and Aldrugi 2012; Reverte 2009; Smith et al. 2005), while Roberts (1992) shows that the age of the corporation has an influence on the level of corporate social reporting. It has also been demonstrated that industry affiliation is significantly associated with the amount of CSRD (Adams et al. 1998; Hackston and Milne 1996). As far as contextual factors are concerned, Williams (1999), Adams (2002) and Silberhorn and Warren (2007) all found evidence that corporate country of origin affects the level of CSRD.

Fooladi and Kolaie (2015) show that organisations embracing CSRD also develop better relationships with other companies and, crucially, attract more interest from investors. For companies willing to listen, then, the incorporation of CSR and its disclosure into their business strategy can yield tangible financial benefits (Abbas 2020; Blasi, Brigato and Sedita 2020; Dkhili and Ansi 2012; Fooladi and Kolaie 2015; Jabir and Hanh 2017; Lev et al. 2010; Mittal et al. 2008; Mujahid and Abdullah 2014; Yusoff and Adamu 2016). Those that publicly adopt a code of ethics enjoy a higher market value and a significant reputational advantage over those who do not, with potentially positive consequences for growth, ROE, ROA and earning per share (Almeida 2019; Mujahid and Abdullah 2014). In their study of the link between CSRD and financial performance in KSA, Platonova et al. (2018) conclude that implementing strong CSR programmes enhances ROE and ROA.

3.7.1.4 The role stakeholders play

The potential significance of CSRD in economic and market terms has inspired researchers to investigate the importance investors attribute to CSR data when making decisions (Hamann, Lane and Hudak 2000). Some have examined the role investors are playing in pressuring companies are required to disclose their CSR activities. (Holder-Webb et al. 2009; Katmon et al. 2019), showing that these investors are demanding data beyond that contained in standard financial reports. Indeed, Nagar, Nanda and Wysocki (2003) argue that investors judge a company by what information is dispensed, when, and how accurate it is; therefore, stakeholders' theory does apply here.

Stockholders are increasingly keen to see boards and managers become more involved in CSRD, particularly in organisations which rely on public trust to be successful (Kolk and Pinkse 2010). Such organisations can demonstrate their commitment to acting ethically, whether by producing environmentally friendly products and services, charitable giving or supporting healthcare and education by publicly disclosing information about their activities (McWilliams and Siegel 2001). Not only is this likely to boost the organisation's reputation (Axjonow et al. 2018; Branco and Rodrigues 2006), but it may also help foster better stakeholder relationships (for example by enhancing brand or customer loyalty (Mackenzie 2007)), both of which will positively impact on the organisation's long-term prospects (Amran et al. 2017; Branco and Rodrigues 2006). This is supported by Simpson and Kohers (2002), who show that addressing the concerns of non-stockholders and reporting community involvement helps build a company's reputation and stakeholder confidence, and by Ghoul et al. (2011), who observe that companies with a good reputation incur lower cost of capital and face a lower level of risk. Others also draw a direct link between social reputation and risk reduction (Albuquerque, Koskinen and Zhang 2019; Salama, Anderson and Toms 2011); an organisation which is publicly viewed as being socially responsible is less likely to be affected by accusations that it is producing unsafe products or defrauding consumers, or by conflict with employees (Benlemlih 2017; Waddock and Graves 1997).

3.7.1.5 Implications for this study

The current study explores the impact of CSRD on measures of firm performance among firms in the Saudi petrochemical sector. It follows Wang and Sarkis (2017) study in choosing organisation size and leverage as the control variables as these are better able to provide an accurate assessment of larger companies. The leverage ratio (asset to debt ratio) is used to control risk (Benlemlih and Bitar 2018; Opler and Titman 1994; Wang and Sarkis 2017). From previous studies, a negative relationship between debt/equity and CSR disclosure is found particularly where the managers of the companies that have high leverage levels announce gains using accounting practices that push gaining from the present financial year towards a future time (Belkaoui 1989). Studies by Nelling and Webb (2009) suggest a negative and major link between CSR and leverage levels. This indicates that firms with high debt to equity levels have low levels of CSR disclosure. Similarly, study by Ho (2011) and Clacher and Hagendorff (2012) found results that were consistent with those of Nelling and Webb (2009). In their studies, they found that firms that have high debt to equity ratios tend to give less disclosure on their CSR engagements. Performing a similar study, Echave and Bhati (2010) found a neutral association between firm leverage and the degree of CSR disclosure. Due to its effect on the performance of CSR disclosure and finances, in this case, debt to equity ratio will be used as a control variable in this study.

In the research conducted by Schreck (2011), another possible factor in influencing CSR disclosure was observed. The study argued that one factor which could affect how much CSR disclosure a firm may have is the financial performance, which is influenced through the age of a company. NPM is included here because NPM in income statement is considered as “net income”. It is an important distinction since increase in revenue do not necessarily increase in profit (Florackis et al. 2020; Li, Chen and French 2012; Wang and Sarkis 2017). Companies that have high NPM are assumed to be more willing to reveal the CSR activities so as to attract more investors. Firms that voluntarily provide environmental disclosures have higher financial performance (NPM) than those that do not make environmental disclosures in their annual reports (Kimbro and Melendy 2010). Notably, there are no previous studies or current studies done on the relationship between CSR disclosure and NPM in the KSA context. Therefore, this thesis is determined to examine the relationship between CSR disclosure and NPM in Saudi Arabia using petrochemical companies. ROA is included because of its potential influence on short-term aspects of profitability and CSR implementation (Wang and Sarkis 2017). Asset value and market value ratios of a firm are measured using the Tobin’s Q in this study (Ghelli 2013; Li et al. 2013; Zhang & Gu 2012; Saleh et al. 2011; Cheung et al. 2010; Dragomir 2010).

3.7.2 CSRD in Developed and Developing Countries

Numerous studies have touched on the topic of CSRD in a range of contexts and countries; however, the majority focus on developed nations, with far fewer studies conducted in underdeveloped and newly developed countries. Where there have been investigations, these have tended to concentrate on the Asian region (Belal 2001; Garas and ElMassah 2018; Narwhal 2007; Potluri, Batima and Madiyar 2010; Xiao et al. 2005), with African nations receiving some coverage (Dawkins and Ngunjiri 2008; Kisenyi and Gray 1998; Savage 1994). However, there seems to be a clear lack of knowledge about CSR in the Middle East and very few CSR and CSR reporting studies have been carried out in KSA (Abu-Baker and Naser 2000; Aribi and Gao 2012; Jamali 2007; Mahmes 2016; Wu et al., 2020). The studies which exist suggest that the standard of CSR practices found in these countries lags far behind that of the more developed regions (Aldrugi, 2013).

Studies conducted in the western world have provided a more detailed look into CSRD benchmarks and changes to patterns of concerning social and environmental disclosure (Gray et al. 1995). For example, the proportion of UK companies that disclose social and environmental information has steadily increased over the last 20 years (Evangelinos et al. 2016). This has inspired a reasonably significant number of research studies investigating the disclosure of social responsibility in the UK, though the extent to which these results can be generalised is questionable, given that most of these reports concentrate just on the largest companies. For instance, the survey conducted by Gray, Koshy and Lavers (1995b) was limited to the FTSE 100 UK companies and found that listed UK companies changed their intellectual capital voluntary disclosure due to changes in their environment. Meanwhile, Adams, Coutts and Harte (1995) investigated the annual reports of 100 of largest British companies in 1991, but went on to analyse 150 annual reports from just the largest 25 firms, while Adams and Kuasirikun (2000). However, despite the increase in overall reporting, studies suggest that the number of small and medium scale UK firms reporting their environmental performance is lower than one would expect from a developed country with a well-informed public, with Adams, Hills and Roberts (1998) arguing that the environmental reporting output of UK firms is smaller by volume than that produced by Norwegian, German and Dutch firms, for example. Adams and Kuasirikun (2000) also reported higher levels of environmental coverage among German firms than their UK counterparts.

In their UK-based study, Money and Schepers (2007) drew on interviews conducted with 13 major corporate governance and CSR practitioners. Further CSR reports from company websites were sourced to help explore the rise in CSR practices in past years. They found a tendency among companies to favour long-term actions over short-term ideologies and identified evidence of a direct link between stakeholders' values and shareholders' loyalties. The study concluded that managers in these organisations saw the move towards more socially responsible practice primarily as a way of minimising risk and boosting performance. Through CSR, they could strengthen the relationship between the organisation and its stakeholders. Businesses voluntarily disclose information about business performance (Van Nguyen et al. 2020; Watson et al. 2002), but they arguably have more to gain by voluntarily disclosing information about their CSR activities as public proof of their good deeds and standing.

CSR activities were also observed in 16 international corporations from the United States and the European Union (EU) (Hartman et al. 2007). The study used content analysis to provide insights into the amount of communication of CSR disclosure provided. The method looked into citizenship, language, accountability and the corporations' moral commitments. The terminology and usage of text in the reports were found to represent entirely different points of views, with the of US corporations focusing primarily on the more economic areas, whereas the EU also focused on sustainability.

Studies conducted in a number of developing countries have contributed to our understanding of CSRD. In Bangladesh, for example, Belal (2000) observed over 30 different organisations in 1996 concerning their reporting of environmental disclosure. The study found that the amount of reporting concerning environmental disclosure had actually decreased in respect of energy-related issues, and that the style of reporting was largely descriptive. Bangladeshi CSR disclosure patterns were reviewed again in 2003 (Hossain et al. 2006), with nearly 10 percent of companies reviewed showing that social and environmental disclosures were taking place. The type of data being provided during that period included environmental, employee, energy and product information, with a number of other forms being represented in a more narrative way. In 2008, the practices of CSR disclosure programmes were observed in a number of companies listed on the Bangladeshi stock exchange (Sobhani et al. 2009), and CSR disclosure was shown to have increased over the preceding 10 years. Almost 48 percent of the organisations were shown to report community information, with 23 percent reporting on products or services, and 18 percent disclosing in a number of other areas. At least one part of that reporting included human resources disclosure.

The nature of CSR disclosure was presented in a study concerning the developing country of Bangladesh (Hossain et al. 2006). The study first obtained the annual reports from 107 nonfinancial companies which we listed on the Dhaka Stock Exchange between 2002 and 2003. In the disclosure index of the companies, there was shown to be used over 60 items in developing the disclosure report. The controls set up in the study concerned the size, profitability, multinational connections, industry and audit of the firms. The results of the study showed that in Bangladesh, nearly 8.5 percent of companies provided a qualitative disclosure in their CSR programmes. The study went on to show the results of a regression analysis that provided that the CSR discloser index could be closely linked to the profit, industry and public presence of the company.

A content analysis was undertaken to investigate the link in economic value gains and CSR practice in a number of firms in India (Mittal et al. 2008). In this research, 50 companies were observed using the yearly reports of a 5-year period to gauge the levels of CSR disclosure. The results of this study showed a negative impact concerning CSR disclosure and added economic value in 3 of the 5 years during the study period. In the two years, there was a positive relationship. However, it was not of a significant amount. Links to market added value were also found to exist, however they were also quite weak in their association to CSR disclosure.

The next study investigated the CSR disclosure as it relates to the financial performance of 40 companies from Istanbul and were listed on that countries stock exchange (Aras et al. 2010). The study covered a period of time between 2005 until 2007. The study found that CSR disclosure was defined as a dependent variable. Further variables such as profitability measurements like ROA, ROE and ROS were kept independent in this research. This was because the research model was being controlled according to size risk and R&D intensity. While performing a content analysis, there were a number of similar phrases which referred to CSR disclosure activity in the company's yearly reports. The observation allowed the researchers to discover a positive impact in CSR disclosure and the size of the company. There were no direct ties showing previous CSR disclosure index information that was found to be associated with the year's amount of profit. Furthermore, there were no direct links to the profitability measurements of ROA, ROE and ROS of the company and its relationship to CSR disclosure. It was concluded that the negative amounts of relationships between CSR discloser and economic performance may not be evident in a developing country just yet.

A study in Korea during 2002-2008, created a stakeholder-weighted CSR index and an employee weighted index using the 7 parts of the Korea Economic Justice Institute (KEJI) index performance scores (Choi et al. 2010). This was used in order to investigate the possible links between financial performance measured by ROA, ROE and the Tobin's Q when compared to CSR disclosure. The financial records were obtained from the TS-2000 database for the study period. The three performance measurements were found to be positively linked and quite significant when using the four-factor model as mentioned in Car hart (1997). The results of an equal weighted CSR disclosure index also showed that a major and significant link to EWCSR and ROA. Further findings also showed there were positive connections to the high-performance firms and CSR disclosure using the stakeholder weighted CSR disclosure index. The research concluded with a suggestion to firms to focus more on the other dimensions of CSR disclosure that are important to stakeholders. The study had shown different results using different CSR disclosure testing models.

In Nigeria, CSR disclosure and share earnings were observed (Kwando 2011). The study adopted content analysis in the collection of a CSR disclosure index. The financial data of 231 yearly reports were obtained from companies listed on the Nigerian stock exchange during the 2005 to 2009 period. The results of the study showed there was no positive relationship between CSR disclosure and financial performance. Nevertheless, a significant relationship was found to exist between the number of employees/shareholders and CSR disclosure.

In a study concerning Indonesia, 50 firms were chosen to observe the level of CSR disclosure and profit (Oeyono et al. 2011). The CSR disclosure index was developed using the six indicators of the GRI 2007 guide which included economic, environmental, human rights, social, society and product responsibility. The findings indicated that a higher percent of the firms was currently using the practice of CSR disclosure in their firms. A positive, but weak, relationship was found to exist between CSR disclosure and share earnings.

3.7.2.1 Characteristics of disclosure within developing Arab countries

Within an Arab context, the characteristics of CSR disclosure was also observed in the Lebanese financial industry (Menassa 2010). While significant reporting of customer-related issues, products, and human resources were found among Lebanese banks, a weakness in the representation of quality environmental actions was also identified. This suggested that CSR disclosure performance in Lebanese banks was not found to be superior to that of non-listed banks, listed banks, and those that were found overseas. Studies concerning Libyan practices in CSR disclosure efforts used a method of interviewing a number of managers from organisations (Bayoud and Kavanagh 2012). One similarity was that the information in CSR yearly reports often was an important feature in measuring company performance. A number of the managers confirmed that the CSR disclosure was a way that companies could meet certain objectives, provide expected satisfaction to stakeholders, protect employees, help investors and help in contributing to the society.

From Tunisia, the link between financial performances of 30 companies were compared with the practice of CSR disclosure. Each of these companies were listed on the Tunisian stock exchange during 2004 to 2007 time period. ROA and ROE financial measurements were used in the study. The research also included consideration for size, sector and risk as the control variable. Five measurement dimensions of CSR disclosure were also used including the discretionary, economic, ethical, environmental and legal dimensions. Responses obtained from the questionnaires indicated that more information had be provided concerning the environment than any other item. The only negative effect that was observed in the relationship of CSR disclosure was found on ROA. However, ROE was found to be the most positively affected due to the dimension of discretion.

3.7.2.2 The role of religion in shaping corporate conduct

There has been some discussion concerning organised religion's connection to the morals, conduct and personal values that are needed for proper conduct in the business world (Williams and Zinkin 2010). A number of studies agree that religious texts such as the Bible, Quran and Torah have played a major role in shaping how business should be conducted in daily life (Zinkin 2007: Sacks 2004; Epstein 2002; Tamari 1990; Stackhouse et al. 1995), and others have used empirical evidence to show how ethical values and religion often go hand-in-hand

(Angelidis and Ibrahim 2004; Williams and Zinkin 2010; Angelidis and Ibrahim 1993; Terpstra et al. 1993; Miesing and Preble 1985). Research has also provided an insight into how religious ideology has made an impact on how managers make decisions and the deposition of their attitude (Longenecker et al. 2004; Agle and Van Buren 1999; Kidwell et al. 1987).

The primary objective behind these studies was to explore the extent to which responsibility for business behaviour should be ascribed to people acting in accordance with their religious beliefs. In a country such as Saudi Arabia, many people include religion as the most important part of their lives, and business culture, governance, and social welfare are governed according to Islamic religious values (Tamkeen 2010). This would suggest that the practices and beliefs as taught through Islam significantly impact CSR programmes' implementation and management in the country. Indeed, one of the most common ways the community benefits from Saudi business is through the practice of charitable giving which is part of the social background and occurs on a regular basis (Wynbrandt 2010).

3.7.2.3 Institutionalization of CSR reporting in developing Arab countries

As a concept, CSR is relatively new in developing regions, and international awareness regarding CSR reporting needs further elaboration of companies' motives for voluntarily publishing CSR reports, particularly in developing nations (Amran and Siti-Nabiha 2009). Studies suggest that CSR disclosure in developing countries is largely acts of imitation as corporations reveal environmental and social information in response to pressure to conform to worldwide corporate style (Amran and siti-Nahiha, 2009; Othman and Ameer 2010). Amran and siti-Nahihi (2009) further argue that transnationals, whose parent countries are in developing world, engage on CSR disclosure to gain legitimacy especially when they seek to expand their trade to developed nations. As such, the companies are faced with two contexts, which influence the extent to which they can reveal their CSR activities. The parent countries provide a lax environment for CSR disclosure, while the markets in the developed countries are stricter on CSR disclosure.

There is the tendency to adopt similar CSR practices globally. CSR disclosures of such magnitude emerge from global isomorphism. However, local market forces tend to influence the practices. For instance, at the national level, the local culture, politics and economy dictates the nature and course of CSR disclosures (Jamali 2010a: Gao 2011). For example, Jamali and Mirshak's study of CSR in the Arab country of Lebanon (2007) revealed that Lebanon lacks a focused and systematic method to address the CSR. Furthermore, perhaps due to Lebanon's sectarian character, the study reported that the CSR practices in the country are still seen as charitable action (Jamali and Mirshak 2007). A later report by Jamali and Neville (2011), which examined trends in CSR activities in Lebanon, called the pattern "crossvergence", a term coined to imply a mix of convergent actions due to mimetic isomorphism. These authors claim that behaviours in Lebanon diverge from the global norms due to the "nation's historical records, and socio-political alignments." (Jamali and Neville 2011, p. 599). Within the region, lack of institutions to guide on CSRD makes it difficult to achieve uniform standards of uptake. As a result, different corporates have the latitude to adopt different approaches is CSRD (Jamali and Mirshak 2007).

Jamali and Karam (2017) describe implementation of CSR disclosure by transnational in developing nations in the view of wanting to overcome such institutional voids through embracing a globally accepted conduct informed by global institutions. As a result, it is essential to study CSR disclosure in Arab countries considering that the region still lacks an institutional framework (Al-Abdin, Roy, and Nicholson 2018).

CSR disclosure is underpinned by several determinants. For instance, according to Menassa (2010), the profitability of commercial banks in Lebanon positively correlated to CSR disclosure while their worldwide presence as well as their listing in the stocks market do not change. Furthermore, the type of industry and the structure of ownership affects CSR disclosure practices (Rizk et al. 2008). Alternative studies from Egypt emphasize the contributions of industry towards CSR information disclosure. Based on a study by Salama (2009) companies in the construction and telecommunication sectors are distinct from Egyptian companies that practice insufficient social disclosure. Latest studies reveal an increasing environmental and social disclosure in the Jordan region (Ibrahim and Hanefah 2016). Within the region however, there are equally variations among the countries. For instance, Egypt and Saudi Arabia have increased their levels of environmental disclosure compared to the other countries. In terms of voluntary disclosures, UAE corporates tend to disclose more compared to their Saudi Arabian counterparts (Al-Janadi, Rahman, and Omar, 2012). Nonetheless, the levels of disclosure still remain low.

There are fewer researchers that have been conducted on CSR disclosure in the Arab region. The few studies is an indication that the uptake of CSR reporting is still low. In the existing studies, the dominant research method is content analysis. There are also a few studies that adopt interview, media analysis and periodic reports produced by the corporates engaging in CSR activities. The studies' results indicate that environmental issues are yet to be considered fully compared to issues related to human resources or community involvement (Barakat, Perez, and Ariza 2015; Menassa 2010).

3.7.2.4 Implications for this study

While the relationship between CSRD practices and firm and contextual characteristics has been extensively explored in developed nations, there has been much less focus on developing nations, including KSA. The difficulty is that the results and findings generated from developed nations may not be applicable to developing nations because of the context-specific nature of much CSRD practice, which varies from country to country in response to local political, cultural, social and economic dynamics (Gamerschlag et al. 2011; Tilt 2016; Wang et al. 2019). As such, Kisenyi and Gray (1998) suggest that it is essential to explore CSRD in to developing countries than it is for their developed counterparts. Additional research is required in these countries to establish the relationship between CSRD and the company-specific and contextual factors highlighted above. The current investigation of CSRD's effect on firm performance is especially timely for KSA as it is, to the best of the researcher's knowledge, the first investigation of this issue to be conducted in the petrochemical sector. Previous research has revealed the proactive role played generally by the accounting profession in KSA (Pratten and Mashat 2009), but very little empirical attention has been given to assessing whether the CSRD is acting as an accountability and governance mechanism to change behaviour and the relationship with the performance of the businesses.

3.8 Using CSRD to assess financial performance

During content analysis and the quantification of data from the annual reports used by the study, the primary benefits of CSRD to enhance financial performance on KSA petrochemical companies was established through observation of the relationship between CSRD and financial performance indicators highlighted in the preceding sections. According to Zhang and Gu (2012) the existence of a positive relationship between financial performance and CSRD is one of the primary benefits of CSRD because through environmental, philanthropic, economic and human resource disclosure, the company is able to achieve legitimacy in the business environment which enhances the chances of profitability (due to attracting new and existing customers) and investments (due to the attractiveness of the company to investors and shareholders). Therefore, the current study will similarly use the quantitative relationship established between CSRD and financial performance.

Similarly, for the strategic benefits of CSRD like increased brand awareness and loyalty, Zhang (2016) in his study of the Indian context also ascertained that the level of brand awareness and loyalty was equally and directly proportional to financial performance. Notably, companies that demonstrated enhanced level of brand awareness and loyalty from both market consumers and stakeholders were also more likely to perform better financially which could also be illustrated by indicators like the ROA, TBQ, Net profit margin and even the Debt to Equity ratio. Therefore, companies which undertook CSRD were more likely to demonstrate enhanced brand awareness and loyalty which would reflected in financial performance ratios and indicators.

The desire to achieve such financial and strategic benefits like brand awareness, market and social legitimacy and profitability also played a major role in understanding some of the drivers of CSRD disclosure for the case of petrochemical companies in KSA. According to Reverte (2009), the relationship between CSRD, financial benefits and strategic benefits was more integrated and cyclical. Reverte (2009) explains that in the quest to realize CSRD affiliated economies of scale, the process primarily involved the realization of strategic benefits like brand awareness, loyalty and market legitimacy whereas the financial related benefits emerged secondarily after realization of the strategic benefits. Ultimately as shown in the researcher's diagrammatic illustration below, the strategic benefits, financial benefits and financial performance equally drive CSRD through approaches like availing sufficient financial resources allocated from financial benefits like profits hence making the relationship integrated and cyclical. Similarly, since Reverte (2009) notes that financial performance is also affected by the activities and performance of competitors, competition can also be viewed as a driver of CSRD as companies strive to enhance their competitive advantage through strategic benefits of CSRD like increased brand awareness and loyalty which positively affects financial performance. Therefore, for the current study, the need to achieve the strategic benefits of

CSRD did not only form the basis for realization of the financial benefits but also acted as the main drivers as to why companies undertook CSRD in the first place.

The cyclical nature of CSRD, strategic benefits, financial benefits and financial performance

Figure 3.2: Measurement of Control Variables (Author's Own)

A control variable is any factor other than the independent and dependent variables that can affect the outcome of a study even though they are not part of the experiment. Furthermore, control variables are research variables kept at constant when conducting research and if properly administered in research, control variables play an important role in helping the researcher to accurately test the value of an independent variable on the respective dependent variables of a quantitative study (Scholz and Schöner, 1999.). As such, the researcher has the responsibility of controlling or holding such variables constant throughout the study. Considering that this study's objective was to establish the influence of CSRD on the financial performance of petrochemical companies in the KSA, some of the control variables included the size of the firm, and the age of the firm (Ullmann 1985; Waddock and Graves 1997; Clarkson et al. 2011). Studies suggest that there is a relationship between the size of the firm and the firm's CSR disclosure and performance (Alrugi 2013; Murray et al. 2006; Kimbro and Melendy 2010; Bnouni 2011; Crisóstomo et al. 2011; Michelon, 2011). For this study, big firms were defined as firms that had their revenues amount to over 7,500,000 in the previous year. Such firms are usually characterised by numerous resources and capability to make a profit in long term compared to their small counterparts that require making profits either in the short or medium term. As such, big firms tend to participate more in CSR compared to their smaller counterparts. This also implies an enhanced CSR disclosure that is likely to impact financial performance. Similar observations are also evident in Boesso and Kumar (2007) who indicated that businesses that are bigger in size is likely to generate higher profits and that this is likely to inform higher participation in CSR and as a result CSR disclosure. These factors are likely to influence financial performance. The argument behind this hypothesis is that firms or companies that are large in size are expected to undertake more social activities compared to the small, firms. Larger companies have more resources than smaller companies and are likely to undertake more environmental and social activities (Waddock and Graves 1997; Nelling and Webb 2009). Firm size also relates with reputation and social image hence the relation with environmental and social standards (Dowell et al. 2000). Large firms are careful not to create a bad image that will impact their reputation negatively if they engage in unpleasant environmental harm such as emissions of gases that are pollutants and harmful to the immediate and entire community. The reasoning thus suggests large firms will perform better on CSR disclosure due to the high CSR expectation by the company's stakeholders.

Besides the age of the firm, size of the firm is another factor that is likely to influence participation in CSR and profitability. Schreck (2011) suggests that the age of a firm could influence the CSR and financial performance of a firm. Studies done previously to investigate the link between CSRD and financial performance include (Roberts 1992; Rashid and Lodh 2008; Rettab et al. 2009; Bnouni 2011; Shubiri et al. 2012). Young businesses tend not to concentrate much on CSR activity, but rather to focus more on financial performance. Older firms on the other hand ted to focus more on CSR activities to continue protecting their reputation as well as financial performance (Peloza 2006).

Considering that age is a factor that affects the relationship between financial performance and the disclosure of CSR, age of the company will be used as a control variable in this study (Yammeesri 2003; Rashid et al. 2010). By definition, age of the firm is defined as the measure of the number of years the company has been operating. In this case, age of the company (AGE) will be measured as the number of years the company has been in operation since it was listed on the Saudi Stock Exchange.

Another control variable in this research is the Debt/Equity ratio. This ratio is used to measure the firm's financial strength based on its leverage level. Debt to equity ratio is calculated as the total interest divided by the total equity of shareholders. When the level of leverage is low, the pressure for creditors decreases. There is a likelihood that with increased participation in CSR, firms are likely to experience increased sales and as such, low leverage levels. However, firms that has high leverage levels or rather higher debt to equity ratios face pressure from creditors as their creditworthiness is low. This study relied on annual reports of the petrochemical companies to determine their debt/equity ratios. According to Meckling (1976), firms that have high debt to equity are likely to face bankruptcy. Studies done to investigate the relationship between CSRD and debt to equity proportion have produced mixed results (Aerts et al. 2006; Belkaoui 1989; Dragomir 2010; McGuire et al. 1988).

Given the above discussed variables and their influence on the relationship between the financial performance of a company and the CSR disclosure, the study will therefore use the size of the company, leverage levels of the company and age of the company as control variables in the study of the Saudi petrochemical companies to furthermore comprehensively map the relationship between the dependent and independent variable of the current study.

3.9 Conceptual Framework and Hypotheses Development

CSR implementation is not a simple task since it entails significant changes to corporate structures, procedures, and employee behaviour. It is mainly affected by socio-political forces and facilitated by linking CSR's macro-level, socio-political dimensions with the meso-level, organisational consequences. Cultural ideals within an organisation can either promote or obstruct CSR implementation (Maon et al. 2017). For instance, managers may prioritise activities and procedures contributing to competitive advantage in an organisational culture that emphasises competitiveness.

There exist various studies that determine the inspirations and challenges to CSR implementation. Internal and external variables, including ethical corporate culture and management commitment, and external ones, such as globalization difficulties, political considerations, and normative societal pressures, influence how businesses adopt social activities (Yin 2017). Businesses also adopt CSR activities because of instrumental and normative approaches. The normative approach asserts that businesses have a moral duty to address the interests of their stakeholders, whereas the instrumental approach implies that stakeholders believe CSR measures may help the firm enhance its commercial performance (Berman et al. 1999). Academics, industry representatives, and other stakeholders acknowledged the complexities of the causes and constraints affecting CSR.

It is essential that the role of institutional theory is understood when forming organisational structures and their influence on corporate governance practice and the management of market forces. Various scholars have used institutional theory to describe organisational behaviour and the acceptance or practice of some important institutionalized values that define corporate practice in entirety. For example, in a study conducted in 1991, Klonoski (1991) examined organisational behaviour in institutionalizing corporate social responsibility and found that various institutional factors influence the relationship between organisational conditions and their engagement to corporate social responsibility. The institutional factors identified included public and private regulations, monitoring of corporate behaviour by independent parastatals, and corporate compliance regulations. Similar results were evident in Campbell's (2003) study, which further established that engagement in CSR is also determined by associative behaviour of the organisations, and organised dialogues between the corporations and various stakeholders.

Matten and Moon (2008) applied institutional theory directly to bring a better understanding of how CSR responsibilities differ from country to country because the corporate policies and environment significantly differ in many countries based on various factors such as societal interests, forms of corporate alliances that exist, corporate governance and management strategies and even differences in forms of partnerships that may occur. Matten and Moon (2008) called it implicit CSR and defined the concept of institutional CSR as the role of corporations in fulfilling their wider formal and informal mandates in their societies based on the defining interests of such societies. Institutional CSR can best be understood in terms of reaction and reflection of the existing corporate environment by reviewing aspects such as the strategic decision-making of an organisation and even looking at the broader issues that could affect the organisational reputation and performance from within the operations or from an external environment (Amran and Devi 2008; Carrigan et al. 2017; Matten and Moon 2008).

The Kingdom of Saudi Arabia is unique in terms of its social, political, and even economic structures, and this makes the country adopt a particular instructional framework to define the institutional environment for all the organisations working in the region. This study aims to fill the existing research gap by examining the external and internal institutional pressures that drive legitimacy and the broader concept of corporate social responsibility in KSA, especially in the petrochemical industry in the Kingdom. The institutional pressures examined include coercive isomorphism, mimetic processes, and normative pressures. In order to achieve this, a number of hypotheses were formulated in light of the research questions and tested within the conceptual framework developed for this study. These are presented below.

3.9.1 Conceptual Framework-Institutional Theory

The study adopts institutional theory in its conceptual framework. The rationale is that CSR disclosure is a relatively new concept among KSA petroleum companies affected by wider institutions, the corporates must make significant changes to their corporate structures and procedures to effectively implement CSR disclosure (Brammer et al. 2012). According to Gao et al. (2019), the institutional structures influence organisational behaviour and acceptance or practice of some values. Subsequently, this study adopts institutional theoretical persuasion to determine the extent and nature of CSRD in Saudi petrochemical companies. Institutional theory can equally be exploited to determine the differences in CSR disclosure from one country to another (Carrigan et al. 2017). The rationale is that the differences are usually evident in governance structures adapted to facilitate CSR implementation.

As indicated, Saudi Arabia's institutions, governance, and social structures are unique and influence CSR disclosure among petrochemical companies. The petroleum companies' conformance to the said structures is likely to affect their legitimacy, as reflected in the second assumption of institutional theory. The tenet holds that groups and organisations that conform to the societally expected rules and institutions are accorded legitimacy, a factor that contributes to their survival (Bitektine and Haack 2015). This assumption informs the domiciling of legitimacy theory into institutional theory in this study. Organisations cannot be seen as living up to the normal expectations of the society in which they operate without the structures espoused in institutional theory. For instance, Saudi Arabian petrochemical companies are expected to conform to CSR standards to gain legitimacy (Ogiri et al. 2012). Nevertheless, this remains unachievable without appropriate structures without the requisite institutional structures. The structures developed through institutional theory adoption also dictate stakeholder power, their roles, and the extent to which they can impact CSR disclosure (Carrigan et al. 2017). For this reason, the stakeholder theory is also domiciled in the institutional theory, which is adopted in this study's conceptual framework.

Institutional theory is also anchored on the assumption that institutions are characterised with inertia. In this regard, institutions tend to resist change even when they seem unavoidable. Participation in CSR activities and CSR disclosure are considered essential aspects of modern organisations (Gao et al. 2019). It is critical to determine whether the institutional structures in petrochemical companies in Saudi Arabia support the rapidly changing CSR implementation. The study evaluates the extent to which Saudi petrochemical companies have increased their CSRD volume over the period 2012-2017 in the annual reports. The assumption will thereby help determine whether there has been resistance to change in terms of regular CSR disclosure among Saudi's petrochemical companies.

3.9.2 Formulating the Hypotheses

Previous research contributes to the current debate on the effectiveness of CSRD because corporate social performance is a widespread and growing concern (Pham and Tran 2020; Chen et al. 2018). In terms of financial performance, they mention the existence of a correlation between CSRD and firm performance. Based on the literature discussed above and the assumptions of stakeholder theory, institutional theory, and legitimacy theory, it was suggested that a higher level of CSRD leads to better firm performance. In order to test this, the following hypotheses were formulated:

H1: CSRD and firm performance have a positive relationship over the period 2012-2017 in Saudi Arabia petrochemical companies.

H1a: There is positive link between CSRD and ROA over the period 2012-2017 in Saudi Arabia petrochemical companies.

H1b: There is a clear positive link between CSRD and NPM over the period 2012-2017 in Saudi Arabia petrochemical companies.

H1c: There is a clear positive link between CSRD and Tobin Q over the period 2012-2017 in Saudi Arabia petrochemical companies.

Tobins Q reflects market valuation and hence is a good measure of market trust/ legitimacy. Hence, in the KSA setting, this research assumes that increased reporting may increase market legitimacy and trust. As a result, this may enhance company image and improve the financial performance, particularly in KSA’s Islamic finance setting. In addition, these mechanisms may influence the relationship between financial performance and CSRD of the Islamic companies.

3.9.3 The Conceptual Framework-Diagram

These hypotheses were then integrated into the conceptual model below (See Figure 2.1) in order clarify the at correlation between the degrees of CSRD (for each category) and firm performance. The positive relationships between the variables are maintained by the pressure of stakeholders as well as other control variables (company size, company age and Leverage).

This conceptual framework suggests a positive link between high CSRD levels and the performance of the company due to increased stakeholder engagement, which is a result of increased firm legitimacy. This is an outcome that is expected in general over the period 2012-2017 in Saudi Arabia petrochemical companies (H1), a positive relationship in terms of financial performance between high levels of CSRD and firm performance (ROA, NPM) (H1a and H1b respectively) and a positive relationship in terms of financial performance between firm performance and high levels of CSRD in terms of marketing base (Tobin Q) (H1c). Aldosari (2017) noted that, compared to previous years, there is a growing degree of CSRD in Saudi companies due to increasing stakeholder demands. Based on the relation between firm performance and the practices of stakeholder management, this study supposes that it comes down to reporting being an accountability mechanism rather than a marketing process.

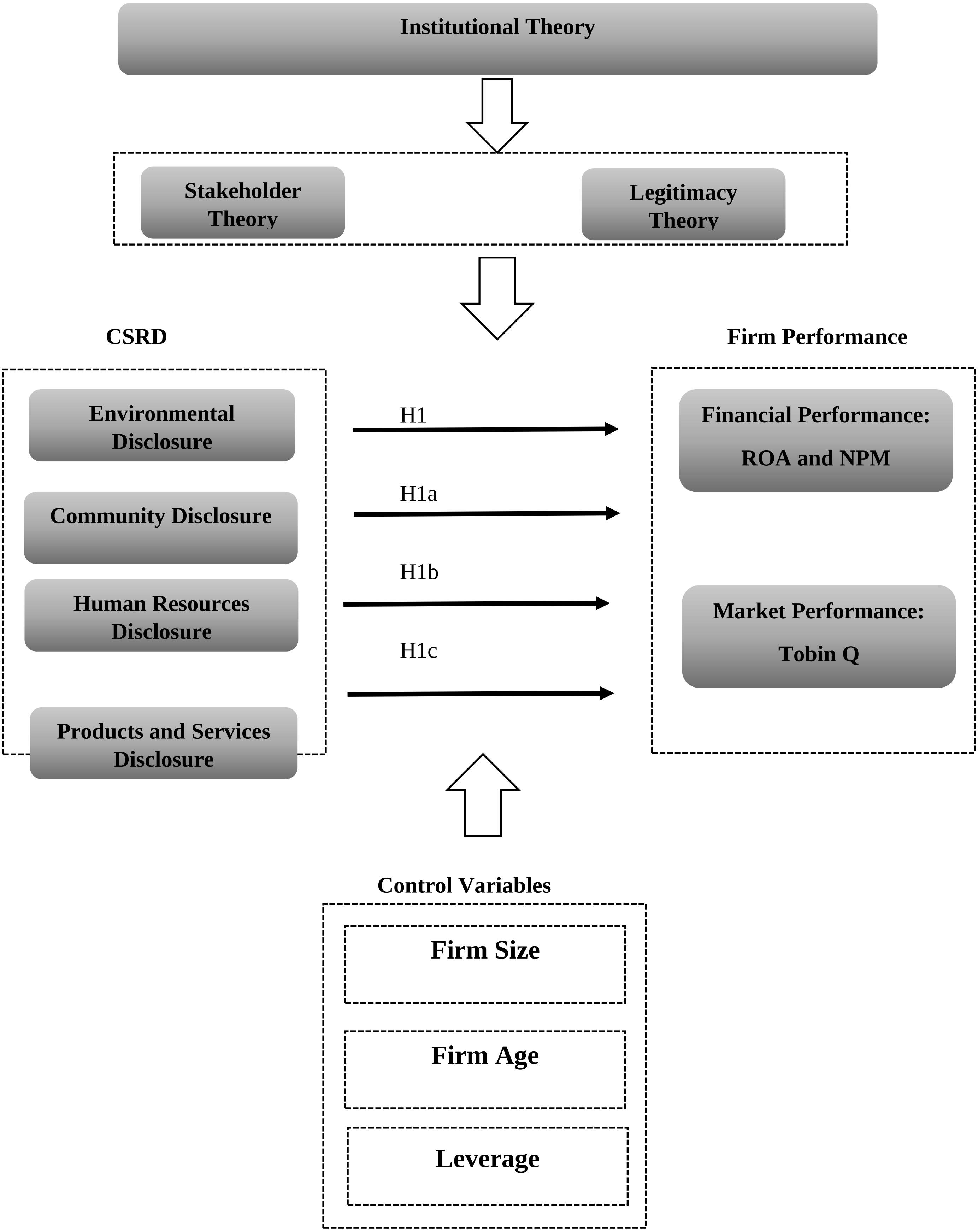

Figure 3.1: Conceptual Framework of the Current Study (Author's own)

.

3.10 Summary

This chapter has reviewed the literature relating to CSRD and demonstrated it informed the development of the study's hypotheses and conceptual model. It began by discussing the various definitions that have been offered of CSR and CSRD before presenting, and justifying the definitions employed in this study. A brief overview of the development of CSRD research followed, including discussion of the debate surrounding the nature and scope of CSRD. The chapter went on to consider the major theoretical frameworks deployed to investigate CSR and its disclosure and explained the significance of institutional theory in this study. It introduced the concept of isomorphism as set out within institutional theory and described the coercive, mimetic and normative isomorphic pressures at play. It went on to consider empirical studies examining the impact of CSR on financial performance, considering their focus, methodological choices, the determinants the influence CSRD practice and the role of stakeholders, drawing out the implications for this study. Given Saudi Arabia's status as a developing Islamic nation, this chapter also considered the status of CSR in developed and developing nations, highlighting the characteristics of disclosure in Arab countries, the role religion plays in shaping corporate conduct, and the institutionalisation of CSR reporting in developing Arab countries, and reflecting on the implications for this study. The chapter concluded by introducing the conceptual framework developed for the study in light of the theories adopted and the hypotheses to be tested through this study's analysis of the links between CSRD and financial performance in the sampled Saudi petrochemical firms.

CHAPTER FOUR: METHODS AND DATA COLLECTON.

4.1 Introduction

This chapter is aimed at outlining the research methodology, methods and procedures to show how they were utilised to answer the research questions and meet the aims and objectives of the research. The chapter begins by examining the themes which have been used and the data collection process. It then justifies the current study's choice of a quantitative method research design, before describing in detail the data collection methods employed (content analysis) and why they were chosen. Finally, the chapter describes the stages of the content analysis approach that were adopted to analyse the collected data. Moreover, this chapter presents the initial results derived from the content analysis of the sampled companies' annual reports. This analysis begins by assessing the nature and the level of reporting. This involves focusing on trends in terms of the overall levels of reporting and the subcategory themes within the reports as reflected in the research questions. These categories are environmental disclosure, human resources disclosure, community disclosure, and products and services disclosure. In each case, the analysis identifies the rate at which the volume of disclosure increased over the period 2012-2017.As described above, prior to this data collection and analysis the chapter will outline the theoretical basis behind this data collection. The current research utilises quantitative research approaches. This research uses content analysis as the main quantitative research method. In order to assess and analyse CSRD and evaluate the link between CSRD and organisational efficiency, content analysis is undertaken as a quantitative tool. The reliability and validity of the analysis would be helped by a detailed and comprehensive quantitative research approach with a keen interest in ensuring proficient statistical analysis.

4.2 Themes:

The research methodological dimension involved the use of quantitative approach in gathering data using content analysis technique in line with the number of keywords related to the four themes (See Table 4.1). The themes are extracted from the literature and the coding approach is adopted inductively from revolving around four key themes which are social disclosure, environmental disclosure, employee disclosure, and consumer disclosures (Gray et al. 1995a; Gray and Lavers 1995b; Ahmad and Sulaiman 2004; Saleh 2004).

Table 4.1: Key themes and related keywords

Theme	Keywords
Environmental disclosure	• Natural resources • Pollution • Aesthetics • Other Environment related context.
Community disclosure	• Support for Education. • Support for art and culture. • Charity • Other community activities
Human Resources disclosure	• Pension and employee benefits, • Training • Participation and staff development. • Health and safety. • Other employee information
Product and service disclosure	• Product quality.

	• Product safety. • Consumer relation. • Other consumer disclosures

4. 3 Data Collection

The research methodological dimension involved the use of quantitative approach in gathering data using content analysis technique to answer the research questions (See chapter one, Section 1.4) in line with the number of keywords related to the four themes (See Table 4.1). The themes are extracted from the literature and the coding approach is adopted inductively from revolving around four key themes which are social disclosure, environmental disclosure, employee disclosure, and consumer disclosures (Gray et al. 1995a; Gray and Lavers 1995b; Ahmad and Sulaiman 2004; Saleh 2004).

4.4 Measurement of Corporate Social Responsibility Disclosure

Externally produced independent ratings are another commonly used approach to measuring CSR. Some of the most widely used indices in company rating approach are the Domini (KLD) Index, Domini Social Index (DSI, the Kinder Global Reporting Initiative Index (GRI) and the Lydenberg. Company rating approaches have been used in several studies including studies done by Moneva and Ortas (2008), Nelling and Webb (2009), Orlitzky and Benjamin (2001), Orlitzky et al. (2003), Peters and Mullen (2009), and Scholtens (2009). Other recent studies that have employed the company rating approach to measuring CSRD include studies by Inoue and Lee (2011), Oeyono et al. (2011), Byus et al. (2010) and Karagiorgos (2010). Survey methodology is the third approach that is used in measuring CSR disclosure. In this approach, the company's CSR activities are collected by the researchers through content analysis of the annual reports. Studies done by Rettab, Brik (2009) used a questionnaire to study the link between CSR and organisational performance. Notably, Byus et al. (2010) and Karagiorgos (2010) show that using externally produced independent ratings enhances the uniformity of the CSR ratings of companies because similar indices that conform to a particular externally produced independent rating like GRI are used. On the other hand, Rettab, Brik (2009) supported the survey approach by accentuating that using the survey approach was a more comprehensive and focused approach of determining CSRD ratings and performance because it applied a flexible rating framework.

The content analysis approach has been embraced extensively in measuring company CSRD and performance due to its flexibility, ability to allow the research closeness to the data and being an unobtrusive means of analysing the trends and interaction of data, studies done by Unerman (2000) have identified a weakness of this approach. According to Unerman (2000), the Content Analysis approach is highly subjective and only embraces the use of numbers and texts (words) and does not put into consideration the graphics, photos and the font sizes of the CSR disclosure. Subjectivity of the researcher is evident throughout the research process, from the selection of CSR dimensions to data collection, interpretation, and coding of the data. While companies disclose the data related to CSR, this data requires careful interpretation and coding since companies may be tempted to manipulative measures to create an image that is more favourable through biased reporting. Notably, there is not universally accepted standard of content analysis that has been implemented to assess the CSRD reliability. According to Heale and Forbes (2013), one of the most reliable strategies in mitigating subjectivity in content analysis is through triangulation or applying a quantitative research method which is comprehensive and applies a vast scope of research data. The process involves verification of the data obtained with more data sources as opposed to a single source of information. The author argues that if the other sources of data are used to support the researcher's interpretations, then they should be confident that what they have found is legitimate. One of the strategies in achieving this end is by ensuring that a comprehensive scope of quantitative data is collected and incorporated into the statistical analysis approaches and techniques of the study. As such, to investigate the extent of CSR disclosure on the Saudi petrochemical companies, the study has employed content analysis approaches incorporating more than thirty (30) CSR reports from at least half a dozen KSA petrochemical companies as provided in the section below.

4.4.1 Content Analysis

The technique of content analysis, described by Krippendorff (2004) as the cornerstone of social science research, was first applied by researchers to analyse newspaper and radio news broadcasts (Gaur and Kumar 2018; Rosenberg et al. 1990). A number of researchers have offered definitions of content analysis: Holsti (1969, p. 14) defines it as "any technique for arriving at conclusions through objective and systematic identification of definite message characteristics", while Wolfe (1991) describes it as a method for systematically analysing the content of transcribed spoken presentations or written documents. As Krippendorff (1980) explains, this involves codifying text into categories against a set of criteria. This allows the researcher to identify the most frequently occurring codes and to establish patterns within the data (Momin 2006; Gibbs 2018), turning qualitative information into quantitative scales (Gray 2000).

Content analysis is widely used in social disclosure studies (Adams et al. 1998; Heravi and Xiao 2005; Williams 1999; Lock and Seele 2016; Neuendorf 2002; Platonova et al. 2018). Various authors have suggested reasons why the technique is so popular among social scientists. Among its practical advantages is the fact that it can be applied to large amounts of text at relatively little cost. Furthermore, the researcher is able to revisit this text whenever necessary, knowing that the findings will be consistent (Liao et al. 2017; Sarantakos 2005; Wolfe 1991; Zubek 2008). Content analysis is particularly useful in circumstances where the researcher is unable to communicate directly with respondents, enabling him/her to obtain information from people not available for one-one-one interviews. The resulting data can then be structured in different ways to best fit the analytical processes (Krippendorff 2013; Unerman 2000; Malik and Kanwal 2018; Weber 1990).

4. 4.1.1 Content Analysis Approaches

According to Beck et al. (2010), content analysis is generally either mechanistic or interpretive in approach. The mechanistic approach focuses on measuring the volume of target data – in this case, CSRD – in units such as the number of words, pages or sentences. Garcia-Meca and Martinez (2005) also refers to the mechanistic approach as conceptual content analysis which involves quantification and counting to establish the occurrence of selected terms in the data. The resulting data is then used to examine the relationships between variables (Amran et al. 2017; Campbell 2003; Patten and Crampton 2004; Garcia-Meca and Martinez 2005; Perrin 2005). In contrast, interpretative analysis seeks to describe the content by capturing meaning via disaggregation. The interpretive approach is also referred to as relational analysis whose objective according to Beck et al. (2010) is to enhance the scope of conceptual analysis by assessing the relationship between concepts in a text. The approach places greater emphasis on the quality of the disclosure, taking a holistic view of the text rather than focusing on its mechanics (Cornier and Gordon 2001; Liversey and Kearins 2002; Tregidga and Miln 2006; Beck et al. 2010).

The current study employed mechanistic analysis since this approach has become a standard measure for CSRD. Furthermore, the interpretive or relational analysis approach was enabled after the main concepts from the text were quantified and statistically assessed to establish the relationships between the CSRD concepts derived from the reports. The adoption of both mechanistic and relational analysis for this study was also rationalised by the ability to combine interrogation of the extent of interactions between the variables and the reasons for such interactions. This usually buttresses descriptive analyses which do not necessarily demonstrate the levels of interactivity between the variables. Further, descriptive analyses are unreliable in understanding causal mechanisms and relationships. This explains the adoption of relational analysis in explaining the causality and relationships between the concepts being reported. As such, through interpretive or relational analysis, the study established the causal relationship between CSRD and ROA throughout 2012-2017 in Saudi Arabia petrochemical companies. Besides using the mechanistic approach to determine the occurrence of research variables, the interpretive or relational approach was also reliable in establishing the causal relationship between CSRD and NPM, the causal relationship between CSRD, and the causal relationship between CSR and Tobin Q over the period 2012-2017 in Saudi Arabian petrochemical companies.

However, various considerations had to be taken into account to address the likely caveats akin to this approach. The greatest challenge with mechanistic analysis is that it is usually hard to make inferences using this approach unless the situation is simplified. Furthermore, Guthrie and Mathews (1985) also agrees that the coding of implicit terms is more complicated while using a mechanistic approach. In eliminating this caveat, the study was based on already formed hypotheses and drew its data from six petroleum companies. This made it easy for the researcher to analyse the causal relationships. (Adams et al. 1995; Beck et al. 2010; Buhr 1998; Cowen et al., 1987; Ernst and Ernst 1978; Gray et al. 1995b; Guthrie et al. 1990; Guthrie and Mathews 1985; Harte and Owen 1991; Michaels and Grüning 2017; Tinker and Neimark 1987; Unerman 2000; Wilmshurst and Frost 2000; Liao et al. 2018).

4. 4.1.2. Reliability and Validity of Content Analysis

According to Krippendorff (2013, p. 267), “content analysis reliability refers to the level of confidence with the data in question as far as it has not been falsified and contains the same meaning for the user”. Reliability is measured not just in terms of the accuracy of the findings but also their reproducibility and stability (Krippendorff, 2013); that is, whether the same results are produced with each retesting (stability), or when different coding procedures are employed on the same material (reproducibility) (Katmon et al. 2019; Weber 1990). Guthrie et al. (2004) argue that to improve content analysis reliability, the researcher should be properly grounded in the relevant literature, develop a reliable coding tool that specifies decision rules and categories, and apply the qualitative data analysis coding to a pilot sample. The objective of conducting the pilot study was to evaluate the significance of this study as well as the feasibility of the chosen methodology in carrying out a larger scale research to inform the objectives of this study. The pilot was conducted in Saudi Arabia and it involved a quantitative content analysis of six annual reports of a listed company in the country’s stock exchange market covering six years 2012-17. However, the pilot study has covered just the content analysis.

According to Yin (2013), the need to test the reliability is one of the most concerns of the researchers; the aim is to make sure that if different investigator follows the same process of the previous researcher and conduct the same procedure, they will get the same result and end up with the same conclusions. In addition to content analysis, the study adopted statistical analysis. The statistical analysis conducted was rationalised by the fact that they helped quantify the results, establish correlations, and interpret the trends. Subsequently, the reliability of the results obtained from the content analysis could be compared against data obtained from these instruments. This was rationalised by Neuendorf (2002) arguments that, the reliability indicates to how well the measurement process provides identical results in repeated cases. The target is to minimise the errors, biases and maximise reliability in certain study (Yin 1994). However, reliability and validity are hard to reach; however, they are the inspiration of the researchers (Neuman 2006). In the current study, when six of the annual reports were separately and independently coded by a team (two colleagues and the primary researcher), the results were the same.

Janis (1965, p. 359) defines validity as “a measuring instrument that is able to measure what it is intended to measure”. Krippendorff (2013) highlights the importance of validity in preventing researchers from attempting to answer research questions that are not empirically validated, such as those based on qualitative data. The validity of the chosen categories was enhanced by heavily draw the categories from the previous studies. Further, there was reliance on the quantitative secondary data invalidating the results obtained from the coding process. According to Aldrugi and Abdo (2013), construct validity refers to the adoption of statistical scores such as means and correlations in the verification of the results obtained during coding. This was achievable during this study, considering that statistical data on CSRD could be drawn from the petrochemical companies involved in the study. The statistical scores obtained were then correlated with coding results to determine the validity of coding as an instrument. The correlation revealed a high correlation. According to Abdo (2016), such highly correlated scores are referred to as convergent validity, and as such, construct validity is supported. Additionally, the validity of the content analysis was contrasted against the results obtained from the systematic analysis of previous literature that had been conducted. In this case, too, the results obtained were in tandem with results obtained from the pre-existing research. This validity test reflected the principles of triangulation.

4. 4.1.3. Stages of Content Analysis

In order for content analysis to be effective and valid, a number of sequential steps need to be followed (Feng et al. 2017; Silverman 2006). These are as follows: identification of the questions to be investigated, determination of sample design and data source, clear definition of the categories for classification, determination of recording unit, determination of coding mode, and collection of data for content analysis. These are discussed below.

4. 4.1.3.1 identifying the question(s) to be investigated

The research questions must be answerable through examination of a body of texts. Where research is geared towards answering a specific question, the researcher may expeditiously proceed from sampling of pertinent texts to answering the question. In addition, such content analysis conducted pursuant to a specific research question has more empirical grounding. Every answer to research question must have their claims supported either through direct observation or through reasonable argument grounded on pertinent observations (Krippendorff 2004). This study made use of content analysis to investigate the extent and nature of CSRD in the annual reports of Saudi petrochemical companies which enabled the analysis of questions 1-4 which explore the patterns and trends in reporting.

4. 4.1.3.2 Determining Sample Design and Data Source

Annual reports constitute a vital source of CSRD and environmental disclosure for organisational stakeholders, governments and environmental, particularly in KSA (Neu et al. 1998). For stakeholders, such disclosure shows what the company is intending to do and what it has done for the welfare of society. Previously, most annual reports have indicated that investors prefer firms that participate actively in social responsibility. This is CSR improves a company’s image in society. As such, it is likely to attract more investors, which implies minimal risk arising from stable liquidity. It also attracts more suppliers, a factor that increases reliability and attraction to more customers. For the government, CSRD annual reports avail information on the extent of businesses' involvement in social welfare. This helps prevent duplication of work. Further, through such reports, governments can identify areas that companies can give priority to. In so doing, there is greater collaboration between the public and private sectors. For the environment, these reports indicate the measures being undertaken by the businesses to address emergent environmental challenges. For instance, recent years have witnessed businesses adopt approaches such as the adoption of renewable energy, controlled emissions, recycling of products, water recycling, and effective waste management approaches. These have been major considerations in the Kingdom of Saudi Arabia, considering the environmental challenges such as the depletion of underground water, and increased global warming that has affected the kingdom. Further, annual reports as a picture of what managers consider important, offer reliable and credible evidence of a firm's culture and social consciousness (Macintosh 1990, p.168; Tilt 1994; Unerman 2000). Consequently, many social scientists have used these reports as their primary data source (Abdo 2016; Adams et al. 1998; Aldrugi and Abdo 2013; Dias et al. 2019; Dominguez 2012; Williams 1999). Adams and Harte (1998, p. 784) justify their sole reliance on annual reports thus:

"Our appreciation of the social significance of the annual report emphasizes its ability to be influential (rather than reality). Therefore, corporate annual reports may be of interest for what they do not encompass, and their actual content. This emphasis on the corporate annual report is in line with previous studies of social disclosure, as the corporate annual report is the primary form of corporate communication and is made widely accessible, especially in the case of quoted companies."

The main disadvantage of relying on annual reports is that companies can choose what they disclose (Neimark, 1992); they may choose to disclose information elsewhere or not at all. This

Leads Unerman (2000) to argue that researchers looking for CSRD in annual reports should adopt a broad approach in their content analysis.

Table 4.2: Revenue, Number of Employees, and size Of Petrochemical Companies Operating in KSA

Company Name	**Revenue**	**No. of Employees**	**Size**
Saudi Basic Industries Corp. (SABIC)	149,765,968	40,000	Large
Rabigh Refining and Petrochemical Company (PetroRabigh)	34,211,010	25,000	Large
National Industrialization Co. - NIC (TASNEE)	10,796,424	18,000	Large
Yanbu National Petrochemical Co. (YANSAB)	10,220,906	12,000	Large
Saudi Kayan Petrochemical Company (Saudi Kayan)	9,983,926	1,654	Large
National Petrochemical Co. (Petrochem)	7,363,811	1,138	Medium
Saudi Industrial Investment Group (SIIG)	5,363,811	657	Medium
Saudi International Petrochemical Co (Sipchem)	4,459,491	1,112	Medium
Saudi Arabia Fertilizers Co. (SAFCO)	2,759,455	1,046	Medium
Advanced Petrochemical Co. (Advanced)	2,384,537	359	Medium
Sahara Petrochemical Co. (Sahara Petrochemical)	1,820,214	500	Small
Alujain Corporation (Alujain)	1,443,444	540	Small
Methanol Chemicals Company (Chemanol)	594,931	550	Small
Nama Chemicals Co. (Nama Chemicals)	432,165	325	Small

The study sample was selected from publicly listed petrochemical companies operating in KSA, as identified on the Tadawul website in December 2017 (see Table 4-3). For this study, six companies were selected based on revenue and size. In most instances, businesses are usually classified based on their revenues within a particular period. In most instances, this should be within a year. According to Raymond (1990), this measure is justified considering that the revenue is the amount of money that a company receives in exchange for goods or services. For the current study, this implies sales of petroleum products sold by companies under study. Based on revenues, and for the purpose of this study, the companies identified for the study, were categorised into three different groups. These included large, medium, and small companies. Small companies were those with revenues below 2,000,000. The medium companies were those with revenues exceeding 2,000, 000 but below 7,500,000. The large companies were those with revenues above 7,500,000. Based on these criteria, purposive sampling was employed in identifying two companies in each of these categories. As such, for the large companies, Saudi Basic Industries Corp. (SABIC) and Rabigh Refining and Petrochemical Company (PetroRabigh) were identified for the study. For the medium companies, the researcher identified Saudi International Petrochemical Co. and Saudi Arabia Fertilisers Co. For the small companies, the researcher identified Methanol Chemicals Company and Nama Chemicals Company.

The selection of two companies from each of the categories was aimed at ensuring that the sample for the study was representative enough.

The selected companies, based on 2017 revenue, were categorised as the following:

The two large sized firms:

1. L1 Saudi Basic Industries Corp. (SABIC)
2. L2 Rabigh Refining and Petrochemical Company (PetroRabigh)

Two medium-sized firms:

3. M1 Saudi International Petrochemical Co.

4. M2 Saudi Arabia Fertilisers Co.

The two small sized firms:

5. S1 Methanol Chemicals Co.
6. S2 Nama Chemicals Co.

The annual reports for these companies for 2012-2017 were collected and subjected to content analysis. The six-year period covered the three years before and the three years after the 2014 announcement by the Minister for Meteorology and the Environment calling for minimum standards of CSRD (See section 1.1). This allowed analysis of historical trends in and current levels of CSRD .To ensure accuracy and credibility the companies' reports were downloaded directly from the Tawadul website.

4.4.1.3.3 Determining Content Categories and Coding

The next step in the content analysis process is building a classification scheme. This involves selecting the categories into which content units are to be placed and developed (Tilt 2001). Data coding is a vital component of content analysis, with codes and sub-codes bridging the gap between text and the reader, and between images and what the images convey (Krippendorff 2013; Yusoff et al. 2019). In this study, CSRD information extracted from the annual reports of the sampled companies were grouped into four categories: environmental, social, human resources and consumer (Gray et al. 1995b). The rationale for creating categories is to ensure that the analysis conducted thereafter is mutually exclusive. According to Williams and Moser (2019), these categories make replication easier and help improve reliability. Similar sentiments are also reflected in Basit (2003), who argues that it is essential to divide the entire content collected into categories for purposes of better data management. The author further argues that this is a process of selective reduction and as such, the researcher gets a better opportunity to focus on the categories created for specific words and patterns. This helps in effectively answering the research questions. In this study, these factors necessitated the creation of categories such as environment, social, human resources, and consumer.

For the same purpose, these categories were further divided into sub-groups by theme: environmental disclosure was divided into training, pollution control, policy and audit; social disclosure was divided into charity and community activity; human resources disclosure was divided into pensions and employee benefits, training, human resources data; and products and services information was divided into quality and safety (See Table 4.1).

4.4.1.3.4 Determining the Recording Unit

This involves determining how the disclosure will be measured (Unerman, 2000). Deegan and Gordon (1996) and Zeghal and Ahmed (1990) argue that words are the most suitable unit when considering written communication. Hackston and Milne (1996), Milne and Adler (1999) and Tsang (1998), on the other hand, advocates for sentences as the most suitable unit. However, Gray, Koshy and Lavers (1995a) recommend lines or length of reference as a page fraction. Unerman (2000), nevertheless, notes that none of these units take account of non-narrative symbols.

The current study employed words as the unit of measurement because this was deemed the most precise and consistent method. The small size of the unit reduces the risk of human error (Ince1998) compared to counting page fractions, which is not only a highly subjective process (Gray et al. 1995b) but may fail to convey meaning (Milne and Adler 1999). Previous studies using words as their measurement unit include those by Aldrugi and Abdo (2013), Deegan and Gordon (1996), Gao, Heravi and Xiao (2005), Islam and Deegan (2008), Saleh (2004), Lock and Seele (2016) and Katmon et al. (2019). Therefore, the approach adopted by this study is well situated in, and supported by, the literature on CSRD.

4.4.1.3.5 Determining the Mode of Coding

The review revealed that coding could be done in the circumstances manually or alternatively by computer or by a mixture of both as per the guidelines of Ince (1998). There are some programs such as Oxford Concordance program which can be used to determine frequency distribution of words. However, this software does not read Arabic language (Saleh 2004). Since some selected companies published their report in Arabic language for some years and did not have an English version, the coding had to be done manually. In such cases, the themes of the study, such as environment, social, human resource, and consumer, was translated into Arabic. Subsequently, the researcher continued reading the annual reports in Arabic and identified the relative words related to the specific theme. As such, none of the resources targeted for the study was left out on the grounds of differences in language. In this step of content analysis, selective reduction was also used to enhance the reliability of the content analysis process. In selective reduction, the text was reduced into categories which the researcher could focus on easily and code for specific words or patterns that were relevant to the researcher questions.

4. 4.1.3.6 Test code of sample of text:

The validity of the coding of all text may increase by coding a sample of the text. Operational issues such as conceptual vagueness and errors concerning categories may be solved by sample testing. This also gives the researcher with empirical awareness, which may increase reliability as was mentioned in the works of Ince (1998) and Weber (1994). In the current study, the researcher was able to re-code the annual reports more than twice to make sure the outcomes are identical. Furthermore, when six of the annual reports were separately and individually coded by a team (the primary researcher and two team members), the results were identical.

4. 4.2 Collection of Data for Content Analysis

The initial step in collecting the data involved downloading the annual reports from the Tadawul website Second step is to send an email to the company if its annual report is not provided by Tadawul website. In total, thirty-three annual reports were downloaded for the six companies over the period of six years (2012-17), as shown in Table 4.4 the remaining three reports had to be requested personally by the researcher.

Table 4.3: Number of Annual Reports Downloaded

Index	Company	2012	2013	2014	2015	2016	2017	Total
1	L1	1	1	1	1	1	1	6
2	L2	1	1	1	1	1	1	6
3	M1	1	1	1	1	1	1	6
4	M2	0	1	1	1	1	1	5
5	S1	1	1	1	1	1	1	6
6	S2	1	0	0	1	1	1	4
Total annual reports								33

The first step of content analysis is to build the CSR disclosure checklist. In this step, the theme dimension of CSR disclosure is selected. Studies done earlier by various researchers and scholars provide the basis for categorization of CSR disclosure according to location, theme and CSR reporting form (Gray et al. 1995; Hackston and Milne 1996; Islam and Deegan 2010). The disclosure theme is based on aspects such as community involvement, information on employees, environment and product responsibility. The stage that follows is the construction of the CSR disclosure checklist. The checklist is tailored to provide a fuller picture of all the dimensions of CSR disclosure highlighted above Haniffa and Cooke (2002, 2005), Peters and Mullen (2009), and Saleh et al. (2010). The validity and scope of the items and dimensions of CSR disclosure is increased by firstly analysing the annual reports. To check for validity and completeness of the CSR disclosure items a search tool is applied using keywords such as employee benefits, donation and health and safety. The research was tested on six petrochemical companies in Saudi Arabia that were selected from for a period of six years (2012 to 2017). The items from the selected companies were unique and the final checklist included 33 disclosure items. To ensure consistency, the annual reports are coded, and rules of basic coding are set in order to ensure validity and reliability.

4.4.3 Measurement of a Firm's Financial Performance

The financial performance of a firm is measured with indicators that are accounting based or market based. The most frequent used accounting-based indicators are the return on Assets (ROA), net operating Income (NOI), Return on Equity (ROE) and net income (NI). The market-based measures commonly used are the market Value of a company, Tobin's Q and Market Value Added (MVA) (Cochran and Wood, 1984). Both accounting based and market-based indicators have positive and negative traits. McGuire et al. (1988) supports the accounting-based indicators by claiming that they are more effective in prediction of CSR disclosures compared to the market-based measures. This is because Accounting based measures are readily available for all firms and they are also comparable in some ways. Supporters of the market-based measures such as Karagiorgos (2010) claim that market-based measures are more effective because they easily reflect changes in CSR faster hence show a strong association with CSR disclosures than the accounting-based measures. Other studies however suggest that there is no strong connection between the level of CSR disclosures and the type of financial performance indicators used whether accounting based or market-based indicators. Both market-based and accounting based measures of financial performance have limitations hence neither can be said to be the most effective over the other. Griffin and Mahon (1997) note that the indicators of financial performance used previously in studies were not verified for validity and reliability. These researchers hence suggest that the newer studies ought to use critical financial performance indicators so as to increase the reliability and validity of the measurement. According to the authors, such critical financial performance indicators include growth, profitability, liquidity, leverage, and activity. Under growth, the focus should be on the sales and profits within a year. Profitability focuses on assessing whether the company's profits are compared to those being realised by other companies in the sector. Liquidity assesses whether the company is able to meet its short-term financial obligations, while leverage focuses on whether the company is exploiting the available financing opportunities to maximise its operations and growth. The last critical financial performance indicator is an activity, which focuses on whether the assets of the company being managed effectively. In addition, Saleh et al. (2011), concluded that the connection between the type of financial performance measure and the degree of CSR disclosure were not predictable. Besides, the accounting based measures are historical and may be subjected to bias when determining financial performance using net profit or accounting ratios that are relativized like Return on Assets (ROA) especially when the sample included other companies that are from different industries (due to different management styles and accounting standards) (Scholtens 2009). Also, the market-based measures are only available for companies that are publicly listed and tend to incorporate the non-firm specific characteristics such as recession while the accounting based measures focus on company specific characteristics of CSR (McGuire et al. 1988). In addition, using a single financial measure such as the profitability measurement is not sufficient to measure the performance of the firms (Jensen 2001). Reverte (2009) noted that evaluating the financial performance from the perspective of the shareholders, both the accounting and market-based indicators were used. However, other stakeholder groups have not been considered (Reverte 2009). It is noteworthy that future studies ought to use more than one financial performance indicator. In other words, it is essential to combine both types of measures by using both market based and accounting based measures such as the Tobin's Q in order to demonstrate clearly the relationship or connection between performance and CSRD and different relationships at play (Hoskisson et al. 1993). To investigate the connection between financial performance and the degree of the CSRD, this study will utilize Return on Assets (ROA), Net profit Margin (NPM) as two accounting-based measurements and one market-based indicator (Tobin's Q) (Khemir and Baccouche 2010). The ROA, NPM and Tobin's Q financial performances are selected to be used in this study because these cover aspects of profitability, liquidity, financial structure hence provide the best indicators for examining the link between disclosures of CSR and financial performance. This section below discusses each of these three financial performance indicators.

4.4.3.1 Return on Assets (ROA)

Return on Assets ratio is useful in measuring the ability of the firm to utilize its assets to create profits (Gibson 2011). This is done by comparing the profits with the assets that are used in generating those profits. When the ratio is higher, the better it is because it means that the company is efficient in utilizing its assets to generate profitability and create value for the company shareholders utilizing the assets available (Gibson 2011). ROA is calculated as Net Income (loss) before Interest and Tax (EBIT) divided by the average total asset (Gibson 2011).The profitability measure ROA has been extensively used as it is more reliable in producing effective results compared to other profitability instruments (Aupperle et al. 1985). Various studies by (Aupperle et al. 1985; Crisóstomo et al. 2011; Ehsan and Kaleem 2012) have used ROA as a financial performance tool in order to determine the connection between CSR disclosures and Return on Assets.

Furthermore, in another study by Zhang (2016) the relationship between ROA and CSR disclosure in 50 Indian manufacturing companies, the researchers established that through CSR disclosure, companies not only enhanced their social value and reputation but also improves the profitability and performance through creating a positive brand image on external stakeholders like consumers and internal stakeholders like employees. Therefore, ROA was a relavant financial performance indicator and variable for the current research.

4.4.3.2 Net Profit Margin (NPM)

Net profit margin is an important profitability measure that measures how much income is generated by each sale (Gibson 2011). Net profit margin (NPM) is calculated as net profit divided by net sales (Gibson 2011). This study is guided by the assumption that with increased engagement in CSR, petrochemical companies in the Kingdom of Saudi Arabia are bound to experience an increase in their NPM. In a study conducted by Reverte (2009), it was established that companies that actively participate in CSR are likely to generate higher profits. This is because CSR tends to improve a company’s public appeal, a factor that attracts increased stakeholder engagements and the sale of goods or services. This informs assertions that a high NPM ratio increases the confidence of investors and attracts them to invest in the company. Also, that high NPM will encourage the company to disclose more information regarding the CSR activities and financial activities by the company. Data used in analysing this financial performance was drawn from the annual CSR disclosure reports obtained from each of the companies involved in the study. The approach was rationalised by the fact that the researcher would be able to trace the levels of CSR engagements of each company each year, from 2012-2017, and compare with the profits realised over the same period.

4.4.3.3 Tobin’s Q (TBQ)

There is a variation between the accounting and market-based indicators of financial performances due to the indirect association of these two types of financial measures (Hoskisson et al. 1993). This is the reasoning for using the Tobin’s Q method. The formula for calculating Tobin’s Q is the company's market value divided by the cost of replacing its assets. As such, equilibrium is only attained when the market value equals the replacement costs. The data for ascertaining this measure during the study was drawn from the CSR disclosures of the companies involved in the study. This was rationalised by the study’s initial assumption that an increase in CSR engagements is likely to improve a company’s TBQ value. The definition offered is in tandem with assertions that Tobin’s Q method is a market-based indicator of financial performances. It is the market value of the firm at the cost of the asset of the successor (Cheung et al. 2010; Dragomir 2010; Saleh et al. 2011; Zhang and Gu 2012; Ghelli 2013; Li et al. 2013). According to the Tobin’s Q concept, the Q ratio is superior to the market value ratio because it focuses on how the firm’s current value against how much it will cost to replace it at this time. The TBQ value between “zero and one” indicates that the cost of replication of the company is higher than that of the share price. TBQ value above 1 indicates that the value of stock is more than the replacement cost of the assets of the firm. Dybvig and Warachka (2011) argue that Tobin Q is subject to fluctuations in regard to financial performance due to the cost control and decision levels it is subjected to. Therefore, a better financial performance is correlated with a lower Tobin’s Q.

4.5 Data Analysis

In research, an essential element of not only ensuring data integrity but also reliability of the study findings lies in the accurate and appropriate analysis of the data findings. Brandt and

Brandt (1998) defines data analysis as the research procedure of applying statistical or logical techniques in the quest to recap, illustrate, condense or evaluate the findings of the data collection process with the aim of drawing inductive inferences to distinguish between the "signal" (phenomena or points of interest) and "noise" (statistical fluctuations) in the research data collected for the study. During data analysis, the validity and reliability of the data analysis outcomes can be enhanced upon consideration of various data analysis issues especially in quantitative data analysis like having the necessary tacit skills, concurrent selection of the data collection and analysis approaches in the planning stage (rather than perception of data analysis as an afterthought), drawing unbiased inference, clearly defined objectives or outcomes of measurement, extent and scope of the analysis and adherence to the acceptable and stipulated norms of the discipline (Brandt and Brandt, 1998).

The data analysis step in the current study was performed mainly using quantitative data analysis approaches. As acknowledged by Brandt and Brandt (1998), quantitative data analysis mainly utilises mathematical and statistical modelling and measurement to represent a particular form of reality in numerical terms. The aim of this study is to examine the influence of CSR disclosure on the financial performance of petrochemical companies in the KSA. The study relies on the research questions to actualize this objective. Similarly, the research questions of the study were also used to map the scope and extent of the quantitative data analysis. As noted previously, quantitative data analysis was applied due to the enhanced generalization capacity, objectivity and accuracy of the outcomes of quantitative data analysis.

4.5.1 Statistical Analysis

Statistical analyses cannot be conducted before the variables are constructed into a measurable form. Wang and Sarkis (2017) explain that statistical data analysis applies statistical operations and modelling to quantify and establish the patterns and trends between the main research variables in a quantitative study. According to Wang and Sarkis (2017), variables correspond to any characteristic that varies. This implies that they have at least two possible values. In this study, the dependent variable is firm financial performance (FP). To measure this variable, other variables such as NPM and Tobin Q were used as the building blocks which further enhances the scope and comprehensiveness of the findings and the primary view of the dependent variable (FP) achieved by the research. Another pivotal variable is the ROA (return on assets), which is calculated by dividing the number of items by the asset total (Kimmel et al. 2013; Wang and Sarkis 2017). In previous studies (e.g. Nekhili et al. 2017; Wang and Sarkis 2017), Tobin's q, which represents a firm's operating efficiency and its ability to produce superior FP, has been calculated as the total liability plus market value of equity minus deferred tax expense, divided by total assets (Tobin 1969). In line with prior studies, this study adopted ROA, NPM, and Tobin's q to measure the firm's FP. These building blocks have quantitative value, and as such, they could be analysed using the SPSS software. The following techniques formed the core of this analysis:

The study made use of descriptive statistical analysis and tested for multi-collinearity approach using the correlation matrix and VIF Tests. The adoption of these approaches was based on the fact that the variable properties and relationships met the estimation model assumption and criteria. The descriptive statistical measures such as mean, median and summation helped determine the central tendency of the variables included in the research study.

It is paramount to note that multicollinearity is often a major problem when estimating linear models. Sometimes it is difficult to distinguish the effects of the independent variables on the dependent variables as a result of it. It is important to note that high multicollinearity is particularly a major problem because it tends to increase the variance of the coefficients, hence, making them sensitive to even the slightest changes in the model (Farrar et al. 1967). The challenge occurs especially in cases where the high correlation among at least two variables tends to lead to unstable and unreliable estimations in the coefficient of regression. Researchers, however, have varied ideas on how best to determine multicollinearity. The methods that are most preferred by researchers include correlation coefficients matrix and VIOF approaches (Anderson et al. 1996; Li et al. 2010; Shafer 2015; Banseh and Khansalar 2016). In this study, the correlation existing between the independent variables of the sample of the study was assessed using pairwise correlation. The aim of this was to describe whether or not the analysis was impacted on by the linear relationship that existed between the identified independent variables or not. The multicollinearity issue of exceeding 80% could impact on regression analysis outcomes negatively according to Grewal et al. (2004). Besides the pairwise correctional matrix use, the study also made use of the VIF methods, which are discussed in the next chapter.

Regression analysis, Blaikie (2003) informs, is a technique which can be used to examine variable to variable influence (Blaikie 2003). It is a research tool that is used to discern differences in the independent and dependent variable effects (Gujarati and Porter 2009). It is based on an econometric model which is developed by holding variables (those that are independent) in the model constant (Koop 2008). Regression analysis, in a more specific sense, is the attempting of describing a variable's movements based on the behaviours of other variables, according to Brooks (2008, p. 27). In this study, regression analysis was central to the fourth research question. One econometric model was used. The model was used in the context of KSA to evaluate the influences of CSRD on firm performance.

Normality:

As Hamilton (2013) notes, statistical interventions generally operate most optimally when applied to variables which adhere to normal trajectories of distribution. A normal distribution, without truncation will feature a bell-shaped curve, a symmetrical curve. It will have median values and with equal mean and, a 3 kurtosis value and zero skewness (Acock 2014). Tabachnick and Fidell (2013) provide that visual graph checking and statistical assessments can be used to evaluate normality. Both approaches were applied in this project. More specifically, the researcher used skewness and kurtosis standard tests to evaluate statistically the data normality. Kurtosis can reveal the distribution's "peakness". Skewness, in contrast, follows the extent the distribution is symmetrical. As Acock (2014) reminds these tests are sensitive are detect even a tiny shift from normality.

Multivariate Regression Models: Multivariate regression models are an extension of the single-variable model, serving the same purpose as basic regression. Their primary use is the calculation and delineation of relationships among variables (Hair et al., 2006). Multivariate regression models also assist researchers in the prediction of these relationships. Adapted from Rettab, Brik and Mellahi (2009), the study used the following panel data model:

FP (t) = α + β1 CSRD (t-1) + β2 SIZE (t-1) + β3 LEV (t-1) + β4 AGE (t-1) +ε

Where;

FP (t) – Financial performance over the time under study (2012-2017)

α – Constant

β1 CSRD (t-1) – Corporate Social Responsibility Disclosure over the period under study

β2 SIZE (t-1) – Corporate Size over the period under study

β3 LEV (t-1) – Leverage over the period under study

$\beta 4$ AGE (t-1) – Corporate age over the period under study

ε – the error term

From the multivariate regression model, the financial performance is the dependent variable, while CSRD is the study's independent variable. The model assumes that the financial performance is influenced by factors such as CSRD over the period of study. It is also affected by the corporate size over the period under study, the petrochemical company's leverage over the period under investigation, and the corporate age over the same period**.**

Corporate Size

To determine the corporate sizes, the study considered their revenues. For instance, companies with revenues below 2,000,000 were classified as small. The medium companies were those with incomes exceeding 2,000,000 but below 7,500,000. The large companies were those with revenues above 7,500,000. Using this criteria, the small companies include Methanol Chemicals Co. and Nama Chemicals Co. **The medium-sized firms include** Saudi Basic Industries Corp. (SABIC) and Rabigh Refining. On the other hand, the large-sized firms include Petrochemical Company (PetroRabigh) and Rabigh Refining and Petrochemical Company (PetroRabigh).

Petrochemical company's leverage

Leverage refers to the ratio of a company's debt to the value of its ordinary shares. Companies with high leverage levels are likely to announce their gains using accounting practices that push gaining from the present financial year towards a future time. Firms that have high debt to equity ratios tend to give less disclosure on their CSR engagements.

Corporate age

The corporate age refers to the period when the company has been operational. Companies with more years are expected to have better structures that facilitate changes, including the adoption of CSRD. The source for this information was Saudi Arabia's companies register. The register specifies the years that each petrochemical was established.

Collectively, these factors were essential in determining the correlation between financial performance over the time of the study and CSRD.

The dependent variable in this model is FP, or firm financial performance. Variables such as NPM and Tobin's q assist in capturing this variable. Since the data that has been used in this study is panel data, the estimation method used was parameter estimation based on cross sectional data done using least of squares method. In the case of the regression method data panel, the results of estimation are the best linear best unbiased estimation. It is worth noting that data panel regression is a combination of cross sectional data and time series in which same unit cross section is measured at different times. In other words, in this study, the panel data is from some of the same variables observed in a certain period of time. In this case the T or time period is 6, while the number of individual observations is also 6. Hence, the panel data presented contains a total of 36 observation units (NxT). Since, the sum unit is the same for each individual observation; the data is referred to as balanced panel. It is worth noting that the main difference between the panel data in this study and other data types is the fact that it uses cross-sectional data that comprises several units of observations in a single point of time. In regards to the use of the pooled OLS, the main reason why it was used in this study is that it can be used to derive unbiased and consistent estimates of parameters even when time constant attributes are present.

4.6 Content Analysis of Petrochemical Companies' Annual Reports

Content analysis has been commonly used in different social accounting and CSRD Studies to assess and analyse the level of disclosure for various products (e.g. Birkey et al. 2018; Gray, Kouhy and Lavers 1995b; Guillamon-Saorin, Brennan and Pierce 2006; Guthrie et al. 2004; Liao et al. 2017; Lock and Seele 2016, Metts and Grohskopf 2003; Smith and Taffler 2000; Stanton, Stanton and Pires 2004; Rutherford 2005). In the current study, content analysis was applied to 36 annual reports produced by six Saudi petrochemical companies over the period 2012-2017. Disclosure was measured in terms of volume (i.e. number of words) and incidence (i.e. frequency) to capture the nature of disclosure made in each of the four themes. It was assumed that the higher the volume of disclosure was for a particular theme, the greater is its perceived importance (Lu and Abeysekera, 2017).

4.6.1 Environmental Disclosure

Table 5.2 presents proof of growing volume of environmental disclosure by word count for a period of six years.

Table 4.4: Trends in Environmental Related Disclosure, 2012-2017

Variable	Obs.	Mean	Max	Min	Median
2012	6	2191	6800	910	1332
2013	6	2738	7100	1089	2002
2014	6	2758	8040	1267	1843
2015	6	3328	8740	1345	2240
2016	6	4631	9460	1618	3571
2017	6	5080	9663	2046	4862
Total	**36**				

In 2012, mean environmental disclosure was 2191 words, the median was 1332 words and environmental disclosure ranged from 910 to 6800 words. By 2013, the mean value had risen to 2738 words, the median was 2002 words, and the range was 1089 to 7100 words. There was thus a slight increase in maximum word count between 2012 and 2013 of around 300 words (4.4% increase). Furthermore, in 2014, there was a noticeable rise of 13.2% in environmental disclosure when compared to year 2013. Improvement was less marked in 2015, with a mean value of 3328 words, a median value of 2240 words and a range of 1345 to 8740 words. This represented an increase of 8.70%. However, 2016 reverted to the pre-2015 pattern with an increase of about 8.23%, 720 words. Finally, the environmental disclosure in 2017 ranged from 2046 to 9663 words, where the maximum in this year is experiencing an increase of 2.14% when compared to the previous year. The results thus indicate that the volume of environmental disclosure among Saudi petrochemical firms rose steadily over the research period where the mean increased by 43% from 2012 – 2017.

4.6.2 Human Resources Disclosure

The results for the human resources category are illustrated in Table 5.3 below. In general, the findings indicate an increase in the degree of human resources disclosure over the study period.

Table 4.5: Trends in Human Resources Disclosure, 2012-2017

Variable	Obs.	Mean	Max	Min	Median
2012	6	3595	6980	990	3250
2013	6	4101	7420	1409	3583
2014	6	5802	8279	1982	6586
2015	6	6456	9167	2441	7625
2016	6	6493	9670	3189	6697
2017	6	6970	10278	3958	7386
Total	**36**				

As can be observed in Table 5.3, the words disclosed mean value for this category rose from 3595 in 2012 to 4101 in 2013. The median value over the same period increased from 3250 to

3583, while the maximum from 6980 to 7420. This represented an increase in the level of human resources disclosure of 6.30%. The largest increase took place between 2013 and 2014, where the mean and maximum disclosure values rose from 4101 and 7420 to 5802 and 8279 respectively. This represented a 11.6 % rise in disclosure amount in this category. This pattern proceeded for the years 2016 and 2017, though at a slower rate. 2016's mean estimation of 6493 words, median estimation of 6697 words. The maximum words disclosed of 2016 was estimated of 9670 which represents a 5.5% increase when compared to previous year. Furthermore, same trend was experienced between 2016 – 2017 where the maximum word disclosed increased by only 6.3%. Surprisingly, the general Saudi unemployment rate dropped by 0.2% in 2014, whereas in private sector, the rate of Saudisation expanded by 4.3% in 2013 (SAGIA 2017). This may show that Saudi recorded firms were successful in attracting Saudi qualified individuals. This is due to the fact that a significant proportion of the workforce is comprised of foreigners, some of who lost their employment due to the effects of Saudisation.

4.6.3 Community Disclosure

Table 5.4 presents the data regarding the trends in social and community disclosure among the sample companies.

Table 4.6: Trends in social community disclosure, 2012-2017

Variable	Obs.	Mean	Max	Min	Median
2012	6	4032	7200	1280	3690
2013	6	3716	7900	1680	3125
2014	6	5029	8600	2260	4525
2015	6	5750	9362	2486	5278
2016	6	6962	11280	3232	6847
2017	6	7386	12630	3650	7507
Total	**36**				

In 2012, the mean value for community disclosure was 4032 words and the median was 3690 words. The minimum amount of disclosure by the sample firms was 1280 words, while the maximum was 7200 words. By 2013, minimum disclosure had risen to 1680 words and the maximum to 7900 words, an increase of 23.8% and 8.9% respectively. There was a larger increase in 2014, with a mean value of 5029 words, and words range of 2260 to 8600 words indicating 26.1% increase on average. According to table 5.4, a substantial rise of the maximum content disclosed happened in 2016, when the maximum jumped from 9362 to 11280 indicating a 17% increase in words. This pattern seemed to also persist for 2017 where nearly 10.7% increase of maximum word disclosed was noticed when compared to 2016.

4.6.4 Products and services Disclosure

The last category analysed was products and services disclosure. Table 5.5 presents the results for this category.

Table 4.7: Trends in products and services Disclosure, 2012-2017

Variable	Obs.	Mean	Max	Min	Median	Stud Dev
2012	6	6101	9020	1324	7229	2555
2013	6	7416	11080	2118	8575	3256
2014	6	7347	11881	2987	7677	3158
2015	6	7609	12231	3448	7759	3095
2016	6	8586	13582	4215	8133	2969
2017	6	8963	15037	4549	7929	3694
Total	**36**					

The mean products and services disclosure in 2012 was 6101 words with a range of 1324 to 9020. By 2013, these values had risen to 7416 words, and 2118 to 11080 words respectively. The maximum content of disclosure in this category thus increased by 23% compared to 2012. However, the pattern changed dramatically in 2014, when a mere 2.40% increase was recorded. In 2015, the mean value was 7609 words with disclosure ranging from 3448 to 12231 words.

2016 saw another surge in products and services disclosure levels, with the average number of words in the annual report rising by 11%. This maximum content increased by 1455 words in annual report of 2017, which represents a 10.7% increase (mean 8963, median 7929, range from 4549 to 15037 words).

The results suggest that the mean of products and services content disclosure generally increased over the six-year period in the studied sample companies by 32% . This increase might indicate that more companies in KSA are coming to see the potential benefits of opening a channel of communication with customers and providing information through disclosures about CSR about their operations.

4.7 Identification of trends through time

The total trends of the selected themes are illustrated in Figure 4.1. Generally, it can be seen that the product and service disclosure theme has the highest content between all other CSRD themes. This trend is shown across all years of study. However, the increase of the mean of this category from 2012 to 2017 is 32% which the lowest amongst all other categories. This can be justified by the fact that the selected firm were focusing more on the product and services information in their annual disclosure reports as the main theme where the annual increasing trend is to some extent steady for 2012-2017.

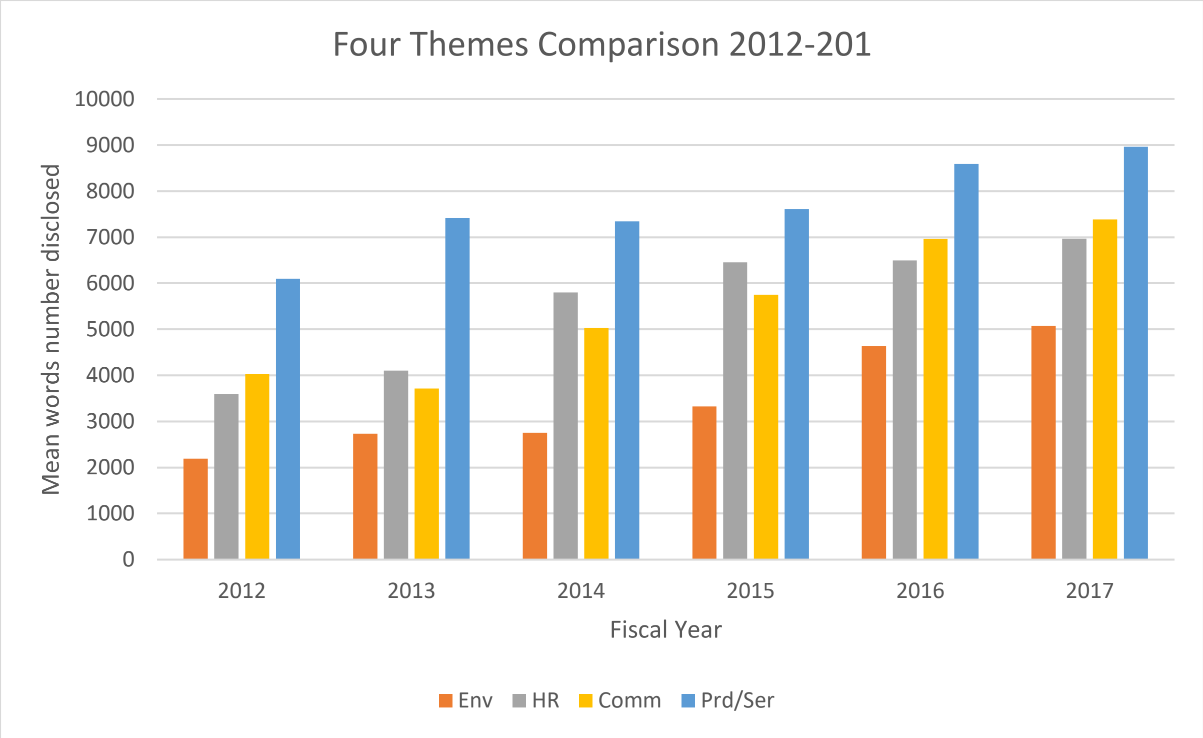

Figure 4.1: Trends in Total CSRD

Furthermore, the graphs show in Figure 4.1 showed that the environmental information disclosed seems to have the lowest attention amongst all themes for all periods of study. However, this disclosure amount is increasing significantly over the study period where the increase percentage from 2012 to 2017 is about 57%. This increase maybe justified by the fact that the government is paying more attention to the environment and encouraging environmental protection and conservation practices. Therefore, to comply with the government's vision, those companies are increasing the amount of environmental content disclosed in their annual report as a show of appreciation and enhance their reputation. Regarding the other remaining two themes, the human resources and the community disclosures, the mean of disclosed content for both themes over the period from 2012 to 2017 have increased by 48% and 45% respectively. By far the most prominent theme in almost every year was the disclosure of product and services measures. In summary, the total mean of all disclosed themes shows a gradual increase over the period of study, seen in Figure 4.2.

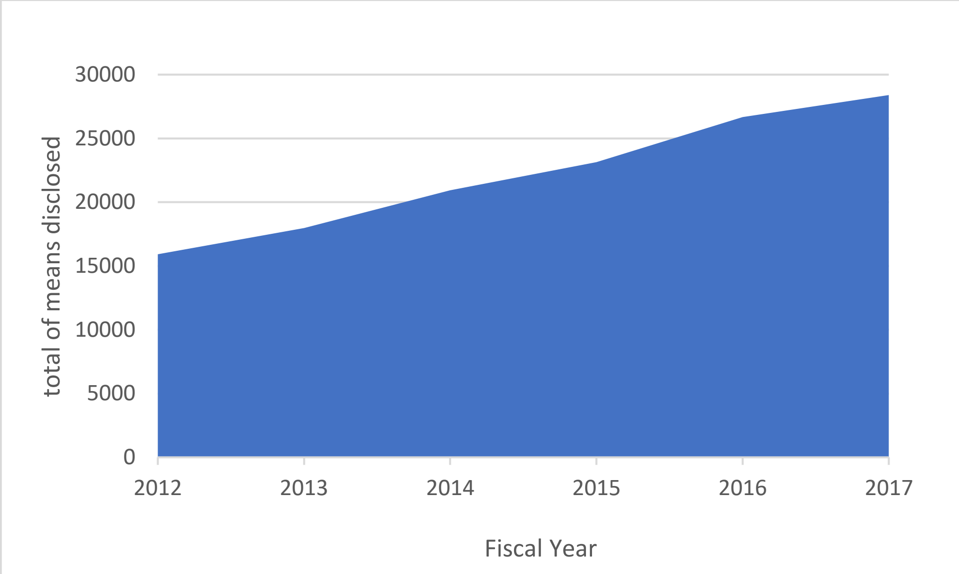

Figure 4.2: Total mean of all CSRD themes

Furthermore, the minimum disclosure amount of all themes produced rose significantly throughout this period, from 4504 to 14203 words. This compares positively to the evidence from other developing countries such as South Africa, where words were expanded from 2281 words in 2004 to 5172 words in 2007 (Tim and Soobaroyen, 2013). This developing mindfulness may be credited to a progression of gatherings and highest points that have occurred in KSA lately, particularly since the release of the Ninth Monetary Advancement Plan in 2010 (Service of Economy and Arranging, 2015). Events such as the 2012 Riyadh CSR Forum have sought to highlight examples of CSR best practice (Ali and Al-Ali 2012) and to stress the importance of CSR and its disclosure as a way of boosting economic development. The above results suggest that Saudi petrochemical firms are increasingly motivated to listen to these arguments and to engage in CSRD.

Figure 4.1 reveals that overall mean CSRD rose from 15919 to just under 30000 words over the study period. It also demonstrates that the difference between maximum and minimum disclosure values in general widened from 25496 words in 2012 to 33405 words in 2017. This suggests that some business organisations were disclosing progressively more than others each year.

Figure 4.3 below illustrates the proportion of the overall CSRD that was dedicated to each category for the year 2012 and 2017. The figure shows that there is a steady increase in disclosed content of human resources and community information over the period of study. On the other hand, there is a decrease in the disclosed product and service information of nearly 6% accompanied by an overall 4% increase of environmental disclosure for year 2017. This increase may prove that firms are paying more attention to environmental related aspects in their practises.

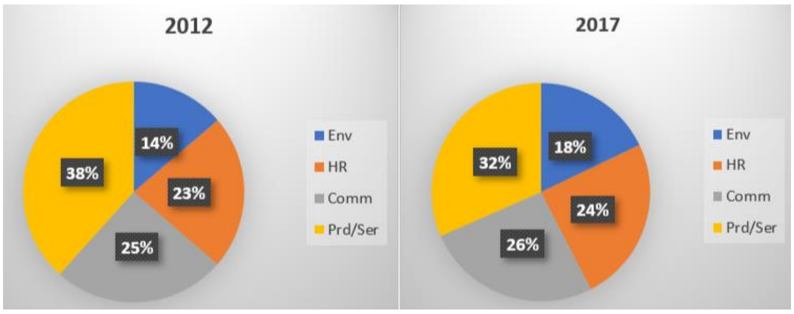

Figure 4.3: Proportion of CSRD Disclosure (in 2012 and 2017)

4.7 Summary

This chapter explores the methods that were deployed in the study. It outlines the key epistemological and ontological assumptions of positivism and interpretivism and shows that both paradigms were relevant to the aims of the research, which seeks first, to empirically measure the level of CSRD exhibited by the sample companies over the period 2012-2017. The chapter then justifies the choice of quantitative method research design employing quantitative techniques, explaining that the method was best suited to answering the research questions. The remainder of the chapter describes the analytical techniques in some detail, explaining how content analysis was employed to gather quantitative data regarding CSRD levels, with descriptive statistics, correlation analysis and multivariate regression then being used to investigate patterns within this data and the link between CSRD and financial performance.

CHAPTER FIVE: ANALYSIS OF CSRD IMPACT ON FINANCIAL PERFORMANCE

5.1 Introduction

The quantitative data derived from the content analysis, along with the financial data reported in the sample firms' annual reports, was subjected to statistical analysis in order to investigate the patterns and configurations within the CSRD data and to test the hypothesised link between CSRD and firm performance (see Section 3.7). The statistical analysis was conducted in three phases: descriptive analysis, correlation analysis and regression analysis. The results of these procedures are presented in this chapter. Moreover, this chapter discuss how the assessment of different firm level characteristics to assess if firm level characteristics shape reporting behaviour. The analysis of this section will take into account the difference between type of firms.

5.2 Significant Differences between Small, Medium and Large Companies

In order to determine whether there was any significant difference in total CSRD, as measured by number of words, between small, medium and large companies, a one-way Anova test was undertaken. As depicted in Table 6.1, the one-way Anova test demonstrated a level of significance lower than 0.05, indicating that firms of different sizes produced a significantly different volume of CSRD. It suggests there are differences in reporting relative to firm size on CSRD, and it is consistent with the findings of numerous previous studies (Cowen et al. 1987; Patten 1991; Hackston and Milne 1996; Tilt 1998; Adams et al. 1998; Newson and Deegan 2002).

Table 5.1: Differences in Total Amount of CSRD

Firm size	**CSR (average amount)**	**Rank**	**One-way Anova test**	
			F	**Level of significance**
Large	6360	1	6.8	0.003*
Medium	3271	2		
Small	1014	3		

Table 5.2 display the distinctions discovered between dimensions of CSRD in annual reports by firm size. For the results stated in this chapter, Levene's test and the t-test were used for the equality of variances and means, respectively. The tests showed significance 2 themes; in environmental disclosure where the p-values were 0.035 (Leven’s) and 0.002 (T-test) and in product and service where p-values were 0.047 (Leven’s) and 0.004 (T-test). However, the tests showed no significant differences in levels of community disclosure and human resources disclosure. The statistical results show that there is a significant level of disclosure of environmental disclosure and product and service disclosure and this may signpost to the sector effect: high impact high risk products and environmental impacts; larger firms potentially exposed to higher institutional forces/ stakeholder pressure to be accountable.

Table 5.2: Levene's Test and T-Test for CSRD in Annual Reports

CSRD	Levene's test for equality of variances		T-test for equality of means		
	F	Sig. (2-tailed)	T	Mean difference	Sig. (2-tailed)
Environmental Disclosure	**6.347**	**<u>0.035</u>**	**-4.493**	**-0.327**	**<u>0.002</u>**
Products and Services Disclosure	**5.389**	**<u>0.047</u>**	**-3.047**	**-0.239**	**<u>0.004</u>**
Community Disclosure	**0.640**	**0.832**	**-1.297**	**-0.238**	**0.086**
Human Resources Disclosure	**0.547**	**0.940**	**0.4318**	**0.045**	**0.327**

5.3 Effects of CSRD on Firm Performance

Three separate tests (descriptive analysis, correlation analysis, and multivariate regression analysis) were performed in order to assess whether there is a correlation between CSRD and firm performance in terms of dependant variables (ROA, NPM and TBQ) and independent variables (CSRD categories). These tests helped to explore the four questions of the current research.

5.3.1 Descriptive Analysis

Table 5.3: Descriptive Statistics for Study Variables, by Year

Dependent variables	Min	Max	Median	Mean	Std. dev	Skewness	Kurtosis
-2012							
ROA (%)	7.34	44.76	12.34	7.92	5.48	0.459	0.57
NPM (%)	7.95	63.72	21.37	8.47	4.94	0.631	0.804
TBQ (%)	0.36	8.42	2.48	0.51	0.217	0.641	0.803
Independent variables							
Environmental disclosure	3.49	19.47	6.38	4.3	3.06	0.371	0.528
Products and services Disclosure	3.02	16.49	5.3	3.26	2.37	0.583	0.839
Community disclosure	2.38	14.3	5.19	2.67	2.05	0.736	0.907
Human resources disclosure	1.29	9.34	2.3	1.78	1.23	0.831	0.941
Dependent variables	Min	Max	Median	Mean	Std. dev	Skewness	Kurtosis
-2013							
ROA (%)	8.31	54.78	14.56	9.43	6.734	0.39	0.693
NPM (%)	6.68	59.34	2.25	9.45	3.841	0.703	0.833
TBQ (%)	0.46	5.47	3.49	0.62	0.205	0.628	0.794
Independent variables							
Environmental disclosure	4.39	26.33	8.28	5.49	2.19	0.43	0.604
products and services disclosure	4.29	21.17	6.02	5.28	3.02	0.739	0.934
Community disclosure	3.02	17.32	4.39	3.87	2.12	0.704	0.836
Human resources disclosure	2.05	8.46	2.19	2.27	1.73	0.856	0.903
Dependent variables	Min	Max	Median	Mean	Std. dev	Skewness	Kurtosis
-2014							
ROA (%)	5.69	58.47	17.34	6.32	4.3	0.378	0.594
NPM (%)	4.47	79.32	36.29	5.3	4.37	0.54	0.743
TBQ (%)	2.12	5.49	3.89	2.03	0.527	0.723	0.934
Independent variables							
Environmental disclosure	4.31	23.46	7.34	4.3	3.47	0.584	0.621
Products and services disclosure	4.2	21.2	6.02	3.26	2.39	0.671	0.89
Community disclosure	2.89	18.27	4.89	2.67	2.12	0.839	0.954
Human resources disclosure	2.19	8.51	3.29	1.78	1.94	0.926	0.985
Dependent variables	Min	Max	Median	Mean	Std. dev	Skewness	Kurtosis
-2015							
ROA (%)	7.47	49.56	16.48	7.89	5.21	0.429	0.423
NPM (%)	6.74	59.34	26.17	6.39	5.12	0.323	0.639
TBQ (%)	0.36	8.42	2.48	0.51	2.19	0.689	0.726
Independent variables							
Environmental disclosure	4.29	21.27	9.38	5.12	2.34	0.438	0.593

Products and services disclosure	**4.29**	**19.27**	**7.38**	**4.82**	**3.02**	**0.623**	**0.78**
Community disclosure	**3.04**	**12.8**	**6.32**	**3.28**	**3.09**	**0.789**	**0.851**
Human resources disclosure	**2.18**	**8.56**	**3.07**	**2.73**	**2.07**	**0.764**	**0.853**
Dependent variables	**Min**	**Max**	**Median**	**Mean**	**Std. dev**	**Skewness**	**Kurtosis**
-2016							
ROA (%)	**8.36**	**56.2**	**18.37**	**8.94**	**6.12**	**0.563**	**0.617**
NPM (%)	**7.17**	**59.12**	**27.38**	**7.64**	**5.39**	**0.736**	**0.729**
TBQ (%)	**0.43**	**12.37**	**3.47**	**0.578**	**0.403**	**0.618**	**0.827**
Independent variables							
Environmental disclosure	**4.02**	**23.9**	**9.43**	**4.63**	**3.12**	**0.403**	**0.587**
Products and services disclosure	**3.78**	**19.37**	**7.34**	**4.12**	**3.19**	**0.595**	**0.81**
Community disclosure	**3.08**	**15.28**	**5.82**	**3.26**	**2.18**	**0.789**	**0.876**
Human resources disclosure	**1.67**	**10.27**	**1.27**	**2.17**	**1.72**	**0.889**	**0.973**
Dependent variables	**Min**	**Max**	**Median**	**Mean**	**Std. dev**	**Skewness**	**Kurtosis**
-2017							
ROA (%)	**8.38**	**57.38**	**21.78**	**8.79**	**6.41**	**0.531**	**0.627**
NPM (%)	**8.92**	**71.29**	**31.29**	**9.34**	**6.49**	**0.73**	**0.549**
TBQ (%)	**0.36**	**11.28**	**7.27**	**2.34**	**1.29**	**0.703**	**0.827**
Independent variables							
Environmental disclosure	**5.34**	**37.3**	**14.32**	**5.91**	**4.39**	**0.403**	**0.578**
Products and services disclosure	**5.31**	**35.39**	**11.34**	**4.74**	**3.48**	**0.503**	**0.582**
Community disclosure	**4.04**	**24.3**	**9.47**	**4.32**	**3.7**	**0.784**	**0.749**
Human resources disclosure	**2.3**	**17.41**	**6.38**	**2.73**	**2.06**	**0.803**	**0.851**

Table 5.3 illustrates the average disclosure for all variables in the current study. For all years of study, the average of means for each dependent variable was calculated which were 8.21 for ROA, 7.8 for NPM, and 1.2 for TBQ. The descriptive statistics for the dependent and independent variables (disclosures themes) showed that theses variables were normally distributed in terms of skewness and kurtosis tests i.e. neither skewed nor tailed according to their values over the study period as indicated in Table 6.4. Although not perfectly symmetrical (where skewness=0 or kurtosis=0), these variables are considered moderately skewed as they have a skewness that is between 0.5 and 1. It is worth noting that as a general rule of the thumb, if skewness is less than -1 or greater than 1, then the distribution is highly skewed. However, if the skeweness is between -1 and -0.5 or between 0.5 and 1, then the distribution can be

described as being moderately skewed as it is the case in this study (Bulmer 1979). Furthermore, it is known that the kurtosis for a standard normal distribution is three. However, some sources use the definition of kurtosis (often referred to as "excess kurtosis" so that the standard normal distribution has a kurtosis of zero (National Institute of Standards and Technology NIST, 2021).

Table 5.4: Average Skewness and Kurtosis values for all variables over the study period

Independent Variables	**Skewness**	**Kurtosis**
Environment Disclosure	*0.438*	*0.585*
Product and Service Disclosure	*0.619*	*0.806*
Community Disclosure	*0.774*	*0.862*
Human Resources Disclosure	*0.845*	*0.918*
Dependant Variable	**Skewness**	**Kurtosis**
ROA	*0.458*	*0.587*
NPM	*0.611*	*0.716*
TBQ	*0.667*	*0.819*

5.3.2 Correlation Analysis

Correlation coefficients of Pearson for the interaction between levels of CSRD (in the four categories) and firm performance (H1), as expressed in ROA, NPM and TBQ (H1a, H1b, H1c respectively), are reported in Table 5.6. Moreover, collinearity statistics will be used to see how the level of accuracy of the independent variables are correlated.

Table 6.5 indicates that all of the independent variables were associated with firm performance to some degree. Environmental disclosure was significantly positively correlated with ROA and this could be reflecting efficiency improvements, partially improving profit/sales – improving (NPM) and not influencing market confidence (TBQ) for the years (2012-2017). HR affecting efficiency and effectiveness of profits/ sales. Leverage has strong relationship with performance in all measures. Products and services disclosure were also positively correlated with ROA and NPM, but not for TBQ for all years (significance level 0.01). The current study analyse, first, the correlation between community disclosure level practiced by the firms in question and the profitability and value that the firm acquires from such practices (Tobin's Q). The goal of assessing this correlation is to assess whether the findings established in this research are consistent with those previously investigating whether better CSR performance imply a higher value for Tobin's Q. Second, the study assessed the correlation between environmental disclosure and ROA value, as well as that between HR disclosure in Islamic environments to ROA. The goal of so doing is to evaluate the response (market trust and market effectiveness) of Islamic market types to organisational environmental and community disclosure (CSRD frameworks) in terms of profitability and corporate value. Community disclosure was significantly positively correlated with ROA, NPM and TBQ for all years, while human resources disclosure was also significantly positively correlated with ROA, NPM and TBQ for most of the years (significance level less than 0.01). Environmental disclosure and community disclosure were more strongly correlated with ROA, while human resources disclosure was more strongly correlated with ROA. This may indicate that the role of community in Islamic context of what stakeholder expectations are of business and influences stock market confidence in Islamic context.

Table 5.6: Pearson Correlation Coefficients

Variables	**Financial performance**		
	ROA	**NPM**	**TBQ**
	Correlation	**Correlation**	**Correlation**
Environment Disclosure			
2012	**0.584****	**0.473****	**0.628****
2013	**0.271ns**	**0.401****	**0.213ns**
2014	**0.605****	**0.127ns**	**0.261ns**
2015	**0.493****	**0.205ns**	**0.119ns**
2016	**0.672****	**0.537****	**0.210ns**
2017	**0.604****	**0.716****	**0.327***
Product and Service Disclosure			
2012	**0.654****	**0.526****	**0.152ns**
2013	**0.476****	**0.619****	**0.261ns**
2014	**0.683****	**0.227ns**	**0.216ns**

2015	**0.109ns**	**0.374***	**0.115ns**
2016	**0.736****	**0.210ns**	**0.210ns**
2017	**0.641****	**0.431****	**0.263ns**
Community Disclosure			
2012	**0.606****	**0.627****	**0.431****
2013	**0.748****	**0.163ns**	**0.703****
2014	**0.504****	**0.519****	**0.427****
2015	**0.438****	**0.155ns**	**0.466****
2016	**0.371***	**0.726****	**0.463****
2017	**0.693****	**0.492****	**0.327***
Human Resources Disclosure			
2012	**0.320***	**0.538****	**0.187ns**
2013	**0.478****	**0.317***	**0.190ns**
2014	**0.637****	**0.538****	**0.205ns**
2015	**0.431****	**0.032ns**	**0.291ns**
2016	**0.306***	**0.219ns**	**0.210ns**
2017	**0.681****	**0.527****	**0.129ns**
Firm size			
2012	**0.374****	**0.439****	**0.124ns**
2013	**0.548****	**0.063ns**	**0.056ns**
2014	**0.305****	**0.102ns**	**0.437****
2015	**0.730****	**0.491****	**0.703****
2016	**0.043ns**	**0.360****	**0.321****
2017	**0.614****	**0.034ns**	**0.614****
Firm age			
2012	**0.638****	**0.658****	**0.375****
2013	**0.346****	**0.349****	**0.820****
2014	**0.413****	**0.831****	**0.119ns**
2015	**0.037ns**	**0.046ns**	**0.043ns**
2016	**0.116ns**	**0.129ns**	**0.469****
2017	**0.562****	**0.054ns**	**0.609****
Leverage			
2012	**0.604****	**0.663****	**0.556****
2013	**0.546****	**0.571****	**0.496****
2014	**0.719****	**0.448****	**0.697****
2015	**0.556****	**0.708****	**0.549****
2016	**0.831****	**0.667****	**0.460****
2017	**0.597****	**0.802****	**0.773****

*Statistically significant at 95% level
** Statistically significant at 99% level
Ns: not significant

The key goal of performing a regression analysis would remain to isolate the extant links between independent variables and the dependent variables so as to establish a regression coefficient that represents the mean change in the independent variable. However, Multicollinearity often occur when the independent variables analysed in a given collinearity model are significantly correlated, hence attracting possible interpretation challenges. In such regression analysis situation, the estimated coefficient would be such that they swing widely around other available independent variables in the regression model hence becoming unnecessarily sensitive to small changes in the regression model.

The variance inflation factor (VIF) is introduced to quantify the extent to which correlation between a single predictor and the remaining predictors occur in the regression model. The collinearity statistics highlighted no issue with multicollinearity; in the regressions, the highest variance inflation factor (VIF) was less than 3 (Table 5.7). It is worth noticing that the higher the value of VIF, the greater a single variable correlates with other variables in the regression model. VIF values exceeding 4 or 5 are viewed generally as moderate to high. However, Kennedy (1992) argues that multicollinearity is only a severe issue if the continuous independent variables register a VIF higher than 10.

Table 5.6: Collinearity Statistics

Variables	**Environmental disclosure**	**Products and services disclosure**	**Community disclosure**	**Human resources disclosure**
Tolerance	**0.503**	**0.436**	**0.571**	**0.365**
VIF	**1.826**	**2.128**	**1.926**	**2.736**

Table 5.7: Multicollinearity of Variables

	Environment Disclosure	Product and Service Disclosure	Community Disclosure	Human Resources Disclosure	Firm's Size	Firm's Age	Leverage
Environment Disclosure	1.00	0.47	0.44	0.38	0.16	0.25	-0.30
Product and Service Disclosure	0.39	1.00	0.41	0.42	0.51	0.05	0.00
Community Disclosure	0.52	0.49	1.00	0.45	0.19	0.30	-0.22
Human Resources Disclosure	0.48	0.46	0.33	1.00	0.18	0.16	0.10
Firm's Size	0.16	0.54	0.19	0.40	1.00	0.05	0..29
Firm's Age	0.25	0.05	0.30	0.16	0.05	1.00	-0.03
Leverage	-0.30	0.00	-0.22	0.10	0.79	-0.03	1.00

From the table above, it is evident that some of the CSRD and variables are closely correlated. That is especially the case for environmental disclosures, product and services disclosures, community disclosures and human resources disclosures. For instance, from the table companies that make environmental disclosures as per the computations are most likely to include product and service disclosures, community disclosures and human resources disclosures. However, it is worth noting that there is little correlation between the size of the firm and the extent to which it makes environmental disclosure given the low correlation of 0.16. The age of the firm also has little correlation or rather little impact on the firm's disclosure of environmental activities. There is no correlation between the leverage and the CSR disclosures. One thing that stands out is that the five CSR disclosures are closely linked, which means that companies often try to incorporate the five disclosures in their CSR reports. However, size, leverage position and age do not really affect the level of CSR disclosures or the type of disclosure that a company includes in its financial statements.

5.3.3 Multivariate Regression Analysis

Another key goal of this study is to determine whether the CSRD frameworks adopted by the firms informs growth in their financial performance through continued customer responses in Islamic contexts. A Multivariate regression model have been used to assess the relationship between CSRD in firms' annual reports and firm performance. A multivariate regression analysis framework estimates a single regression model in which more than a single outcome variable is expected, and, therefore, which harbours a single predictor variable. The basis of multivariate analysis models is to measure the extent to which more than a single independent variable (predictors) linearly relates to more than one dependent variable (responses). The regression analysis model predicts the behaviour of the response variables (Islamic markets) associated to changes occurring to predictor variables (CSRD), once the desired degree of relation is attained. Lagged versions of both dependent and independent have been used in the regression model to allow varying amounts of previously captured history to be dragged into the research forecast. In particularly, the independent variables have been lagged to allow the regression model to predict future financial performance with sustained CSRD performance. The results are shown in Table 5.8. These results are broadly consistent with the findings from the correlation analysis (see Table 5.6).

Again, financial performance was measured in terms of ROA, NPM and TBQ. The overall regression model is critical at the level of 0.01 (F = 4.323, 3.870 and 8.435 respectively). The adjusted R2 for ROA was 0.406; for NPM 0.374; and for TBQ 0.483. The values of adjusted R2 mean that approximately 41 percent, 38 percent and 49 percent for ROA, NPM and TBQ are explained by the CSRD scores in this regression model.

A residuals analysis found no linearity or heteroscedasticity within the data. This study checks for homoscedasticity, which is a situation under which the dependent variable has an equivalent residual regression variance degree for each of the independent variable values or the error term variance is constant. Noruésis (1995) describes residuals as what is left over after fitting the model, or the difference between the dependent variable's observed value and the regression line's predicted value. Furthermore, the Durbin-Watson (DW) test was used to test at a significance level of 0.055 for independent errors (autocorrelation). The Durbin Watson statistic detects and reports the extent of any autocorrelation available in the residuals (the difference between observed value and means value predicted in a regression model for a particular observation) in a regression analysis model. The Durbin-Watson value falls in the range of 0–4; a DW value of 2 indicates that there is an independent error, while a DW value more than 3 or alternatively smaller than 1 is a cause for concern (Field 2009). The Durbin-

Watson values in this case were near 2 and not more than 3 or smaller than 1, suggesting that autocorrelation was not an issue of concern. It is important to note that when the value of DW=2, then there is no autocorrelation in the residuals while a DW value below 2 implies a negative serial correlation. The DW value was particularly preferred for this research because the determined serial correlation can be used to assess previous trends, hence can tell the current financial performance and make useful predictions for future trends and current CSRD practices.

Table 5.8: Results of the Regression Model for Each Measure of Financial Performance

Variables	**Financial performance 2012-2017**					
	ROA		**NPM**		**TBQ**	
	Coefficient estimate	**P-value**	**Coefficient estimate**	**P-value**	**Coefficient estimate**	**P-value**
Environmental disclosure	**0.681****	**0.017**	**0.548****	**0.001**	**0.348***	**0.041**
Products and services disclosure	**0.270ns**	**0.329**	**0.493****	**0.027**	**0.493****	**0.018**
Community Disclosure	**0.835****	**0.000**	**0.441****	**0.032**	**0.540****	**0.014**
Human Resources Disclosure	**0.374***	**0.037**	**0.680****	**0.003**	**0.721****	**0.000**
Size	**0.120 ns**	**0.062**	**0.128***	**0.005**	**0.3419****	**0.071**
age	**0.637****	**0.000**	**0.489****	**0.0127**	**0.517****	**0.016**
Leverage	**0.219ns**	**0.083**	**0.156***	**0.008**	**0.318***	**0.063**
R2	**0.572**		**0.480**		**0.608**	
Adjusted R2	**0.406**		**0.374**		**0.483**	
Durbin-Watson	**1.783**		**2.307**		**1.482**	
F and(p values)	**4.323 (0.002)**		**3.870 (0.004)**		**8.435(0.00)**	
White test:						
p-value	**0.472**		**0.349**		**0.741**	
Sum of squares	**34.371**		**37.305**		**32.380**	

** Significant at the 1 percent level (2-tailed). * Significant at the 5 percent level (2-tailed).

Even though the degree of community disclosure in the selected sample was low, the outcomes of the regression model indicated an important positive link between CSRD and ROA (ie. coefficient estimate = 0.835). Similarly, the link between environmental disclosure and ROA was positive and important. This implies that when the degree of the environmental disclosure and the community disclosure increase, ROA will also increase. The regression model found a significantly positive relationship between all four CSRD categories and NPM (regression model coefficients of 0.548, 0.493, 0.441, and 0.680 for Environmental, Products and services, Community, and Human Resources Disclosures, respectively).

These outcomes indicate that NPM increases when the amount of environmental, product and service, community, and human resources disclosures increase. The results that have been established in this research (the Saudi Arabian context) are relatively consistent with that observed by Gautam, Sing, and Bhowmick (2016) who observed that CSR disclosure strategies as a core aspect of business strategy leads to better financial performance (ROA) for firms operating in Indian market contexts. This increases the justification of these results to be interpreted in the contexts of developing and emerging markets. Therefore, it is in the best interests of petrochemical companies operating in KSA to enhance their CSR Disclosure framework, as this would enhance trust of stakeholders of these companies and thus boost their financial performance. In addition, all four CSRD categories were found to have a positive influence on Tobin's Q. Such findings suggest that when levels of environmental, product and service, community, and human resources disclosures increase, so does Tobin's Q.

5.3.4 The Relationship between CSRD dimensions and Financial Performance

This section summarises the outcomes of the relationship between CSRD and financial performance for Saudi petrochemical companies.

5.3.4.1 CSRD and Return on Assets (ROA)

A solid connection between CSR exposure and money related execution has been accounted for in the writing (Ghelli 2013; Janamrung and Issarawornrawanich 2013). The outcomes show that CSR exposure has a positive and noteworthy relationship with money related execution as characterised by Return on Assets (ROA). For example, as in Indian contexts, Janamrung and Issarawornrawanich (2013) suggest that the factors that mainly determine significant increases in ROA include size of the firm, the quality of firm asset, liquidity of the firm, asset management approaches, and the margin of net interests owed by the firm. To this assertion, Ghelli (2013) adds that the firm's operation efficiency, the regions' gross domestic product, growing rates of unemployment and increasing rates of inflation negatively impact the growth of ROA. Therefore, the outcome established in this study inform the acknowledgment of the speculations earlier established by H1a.

The outcome established from the regression analysis conducted in this research offers an indication that there is a significantly positive link between CSRD levels and financial performance (reflected by ROA) in the context of KSA petrochemicals. In addition, the quantitative data analysed in this section suggest that a stronger correlation financial performance (ROA) and CSR disclosure can be driven by increasing the size of the firm, its models of management (asset, liquidity, and margin of net interest). These findings support the findings earlier established by Ghelli (2013) and Janamrung and Issarawornrawanich (2013) who found that CSRD and financial performance mutually and positively interlink. In Islamic contexts such as Saudi Arabia's petrochemical industry, the current findings affirm that CSR exposure and budgetary executions empathically identify. The findings imply that petrochemical organisations with more prominent CSRD committed models will achieve greater financial productivity in terms of ROA. The implication is also consistent with those earlier established by Ghelli (2013) and Ahamed et al. (2014), both of whom documented a positive link between increased CSR exposures and the trends of financial performance (ROA).

5.3.4.2 CSRD and Net Profit Margin (NPM)

Establishing a desirable CSR performance as a driver to a company's profitability has become a significant aspect of firms in different industries to achieve their long-term profitability and sustainability goals. Net Profit Margin (NPM) is a ratio representing net profits to sales or revenues for a firm or segment of a firm. In an overview, NPM shows the portion of each value currency that represents profits, hence higher NPM values indicate higher profitability. According to Moneva and Ortas (2010), market concentration, fixed overhead expenses, financing and interest costs, taxes, along with sales factors (stock prices, sales prices, product mixes, and customer mix) are the core drivers of NPM. However, findings in the past have recorded challenges in establishing a direct link between profitability and CSR due to the presence of complex mediating processes coupled with both direct and indirect effects emerging from these tangible and intangible mediating factors.

The results from the regression analysis model and content analysis indicate that firms with well-orchestrated corporate social responsibility initiates, and which operate in Saudi Arabia's petrochemical industry have higher net profit margins compared to other firms sampled in the study. The findings acknowledge and vindicate the H1b, confirming that organisations that plan and implement effective CSR models realize net profit margins unrivalled by those that do not have CSR-focussed business models (Byus et al., 2010; Waddock and Graves 1997). In the context of Islamic markets such as Saudi Arabia, these results suggest that corporates should incorporate strategic CSR practices within their business strategy substructures to reap the higher financial performances that accrue from such endeavours. As previously suggested by Ghelli (2013) and Khan et al (2013), better CSR disclosure prompts better profitability.

5.3.4.3 CSRD and Tobin's Q (TBQ)

The Tobin's Q represents a dividend of a firm's market value with its cost of assets replacement. An equilibrium Q value is attained when the market value of a firm equals its asset replacement cost. Hence in an overview, Tobin's Q expresses the link between market valuation of a firms to its intrinsic value, which ultimately indicates whether a firm is undervalued or overvalued. The determining factors to a firm's Tobin's Q include its potentials for growth given future investment opportunities, its monopoly power in extant output market, as well as the systematic risks within the market in scope (Syazwani 2019).

Moreover, the current study established a significantly positive connection between Tobin's Q and CSR disclosure in Saudi Arabia's petrochemical contexts. These findings are also significantly consistent with those previously established by Ehsan (2012) which established that higher levels of CSR disclosure would have potentially positive impacts on the growth of a firm's marketability. Within Islamic contexts, the findings imply that firms should readjust their efforts considerably towards establishing expanding their monopoly power in the output markets, exploring a roadmap for growth with future investment opportunities, and subverting systematic risks inherent to their respective industries.

5.4 Summary and Conclusion

The results obtained of this chapter through a one-way ANOVA test, revealed that CSRD was closely linked to firm size and age in the sense that older organisations were more likely to disclose more environmental and social CSR data. Regression analysis model also indicated that CSRD linked correlatively with financial performance measures such as ROA, NPM and Tobin's Q. Environmental and community disclosures were found to have a stronger impact on the firms' ROA while a significantly positive relationship between all four CSRD categories and NPM. The findings also suggested that when levels of environmental, product and service, community, and human resources disclosures increase, so does Tobin's Q. Generally, the results established in this study uphold the assertions proposed in hypothesis H1a and H1b, which hypothesize that a firm's model of CSR disclosure links closely with their financial performance. Based on the quantitative data, corporates in Islamic contexts should focus on designing CSR disclosure models that target the various internal and external factors that influence firms' ROA, NPM, and Tobin's Q.

CHAPTER SIX: A Multilevel Model of Institutional Forces and the Determinants of Corporate Social Responsibility (CSR) for Kingdom of Saudi Arabia Petrochemical Industry

6.1 Introduction:

Institutional theory remains one of the most adopted theories in understanding Corporate Social Responsibility (CSR). One of the most significant current discussions in understanding the Corporate Social Responsibility Disclosure (CSRD) is the application of multilevel model of institutional forces.

As discussed previously in this thesis, the main assumption of institutional theory is that the norms of a firm are governed by the institution's field or environment. The factors that make up an organisation's field are: (1) organisation's social setting, (2) the type of activities, and (3) the organisation's network of public relationships (Brammer et al. 2012; Zuo et al. 2017). To bring uniformity in business practice, the institutional field integrates coercive, mimetic, and normative mechanisms (Bitektine and Haack 2015). While the coercive mechanisms ensure that business is brought in line with societal expectations, mimetic mechanisms, on the other hand, refer to the peer pressure on firms to conform to certain behaviours. Lastly, normative practices entail a firm's internalization of belief about the suitability of specific behaviour. Carrigan et al. (2017) explains that the institutional concept is a favourable avenue on which the lines between society and business are drawn. As such, an understanding of the effectiveness of CSR can be established. Similar sentiments are echoed by Gao et al. (2019), who argues that through institutional forces, a more responsible CSR agenda can be formed.

Furthermore, this study applied the multilevel model of institutional forces to understand the determinants and relations linked to the theory of CSRD (Modell 2019). Subsequently, the theory guided the answering of this study's research questions on KSA's Petrochemical Industry's participation in CSR activities. The rationale for the adoption of the theory is that in recent years, diverse CSR activities that can be adopted by Saudi Arabian petrochemical companies have been identified. The reliance on oil and gas industries has been termed unsustainable, and as such, there has been widespread investment in solar energy and hydrogen energy as alternatives to oil and gas. Subsequently, companies in the petrochemical industry can and may need to report what they are doing around the key sustainability issues to attract finance. Adoption of such an approach is likely to inform global sustainability in addition to local sustainability. The institutional theory is used to describe a broader aspect of an organisation form used to achieve legitimacy. However, in this section, the author focused on the multilevel model of Institutional Forces and the Drivers for KSA' Petrochemical Industry from the institutional theory angle.

The first section of this chapter will provide a brief definition of the Institutional theory, the theoretical framework and hypotheses development. Then explaining the three pressures and the Multilevel Model of Institutional Forces. Furthermore, highlighting twenty-four examples of Institutional Forces identified as relevant in the Saudi Arabian context from the thesis' empirical results detail is added to the 'Layer cake diagram' which depicts the general situation. This chapter will conclude by indicating for, Corporate Social Responsibility and Environmental Protection in Saudi Arabia, the KSA's Role in achieving this within an Islamic perspective. However, the author starts by presenting a summary of the multi-level forces and their interaction through figure 7.1.

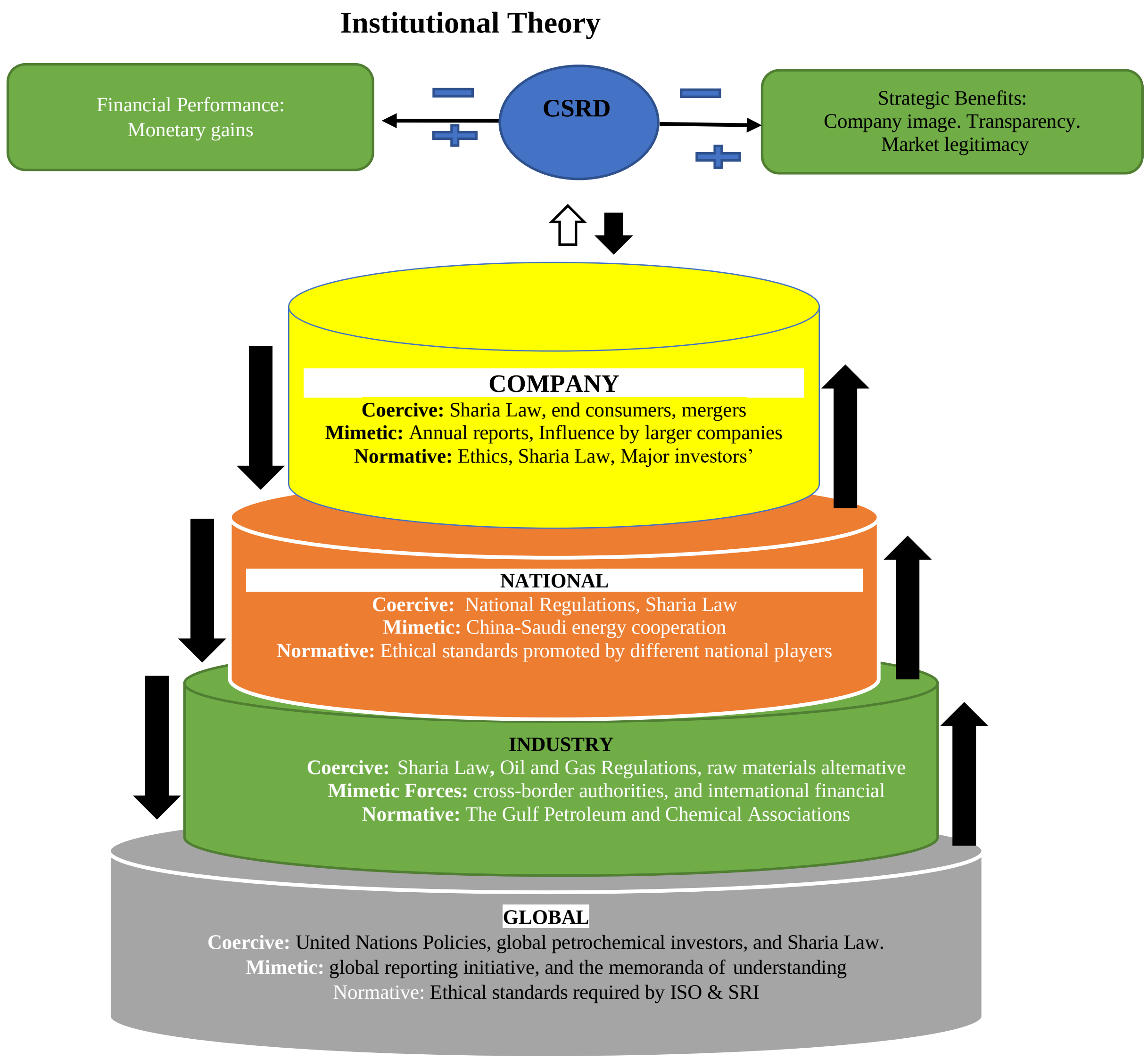

Figure 6.1: Four-Layer Cake: Summary of major Multi-level forces present for each of the three pressures (Author's own)

6.2 Multilevel Model of Institutional Forces:

Paul DiMaggio and Walter Powell identify three forces, which determine whether an organisation can achieve isomorphism. Isomorphism is signified by adoption of similar CSRD approaches due to coercive, mimetic and normative pressures (Bitektine and Haack 2015). Such pressures are evident at the global, industry, national, and company levels. The forces include coercive processes, mimetic processes, and normative pressures (Bitektine and Haack 2015). Coercive processes are evident when an organisation makes changes that are consistent with a larger institution's directives. For instance, in Saudi Arabia, the petrol industry is regulated by MEIM. The Ministry of Energy, Industry, and Mineral Resources is responsible for discovering and exploiting the Kingdom's resources, including oil, gas, and minerals, in order to maximise profits. As Isomorphic pressures identify the forces that influence and develop institutions in society as well as the internal practises of firms within a specific environment as Saudi Arabia ranks second in the world with 16.2 percent of global oil reserves. According to the website worldometers.info, Saudi Arabia has proved reserves equivalent to 221.2 times its annual consumption. At the global, national, industrial, and company levels, coercive isomorphism is occurring.

Compliance by petrochemical companies to its directives can be classified as a coercive process. The mimetic process refers to peer pressure to conform to a certain behaviour. Normative practices entail a firm's internalization of belief about sustainability of a specific behaviour (Gao et al. 2019). Institutional theory has in recent years gained popularity in studies involving CSR. The rationale is that globally, CSR is being regarded as the most reliable strategy through which profit-making organisations can give back to society (Fernando and Lawrence 2014). Subsequently, all three forces tend to suffice given that governments are increasingly introducing CSR activities that such companies are expected to participate in. For instance, organisations are today expected to participate in the prevention of climate change through the adoption of sustainable energy, and reduction of their carbon footprint. Communities are also increasingly expecting that the institutions will participate in CSR activities (Brammer, Jackson and Matten 2012). As noted in Chapter 2, stakeholders' theory (Freeman 1984) can be a source of institutional pressure, and in this instance, stakeholders can be a source of institutional pressure, due to the link between institutional theory and stakeholder theory. Communities can exert pressure on corporations to participate in climate change mitigation efforts. Forces, on the other hand, can act together or against one other, and they can work at different levels.

However, in order to frame the institutional theory, the author will incorporate chapter 3 (Research Context) and this chapter findings (Chapter 7). In Figure 7.1, the author has shown and summarised the relationships between the Multi-level forces and how it related to Coercive, Mimetic and Normative pressures according to this research findings and also by looking to the context of the research (Chapter 3). However, justifications for reasons each factor assigned at a specific level and under a specific pressure will be provided.

The developed drawing in Figure 7.1 Summaries Multi-level forces which are captured under the three pressures and how they are related to each other. Where the arrows in black (bottom up and top down) indicate how stresses are related to each other and how they interact with the multilevel of institutional forces. Notably, there are also instances in which the forces skip some levels. In addition to its relationship with CSRD in terms of how these forces might be influencing the patterns as observed by the author. In the sections below, the levels include global level, industry level, national level and company level.

6.2.1 Global level

At the global level, all the institutional pressures interplay. The coercive pressures examples include the United Nations Policies, global petrochemical investors, and Sharia Law. The mimetic pressures include global reporting initiatives and the memoranda of understanding. The normative forces include ethical standards required by the International Organisation for Standardisation, and Socially Responsible Investment (SRI). Although these pressures are global, in terms of isomorphism, more than one entity in this case will develop similar structures and forms. The interplay among them influences CSR reporting among the petrochemical companies in the Kingdom of Saudi Arabia.

6.2.1.1 Coercive Pressure at the Global Level

Coercive pressures may indicate to some sanctions on the company by other international organisations and players. The United Nations, through its agencies such as the UNEP, recommend various CSR reporting initiatives by companies in all industries, including the petrochemical industry (Shop and Huefner 2015). Considering that the KSA is a member country, the petrochemical industry within the country must conform to the pressures. One of the rationales for reporting as recommended by the United Nations is that lack of conformation is likely to attract sanctions against the petrochemical industry, and as such, the risk of losing participation in the international oil and gas markets. Lack of participation, as indicated in the result of the current study will impact financial performance. As such, the members have to report that they are engaging in socially responsible investment. The global investors equally pose coercive pressures on petrochemical companies' CSR reporting. For instance, Mahjoub (2019) argues that when global investors in the petrochemical industry decide that they will only be trading with companies that report their CSR activities, then companies in Saudi Arabia have to conform. The rationale is that such investors influence the global stock markets, and lack of conformance will impact the financial income of local petrochemical companies given that they will be barred from international markets. Nevertheless, Frynas (2009) presents a conflicting observation on the likely coercive impact of international investors on the Saudi Arabian petrochemical industry. The study observes that Saudi Arabia is the second leading country in terms of oil reserves. Although the observation is valid, the current study establishes that while the oil reserves are likely to minimise the coercive pressure from the global investors, such pressures still influence CSR reporting among petrochemical companies in Saudi Arabia, as there is a preference for the most compliant companies from investors points of view.

Another coercive pressure at the global level is Sharia Law. Sharia Law is practiced by various countries with dominant Islamic faiths. The law embraces CSR activities as righteous and as such, essential in the operations of companies. Subsequently, KSA petrochemical companies that intend to tap into such global Islamic finance sector have to issue their CSR reports to demonstrate their commitment to observing the Sharia Law. Ramady (2018) however argues that even in countries that are not regulated by Sharia Law, CSR reporting is enforced by other international organisations. For instance, petrochemical companies in Saudi Arabia have to conform to CSR activities formulated by the G20 courtesy of its membership. Further, even if Saudi Arabia was not a member of G20, it would still be affected by the regulations made by the group of countries. As such, the lack of conformance by the petrochemical companies is likely to bar them from accessing the markets within the G20 countries. This study establishes that in such instances, KSA's petrochemical companies regularly disclose their CSR activities to access international markets, including the G-20 markets.

6.2.1.2 Mimetic Pressure at the Global Level

Mimetic pressures are evident when companies imitate one another to achieve the desired satisfactory levels (Zuo et al. 2017). Within the KSA petrochemical companies' context, the mimetic pressures evidenced include the global reporting initiative and the memoranda of understanding among petrochemical companies globally. Memoranda of understanding is a mimetic force because through the cooperation of petrochemical companies globally, they are under pressure to imitate one another. Previously, CSRD was common among petrochemical companies in the West (Amran and Siti-Nabiha 2009). Through the reports, the companies would record higher financial performance considering the positive attraction developed between them and their customers. In recent years, Agudo-Valiente et al. (2017) observe that petrochemical companies globally tend to adopt CSRD to, among other benefits, enhance their financial performance. The studies' findings are in tandem with the current study's observation on the positive impact of CSRD on petrochemical companies' financial performance. The finding further coincides with the adoption of CSRD as a coercive pressure arising from global petrochemical investors' demands (Alkayed 2018; Cormier Ledoux and Magnan 2011). That if a petrochemical company does not conform to the memoranda of understanding dictating that they adopt CSRD, then global petrochemical investors are likely to avoid them.

Global reporting initiative is equally a mimetic pressure. Petrochemical companies likely assess the strategies adopted by leading players at the global level. Considering that leading players currently adopt CSRD in their reports, other companies are likely to adopt the same strategy. For instance, one of the most recent CSR activities reported by the leading petrochemical companies globally is the production of alternative sources of energy other than petrochemicals (Orlitzky et al. 2017). Similar production approaches and products are currently witnessed in smaller petrochemical companies' CSRD reports, an indication of mimetic pressures globally. As such, the companies are likely to remain as competitive as the leading companies in the global arena leading to enhanced financial performance.

6.2.1.3 Normative Pressure at the Global Level

Normative pressures at the global level relate to ethics (Zuo et al. 2017). The global ethical considerations that influence CSRD at the global level include the attainment of ethical standards put in place by the International Organisation for Standardisation (ISO 26000). Equally, normative pressures arise from the public expectation that petrochemical companies will adopt Socially Responsible Investment (SRI). In terms of ISO 26000, petrochemical companies will attempt to align to the international standards that provide the social responsibility guidelines. One such standard is engagement in CSR activities and respect for society and environment. For instance, Sekaran and Bougie (2016) observe that one of the ethical standards required of petrochemical companies globally is that they produce alternative sources of energy for both their clients and their consumption. The rationale is that petrochemicals are non-renewable sources of energy. Subsequently, their continued use poses various risks to the environment and biodiversity. As such, to appear ethical, petrochemical companies strive to ensure that they include the alternative sources of energy that they produce (Saunders et al. 2015). The approach also borders Socially Responsible Investment principles. Currently, such ethical standards expected in the global setup are adopted by petrochemical companies in Saudi Arabia.

In a nutshell, the petrochemical industry in Saudi Arabia is influenced by all three institutional pressures including coercive, mimetic, and normative. The rationale of aligning with the pressures leading to CSRDs is directly associated to increase financial performance. Under coercive pressures such as the United Nations' disclosure requirements, the KSA companies disclose their CSR activities to enhance a positive image globally. The image then attracts global petrochemical investors. Under the mimetic pressures, the petrochemical companies in KSA mimic the CSRD approaches adopted by global leaders in the petrochemical industry. As such, they sustain their competitiveness in the global arena and can achieve the desired financial performance. Under the normative global pressures, the petrochemical companies in KSA try to align to the international culture and ethical standards on CSRD. The international culture and ethical standards are derived from the CSRD approaches accepted by global leaders, and the exist of international culture and ethical standards assist global leaders in having a set of shared standards to follow.

Similarly, the approach helps them endure the competition in the global arena, a factor that impacts their financial performance. The current study also established that the global institutional forces can affect all the other stages directly without having to conform to steps. Figure 6.2 is a summary of the possible scenarios.

Figure 6.2: Global Level Institutional Forces (Author's own)

6.2.2 Industry Level

The industry level equally exudes institutional pressures including coercive, mimetic, and normative pressures. The coercive pressures at this level include oil and gas regulations, raw materials alternatives, and Sharia Law. The mimetic pressures include cross-border authorities and international financial reporting standards. On the other hand, health and safety regulations, and environmental protection as an industry principles and standards, can considered a normative pressure because they are standards and principles based on professional ethics.

6.2.2.1 Coercive Pressure at the Industry Level

Oil and gas regulations are the most evident coercive pressures within the petrochemical industry level. The regulations determine appropriate approaches that should be adopted in mining oil and gas products. Further, it dictates the approaches that should be adopted when processing oil and gas products. There are equally regulations on transportation and storage of the products. Implementation of such regulations is overseen by various regulatory authorities. Although at this stage it is evident that the industry pressures inform formation of policies and regulatory bodies at the national level, similar forces can emerge from the national level and affect the industry. For instance, in their study Ledoux and Magnan (2011), established that as a leading producer of oil and gas, Saudi Arabia's national policies regulating the sector can inform changes at the industry level. However, this does not imply that there are never static pressures which only suffice at one level and not the other. In recent years, one of the coercive forces that flow to and from the industry and the national level for oil and gas sector is the need for players in the industry to participate in CSR activities that protect the environment. For instance, in terms of production, the regulatory authorities recommend the adoption of environmentally friendly production approaches. Subsequently, petrochemical companies in Saudi Arabia engage in CSRD to demonstrate their adherence to the oil and gas regulations set and enforced within the industry. However, as earlier indicated, there is an opinion that over the years, Saudi Arabia has impacted the petrochemical industry more. Subsequently, it sets standards to be adopted by others. From this perspective, the petrochemical companies' CSRDs must align with the oil and gas regulations. In essence therefore, it can be concluded that the regulations developed at the industry level coerce petrochemical industry in Saudi Arabia to report their CSR activities.

The raw materials alternative is also a coercive pressure that influences CSRD among Saudi Arabian petrochemical companies. Crude oil production impacts the petrochemical industry in

Saudi Arabia considering that methane and ethane are the most common fuels and feedstocks used in the petrochemical industry. The gases arise from the separation of natural gas into its constituent gases. It is also observable that Saudi Arabia produces the majority of its natural gas as a by-product. Nevertheless, the associated gas industry is inextricably linked to the crude oil industry. Subsequently, the petrochemical companies in Saudi Arabia are coerced to share their CSR reports to justify the different production methods they have adopted, which are contrary to the industry's standards. Through the approach, they can create confidence in the target markets improve their financial performance.

The third coercive pressure at the industry level is Sharia Law. The pressure is also evident at the global level. As indicated, Sharia Law is a comprehensive code of behaviour that emphasizes participation in CSR activities as an expression of the divine will. Within the industry, various players peg their participation in CSR activities on the Sharia Law (Alshbili and Elamer 2019). Subsequently, they peg their relations with the other industry players on how effectively the players adopt and practice Sharia Law. As such, petrochemical companies in Saudi Arabia have to disclose their CSR activities to sustain cordial relations with other industry players that conform to Sharia Law. The observation coincides with the current study's findings that within the Islamic context, CSRD positively impacts the growth of a firm's marketability.

6.2.2.2 Mimetic Pressure at the Industry Level

Cross-border authorities' collaboration is one of the most evident mimetic pressures at the industry level. The industry spreads beyond national borders, and as such, different players are regulated by different customs, tax, and trade policies. Equally, they are subjected to different security agencies and other regulatory agencies. Similarly, cross-cultural attitudes tend to shape CSR expectations among industry players and consumers (Suchman 1995). Subsequently, to fit in the different markets provided by the industry, the CSR disclosures must be aligned with the different cross-border and cross-cultural attitudes in the industry. For instance, in terms of cross-border differences, the CSR reports must be aligned with the industry's customs, tax and trade policies. If the trade policy recommends that a company in the industry should follow the best practice by committing a particular percentage of their profits to CSR activities, then the report should reflect that the expected percentage was spent on the said activities (Ramady 2018). In so doing, the Saudi Arabian petrochemical companies will have mimicked the industry's standards in their CSR report. As such, the net profit margins are likely to increase given that the petrochemical companies will exude a positive image across the cultures, and in observing the cross-border regulations.

The second mimetic pressure at this level is international financial reporting standards. Within the petrochemical industry, there are various financial standards adopted. Conformation to the standards set in the industry is an indication of transparency and as such, can attract more investors and customers. Equally, financial reporting standards in the industry include a standard practice of the expectation that the petrochemical companies invest a part of their profits beyond business, for the larger good of the society (Nejati 2017). As such, petrochemical companies in Saudi Arabia mimic international financial reporting standards in the industry through transparency and declaration of amounts spent for the good of society in their CSR. The approach conforms to the global reporting initiative, which is a mimic pressure at the global level. At either level, the pressures ensure that the petrochemical companies remain transparent in their CSR reports.

6.2.2.3 Normative Pressures at the Industry Level

The normative pressures at the industry level include Health and safety and environmental protection regulations are act as normative pressures because both are related to professional ethics. In addition, industry associations will be explained as normative pressures at the industry level.

In terms of health and safety, the industry sets expected standards for promoting both the health and safety of customers. For instance, the industry identifies suitable materials and containers that can be used for storing petrochemicals. The rationale is that petrochemicals are highly flammable and if not handled appropriately, they can cause physical harm or death to the customers. The normative pressure influences petrochemical companies to involve in CSR activities such as conducting public awareness and ethics on safe strategies for handling petrochemical products (Alsiary 2015). In Saudi Arabia, petrochemical companies disclose such CSR activities with a similar intention of proving that they are involved in implementing the health and safety regulations in the industry.

In environmental protection as a normative pressure within the industry, petrochemical companies are expected to adopt environmentally friendly production approaches. Further, they are expected to identify and develop alternative sources of energy. The rationale is that petrochemicals are non-renewable sources of energy, and as such, there is a need to identify renewable sources, that are more sustainable (Aldrugi and Abdo 2016). Subsequently, in their CSR reports, petrochemical companies in Saudi Arabia highlight the ethical standards they are observing in line with the industry-level requirements. Similar normative pressure is evident at the global level.

At this industry level, it is evident that there are pressures shared at both the global and the industry levels. For instance, Sharia Law as a coercive force is evident at both the global and industry levels. Equally, reporting initiatives are reflected in mimetic levels at the global and industry levels. Lastly, environmental protection is normative pressure at the global level and transcends to the industry level. As such, it is observable that there is an interplay of some institutional pressures across different levels, and an indication of the central role such pressures have on CSRD among the petrochemical companies in Saudi Arabia. Figure 7.3 is a summary of the possible scenarios.

On the other hand, Trade or Industry associations defined as "The trade association is one of the institutions in which information is collected, organized, and transmitted among firms." (Vives, 1990). Also, "Trade associations operate under the premise of advancing the shared interests of their member firms" (Barnett, 2013). Values and interests that shared by the petrochemical industry associations act as a normative pressure. Petrochemicals companies will follow these values and principles. The Gulf Petroleum and Chemical Association's regulations identify ethical standards that must be observed by petrochemical companies in their operations (Chauvey et al. 2015).

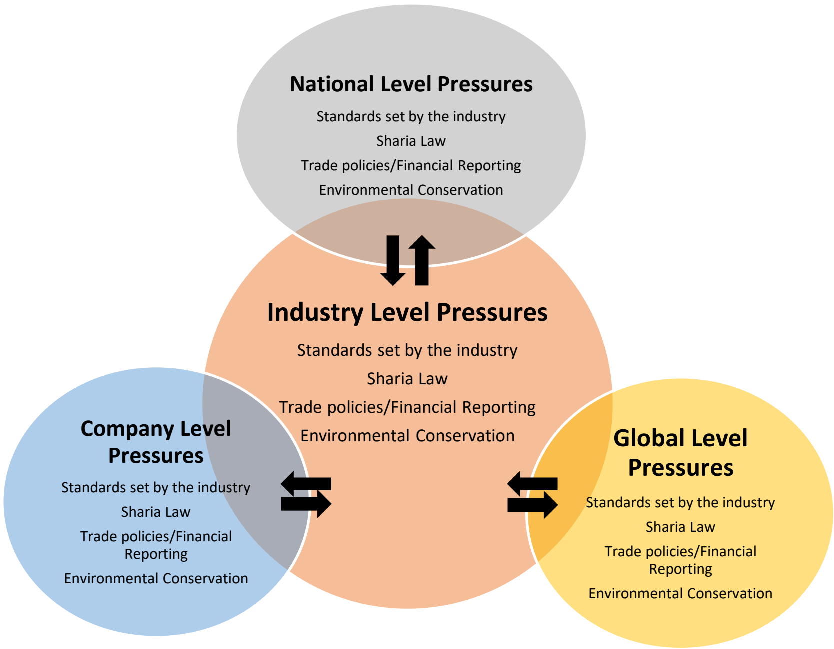

Figure 6.3: Industry Level Institutional Forces (Author's own)

6.2.3 National Level

At the national level, there are also institutional pressures including coercive, mimetic, and normative pressures. The national level refers to the Saudi Arabian petrochemical industry and the cultural and socio-economic pressures that impact its players. The coercive pressures include the Government of Saudi Arabia, Saudi authorities, and Sharia Law. The mimetic pressures include China-Saudi energy cooperation.

6.2.3.1 Coercive Pressure at the National Level

The government in Saudi Arabia has the power to sanction petroleum companies especially when they do not conform to the set standards. The standards are in most instances reflected in the regulations provided for by various regulatory authorities including the Metrology and Quality Organisation (SASO), Saudi Stock Market (Tawadul), and Zakat, Tax and Customs Authority (ZTCA), among others (Al Anezi 2021). Subsequently, petrochemical companies in Saudi Arabia ensure that their CSR reports highlight that they conform to the regulatory standards set at the national level. As an Islamic country, Saudi Arabia also adopts Sharia Law. The law views engagement by companies in CSR activities as a righteous act. As such, petrochemical companies have to engage in and report their CSR activities in conformation to Sharia Law (Amran and Siti-Nabiha 2009). Given the dominance of the Islamic faith, through such reporting, the petrochemical companies attract bigger markets at the national level leading to better financial performance.

6.2.3.2 Mimetic Pressures at the National Level

At the national level, mimetic pressures are equally likely to arise from the China-Saudi energy cooperation. Saudi Arabian petroleum companies are likely to emulate CSR disclosure measures adopted by their Chinese counterparts. Similarly, adoption of such reporting initiatives positively influences financial performance of the KSA petrochemical companies, as they will appeal better to the domestic and Chinese market.

6.2.3.4 Normative Pressures at the National Level

The normative pressures emphasize that petrochemical companies should adopt ethical standards in their operations. Saudi Standards for Corporate Governance equally detail ethical standards that companies, including those in the petrochemical industry, should adopt. The standards constitute normative pressure, which further influences petrochemical companies' cards. For instance, one common ethical standard observed reflected in the regulations is on environmental conservation through promotion and adoption of sustainable energy. As such, petrochemical companies tend to highlight the CSR activities they have engaged in to enhance public attitude towards them. As such, their markets are likely to expand leading to higher financial performance (Campbell 2003).

At the national level too, it is evident that there are institutional pressures that transcend from the global, industry and national levels. In terms of coercive pressures, Sharia Law is evident across all the stages. In terms of mimetic pressures, reporting initiatives apply to all. In terms of normative pressures, the ethical adoption of alternative sources of energy transcends the levels. Figure 7.4 is a summary of the possible scenarios.

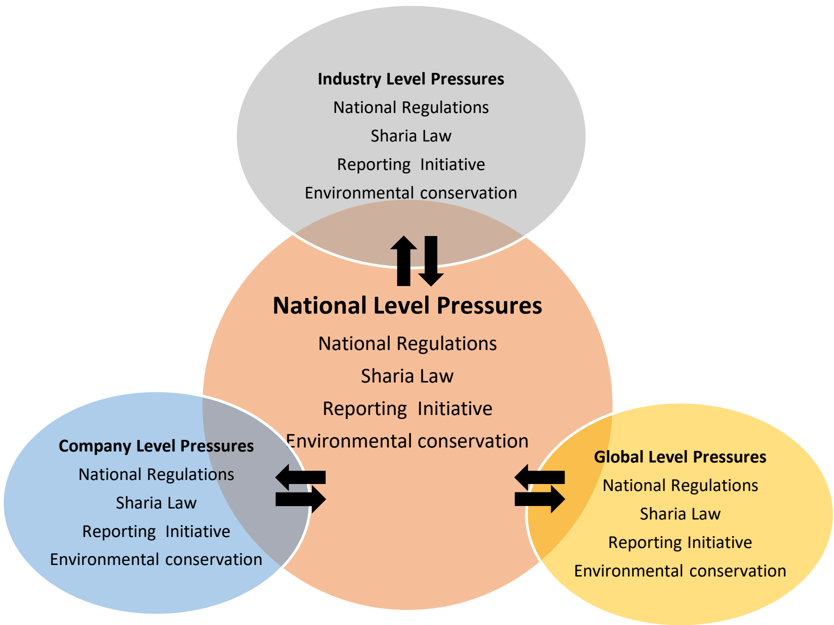

Figure 6.4: National Level Institutional Forces (Author's own)

6.2.4 Company Level

The company level is equally characterised by coercive, mimetic, and normative pressures. The coercive pressures emanate from end consumers Sharia Law and mergers. Mimetic pressures include annual reports according to the Ministry of Commerce. Large petrochemical companies in Saudi Arabia equally generate mimetic pressures at the company level. The normative forces include Sharia Law and major investors.

6.2.4.1 Coercive Pressure at the Company Level

End consumers can sanction the company by limiting their purchases from them. In the CSR era, companies tend to shun companies that do not benefit them differently apart from offering products that they purchase. Within the Saudi context, such expectations are further spurred by the Sharia Law, under which companies are expected to participate in CSR activities as a religious duty (Ramady, 2018). Subsequently, at the company level, CSRD is adopted to prove participation in activities that benefit the customers. The rationale is that the CSR report will endear the customers to the company, and as such, they will become loyal. Subsequently, the desired financial performance will be achieved. Mergers as a coercive pressure was evident in Saudi Aramco's merger with Saudi Arabian Basic Industries Company (SABIC) in 2018. During the merger, the former bought 70% of the latter from Saudi Arabia's sovereign wealth fund. Subsequently, Aramco had power over Sabic, a petrochemical company. As a result, its CSRD is influenced by Aramco.

6.2.4.2 Mimetic Pressure at the Company Level

Annual reports according to the Ministry of Commerce are a mimetic pressure at the company level considering that each company attempts to present their disclosure in the best way acceptable. To achieve this milestone, they mimic one another in their disclosures due to their perception of whose report is better. Equally, in the Saudi Arabian context, there exist both large and small petrochemical companies. To achieve relevance in the industry, small petrochemical companies try to imitate large companies. As such, the disclosures follow an almost identical format. The approach is in tandem with the results of Matten and Moon's (2008) study, which established that bigger companies tend to influence the CSRD approaches adopted by the smaller companies in the industry. In such incidences, the assumption is that emulating the approaches adopted by the larger companies will enhance the credibility of the smaller companies. As such, they will equally be able to attract more customers leading to better financial performance (Agudo-Valiente et al. 2017).

6.2.4.3 Normative Pressure at the Company Level

Sharia Law is also considered a normative pressure. The petrochemical companies in the Saudi Arabian context are expected to behave as Muslims would do as they are located within an Islamic society. Specifically, they are expected to participate in CSR activities as it is considered a righteous act. Subsequently, the reports must constantly echo their commitment towards participating in CSR activities. The major investors are equally a normative pressure in CSR reporting in the petrochemical industry in Saudi Arabia. To appeal to the investors, the companies adopt the requisite investment standards, investors' rights, and appropriate ethical standards. The adoption of such standards should be reflected in the CSR reports to enhance investors' confidence. As such, the investors are likely to invest more in the petrochemical companies leading higher productivity, and grater financial performance (Aldrugi and Abdo 2016; Ramady 2018). Figure 7.5 is a summary of the possible scenarios.

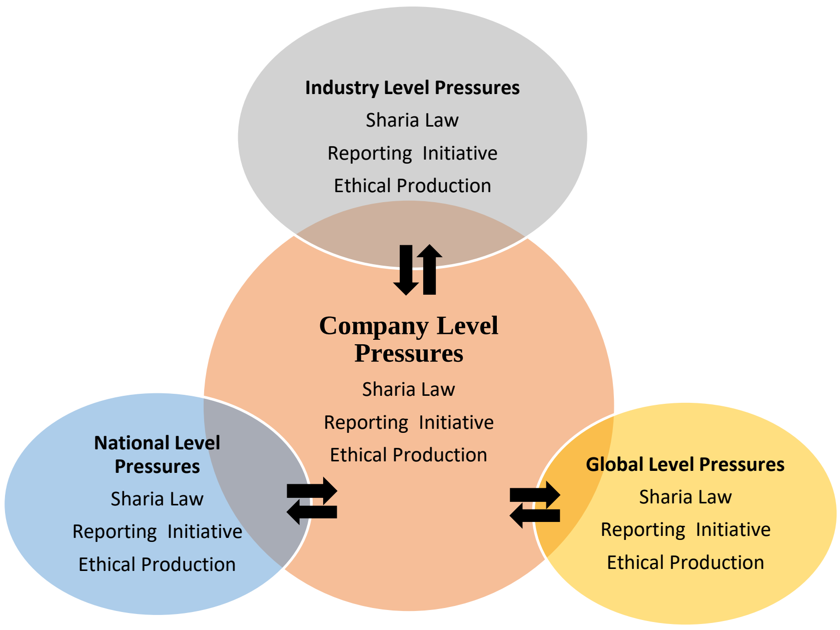

Figure 6.5: Company Level Institutional Forces (Author's own)

At the company level, the three institutional pressures are evident. As such, they transcend all the four levels including the global, industry, national, and company levels. Sharia Law, for instance, is a coercive force present in all the levels. Others include reporting initiatives, which transcend all the levels as a mimetic pressure, and ethics, which is a normative force that equally transcends all the levels. Figure 7.6 indicates the pressures that transcend through all the four levels discussed.

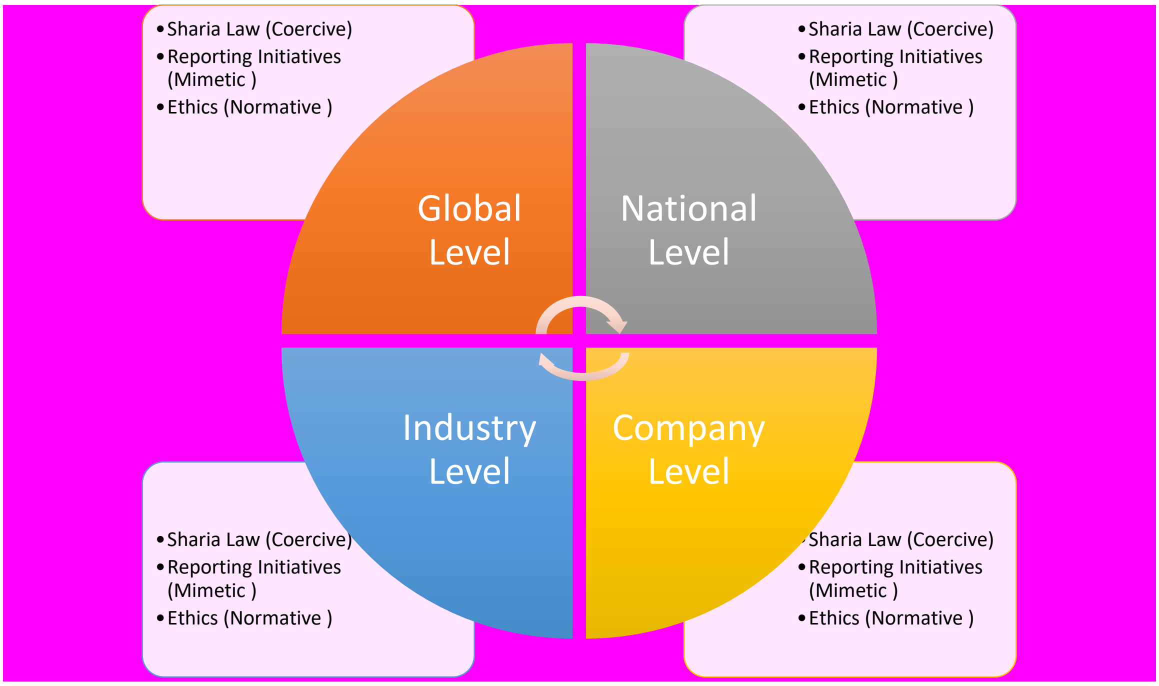

Figure 6.6: CSRD Pressures (Author's own)

There have been concerns over the sustainability of reliance on petrochemical products as Saudi Arabia's economic mainstay. Equally, the impact of the industry on the environment has been a subject of discussion (Amran and siti-Nahiha, 2009). Subsequently, petrochemical companies in Saudi Arabia are increasingly expected to include their environmental protection efforts in their CSR reports. The subsequent section focuses on the efforts that have been witnessed in this front.

6.3 Corporate Social Responsibility and Environmental Protection in Saudi Arabia.

The following stages are necessary to establish a sustainable business through the adoption of corporate social responsibility: All parties should be educated and sensitised, and lines of communication and transparency between enterprises and stakeholders should be established.

Collaboration and legal viability should also be strengthened (Arlbjrn et al. 2008). Businesses may address environmental issues through social responsibility initiatives that encourage environmental protection, and investors and investors should invest in green and develop investing strategies that include environmental factors. Apart from their legal requirements and responsibilities, business executives are responsible for their organisations' influence on society and the natural environment. More seasoned executives may learn fresh ideas to enhance their sustainability strategy and establish creative business models.

The government in Saudi Arabia strives to keep a healthy and clean environment through enforcement of environmental laws. The government also makes efforts to consume resources in a way that is better for the environment (Ministry of Foreign Affairs 2006). Article 33 of the constitution states that the government should make efforts to conserve the environment and avoid any pollution. Certain regulations issued by the government are designed to ensure the environment's protection. For this purpose, concerned ministries and departments are assigned the task of ensuring this. The government has also formulated policies to seek to ensure that all activities of the government that involve consuming resources do not degrade the environment in any way (Ministry of Foreign Affairs 2006). It is also notable that the heritage will be protected to conserve resources to minimise the threat of extinction of plants, animal and birds that face danger (Ministry of Foreign Affairs 2006). King Fahd, in 1986, issued a Royal Decree which mentioned that an organisation will be established with responsibility for managing natural life. From its establishment until today, the institution is doing well in protecting nature and the environment by making efforts and thoroughly implementing the best policies for the Kingdom (Ministry of Foreign Affairs 2006).

As already stated, religion plays a significant part in determining in the legal, political, economic, as well as social affairs of a country because KSA is an Islamic country thus the politics of the country are in accordance with the Holy Quran and Sunnah (Islamic law) and decisions taken by the government are based on these principles. Unlike other developing countries, Saudi Arabia has never been subjected to foreign intervention or colonised. Despite changes over time, Islam has always been at the centre of the nation and acts as its main unifying force. Saudi's economic development was greatly impacted by the oil related boom in the 1980s. Thus, focussing on the development of infrastructure and improving government services was evident in the government's first and subsequent five year development plans. The demand for an accounting and auditing profession increased as well as commercial regulation in Saudi Arabia due to the increase in business activity and the development of the state. The government of Saudi Arabia has propagated many laws such as Income Tax, Al-Zakat Law, Companies Law, and the Accountants Law which have been revised and/or amended to suit the needs of the country.

6.4 Summary

Social responsibility actions and disclosure are primarily utilized by companies to demonstrate their commitment to stakeholders in order to improve or maintain their financial performance, image, and relationship with those stakeholders. As mentioned in Chapter 3 (Research Context), some studies that doesn't mention the different categories of CSRD such as study by (Latif et al., 2020) in Pakistan. However, in this chapter this category of CSRD been included via the multi-level institutional forces in Islamic context.

To conclude the discussions above, institutional theory emphasizes the association between a corporation and its environment. Concerning the disclosure of CSR, it is important to note that companies may choose to reveal their CSR notably due to normative, coercive, and mimetic forces. These pressures force organisations to conform to the expectations. However, this chapter discusses whether coercive, mimetic, and normative isomorphism has occurred, and if so, at what level, based on the findings of this study.

First, at Company level, end consumers and Mergers have been determined as a coercive pressure. End consumers can have sanctions on the company by stopping buying from them. Saudi Aramco announced in August 2018 that it would merge with Saudi Arabian Basic Industries Company (SABIC) by buying 70% of the company from Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF) (SWF) and how Aramco by this has a power on Sabic which is petrochemical company.

Annual reports according to the Ministry of Commerce and Large Petrochemicals Companies have been determined as a Company/Memetic pressures. Saudi companies try to imitate each other for how they present disclosure to be good in front of the commerce Ministry. In addition, small petrochemical companies in Saudi try to imitate large petrochemical companies to enhance their image.

Finally, Sharia Law and Major investors have been determined as a Company/Memetic pressures. Saudi companies should behave as real Muslims because they are locating in Islam region. Petrochemical companies should follow the investment standards, investors rights, also SAGIA is Saudi entity some companies might try to achieve a high ethic and have a good image in front of SAGIA.

Second, at the National level, Saudi government and Saudi Authorities such as (SASO, MCI, ZTCA ...etc) have been determined as a coercive pressure as they have power and sanction on the petrochemical companies. China-Saudi energy cooperation has been determined as a Company/Memetic pressures. Petrochemical companies try to imitate other GCC companies. Also, the cooperation between Saudi and China may cause some mimetic pressure as discussed previously. Saudi Standards for Corporate Governance has been determined as a National/Normative pressure.

Third, at Industry level, Oil and Gas Regulations and Raw materials alternatives have been determined as coercive pressures. Crude oil production impacts the petrochemical industry in Saudi Arabia. In Saudi Arabia, methane and ethane are the most common fuels and feedstocks used in the petrochemical industry. The separation of natural gas into its constituent gases produces these gases. Saudi Arabia produces most of its natural gas as a by-product. However, the associated-gas industry is inextricably linked to the crude-oil industry. Cross-border authorities and International Financial Reporting Standards have been determined as an Industry/Memetic pressure. Professional ethics related to Health and safety regulations and Environmental protection, also, Gulf Petrochemical and Chemical Association have been determined as an Industry/Normative pressure.

Fourth, at Global level, Global investors and United Nations reporting initiatives have been determined as a coercive pressure. Petrochemical companies in Saudi are in the stock market then they might have a pressure from global investors. On the other hand, United Nations reporting initiatives, obviously it caused a coercive because the power of UN globally. Memoranda of understanding and Global Reporting Initiative have been determined as a Global/Memetic pressure by signing Memoranda of understanding; petrochemical companies might be under pressure to imitate another company.

Finally, International Organisation for Standardisation (ISO) and Socially Responsible Investment (SRI) have been identified as a Global/Normative pressure. Nevertheless, the chapter also discussed the role the Islam religion plays in relations to CSRD activities in the context of Saudi Arabia. Further research regarding the role of Islamic law in different Islamic country would be worthwhile.

CHAPTER SEVEN: DISCUSSION

7.1 Introduction

Discussion of the main findings of the study and summary are given in this chapter. It starts by reviewing the literature gaps that the research aims to tackle before showing how the methods of data collection addressed the research objective and questions. The chapter then summarises the findings of the content, statistical and discusses the study's theoretical, literature and practical contributions. It ends by highlighting the practical contribution of the study and the summary of this chapter.

7.2 Findings Overview

Shareholders and other stakeholders in corporate setups are increasingly demanding that companies not only boost their bottom-line, but also contribute to national, regional, and global efforts to address specific real-life challenges, some of which concern the socioeconomic structures as well as environmental pitfalls. Governments are a central stakeholder and a key determinant of a corporate's model of operations and profitability, and therefore, plays a crucial role in establishing CSR disclosure guidelines in a given market context. With the increasing incidences of shareholder activism regarding CSR reporting (including government regulations), companies have increasingly engaged with important stakeholders concerning CSR activities. By constantly so doing, stakeholders such as governments have increasingly expressed their concerns for proactive discussions and consequent addressing; Companies have also designed pathways to avert potentially costly and extensive proxy fights. The nature of interactions between companies and governments have significantly been nurtured, leading to more productivity and financial sustainability. The theoretical framework of the study, which draws on institutional theory, stakeholder theory and legitimacy theory (see Section 2.6), highlights the importance of CSRD to a range of stakeholders, and the outcomes of the content analysis reflect the aforementioned issues, and demonstrate how sample companies disclosed information across all four CSRD categories identified in the conceptual framework.

The content analysis furnished quantitative data regarding general trends in total CSRD and each of the identified disclosure categories over the period 2012-2017. From the empirical contexts, there's plenty of data suggesting a trend of overall financial performance in firms that practice transparent and integrity-oriented CSRD. For instance, Esa and Ghazali (2012) illustrated that size of the firm influences its ability to undertake CSR activities, hence limited CSRD. Gao, Heravi and Xiao (2005), on the other hand, found that CSR is often adopted as a comprehensive business strategy that is informed primarily by various performance consideration and stakeholder pressure. With this backdrop, the quantitative data acquired in this study was subjected to further statistical analysis to explore its constituent patterns and the link with financial performance. The findings of this review are set out below.

7.2.1. Drivers of CSRD

Similarly, in regard to the drivers of CSRD among KSA petrochemical companies, it was also paramount that the primary benefits (Financial and strategic) played a major role in promoting the scope of CSRD based on the increasing number of words used for CSRD in the duration between 2012 and 2017. This was not only justified by the positive quantitative relationship discovered between CSRD and financial performance but also observations from the annual reports during content analysis of the financial results. During content analysis, it was established that CSRD was one of the strategic approaches used by most petrochemical companies in KSA to achieve organisational goals like enhancing the brand awareness and loyalty, market and social legitimacy and to enhance the competitive advantage and position of petrochemical companies as the global market was increasingly becoming competitive.

The competition advantage and position aspect of the drivers is also confirmed by researchers like Platonova et al (2018) who argue that most companies undertook CSRD activities to either match or surpass their competitors' activities and performance. Furthermore, Platonova et al (2018) also agrees that scope of competitive advantage sought via CSRD is also comprehensive and ranges from exhibiting more brand awareness and loyalty in comparison to the competitors, performing better than competitors financially and showing more legitimacy in the business and social environment as compared to competitors. Therefore, besides the fact that such aspects of the competitive advantage can be enhanced by other strategies like enhancing the dynamic capabilities of the organisation, organisations whose social and environmental impacts are more established like the petrochemical companies also use CSRD to support their competitive advantage.

The quantitative justification of these drivers was manifested in the increasing trend of CSRD (Reflected in the number of words) which showed a direct positive impact on financial performance. In 2012 for example, the mean number of words allocated for CSRD was only 8365.5 words with a corresponding ROA of 12.34%. However, in 2017, the mean number of words allocated for CSRD was 10646.6 words with a corresponding ROA of 21.7%. These results and driving factors of increased disclosure can be discussed from multiple points of view. The increase in the level of disclosure can be explained by the increasing realization of strategic and financial benefits of CSRD among the KSA petrochemical companies whereby the increasing profits can be further used to enhance the scope of CSRD. Furthermore, since the Service of Economy and Arranging (2015) has reported the increasing competition in the petrochemical industry both globally and in the KSA, the reported increase in CSRD in this study can also be part of the comprehensive organisational strategy to enhance the competitive advantage of KSA petrochemical companies. However, while considering such possibilities, it would also be important to note the role of government and industry regulations (which create coercive and normative isomorphism), particularly due to the climatic and environmental implications of the company, in the increase of corporate social responsibility disclosure.

7.2.2 The Extent and Nature of CSRD in Saudi Petrochemical Companies

An analysis of the annual reports reveals that there has been an increase in CSR disclosure among petrochemical companies in the KSA in the period between 2012 and 2017. This is evidenced in all the firms' sampled annual reports for the six years covered in the study. The finding that overall disclosure improved over the six-year period is consistent with the general trend identified in other studies investigating CSRD word count in developing countries. For instance, Gao, Heravi and Xiao (2005) discovered CSRD word tally to increment somewhere in the range of 1993 and 1997 in Hong Kong organisations, while Mahadeo, Oogarah-Hanuman and Soobaroyen (2011) reported a general increment in word check over a four-year time frame (2004-2007) among recorded organisations in Mauritius. These creators found that all CSRD subjects (morals, social, ecological, and wellbeing and security) saw some improvement, with the broadest revelation being of social data. In Malaysia, Haniffa and Cooke (2005) found that CSRD improved in all organisations over the period 1996-2002. Additionally, in Malaysia, Esa and Ghazali (2012) recorded an expansion in the degree of CSRD in the yearly reports of government-connected firms somewhere in the range of 2005 and 2007, while Haji (2013) found an expansion in CSRD in the yearly reports of Malaysian recorded firms somewhere in the range of 2006 and 2009.

These trends also imply that within the Islamic context, CSR disclosure is increasingly being adopted. Similar observations are evident in Service of Economy and Arranging (2015) contributions that attribute the increased CSR disclosure in the KSA to the progression of gatherings and highest points that have occurred in the country since the release of the Ninth Monetary Advancement Plan in 2010 (Service of Economy and Arranging, 2015). The disclosure is not only for purposes of the social responsibility of companies to the public but also meant to attract investments. Similar studies have also revealed that as a journey into social responsibility and financial gain, companies tend to report their activities voluntarily (Aguilera et al. 2006; Gill 2008; Money and Schepers 2007; Platonova et al. 2018).

Further, some studies indicate that CSRD reduces the discount value by which a company issues its shares, lowering the cost of issuing capital and making it easier for the company to secure capital for future projects (Leuz and Verracchia 2000). These findings are in tandem with the legitimacy theory and stakeholder theory assumptions. The study also revealed that these CSR disclosure trends are consistent in all the categories assessed. These include environmental disclosure, human resource disclosure, social and community disclosure, and products and services disclosure. Furthermore, the increased CSR disclosure in these fronts can be attributed to efforts by the petrochemical companies' managers to influence the perceptions of both clients and stakeholders by publicly demonstrating their interest in the community matter. Similar results are also reflected in studies that focus on specific categories of disclosure covered in the study. For instance, under environmental disclosure, Alkayed (2018) observed that this approach can help manage negative market reactions to environmental disasters. As such companies increasingly disclose measures they are undertaking to mitigate environmental adversities as a strategy for increasing their returns.

These results can equally be interpreted from this study's theoretical perspective that incorporates institutional theory, stakeholder theory, and legitimacy theory perspectives. For instance, the institutional theory assumes that with an increased amount of communication of the practices adopted by different organisations, trust is built with potential clients and stakeholders. Equally, legitimacy theory is grounded on the assumption that organisations must seek to appear they are living up to the normal expectations of the society in which they are in.

With the reflection of these results in both content analysis and previous research, it is evident that within the Islamic context, there has been an increase in CSR disclosure.

7.2.3. CSRD's Impact on Company Performance in the KSA

As indicated in the discussion for the previous objective, it is evident that there has been an increase in CSR disclosure in companies operating within an Islamic context. These disclosures were categorised into environmental disclosure, human resource disclosure, social and community disclosure, and products and services disclosure. Such CSR disclosures have positively impacted all these aspects of life. In terms of community disclosure, the results from the statistical data analysis indicated that such disclosure revealed the approaches that respective petrochemical companies, under the study, were taken to enhance the livelihoods of the locals. This increased public trust in these companies, and as a result of the positive public image created, both investors and potential customers wanted to identify with the company. This would then increase profits. A further assessment of the correlation between community disclosure and ROA, NPM, and Tobin Q revealed a positive correlation reaffirming the results obtained.

In terms of human resource disclosure, during the content analysis, it was revealed that an increase in this kind of disclosure would help the companies address critical issues affecting employees. Additionally, such disclosure encouraged dialogue among the employees. Similar findings were reflected in Bhave et al. (2020) contribution in which the authors emphasise the essence of human resource disclosure in addressing challenges facing employees. This study further established that with an increase in human resource disclosure, the petrochemical companies under study reported increased profits. This was further buttressed by the statistical analysis on the correlation between this disclosure and determinants of profitability such as ROA, NPM, and TBQ. The results indicated that there was a positive correlation between human resource disclosure and these factors. These results are a reaffirmation of the stakeholder theory assumption that when the interests of stakeholders are adequately addressed, there is a likelihood of enhanced commitment and as such, increased profitability. These results were in tandem with Clarkson et al.'s (2008) study, in which the author established that stakeholders use CSRD information to make effective decisions, especially about investment. This is premised on the fact that information about the company's environmental performance enables them to assess overall performance. Similar results were obtained in all the other categories of CSR disclosure. These results were an indication of the role of disclosure in an Islamic context.

7.2.4. CSRD's Influence on Financial Performance

The core objective of this study was to determine the influence of CSR disclosure on the financial performance of petrochemical companies in the KSA. From the discussions of the other objectives, it is evident that CSR disclosure positively influences financial performance within petrochemical companies in the Kingdom of Saudi Arabia. This was reflected in all the categories of disclosure investigated including environmental disclosure, human resource disclosure, social and community disclosure, and products and services disclosure. Considering that the study adopted the quantitative method, the quantitative aspects of the study indicated that in terms of the relationship between CSRD and NPM or Tobin Q, the regression model revealed that both environmental and human resources disclosure have a substantial and positive effect on NPM. Additionally, an increase in the consumer, social, and human resources disclosure translated into an increase in Tobin's q. Further, CSR exposure had a positive and noteworthy relationship with money related execution as characterised by Return on Assets (ROA). From these results, it is evident that CSRD positively influenced financial performance. Islamic contexts such as Saudi Arabia's petrochemical industry, the current findings affirm that

CSR exposure and budgetary executions empathically identify. The findings imply that petrochemical organisations with more prominent CSRD committed models will achieve greater financial productivity in terms of ROA.

These results were in tandem with previous studies that have been conducted on this front. According to the proponents of stakeholder theory, CSRD results in better financial performance (Platonova et al. 2018). In Saudi Arabia, this is possibly the case, as the findings demonstrate that CSR disclosure boost company performance (Malik 2015). In this study, KSA listed companies are expected to manage their stakeholder relationships and discuss their access to the necessary resources (Pfeffer and Salancik 2003) to improve their credibility and role of competition through CSR disclosure. In Shauki's (2011) study, quantitative results showed that the connection between CSRD, public trust, format, incentives, and financial performance through investment decisions are positively and directly linked to the relationship between CSRD themes. Kang et al. (2010) conducted a quantitative study to investigate the extent of different effects of positive and negative CSRD on the financial performance of some service companies. They noticed that the positive relationship enables organisations to make appropriate strategic CSR disclosure decisions by providing more specific information on the financial performance effects of each category of CSR disclosure. The quantitative results of the current study thus help to define and relate various aspects of financial performance to the nature of CSRD.

7.2.6. Influence of Institutional Forces on CSRD

CSRD in KSA’s petrochemical industry is largely influenced by Sharia law, reporting initiatives, and ethical concerns. The industry consciously considers these factors as a strategy for enhancing its profitability. The finding is in tandem with Krippendorff's (2004) study, which established that benefits such as financial performance and profitability influence CSR declaration among petrochemical companies. The rationale is that CSRD influences public perceptions leading to customer loyalty and profitability (Deegan 2002). Similar results are reflected in a study conducted by Gautam et al. (2016) in which they concluded that the adoption of CSR disclosure strategies as a core aspect of business strategy leads to better financial performance (ROA) for firms operating in the Indian market contexts. As such, it is in the best interests of petrochemical companies operating in KSA to enhance their CSR disclosure framework, as this would enhance the trust of stakeholders of these companies and thus boost their financial performance as emphasized in both legitimacy and stakeholder theories.

It is also observable that Saudi Arabian petrochemical companies influence the global petrochemical industry's CSRD standards. The rationale is that Saudi Arabia still retains the highest oil reserves globally. Subsequently, as much as the industry influences it, it also impacts the industry. The finding contradicts earlier findings by other studies that the industry wholesomely dictates the CSRD standards adopted by all the players.

Within the company, it is equally evident that contrary to the opinion that the management makes decisions on CSRD activities to adopt, stakeholders are the key influencers of CSR reporting approaches adopted. For instance, the study established that customers and key shareholders during mergers influence the CSRD strategy adopted.

7.3 Contributions of the Study

First this study makes a significant contribution, particularly in relation to stakeholder theory and legitimacy theory, to the literature of CSR disclosure. A few studies exploring the correlation between disclosure of CSR and economic results. Prior studies have shown mixed findings of the correlation among CSRD and financial performance of a company. The results of this study indicate that the degree of CSR disclosure for Saudi petrochemical firms increased marginally over the period studied by considering stakeholder theory. By concentrating on the four main themes, namely the environment, human resources, community, products and services, Saudi petrochemical companies disclose CSR information. Environmental information, human resources, accompanied by community, are the most disclosed CSR themes, subsequently. Companies' CSR efforts are focused on human resources and community concerns since they are recognised as the most relevant stakeholders. The study shows that Saudi companies' CSRD activities act in response to the interests of all stakeholders. They are not only operating for a single stakeholder, but also respond to the expectations of each stakeholder. These results demonstrate that while companies uphold the interests of all stakeholders, the major stakeholder groups have gained advantages. In general, when companies maintain the aspirations of all stakeholders, there is a financial advantage. Furthermore, the results show that the CSR disclosure pattern differs over the six years by looking at the CSR disclosure trend. This finding indicates that CSR practices may be influenced by the diverse perceptions of societies, human resources, shareholders, government and other stakeholders. Businesses must respond to the group's expectations to prove the value of CSRD information to stakeholders if there is a high expectation. Such results support the theory of stakeholders that CSRD data revealed is taken into account, particularly by stakeholder groups. This would also seem to suggest that the degree of CSR disclosure in the Saudi petrochemical context could be clarified by stakeholders, legitimacy, and institutional theory.

In comparison with the theory of legitimacy, the findings suggest that corporations disclose a limited amount of environmental information relative to other aspects of corporate social responsibility disclosure. This means that companies appear to disclose activities related to the environment" needed by regulation and law in order to satisfy government obligations or to escape from penalties and fees. Moreover, larger companies are expected to record further CSRD than small companies. These findings support the claim of the legitimacy theory that firms with large sizes and higher resources and technology should more often disclose CSR practices in order to maintain their credibility in the eyes of their stakeholders. In addition, large companies are more open to the media and therefore, more expected to carry out CSRD in order to develop their public profile. A few sectors are attracting more media attention than others, placing pressure on companies in these industries to conduct CSRD. The findings indicate that in Saudi Arabia, the older Saudi listed companies appear to be more interested in CSR activities and provide related information. These companies may obtain more knowledge and expertise over time, which gives them a competitive advantage in order to recognise and respond more quickly to social needs than younger companies (Mutt akin and Khan 2014). Therefore, through active engagement in social and environmental issues, older companies are likely to reflect their expertise and capacity and express these concerns by maintaining CSR disclosure to preserve their legitimacy and strengthen their public profile (Roberts 1992; Gray, Kouhy and Lavers 1995a). This study findings are in line with those of Khan, Muttakin and Siddiqui (2013), who stated that in Bangladesh, company age has a positive and relevant relationship with the level of CSRD. Likewise, Muttakin and Khan (2014) revealed that in Bangladesh, Older companies are more likely to provide higher levels of CSRD data. Alsaeed (2006) and Juhmani (2014) found that company age was positively connected, respectively, to corporate disclosure practices in Bahrain and KSA, but there was no explanatory power in the relationship. In china a negative and insignificant relationship between environmental disclosure and firm age was reported by Liu and Anbumozhi (2009). In addition, the primary output of high-profile firms could have some negative qualities. Their use of legitimization measures relating to shifting societal standards, sensitivity, and deflecting awareness about suspected goods will be more difficult for them to change current products but less expensive.

Further announcements are made by businesses that are more noticeable in terms of emissions or other industrial problems. This research therefore leads to practical study of the application of theory of stakeholder and the theory of legitimacy to justify the CSRD in the Saudi context.

Secondly, the current research has led to a more understanding of CSRD activities in the case of Saudi Arabia. Most CSR disclosure researches have been carried out in developed nations, less in Islamic countries and even less in Saudi Arabia. Compared to such disclosures in 2012, the findings also indicate a large rise in CSR disclosures in 2017. Saudi Arabia companies' CSR disclosure mainly disclose community activities, human resources aspects. Saudi Arabia companies' disclosure of products and service information is very limited, suggesting that this CSR disclosure theme did not inspire Saudi Arabia companies to disclose CSR information. This indicates that more incentives (such as tax incentives and supports) should be provided by the Government of Saudi Arabia for Saudi Arabian companies to participate in CSR activities related to such energy, product sand activities. These findings will enable regulatory bodies to encourage greater firms transparency in CSRD and governance in the implementation of a standard CSRD system.

Generally, the outcomes of the community disclosure category Indicate an overall rise in the scope of disclosure, suggesting that the sample companies were becoming better efforts over this period to contribute to Saudi society's growth in the petrochemical context, or at least, that the managers of these firms were keen to influence the perceptions of stakeholders by publicly demonstrating their interest in the community matter (Reverte 2016).

From another perspective, by linking the institutional theory and the Multilevel Model of Institutional Forces, in addition to synthesising the most recent literature, the author came up with the framework which explained in detail at the previous chapter. In particular, in order to understand the corporate social responsibility disclosures (CSRD) for Kingdom of Saudi

Arabia Petrochemical Industry. Using the Country of Saudi Arabia as a case study, this study addressed a research gap by exploring the external and internal institutional forces that drive legitimacy and the broader term of corporate social responsibility in the kingdom, particularly in the petrochemical industry. Coercive isomorphism, mimetic processes, and normative pressures are among the institutional forces investigated. It is clearly found that Sharia Law has the strongest impact, and it was integrated into the four level of the Institutional Forces under the coercive pressure.

Finally, this research offers a valuable contribution to the relationship model between financial performance and CSRD. This empirical research offers a contribution from the perspective of Islamic countries to CSR literature. It could help to strengthen the corporate governance and social disclosure frameworks of the developing and Islamic countries in which they operate, relevant to environmental, human resources, society and products or consumer concepts. In order to understand the CSR framework and the link between CSRD and financial performance, it is important to improve future studies.

7.3.2 Practical Contribution

This study provides us with several practical contributions. Stakeholders are increasingly alert to the importance and benefits of CSRD (Pratten and Mashat 2009). The findings of the current study may therefore be of interest to Saudi stakeholders wanting to know 1) the extent to which Saudi companies are disclosing CSR activities in their annual reports and 2) how CSRD can influence their financial performance. The findings may help shareholders and potential investors understand the important role CSRD plays in influencing profitability and therefore share price, while for Saudi regulators, the findings indicate the degree of importance that petrochemical companies currently attach to environmental issues and disclosing their environmental impact. For Saudi society at large, they indicate the extent to which these companies are committed to achieving social as well as economic goals. Government laws on organisations that do not comply with the enforcement of CSR should be implemented. In most of these listed firms, the government should have shares as it will give them the full right to control and enforce the implementation and disclosure of CSR.

The findings may help motivate petrochemical companies in KSA to improve their level of CSRD with its confirmation of the positive impact this can have on firm performance. Given that both institutional and individual investors are increasingly factoring CSR activities and reporting into their decision making, the findings may encourage companies to disclose more CSR information to both external and internal stakeholders as a way of enhancing their relationships with these stakeholders and boosting social and financial profits. The study findings give an insight into the circumstances under which stakeholders react positively to CSRD and are consistent with research indicating that definite conditions are a key driver in the market evaluation of CSRD (Wang and Sarkis 2017). The study provides insights into the significance of CSRD as a way of legitimising the firm's products and equities in the eyes of investors and customers, while the identified associations between different categories of CSRD and accounting/market-based measures may have implications for their policy making. For example, the findings suggest that companies wanting to raise ROA may want to pay particular attention to their environmental and social activities and disclosure.

The results are extremely helpful because managers can use this better understanding of the connection between CSRD and company performance to direct their plans for implementation and maintenance of initiatives aimed at improving company performance. Furthermore the findings of this research also have major policy consequences for standard setting bodies looking to enhance internationally accepted reporting requirements for companies and institutional investors worldwide, potentially impacting the future performance of firms. For instance, the results of the study might be of interest to regulators examining the development of CSR reporting guidelines in Islamic countries such as KSA. Furthermore, the findings of this study will be beneficial to the Saudi Organisation of Certified Public Accountants (SOCPA) to adjust CSRD as an important tool because SOCPA is a local accounting standard.

7.4 Summary

It can be summarised from the findings of the discussion section that the petrochemical companies of Saudi Arabia have gained a large number of benefits from the adoption of CSR initiatives. The CSR initiatives have helped the country in improving its financial performance by increasing the level of monetary gains and profits. Along with this, it has also attracted shareholders resulting in an increased level of investment. The results of the study show a considerable increase in CSR disclosure in the petrochemical industries of Saudi Arabia. The increased level of disclosures in the form of human disclosure, product disclosure and environmental disclosure have highly benefited the petrochemical companies by boosting their growth and performance. The increased usage of CSR strategies in the petrochemical industries has also increased the level of Net Profit Margin of the companies, which signifies the positive influence of CSR activities on the financial performance of the firms. It can further be summarised that the present study has a high contribution to the CSR literature and present a wide range of information about the current CSR activities implemented by the petrochemical industries of Saudi Arabia. Along with this, the current study also provides practical information to all the shareholders of Saudi Arabia about the existing CSR activities in their industry.

CHAPTER EIGHT: CONCLUSION

8.1 Introduction

This research has explored the Corporate Social Responsibility strategies within the petrochemical organisations located within Saudi Arabia. This chapter summarises the key findings in terms of the perceived benefits and drivers of CSRD for Saudi petrochemical companies. This chapter also provides a key discussion about the generalisation related to the research work, contributions made in regard to increase the existing knowledge base, key weak areas of the research, as well as research limitations. In the end, this chapter highlights future research as well as the key data findings revolving around the research work.

8.2 Summary of the Key Findings

Corporate social responsibility disclosure is a crucial tool to influence consumer perception, establish trust and legitimacy, reveal company involvement with community, and foster positive brand image in the long run. The increased prominence of CSR over recent decades has contributed to an increasing emphasis on the reporting of these activities. However, as the literature review conducted for this study shows, while previous studies have used a number of models, variables, and structures in a range of contexts to describe the key drivers and effects of CSRD, the findings remain inconclusive and conflicting, with some studies finding a strong, mixed, or negative relationship with financial performance (Griffin and Mahon, 1997; McGuire et al. 1988; McWilliams and Siegel 2000, Cheung and Mak 2010) and some finding no correlation between financial results and CSRD as long as the regression model is properly defined (Griffin and Mahon, 1997).

This study's critical analysis of the literature on CSRD and its link with firm performance identified three main limitations in the existing research. The first is that most studies were conducted in developed countries, with little attention paid to CSRD in the developing nations and almost none to CSRD within an Islamic context, such as KSA. Second, as most of these studies focused on environmental disclosure, relatively little was known about the other categories of CSR disclosures. Third, while the relation between firm performance and CSRD was investigated in some studies, no empirical study has yet investigated the link between firm performance and CSRD in the Saudi petrochemical sector.

8.2.1Answering the Research Questions

In order to address some of the gaps identified in the literature review, this study set out to achieve the following aims: a) to examine the nature and extent of CSRD practice in petrochemical companies in KSA; b) to explore the extent to which CSRD increased in volume over the period 2012-2017, and c) to investigate CSRD's impact on company performance within Saudi Arabia as an example of a developing Islamic country. These aims led to the formulation of the following research questions:

RQ-1) What is the nature and extent of CSRD in selected Saudi petrochemical companies' annual reports?

RQ-2) To what extent did CSRD increase in volume over the period 2012-2017 according to the data published in the annual reports of these companies?

RQ-3) What are the institutional factors driving the trends in CSR disclosure in KSA's petrochemical sector?

RQ-4) What is the relationship between CSRD in petrochemical companies operating in KSA and firm performance?

A quantitative approach was adopted to investigate the nature and extent of CSRD in the petrochemical sector in KSA and its influence on firm performance. This involved the content analysis of longitudinal data drawn from 36 annual reports produced by six petrochemical companies over the period 2012-2017 to assess the nature and trends in the quality of CSRD reporting, followed by statistical analysis of this data to test for the link between CSRD and firm performance. The hypothesised positive link between CSRD and firm performance, as measured through ROA, NPM and TBQ, was confirmed by the quantitative analysis.

The first research question was primarily addressed through observation of secondary research data and the annual reports used. The second and the third research questions were addressed by means of the content analysis of firms' annual reports, with CRSD being measured using the word count method. This technique has been widely used to retrieve unstructured information from a wide variety of communication channels adopted in previous CSRD studies (Weber 1990; Krippendorff 2013; Neuendorf 2016; Haniffa and Cooke 2005; Holder Webb et al. 2009; Mahadeo, Muttakin and Khan 2014; Siueia et al. 2019). Disclosure was measured in terms of volume (i.e. number of words) and incidence (i.e. frequency) to capture the nature of disclosure made in each of the four themes. It was assumed that the higher the volume of disclosure was for a particular theme, the greater its perceived importance (Lu and Abeysekera 2017).

To answer the fourth research question, the data from the content analysis was tested against financial performance data (ROA, NPM and TBQ) using regression analysis to understand the link between CSRD and firm performance. The financial performance-related data findings presented in numerical format were examined with the use of regression data analysis tests. The use of the regression data analysis is justified because it helps to assess the core relationship prevailing between the independent as well as dependent variables. The use of statistical data analysis is also helpful for determining the linkage between the performance of the business forms as well as CSRD. It is widely accepted that the use of content analysis is useful for the examination of financial performance-specific data findings.

RQ-1: Nature and extent of CSRD in the annual reports

Analysis of the nature and extent of CSRD in the selected Saudi petrochemical companies' annual reports revealed that the four main types of disclosure (Environmental, Human Resources, Community and Products and Services) were all present to a greater or lesser extent. Surprisingly, most of the firms sampled adopted social disclosure as their CSR disclosure model (45%), followed by human resources disclosure (48%), products and services disclosure (32%) and environmental disclosure (56%), as shown in their annual reports. The findings also established that the most favoured approach to CSR is involvement in charity programmes that pensions and employee benefits encompassed the most common aspect of HR disclosure, and that information regarding product quality was the overarching priority in the products and services category.

RQ-2: Extent of increase in volume of CSRD between 2012-2017

The results suggest that Saudi petrochemical companies are increasingly motivated to respond to the pressures they face to disclose their activities and to engage in CSRD as increases were detected in all four disclosure areas.

Environmental Disclosure: The results indicate that the volume of environmental disclosure among Saudi petrochemical firms rose steadily over the research period. This disclosure addressed four main themes: a) conservation of natural resources, b) pollution control, c) aesthetics, and d) other environmental concerns. However, no clear pattern was detected, with pollution control being given the greatest prominence in 2013 and 2016 and aesthetics in 2012 and 2015. In 2017, the greatest volume of disclosure was dedicated to the conservation of natural resources. It is therefore difficult to discern a clear rank order of perceived importance among the sample companies – particularly given the relatively small size of the analysis sample (environmental disclosure accounted for only 13% of the overall CSRD identified in the content analysis).

Human Resources Disclosure: This represented an overall increase in the level of human resources disclosure of 6.38% over the research period. The largest increase took place between 2014 and 2015, representing a 7.32% rise in disclosure in this category. This pattern proceeded for the years 2016 and 2017, though at a slower rate. Strangely, the general Saudi joblessness rate dropped by 0.2% in 2014, while in the private area, the rate of Saudisation expanded by 4.3% in 2013 (SAGIA 2017). This may suggest that the firms selected for this study were successful in attracting Saudi talent, meaning that non-Saudi nationals (who form a large proportion of the workforce in KSA) lost their employment due to the effects of Saudisation.

Community Disclosure: Generally, the outcomes of the community disclosure category indicate an overall rise in the scope of disclosure, suggesting that the sample companies were making greater efforts over this period to contribute to Saudi society's growth in the petrochemical context, or at least, that the managers of these firms were keen to influence the perceptions of stakeholders by publicly demonstrating their interest in community matters (Reverte 2016).

Products and services Disclosure: The results suggest that products and services disclosure generally improved over the six-year period in the sample companies. This increase might indicate that more companies in KSA are coming to see the potential benefits of opening a channel of communication with customers and providing information through disclosures about CSR about their operations.

RQ-3) Institutional factors driving the trends in CSR disclosure

Institutional theory emphasizes the association between a corporation and its environment. In respect of CSR disclosure, it suggests that companies may choose to disclose their CSR activities due to normative, coercive, and mimetic forces. These pressures force organisations to conform to the expectations of the wider national and international environment. In order to understand the institutional factors driving the trends in disclosure among the sampled companies, this study considered whether coercive, mimetic, or normative isomorphism had occurred, and if so, at what level.

By referring to Chapters 5 and 6, the author draws on what are the forces were and how strong is it in the way that they have shaped CSRD in Saudi Arabia context. Particularly, by looking to CSRD patterns for the sample companies, the content analysis of petrochemical companies' annual reports and discovering the trends related to (environmental, human resources and products and services) disclosure in Chapter 5, and then analyse them and connect them to CSRD impact on financial performance according to Chapter 6. The stronger forces were chosen to map multi-level institutional forces and represent it in a layer-cake draw. Then, a conceptual framework has been developed to map the coercive, mimetic, and normative pressures which drive disclosure to generate a clear picture of the nature of CSRD in these companies and the relationship between CSRD and firm performance.

The investigation and discussion of twenty-four institutional forces (See Chapter 7) has shown how the pressures interact and interfere with each other at the same level and sometimes between several levels, and how the strength and impact of each pressure differs according to the level in which it is located. Based on the findings of this study, the following drivers were identified at the company, national, industry, and international levels.

At the company level

First, at the company level, end consumers and mergers have been determined to apply coercive pressures. End consumers can apply sanctions on a company simply by stopping buying from them. By contrast, companies can apply pressure on other companies by investing in them. For example, Saudi Aramco announced in August 2018 that it would merge with Saudi Arabian Basic Industries Company (SABIC) by buying 70% of the company from Saudi Arabia's sovereign wealth fund, the Public Investment Fund; as a result, Aramco now has the power to influence SABIC’s CRS disclosure.

Second, annual reports according to the Ministry of Commerce and Large Petrochemicals Companies have been determined to be company/memetic pressures. Saudi companies try to imitate each other in terms of the ways they present disclosure to appear in a favourable light in front of the Commerce Ministry and not to be outdone by others. In addition, small petrochemical companies in Saudi try to imitate large petrochemical companies to enhance their image.

Given the significance of Islam within KSA, Sharia law was found to exert a significant influence on the petrochemical industry; however, this has been identified as coercive rather than normative pressure. Major investors have also been determined to apply company/memetic pressures. Saudi companies should behave as ‘real’ Muslims because they are located in an Islamic country and play a significant role in shaping international opinion of the Kingdom. Meanwhile, major investors expect petrochemical companies to follow investment standards and respect investors’ rights. The fact that SAGIA is a fully Saudi entity and has now been incorporated into the Ministry of Investment may also encourage some companies to try to achieve higher ethical standards in order to enhance their image in front of the Ministry.

At the national level

At the national level, the Saudi Government and Saudi authorities such as SASO, MCI and ZTCA have been determined to apply coercive pressures as they have the power to sanction petrochemical companies. China-Saudi energy cooperation have been determined as Company/Memetic pressures. Just as petrochemical companies within the Kingdom try to imitate each other, they also look to other GCC companies and, through the cooperation between Saudi Arabia and China, on to companies in China too.

At the industry level

At the industry level, oil and gas regulations and raw materials alternatives have been determined to apply coercive pressures. The production of crude oil impacts the petrochemical industry in Saudi Arabia as the most common fuels and feedstocks used in the petrochemical industry (methane and ethane) are by-products of the crude-oil industry. Cross-border authorities and international financial reporting standards have been determined as industry/memetic pressures. Professional ethics in Health and safety regulations and environmental protection have been determined as industry/normative pressures. In addition, the Gulf Petrochemical and Chemical Association and the Saudi Standards for Corporate Governance have been determined as an Industry /Normative pressure.

At the global level

At the global level, global investors and United Nations reporting initiatives have been determined as coercive pressures. Petrochemical companies in Saudi are present in the stock market so they might face pressure from global investors and the UN reporting initiatives exert pressure by virtue of the UN’s status globally. Memoranda of understanding (MOUs) and Global Reporting Initiative have been determined as a Global/Memetic pressure. By signing MOUs, petrochemical companies face pressure to match the standards of companies in other nations. Finally, International Organisation for Standardisation (ISO) and Socially Responsible Investment (SRI) have been identified as a Global/Normative pressure.

RQ-4) Relationship between CSRD and firm performance

Understanding precisely how CSR connects to coercive, mimetic and normative pressures at the global, industry, national and company levels helps to develop a clear picture of the nature of CSRD in these companies and the relationship between CSRD of petrochemical companies and firm performance.

The regression analysis model used in this study revealed that CSRD linked correlatively with financial performance measures such as ROA, NPM and Tobin's Q. Environmental and social disclosure were found to have a stronger impact on the firms' ROA while environmental and HR factors were found to link closely with NPM. All three disclosure categories positively linked with Tobin's Q. Generally, the results established in this study uphold the assertions proposed in theories H1a and H1b, which hypothesized that a firm's model of CSR disclosure links closely with their financial performance. Borrowing from the quantitative data, corporates in Islamic contexts should focus on designing CSR disclosure models that target the various internal and external factors that touch on the firms' ROA, NPM, and Tobin's Q.

It is clear that CSRD is no longer optional for major businesses in Saudi Arabia, especially those within the petrochemical industry, due to increased pressures from stakeholders and the wider international community. However, it is a tool that can be leveraged to harness various financial benefits and to repair damaged organisational reputations. Companies in the Saudi Arabian petrochemical industry should voluntarily publish information pertaining to their CSR initiatives, but should be wary of the challenge of providing information that may damage brand reputation. However, transparency and honesty should be the underlying factors informing CSRD efforts as they contribute significantly to brand image.

8.2.1 Application of Theoretical Frameworks

This study draws on the ideologies of institutional theory in explaining the manner by which operations, as well as reporting policies, are outlined and applied in light of the pressures imposed by particular stakeholder groups as well as key homogeneous practices adopted by the organisation. It also helps to summarise the notion of stakeholder theory that helps in encouraging top management to focus on the mutual interests of diversified stakeholder groups as well as trade-offs.

In addition, this research also reflects the key theoretical data findings by describing the application of legitimacy theory to establish that the rights associated with the business organisations involved in a society are not absolute. Legitimacy theory aids understanding that the key social contract helps in determining whether or not the underlying business organisations must meet the key expectations of society. The findings of this study support the claim of legitimacy theory that firms with large sizes, huge resources, as well as technological capabilities, should disclose CSR practices more often in order to remain legitimate in the eyes of their stakeholders.

As well, returning to the questions posed at the beginning of this study, it is now possible to state that the Multilevel Model of Institutional Forces has assisted the author to approach the study subject from a different angle as the Multilevel Model is one of the most significant current discussions in understanding CSRD.

8.3 Generalisability of the Research Study

This study explores the CSRD activities of selected petrochemical companies in KSA and their relationship with firm performance, and the findings are likely to be relevant to other petrochemical sectors in developing Islamic countries, notably those in other Gulf states. However, the findings are fetched from theoretical contexts, and the research approach adopted for the study has the potential to be widely used in other sectors, both within the Saudi context and beyond.

The findings resulting from this research were obtained on the basis of quantitative research methods involving content analysis method and statistical data analysis. Content analysis of the annual reports from the six sampled petrochemical organisations over a six year period has demonstrated that this method is capable of offering an extensive range of secondary data findings; in this case, procuring the actual evidence that highlights the relationship between CSRD and the financial and organisational performance of petrochemical firms in Saudi Arabia. While the research findings are applicable for proposing a generalised theory relating to the business activities of other Saudi Arabian petrochemical business companies, the methodology could be applied in a range of other businesses context, in Saudi Arabia, in the GCC, in other developing country contexts, and beyond.

While the theoretical data findings are highly applicable in the context of Saudi Arabian companies, the use of statistical data analysis in this study is more widely applicable in the general context. It demonstrates the manner by which statistical data related to CSRD practices can be reported in company annual reports and how this can be analysed to identify changes in CSRD practices over time. Again, this has an application far beyond the Saudi petrochemical context of this study.

8.4 Contribution to Knowledge

This research contributes to the existing body of knowledge relating to CSRD operations and to academic debate about its impact on the performance of firms within the Saudi petrochemical sector and beyond in the following ways:

- adding new data findings on the key trends that exist in the CSRD in terms of the four distinct disclosure categories: environmental disclosure, social disclosure, products and services disclosure, and human resource disclosure. These trends are not discussed in any of the previous research works in detail and no previous research has offered detailed insights about these trends supported by secondary data findings in the Saudi petrochemical sector. Therefore, this research plays a substantial role in adding new context-specific data findings. It also includes distinct sections that help to assess the patterns of each of the disclosure-related data trends, thereby contributing to a deeper understanding of the core data patterns that help to investigate the extent as well as the impact of the associated CSRD trends.

- providing key information about prominent shareholders and other stakeholders who are responsible for the management of the business activities in with a corporate entity. The current research work offers new insights into the demand of stakeholders who are increasingly focussed towards boosting bottom-line performance while also making an active contribution towards regional, national, and international efforts to address real-life environmental and socio-economic structures.
- highlighting the key role of the Saudi government in the management of CSRD in the petrochemical business firms. The findings attained from this research in this respect are entirely new, and make a significant contribution towards understanding the central role the Saudi government plays as both the central stakeholder and the source of the primary corporate framework for the management of business operations and organisational profitability within the Kingdom. Hence, the research contributes towards the existing knowledge base by highlighting the importance of government involvement and its potential to play a crucial role in establishing the guidelines for CSR disclosure within a defined market.
- increasing the knowledge sphere of petrochemical experts as well as financial and information managers in relation to the rising incidences of shareholder activism

surrounding the reporting of the CSR activities and the management of governmental regulations that perform a key part in engaging stakeholders with CSR activities.

- mapping the coercive, mimetic and normative pressures which drive disclosure, This study went on developing a conceptual framework for the purpose of generating a clear picture of the nature of CSRD and the relationship between CSRD and firm performance.

8.5 Limitations of the Study

Although the current study adopted rigorous methods and drew upon a solid theoretical basis to test the link between CSRD and firm performance, it is not without limitations. Firstly, time and resource constraints meant that the study was only able to focus on six companies in one sector. This raises questions about the generalisability of the results and their level of applicability to other industries. Furthermore, the period covered in the study was only six years. Although this period was judged to be appropriate to assess short-term increases in CSR activities, a longer study period would provide further insights, given that some CSR activities take years to implement or may be slow to yield a return,. Future studies might address these limitations by using a larger sample and covering a longer period.

The study utilised annual reports as the main data source for CSRD in the sampled companies, but prior research has suggested that these reports capture only a small proportion of firms' CSRD (Unerman 2000). Since the current study did not draw on other sources, such as promotional leaflets, advertising, websites, or interim reports, the collected data may not capture the full range of CSRD practice in these companies. Future studies might also include these other data sources to give a more comprehensive picture of CSRD practices.

The content analysis technique can yield wholly different results from other forms of analysis (Tilt, 1998). The technique is arguably vulnerable to researcher subjectivity because of the nature of the coding process; however, an attempt was made to mitigate this risk by using a comprehensive data collection method.

In regards to the methods used in the study, it is worth noting that the model used suffers some limitations. That is because the model fails to incorporate additional control variables such as liquidity, research and development, and corporate governance among others. A number of past research studies suggest that these variables influence the practice and perception of CSR in companies. Therefore, it would have been better to incorporate these variables as control variables in the study, however, due to time limitations and the fact that the study narrowed down on specific variables, they were omitted. In this regard, there is a future research gap for the inclusion of these key variables so as to determine the kind of impact that they are likely to have on CSR and its perception in pharmaceutical companies.

It is also worth noting that CSR disclosures in pharmaceutical companies in KSA should include making disclosures about climate change and gender diversity. It is worth noting that companies, especially those in the pharmaceutical and manufacturing industries have in the past been blamed for climate change due to toxins that their products emit into the atmosphere. In this regard, the study should have included disclosures on climate change among the observations made during the study. Gender diversity is yet another crucial issues that affects the society, especially considering the fact that there is increased pressure on companies to ensure that they incorporate gender diversity in their operations. The aim of this is to ensure that both genders get equal opportunities in the workplace. Since, this is a societal issue, it falls within the realm of CSR, and hence, it would have been good if the research study included disclosures on gender diversity in the observations that were made during the research.

8.6 Directions for Future Research

This study investigates the link between different CSRD categories and firm performance measures, but future studies might examine the effect on the performance of the various themes within each category. They might also investigate other factors influencing CSRD, such as corporate governance and leadership style, as well as the influence of CSRD on employee commitment.

In further research, the academicians can progress the research work in a broader context by exploring the trends as well as drivers of the petrochemical sector of other regions (such as non-Islamic developing countries) and do a comparison study with and Islamic country such as Saudi Arabia. Besides, future research studies should also seek to incorporate more disclosures which are crucial in the society such as disclosures on climate change effect and gender diversity inclusion in the company. These are contemporary social issues that need to be included in a CSR research study because they influence the perception of people towards a company. Besides, they also tend to influence the CSR strategic choices that companies make in an attempt to support protect the climate and ensure increased gender diversity among their workforce. Another direction that future studies on this subject can take would entail focusing on the key control variables such as corporate governance, liquidity and R&D which have been found to impact CSR application in companies. That would help gain a clearer picture of the factors likely to influence CSR practice and perception in pharmaceutical companies in KSA.

8.7 Summary

This study set out to meet the thesis' aims and objectives and to examine the nature and extent of CSRD practice in petrochemical companies in KSA. Furthermore, to explore the extent to which CSRD activities increased over the period 2012-2017, and to investigate CSRD's impact on company performance within Saudi Arabia. It found that all four categories of disclosure were present in the companies' annual reports and identified social disclosure as the most widely adopted disclosure model (40%) followed by human resources disclosure (30%). It also found evidence that Saudi petrochemical companies are increasingly motivated to respond to pressures to disclose their activities as increases were detected in all four disclosure areas. The study went on to develop a conceptual framework to map the coercive, mimetic and normative pressures which drive disclosure in order to generate a clear picture of the nature of CSRD in these companies and the relationship between CSRD and firm performance. It found that CSRD activities in the petrochemical sector in KSA are essential to the effective management of voluntary disclosure-related activities and perform a key role in encouraging effective corporate performance and contributing to strong financial performance. In addition to this, voluntary disclosure is also related to enhancing investment opportunities for petrochemical companies as well as the management of their CSRD operations. It would be appropriate for future research to expand the scope of the current study to cover the petrochemical sectors in other Islamic countries, notably in the Gulf region; however, the methodological approach adopted here could be applied in many more contexts.

References

Abbas, J., 2020. Impact of total quality management on corporate green performance through the mediating role of corporate social responsibility. *Journal of Cleaner Production*, 242, (58), 1-12.

Abd Rahman, N., Zain, M. and Al-Haj, N., 2011. CSR disclosure and its determinants: evidence from Malaysian Government-linked companies. *Social Responsibility Journal*, 7(2), 181-201.

Abdo, H., 2016. Accounting for extractive industries: has IFRS 6 harmonized accounting practices by extractive industries? *Australian Accounting Review*, 26 (24), 345-359.

Abdo, H. and Al Drugi, A., 2012. Do companies' characteristics play key roles in the level of their environmental disclosures?. *Energy Research Journal*, *3*(1), pp.1-11.

Abreu, M., Castro, F., Soares, F. and Filho, J., 2012. A comparative understanding of corporate social responsibility of textile firms in Brazil and China. *Journal of Cleaner Production*, 20(1), 119-126.

Abu-Baker, N. and Naser, K., 2000). Empirical evidence on corporate social disclosure (CSD) practice in Jordan. *International Journal of Commerce and Management*, 10(3-4), 8-34.

Ackermann, F. and Eden, C., 2011. Strategic management of stakeholders: theory and practice. *Long Range Planning*, 44(3), 179-196.

Ackermann, R., 1976 .*The philosophy of Karl Popper* .Amherst, MA :University of Massachusetts Press.

Adams, C., 2002. Internal organisational factors influencing corporate social and ethical reporting: beyond current theorising. *Accounting, Auditing and Accountability Journal*, 15(2), 223-250.

Adams, C. A., and Harte, G., 1998. The Changing Portrayal of the Employment of Women in British Banks' and Retail Companies' Corporate Annual Report. *Accounting, Organizations and Society, 23*(8), 781–812.

Adams, C., Coutts, A. and Harte, G., 1995. Corporate equal opportunities (none) disclosure. *British Accounting Review*, 27(2), 87-108.

Adams, C.A. and Kuasirikun, N, 2000. A comparative analysis of corporate reporting on ethical issues by UK and German chemical and pharmaceutical companies. *European Accounting Review*, 9(1), 53-79.

Adams, C.A., Hills, W.Y. and Roberts, C.B., 1998. Corporate social reporting practices in Western Europe: legitimizing corporate behaviour. *British Accounting Review*, 30(1), 1-21.

Adel, C., Hussain, M.M., Mohamed, E.K. and Basuony, M.A., 2019. Is corporate governance relevant to the quality of corporate social responsibility disclosure in large European companies? *International Journal of Accounting and Information Management*. 27(2), 301-331.

Aerts, W., Cormier, D. and Magnan, M., 2006. Intra-industry imitation in corporate environmental reporting: an international perspective. *Journal of Accounting and Public Policy*, 25(3), 299-331.

Agudelo, M.A.L., Johannsdottir, L. and Davidsdottir, B., 2020. Drivers that motivate energy companies to be responsible. A systematic literature review of Corporate Social Responsibility in the energy sector. *Journal of Cleaner Production*, *247* (13), 1-17.

Aguilera, R.V., Rupp, D.E., Williams, C.A. and Ganapathi, J., 2007. Putting the S back in corporate social responsibility: a multi-level theory of social change in organisations. *Academy of Management Review*, 32(3), 836-63.

Aguilera, R.V., Williams, C.A., Conley, J.M. and Rupp, D.E., 2006. Corporate governance and social responsibility: a comparative analysis of the UK and the US. *Corporate Governance: An International Review*, 14(3), 147-158.

Ahamad Nalband, N .and Al-Amri, M.S., 2013. Corporate social responsibility :pPerception, practices and performance of listed companies of Kingdom of Saudi Arabia . *Competitiveness Review :An International Business Journal*, 23(3), 284-295 .

Ahmad, N., 2004. *Corporate environmental disclosure in Libya: evidence and environmental determinism theory*. PhD thesis, Edinburgh Napier University, UK.

Ahamed, W.S.W., Almsafir, M.K. and Al-Smadi, A.W., 2014. Does corporate social responsibility lead to improve in firm financial performance? Evidence from Malaysia. *International Journal of Economics and Finance, 6*(3), 126-138.

Akbas, H. and Canikli, S., 2014. Corporate environmental disclosures in a developing country: an investigation on Turkish listed companies. *International Journal of Economics and Finance*, 6(2), 50-61.

Al Anezi, F. Y., 2021. Saudi Vision 2030: Sustainable Economic Development through IoT. In 2021 10th IEEE International Conference on Communication Systems and Network Technologies (CSNT) (pp. 837-841). IEEE.

Albuquerque, R., Koskinen, Y. and Zhang, C., 2019. Corporate social responsibility and firm risk: theory and empirical evidence. *Management Science*, 65(10), 4451-4469.

Aldosari, A. and Atkins, J., 2015. A *study of corporate social responsibility disclosure practices in Saudi Arabia*. Conference Paper, University of Reading.

Aldosari, A.M., 2017. *Investigating the awareness of corporate social responsibility (CSR) disclosure and practice in Saudi Arabia* (Doctoral dissertation, University of Reading).

Aldrugi, A. D. and Hafez, A., 2012. Investigating the development of environmental disclosures by oil and gas companies operating in Libya: a comparative study. *International Journal of Economics and Finance Studies*, 4 (1), 1-10.

Aldrugi, A. and Abdo, H., 2014. Determining the motives or reasons that make companies disclose environmental information. *Journal of Economics, Business and Management*, *2*(2), 117-121.

Aldrugi, A., 2013. *Environmental disclosure in the Libyan oil and gas sector*. PhD thesis, Nottingham Trent University, UK.

Alexander, G.J. and Buchholz, R.A., 1978. Corporate social responsibility and stock market performance. *Academy of Management Journal*, 21(3), 479-486.

Alfakhri, Y., 2014. Youth consumers' perceptions of corporate social responsibility: an Islamic perspective (Doctoral dissertation, University of Hull).

Alfakhri, Y., Nurunnabi, M. and Alfakhri, D., 2018. Young Saudi consumers and corporate social responsibility: an Islamic "CSR tree" model. *International Journal of Social Economics*, 45(12), 1570-1589.

Alharthey, B., 2016. Role of corporate social responsibility practices in Saudi universities. *International Journal of Business and Social Research*, 6(1), 32-39.

Ali, A.J. and Al-Ali, A., 2012). Corporate social responsibility in Saudi Arabia. *Middle East Policy*, 19(4), 40-53.

Ali, W., Frynas, J. and Mahmood, Z., 2017. Determinants of corporate social responsibility)CSR (disclosure in developed and developing countries :a literature review. *Corporate Social Responsibility and Environmental Management*, 24(4), 273-294.

Alkayed, H.A.M., 2018. *The determinants and consequences of corporate social responsibility disclosure: the case of Jordan.* PhD thesis, University of Salford, UK.

Al-Malkawi, H.A.N. and Javaid, S., 2018. Corporate social responsibility and financial performance in Saudi Arabia. *Managerial Finance*. 44(6) 648-665.

Almalki, S., 2016. Integrating quantitative and qualitative data in mixed methods research - challenges and benefits .*Journal of Education and Learning*, 5(3), 288-293 .

Almeida, H., 2019. Is it time to get rid of earnings-per-share (EPS)? *Review of Corporate Finance Studies*, 8(1), 174-206.

Alotaibi, K.O. and Hussainey, K., 2016a. Determinants of CSR disclosure quantity and quality: evidence from non-financial listed firms in Saudi Arabia. *International Journal of Disclosure and Governance*, 13(4), 364-393.

Alotaibi, K.O .and Hussainey, K., 2016b. Quantity versus quality :the value relevance of CSR disclosure of Saudi companies .*Capital ownership and Control*. 2(13), 1-15.

Alsaif, T., 2015. An investigation into the relationship and integration between strategic quality management and corporate social responsibility: the case of some Saudi Arabian organisations (Doctoral dissertation, University of Portsmouth).

Alshbili, I. and Elamer, A.A., 2019. The influence of institutional context on corporate social responsibility disclosure: a case of a developing country. *Journal of Sustainable Finance and Investment*, 10 (3), 269-293.

Alsiary, W., 2015. A critical investigation into the barriers and opportunities for environmental management systems 'EMSs' implementation for the delivery of environmental benefits to the Industrial City in Jeddah, KSA

Amran, A., Fauzi, H., Purwanto, Y., Darus, F., Yusoff, H., Zain, M.M., Naim, D.M.A. and Nejati, M., 2017. Social responsibility disclosure in Islamic banks: a comparative study of Indonesia and Malaysia. *Journal of Financial Reporting and Accounting*. 1591, 99-115.

Anas, A., Rashid, H. and Annuar, H., 2015. The effect of awards on CSR disclosures in annual reports of Malaysian PLCs. *Social Responsibility Journal*, 11(4), 831-852.

Andrew, B. H., Gul, F. A., Guthrie, J. E., and Teoh, H. Y., 1989. A note on corporate social disclosure practices in developing countries: The case of Malaysia and Singapore. *The British Accounting Review*, *21*(4), 371–376.

Angelidis, J. and Ibrahim, N., 2004. An exploratory study of the impact of degree of religiousness upon an individual's corporate social responsiveness orientation. Journal of business ethics, 51(2), pp.119-128.

Aupperle, K. E., 1984. An Empirical Measure of Corporate Social Orientation. Research in Corporate Social Policy and Performance. Greenwich: JAI Press.

Archel, P., Husillos, J., & Spence, C., 2011. The institutionalisation of unaccountability: Loading the dice of Corporate Social Responsibility discourse. *Accounting, Organisations and Society, 36(6), 327–343.*

Aribi, Z. and Gao, S., 2010. Corporate social responsibility disclosure: a comparison between Islamic and conventional financial institutions. *Journal of Financial Reporting and Accounting*, 8(2), 72-91.

Arikan, O., Reinecke, J., Spence, C. and Morrell, K., 2017. Signposts or weathervanes? The curious case of corporate social responsibility and conflict minerals. *Journal of Business Ethics*, *146*(3), pp.469-484.

Axjonow, A., Ernstberger, J. and Pott, C., 2018. The impact of corporate social responsibility disclosure on corporate reputation: a non-professional stakeholder perspective. *Journal of Business Ethics*, 151(2), 429-450.

Baalouch, F., Ayadi, S. and Hussainey, K., 2019. A study of the determinants of environmental disclosure quality: evidence from French listed companies. *Journal of Management and Governance*, 23(4), 939-971.

Bae, J., Choi, W. and Lim, J., 2020. Corporate social responsibility: an umbrella or a puddle on a rainy day? Evidence surrounding corporate financial misconduct. *European Financial Management*. 26(1) 77-117

Barnea, A., and Rubin, A., 2010. Corporate Social Responsibility as a Conflict Between Shareholders. *J Bus Ethics* **97,** 71–86.

Barnett, M.L., 2013. One voice, but whose voice? Exploring what drives trade association activity. *Business & Society*, *52*(2), pp.213-244.

Basit, T., 2003. Manual or electronic? The role of coding in qualitative data analysis. *Educational research*, *45*(2), 143-154.

Baudot, L., Johnson, J.A., Roberts, A. and Roberts, R.W., 2019. Is corporate tax aggressiveness a reputation threat? Corporate accountability, corporate social responsibility, and corporate tax behaviour. *Journal of Business Ethics,* 15 (5) 1-19.

Bayoud, N.S., Kavanagh, M. and Slaughter, G., 2012a. Corporate social responsibility disclosure and employee commitment: evidence from Libya. *International Journal of Economics and Finance* 4(5), 37-50.

Bayoud, N.S., Kavanagh, M. and Slaughter, G., 2012b. Factors influencing levels of corporate social responsibility disclosure by Libyan firms: a mixed study. *International Journal of Economics and Finance*, 4(4), 13-29.

Beaver, W.H., 1981. Interpreting disclosures of the effects of changing prices. *Financial Analysts Journal*, *37*(5), 45-55.

Bebbington, A.J. and Bury, J.T., 2009. Institutional challenges for mining and sustainability in Peru. Proceedings of the National Academy of Sciences, 106(41), 17296-17301.

Becchetti, L. and Ciciretti, R., 2009. Corporate social responsibility and stock market performance. *Applied Financial Economics*, 19(16), 1283-1293.

Beck, A.C., Campbell, D. and Shrives, P.J., 2010. Content analysis in environmental reporting research: Enrichment and rehearsal of the method in a British–German context. The British Accounting Review, 42(3), pp. 207-222.

Belal, A., 2001, A study of corporate social disclosures in Bangladesh, *Managerial Auditing Journal*, 16(5), 274-289.

Belal, A. and Owen, D., 2007. The views of corporate managers on the current state of, and future prospects for, social reporting in Bangladesh: An engagement-based study, *Accounting, Auditing & Accountability Journal*, 20(3), 472-494.

Belal, A. R., and Cooper, S. M., 2011. The absence of corporate social responsibility reporting in Bangladesh. *Critical Perspectives on Accounting*, *22*(7), 654-667.

Belal, A., Kabir, R., 2010. Corporate Environmental and Climate Changes Disclosure: Empirical Evidence from Bangladesh, *Research in Accounting in Emerging Economies* 10, 145-167.

Belal, A.R. and Roberts, W.R., 2010. Stakeholders' perceptions of corporate social reporting in Bangladesh. *Journal of Business Ethics*, 97(2), 311-324.

Belkaoui, A. and Karpik, P., 1989. Determinants of the corporate decision to disclose social information. *Accounting, Auditing and Accountability Journal*, 2(1), 36-51.

Benlemlih, M. and Bitar, M., 2018. Corporate social responsibility and investment efficiency. *Journal of Business Ethics*, 148(3), 647-671.

Benlemlih, M., 2017. Corporate social responsibility and firm debt maturity. *Journal of Business Ethics*, 144(3), 491-517.

Berkowitz, H., Bucheli, M. and Dumez, H., 2017. Collectively designing CSR through meta-organisations: A case study of the oil and gas industry. *Journal of Business Ethics*, *143*(4), 753-769.

Bhave, D.P., Teo, L.H. and Dalal, R.S., 2020. Privacy at work: a review and a research agenda for a contested terrain. *Journal of Management*, 46(1), 127-164.

Bice, S., 2017. Corporate social responsibility as institution: a social mechanisms framework. *Journal of Business Ethics*, 143(1), 17-34.

Birkey, R.N., Guidry, R.P., Islam, M.A. and Patten, D.M., 2018. Mandated social disclosure: an analysis of the response to the California Transparency in Supply Chains Act of 2010. *Journal of Business Ethics*, 152(3), 827-841.

Birkey, R.N., Guidry, R.P., Islam, M.A. and Patten, D.M., 2018. Mandated social disclosure: An analysis of the response to the California Transparency in Supply Chains Act of 2010. *Journal of Business Ethics*, *152*(3), pp.827-841.

Bitektine, A., and Haack, P., 2015. The "macro" and the "micro" of legitimacy: Toward a multilevel theory of the legitimacy process. *Academy of management review*, *40*(1), 49-75.

Blasi, S., Brigato, L. and Sedita, S.R., 2020. Eco-friendliness and fashion perceptual attributes of fashion brands: an analysis of consumers' perceptions based on twitter data mining. *Journal of Cleaner Production*, 244, 1-10.

Blowfield, M. and Murray, A., 2014. *Corporate responsibility*. Oxford University Press.

Bowling, A., 2002. Research methods in health. Buckingham, UK and Philadelphia, PA: Open University Press.

Brandt, S. and Brandt, S., 1998. Data analysis. Springer-Verlag.

Brammer, D., 2008. Does it pay to be different? An analysis of the relationship between corporate social and financial performance. *Strategic Management Journal*, 29(12), 1325-43. Brammer, S., Jackson, G. and Matten, D., 2012. Corporate social responsibility and institutional theory: New perspectives on private governance. *Socio-economic review*, *10*(1), 3-28.

Branco, M.C. and Rodrigues, L.L., 2006. Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics,* 69(2), 111-132.

Branco, M.C. and Rodrigues, L.L., 2008. Factors influencing social responsibility disclosure by Portuguese companies. *Journal of Business Ethics*, 83(4), 685-701.

Brazdauskas, M. and Gaigalaite, L., 2015. Sustainable Hotels as Learning Organisations: Innovative Approaches towards Employee Training. *Innovation*, *1*, pp.99-106.

Bridges, D., 2017. *Philosophy in educational research*. London: Routledge.

Bruce, N., Pope, D. and Stanistreet, D., 2017. *Quantitative methods for health research*. New Jersey: John Wiley and Sons.

Brundtland Commission, 1987. *Our common future: Report of the World Commission on environment and development.* Oxford University Press: Oxford.

Bryman, A. and Bell, E., 2007. *Business research methods*. 2nd ed. Oxford: Oxford University Press.

Bryman, A. and Bell, E., 2015) .*Social research methods* .Oxford: Oxford University Press .

Bryman, A., 1988. *Quantity and Quality in Social Research.* Routledge, London

Buhr, N., 1998. Environmental Performance, Legislation and Annual Report Disclosure: the Case of Acid Rain and Falconbridge, *Accounting, Auditing and Accountability Journal* 11 (2), 163-190.

Burkhard, J., Lewandowski, S., and Eramo, M., 2017. Understanding How Fluctuating Crude Oil Prices Impact Petrochemical Investment Strategies. *Chemicals*.

Burritt, R. and Christ, K., 2016. Industry 4.0 and environmental accounting: a new revolution? *Asian Journal of Sustainability and Social Responsibility*, *1*(1), pp.23-38

Burrell, G. and Morgan, G., 1979. *Sociological Paradigms and Organisational Analysis* Heinemann: London.

Busch, T. and Hoffmann, V.H., 2011. How hot is your bottom line? Linking carbon and financial performance. *Business and Society*, 50(2), 233-265.

Cai, W., Lee, E., Xu, A.L. and Zeng, C.C., 2019. Does corporate social responsibility disclosure reduce the information disadvantage of foreign investors? *Journal of International Accounting, Auditing and Taxation*, 34, 12-29.

Carrigan, M., McEachern, M., Moraes, C., & Bosangit, C., 2017. The fine jewellery industry: Corporate responsibility challenges and institutional forces facing SMEs. *Journal of Business Ethics*, *143*(4), 681-699.

Callan, S.J. and Thomas, J.M., 2009. Corporate financial performance and corporate social performance: an update and reinvestigation. *Corporate Social Responsibility and Environmental Management*, 16(2), 61-78.

Cameron, S., Price, D., 2009. *Business Research Methods*. The Chartered Institute of Personnel and Development, London.

Campbell, D., 2003. Intra-and intersectoral effects in environmental disclosures: evidence for legitimacy theory? *Business Strategy and the Environment*, 12(6), pp. 357-371.

Cannon, J.N., Ling, Z., Wang, Q. and Watanabe, O.V., 2019. 10-K disclosure of corporate social responsibility and firms' competitive advantages. *European Accounting Review*, pp. 7 (5) 1-29.

Capital Market Authority (CMA), 2016. About Capital Market Authority (online).

Carhart, M.M., 1997), On Persistence in Mutual Fund Performance. *Journal of Finance* 52, 57-82.

Carroll, A.B., 1999). Corporate social responsibility –evolution of a definitional construct . *Business and Society*, 38, 268-295.

Carroll, A. B., 1979. A three-dimensional conceptual model of corporate social performance. Academy of Management Review, 4, 497–505.

Carroll, A. B., 1991. The pyramid of corporate social responsibility: toward the moral management of organisational stakeholders. Business Horizons, 34(4), 39–48.

Cassell, C., Symon, G., 1994. *Qualitative Methods in Organisational Research.* SAGE, London.

Chambers, A.D., 2017. *Chamber's corporate governance handbook*. 7th ed. London: Bloomsbury Professional Ltd.

Chambers, A.D. and Odar, M., 2015). A new vision for internal audit. *Managerial Auditing Journal*, 30(1), 34-55.

Chauvey, J.N., Giordano-Spring, S., Cho, C.H. and Patten, D.M., 2015. The normativity and legitimacy of CSR disclosure: evidence from France. *Journal of Business Ethics*, 130 (4), 789-803.

Chen, T., Dong, H. and Lin, C., 2020

. Institutional shareholders and corporate social responsibility. *Journal of Financial Economics*, 135(2), 483-504.

Chen, Y.C., Hung, M. and Wang, Y., 2018. The effect of mandatory CSR disclosure on firm profitability and social externalities: Evidence from China. Journal of Accounting and Economics, 65(1), pp.169-190.

Chiu, T.K. and Wang, Y.H., 2015. Determinants of social disclosure quality in Taiwan: An application of stakeholder theory. *Journal of business ethics*, *129*(2), pp.379-398.

Cho, C., Patten, D., 2007. The Role of Environmental Disclosures as Tools of Legitimacy: A Research Note, *Accounting, Organisations and Society* 32 (7-8), 639-647.

Choi, F., 1973. Financial disclosure and entry to the European capital market. *Journal of Accounting Research*, 11(2), 159-175.

Choi, J.J., Jo, H., Kim, J. and Kim, M.S., 2018. Business groups and corporate social responsibility. *Journal of Business Ethics*, *153*(4), pp.931-954.

Clarkson, C.R., 2011. Integration of rate-transient and micro seismic analysis for unconventional gas reservoirs: where reservoir engineering meets geophysics. *CSEG Recorder*, 36(10), 44-61.

Clarkson, M., 1995. A stakeholder framework for analysing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92-117.

Clarkson, P., Li, Y., Richardson, G., Vasvari, F., 2008. Revisiting the Relation Between Environmental Performance and Environmental Disclosure: An Empirical Analysis, *Accounting, Organisations and Society* 33 (4-5), 303-327.

Cohen, L., Manion, L., Morrison, K., 2001. *Research Methods in Education,* First published ed. Routledge Falmer, Canada.

Colakoglu, N., Eryilmaz, M. and Martínez-Ferrero, J., 2020. Is board diversity an antecedent of corporate social responsibility performance in firms? A research on the 500 biggest Turkish companies. *Social Responsibility Journal*, 14(3), 78-98.

Collins, H., 2010. *Creative research :the theory and practice of research for the creative industries*. Washington DC: AVA Publications.

Collis, J. and Hussey, R., 2013. *Business research: A practical guide for undergraduate and postgraduate students*. Macmillan International Higher Education.

Cong, L., Wu, B., Morrison, A.M., Shu, H. and Wang, M., 2014. Analysis of wildlife tourism experiences with endangered species: an exploratory study of encounters with giant pandas in Chengdu, China. *Tourism Management*, 40, 300-310.

Cooke, T.E., 1989. *An empirical study of financial disclosure by Swedish companies*. Massachusetts: Garland Publishing.

Corbin, J., Strauss, A., 2008. *Basics of Qualitative Research*: Techniques and Procedures for Developing Grounded Theory. Sage, London.

Cordeiro, J.J. and Sarkis, J.,1997. Environmental proactivism and firm performance: evidence from security analyst earnings forecasts. *Business Strategy and the Environment*, 6(2), 104-114.

Cormier, D., Gordon, I., 2001. An Examination of Social and Environmental Reporting Strategies, *Accounting Auditing and Accountability Journal* 14 (5), 587-616.

Cormier, D., Ledoux, M. and Magnan, M., 2011. The informational contribution of social and environmental disclosures for investors. *Management Decision*, 49(8), 1276-1304.

Cormier, D., Magnan, M., 2003. Environmental Reporting Management: a Continental European Perspective, Journal of Accounting and Public Policy 22, 43-63.

Cowen, S.S., Ferreri, L.B., Parker, L.D., 1987. The Impact of Corporate Characteristics on Social Responsibility Disclosure: A Typology and Frequency-Based Analysis, Accounting, Organisations and Society 12 (2), 111-122.

Crane, A., Matten, D. and Spence, L. eds., 2019. *Corporate social responsibility: Readings and cases in a global context*. Routledge.

Creswell, J., 2009. *Research Design Qualitative, Quantitative and Mixed Methods Approaches.* SAGE Publications, Inc, London.

Creswell, J., Clark, V., 2011. *Designing and Conducting Mixed Methods Research*. SAGE Publications, Inc, London.

Creswell, J.W., 2003. *Research design: qualitative, quantitative and mixed methods approaches.* 2nd ed. Thousand Oaks, CA: Sage.

Creswell, J. W., 2012. *Research design :qualitative and quantitative approaches* .Thousand Oaks, CA: Sage.

Creswell, J.W. and Clark, V.L.P., 2017. *Designing and conducting mixed methods research*. Sage publications.

Crisóstomo, V.L., de Souza Freire, F. and De Violoncellos, F.C., 2011. Corporate social responsibility, firm value and financial performance in Brazil. *Social Responsibility Journal*.

D'Acunto, D., Tuan, A., Dalli, D., Viglia, G. and Okumus, F., 2019. Do consumers care about CSR in their online reviews? An empirical analysis. *International Journal of Hospitality Management*, 15(2) p.102342.

Devinney, T.M., Auger, P., Eckhardt, G. and Birtchnell, T., 2006. The other CSR: Consumer social responsibility.

Dahlsrud, A., 2008. How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1-13.

Dave, P., 1998. The importance of educational research. *Journal of Biological Education,* 33(1), 2-3.

Dawkins, C. and Ngunjiri, F.W., 2008. Corporate social responsibility reporting in South Africa: A descriptive and comparative analysis. *The Journal of Business Communication (1973)*, *45*(3), 286-307.

De Jong, MD, Huluba, G. and Beldad, A. D., 2019. Different shades of greenwashing: consumers' reactions to environmental lies, half-lies, and organisations taking credit for following legal obligations. *Journal of Business and Technical Communication*, 34(1), 38-76.

De Villiers, C. and Van Staden, C., 2006. Can less environmental disclosure have a legitimising effect? Evidence from Africa. *Accounting, Organisations and Society,* 31(8), 763-781.

Deegan, C., 2009. *Financial accounting theory*. McGraw Hill, North Ryde, NSW, Australia.

Deegan, C., et al., 2000. Firms' disclosure reactions to major social incidents: Australian evidence, *Accounting Forum*, vol. 24, no. 1, pp. 101-130.

Deegan, C. and Gordon, B., 1996. A study of the environmental disclosure practices of Australian corporations. *Accounting and Business Research*, 26(3), 187-199.

Deegan, C., 2002. Introduction the Legitimising Effect of Social and Environment Discloures - A Theoretical Foundation, *Accounting, Auditing and Accountability Journal* 15 (3), 282-311.

Deegan, C., 2014. An overview of legitimacy theory as applied within the social and environmental accounting literature. *Sustainability accounting and accountability*, *2*, pp.248-272.

Deegan, C. and Samkin, G. 2009, New Zealand financial accounting, McGraw-Hill, Sydney, Australia.

Del Baldo, M., 2019. Acting as a benefit corporation and a B Corp to responsibly pursue private and public benefits. The case of Paradisi Srl (Italy). *International Journal of Corporate Social Responsibility*, 4(1) 1-9.

Della Seta, M., Morellec, E. and Zucchi, F.,2020. Short-term debt and incentives for risk-taking. *Journal of Financial Economics*. 9(2) pp 1-11

Denzin, N., 1970. *The Research Act: A Theoretical Introduction to Sociological Method.* Sage, Chicago.

Denzin, N.K. and Lincoln, Y.S., 2011. *The SAGE handbook of qualitative research.* Newbury Park, California: Sage.

Department of Zakat and Income Tax (DZIT), 2016. About DZIT (Online).

Dias, A., Rodrigues, L.L., Craig, R. and Neves, M.E., 2019. Corporate social responsibility disclosure in small and medium-sized entities and large companies. *Social Responsibility Journal.* 2 (4), 1-8

Dienes, D., Sassen, R. and Fischer, J., 2016. What are the drivers of sustainability reporting? A systematic review. *Sustainability Accounting, Management and Policy Journal*, 7(2), 154-189.

Dissanayake, D., Tilt, C. and Xydias-Lobo, M., 2016. Sustainability reporting by publicly listed companies in Sri Lanka. *Journal of Cleaner Production*, 129, 169-182.

Dkhili, H. and Ansi, H., 2012. The link between corporate social responsibility and financial performance: the case of the Listed Tunisian companies. *Journal of Organisational Knowledge Management*, 2, 1-11.

Dominguez, A., 2012. Company Characteristics and Human Resource Disclosure in Spain, *Social Responsibility Journal* 8 (1), 4-20.

Donaldson, T. and Preston, L.E., 1995. The stakeholder theory of the corporation: concepts, evidence and implications. *Academy of Management Review*, 20(1), 65- 91.

Easterby- Smith, M., Thorpe, R. Jackson, P. and Lowe, A., 2008. Management Research (3rd edn). Sage: London.

Easterby-Smith, M., Thorpe, R .and Jackson, P., 2013. *Management research* . London :Sage.

Edmondson, V. C. and Carroll, A. B., 1999. Giving back: an examination of the philanthropic motivations, orientations and activities of large black-owned businesses. Journal of Business Ethics, 19, 171–9.

El-Halaby, S., Hussainey, K., 2015. The determinants of social accountability disclosure: evidence from Islamic banks around the world. International Journal of Business 203(2), 1-29.

El-Juhany, L.I., 2010. Degradation of date palm trees and date production in Arab countries: causes and potential rehabilitation. *Australian Journal of Basic and Applied Sciences*, *4*(8), pp.3998-4010.

Ellabbar, K., 2007. *Capital Market and Accounting Disclosure in Emerging Economies: The Case of Libya*, PhD, University of Salford.

Elmogla, M., 2009. *Corporate social reporting in a transition economy: the case of Libya.* PhD thesis, University of Huddersfield, UK.

Elsayed, M. and Hoque, Z., 2010. Perceived international environmental factors and corporate voluntary disclosure practices: an empirical study. *British Accounting Review*, 42(1), 17-35.

Epstein, M., Dilley, S., Estes, R., Fertig, P., Oliver, B. and Ramanathan, K., 1976. Report of the Committee on Accounting for Social Performance. *Accounting Review*, 51(4), 38-69.

Epstein, M., Freedman, M., 1994. Social Disclosure and the Individual Investor, *Accounting, Auditing and Accountability Journal*, 7 (4), 94-109.

Ernst and Ernst., 1978. *Social Responsibility Disclosure surveys*, Cleveland, OH: Ernst and Ernst,

Esa, E. and Ghazali, A.M.N., 2012. Corporate social responsibility and corporate governance in Malaysian Government-linked companies. *Corporate Governance: The International Journal of Business in Society*, 12(3), 292-305.

Esa, E., Ghazali, N., 2010. Corporate Social Responsibility and Corporate Governance in Malaysian Government-Linked Companies, *Corporate Governance* 12 (3), 292-305.

Evangelinos, K., Skouloudis, A., Jones, N., Isaac, D. and Sfakianaki, E., 2016. Exploring the status of corporate social responsibility disclosure in the UK building and construction industry. *International Journal of Global Environmental Issues*, *15*(4), 377-399.

Ezzine, H., 2018. Corporate governance and social norms during financial crisis: evidence from France and Saudi Arabia. *Journal of Management and Governance*, 22(3), 707-748.

Faisal, F., 2018. The relationship between corporate social responsibility disclosure and earnings management: is it a complement mechanism or a substitute mechanism? *International Journal of Business Governance and Ethics*, 13(1), 1-14.

Fan, D.X., Zhang, H.Q., Jenkins, C.L. and Tavitiyaman, P., 2017. Tourist typology in social contact: an addition to existing theories. *Tourism Management*, 60, 357-366.

Fasoulis, I. and Kurt, R., 2018. Determinants to the implementation of corporate social responsibility in the maritime industry: a quantitative study. *Journal of International Maritime Safety, Environmental Affairs, and Shipping*, 3(1-2), 10-20.

Fassin, Y., Werner, A., Rossem, A.V., Signori, S., Garriga, E., Hoivik, H.W. and Schlierer, H.J., 2015. CSR and related terms in SME owner–managers' mental models in six European countries: national context matters. *Journal of Business Ethics*, 128, 433-456.

Feng, Y., Zhu, Q. and Lai, K.H., 2017. Corporate social responsibility for supply chain management: a literature review and bibliometric analysis. *Journal of Cleaner Production*, 158, 296-307.

Fernando, S. and Lawrence, S., 2014. A theoretical framework for CSR practices: integrating legitimacy theory, stakeholder theory and institutional theory. *Journal of Theoretical Accounting Research*, 10 (1), 149-178.

Field, R., Hawkins, B.A., Cornell, H.V., Currie, D.J., Diniz-Filho, J.A.F., Guégan, J.F., Kaufman, D.M., Kerr, J.T., Mittelbach, G.G., Oberdorff, T. and O'Brien, E.M., 2009. Spatial species-richness gradients across scales: a meta-analysis. *Journal of biogeography*, *36*(1), pp.132-147.

Florackis, C., Kanas, A., Kostakis, A. and Sainani, S., 2020. Idiosyncratic risk, risk-taking incentives and the relation between managerial ownership and firm value. *European Journal of Operational Research*, 283(2), 748-766.

Follmer, E.H., Talbot, D.L., Kristof-Brown, A.L., Astrove, S.L. and Billsberry, J., 2018. Resolution, relief, and resignation: a qualitative study of responses to misfit at work. *Academy of Management Journal*, 61(2), 440-465.

Fontana, A. and Frey, J.H., 2005. The interview: from neutral stance to political involvement. In: N.K. Denzin and Y.S. Lincoln, eds. *Sage handbook of qualitative research* (pp. 695-727). Thousand Oaks, CA: Sage.

Fontana, A. and Frey, J.H., 1998. Interviewing–The Art of Science in Denzin, NK & Lincoln, YS (Eds) Collecting and Interpreting Qualitative Materials.

Fooladi, N. and Kolaie, A.Z.Z., 2015. Examining the relationship between disclosure level of corporate social responsibility and the company's operating performance listed in Tehran Stock Exchange by using the economic approach. *Indian Journal of Fundamental and Applied Life Sciences*, 5(1), 3833-3839.

Freedman, M., Stagliano, A., 2008. Environmental Disclosures: Electric Utilities and Phase 2 of the Clean Air Act, *Critical Perspectives on Accounting* 19 (4), 466-486.

Freeman, R. E., 2010. *Strategic management: A stakeholder approach.* Cambridge: Cambridge University Press.

Freeman, R.E., 1984. Strategic management :a stakeholder approach .*Advances in Strategic Management*, 1(1), 31-60.

Freeman, R.E. and Reed, D.L., 1983. Stockholders and stakeholders: a new perspective on corporate governance. *California Management Review*, XXV (2, Spring). 1-10.

Friedman, M., 1970. A Friedman doctrine: the social responsibility of business is to increase its profits. *New York Times Magazine*, 13(1970), 32-33.

Frynas, J. G., 2009. Corporate social responsibility in the oil and gas sector. *Journal of World Energy Law & Business, 2*(3), 178-195.

G20. [online] Available at: https://www.g20.org [Accessed 17 August 2021].

Gabriel, D., (2013). *Inductive and deductive approaches to research*. Available at: http//:deborahgabriel.com/2013/03/17/inductive-and-deductive-approaches-to-research/ [accessed 1/1/2018].

Galani, D., Alexandridis, A., Stavropoulos, A., 2011. The Association between the Firm Characteristics and Corporate Mandatory Disclosure the Case of Greece, World Academy of Science, *Engineering and Technology* 77, 101-107.

Gamble, G., Hsu, H., Jackson, C. and Tollerson, C.D., 1996. Environmental disclosures in annual reports: an international perspective. *International Journal of Accounting*, 31(3), 293-331.

Gamerschlag, R., Möller, K. and Verbeeten, F., 2011. Determinants of voluntary CSR disclosure: empirical evidence from Germany. Review of Managerial Science, 5(2-3), pp.233-262.

Gao, Y., Gu, J., and Liu, H., 2019. Interactive effects of various institutional pressures on corporate environmental responsibility: Institutional theory and multilevel analysis. *Business Strategy and the Environment*, *28*(5), 724-736.

Gao, S.S., Heravi, S. and Xiao, J.Z., 2005. Determinants of corporate social and environmental reporting in Hong Kong: a research note. *Accounting Forum*, 29(2), 233-242.

Garas, S. and ElMassah, S., 2018. Corporate governance and corporate social responsibility disclosures: the case of GCC countries. *Critical Perspectives on International Business*, 14(1), 2-26.

García-Meca, E., Parra, I., Larrán, M. and Martínez, I., 2005. The explanatory factors of intellectual capital disclosure to financial analysts. *European Accounting Review*, *14*(1), pp.63-94.

Garrick, J., 1999. Doubting the philosophical assumptions of interpretive research. *International Journal of Qualitative Studies in Education*, 12(2), 147-156.

Gatti, L., Vishwanath, B., Seele, P. and Cottier, B., 2019. Are we moving beyond voluntary CSR? Exploring theoretical and managerial implications of mandatory CSR resulting from the new Indian companies act. *Journal of Business Ethics*, *160*(4), pp.961-972.

Gaur, A. and Kumar, M., 2018. A systematic approach to conducting review studies: an assessment of content analysis in 25 years of IB research. *Journal of World Business*, 53(2), 280-289.

Gerner, M., 2019. Assessing and managing sustainability in international perspective: corporate sustainability across cultures – towards a strategic framework implementation approach. *International Journal of Corporate Social Responsibility*, 4(1). 87-101

Ghoul, S.E., Guedhami, O., Kwok, C.C.Y. and Mishra, D.R., 2011. Does corporate social responsibility affect the cost of capital? *Journal of Banking and Finance*, 35(9), 2388-2406.

Gill, A., 2008. Corporate governance as social responsibility: a research agenda. *Berkeley Journal of International Law*, 26(2), 452-478.

Gill, P. and Phythian, M., 2018. *Intelligence in an insecure world*. New Jersey: John Wiley and Sons.

Global Reporting Initiative (GRI), 2018. About GRI (online), Golob, U. and Bartlett, J.L., 2007. Communicating about corporate social responsibility: a comparative study of CSR reporting in Australia and Slovenia. *Public Relations Review*, 33(1), 1-9.

Goncalves, R., Medeiros, O., Weffort, E. and Niyama, J., 2014. A social disclosure index for assessing social programs in Brazilian listed firms. *Accounting in Latin America*, 14(1), 75-103.

Gray, R., 2000. Current developments and trends in social and environmental auditing, reporting and attestation: a review and comment. *International Journal of Auditing*, 4(3), 247-68.

Gray, R. and Bebbington, J., 2001. Accounting for the Environment, London: Sage Publications.

Gray, R., Kouhy, R. and Lavers, S., 1995a. Methodological themes: constructing a research database of social and environmental reporting by UK companies. *Accounting, Auditing and Accountability Journal*, 8(2), 78-101.

Gray, R., Kouhy, R. and Lavers, S., 1995b. Corporate social and environmental reporting: a review of the literature and a longitudinal study of UK disclosure. *Accounting, Auditing and Accountability Journal*, 8(2), 47-77.

Gray, R., Owen, D. and Adams, C., 1996. Accounting & accountability: changes and challenges in corporate social and environmental reporting. Prentice Hall.

Griffin, P. and Sun, E., 2018. Voluntary corporate social responsibility disclosure and religion. *Sustainability Accounting, Management and Policy Journal*, 9(1), 63- 94.

Guba, E. and Lincoln, Y., 1994. Competing paradigms in qualitative research .In Denzin K. N. and Lincoln, Y. S., Sage *hand book of qualitative research, 112-145* .Thousand Oaks, CA :Sage.

Guenster, N., Bauer, R., Derwall, J. and Koedijk, K., 2011. The economic value of corporate eco-efficiency. *European Financial Management*, 17(4), 679-704.

Guillamon-Saorin, E., Brennan, N. and Pierce, A., 2006. International management disclosure practices: evidence from UK and Spanish press releases. Paper presented at University College Dublin, 22-24 March.

Guiso, L., Sapienza, P. and Zingales, L., 2008. Trusting the stock market. *Journal of Finance*, 63(6), 2557-2600.

Gulzar, M.A., Cherian, J., Hwang, J., Jiang, Y. and Sial, M.S., 2019. The impact of board gender diversity and foreign institutional investors on the corporate social responsibility (CSR) engagement of Chinese listed companies. *Sustainability*, 11(2), 307.

Guthrie, J. and Parker, L.D., 1990. Corporate social disclosure practice: a comparative international analysis.

Guthrie, J., Petty, R., Yongvanich, K. and Ricceri, F., 2004. Using content analysis as a research method to inquire into intellectual capital reporting. *Journal of Intellectual Capital*, 5(2), 282-93.

Guthrie, J. and Mathews, M.R., 1985. Corporate social accounting in Australasia .*Research in Corporate Social Performance and Policy*, 7, 251-77.

Habbash, M., 2017. Corporate governance and corporate social responsibility disclosure: evidence from Saudi Arabia. *International Journal of Corporate Strategy and Social Responsibility*, 1(2), 161.

Habbash, M. and Haddad, L., 2019. The impact of corporate social responsibility on earnings management practices: evidence from Saudi Arabia. *Social Responsibility Journal*. 12, 1-19

Habbash, M., 2016. Corporate governance and corporate social responsibility disclosure: evidence from Saudi Arabia. *Journal of Economic and Social Development, 3*(1), p.87.

Hąbek, P. and Wolniak, R., 2016. Assessing the quality of corporate social responsibility reports: the case of reporting practices in selected European Union member states. *Quality & quantity, 50*(1), pp. 399-420.

Habib, M., Abbas, J. and Noman, R., 2019. Are human capital, intellectual property rights, and research and development expenditures really important for total factor productivity? An empirical analysis. *International Journal of Social Economics*. 10(1) 1-15.

Hackston, D., Milne, M., 1996. Some Determinants of Social and Environmental Disclosures in New Zealand Companies, *Accounting, Auditing and Accountability Journal* 9 (1), 77-108.

Hadj, T., Omri, A. and Al-Tit, A., 2020. Mediation role of responsible innovation between CSR strategy and competitive advantage: empirical evidence for the case of Saudi Arabia enterprises. *Management Science Letters*, 10(4), 747-762.

Hair Jr, J.F., Page, M. and Brunsveld, N., 2019. *Essentials of business research methods*. New York: Routledge.

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L., 2006. *Multivariate data analysis (Vol. 6)*. Hoboken.

Haji, A.A., 2013. Corporate social responsibility disclosures over time: evidence from Malaysia. *Managerial Auditing Journal*, 28(7), 647-676.

Halkos, G. and Skouloudis, A., 2018. Corporate social responsibility and innovative capacity: Intersection in a macro-level perspective. *Journal of cleaner production, 182*, pp.291-300.

Hamann, E.T., Lane, B. and Hudak, M., 2000. CSRD roll-out in Maine: Lessons from a statewide case study. *Faculty Publications: Department of Teaching, Learning and Teacher Education*, p.46.

Hamidu, A., Haron, M. and Amran, A., 2015. Corporate social responsibility: A review on definitions, core characteristics and theoretical perspectives. *Mediterranean Journal of Social Sciences*, *6*(4), pp.83-95.

Hammersley, M., 2017. Deconstructing the qualitative-quantitative divide 1. In *Mixing methods: Qualitative and quantitative research* (pp. 39-55). Routledge.

Hamrouni, A., Boussaada, R. and Toumi, N.B.F., 2019. Corporate social responsibility disclosure and debt financing. *Journal of Applied Accounting Research*. 15 (2) 1-16.

Hamrouni, A., Uyar, A. and Boussaada, R., 2019. Are corporate social responsibility disclosures relevant for lenders? Empirical evidence from France. *Management Decision*. 12(8) 1-21

Haniffa, M. & Hudaib, M., 2007. Exploring the ethical identity of IBs via communication in annual reports", Journal of Business Ethics, Vol. 76 No. 1, pp. 97-116.

Haniffa, R.M. and Cooke, T.E., 2002. Culture, corporate governance, and disclosure in Malaysian corporations. *Abacus* 38(3), 317-349.

Haniffa, R.M. and Cooke, T.E., 2005. The impact of culture and governance on corporate social reporting. *Journal of Accounting and Public Policy*, 24(5), 391-430.

Hannon, J.M. and Milkovich, G.T., 1996. The effect of human resource reputation signals on share prices: an event study. *Human Resource Management*, 35(3), 405-424.

Harrison, J.S., Freeman, R.E. and Abreu, M.C.S.D., 2015. Stakeholder theory as an ethical approach to effective management: Applying the theory to multiple contexts. *Revista brasileira de gestão de negócios*, *17*(55), 858-869.

Harte, G., and Owen, D., 1991. Environmental disclosure in the annual reports of British companies: a research note. Accounting, Auditing and Accountability Journal, 4(3), 51–61.

Hartman, L.P., Rubin, R.S. and Dhanda, K.K., 2007. The communication of corporate social responsibility: United States and European Union multinational corporations. Journal of Business Ethics, 74(4), 373-389.

Hasan, M.N., 2016. Positivism: to what extent does it aid our understanding of the contemporary social world? *Quality and Quantity*, 50(1), 317-325.

Hassan, N.T., 2010. *Corporate social responsibility disclosure: an examination of framework of determinants and consequences*. PhD thesis, Durham Business School, UK.

Hassan, K., Imran, Y., Rashid, M. and Shahid, I., 2011. "Ethical gaps and market value in the Islamic banks of Bangladesh", Review of Islamic Economics (in press).

Heale, R. and Forbes, D., 2013. Understanding triangulation in research. *Evidence-based nursing*, 16(4), pp.98-98.

Hendriksen, E. and Van Breeda, M., 1992. *Accounting theory*. 5th ed. Boston, MA: Irwin.

Herold, D.M., 2018. Demystifying the link between institutional theory and stakeholder theory in sustainability reporting. *Economics, Management and Sustainability, 3*(2), pp.6-19.

Hiatt, S.R., Carlos, W.C. and Sine, W.D., 2018. Manu Militari: the institutional contingencies of stakeholder relationships on entrepreneurial performance. *Organisation Science*, 29(4), 633-652.

Hill, C.W. and Jones, T.M., 1992. Stakeholder-agency theory. *Journal of management studies, 29*(2), pp.131-154.

Hofstede, G.H. and Hofstede, G., 2001. Culture's consequences: Comparing values, behaviours, institutions and organisations across nations. Sage.

Holder-Webb, L., Cohen, J.R., Nath, L. and Wood, D., 2009. The supply of corporate social responsibility disclosures among US firms. *Journal of Business Ethics*, 84(4), 497-527.

Holsti, O.R., 1969. Content analysis for the social sciences and humanities. *Reading. MA: Addison-Wesley (content analysis)*.

Hooghiemstra, R., 2000. Corporate communication and impression management–new perspectives why companies engage in corporate social reporting. *Journal of business ethics*, *27*(1-2), pp.55-68.

Hopkins, M., 2016. Corporate social responsibility (CSR) and the United Nations sustainable development goals (SDG): The role of the private sector. *CSR Finance Institute*.

Hörisch, J., Schaltegger, S. and Freeman, R.E., 2020. Integrating stakeholder theory and sustainability accounting: A conceptual synthesis. *Journal of Cleaner Production*, *275*, p.124097.

Hossain, M., Islam, M.T., Momin, M.A., Nahar, S. and Alam, M.S., 2019. Understanding communication of sustainability reporting: application of symbolic convergence theory (SCT). *Journal of Business Ethics*, 160(2), 563-586.

Hou, T., 2018. The relationship between corporate social responsibility and sustainable financial performance: firm-level evidence from Taiwan. *Corporate Social Responsibility and Environmental Management*, 26(1), 19-28.

Huggins, R., and Thompson, P., 2019. The behavioural foundations of urban and regional development: Culture, psychology and agency. *Journal of Economic Geography*, *19*(1), 121-146.

Hulland, J., Baumgartner, H. and Smith, K.M., 2018. Marketing survey research best practices: evidence and recommendations from a review of JAMS articles. *Journal of the Academy of Marketing Science*, 46(1), 92-108.

Hussey, J., Hussey, R., 1997. *Business Research: A Practical Guide for Undergraduate and Postgraduate Students*, First published ed. MACMILLAN PWESS LTD, London.

Husted, B.W. and de Jesus Salazar, J., 2006. Taking Friedman seriously: maximizing profits and social performance. *Journal of Management Studies – Oxford*, 43(1), 75-86.

Ikram, A., Li, Z.F. and Minor, D., 2019. CSR-contingent executive compensation contracts. *Journal of Banking and Finance*, 12 (1) p.1-9

Ince, D.,1998. *Corporate social and environmental reporting (CSER): an application of stakeholder theory*. PhD thesis, University of Exeter, UK.

Ishwerf, A., 2012. *Stakeholders' Requirements and Perceptions of Corporate Environmental Disclosure in Libya*, PhD, University of Salford.

Islam, M. and Dellaportas, S., 2011. Perceptions of corporate social and environmental accounting and reporting practices from accountants in Bangladesh. *Social Responsibility Journal*, 7(4), 649-664.

Islam, M., Deegan, C., 2008. Motivations for an Organisation within a Developing Country to Report Social Responsibility Information, *Accounting, Auditing and Accountability Journal* 21 (6), 850-874.

Islam, M.A. and Deegan, C., 2008. Motivations for an organisation within a developing country to report social responsibility information. *Accounting, Auditing & Accountability Journal*.

Islam, S., Hosen, A., I slam, M., 2005. An Examination of Corporate Environmental Disclosure by the Bangladeshi Public Limited Companies, *Journal of Social Sciences* 3 (9), 1095-1102.

Islam, T., Ali, G., Niazi, A.A.K., Ramzan, M. and Yousaf, U., 2018. Employees' Response to CSR: Role of Organisational Identification and Organisational Trust. *Pakistan Journal of Commerce & Social Sciences*, *12*(1), 153-166.

Iswati, W., 2020. The impact of disclosure sustainability reporting, influence corporate social responsibility towards corporate value with mediation of financial performance. International Journal of Managerial Studies and Research, 8(1), 1-16.

Jamali, D., 2007. The case for strategic corporate social responsibility in developing countries. *Business and Society Review*, 112(1), 1-27.

Jamali, D. and Karam, C., 2018. Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Reviews*, *20*(1), pp.32-61.

Jamali, D., 2008. A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of business ethics*, *82*(1), pp.213-231.

Janis, I., 1965. The problem of validating content analysis. The content analysis reader, pp.358-375.

Jenkins, H. and Yakovleva, N., 2006. Corporate social responsibility in the mining industry: Exploring trends in social and environmental disclosure. *Journal of cleaner production*, *14*(3-4), pp.271-284.

Jensen, M.C. and Meckling, W.H., 1976. Theory of the firm: managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305-360.

Ji, Y., Xu, W. and Zhao, Q., 2019. The real effects of stock prices: learning, disclosure and corporate social responsibility. *Accounting and Finance*, 59, 2133-2156.

Jiang, W. and Wong, J.K., 2016. Key activity areas of corporate social responsibility (CSR) in the construction industry: a study of China. *Journal of cleaner production*, *113*, pp.850-860.

Jick, T., 1979. Mixing Qualitative and Quantitative Methods: Triangulation in Action, *Administrative Science Quarterly* 24 (4), 602-611.

Jo, H. and Harjoto, M.A., 2011. Corporate governance and firm value: The impact of corporate social responsibility. *Journal of business ethics, 103*(3), pp.351-383.

Johnson, B., Johnson, E., Carter, T., 2011. Corporate Social Responsibility: The Role of Fortune 100 Companies in Domestic and International Natural Disasters, *Corporate Social Responsibility and Environmental Management* 18, 352-369.

Jones, T.M. and Felps, W., 2013. Shareholder wealth maximization and social welfare: A utilitarian critique. *Business Ethics Quarterly*, *23*(2), pp.207-238.

Jones, T.M., Harrison, J.S. and Felps, W., 2018. How applying instrumental stakeholder theory can provide sustainable competitive advantage. *Academy of Management Review*, 43(3), 371-391.

Kabir, R. and Hanh, M.T., 2017. Does corporate governance shape the relationship between corporate social responsibility and financial performance? *Pacific Accounting Review*, 29(2), 227-258.

Katmon, N., Mohamad, Z.Z., Norwani, N.M. and Al Farooque, O., 2019. Comprehensive board diversity and quality of corporate social responsibility disclosure: evidence from an emerging market. *Journal of Business Ethics*, 157(2), 447-481.

Katsioloudes, M.I. and Brodtkorb, T., 2007. Corporate social responsibility: an exploratory study in the United Arab Emirates. SAM Advanced Management Journal, 72(4), p.9

Kaur, A. and Lodhia, S., 2018. Stakeholder engagement in sustainability accounting and reporting. *Accounting, Auditing & Accountability Journal*.

Kennedy, P., 1992. *A Guide to Econometrics*, 3rd ed. Oxford: Blackwell

Khan M., 2008. Z Giving Back: Corporate Social responsibility in the GCC. In Mandurah, S., Khatib, J. and Al-Sabaan, S., 2012. Corporate social responsibility among Saudi Arabian firms: An empirical investigation. Journal of Applied Business Research, 28(5), p. 1049.

Khlif, H., Guidara, A. and Souissi, M., 2015. Corporate social and environmental disclosure and corporate performance. *Journal of Accounting in Emerging Economies*, 5(1), 51-69.

Khurshid, M.A., Malik, O.M. and Soliman, A.A., 2013. Corporate Social Responsibility Awareness: An Exploratory Study among MBA Students. Life Science Journal, 10(4), 1-23.

Kimberly, J.R., 1976 .Organisational size and the structuralist perspective :a review, critique, and proposal .*Administrative Science Quarterly*, 21, 571-97.

Kimmel, P. D., Weygandt, J. J., Kieso, D. E., 2013. *Financial Accounting: Tools for Business Decision Making*, 7th Edition. New Jersey: John Wiley & Sons.

King Khalid Award., 2016. King Khalid Foundation (online), http://www.kkfeng.org/kingkhalid-awards.php (Accessed: 14.05.18)

Kisenyi, V. and Gray, R., 1998. Social disclosure in Uganda. *Social and Environmental Accounting*, 18(2), 16-18.

Klein, H.K. & Myers, M.D., 1999, A set of principles for conducting and evaluating interpretive field studies in information systems, MIS Quarterly, 23(1), 67-94

Klonoski, R., 1991. Foundational considerations in the corporate social responsibility debate. *Business Horizons*, 34(4), 9-18.

Kolk, A .and Pinkse, J., 2010 .(The integration of corporate governance in corporate social responsibility disclosures .*Corporate Social Responsibility and Environmental Management*, 17(1), 15-26.

Kramer, M.R. and Porter, M., 2011. *Creating shared value*. FSG.

Krippendorff, K., 2004. *Content analysis: an introduction to its methodology*. 2nd ed. Thousand Oaks, CA: Sage.

Krippendorff, K., 1980. Validity in content analysis.

Krippendorff, K., 2013. Content analysis: An introduction to its methodology. Thousand Oaks: Sage.

Kuby, C.R., 2017. Why a paradigm shift of "more than human ontologies" is needed: putting to work poststructural and post human theories in writers' studio. *International Journal of Qualitative Studies in Education*, 30(9), 877-896.

Kwanbo, M.L., 2011. An assessment of the effectiveness of social disclosure on earnings per share in Nigerian public corporations. World Journal of Social Sciences, 1(1), pp.86-106.

Lambooy, T., Hordijk, R. and Bijveld, W., 2014. Communicating about integrating sustainability in corporate strategy: Motivations and regulatory environments of integrated reporting from a European and Dutch perspective. In *Communicating Corporate Social Responsibility: Perspectives and Practice*. Emerald Group Publishing Limited.

Lanis, R. and Richardson, G., 2016. A reply to corporate social responsibility and tax aggressiveness: a test of legitimacy theory. *Social and Environmental Accountability Journal*, 36(1), 90-92.

Laplume, A., Sonpar, K. and Litz, R., 2008. Stakeholder theory: reviewing a theory that moves us. *Journal of Management,* 34(6), 1152-1189.

Lariche, B. and Helwig, N.M., 2011. The Role of Civil Society: Organisational Drivers of CSR in Asia. In *Responsible Management in Asia* (pp. 87-99). Palgrave Macmillan, London.

Dyduch, J. and Krasodomska, J., 2017. Determinants of corporate social responsibility disclosure: An empirical study of Polish listed companies. Sustainability, 9(11), p.1934.

Latif, B., Mahmood, Z., Tze San, O., Mohd Said, R., & Bakhsh, A., 2020. Coercive, normative and mimetic pressures as drivers of environmental management accounting adoption. *Sustainability*, 12(11), 4506-4538.

Lee, E., Walker, M. and Zeng, C.C., 2017. Do Chinese state subsidies affect voluntary corporate social responsibility disclosure? *Journal of Accounting and Public Policy*, 36(3), 179-200.

Leuz, C. and Verrecchia, R.E., 2000. The economic consequences of increased disclosure. *Journal of Accounting Research*, 38, 91-124.

Leuz, C., 2004. Proprietary versus non-proprietary disclosures: Evidence from Germany. The Economics and Politics of Accounting, 13(4), pp.164-199.

Lev, B., Petrovits, C. and Radhakrishnan, S., 2010. Is doing good good for you? How corporate charitable contributions enhance revenue growth. *Strategic Management Journal*, 31(2), 182-200.

Levitt, H.M., Motulsky, S.L., Wertz, F.J., Morrow, S.L. and Ponterotto, J.G., 2017. Recommendations for designing and reviewing qualitative research in psychology: promoting methodological integrity. *Qualitative Psychology*, 4(1), 2.

Lewis, J. and Ritchie, J., 2003. Generalising from qualitative research. *Qualitative research practice: A guide for social science students and researchers*, *2,* pp.347-362.

Li, W.X., Chen, C.C.S. and French, J.J., 2012. The relationship between liquidity, corporate governance, and firm valuation: evidence from Russia. *Emerging Markets Review*, 13(4), 465-477.

Liao, P.C., Shih, Y.N., Wu, C.L., Zhang, X.L. and Wang, Y., 2018. Does corporate social performance pay back quickly? A longitudinal content analysis on international contractors. *Journal of Cleaner Production*, 170, 1328-1337.

Liao, P.C., Xia, N.N., Wu, C.L., Zhang, X.L. and Yeh, J.L., 2017. Communicating the corporate social responsibility (CSR) of international contractors: content analysis of CSR reporting. *Journal of Cleaner Production*, 156, 327-336.

Lins, K.V., Servaes, H. and Tamayo, A., 2017. Social capital, trust, and firm performance: the value of corporate social responsibility during the financial crisis. *Journal of Finance.* 11(1) 1-21

Lins, K.V., Servaes, H. and Tamayo, A., 2019. Social capital, trust, and corporate performance: how CSR helped companies during the financial crisis (and why it can keep helping them). *Journal of Applied Corporate Finance*, 31(2), 59-71.

Linsley, P. and Kajuter, P., 2008. Restoring reputation and repairing legitimacy: a case study of impression management in response to a major risk event at Allied Irish Banks plc. *International Journal of Financial Services Management*, 3(1), 65.

Littau, P., Jujagiri, N. and Adlbrecht, G., 2010. 25 years of stakeholder theory in project management literature (1984-2009). *Project Management Journal*, 41(4), 17-29.

Liu, S., 2006. Beyond global convergence: Conflicts of legitimacy in a Chinese lower court. *Law & Social Inquiry*, *31*(1), pp.75-106.

Liu, X. and Anbumozhi, V., 2009. Determinant factors of corporate environmental information disclosure: an empirical study of Chinese listed companies. *Journal of Cleaner Production*, 17(6), 593-600.

Livesey, S. M., & Kearins, K., 2002. Transparent and Caring Corporations? A Study of Sustainability Reports by the Body Shop and Royal Dutch/Shell. Organisation & Environment, 15(3), 233–258.

Lock, I. and Seele, P., 2016. The credibility of CSR (corporate social responsibility) reports in Europe. Evidence from a quantitative content analysis in 11 countries. *Journal of Cleaner Production*, 122, 186-200.

Lupu, O. and Cojocaru, E., 2010. Reporting corporate social responsibility: the content analysis of CEO statements in Romanian annual reports. *Analele Stiintifice Ale Universitatii AlexandruIoan Cuza Din Iasi*, pp. 199-205.

Macintosh, N.B., 1990. *Annual Reports in an Ideological Role: A Critical Theory Analysis.* The Macmillan Press, London.

Mackenzie, C., 2007. Boards, incentives and corporate social responsibility: the case for a change of emphasis. *Corporate Governance: An International Review*, 15(5), 935-943.

Magbool, S., 2015. An overview of CSR programs in Saudi Arabia with reference to select organisations. *International Journal of Human Resource Studies*, 5(2), 282.

Mahadeo, J., Oogarah-Hanuman, V. and Soobaroyen, T., 2011. A longitudinal study of corporate social disclosures in a developing economy. *Journal of Business Ethics*, 104(4), 545-558.

Maher, C., Hadfield, M., Hutchings, M. and de Eyto, A., 2018. Ensuring rigor in qualitative data analysis: a design research approach to coding combining NVivo with traditional material methods. *International Journal of Qualitative Methods*, 17(1), 1-10. .

Mahjoub, L., 2019. Disclosure about corporate social responsibility through ISO 26000 implementation made by Saudi listed companies. *Cogent Business and Management*, 6(1), 1-9.

Mahmes, K., 2016. Corporate environmental disclosure and economic performance of companies in the Libyan manufacturing sector. *International Journal of Economics and Finance Studies*, 8(2), 53-83.

Malik, M., 2015. Value-enhancing capabilities of CSR: a brief review of contemporary literature. *Journal of Business Ethics*, 127(2), 419-438.

Malik, M.S. and Kanwal, L., 2018. Impact of corporate social responsibility disclosure on financial performance: case study of listed pharmaceutical firms of Pakistan. *Journal of Business Ethics*, 150(1), 69-78.

Mallin, C., Farag, H. and Ow-Yong, K., 2014. Corporate social responsibility and financial performance in Islamic banks. *Journal of Economic Behaviour and Organisation*, 103, S21-S38.

Mandurah, S., Khatib, J. and Al-Sabaan, S., 2012. Corporate social responsibility among Saudi Arabian firms: an empirical investigation. *Journal of Applied Business Research (JABR)*, 28(5), 1049.

Mangena, M., Tauringana, V., and Chamisa, E., 2012. *Corporate Boards, Ownership Structure and Firm Performance in an Environment of Severe Political and Economic Crisis. British Journal of Management, 23, S23–S41*.

Mangos, N.C. and Lewis, N.R., 1995. A socio-economic paradigm for analysing managers′ accounting choice behaviour. *Accounting, Auditing & Accountability Journal*.

Mantere, S., & Ketokivi, M., 2013. Reasoning in Organisation Science. *Academy of Management Review*, 38(1), 70–89. doi:10.5465/amr.2011.0188

Marom, I.Y., 2006. Toward a unified theory of the CSP–CFP link. *Journal of Business Ethics*, 67(2), 191-200.

Marshall, Catherine and Gretchen B. Rossman, 1999. *Designing qualitative research*. 3rd ed. London: Sage Publications.

Mashat, A., 2005. *Corporate social responsibility disclosure and accountability: the case of Libya*. PhD thesis, Manchester Metropolitan University, UK.

Mathews, M.R.,1993. *Socially responsible accounting*. London: Chapman and Hall.

Matuszak, Ł., Różańska, E. and Macuda, M., 2019. The impact of corporate governance characteristics on banks' corporate social responsibility disclosure. *Journal of Accounting in Emerging Economies*. 5 (12) 1-9

McGrew, J. H., 2009. FERC: Federal Energy Regulatory Commission. American Bar Association.

McWilliams, A. and Siegel, D., 2000. Corporate social responsibility and financial performance: correlation or mis-specification? *Strategic Management Journal*, 21(5), 603-609.

McWilliams, A. and Siegel, D., 2001. Corporate social responsibility: a theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.

Menassa, E., 2010. Corporate social responsibility. Journal of Applied Accounting Research.

Metts, S. and Grohskopf, E., 2003. Impression management: goals, strategies, and skills. *Handbook of Communication and Social Interaction Skills*, 1(3), 357-99.

Michaels, A. and Grüning, M., 2017. Relationship of corporate social responsibility disclosure on information asymmetry and the cost of capital. *Journal of Management Control*, 28(3), 251-274.

Miesing, P. and Preble, J.F., 1985. A comparison of five business philosophies. Journal of Business Ethics, 4(6), pp.465-476.

Miller, D., Salkind, N., 2002. *Handbook of Research Design and Social Measurement*, 6th ed. Sage Publications, Inc., London.

Milne , M., Adler, R., 1999. Exploring the Reliability of Social and Environmental Disclosures Content Analysis, *Accounting, Auditing and Accountability Journal* 12 (2), 237-256.

Ministry of Commerce and Investment (MCI), 2017. Brief History About MCI (online), http://mci.gov.sa/en/AboutMinistry/HistoricalOverview/Pages/default.aspx(Accessed: 10.05.18)

Ministry of Economy and Planning, 2015. *About Saudi Arabia* [online]. Available from: www.mep.gov.sa. [Accessed 25/2/2019].

Ministry of Economy and Planning, 2017. Saudi Economic Report 2016 (SECOR), Riyadh

Mitchell, S.L. and Clark, M., 2019. Reconceptualising product life-cycle theory as stakeholder engagement with non-profit organisations. *Journal of Marketing Management*, 35(1-2), 13-39.

Mittal, R.K., Sinha, N. and Singh, A., 2008. An analysis of linkage between economic value added and corporate social responsibility. *Management Decision*, 46(9), 1437-1443.

Momin, M., 2006. *Corporate Social Responsibility and Reporting by Multinational Corporations in Bangladesh* - An Exploration, phD, University of Glasgow.

Money, K. and Schepers, H., 2007. Are CSR and corporate governance converging? A view from boardroom directors and company secretaries in FTSE100 companies in the UK. *Journal of General Management*, 33(2), 1-11.

Montecchia, A., Giordano, F. and Grieco, C., 2016. Communicating CSR: integrated approach or selfie? Evidence from the Milan Stock Exchange. *Journal of Cleaner Production*, 136, 42-52.

Morgan, G., Smircich, L., 1980. The Case for Qualitative Research, *Academy of Management Review* 5 (4), 491-500.

Mouton, J. and Marais, H.C., 1988. Basic concepts in the methodology of the social sciences. Hsrc Press.

Mujahid, M. and Abdullah, A., 2014. Impact of corporate social responsibility on firms' financial performance and shareholders' wealth. *European Journal of Business and Management*, 6(31), 181-187.

Murphy, M.J., MacDonald, J.B., Antoine, G.E. and Smolarski, J.M., 2019. Exploring Muslim attitudes towards corporate social responsibility: are Saudi business students different? *Journal of Business Ethics*, 154(4), 1103-1118.

Muttakin and Khan, 2014. Determinants of corporate social disclosure: Empirical evidence from Bangladesh. Advances in Accounting. 20(1) 168-175.

Myers, M.D., 2019. *Qualitative research in business and management*. London: Sage.

Nachmias, C. and Nachmias, D., 2008. *Research Methods in the Social Sciences*, Third ed. New York: Worth.

Naeem, M.A., 2008. *Stakeholders' perceptions of corporate social responsibility (CSR): case studies from Bangladesh and Pakistan*. PhD thesis, University of Hong Kong.

Nagar, V., Nanda, D. and Wysocki, P., 2003. Discretionary disclosure and stock-based incentives. *Journal of Accounting and Economics*, 34(1), 283-309.

Narwal, M., 2007. CSR initiatives of Indian banking industry. *Social Responsibility Journal*, 3(4), 49-60.

National Institute of Standards and Technology (NIST), 2021, Available online at: https://www.itl.nist.gov/div898/handbook/eda/section3/eda35b.htm (accessed 12/09/2021)

Neimark, M.K., 1992. The hidden dimensions of annual reports: Sixty years of conflict at General Motors. Markus Wiener Publishers.

Nekhili, M., Nagati, H., Chtioui, T. and Rebolledo, C., 2017. Corporate social responsibility disclosure and market value: family versus nonfamily firms. *Journal of Business Research*, 77, 41-52.

Nekhili, M., Nagati, H., Chtioui, T. and Rebolledo, C., 2017. Corporate social responsibility disclosure and market value: Family versus nonfamily firms. *Journal of Business Research*, *77*, pp.41-52.

Nelson, J. M., 2006. Missed opportunities in dialogue between psychology and religion . *Journal of Psychology and Theology*, 34(3), 1-20.

Neu, D., Warsame, H., Pedwell, K., 1998. Managing Public Impressions: Environmental Disclosures in Annual Reports, *Accounting, Organisations and Society* 23 (3), 265-282.

Neuendorf, K., 2002. The Content Analysis Guidebook. Sage Publications, Inc.

Neuendorf, K.A., 2016. *The content analysis guidebook*. London: Sage.

Neuman, L., 2006. *Social Research Methods: Qualitative and Quantitative Approaches*, 6th ed. Pearson Education Inc, London.

Newson, M. and Deegan, C., 2002. Global Expectations and their Association with Corporate Social Disclosure Practices in Australia, Singapore, and South Korea. *The International Journal of Accounting* 37 (2), 183-213.

Ni, X. and Zhang, H., 2019. Mandatory corporate social responsibility disclosure and dividend payouts: evidence from a quasi-natural experiment. *Accounting and Finance*, 58(5), 1581-1612.

Nicolau, J.L., 2008. Corporate social responsibility: worth-creating activities. *Annals of Tourism Research*, 35(4), 990-1006.

Noruésis, M.,1995). *SPSS 6.1 guide to data analysis*. Englewood Cliffs. NJ: Prentice Hall.

Ntim, C. and Soobaroyen, T., 2013. Black economic empowerment disclosures by South African listed corporations: the influence of ownership and board characteristics. *Journal of Business Ethics*, 116(1), 121-138.

Nuhoglu, E., 2003. An exploratory study of website environmental reporting in Turkey. *Social and Environmental Accountability Journal, 23*(1), pp.1-5.

O'Dwyer, B., Unerman, J. and Bradley, J., 2005. Perceptions on the emergence and future development of corporate social disclosure in Ireland. *Accounting, Auditing and Accountability Journal*, 18(1), 14-43.

O'Donovan, G., 1999. Managing legitimacy through increased corporate environmental reporting: an exploratory study. *Interdisciplinary Environmental Review*, *1*(1), pp.63-99.

Ogiri, I., Samy, M. and Bampton, R., 2012. Motivations of legitimacy theory for CSR reporting in the Niger Delta region of Nigeria: a theoretical framework. *African Journal of Economic and Sustainable Development*, 1(3), 265.

Omran, M.A. and Ramdhony, D., 2015. Theoretical perspectives on corporate social responsibility disclosure: a critical review. *International Journal of Accounting and Financial Reporting*, *5*(2), pp.38-55.

Opler, T.C. and Titman, S., 1994. Financial distress and corporate performance. *Journal of Finance*, 49(3), 1015-1040.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L., 2003. Corporate social and financial performance: a meta-analysis. *Organisation Studies,* 24(3), 403-441.

Patten, D., 1991. Exposure, legitimacy and social disclosure. *Joumal of Accounting and Public Policy*, 10, 297-308.

Patten, D.M. and Crampton, W., 2004. Legitimacy and the internet: an examination of corporate web page environmental disclosures. Advances in environmental accounting and management, 2, pp. 31-57.

Pava, M. and Krausz, J., 1996. The association between corporate social responsibility and financial performance, the paradox of social cost. *Journal of Business Ethics*, 15(3), 321-357.

Peiris, D. and Evans, J., 2010. The relationship between environmental social governance factors and US stock performance. *Journal of Investing*, 19(3), 104-112.

Peng, X., Tang, P., Yang, S. and Fu, S., 2020. How should mining firms invest in the multidimensions of corporate social responsibility? Evidence from China. *Resources Policy*, 65, 1-10.

Perrini, F., 2005. Building a European portrait of corporate social responsibility reporting. European Management Journal, 23(6), pp. 611-627.

Pinkston, T. S., & Carroll, A. B., 1996. A retrospective examination of CSR orientations: have they changed? Journal of Business Ethics, 15(2), 199–206.

Pham, H.S.T. and Tran, H.T., 2020. CSR disclosure and firm performance: The mediating role of corporate reputation and moderating role of CEO integrity. Journal of Business Research, 120, pp.127-136.

Platonova, E., Asutay, M., Dixon, R. and Mohammad, S., 2018. The impact of corporate social responsibility disclosure on financial performance: evidence from the GCC Islamic banking sector. *Journal of Business Ethics*, 151(2), 451-471.

Platonova, E., Asutay, M., Dixon, R. and Mohammad, S., 2018. The impact of corporate social responsibility disclosure on financial performance: Evidence from the GCC Islamic banking sector. *Journal of Business Ethics*, *151*(2), pp.451-471.

Potluri, R.M., Batima, Y. and Madiyar, K., 2010. Corporate social responsibility: a study of the Kazakhstan corporate sector. *Social Responsibility Journal*, 6(1), 33-44.

Pratten, J. and Mashat, A., 2009. Corporate social disclosure in Libya. *Social Responsibility Journal*, 5(3), 311-327.

Queirós, A., Faria, D. and Almeida, F., 2017. Strengths and limitations of qualitative and quantitative research methods. *European Journal of Education Studies*. 15, 1-10

Rokhmawati, A., Sathye, M. and Sathye, S., 2015. The effect of GHG emission, environmental performance, and social performance on financial performance of listed manufacturing firms in Indonesia. *Procedia-social and Behavioural sciences*, *211*, pp.461-470.

Ramady, M.A., 2018. *Saudi Aramco 2030*. New York: Springer.

Raymond, L., 1990. Organisation context and information systems success :a contingency approach .*Journal of Management Information Systems*, 6(4), 5-20.

Razak, R.A., 2015. Corporate social responsibility disclosure and its determinants in Saudi Arabia. *Middle-East Journal of Scientific Research*, *23*(10), pp.2388-2398.

Rettab, B., Brik, A.B. and Mellahi, K., 2009. A study of management perceptions of the impact of corporate social responsibility on organisational performance in emerging economies: the case of Dubai. *Journal of Business Ethics*, *89*(3), pp.371-390.

Reverte, C., 2009. Determinants of corporate social responsibility disclosure ratings by Spanish listed firms. *Journal of Business Ethics*, 88(2), 351-366.

Reverte, C., 2016. Corporate social responsibility disclosure and market valuation: evidence from Spanish listed firms. *Review of Managerial Science*, 10(2), 411-435.

Ritchie, J., Lewis, J., Nicholls, C.M. and Ormston, R. eds., 2013. *Qualitative research practice: A guide for social science students and researchers*. Newbury Park, CA: Sage.

Rizk, R.R., 2006. *Corporate social and environmental disclosure practices: an international comparison of UK, Indian and Egyptian corporations* (Doctoral dissertation, Durham University).

Roberts, R., 1992. Determinants of Corporate Social Responsibility Disclosure: An Application of Stakeholder Theory, Accounting Organisations and Society 17 (6), 595-612.

Rosenberg, S., Schnurr, P., Oxman, T., 1990. Content Analysis: A Comparison of Manual and Computerized Systems, Journal of Personality Assessment 54 (1), 298.

Rossolatos, G., 2019. Negative brand meaning co-creation in social media brand communities: a laddering approach using NVivo. *Psychology and Marketing*. 14 (1) 118-130.

Roychowdhury, S., Shroff, N. and Verdi, R.S. 2019. The effects of financial reporting and disclosure on corporate investment: a review. *Journal of Accounting and Economics*, 68(2-3), 1-31.

Rupp, D.E., Ganapathi, J., Aguilera, R.V. and Williams, C.A., 2006. Employee reactions to corporate social responsibility: an organisational justice framework. *Journal of Organisational Behaviour*, 27(4), 537-549.

Rutherford, B.A., 2005. Genre analysis of corporate annual report narratives: a corpus linguistics-based approach. *Journal of Business Communication*, 42(4), 349-378.

Ryan, G. and Bernard, R., 2003. Techniques to identify themes. *Field Methods*, 15(1), 85-109.

Sahasranamam, S., Arya, B. and Sud, M., 2019. Ownership structure and corporate social responsibility in an emerging market. *Asia Pacific Journal of Management*, pp.1-28.

Salama, A., 2003. *The relationship between environmental disclosure, environmental reputation and firm financial performance: UK evidence.* PHD thesis, University of Nottingham, UK.

Salama, A., Anderson, K. and Toms, J.S., 2011. Does community and environmental responsibility affect firm risk? Evidence from UK panel data 1994-2006. *Business Ethics: A European Review*, 20(2), 192-204.

Saleh, M., 2009. Corporate social responsibility disclosure in an emerging market: A longitudinal analysis approach. *International Business Research*, *2*(1), pp.131-141.

Saleh, N., 2004. *Corporate Environmental Disclosure in Libya*, phD, Napier University.

Salehi, K., and Golafshani, N., 2010. Commentary: Using Mixed Methods in Research Studies-an Opportunity with Its Challenges. *International journal of multiple research approaches*, *4*(3), 186.

Sarantakos, S., 2005. *Social Research,* third ed. New York: Palgrave Macmillan.

SARCI., 2011. The Saudi Responsible Competitiveness report. Riyadh.

Saudi Arabian General Investment Authority (SAGIA), 2017. Brief about SAGIA (online), http://www.sagia.gov.sa/en/AboutSAGIA/Brief/Pages/default.aspx (Accessed: 10.05.17).

Saudi Arabian Monetary Agency (SAMA), 2017. Historical Preview (online), http://www.sama.gov.sa/en-US/About/Pages/SAMAHistory.aspx (Accessed: 10.05.17)

Saudi General Authority for Statistics, 2017. General Statistics (online): http://www.cdsi.gov.sa/en# (Accessed: 08.05.17)

Saudi Organisation for Certified Public Accountants (SOCPA), 2017. About us (online), http://www.socpa.org.sa/Socpa/About-Socpa/About-us.aspx (Accessed: 11.05.17)

Saudi Standards, Metrology and Quality Organisation, 2017. King Abdulaziz Quality Award (online), http://www.saso.gov.sa/en/about/Pages/kaqa.aspx (Accessed: 13.05.17)

Saudi Vision 2030, 2016. Saudi Vision 2030 (online), http://vision2030.gov.sa/en (Accessed: 09.05.17)

Saunders, B., Sim, J., Kingstone, T., Baker, S., Waterfield, J., Bartlam, B., Burroughs, H. and Jinks, C., 2018. Saturation in qualitative research: exploring its conceptualization and operationalisation. *Quality and Quantity*, 52(4), 1893-1907.

Saunders, M., Lewis, P. and Thornhill, A., 2007. *Research methods for business students*. 4th ed. Essex: Pearson Education Limited.

Saunders, M., Lewis, P. and Thornhill, A., 2009. *Research methods for business students*. 5th ed. London: Pearson Education Limited.

Saunders, M., Lewis, Pand . Thornhill, A., 2012 .(*Research methods for business students.* 6th ed. London: Pearson Education Limited.

Saunders, M., Lewis, P., and Thornhill, A., 2016. *Research methods for business students* (7th ed.): Pearson Education India.

Saunders, M., Lewis, P., Thornhill, A., 2003. *Research Methods for Business Students.* Prentice Hall, London.

Savage, A.A., 1994. Corporate social disclosure practices in South Africa: A research note.

Scherer, A.G., 2018. Theory assessment and agenda setting in political CSR: a critical theory perspective. *International Journal of Management Reviews*, 20(2), 387-410.

Scholtens, B., 2009. Corporate social responsibility in the international banking industry. Journal of Business Ethics, 86(2), pp.159-175.

Schwartz, M.S. and Carroll, A.B., 2003. Corporate social responsibility: A three-domain approach. *Business ethics quarterly*, *13*(4), pp.503-530.

Scholz, J.P. and Schöner, G., 1999. The uncontrolled manifold concept: identifying control variables for a functional task. Experimental brain research, 126(3), pp.289-306.

Sekamn, U., 1992. Research methods for business, a skill building approach (2nd ed). USA: John Wiley & Sons.

Servaes, H. and Tamayo, A., 2013. The impact of corporate social responsibility on firm value: the role of customer awareness. *Management Science*, 59(5), 1045-1061.

Shaukat, A., Qiu, Y. and Trojanowski, G., 2016. Board attributes, corporate social responsibility strategy, and corporate environmental and social performance. *Journal of Business Ethics*, *135*(3), pp.569-585.

Silberhorn, D. and Warren, R.C., 2007. Defining corporate social responsibility: a view from big companies in Germany and the UK. *European Business Review*, 19(5), 352-372.

Silverman, D., 2006. *Interpreting Qualitative Data: Methods for Analysing Talk, Text and Interaction.* SAGE, London.

Simons, P., 2009. *Routledge companion to metaphysics*. New York: Routledge.

Simpson, G.W. and Kohers, T., 2002. The link between corporate social and financial performance: evidence from the banking industry. *Journal of Business Ethics,* 35(2), 97-109.

Singh, P.J., Sethuraman, K. and Lam, J.Y., 2017. Impact of corporate social responsibility dimensions on firm value: Some evidence from Hong Kong and China. *Sustainability*, *9*(9), p.1532.

Siueia, T.T., Wang, J. and Deladem, T.G., 2019. Corporate Social Responsibility and financial performance: A comparative study in the Sub-Saharan Africa banking sector. *Journal of cleaner production*, *226*, pp.658-668.

Smith, H.W., 1981. Strategies of social research: The methodological imagination. Prentice Hall.

Smith, J., Adhikari, A. and Tondkar, R.H., 2005. Exploring differences in social disclosures internationally: a stakeholder perspective. *Journal of Accounting and Public Policy,* 24(2), 123-151.

Smith, M. and Taffler, R.J., 2000. The chairman's statement: a content analysis of discretionary narrative disclosures. *Accounting, Auditing and Accountability Journal*, 13(5), 624-47.

Smith, N.C. and Rönnegard, D., 2016. Shareholder primacy, corporate social responsibility, and the role of business schools. *Journal of Business Ethics*, 134(3), 463-478.

Sobhani, F., Amran, A., and Zainuddin, Y., 2009. Revisiting the Practices of Corporate Social and Environmental Disclosure in Bangladesh, *Corporate Social Responsibility and Environmental Management* 16 (3), 167-183.

Sparkes, R., and Cowton, C. J., 2004. The maturing of socially responsible investment: A Review of the developing link with corporate social responsibility. Journal of BusinessEthics, 52(1), 45-57.

Standke, K.H., 2006. Science and technology in global cooperation: The case of the United Nations and UNESCO. *Science and Public Policy*, *33*(9), pp.627-646.

Stake, R., 1995. *The Art of Case Study Research.* London: Sage.

Stanton, P., Stanton, J. and Pires, G., 2004. Impressions of an annual report: an experimental study. *Corporate Communications: An International Journal*, 9(1), 57-69.

Tadawul, 2016

Takyi, C. and Adela, V., 2019. Determinants of voluntary disclosures on the websites of firms in Ghana. *International Journal of Business and Management*, 7(4) 1-10.

Tamkeen CSR, 2007. Saudi Companies and Social Responsibility.

Tamkeen CSR., 2010. The Evaluation of CSR in Saudi Arabia.

Tashakkori, A. and Teddlie, C.,1998. Mixed Methodology: Combining Qualitative and Quantitative Approaches. Thousand Oaks, CA: Sage.

Teddlie, C. and Tashakkori, A., 2009. *Foundations of mixed methods research: Integrating quantitative and qualitative approaches in the social and behavioural sciences*. Sage.

Teoh, S.H., Welch, I. and Wazzan, C.P., 1999. The effect of socially activist investment policies on the financial markets: evidence from the South African boycott. *Journal of Business,* 72(1), 35-89.

Testa, F., Boiral, O. and Iraldo, F., 2018. Internalization of environmental practices and institutional complexity: can stakeholder pressures encourage greenwashing? *Journal of Business Ethics*, 147(2), 287-307.

Thao, D.T.T. and Le, M.T., 2019. The effect of corporate social responsibility disclosure on corporate financial performance. *International Journal of Business, Economics and Management*, 6(5), 264-288.

The Saudi Stock Market Exchange (Tadawul), 2016. About Tadawul (online), https://www.tadawul.com.sa/wps/portal/tadawul/about/company/about-tadawul (Accessed: 11.05.17)

Thorne, L., Mahoney, L.S. and Manetti, G., 2014. Motivations for issuing standalone CSR reports: A survey of Canadian firms. *Accounting, Auditing & Accountability Journal*.

Tilt, C., 2001. The Content and Disclosure of Australian Corporate Environmental Policies, *Accounting, Auditing and Accountability Journal* 14 (2), 190-212.

Tilt, C.A., 1994. The influence of external pressure groups on corporate social disclosure: some empirical evidence. *Accounting, Auditing and Accountability Journal,* 7(4), 47-72.

Tilt, C.A., 2016. Corporate social responsibility research: the importance of context. *International Journal of Corporate Social Responsibility*, 9, pp. 1-9.

Tilt, C.A., 1998, August. The content and disclosure of corporate environmental policies: an Australian study. In Asia Pacific Interdisciplinary Research in Accounting Conference (pp. 4-6).

Tilling, M.V., 2004. Some thoughts on legitimacy theory in social and environmental accounting. *Social and Environmental Accountability Journal*, *24*(2), pp.3-7.

Tinker, T. and Niemark, M., 1987. The Role of Annual Reports in Gender and Class Contradictions at General Motors: 1917- 1976, Accounting, Organisations and Society, vol. 12, no. 1, pp. 71-88.

Tobin, J., 1969. A general equilibrium approach to monetary theory. Journal of Money, Credit, and Banking 1, 15—29

Todd, L., Leask, A. and Ensor, J., 2017. Understanding primary stakeholders' multiple roles in hallmark event tourism management. *Tourism Management*, 59, 494-509.

Tregidga, H., and Milne, M. J., 2006. From sustainable management to sustainable development: a longitudinal analysis of leading New Zealand environmental reporters. Business Strategy and the Environment, 15(4), 219–241

Tsang, E., 1998. A Longitudinal Study of Corporate Social Reporting in Singapore. *Accounting Auditing and Accountability Journal* 11 (5), 624-635.

Tschopp, D., & Huefner, R. J., 2015. Comparing the evolution of CSR reporting to that of financial reporting. *Journal of business ethics*, *127*(3), 565-577.

Turker, D., 2009. Measuring corporate social responsibility: A scale development study. *Journal of business ethics, 85*(4), pp.411-427.

Tyler, T.R., 2006. *Why people obey the law*. Princeton: Princeton University Press.

Ullmann, A., 1985. Data in search for a theory: a critical examination of the relationship among social performance, social disclosure, and economic performance. *Academy of Management Review*, 10(3), 540-577.

Unerman, J., 2000. Methodological issues: reflections on quantification in corporate social report content analysis. *Accounting, Auditing and Accountability Journal*, 13(5), 667-680.

Unerman, J., 2003. Enhancing organisational global hegemony with narrative accounting disclosures: an early example. *Accounting Forum*, 27(4), 425-448.

Van der Laan, S., 2009. The role of theory in explaining motivation for corporate social disclosures: voluntary disclosures vs "solicited" disclosures. *Australian Accounting, Business and Financial Journal*, 3(4), 15-29.

Van Nguyen, T., Zhou, L., Chong, A.Y.L., Li, B. and Pu, X., 2020. Predicting customer demand for remanufactured products: a data-mining approach. *European Journal of Operational Research*, 281(3), 543-558.

Vance, S., 1975. Are socially responsible firms good investment risks? ManagementReview, 64: 18-24

Velte, P., Stawinoga, M. and Lueg, R., 2020. Carbon performance and disclosure: a systematic review of governance-related determinants and financial consequences. *Journal of Cleaner Production*, 7, 1-10.

Vives, X., 1990. Trade association disclosure rules, incentives to share information, and welfare. *the RAND Journal of Economics*, pp.409-430.

Waddock, S.A. and Graves, S.B., 1997. The corporate social performance-financial performance link. *Strategic Management Journal*, 18(4), 303-319.

Wang, F., Xu, L., Guo, F. and Zhang, J., 2019. Loan guarantees, corporate social responsibility disclosure and audit fees: evidence from China. *Journal of Business Ethics*, 12 (2) 1-17.

Wang, H., Tong, L., Takeuchi, R. and George, G., 2016. Corporate social responsibility: An overview and new research directions: Thematic issue on corporate social responsibility.

Wang, Z. and Sarkis, J., 2017. Corporate social responsibility governance, outcomes, and financial performance. *Journal of Cleaner Production*, 162, 1607-1616.

Wasik, Z., 2017. Epistemology – the theory of knowledge or knowing. *Romanian Journal of Communication and Public Relations*, 18(3), 23-25.

Watson, A., Shrives, P. and Marston, C., 2002. Voluntary disclosure of accounting ratios in the UK. *British Accounting Review*, 34(4), 289-313.

Watson, L., 2015. Corporate social responsibility research in accounting. *Journal of Accounting Literature*, *34*, pp.1-16.

Watts, R.L. and Zimmerman, J.L., 1983. Agency problems, auditing, and the theory of the firm: some evidence. *Journal of Law and Economics*, 26(3), 613-633.

Weber, P., 1994. *Basic Content Analysis*. Sage, London.

Weber, R., 1990. *Basic Content Analysis*, 2nd ed. Sage Publications., London.

Weiss, M. and Jankauskas, V., 2019. Securing cyberspace: how states design governance arrangements. *Governance*, 32(2), 259-275.

Williams, M., and Moser, T., 2019. The art of coding and thematic exploration in qualitative research. *International Management Review*, *15*(1), 45-55.

Williams, M., 1999. Voluntary Environmental and Social Accounting Disclosure Practices in the Asia-Pacific Region: An International Empirical Test of Political Economy Theory, *The International Journal of Accounting* 34 (2), 209-238.

Williams, S.M. and Pei, C.A.H.W., 1999. Corporate social disclosures by listed companies on their web sites: an international comparison. The International Journal of Accounting, 34(3), pp. 389-419.

Williams, G. and Zinkin, J., 2010. Islam and CSR: A study of the compatibility between the tenets of Islam and the UN Global Compact. Journal of Business Ethics, 91(4), pp.519-533.

Wilmshurst, T.D. and Frost, G.R., 2000. Corporate environmental reporting: a test of legitimacy theory. *Accounting, Auditing and Accountability Journal*, 13(1), 10-26.

Winn, M., 2001. Building stakeholder theory with a decision modeling methodology. *Business and Society*, 40(2), 33-166.

Wolfe, R., 1991. The Use of Content Analysis to Assess Corporate Social Responsibility, *Research in Corporate Social Performance and Policy* 12, 281-307.

Wolk, H.I., Tearney, M.G. and Dodd, J.L., 2001. *Accounting Theory: A Conceptual and Institutional Approach* Cincinnati, Ohio: South.

Wu, L. and Bu, H., 2020. Institutional environment, internal control and corporate social responsibility disclosure quality: evidence from China. *International Journal of Applied Decision Sciences*, 13(1), 1-20.

Wu, Y., Zhang, K. and Xie, J., 2020. Bad greenwashing, good greenwashing: corporate social responsibility and information transparency. *Management Science*. 12, 1-14

Wuttichindanon, S., 2017. Corporate social responsibility disclosure—choices of report and its determinants: Empirical evidence from firms listed on the Stock Exchange of Thailand. *Kasetsart Journal of Social Sciences*, *38*(2), pp.156-162.

Xiao, J.Z., Gao, S.S., Heravi, S. and Cheung, Y.Q., 2005. The impact of social and economic development on corporate social and environmental disclosure in Hong Kong and the U.K. *Advances in International Accounting*, 18, 219-243.

Yang, C. and Northcott, D., 2019. How can the public trust charities? The role of performance accountability reporting. *Accounting and Finance*, 59(3), 1681-1707.

Yin, R.K., 2013. Case study research: Design and methods (5th edn). Sage publications.

Yu, H., Kuo, L. and Kao, M., 2017. The relationship between CSR disclosure and competitive advantage. *Sustainability Accounting, Management and Policy Journal*, 8(5), 547-570.

Yusoff, H., Ahman, Z. and Darus, F., 2019. The influence of corporate governance on corporate social responsibility disclosure: a focus on accountability. *Academy of Accounting and Financial Studies Journal*. 15, 1-12.

Yusoff, W.F.W. and Adamu, M.S., 2016. The relationship between corporate social responsibility and financial performance: evidence from Malaysia. *International Business Management*, 10(4), 345-351.

Zahari, A.R., Esa, E., Rajadurai, J., Azizan, N.A. and MUHAMAD TAMYEZ, P.F., 2020. The Effect of Corporate Social Responsibility Practices on Brand Equity: An Examination of Malaysia's Top 100 Brands. *The Journal of Asian Finance, Economics, and Business*, *7*(2), pp.271-280.

Zeghal, D., and S. A. Ahmed., 1990. Comparison of Social Responsibility Information Disclosure Media Used by Canadian Firms Accounting, Auditing and Accountability Journal, 3 (1): 38-53.

Zerban, A., 2013. The need for social and environmental accounting standards: can Islamic countries have the lead? *Eurasian Journal of Business and Management*, 1(2), 33-43.

ZHANG, J., 2016. Does corporate social responsibility affect financial performance of listed manufacturing firms in Germany? (Master's thesis, University of Twente).

Zimmerman, M.A. and Zeitz, G.J., 2002. Beyond survival: achieving new venture growth by building legitimacy. *Academy of Management Review*, 27(3), 414-431.

Zinkin, J., 2007. Islam and CSR: a study of the compatibility between the tenets of Islam, the UN Global Compact and the development of social, human and natural capital. Corporate social responsibility and environmental management, 14(4), pp.206-218.

Zubek, F. 2008. *An investigation into human resource disclosure*. PhD thesis, Liverpool John Moores University, UK.

Zulkifli, N. and Amran, A., 2006. Realising corporate social responsibility in Malaysia: A view from the accounting profession. *Journal of corporate citizenship*, (24), pp.101-11

Zuo, W., Schwartz, M. S., & Wu, Y. 2017. Institutional forces affecting corporate social responsibility behavior of the Chinese food industry. *Business & Society*, *56*(5), 705-737.