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Corporate Disclosure on Anti-Corruption Practice: A study of Social Responsible Companies in The Gulf Cooperation Council.

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Abstract

This paper seeks to determine the extent of anti-corruption information disclosure in the sustainability reports originating from Gulf countries. Focus primarily on the fight against corruption, this study utilizes a deeply-rooted content analysis technique of corporate sustainability reporting, covering 66 Gulf Cooperation Council (GCC) firms during 2014. Strengthened by the application of institutional theory, insight into the results points to a state of limited maturity regarding the disclosure of anti-corruption procedures in the region. More specifically, the results highlight the compliance in the reporting of conduct code, while reporting information on whistle-blowing was significantly less in comparison. Firms in Qatar and UAE ultimately release better informed reports; inclusive of detailed information on internal anti-corruption practices.

Keywords: Anti-corruption disclosure, Sustainability reports, GCC, Arabian Gulf.

1. Introduction

Across the business community, corruption remains a monumental challenge, particularly within developing nations. Corporate corruption has been known to undermine economic development, corrode civil society and diminish democratic accountability. Corroborated by the numerous internationally criminalized corporate scandals over the previous decade, awareness of this issue continues to rise, albeit at uneven rates (ERIS, 2005). Recent scandals of Xerox, Enron, WorldCom and Lehman Brothers have forced the attention of policy makers and governments towards the development of more restrictive anti-corruption policies. According to United Nations Global Compact (2006), corruption has been recognized as one of the world's greatest challenges. Corrupt practices have been known to ultimately robs the already disadvantage population; diverting resources for essential services (education, clean water, and health care) into the purses of corrupt officials (Hills et al. 2009).

Through the literature, various definitions have been used to explain such acts of greed. However, throughout this analysis the explanation put-forward by Argandoña (2005) with the point of reference regarding corruption: *"The act or effect of giving or receiving a thing of value, in order that a person do or omit to do something, in violation of a formal or implicit rule about what that person ought to do or omit to do, to the benefit of the person who gives the thing of value or a third party"* (Argandoña, 2005, p. 252).

Representing a major social issue around the world, corruption is any misuse of power and position for private gain while damaging organizational integrity (UN Global Compact 2006). Through acts of bribery, overestimated project budgets, legal and/or other expenses, corruption is estimated to incur a global cost of \$2.6 trillion. As a result, corporations are constantly encouraged to avoid all forms of corrupt practices, to maximize operational efficiency and maintain a good social reputation. That is, increase anti-corruption practices through a strategic lens focused on corporate social responsibility (CSR) (Hills et al. 2009). The harmful effects of corruption are incompatible with sustainable development, Branco and Matos (2016) thus argues that the prevention of corruption is an integral part of any organization's CSR

Anti-corruption activities are provided under the social category in sustainability reporting guidelines-Global Reporting Initiative (GRI) guidelines. According to the guidelines for 2014, an organization's sustainability report should include anti-corruption policies and procedures implemented in the organization training program on anti-corruption practices, as well as the total number of operations used to assess corruption related risks.

Organizations should report any incidents of corruption and the actions taken. Sustainability reporting guidelines are commonly based on three pillars: economic, environmental, and social. This report conveys information related to an organization's impact (positive or negative) on the environment, society and the economy. The guidelines further assert the adoption of robust corporate governance system that counters financial statement fraud, corruption and money laundering activities. Good corporate governance has been identified as important way to curtail

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4 such activities. Firms, posited by Rose-Ackerman et al. (2012), need to push towards a self-
5 fulfilling cycle of good governance to promote the efficacy of anti-corruption practices.
6 Osuagwu (2012) adds that governance system designed to fight corruption should be built to
7 reach effectiveness and improve performance.
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10 Currently, laws which exist within the Gulf Cooperation Council (GCC) countries prohibit any
11 acts of bribery. The violation of these laws are accompanied by criminal fines and or periods of
12 imprisonment for both parties involved; those who offer the bribe, as well as for the local official
13 receiving. Gifts in any form, hospitality, or entertainment can constitute a bribe and therefore
14 forbidden under the laws of the GCC states; if influential to an official's decisions (Jones Day,
15 2013). The Corruption Perceptions Index (CPI) published on an annual basis by Transparency
16 International (TI), in 2015, ranks all GCC states. A review of this index reveals that Qatar and
17 the United Arab Emirates (UAE) both enjoy better rankings compare with other GCC states.
18 Qatar was labelled the least corrupt country, ranking 22nd on a global scale, followed by UAE,
19 Saudi Arabia, Bahrain, Kuwait and Oman have CPI ranking of 23rd, 48th, 50th, 55th and 60th,
20 respectively.
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26 Heightened by this ranking, the aim of this study is to determine the extent of sustainability
27 reporting in GCC companies under coercive isomorphism concept; with a special interest in the
28 disclosure of anti-corruption practices. Ultimately, addressing the following questions: To what
29 extent the GCC companies disclose their anti-corruption practices in the sustainability reports?
30 What areas of anti-corruption disclosure the GCC is more concern in their sustainability reports?
31 To what extent do external forces under coercive isomorphism explain the extent of anti-
32 corruption disclosure?
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36 The remainder of this paper is structured as follows. The next section will provide a review of
37 the existing literature relevant to the research. This will be followed by theoretical framework.
38 Section 4 provides a description of the methodological process. Section 5 provides the results
39 and discussion followed by conclusive remarks of the study in Section 6.
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42 **2. Literature Review**

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44 There is little research in literature on the anti-corruption practices disclosure as an integral part
45 of CSR themes or sustainability reporting for firms (Rodriguez et al. 2006; Dissanayake et al.
46 2011; Ho & Lin, 2012 and Branco & Matos, 2016).
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49 In 2006, Wilkinson (2006) notes that anti-corruption information by firms does not have the
50 lengthy reporting history compared with ecological issues. However, the lack such discourse by
51 firms due to reporting on anti-corruption presents practical difficulties. Corruption by its very
52 nature is secretive, complex, hidden and or viewed as sensitive by firms, yet it does not carry the
53 same emotive weight as other social issues. In an effort to evaluate managers' perception toward
54 anti-corruption practices and reporting, Gordon and Wynhoven (2003) examined the top 100
55 non-financial multinational firms' websites listed in United Nations Conference on Trade and
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Development's (UNCTAD) World Investment Report 2002. The authors reported that only 43% published anti-corruption material on their websites, while 95% disclosed environment related information. They also found that the propensities to disclose anti-corruption practices were based on the country of location and or the sector.

Resulting in similar findings, Healy and Serafeim (2014) used TI's scoring index of anti-corruption reporting on 480 firms to investigate whether their disclosures reflect firms' real efforts to fight corruption or are "*cheap talk*". They found that ratings of firms' anti-corruption practices reporting are predictably related to strong enforcement, such as home country laws and regulations, industry corruption risk, U.S. listing, Big Four auditors, and have greater board independence. In KPMG (2005) surveyed, exceeding 1600 annual reports, of the world's largest firms in 2005, reported that 61% of the firms included a section on corporate governance, but only 18% included policies for bribery or corruption.

In further efforts to evaluate perception to combating this negative practice, TI (2009) examined the sustainability reports, annual reports and websites of the Fortune 500 world's largest leading corporations. It is found that while firms may often disclose high-level strategic commitments to fight corruption, they are less likely to disclose information on the necessary support systems required to meet these commitments. Day and Chambers (2011) analyzed the annual reports of twenty FTSE 100 firms over a two year period (2007-2008) in terms of bribery and corruption reporting. They found additional evidence which indicated the absence of accountability from firms in regard to bribery and corruption information disclosures.

Hess (2009) stated that reporting on the effectiveness of anti-corruption practices by the firm serves multiple organizational goals. First, it provides accountability. Second, it raises high level of public awareness and makes pressure on other firms to adopt the principles. Third, reporting on anti-corruption also serves the goal of organizational learning. Through disclosure, firms can begin to learn from the experiences of others' anti-corruption efforts and adopt best practices. Reporting on the effectiveness of anti-corruption provides indications that firms are taking responsibility for their employees' behavior and that they acknowledge the negative consequences to their reputation. There is proliferation of guidelines and initiatives for organizations to following, which can assist with reporting efforts geared towards combating bribery and corruption: such include TI, FTSE4Good Index Series, UN Global Compact and GRI (ACCA 2008).

In 2012, Hoi and Lin (2012) investigated the development of CSR framework in Taiwan Semiconductor Manufacturing Company (TSMC), one of the largest semiconductor industries in the world, and its association with anti-corruption activities. It was concluded that there exist a positive relationship between firm's anti-corruption program and its commitment to CSR. Furthermore, the authors found that CSR undermines corporate corruption in two ways: through extrinsic regulations such as such as bureaucratic controls, codes of conduct, and legal and regulatory sanctions that emphasize surveillance and penalty, and or intrinsic motivations such as

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4 such as company values, organizational ethics, and self-controls that emphasize integrity and
5 self-monitoring. Branco (2016) analyzed the 2009 sustainability reports of Portuguese firms to
6 understand the disclosure practices. He concluded that firms with a high level of corruption risk
7 and firms in association with the UN Global Compact seem to show greater concern to improve
8 corporate image through anti-corruption reporting.
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11 In context of the GCC and the Middle East, a void remains for studies examining the level of
12 anti-corruption practices reporting. According to the CPI in 2015, issued by the TI, Qatar has
13 ranked as "cleanest" of the GCC, it ranked 22nd and the UAE followed at 24. While the other
14 GCC countries have higher serious corruption ranking, Saudi Arabia was ranked 48, Bahrain
15 followed at 50, Kuwait was ranked 55 and Oman was placed 60.
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18 **3. Theoretical Framework**

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20 Institutional theory is a widely accepted. The theory states that institutions are deeply embedded
21 in wider institutional and environmental structures, thus institutional practices are often either
22 direct reflection of, or responses to, rules and structures built into their wider environments
23 (Powell 1998; Scott, 2005). According to Scott and Meyer (1994), institutions are symbolic and
24 behavioral systems containing representational, constitutional, and normative rules together with
25 regulatory mechanisms that define a common meaning system and give rise to distinctive actors
26 and action routines.
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31 Across the body of academic literature, institutional theory has been employed in several studies
32 to understand accounting practices and reporting. Examples include, case-mix accounting
33 choices, budgeting, generally accepted accounting principles (GAAP) adoption, sustainability
34 reporting, and financial reporting (see Mezas 1990; Covalleski et al. 1993; Carpenter & Feroz,
35 2001; Campbell, 2007; Joseph et al. 2015). The institutional theory posits that in order to
36 survive, organizations must conform to the rules and belief systems prevailing in the
37 environment, this behavior is called institutional isomorphism (Scott, 1994). Hawley (1968)
38 define "isomorphism" as the constraining process that obliges one unit in a population to
39 resemble other unites that face the same set of environmental characteristics, while DiMaggio
40 and Powell (1983) later provide a more narrow definition – it is the likelihood of organizations to
41 adopt the same structures and practices.
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46 Legitimacy is a major organization's need that comes from institutional isomorphism, according
47 to Meyer and Rowan (1977), organizations mimic the structure and practices defined by
48 prevailing rationalized concepts of an institutionalized society. The Institutional theory has
49 numerous similarities with the legitimacy theory; organizations strive to increase efficiency by
50 achieving some 'fit' between environmental condition and structure, but the objective of
51 efficiency is a result from organization's need to legitimize itself (DiMaggio and Powell, 1983;
52 Meyer and Zucker, 1989; Brignall & Modell, 2000). Greenwood & Hinings (1996) state that
53 organizations conform to contextual expectations in order to promote legitimacy and rise their
54 probability of survival.
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4 According to Dimaggio and Powell (1983), three varying mechanisms exist through which
5 institutional isomorphism occurs; coercive, mimetic, and normative. Coercive isomorphism is
6 used to clarify the institutional environment in the fight against corruption (Joseph et al. 2015).
7 Coercive isomorphism in itself is driven by two forces - the response to pressures from
8 organizations such as a government and key dependent affiliates, and the pressure to adapt to
9 cultural expectations of larger society (Dimaggio & Powell, 1983; Mizruchi & Fein, 1999;
10 Radaelli, 2000). This concept originated from the influence of government regulation, law and
11 the external environment; resulting from both formal and informal pressures exerted by
12 organizations of which the particular organization is dependent (Amran & Devi 2008). These
13 pressures may be in the form of forces, persuasions or invitations to collude.
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18 In relation to the anti-corruption activities adopted by the international corporation, Rodriguez et
19 al. (2005) mentioned that in a host country, which forbids corrupt behaviors, International
20 Corporation complies with their institutional environment and adopts the same norms and
21 practices in order to create acceptance by government. While in other countries, International
22 Corporation becomes isomorphic with a pervasively corrupt; complying with forces to pay
23 bribes, engage in other illegal activities, in efforts to gain legitimacy support.
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27 The coercive pressure used in this paper presents the regulations and laws imposed by the
28 regulatory authorities; regarded as the external formal body that forces organizations to adopt
29 anti-corruption practices and to disclose anti-corruption activities in their sustainability reports.
30 Coercive isomorphism approach has been widely used by other studies, including (Carpenter &
31 Feroz, 2001; Joseph and Taplin, 2011; Joseph et al., 2015).
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35 **4. Research Methodology**

36 The Content Analysis approach used have been applied in previous studies to collect anti-
37 corruption information from annual reports and examine the level of disclosure (Dissanayake et
38 al., 2011; Joseph et al., 2015; Branco & Matos, 2016). Content Analysis is a technique of
39 codifying the text of a piece of writing into groups based on selected criteria (Weber, 1990;
40 Guthrie and Abeysekera, 2006). Following prior studies (Dissanayake et al., 2011 and Joseph et
41 al., 2015), this study uses dichotomous scales of measurement of the availability of thematic
42 disclosure (index measures) in order to capture the desired information.
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46 This comprehensive approach to examining the level of anti-corruption disclosure evaluates
47 using seven general themes, of 40 sub-categories. The general themes include: (1) Accounting
48 for combatting bribery; (2) Board and Senior Management responsibility; (3) Building human
49 resources to combat bribery; (4) Responsible business relationships; (5) External verification
50 and assurance; (6) Codes of Conduct; and (7) Whistle-blowing.
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54 The sustainability annual reports of GCC firms reported in 2014 were evaluated. These reports
55 were primarily obtained from the Global Reporting database with others source through the
56 individual firm's website. The sample consists of 66 GCC firms disclosing sustainability reports
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4 according to GRI, the Organization for Economic Co-operation and Development (OECD) and
5 The UN Global Compact guidelines. The sample also included firms not referring to any
6 guidelines of reporting. Collectively, data was gathered from 8 Saudi firms, 5 Oman firms, 5
7 Kuwait firms, 1 Bahrain firm, 31 Emirates firms and 16 Qatar firms.
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9 10 **5. Results and Discussion**

11 The results of this analysis are presented in the Figure 1 and Appendix 1. Category 1 presents the
12 number of items listed in the annual and sustainability reports for combating bribery. Notably, all
13 of GCC firms provide information regarding the combatting bribery (item 9); indicating concerns
14 with the process of the internal control systems. The majority of firms omit information on the
15 facilitation of payment prohibitions and number of employee dismissal (items 7 and 12).
16 Dissimilar, the disclosure of such information was without concern for 1 Saudi firm, 4 UAE
17 firms and 1 Oman firm. The sample appears to have committed to disclosing charitable
18 contribution and sponsorship (item 6); a measure of the organization's charitable efforts.
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23 Under Category 2, insight into the responsibilities of board members and senior management is
24 gained. According to the data, the GCC made considerable efforts to disclose much less
25 information on whether dialogue between NGOs and the public, to promote their anti-corruption
26 program, exists. Limited information was also recorded regarding the existence of independent
27 assessment of the program by audit committees (items 6 and 7). This is a possible indicator that
28 few firms collaborate with third parties entities to improve anti-corruption policies; paying less
29 attention to the assessment process of their anti-corruption program.
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33 Category 3 provides statistics regarding building human resources to combat bribery; a signal
34 that firms are reporting on human resources practices and commitments (item 1) - a commitment
35 level exceeding 80%. This was closely followed by item 2, information on development of
36 human resources policies with the assistance of trade unions and consultation with employees.
37 Only 1 Kuwaiti was excluded from the list of countries not listed under item 2. Category 4
38 illustrates the reporting on responsible business relationships. The results of items 1 and 6, which
39 include information on monitoring the performance of joint ventures and conducting the
40 procurement practices, were disclosed by approximately 37% of GCC firms. However, the
41 information on the remaining items was disclosed by every firm. Largely, the GCC firms show
42 less awareness on the external business relations and communications.
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48 Category 5 demonstrates the disclosure on external verification and assurance. It indicates that a
49 larger portion of GCC firms commits to the full disclosure on the provision of assurance
50 statements (item 3). However, reporting on external verification or assurance of anti-corruption
51 program was provided by UAE firms. Category 6 illustrates the disclosure on codes of conduct.
52 It indicates that the majority of GCC firms reported on the codes of conduct in a good manner
53 among their stakeholders (3 items). Category 7 also includes a shortened list of GCC firms,
54 which disclosed adequate information on the existence and implementation of whistle-blowing
55 system. Bahrain firms were completely excluded from the list.
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4 Also gathered from Figure 1, is the GCC firms intent level to disclose the highest amount of
5 information on category (6) - Codes of Conduct; category (3) - Building Human Resources to
6 Combat Bribery and category (2) - Board and Senior Management Responsibilities. Minimum
7 disclosure was on category (7) Whistle-Blowing. GCC firms display great concern regarding the
8 code of conduct and communicating their business ethics with employees. This demonstrates a
9 proposal to safeguard business profits and professional ethics, while ensuring the firm continues
10 to uphold high standards of ethical behavior in the business operations. However, the
11 whistleblowing system of disclosure by GCC firms requires significant attention despite the
12 assistance offered to governments by international anti-corruption groups, such as TI.
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17 Suggested in the results, UAE and Qatar firms were more inclined to engage in sustainability
18 reports compare with firms from other GCC countries. This is consistent with the finds of the
19 Centre for Sustainability and Excellence's (CSE) research on sustainability reporting in Middle
20 East region (2014); where the country capturing the most sustainability reports in the period
21 2012-2014 was UAE (34%), followed by Qatar (22%). The other countries were represented by
22 small groups of firms. Saudi Arabia and Oman had a small group of firms concerned with
23 sustainability reporting, despite a high public awareness levels through several events held. This
24 indicates a clear gap between the level of awareness and practice, coupled with a lack of
25 enforcement by local governments.
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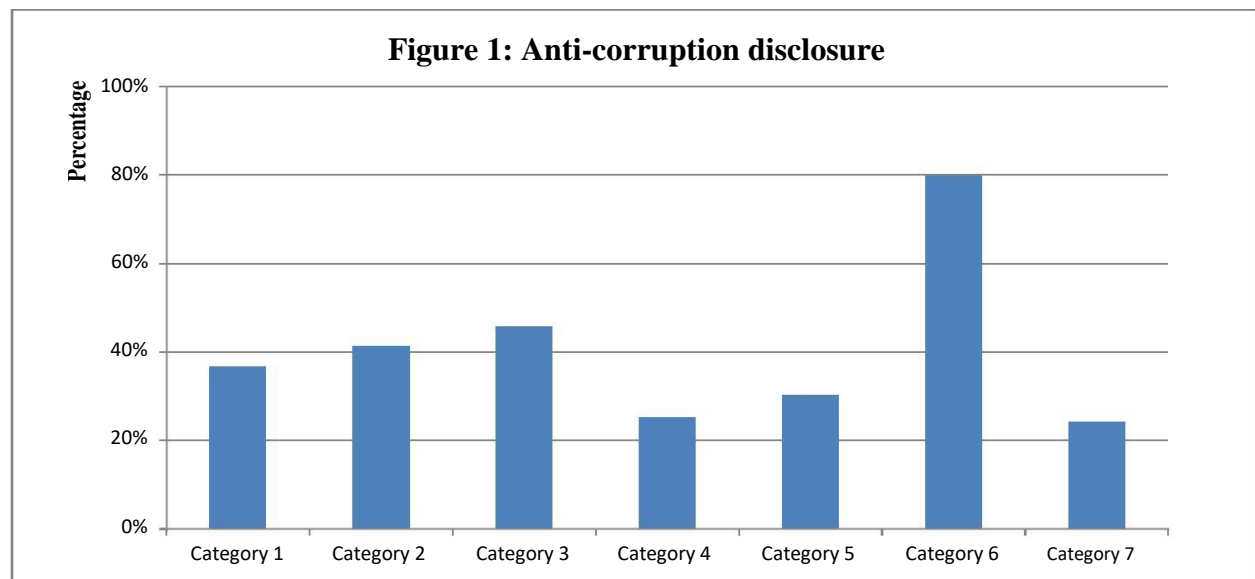
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30 Regarding coercive isomorphism, an accurate comparison of best practices between UAE and
31 Qatar firms and others (in Saudi, Oman, Kuwait and Bahrain) is impractical, due to the wide gap
32 which exists between reporting habits. There is an absence of strict formal regulations and rules
33 in other countries, which obligate firms to build a sound anti-corruption system. Furthermore,
34 coercive isomorphism is more evident in UAE and Qatar, with global ranking for the two
35 countries improving annually¹. UAE and Qatar are noted with the least corruption among the
36 GCC nations, justified by the significant progression in adherence of good corporate governance.
37 Regulatory authorities in the both countries have imposed significant initiatives to enhance the
38 corporate governance practices and fight against corruption, when matched against the other
39 GCC countries. Additionally, the formal pressure by regulators in Qatar and UAE is
40 demonstrated through the implementation and development of corporate governance system that
41 inevitably results in enhancement of anti-corruption practices.
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47 UAE and Qatar governments have shown commitment efforts in their fight against corruption.
48 Various mechanisms have been advanced toward this effort; including, ratifying the UN
49 convention on corruption, signing the Arab Anti-corruption and Integrity Network. The UAE has
50 also appointed a federal body to oversee the use of public funds – the State Audit Institution
51 (SAI). Following UN anti-corruption recommendations, in 2011 the SAI issued a guide on best
52 practices focused on anti-corruption and fraudulent activities (All & Bose, 2015). The Qatar
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57 ¹For example, in 2012, the both of Qatar and UAE had the 68th and they needed just two years to have the
58 better global ranking.
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Financial Market Authority (QFMA) established a corporate governance code in 2009, based on international standards set forth by OECD, the Bank for International Settlements (BIS), the International Corporate Governance Network (ICGN) and the Institute of International Finance (IIF). The corporate governance code has been amended several times in the latter years to match the sustainability goals of Qatar's National Vision 2030².

The implementation of anti-corruption systems is favorable to a firm's corporate image and reputation. Alternatively, a firm considered to be involved in corrupt or fraudulent activities is expected to receive a negative outlook. Consequently, the limited number of firms which engage in sustainable reporting and anti-corruption practices, in Saudi, Oman, Kuwait and Bahrain, tend to be more visible to the public while maintaining a positive reputation. Furthermore, the high level of public awareness particularly in Saudi Arabia and Oman requires a response from firms to maintain their legitimacy and to explain their commitment to the community through good governance and reporting (Suchman, 1995). It is worth-of-note that CSR reporting by Saudi Arabia, Oman, Kuwait and Bahrain firms are primarily focused on charitable philanthropic activities. Fombrun and Shanley (1990) previously postulated that firms with foundations and give more to charity, are likely to have a higher positive reputation.



Category 1: Accounting for combatting bribery.
 Category 2: Board and senior management responsibilities.
 Category 3: Building human resources to combat bribery.
 Category 4: Responsible business relationships.
 Category 5: External verification and assurance.
 Category 6: Codes of conduct.
 Category 7: Whistle-blowing.

According to Meyer and Rowan (1977), Isomorphism forces may be a result of the several corporate governance incentives and rewards granted to firms as a result of the adoption of best

² Qatar's National Vision 2030 is a development plan launched in October 2008 by the General Secretariat for Development Planning in the State of Qatar. The aim of QNV 2030 is to transform Qatar into an advanced society capable of achieving sustainable development by 2030.

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4 practices³. With regard to institutional theory, conformance to the ceremonial measurement
5 criteria has also proven useful to organization. It legitimizes the organization with internal
6 participants, stockholders, the society and the regulatory bodies, demonstrating socially the
7 fitness of an organization. High ceremonial values help the organization to boost its legitimacy
8 consequently loans, donations or investments are more easily to be obtained.
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10 11 **6. Conclusion**

12 This study assesses the level of sustainable reporting performance on combating corruption
13 under the coercive isomorphism concept, in efforts to understand the anti-corruption systems,
14 strategies and policies of GCC firms according to 2014 data. GCC firms disclosed the highest
15 amount of information under the category (6) Codes of Conduct, while the category (7) Whistle-
16 Blowing has the least disclosure.
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20 Although there has been a significant increase in the importance of anti-corruption reporting as a
21 means of reducing corruption, globally. The study finds that anti-corruption disclosure in GCC
22 region has yet to reach a high or maturity level. Interpreted through the lens of institutional
23 theory, the regulatory authorities are coercively pressured to fight corruption in GCC region.
24 Firms in Qatar and UAE notably abide by the rules set by the regulatory authorities to disclose
25 anti-corruption information. The sustainable developments in Qatar and UAE required enacting
26 laws to follow the global trend of efforts in improving the sustainability. These firms in the both
27 countries release more detailed anti-corruption information than other countries in GCC region.
28 Furthermore, evidence suggest an increasing trend in GCC to include more anti-corruption
29 information.
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35 Conclusively, the growth in sustainability reporting within GCC countries was justified under the
36 institutional theory - legitimacy is an essential organization's need that comes from institutional
37 isomorphism. Thus, the GCC firms attempt to present a socially responsible image through their
38 reports in order to increase legitimacy and credibility with stakeholders. Despite the present
39 increasing trend, only a small percentage of reports remain fully compliant with the respective
40 rule of law.
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56 ³ Numerous GCC firms have disclosed on rewards such as Best Corporate Social Responsibility Program in the
57 Middle East, Golden Peacock Global Award for Sustainability Institute of Directors and Excellence in
58 Governance Award.
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Appendix

Category 1: Accounting for combatting bribery.

	Accounting for combatting bribery	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total 1	%	Total 1	%	Total 1	%	Total 1	%	Total 1	%	Total 1	%
1	The company prohibits all forms of bribery whether they take place directly or through third parties.	5	62.5	4	80	4	80	1	100	25	80.6	11	68.8
2	The company prohibits its employees from soliciting, arranging or accepting bribes intended for the employee's benefit or that of the employee's family, friends, associates or acquaintances.	4	50	3	60	1	20	1	100	18	58.1	10	62.5
3	The company, its employees or agents make clear commitments that they do not have direct or indirect contributions to political parties, organizations or individuals engaged in politics, as a way of obtaining advantages in business transactions.	3	37.5	0	0	0	0	1	100	5	16.1	0	0.0
4	The company discloses all its political contributions.	0	0	1	20	0	0	1	100	4	12.9	0	0.0
5	The company ensures that charitable contribution and sponsorship are not used as a subterfuge for bribery.	1	12.5	1	20	2	40	1	100	1	3.2	0	0.0
6	The company publicly discloses all its charitable contribution and sponsorship.	5	62.5	3	60	1	20	1	100	22	71.0	14	87.5
7	The company does not make facilitation payments and takes the initiative to identify and eliminate them.	0	0	1	20	0	0	0	0	4	12.9	0	0.0
8	The company prohibits the offer or receipt of gifts, hospitality or expenses whenever they could affect or be perceived to affect the outcome of business transactions and are not reasonable and bona fide.	2	25	1	20	1	20	1	100	13	41.9	7	43.8
9	The company establishes and maintains an effective system of internal control to counter bribery, comprising financial and organizational checks and balances over the enterprise's accounting and record keeping practices and other business processes related to the program.	4	50	5	100	4	80	1	100	24	77.4	15	93.8
10	The company subjects the internal control systems, in particular accounting and record keeping practices, to regular review and audit to provide assurance on their design, implementation and effectiveness.	5	62.5	3	60	2	40	1	100	16	51.6	5	31.3
11	Discloses the number of violations.	5	62.5	1	20	3	60	1	100	8	25.8	3	18.8
12	Reports the number of dismissals of employees.	1	12.5	0	0	0	0	0	0	0	0	0	0.0

Category 2: Board and senior management responsibilities.

	Board and senior management responsibilities	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	The board of directors or equivalent body should commit to an anti-corruption policy and program based on business principles and provide leadership, resources and active support for the management's implementation of the program.	2	25	4	80	4	80	1	100	26	83.8	8	50
2	The company makes compliance with the program mandatory for directors and applies appropriate sanctions for violations of its program.	2	25	2	40	3	60	1	100	7	22.5	0	0
3	The company establishes feedback mechanisms and other internal processes supporting the continuous improvement of the program.	4	50	5	100	4	80	1	100	14	45.1	9	56.2
4	Senior management of the company monitors the program and periodically reviews the program's sustainability, adequacy and effectiveness, and implements improvements as appropriate.	6	75	5	100	3	60	1	100	20	64.5	15	93.7
5	Senior management should periodically report the results of the program review to the audit committee, board or equivalent body.	5	62.5	3	60	1	20	1	100	11	35.4	3	18.7
6	Management offers dialogue with the NGOs and public so as to promote its awareness of and cooperation with the fight against bribery and extortion.	2	25	2	40	0	0	1	100	11	35.4	0	0
7	The audit committee, the board or an equivalent body should make an independent assessment of the adequacy of the program and disclose its findings in the enterprise's annual report to shareholders.	1	12.5	0	0	1	20	1	100	1	3.2	0	0

Category 3: Building human resources to combat bribery.

	Building human resources to combat bribery	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	Human resources practices including recruitment, promotion, training, performance evaluation, remuneration and recognition should reflect the companies' commitment to the program.	8	100	5	100	4	80	1	100	29	93.5	15	93.7
2	The human resources policies and practices relevant to the program are developed and undertaken in consultation with employees, trade unions or other employee representative bodies as appropriate.	2	25	4	80	5	100	0	0	20	64.5	12	75
3	The company makes it clear that no employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in the enterprise losing the business.	0	0	1	20	0	0	0	0	0	0	0	0
4	Reports the percentages of employees trained in the organization's anti-corruption policies and procedures.	1	12.5	1	20	3	60	1	100	8	25.8	1	6.25

Category 4: Responsible business relationships.

	Responsible business relationships	Saudi		Oman		Kuwait		Bahrain		Emirates		Qatar	
		n: 8		n: 5		n: 5		n: 1		n: 31		n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	The company monitors the programs and performances of joint ventures and consortia; in the case of policies and practices that are inconsistent with its own program, the enterprises should take appropriate action. This can include: requiring corrections of deficiencies in the implementation of the program, application of sanctions, or termination of its participation in the joint venture or consortium.	3	37.5	3	60	3	60	1	100	14	45.1	11	68.7
2	Where the company is unable to ensure that a joint venture or consortium has a program consistent with its own, it should have a plan to exit from the arrangement if bribery occurs or is reasonably thought to have occurred.	1	12.5	1	20	0	0	0	0	2	6.4	1	6.25
3	The company ensures that remuneration of agents is appropriate and for legitimate services only. Where relevant, a list of agents employed in connection with transactions with public bodies and state-owned enterprises should be kept and made available to competent authorities.	1	12.5	0	0	0	0	0	0	0	0	0	0
4	The company contractually requires its agents and other intermediaries to keep proper books and records available for inspections by the enterprise, auditors or investigating authorities.	0	0	0	0	0	0	0	0	0	0	0	0
5	The company monitors the conduct of its agents and other intermediaries and should have a right of termination in the event that they bribe or act in a manner inconsistent with the enterprise's program.	2	25	3	60	2	40	1	100	13	41.9	4	25
6	The company conducts its procurement practices in a fair and transparent manner.	3	37.5	3	60	2	40	1	100	13	41.9	10	62.5
7	The company makes known its anti-corruption policies to contractors and suppliers.	0	0	3	60	2	40	1	100	11	35.4	3	18.7
8	The company monitors significant contractors and suppliers as part of its regular review of relationships with them and has a right to terminate in the event that they pay bribes or act in a manner inconsistent with the enterprise's program.	3	37.5	2	40	2	40	1	100	14	45.1	6	37.5
9	The company reports the number of contracts terminated.	0	0	0	0	0	0	0	0	2	6.4	2	12.5

Category 5: External verification and assurance.

	External verification and assurance	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	The board or equivalent body should consider whether to commission external verification or assurance of anticorruption policies and systems to provide enhanced internal and external assurance of the program's effectiveness.	0	0	0	0	0	0	0	0	4	12.9	0	0
2	Where such external verification or assurance is conducted, the board or equivalent body should consider publicly disclosing that an external review has taken place, together with the related verification or assurance opinion.	0	0	0	0	0	0	0	0	2	6.4	0	0
3	Assurance statements explicitly cover program reporting.	7	87.5	5	100	4	80	1	100	23	74.1	14	87.5

Category 6: Codes of conduct.

	Codes of conduct	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	Establishment of Codes of Conduct relates to corruption practices	6	75	3	60	4	80	1	100	28	90.3	16	100
2	The Code of Conduct is effectively communicated to the members of the organization	6	75	3	60	4	80	1	100	25	80.6	11	68.7
3	Establishment of a monitoring mechanism on the implementation of the Codes of Conduct	5	62.5	3	60	4	80	1	100	25	80.6	12	75

Category 7: Whistle-blowing.

	Whistle-blowing	Saudi n: 8		Oman n: 5		Kuwait n: 5		Bahrain n: 1		Emirates n: 31		Qatar n: 16	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1	Existence of a whistle-blowing policy	3	37.5	1	20	3	60	0	0	13	41.9	4	25
2	Implementation of whistle-blowing practices.	3	37.5	1	20	3	60	0	0	13	41.9	4	25