

**AN INVESTIGATION INTO HUMAN RESOURCE DISCLOSURE,
WITH SPECIFIC REFERENCE TO CORPORATE SOCIAL
RESPONSIBILITY IN THE LIBYAN OIL INDUSTRY**

FATHI F. ZUBEK

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ABSTRACT

Recent years have shown an increase in the attention that researchers into accounting have paid to Corporate Social Responsibility (CSR). However, it is apparent that studies have not explored HR disclosure in annual reports from both the users' perspective and those who prepare the reports. Secondly, whilst annual reports have shown HR to be the most frequently disclosed category in organisation, a study of stakeholder views of HR disclosure had not been previously undertaken. Thus, this research explores the perceptions of three key stakeholders associated with HR disclosure and examines the current HR disclosure within the Libya oil industry. In this way the research makes a unique contribution to the knowledge of CSR practices in a developing economy.

To achieve the aims, two key approaches were used. Firstly, a questionnaire survey was undertaken with Executive Managers (who prepare the annual reports), employees unions and directors of general administration in the National Oil Corporation. Secondly, a longitudinal study, using content analysis from 197 annual reports, was made of the HR disclosure practices adopted by oil companies operating in Libya between 1996 and 2005,.

The findings from questionnaire indicate that participants preferred HR information to be disclosed in the annual report, ideally placed in a separate section. Reports placed a strong emphasis on disclosing information on training programs. With regards the reasons for nondisclosure, respondents believed that the oil companies failed to report HR information because they believed that the public had insufficient understanding of the importance of this sort of information, although they added that different parties within society have a right to such information.

Content analysis showed that Libyan oil companies generally disclose a large amount of HR related information. However, there is little evidence of disclosure relating to "Consultation with employees" and "Employment of disabled people". Conversely, the greatest information disclosed related to training programmes. Most of the information was disclosed in quantitative form.

Results indicated that company age; ownership, activity and the location of activity, positively influenced the extent of HR disclosure. Conversely, the size of Libyan organisation did not significantly influence HR disclosure.

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Declaration

This is to certify that this thesis is the result of an original investigation. The material has not been used in a submission for any other qualification. Full acknowledgement has been given to all sources used.

Signed: 

Date: 12.09.2008

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CHAPTER ONE

INTRODUCTION TO THE RESEARCH

1.1 Introduction

Issues of corporate social responsibility (CSR) that relate to accounting and reporting have been the concern of academics for more than two decades (Zeghal & Ahmed, 1990; Hackston & Milne, 1996; Adams, Hill, & Roberts, 1998; Adams & Kuasirikun, 2000; Gray, 2001; Day & Woodward, 2004; Freedman & Patten, 2004; Smith, Adhikari, & Tondkar, 2005). The growing awareness of CSR, which has impacted on organisations and society at large, appears to have influenced businesses to be more concerned about their CSR activities, with information users equally requesting more information on the issue (Gray, Owen, & Maunders, 1987). Various approaches have been used to classify CSR disclosure, although five groupings commonly emerge: human resource, products, environment, energy and community involvement, (Gray *et al.*, 1987; Mathews, 1993; Perks, 1993). Human resource (HR) disclosure has become an influential part of CSR, with the greater disclosure being reported in annual reports (Andrew, Gul, Guthrie, & Teoh, 1989; Abu-Baker & Naser, 2000).

This chapter is organised into six sections. The second section provides an overview of the background to the research, the relevant studies and justification for the research. The research objective and questions are explained in the third section. The fourth and

the fifth sections state the research methodology and contributions respectively. The final section contains organisation of the thesis.

1.2 Background, Literature and Justification for the Research

CSR disclosure has emerged as one way for organisations to communicate information and to satisfy stakeholders seeking such disclosure.

CSR disclosure has been defined as the providing of financial and non-financial information, in corporate annual or separate social reports, that relates to an organization's interaction with its physical and social environment, (Guthrie & Mathews., 1985). Subsequently, (Gray, Owen, & Maunders, 1987) claimed that CSR was: "the process of communicating the social and environmental effects of organisations' economic actions to particular interest groups within society and to society at large". A different perception was taken by Perks (1993:79) who viewed CSR disclosure as: "disclosure of those costs and benefits that may or may not be quantifiable in money terms arising from economic activities and substantially borne by the community at large or other stakeholders".

Moreover, Gray *et al.*, (1987) classified CSR disclosure into five categories that commonly emerge: human resource, products, environment, energy and community involvement (Gray *et al.*, 1987; Mathews, 1993; Perks, 1993). Human resource (HR) disclosure, however, has become an influential part of CSR, as the greatest amount of disclosure being reported in annual reports related to HR (Abu-Baker & Naser, 2000; Andrew. Gul, Guthrie, & Teoh, 1989). (Kisenyi & Gray, 1998) addressed the

importance of conducting research in the context of the developing world countries when they state that:

“Whilst we are steadily learning more about social and environmental accounting and disclosure practices in the English-speaking and European countries, we still know too little about practices in ex-colonial, smaller and/or emerging countries. Learning about these countries is not only valuable for stimulation it offers to the jaded palettes of Western scholars but also, more importantly, it can provide vivid challenges to the presupposition baggage with which Western researchers typically approach issues”.

Consequently, this research is motivated by this lack of previous research. It considers HR disclosure practice in the Libya oil industry, which has not previously been studied. The conditions and problems of disclosure of HR information in Libya oil industry are difficult to appreciate without a full understanding of general HR and the different kinds of factors which influence HR disclosure. Libya is a developing country with a unique political system based on the "Third Universal Theory" of the Green Book¹ which was produced by Muammar Qathafi in the 1970s.

This current research focuses exclusively on the disclosure practices in the Libyan oil industry. In respect of filling the CSR literature gap and to complete the picture of HR disclosure practice in Libya covered initially by Mashat's (2005) study (which excluded Libyan oil companies), this research is conducted in the Libyan oil industry. The oil industry in Libya is important to the economy, as it represents a significant revenue base for the country (Otman & Karlberg, 2005). A particular interest of the investigation will be the aspect of HR disclosure. The approach provides a significant

¹ For more detail see Chapter Two.

opportunity to conduct a unique analysis of fundamental HR disclosure practices in Libyan oil companies.

1.3 Research Objectives and Questions

This research aims to examine the various aspects of HR disclosure in the Libyan oil industry. It does this initially by providing the first detailed and longitudinal investigation of the extent of practices of HR disclosure in the country. It then analyses evidence of HR disclosure practice (or non-practice) by utilising (1) the perspectives of a sample of corporate stakeholders regarding the nature of CSR in general and HR in particular; and (2) to evaluate the current practices relating to HR disclosure practices. Therefore, two primary research questions are explored:

- 1) To what extent do key stakeholders (executive managers of oil companies, general management in the NOC and the employees union in the Libyan oil industry) have an adequate understanding of social responsibility including HR discourse?**

To answer this question the following sub-questions were asked:

- What perceptions are held about the intended purpose(s) of CSR information?
- How does the perception of disclosure in the Libyan oil industry of HR items vary?
- With regards the company's HR disclosure, what motivations help explain the reasons for action?

- To what extent does an organisation's location within the Libyan oil industry impact on HR disclosure?
- What factors help explain the different methods used in HR disclosure in the Libyan oil industry?
- With regard non-disclosure amongst the oil companies, what are the primary reasons for reasons for withholding HR information?

2) To what extent do oil companies in Libya disclose the interaction between their activities and their HR related information?

In terms of answering this question the following propositions were asked:

- What type of HR information is disclosed in the annual reports of the Libyan oil companies?
- In what ways is HR disclosure presented in annual reports?
- To what extent does the amount of HR disclosure vary in the Libyan oil companies across time?
- What differences exist in the disclosure practices of Libyan oil companies with regard to company activity, size, ownership structure and location (onshore or offshore)?

1.4 Research Methodology

This section provides a summary of the research methodology used to research aims and objectives. A detailed specification of the methodology including the rationale for the selection of the research methodology is provided in Chapter Four. In order to develop a fuller and richer picture of these companies' HR disclosure, two methods

were utilised in this research to gather the data, namely a questionnaire and content analysis.

The questionnaire aimed to determine how the key stakeholders perceived corporate reporting in general and HR disclosure in particular, with the data being used to answer research question one. The questionnaire has been considered an effective method in CSR studies in terms of investigating individuals' views (Al-Khater & Naser, 2003; Deegan & Rankin, 1997; Teoh & Thong, 1984).

Information providers were chosen because they influenced the kind of information disclosed. Mashat (2005) has suggested that an examination of decision maker's views is likely to make strong contributions to the literature. In addition, as in previous studies (Ahmad & Sulaiman, 2004), similar executive groups were targeted.

The questionnaire was separated into three parts and based on the areas identified in the literature. The first part related to the respondents' perception about corporate reporting in general.

The second part sought the respondents' opinion about the HR disclosure and the reasons and motivation behind disclosure or not for CSR information. Respondents were invited to give their opinion on a seven-point Likert scale; one of the more frequently used questionnaire types (Hussey & Hussey, 1997). This easy completion format can increase returns, although the issue of surrounding the length of scales is controversial. Elmore & Beggs (1975) argued that a five-point scale is just as good as

any, and that an increase from five to seven or nine points on a rating scale does not improve the reliability of the ratings (Sekaran, 2003).

On the other hand Oppenheim (1992) indicated that several researchers have used a seven-point scale rather than the usual five points, suggesting that reliability tends to be improved by longer scales. In addition, more points provide greater precision for the extent of the agreement, or disagreement, with a statement (Hair, Money, & Samouel, 2003). Therefore, seven-point Likert scales were used throughout the questionnaire to provide a greater opportunity for respondents to answer the questionnaire in terms of Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree.

The third part of the questionnaire requested general information on the respondents' background and the company they worked for. Copies from the questionnaire were piloted amongst local specialists and the supervision team. Comments and suggestions were incorporated in the second version of the questionnaire. Finally, the questionnaire was translated into Arabic and, along with an English version, was given to a translation expert for comments.

Content analysis was used to provide a preliminary analysis of the quantity and nature of HR disclosure practices in the Libyan oil industry, thus, exploring the context of this kind of disclosure in a developing economy. The data was used to answer research question two. According to Neuendorf (2002) the content analysis technique is considered the fastest growing technique in quantitative research. This has led to a

number of definitions of content analysis being introduced in the literature particularly in the area of quantitative message analysis. One of the earliest definitions of content analysis viewed it as “a research technique for the objective, systematic, and quantitative description of the manifest content of communication” (Berelson, 1952:179 cited in Milne & Adler, 1999). It has also been seen as a technique for gathering data that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity (Abbott & Monsen, 1979), or a process “for making replicable and valid inferences from data according to their context” (Krippendorff, 1980:21). Numerous studies have used the content analysis technique as a data gathering tool (see Chapter Four).

The exploratory stage of the data collection process employed a form of content analysis which aimed to extract data on HR from annual reports of oil companies operating in Libya. The company’s annual reports are seen as an important channel for the company to communicate its information to users through an independent system (Belkaoui & Karpik 1989; Gray, Kouhy, & Lavers, 1995a). Furthermore, Gray, Kouhy, & Lavers, (1995 b) argued that annual reports are widely viewed as a major official and legal document, thereby giving them some weight. According to Abu-Baker & Naser (2000), who undertook work in a developing economy, general corporate reporting is little used, so it is likely that most of the information provided is through the annual report. This makes company reports in developing economies, such as Libya, a valuable source of information.

The specific measurement instrument used in this study was derived from the work of Gray *et al.* (1995b), which is based on the earlier work of Ernst & Ernst (1978) and Guthrie & Mathews (1985) and in recent research within the Libyan context Mashat (2005). The approach investigated 10 categories within three testable measurements:

- (1) Theme: Employees data; Pension data; Consultation with employees; Employment of disabled people; Value added; Health and safety; Shares for employees; Equal opportunities; Training and Other.
- (2) Evidence: monetary, quantitative but not monetary and descriptive.
- (3) Amount: proportion of the page.

1.5 Research Original and Contribution

On the basis of the review of the relevant literature and in the light of the research's observations, the following are the study's main contributions:

- 1) The results and observation of this research complemented previous studies, which have been mainly developed in liberal market contexts in their attempt to theorise CSR disclosure practices.
- 2) This research contributed to the limited studies on CSR conducted in developing economies in general and within the Arabic countries in particular. It is the first research which addresses HR disclosure in Libya which has been previously neglected in the CSR literature. It provides the first detailed longitudinal assessment of HR disclosure practice among Libyan industrial companies. This analysis provides the basis for a comparison with other Arabic and developing economies, as well with as developed economies.

- 3) The importance of this research was supported by its findings as its results have indicated that the lack of academic research in the HR disclosure field in Libya was regarded by the respondents as being of some importance in preventing the Libyan companies from making HR disclosure.
- 4) Empirically, this research has made some contribution to research by completing the fuller picture on HR disclosure practices in Libya by conducting this research into the Libyan oil industry (which was excluded from Mashat's (2005) study).

1.6 Organization of the Research structure

The research is structured into six chapters:

Chapter One introduces the research problems and purpose of the research, explains the objectives and questions of the research and provides a summary of the research methodology. It also stresses the significance of the study in terms of the contribution to knowledge. Finally, the general organisation of the study is laid down.

Chapter Two covers the background of Libyan oil industry in order to build up a sound basis for the later discussion in Chapter Six which deals with the influences of such environmental characteristics on the HR practices in Libya. It highlights the Libyan social, political, economic and legal systems, and the state of accounting education.

Chapter Three introduces the topic of CSR in general and HR disclosure in particular, which is drawn from literature. It discusses the meanings of HR as well as its importance and the motivation to disclose this kind of information. This Chapter also reviews different theories which have been proposed as appropriate for explaining CSR, including the HR reporting phenomenon. The determinants of HR disclosure practices are highlighted. Finally, a summary of the nature and content of CSR studies undertaken in both developed and developing countries is provided.

Chapter Four develops the research methodology and methods underpinning the study. The differences between positivism and phenomenology and qualitative and quantitative approaches are discussed. The criteria for the research methods selected are presented, including design, data gathering and analysis techniques employed.

Chapter Five reports the findings of the data gathered from the two main methods used.

Chapter Six discusses the findings, and provides conclusions. Limitations of this research are also provided in this Chapter. Based on the research conclusions, recommendations are provided along with suggestion for future research in relation to HR disclosure and accountability practices within the Libyan context.

CHAPTER TWO

THE LIBYAN BACKGROUND

2.1 Introduction

This chapter outlines the economic, political and social systems in Libya. A brief historical background of the country is followed by an exploration of the environment and its accounting practices which can assist in explaining disclosure practices and accountability relationships. An account of Libyan accounting education is also provided. Finally, the Libyan oil industry is reviewed.

2.2 Historical Background

Libya is an Arab state which has a strategic geopolitical location in North Africa, as it links Eastern with Western Africa and Southern Europe with the rest of Africa. The total area of Libya is nearly 680,000 square kilometres, although more than 90 per cent of the land is desert. Libya has a population of almost five and a three quarters million, with about 51 per cent males and 49 per cent females (UN, 1991: 34 and Central Bank of Libya report 2005). The Islamic religion and Arabic language are two elements that characterise Libyan culture. The country has been subjected to many foreign occupations, the last of which was the Ottoman Empire's long occupation (1551-1911) and European tutelage (1911-1951). Early Libyan history was influenced by foreign conquerors, including the Phoenicians, Greeks and Italians. However when Libya became an independent state in 1951 the UN agreed to sponsor a technical aid programme that emphasised the development of the country's agriculture and

education systems. Foreign powers, notably Britain and the United States, provided development aid. The aid programmes were a result of allowing the UK and the US to maintain and use military bases in Libya over a period of 20 years starting in 1953 (Wright, 1981; Otman & Karlberg 2007). Steady economic improvement occurred, but the pace of this development was slow, and Libya remained an underdeveloped country which was heavily dependent on foreign aid. This situation changed after 1959 when research prospectors from Esso (later renamed Exxon) confirmed the location of major petroleum deposits in Libya (Wright, 1981; Vandewalle, 1998). Further discoveries followed and commercial development was quickly initiated by concession holders. The discovery and exploitation of oil turned the country into a wealthy nation with the potential for extensive development.

On September 1, 1969, the political system of the country changed as military and civilian officers seized power. The initial proclamation of the Revolutionary Command Council (RCC), declared the country to be a free and sovereign State, called the Libyan Arab Republic. Among the RCC members was Muammar Qathafi, who served both as Prime Minister and Defence Minister.

Qathafi, who is referred to as "the leader," produced in the 1970s a book in three parts known as The Green Book, which utilised the Third Universal Theory to set forth his political, economic and social programmes. Moreover, from this date a new system was introduced to Libyan policies.

In line with its intended populist and socialist character, in 1977 the official name of the country was changed to "The Socialist People's Libyan Arab Jamahiriya (Wright, 1981: 191), although throughout this research, the country is referred to as "Libya". Since Libya became a socialist state, to be governed by the people, authority has been transferred to the General People's Congress (GPC).

In 1993 the UN imposed sanctions on Libya to encourage the Libya government to hand over two suspects of the Lockerbie airline bombings in 1980 in Scotland. During 1999 the UN sanctions which included a ban on military sales air communications and certain oil equipment were suspended. The bans, which had severely impacted on the Libyan people, became the main driving force for Libya's modernisation of the oil and gas industry. As a result of bans the government (GPC) introduced a series of liberalisation measures. The general purpose of these measures was to cut back on public expenditure and to gradually bring to an end the funding that contributed to such expenditure. The Government also promoted private investor initiatives in different sectors (Vandewalle, 1998). The first set of reform measures, approved in 1987 and 1988, allowed the construction of self-management or collective ownership businesses. Other developments included the issue of regulations governing the privatisation of selected public enterprises and the lifting of restrictions on private wholesale trade.

In September 1992, a privatization law was passed to regulate the private sector businesses in the national economy and to open up a number of public-sector

enterprises for privatisation. The law's key goal was to regulate and improve private sector investments. The law identified the economic sectors in which the private sector and individuals could invest. These sectors included production, distribution and service activities in industry, agriculture, transport, commerce, finance, tourism and the private practice of professionals. The law authorized the establishment of privately funded businesses, along with and family and individual activities. On the basis of a proposal presented to the General People's Committee, the law permitted the sale of publicly held enterprises to private ownership. In 1997, the State issued Act Number 5, which concerned Foreign Capital Investment Encouragement. The Act encouraged foreign investments in areas that would result in a transfer of modern technology, a multiplicity of income resources, and which would contribute to the development of the national products, so as to help Libya enter into the international markets. Little progress, however, has been made in this issue.

The sanctions were lifted after the Libyan Government reached a settlement with the families of the Lockerbie victims in 2003. On the 19th December 2003 Libya, Britain and the United States announced a deal whereby Libya would abandon its weapons of mass destruction (WMD) in return for improved relations. Thereafter, the United States also rescinded its ban on travel to Libya and authorized U.S. oil companies, with pre-sanction holdings in Libya, to negotiate for their return to the country once economic sanctions were lifted fully (Otman 2005).

Libya's cooperation led to relations warming with the US and in April 2004, when the US economic sanctions against Libya were ended, a written statement from the White House Press Secretary stated, "U.S. companies will be able to buy or invest in Libyan oil and products. U.S. commercial banks and other financial service providers will be able to participate in and support these transactions (Otman 2005).

Since then, the Libyan government, with its new relationship with European countries and USA, has attempted to play a more high profile role on the world and a number of international companies have invested in Libya. In an attempt to give a greater role to the private sector in economic activity, the past four years have witnessed a continuation of the privatisation policy of some manufacturing and service companies (Central Bank of Libya, 2007)

2.3 Libya's Environment and Its Accounting Practices

Hagigi & Williams (1993) pointed out that each country has unique financial reporting practices, which are determined by factors such as its accounting principles, tax regulations, economic conditions, legal setting, sociological considerations and environmental characteristics. Therefore, numerous environmental factors can influence the development of accounting practice presented in the international accounting literature. It has been argued that there are different patterns of accounting application and practice in different parts of the world. Moreover, Briston (1990: 215) argued that "each country is different and has different needs. The purpose of accounting is to serve society. As a consequence, accounting is likely to be influenced by the different political, economic, social and religious environments in which it operates". Also, Hofstede (1993) stated that there are numerous theories that only

partly apply outside the borders of their countries of origin. In this respect, Mueller (1968) offered four elements of differentiation:

- i. State of economic development: national economies often vary in terms of the extent of their development and nature, ranging from the developed to the developing economics.
- ii. State of business complexity: national economies can vary in terms of their technological and industrial know-how, which can create differences in both business needs and business output.
- iii. Shade of political persuasion: national economies can vary in terms of their political systems, ranging from the centrally-controlled economy to the market-oriented economy.
- iv. Reliance on some particular system of law: national economies often vary in terms of their legal systems. They may rely on either a common-law or code-law system; or they may have protective legislation, such as unfair trade and antitrust laws.

2.3.1 The Influence of Culture

The different national cultures have different ways of structuring the organisations and motivating employees, which can impact on individual elements of the organisation's performance. (Hamid, Craig, & Clarke, 1993:132) stated that culture "may be taken to refer to all those social, political and other factors which influence individuals' behaviour...as such, religion is admissible as a cultural factor". In respect of Libya,

Aghila (2000) points out that family, religion and language have a significant effect on the attitudes and behaviour of people both in Libya and in Arabic society in general.

In Libya, the family operates as a small society, with its members being assigned to a hierarchical order, according to age and generation. Authority and leadership are the preserve of the father, grandfather, or eldest son (El Fathaly, 1977, cited in Ahmad, 2004). The approach is supported by the Islamic faith and Arab custom, which acknowledge a status hierarchy (Bjerke & Al-Meer, 1993), in which authority is practised frequently by leaders at the community level and at the family level by the father.

Furthermore, as in other Arab countries Libya is characterised by the extended family, clan, tribe and village, which play an important role in the community's life and in people's relationships with one each other (Aгнаia,1997). In addition, personal relations and family contacts can play a greater part in gaining business and career promotion than practical experience or academic qualifications. Loyalty to the family, clan, and tribe along with the emphasis placed on regionalism and sectarianism, occasionally outweigh loyalty to a profession and sometimes the law (Aгнаia, 1997).

Lewis (2001) argues that if culture influences accounting practices, then so does religion, if only because religion influences cultural values. The Islamic tradition places ethical/social activity ahead of individual profit maximization. Speculative investments, such as margin trading, are not allowed because Islam bans transactions

that involve uncertainties. Partnerships are a common form of business organization. That is, Islam recognizes and encourages commerce. Although it requires business activities to be conducted in compliance with principles enshrined in the Sharia². What is lawful (Halal) and unlawful (Haram) for various aspects of business activity is prescribed. The Sharia's prescriptions include all areas of trading activity. It advises the nature of allowable traded goods and services, as well as the mores of business conduct (Hamid *et al.* 1993). Archambault & Archambault (2003) maintain that these factors limit stock market development. Trust underlies relationships, thereby reducing the need for accounting as a means of financial reporting and disclosure. Therefore, businesses in Islamic nations may disclose less information. However, Goodrich (1986) found no association between accounting principles and socioeconomic factors. One of these socioeconomic factors investigated was the Catholic culture.

As most of the Libyan population are Muslim, Islam plays a very important role in the community's life and in people's relationships with each other. Furthermore the revolutionary system is committed to Islam and has on a number of occasions clearly reaffirmed Islamic values. For example, in November 1973, the new code of law appeared which emphasised the Islamic Sharia in all facets of the Libyan legal system.

Following the revolution in September 1969 and consistent with the Muslim faith, all alcoholic beverages were forbidden. Bars and nightclubs were closed, and provocative

² According to Hamid *et al.* (1993) the *Quran* (the revealed words of God) and *Sunnah* (Contains God's inspired acts; sayings of the Prophet Mohamed) are the material sources of Islamic Law. Together, they are referred to as the Sharia.

entertainment was banned. The use of the Muslim calendar was made mandatory. This was compulsory and comprehensive, even through legislation such as the Libyan Tax Laws encouraged companies operating in Libya to be involved in some charitable donation. For instance, the companies are granted a tax privilege for making donations to an officially recognized charity and for contributing to their employees' pensions. According to the relationship between labour and their agency in Islam, Allah's Messenger (peace be upon Him) said that "*give the hireling his wages before his sweat dries*"³

Furthermore, Islamic societies may exert pressure on organizations to be involved in charitable activities. In this context Al-khater & Naser (2003) suggest that religious groups might be seen as an active pressure group in the Islamic world. These groups may have a predisposition to invest in businesses that pay Zakat⁴ and other charitable donations.

Therefore, it is important for institutions to demonstrate to the public that they contribute to the well-being of society, just as other business enterprises do. Thus, this might support the argument that in a society concerned with social issues, user groups (i.e. stakeholders) may exert more power, possess greater legitimacy, and have their claims viewed with greater urgency. As societal values can influence managerial values, decision makers (i.e. managers) in societies that are characterised as having a

³ Al-Tirmidhi Hadith, Hadith 888, Narrated by Abdullah Ibn Umar.

⁴ Zakat, meaning donations, is one of the five pillars of Islam

strong interest, or concern with social issues, may be more cognizant of stakeholder claims and consequently attach greater importance to them.

2.3.2 The Influence of Political and Economical Environment System

Political and economic systems can influence organisations and people's behaviour in numerous ways. It has been argued that political or governmental stability affects accounting in a number of ways. In societies where accounting rules are set by the government and where major changes in the people governing the country are frequent, accounting procedures may undergo similar changes (Alhashim & Arpan, 1992, cited in Saleh, 2001). They also assert that it is natural to see that governmental instability tends to result in economic instability. Economic instability, such as inflation and changes in exchange rates, places certain demands on accounting. Under such circumstances, accounting conservatism increases as a result of the general uncertainty about future economic and political trends. Belkaoui (1985) hypothesized that as political and civil violations and repression increase, the extent of disclosure and reporting by businesses diminishes. The degree of political and civil freedom in a country is generally assumed to depend on the degree of political rights and civil liberties evident in the political and civil structure (Gastil, 1990). According to Lin (1993 cited in Mashat, 2005) violations of political rights and civil liberties associated with various forms of political structure, tend to restrict political and civil freedom and may then act as an obstacle to full and fair disclosure.

Goodrich (1986) found a significant correlation between political systems and accounting practices. “Political factors, like political system types and international organizational membership, are significantly linked to the accounting groups.” Goodrich (1986: 23). Deese (1998) argue that economic freedom may be related to economic development and, therefore, corporate disclosure (Salter, 1998). Williams (1999) also found a positive association between the level of political and civil repression and the extent of social and environmental information disseminated in the annual reports of Asia-Pacific companies.

The Libyan economic and political system is based on what is termed “the Third Universal Theory”, which is based on the ‘Green Book’ authored by Muammar Qathafi. He argued that all previous theories undertake the economic problem from either the perspective of ownership of any of the elements of production, or from that of the wages for production. Their attempts to resolve the problem of production failed due it being based on ‘a wage system’. This system divests workers of any right to the products being produced, whether a society or a private establishment. In his Green Book, Qathafi also emphasized that the freedom of an individual could be marginalised or even result in potential slavery and exploitation where their needs are totally controlled by others, which could create conflict. According to the Third Universal Theory the objectives of the new socialist society are to create a happy society through freedom. This can only become reality after satisfying man's material and spiritual needs, and that, in turn, happens through the liberation from the control of

others. Satisfaction of these needs has to be achieved without exploiting or enslaving others as this contradicts the aspirations of the new socialist society.

Thus, a citizen in the new socialist society can secure their material needs through being self-employed, or by being a partner in a collectively-owned establishment. Alternatively they can render a public service to society which repays the service by providing for their material needs. Therefore, it is proved, economic activity is driven by the satisfaction of material needs. Once these needs have been met then the activity should cease, as the wealth of the world is considered limited. Any excess gained by one person will be to the detriment of another person's share; further the concept of amassing a surplus for the sole purpose of creating profit is contrary to the new socialist ideals. Allowing private economic activity to amass wealth beyond an individual's needs and employing others to secure savings is considered the very essence of exploitation. Additionally, the new system emphasises the importance of workers' full rights by promoting the concept "Partners not Wage-earners".

However, in Qathafi' Green Book, he also emphasized that wage-earners who improved their wages may still be a type of slave, adding that the natural order is "those who produce, consume" (p.58). An explanation was also given that from ancient times until now the economic factors of production are composed of raw materials, which are the instrument of production and employees. He further argued that the natural rule of equality is that each of the factors has a share in the production process and should any of them be withdrawn, there production will cease. He further

claimed that as each factor is fundamental, they are all equal within the production process. For this reason they all should have equal rights to what is produced.

Within Libyan organisations, the structure is managed by what is termed 'the People's Committee'. Members of this committee, including the head of the company, are chosen from within the company, with each individual employee having the right to be a member. Thus, employees have the opportunity to contribute at the top of the hierarchical structure. Social relationships amongst colleagues can be a strong factor in this process, rather than educational qualifications or period of experience. Thus, all Libyan organisations should address issues that are related to employee rights and their protection. In particular, economic activities have to be decided upon within the boundaries of society's values. That is, the employees must be dealt with as partners, rather than as wage-earners. On the other hand, public organisations, which are considered to be owned by society, seek to provide the basic services and goods to the citizen, rather than focusing on the maximizing of profit.

2.4 Libyan Accounting Education

Education has been recognised as a key element in political and socioeconomic development. Many African nations have, since independence, based their education systems on their colonial background and the wider political, economic, social and cultural setting (Ghartey, 1993). Accounting education is a part of the wider education system of the country it serves. Libya's education has two periods of development. The first period is before independence, when no formal accounting education or training existed for the local population (Kilani, 1988; Buzied, 1998). For example.

Stanford Research Institute (1969, cited in Ahmed, 2004) concluded that during the period of colonisation, more than 90 per cent of the Libyan population were illiterate. Very few Libyans had been given the opportunity to study at university or to qualify for a recognised profession at the time of independence.

In the second, post independence period, the accounting system was divided into two levels: pre-university and university levels. It is of note that accounting education was first offered at university level in 1957, by the Accounting Department in the Faculty of Economics and Commerce at the University of Libya (now called Garyounis University)⁵. The accounting department has been an influential force in accounting education in Libya since its foundation. In the period 1957-1981 it was the only faculty to offer accounting education at university level. The growing demand for accountants and accounting services in the early 1980s increased the need for accounting education at the higher education level. As a result, other universities also began to offer accounting programmes between the 1980s and early 1990s.

The accounting education curriculum from 1957 to 1976 was strongly influenced by the British education system, as Libya was administered by Britain from 1943 to 1952. Indeed, many accounting faculty members were educated in the UK before they came to Libya to teach. The academic year was a nine-month year, with a bachelor degree being offered over a four year period (Garyounis University, 1972). Since 1976, the

⁵ The University of Libya was founded in Benghazi in 1957, with a branch in Tripoli. In 1973 the two campuses became the Universities of Benghazi and Tripoli, and in 1976 they were renamed as Garyounis University and El –Fatah University.

accounting programme offered by the Faculty of Economics and Commerce at Garyounis University has moved to the American model. The new system is based on two sixteen-week semesters instead of a full nine months academic year (Garyounis University, 1976).

In both systems, the programme focuses heavily on financial accounting topics, in particular on the technical or mechanical aspects of accounting, dealing with external reporting, taxation and external auditing. The only difference between them is that the old system was British orientated, while the new one is orientated towards America. Little attempt has been made to put together an accounting education system that addresses Libya's environmental needs (Buzied, 1998).

Regarding postgraduate level study, a Masters programme was offered by the Department of Accounting at Garyounis University in 19886. The programme is organised into three components: core subjects, electives and a dissertation. The majority of the faculty members are Libyans graduates from the US or the UK. Hence, most of textbooks are either American or British (e.g., Drury, 1983), or Arabic books translated from American and British books (e.g., Hajaj & Saeud, 1989). Some are written by Arabic authors (e.g., Al-Nage, 1992, cited in Saleh, 2001) who have graduated from the US, the UK or Egyptian universities.

⁶ The programme has also offered by Postgraduate Studies Academy in Tripoli and the Faculty of Accounting at al-Jabal al –Gharbi University in Gahrian since the 1990s with almost the same textbooks and a similar curriculum of those of Garyounis University.

No university in Libya offers a PhD programme in accounting. Staff members with a PhD are all from abroad (mostly the UK and US); and are either foreigners or Libyans who have been educated in these countries. The lack of a PhD programme is one of the main factors that has contributed to the slow development of accounting education and research in Libya (Ahmad & Gao, 2004).

Furthermore, according to CSR, it can be argued that the accounting education system in Libya has not offered any courses related to social responsibility and accounting, except possibly one option on Masters Programme. This means that there is a high probability that an accounting student will graduate with little experience of social and environmental accounting and disclosure. In this context, Haniffa & Cooke (2002) stated that a well-educated society will demand their right for companies to fulfil their social obligations and be accountable for their actions.

2.5 Libyan Oil sector

The Libyan oil history started in 1955 when the first oilfields were being discovered by the Esso oil company, which is now the Sirte oil company and the first oil exports in 1961, in the Sirte Basin (Othman, 2005). From this time until the present, the Libyan oil industry had been important area for foreign investors. Currently, Libya is the second largest oil producer in Africa and one of the biggest North African oil suppliers to Europe. The oil and gas exploitation contributes between 75% and 90% of Libyan revenues (The General Secretariat of Planning, 2006).

During the period between 1992 and 1999, foreign involvement in the Libyan oil industry was severely reduced as a result of the sanctions and embargoes imposed, although after sanctions were removed Libyan oil returned to the international oil market. Currently, the Libyan oil sector plans to increase its production to three million barrels per day by 2010. Since mid-2004 foreign investment has been forthcoming and the entire sector seems poised for new development (Otman, 2005). The majority of companies are involved in exploration activities. For example in 2004, the NOC announced its acceptance of bids under the framework of Exploration and Production Sharing Agreements (EPSA), and in January 2005 it officiated a bid-opening session at which 11 blocs went to US companies, whilst others went to companies from India, Canada and Australia (NOC, 2006).

In respect of employment, overseas companies need large numbers of employees, but their contracts require that “they must employ Libyan nationals and accept responsibility for training 20% of these nationals annually, either locally or overseas” (NOC 2006).

2.5.1 The Libyan Oil Economy

Income from Libyan oil plays an important role in the country’s economic development, through being a key producer of high quality and low sulphur oil and gas, and it is strategically placed to take advantage of the Mediterranean and European markets. It is a member of the Organization for Petroleum Exporting Countries (OPEC) and the world's eleventh largest oil producer (World Markets Research Centre, 2002), with proven oil reserves of some 30bn barrels. This figure could well reach as high as 50bn, given the potential for future exploration and discovery. A key

reason for the low cost of oil production in Libya is that the reserves lie close to the surface.

Libya is basically a single resource economy, depending almost solely on oil exports (Table 2.1). The dominance of the industry is shown in the period 2000-2005, when the percentage of oil exports to total exports reached above 97 per cent.

According to the World Markets Research Centre (2002), Liquefied Natural Gas will increasingly become a key source of foreign exchange revenue, and the country is eager to exploit its potential. Exports to Italy and other central European markets started in 2003, which also started a joint Libyan/Italian venture to develop both onshore and offshore reserves.

Table 2.1 Libyan Exports in the Period 1996-2005

year	Oil exports %	Non-Oil exports %
1996	81.3	18.7
1997	92.1	7.9
1998	92.9	7.1
1999	93.5	6.5
2000	96.3	3.7
2001	95.3	4.7
2002	97.8	2.2
2003	97.2	2.8
2004	96.3	3.7
2005	98.2	1.8

Source: Central Bank of Libya (2006)

The agreement will include the construction of a gas processing site, and the proposed construction of 1,200km in pipeline from the north of Libya (the Libyan coast) to Italy. Ahead of this lies the finalization of the Western Libya Gas project. To enhance production, the government is also looking to upgrade its main plant, in the hopes of raising production capability to one billion cubic metres a year, from the present 4.5m.

2.5.2 Petroleum Law

The Libyan Petroleum Law was issued in 1955. According to Eversheds, Kelbash, & Elgharabli, (2002) the Petroleum Law (Law no.25 of 1955, amended up to 1983) remains the most inclusive piece of legislation regulating Libya's oil sector. The Decree No.10 of 1979 reorganized the National Oil Corporation of Libya (NOC) and empowered it to enter into all types of petroleum exploitation agreements.

A number of regulations have been issued under the Petroleum Law. The only regulations still in force are No.1, dividing the territory of Libya into four zones; No.8, regarding the standard practices to be followed in oilfield operations; and No.9, for financial, administrative and technical control over the preservation of oil wealth.

Article 1 of the Libyan Petroleum Law stipulates that all petroleum in Libya in its natural state is the property of the Libyan State. Accounting procedures and requirements for the oil industry are prescribed generally under this law. Article 14 of the Libyan Petroleum Law defines the profit made by oil companies as being income resulting from a company's operations in Libya after taking into account (i.e. deducting) the following items:

- Operating expenses and overheads, the details of which are defined in the regulations. Fees, rents, royalties, and income tax, and other direct taxes may be deducted.
- Depreciation of all physical assets in Libya is at the rate of 10 per cent per annum and amortisation of all other capital expenditures in Libya at the rate of five per cent per annum. The balance of physical assets scrapped or sold is to be deducted in the year when such assets are scrapped or sold.
- Twelve and one-half per cent of the value of crude oil exported is the royalty and is calculated on the basis of the applicable posted prices (arbitrarily set by the government) of crude oil exported by the concession holder in any such complete year and on which royalties are payable by the concession holder in that year.

Item (8) of the same article stipulates that oil companies are required to apply accounting methods usually used in the petroleum industry to compute their profits (El-Mal, Smith, & Taylor, 1973). According to Ernst & Young (2002) oil corporations are subject to the accounting requirements of Petroleum Law No.25, of 1955, as amended, and the terms of their exploration and production sharing agreements. The law and agreements require the application of ‘sound and consistent accounting practices usual in the (modern) petroleum industry’. Other bodies usually prepare their financial statements on the accruals basis of accounting, but the cash basis can also be accepted. There are no Libyan standards as such and there is no standard-setting authority. In respect of accounting practice in Libyan oil industry Saleh (2001) stated

that British and American accounting practices, transferred to the country through oil companies, have influenced Libyan accounting practice in oil companies. This influence has also affected non-oil companies as employees move in and out of the oil sector.

2.5.3 Training and HR Development in the Libyan Oil Industry

In general, the Libyan government began to appreciate the technological demands placed on the Libyan population because of the petroleum industry and planned diversification, so that the 1973 Order on Accelerated Vocational Training was issued. This provided for accelerated training programmes to be implemented in the following areas: the construction industry, agriculture, fisheries industry, oil sector, metal and mechanical trades, and the electrical trades, setting forth criteria for participation by Libyan youths in such programmes (Othman, 2007).

The Libyan government has recognised the importance of training, when the Libyan Labour Law Number 57, Act 21 stated that all Libyan organisations “national and international” must train at least 20% of the total manpower annually. Later, in 1990 the General Committee of the Training and Vocational Education modified this Law by adding Act No 128, which stated that training in Libyan organisations had to be 100% instead of 20 % (Othman & Karlberg, 2007). In this respect, the Foreign Investment Law of 1997, the investor is entitled to employ and import foreign staff and technical expertise necessary for the establishment and operation of the project although "the import of normal labour is to be avoided as much as possible". In a very recent piece of legislation, an amendment to the Foreign Investment Law of 2005, Article 14(d) states the following:

(The investor has the right to employ foreigners whenever the national substitute is not available.....)

Moreover, the human resource is considered by the Libyan oil industry as the most important element in the production process. A total of approximately 43,000 employees are employed in the oil sector, and considerable attention is paid to their varied educational and training needs. In line with improving living and working conditions, the educational programmes aim to increase employee efficiency and productivity. The approach helps ensure that the work systems that are applied in the Libyan oil industry are at an international level (NOC, 2007). Moreover, the training programmes concentrate on technical aspects such as maintenance, production, reservoir engineering etc (Training Plan, NOC, 2005), with the aim being to train 20% of the oil sector manpower annually either locally or abroad.

Local training uses “on the job” training as the principal method for developing and training national oil sector employees. To achieve the NOC’s training goals all the expertise of the oil sector resources are available, as well as those of the universities and institutions. These training programmes are carried out for new staff entering the oil industry. According to the NOC Training policy 20% from the entire oil sector workforce must undertake training abroad. The Oil Institute for Rehabilitation and Training (OIRT) was established by NOC in 1970, and created a national technical personnel development programme to assist production; this replaced the expatriates that were dominant in this industry at this time. Therefore, a policy of training and

rehabilitation is followed for all areas of the petroleum industry: exploration; production and industrialized. The OIRT programmes have so far produced 7000 qualified professionals in difference areas. In addition, many courses have been run to meet employees demands and to provide opportunities for everyone, in order to raise the productive capacity of workers.

Most of the overseas training is run through Umm Al-Jawaby Oil Service Company Limited. In 1983 the NOC established a Jawaby office in London to take over certain functions that had previously been performed by the home based offices of the original foreign-owned oil companies and consortia (NOC, 2005).

The training department in this office aims to source and administer training courses and conferences for the Libyan Oil Sector in the UK, Europe, Middle East, and North America. It provides training, management and organizes courses for its clients. It also organizes conferences and technical skill courses through to University courses at post-graduate level (NOC, 2008). The office arranges in excess of 400 training courses annually, catering for the needs of over 1000 trainees per month. For example, in 2002 nearly 2500 staff attended training courses in the UK and throughout the world.

2.5.4 The Libyan Oil Structure

The Libyan oil industry is run by the state-owned National Oil Corporation (NOC), which was established on November 1970, under the Law No: 24/1970, to assume responsibility for the oil sector operations. In 1979 the NOC was reorganised by the General Secretariat of the General People's Congress, to achieve the objectives of the

petroleum development plan. Therefore, the NOC became responsible for all oil and gas marketing, both locally and abroad. The oil and gas activities are managed through their own affiliated companies or in collaboration with other international companies, using contracts and investment agreements (see the Figure 2.1) NOC aims to realize the petroleum related development plans supervise the operation and investment activities of the projects, though its affiliation or in association with other organisations.

This is in addition to the marketing operations of oil and gas, for which NOC has its own fully owned companies. Regarding local and international marketing organisations these companies carry out exploration, development and production operations. NOC also has participation agreements with specialized international companies. In accordance with the development of the international oil and gas industry and international petroleum marketing such, agreements have developed into exploration and production sharing agreements.

NOC also owns national service companies which carry out oil well drilling and provide the drilling material and equipment to lay and maintain oil and gas pipelines. They also build and maintain oil and gas storage tanks and carry out related technical and economic studies. Finally, they provide the sector with services, such as catering, procurement of materials and equipment, training and the employment of foreign employees.

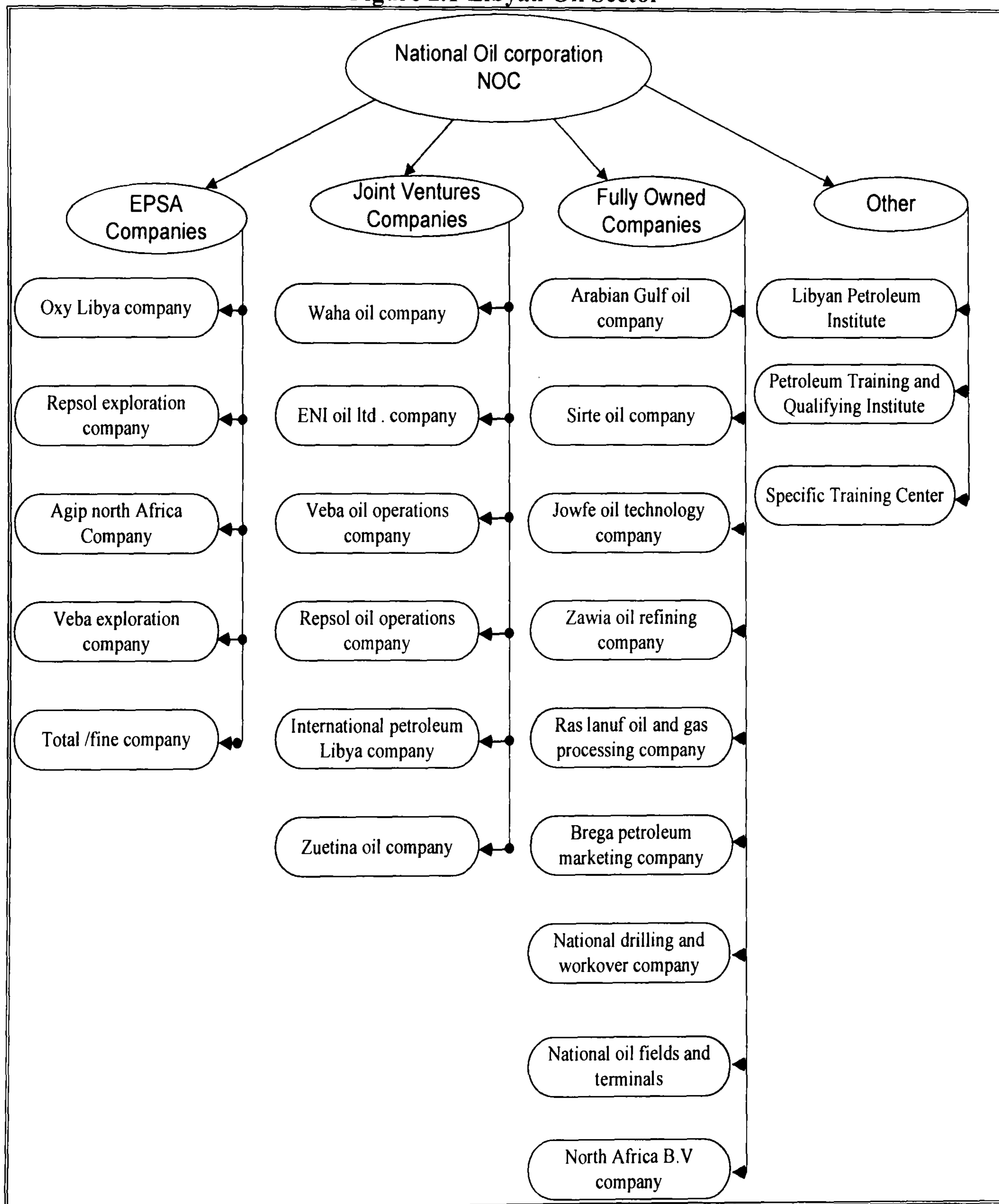
According to Saleh (2001) fully or partially state owned Libyan companies, including oil companies, are required to have three statutory bodies: an Administration Board, a General Assembly and a Watchdog Committee. The Administration Board, or the Board of Directors, manages the business entity and shapes its general policy, which needs to be approved by the General Assembly. The company's manager applies these policies and uses them as a guide in decision making processes. The Libyan Commercial Code does not state the number of the Board members, with it being left to the company's General Assembly to specify the exact number. The Board members are required to meet within the company and after the working hours at least once every two months.

The General Assembly select and appoint the Administration Board members for three renewable years and has the authority to authorise one of its own members to manage the company. The Head of the Administration Board is required to send the company's financial statements to the Watchdog Committee at least thirty days before the General Assembly meet (Article 580 of the Libyan Commercial Code).

The General Assembly comprises the corporation's shareholders and is usually chaired by the Head of the Administration Board. The Assembly reviews the company's production activity, approves the budget and annual reports, and decides on depreciation policies and how provisions should be dealt with. It also makes decisions on the corporation's expansion, the increases in capital investment, and undertakes a review of the business institution's debt position and finance reports. The General Assembly studies the company's responses to the Public Control Office (the equivalent of the UK's Audit Office) and comments on the corporation's annual reports. It also

discusses the budget and the company's finance position (Article 516 of the Libyan Commercial Code).

Figure 2.1 Libyan Oil Sector



Source: <http://www.noclibya.com.ly/>.

The General Assembly holds two types of meetings: ordinary and extraordinary meetings (Article 515 of the Libyan Commercial Code). Ordinary meetings usually take place at least once a year and within the first four months of the business organisation's fiscal year, to discuss the Administration Board annual report and the Watchdog Committee's report. They also approve the company's annual reports and decide upon dividends (Article 516 of the Libyan Commercial Code). However occasionally, issues have to be addressed in an extraordinary meeting of the General Assembly. These can include an increase in the company's capital, the adjustment in the article of association (the establishment contract) of the company and the appointment of the liquidation committee members (Article 517 of the Libyan Commercial Code). In addition, the Assembly may appoint a new head or new members to the Administration Board and the Watchdog Committee and decide their remuneration.

The Watchdog Committees are responsible for assuring a company's compliance with the law. Its duties include observing the company's management to ensure that they are undertaking their activities and responsibilities within the law. Another task of this committee is to ensure that the organisation's accounting system is operating in accordance within legal procedures and that its balance sheet and profit and loss account figures, agree with corporation's records. The Committee comprise three or five working members and two non-working members (Article 547 of the Libyan Commercial Code). At least one of the Watchdog Committee members has to have an accounting background. The Committee is required to meet at least once every three

months to ensure that the company's assets and money are kept in good order. To achieve this, either all or one of its members makes expected and/or unexpected visits to the company to carryout checks, and to investigate and audit the records.

2.6 Summary

The above sections provide a framework within which the research takes place and provides the context for interpreting and understanding HR disclosure practices. In addition, an overview of Libyan historical, political, cultural and economic backgrounds is provided, including the influence of early colonisation on the development of economic and social aspects. The chapter also highlights the role of the accounting education system in Libya. Specific reference is made to the Libyan oil sector and its importance within the Libyan economy. The Libyan petroleum law and its influence on accounting practices in oil industry are included, along with the training and HR development in this context. The next chapter will review the CSR literature in general and specifically HR disclosure.

CHAPTER THREE

THE LITERATURE REVIEW

3.1 Introduction

Corporate Social Responsibility (CSR) disclosure, including Human Resources (HR) (Employee-related) disclosure, has been the concern of a large number of academic studies for more than three decades (e.g. Mathews, 1997; Tsang, 1998 and Gray, Javad, Power, & Sinclair, 2001). Many definitions have been presented in the accounting literature regarding CSR disclosure. Gray *et al.*, (1987:3) defined it as “The process of communicating the social and environmental effects of organizations’ economic actions to particular interest groups within society and to society at large”. Similarly, Perks, (1993) claims that social responsibility reporting is reporting not only to interest groups such as shareholders, investors and creditors, but also reports to a broader range of groups such as employees and society at large. As such, it extends the accountability of organizations beyond the traditional role of providing financial information to the owners of capital, in particular, shareholders. Such an extension is emphasised upon assumption that companies do have wider responsibilities rather than simply to make money for their shareholders.

That is to say, society’s view of business organizations responsibilities has changed over the years. In the past, a business organization achieved its responsibilities if it acquired profit, offered jobs for members of society, while operating within the

confines of requirements of the law. Recently, organizations operating in the developed countries adjusted their annual reports to embrace sections on social issues: organizations need these sections to highlight their achievement in reducing pollution, protecting the environment and addressing employees' welfare. These organizations' annual reports also addressed various other social welfare issues that would be of interest to the society at large. The reports are now projecting ethical and social concerns and becoming more relevant to the users (see Gray, Owen, & Adams, 1996).

Various themes have been used in the related literature to classify CSR disclosure. These include five main issues: namely, Human Resources (HR); Products; Environment; Energy; and Community Involvement. (e.g. Gray *et al.*, 1987 and 1995b; Perks, 1993; and Mathews, 1993). Some prior research found that HR disclosure had a higher level of disclosure than other categories of CSR disclosure (e.g. environment, products, energy, and community involvement) (Teoh & Thong, 1984; Andrew *et al.*, 1989; Hackston & Milne, 1996; Tsang, 1998; Abu-Baker & Naser, 2000; Newson & Deegan, 2002; Kuasirikun & Sherer, 2004). To better understand CSR disclosure, some of these studies were focusing on one category of CSR disclosure. For example, the environmental issue has been investigated by many recent studies in both developed and developing countries (e.g. Trotman and Bradley 1981; Cowen, Ferreri, & Parker, 1987; Deegan & Gordon, 1996; Gray *et al.*, 1995a; Hackston & Milne, 1996; Ahmad, 2004 and Mashat, 2005). Therefore this chapter aims to review the literature regarding CSR disclosure in general and HR disclosure in particular.

3.2 Human Resources (HR) Definition

HR has been described in the literature by different names, such as human assets, cultural capital, worth of employees, human capital and HR (Abeysekera & Guthrie, 2004 and Brown, Tower, & Taplin, 2005). In Edvinsson & Malone's (1997) study, they divided intangible assets into three categories: one of them is HR including the knowledge, skills and competencies of employees and managers, attempting to explain the differences between a company's book value and current value. Similarly, Fredriksen & Westphalen (1998:10 cited in Rimmel, (2003)) defined HR as "the knowledge, skills and competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances".

In addition, Fitz-enz (2000) indicated that HR refers to a grouping of factors possessed by individuals and the collective employees of a company. It can include knowledge, skills and technical ability; personal traits such as intelligence, energy, attitude, reliability, commitment; ability to learn, including aptitude, imagination and creativity; desire to share information, participate in a team and focus on the goals of the organisation. Furthermore, some academic researchers claim that HR is the most important asset, as a company cannot exist without this asset (Stewart 1997). So the organisation should maintain their HR by providing good training programs, healthy and safe workplace, and giving their employees equal opportunities etc.

3.3 HR Disclosure

The HR disclosure is not a new element. In 1975 the UK Accounting Standards Steering Committee (ASSC) suggested that both governments and industries should stress that there is a need for the users of corporate annual reports to be supplied with more details about the workforce and the company's employment policies. That is, organizations should disclose information with regard to many factors which affect employment and the employee (Accounting Standards Steering Committee, 1975).

There has been much debate in the literature whether human resource accounting (HRA) belongs to social accounting (Gray *et al.* 1987, 1996) in the organisation report about its employees. It does provide information to users about intangible assets that might affect the organisation's value or to satisfy shareholders that it plays its caring role with its employees.

In the HRA concept, the value of employees is very important to the organisation because:

- From the respect that employees may be the most important asset in an organisation and so should appear on the balance sheet;
- Accounting-driven arguments that expenditure on employees may often be in the nature of an investment and therefore, following the matching principle, should not all be shown as a cost of the period;
- To attempt to assess the investment in employees and whether or not the investment is gaining or losing financial value to the organisation:

- As an element in the assessment of management performance in that a good manager will manage HR as well and carefully as other resources and not, for example, exploit them for short-term gains (Gray *et al.*, 1996).

However, social reporting can be defined as the process of communicating the social and environmental effects of organisations economic actions to particular interest groups within society at large (Gray *et al.*, 1987).

Mathews (1993:59) argued that Social Responsibility Accounting refers to disclosures of financial and non-financial, quantitative and qualitative information about the activities of an organisation. The area of social responsibility encompasses all employee reports, human resource accounting, and accounting and industrial democracy issues. This research focuses on HR disclosure as part of CSR disclosure CSR therefore the following sections explain the importance of motivation for and contents of HR disclosure.

3.4 The Importance of HR Disclosure

Marques (1976) argued that HR disclosure is important because it offers management information to assess the competence and effectiveness of HR deployment, and allows society at large to evaluate the organisation's treatment of its employees. The significance of such disclosure is compounded by that it might assist several diverse yet interdependent objectives or discharging the accountability of the organisation towards society. Disclosure may also provide a device for monitoring corporate action from a regulatory perspective where law so requires this. Such disclosure is a legal requirement in European countries. Actions taken by the organisation may also be

legitimised through the means of disclosure. Craig & Hussey (1981) found in a western context, that reporting more HR information provided significant benefits to organisations:

- This information allowed companies to improve their communication channels,
- It allowed them to reach employees directly on issues of crucial importance,
- It allowed them to correct rumours and inaccuracies,
- It stimulated discussion between employees and employers.

And in recent studies in both the United States and Australia there have been suggestions of a need for changes in legal regulations as a direct result of corporate collapses in both countries. For example, Shields, O'Donnell & O'Brien (2002) suggest that Australian listed companies should be required to supply more information about HR and their treatment in issues regarding executive remuneration (cited in Brown *et al.*, 2005).

Some researchers found that disclosing this kind of information will meet some information users needs, for example, where employees as information users are seeking to receive information to cover five main areas: (1) to know company performance, (2) to assess future prospects of the company and job security, (3) to assess the equality of wages, (4) to increase involvement and (5) because they felt it was a fundamental right (Mitchell, Agle, & Wood, 1997)

Robert (1991) claims that no company can be succeed, in the long term, without good relations with its employees and having an efficient workforce. Hence, information on

employees' issues is of sufficient importance to anybody interested in the long term prospects of the company for employee related information to be disclosed.

Day & Woodward (2004) argued that there are three possible reasons for the disclosure of HR information:

1. For the benefit of employees in accordance with their user status described in conceptual framework projects.
2. For the benefit of other stakeholders who may be interested in the relationship between employees and the reporting company.
3. For the benefit of government in order to promote one aspect of public policy and observe its compliance.

There is a growing recognition within the business community of the significance to key stakeholders of socially, environmentally and ethically responsible behaviour by business enterprises (Zadek, Pruzanand, & Evans, 1997). As business organizations increasingly recognise the broad duties of accountability implied by their stakeholders' non-financial expectations, the role of CSR takes on increasing importance as a means through which such duties of accountability may be discharged (Gray *et al.*, 1996).

In addition to the discharge of accountability to investors, CSR also plays a significant role in other different aspects. It has been asserted (e.g. Gray *et al.*, 1987; Gray *et al.*, 1995a; Patten, 1990; Owen, Swift, & Hunt, 2001; O'Dwer & Gray, 1998; Gray & Bebbington, 2001; Friedman & Miles, 2001; O'Dwyer, 2005) that formal CSR

processes should enhance corporate transparency, develop corporate image and provide useful information for investment decision making. CSR can also be seen as a key player in providing an impetus for internal development, building a positive impact on share prices and assisting in staving off potential regulatory pressure to be more socially responsible. In addition, it has also been seen as a means by which business enterprises may attempt to manage their stakeholders in order to gain their support and approval. Moreover, evidence has been provided (see Toms, 2002) that disseminating information related to environmental issues in the companies' annual reports contributes significantly to the creation of environmental reputation. It has also been maintained (see Idowu & Towler, 2004) that there are a number of perceived benefits which an organisation may derive from the provision of CSR information. These might include increased customer loyalty, more supportive communities, the recruitment and retention of more talented employees, improved quality and productivity and the avoidance of potential risks to their reputation which may arise from environmental incidents.

Failure to manage social and environmental impacts raises many serious risks. Some of these risks might include the threat of increased regulatory control by national governments and international organisations, financial risks, and damage to the corporate image (Rondinelli & Berry, 2000; Gerbens-Leenes, Moll, & Uiterkamp, 2003). However, the appropriate point here concerns the validity and relevance of this reporting (i.e. CSR) in the context of the third world countries. This kind of disclosure (i.e. social responsibility disclosures) can be perceived as an important and relevant

information source for various elements such as employment; safety at the workplace and the level of employee training.

Hidden issues are also included, such as: regional imbalances; income/wealth distribution; environmental pollution; problems of the neglect of the environment: energy shortage and natural resource consumption; consumers/product related problems. Thus it provides the basic input for many factors to facilitate the understanding, debate and, hence, solutions of social and economic development (see Deegan, 2002; Hackston & Milne, 1996; Wallace, 1993; Samuels, 1990; Hove, 1986; Ernst & Ernst, 1978).

This informational input is suggested here as of overriding importance not only for the firms owners and creditors. It is also of paramount importance for different stakeholders in Libya, including employees, local communities, government departments and agencies, consumers and also society at large. Such information would naturally support more knowledgeable decisions and judgements regarding the corporation's social performance. This might aid the understanding and debate of these problems and this in turn, would assist in bringing about useful changes by proposing resolutions to such problems. In addition, the information provided will portray the image of the firm, its reputation, social responsibility, and ethical considerations.

Samuels (1990) stresses the significance and relevance of CSR in the provision of significant and highly relevant information pertinent to the understanding, debate and

solutions of social and economic development problems in developing countries. He argues that although this social responsibility information is already available within a business enterprise, it is not being disclosed and therefore the opportunity to identify the development problems of the country in which the business operates is being missed. “It is only through knowledge of the true position that a constructive debate can take place” Samuels (1990:79). Ite (2004) also asserted that CSR has powerful potential to make positive contributions to addressing the needs of disadvantaged communities in developing countries.

The statements, reports and other social information mentioned and discussed earlier in this chapter might be considered more relevant to the Libyan environment than adopting and following indistinct standards or guidance such as those presented by the International Accounting Standards Board (IASB), based on conventional accounting. According to Samuels (1990), the central objective of conventional accounting is to measure and disclose the level of income which is an index of wealth. Classical economics view income maximization by individual units, “as being the best way of achieving economic growth, of increasing the size of the cake. Conventional accounting is not too interested in how the cake is distributed, although it does show the way in which income is divided between the providers of the different forms of capital” (Samuels, 1990: 78).

In this context, Wallace (1993) maintains that the standards presented by IASB are concerned with accounting for transactions which imply a flow of resources and a

reverse flow of money (or money's worth in settlement) between a company and the other parties. He argues that these standards fail to account for events which do not require an exchange of goods and services between a company and other parties. He adds that companies operating in a certain country are expected to be socially responsible in that country. With regard to a developing country, this responsibility requires a contribution to the society's objectives and desires. Thus, financial statements which are predicated on the standards of the IASB can be viewed as deficient for determining the extent of the contribution made by a reporting company to the social and economic development process in the country. Consequently, Wallace (1993) emphasizes that the interests of government and society in developing countries should be given greater attention than at present, in international standards on corporate reporting.

CSR disclosure would provide flows of information to a more extensive set of stakeholders in Libyan society and would comprise more than purely economic activities of the business enterprises. It has the potential of providing new forms of accounting disclosure in Libya that might reflect external principles (democracy, right to information, equality and social justice, citizens' liberty and rights and moral and ethical values). In this context Gharney, (1987) asserted that the purpose of CSR disclosure is to satisfy the public with the provision of information to ensure that their rights, as individuals or groups, are reasonably protected and to allow them to file a complaint if they feel that they are not satisfied.

The need for CSR in less developed countries and newly industrialized countries is particularly acute, given the presence of large numbers of developed country multinationals operating in these countries (Gray *et al.*, 1996). In Libya, foreign companies increasingly open offices in the Libyan capital (Tripoli) (Knipe & Venditti, 2005). “The city is coming in from the cold and Libya, a country endowed with Africa's largest reserves of oil, is about to make its mark on the regional and global economy” (Knipe & Venditti, 2005:2). The emergence of translational corporations’ investments in Libya will, without doubt, entail both advantages and disadvantages.

The rising standards of living, the medical breakthroughs, the level of healthcare, rising gross national product and profit levels, technological advances are all key positive images representing the advantages. On the other hand there are negative images which represent the increasingly high price that has to be paid for those advantages. These might include: catastrophic oil spills, destruction of the environment, industrial conflict, major fraud and insider trading, stress-related illness and exploitation (Gray *et al.*, 1996). CSR is a means of ensuring that these multinationals are made responsible for their social and environmental impacts (Gray *et al.*, 1996).

They also emphasized the role that CSR reporting can play in reinforcing the democratic structure and emphasizing the social, ethical and environmental aspects.

According to them:

- CSR can highlight distortion in the power distribution within society and the way traditional financial accounting promulgates an undemocratic structure

thereby dismissing social, ethical and environmental issues from consideration.

- CSR presents new ways of accounting to improve the transparency of the organization to overcome these limitations.
- CSR should use the development and discharge of accountability to enhance a society's democracy.

3.5 The Motivation to Disclose HR Information

The purpose of disclosing information about HR is to provide information concerning the workforce and regarding the way in which employment resources are managed to give an indication of effectiveness of management in this area of the companies' activities. In 2001 Glautier & Underdown claimed that the aim of the employment report is to give employees some information about the corporate environment in which they are involved in.

The reporting about employees in general it can also be used by the management to support goal equivalence by clarifying how the interests and efforts of employees relate to their organizations, and to improve the communications and the employees' understanding of the way in which the company is being managed in the interests of all participants (Glautier & Underdown, 2001).

In some cases the disclosure of this kind of information is requested by the law, for example, the UK Companies Act 1985 requires, in Part 5 Employee Involvement paragraph 11 (3), that where the average number employed over the financial year

exceeds 250 'a statement describing the action that has been taken during the financial year to introduce, maintain or develop arrangements aimed at:

- (a) Providing employees with information on matters of concern to them as employees,
- (b) Consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests,
- (c) Encouraging the involvement of employees in the company's performance through an employee's share scheme or by some other means,
- (d) Achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

In this context, Deegan, Rankin, & Tobin (2002) argue that a company would disclose CSR information to comply with legal requirements, with community expectation or with industry requirements. In addition, a conviction in accountability or responsibility to report could be one motivation to disclose CSR information, for example when the managers held the view that people have an absolute right to information then that should be satisfied. The management might also voluntarily disclose this information to manage particular stakeholder groups or to win particular reporting awards (Neu, Warsame, & Pedwell, 1998).

3.6 The HR Disclosure Categories

By reviewing the accounting literature on HR discourse, it can be seen that the prior studies breakdown HR related information into different categories. The following section will cover how prior researchers categorized HR information.

Many international trade union groups such as the International Confederation of Free Trade Unions (ICFTU), World Confederation of Labour (WCL), European Trade Union Confederation (ETUC), International Labour Organisation (ILO) and United Nations (UN) have called for companies to disclose more detail about their employees. The UN in 1979 document called for companies to report the following information :Trade Union relations ; the number of employees , the average number of employees at the end of the year ; the number of employees disaggregated ; hours worked; labour turnover; absenteeism; accident rate; health and safety standards and training programmes plus costs (Robetrts, 1991).

According to Gray *et al.*, (1995b) the impact of organizational activities on those who compose the human resources of the organization is the primary focus of this area. This can include matters such as employee numbers and remuneration, equal opportunities, employee share ownership and employment of the disabled. It can also cover disclosures on health and safety, employee consultation, training and trade union information that might help the organisation to satisfy existing requirements.

As a result of the above taken from different statutes, organisations started to take serious steps toward achieving mandatory disclosure with some giving further information (voluntary disclosure) to emphasise some issues or to remove ambiguities or to reflect management perceptions toward these issues. In this context, Subbarao & Zeghal (1997) categorized HR information into five broad themes (information on training; information related to the contribution of human resources to increasing the value of the company; diversity of the workforce as a responsible company; information about relations with employees; compensation of executives and employees).

Brown *et al.*, (2005) used a HR disclosure index to observe the disclosure/non-disclosure of HR information by analysing eight information categories based on Williams' (1999) categories and adds some more themes on Subbarao & Zeghal (1997) categories. These categories include health and safety; employment of minorities or women; employee assistance/benefits; employee profiles; employee morale and relations; Industrial relations and training initiatives. Vuontisjärvi, (2006) used nearly the same categories with some amendment as follows (training and staff development; pay and benefits; participation and staff involvement; values and principles; employee's health and well-being; measurement of policies; employment policy; security in employment; equal opportunities and work-life balance).

In the Libyan context, Mashat (2005) investigated CSR disclosure practices included HR. His investigation, based on Gray's categories, (employee data; pension

commitment; consultation with employees; trade with South Africa; employment of disabled people; value added statement; health and safety; shares employees and equal opportunities) made some amendments to be suitable for the Libyan environment. He argues that Gray's study reference was made to a particular scheme relevant only to the UK (e.g South Africa trade case). So he left out the categories for his study not applicable or pertinent to the Libyan context. The categories he used were employee data; pension data; consultation with employees; employment of disabled; value added statement; health and safety; equal opportunities "racial and sexual equality"; employees' share ownership; employee other.

To allow fair comparison for the same environment, this research uses the same categories to investigate HR disclosure practices in the Libyan oil sector, which was excluded from Mashat's (2005) study.

3.7 The Corporate Social Disclosure (Including HR) Theories

The main purpose of this theoretical framework is to explain CSR disclosure practices and the reasons behind non-disclosure. In this context, Ullmann (1985) stated that the absence of systematic theorizing of CSR disclosure was one of the principal reasons for the lack of substantive, systematic conclusions about CSR and the diversity of results in the previous literature. These theories seem "fuzzy" in the sense that all of them are logical and acceptable but none could be voted as the best theory to explain CSR disclosure practice (Haniffa, 1998). This is due to the overlapping of these theories, and the different emphasis of each study (Gray *et al.*, 1996; Haniffa, 1998; Milne & Chan, 1999).

Gray *et al.*, (1995b) attempted to summarise and group the theories into three broad groups concerning organization-society information as follows:

- Decision-usefulness studies, (which then overlap with);
- Economic theory studies;
- Social and political theory studies.

However, Gray *et al.*, (1995b p6) concluded that “..... the more interesting and insightful theoretical perspectives are those drawn from social and political theory studies – most particularly: stakeholder theory; the legitimacy theory perspectives; and the perspectives that emerge from political economy”. They stated that the literature has always used the distinction between these theoretical positions, but it might attempt to clarify what is meant by “stakeholder”, “legitimacy” and “political economy” theories when applied to social disclosure. Adler & Milne (1997) agree, they state that CSR disclosure does not need to be driven solely by the pursuit of economic self-interest; it can be due to pressure from different stakeholders to undertake some form of CSR disclosure. These can include employees, customers, suppliers, the local community or other pressure groups. These studies can be further divided into either “middle of the road” or “radical” studies (see Gray *et al.*, 1987; and Tinker, Lehman, & Neimark, 1991). “Middle of the road” takes no particular political or philosophical view but is where “the status quo is accepted (although variously interpreted) and explicit, and overt ambition is to destroy capitalism nor refine, deregulate and/or liberate it” (Gray,

Owen, & Maunders 1988:8). On the other hand radical studies suggest that society reflects the basic organising principles and institutional structures within it. They tend to view CSR disclosure as “a misleading irrelevance which is more likely to strengthen the present power distribution than achieve any other aim” (Gray *et al.*, 1988:8).

Gray *et al.*, (1988; and 1996) stated that the vast majority of CSR disclosure studies fall into the “middle of the road” perspective, where three key themes appear:

- 1) The purpose of CSR disclosure is to improve the organisation image and reputation and hold the assumption that organisation behaviour is benign.
- 2) The purpose of CSR disclosure is to discharge an organisation’s accountability under the assumption that a social contract exists between the organisation and society, which demands the discharge of social accountability.
- 3) CSR disclosure is an extension of traditional financial reporting and its aim is to inform investors.

Therefore, Legitimacy Theory, Stakeholder Theory and Accountability Theory have all been classified as “middle of the road”.

Notably, Gray *et al.*, (1995a) argue that the social and political theory perspectives are not in competition with each other. Furthermore, they state that these theories

often overlap and merely provide different interpretations of CSR disclosure practice. This would be in agreement with Deegan (1997: 71) who concludes “all theories are simplifications of reality”. Whatever differences may exist between these theories, much of the research using these perspectives has concentrated attention on the influence of “public pressure” on CSR disclosure practice (Neu *et al.*, 1998).

Therefore, the following sections review the approaches which have been postulated as most appropriate for social and environmental reporting including HR reporting. The three theories (stakeholder theory, legitimacy theory, and accountability theory) will be outlined and discussed.

3.7.1 Stakeholder Theory

Gray (1997) argued that a stakeholder is someone with rights to the accounts that the organisation has in order to consider in his interests. In this context Freeman (1983: 38) defines stakeholders as “groups or individuals who can affect and are affected by the achievement of an organization’s mission.” Stakeholders can then include shareholders, employees, customers, creditors, suppliers, public interest groups and government bodies (Roberts, 1992). Furthermore, Gray *et al.*, (1996) argued that stakeholders may even become more comprehensive as they may also cover future generations and non-human life (Gray *et al.*, 1996).

Swift, Owen, & Humphrey (2001) investigated the perceptions of stakeholders in 39 UK-based CSR aware organisations. They found a great variety of perceptions of stakeholders. The largest group (47 per cent) saw them as ‘those who influence or are influenced by the organisation’. For example, children who had no direct link with the business forced the US food manufacturer ‘Sunkist’ to change the way it caught tuna, after a film showed how many dolphins were killed by traditional methods. To others (29 per cent), stakeholders are seen as the people who affect or are affected by the achievements of the organisations – for example, customers of supermarkets, who influenced many shops’ policies on genetically modified foods. The remainder (24 per cent) saw stakeholders as people, for whom the organisation exists, suggesting relationships characterised by partnerships and alliances.

Freeman (1983) addressed the important question of why those groups who can influence the organization should be stakeholders. Strategic management literature suggests a direction for the organisation. Effective stakeholders who can influence that direction are to be considered in the strategic management process. However, it is not easy to answer the question of why those groups who are influenced by the business organisation are stakeholders too. This is becomes previously non-effective groups or individuals are able to influence the actions of the organisation today. Hence, organisations have become more sensitive to these newcomers who can make a change to the organisational direction, and they are also able to turn new “external changes” into internal changes. Effective strategic managers must deal with those groups that

can influence them; at the same time, to be effective in the long run, managers must deal with those groups and individuals which they can influence.

Gray *et al.*, (1995a) noticed that stakeholder theory was typically involving a view of the world from the perspective of the management of an organisation who are primarily concerned with “developing and evaluating the approval of corporate strategic decisions by groups whose support is required for the corporation to continue to exist” (Roberts, 1992: 597). Stakeholder theory, thus, “is concerned typically with how the organisation manages its stakeholders” (Gray, Dey, Owen, Evans, & Zadek, 1997: 333).

Based on this perspective, CSR disclosure can be seen as part of the dialogue between a business organization and its stakeholders (Gray *et al.*, 1995a) with management using CSR as a medium for engaging in this management of stakeholders in order to gain their support and approval (Adler & Milne, 1997). In this context, Swift *et al.*, (2001: 17) also state that “the issue comes down to how the organisation views and treats its stakeholders - as the need to keep employees, customers and investors on board increases, corporate social reporting is one way of engaging with them.”

According to Ullmann (1985) CSR models developed in previous research are not clearly specified because the relationship of the company’s strategy to the social responsibility decision has not been included in the empirical tests. Ullmann (1985) uses stakeholder theory as the basis for a framework developed from the strategic

management view presented by Freeman (1984). The framework suggests a way to explain why corporations engage in social performance and social disclosure. Ullmann (1985) suggests three models; stakeholder power, the company's strategic posture and the company's past and current economic performance. The stakeholder power is presented as the first dimension of the model, describing how a company will be responsive to the power of stakeholder requests. According to Ullmann (1985) the power of a stakeholder to affect corporate management is seen as a function of the stakeholder's degree of control over resources required by the company. In other words, stakeholders get their power from being able to control the resources required by the company with the aim of operating from the resource dependence perspective. The more critical stakeholder resources are for the continued viability and success of the company, the greater the expectation that stakeholder needs will be addressed. Therefore, if social responsibility actions are perceived as an effective management strategy for dealing with stakeholders, a positive relationship between stakeholder power and social performance and social disclosure is expected (Roberts, 1992).

The second dimension of the model is the company's strategic posture toward corporate social responsibility actions. This dimension describes the mode of response of a company's key decision makers (i.e. management) regarding social requests. This strategic attitude as showed by Ullmann (1985), might be active or passive. A company whose key decision makers (executive managers) challenge to affect their organization's relationship with key stakeholders through social responsibility activities possess an active attitude. Whereas, a passive attitude suggests that

businesses are neither involved in continuous monitoring activities nor deliberately search for an optimal stakeholder strategy; that is, a company whose key decision makers (executive managers) are not continuously monitoring its position with stakeholders and not developing specific programs to address stakeholder effects is perceived as possessing a passive strategic attitude. Therefore, the more active the strategic attitude the greater the expected social responsibility actions and disclosures. This strategic attitude dimension is also portrayed by Bowman & Haire (1976) as short or long term strategic planning.

The third dimension of Ullmann's model is concerned with the company's past and current economic performance. This dimension is important in two respects. Firstly economic performance is supposed to take priority over social demands; secondly it is emphasized that good economic performance is necessary to finance costly social responsibility programs. Thus, given certain levels of stakeholder power and strategic posture, the better the economic performance of a company, the greater its social responsibility activity and disclosures (Roberts, 1992).

Donaldson & Preston (1995) differentiate between three different directions of using the stakeholder approach. Firstly, they argue that this approach is descriptive when it is employed simply to portray and to explain specific corporate characteristics and behaviours. Therefore, "it describes the corporation as a constellation of cooperative and competitive interests possessing intrinsic value", (p. 66). This model may be tested for its descriptive accuracy, and compared and contrasted with other descriptive

models. Second, stakeholder theory is also instrumental in that it makes a connection between stakeholder approaches and commonly desired objectives such as profitability or stability or growth. This use of stakeholder theory implies that “adherence to stakeholder principles and practices achieves conventional corporate performance objectives as well or better than rival approaches” (p. 71). This is not to say that the stakeholder firm necessarily has such traditional objectives, but that a stakeholder firm would achieve, almost as a by-product, what a profit-maximising firm would set out to achieve as an objective. Third, Donaldson and Preston (1995) maintain that the stakeholder theory of the firm can be employed not merely descriptively and instrumentally but also normatively. This involves accepting that “the interests of all stakeholders are of intrinsic value. That is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as shareowners” (p. 67).

Roberts (1992) has employed stakeholder theory in his study to empirically test a stakeholder analysis of the determinants of corporate social responsibility disclosure. He found some evidence to support the stakeholder approach to analyzing corporate social decisions. The findings were in agreement with the framework presented by Ullmann (1985). It also supported Smith *et al.*, (2005) findings which found that companies from countries with stronger emphasis on social issues had a stakeholder orientation which provided more information and higher levels of quality of CSR in their annual reports than companies from countries with weaker emphasis on social issues.

However, according to Gray *et al.*, (1997), information disclosed to the stakeholders might be presumed more properly by the company to be an element of a legitimacy and /or social construction process. They also argue that stakeholder theory is fairly silent on how the business does – if at all – monitor and react to the needs of the stakeholders. It will do that, broadly speaking, when it is in the company's conventional interests (e.g. profit-maximizing) to do so. Thus “a social account based on the stakeholder perspective has social value if we assume the beneficence of the organization and further assume that the stakeholders' needs can be subsumed morally with those of the organization...if we assume this, then “market forces” will generally produce the sort of voluntary social and environmental disclosure we currently see” (Gray *et al.*, 1997: 333). Key (1999) argues that while stakeholder theory has received significant attention, no specific theory logic has been identified which explains the relationships between stakeholders and the organization.

The above discussion therefore leads to the conclusion that the stakeholder theory is based on the relative power of the stakeholders involved and the existing economic condition. This therefore might dismiss the rights of the other stakeholders, who may be perceived as less important and the organization's responsibility to present this kind of reporting. It is the key decision makers' choice to choose and /or decide what kind of information is to be disclosed and when. Though, in spite of these serious limitations Gray *et al.*, (1997:333) conceded that stakeholder theory is useful in that “it defines the influencing/influenced groups for us and explicitly defines what accountability the organization itself is willing to recognize and discharge”.

However, Hofstede, (1983) and Ali, (1996) state that using these theories which originated in a political, economic and cultural setting to explain disclosure practices in a different political and economic setting is questionable. For example, Libya has political and economic systems which are not found in other countries even in other Arab or developing countries. They are based on the "Third Universal Theory" of the Green Book. The Libyan economy is neither a bourgeois political economy nor a classical political economy. In such a system, the private sector is quite small and has little power when compared with the large publicly owned sector on which Libyan companies depend.

The society (via central authorities) often guarantees loans and support for publicly owned companies (Lind, 1990). Thus, central authorities such as the Secretariat of Economy (SE), the Planning Board (PB), the Institute of Public Control (IPC), General Environmental Authority (GEA), and Industrial Production Administration (IPA) are the main users of accounting reports in Libya (Bakar, 1997). There are no other interest groups with a conflict in objectives as in the liberal market.

In Libya, the central authorities share one objective, namely the welfare of society (GPC, Law no 1 of 2000). Thus, management of companies in Libya seem not to be using CSR disclosure to manage or to improve the relationship with them, rather than achieving the interests of society. In Libya, the central authorities and companies are joined with a reciprocal and complementary relationship to achieve society's welfare.

This supports Gray *et al.*, (1997) who argued that stakeholder theory is flawed because stakeholder theory focuses on the way the corporation manages its stakeholders. Therefore, this brings the discussion to another theory which may be used to explain CSR disclosure, which is legitimacy theory.

3.7.2 Legitimacy Theory

Tilt (1994) states that the legitimacy theory has come to stress how corporate management will respond to community expectation. Legitimacy theory is based on the idea of a social contract that every organisation operates in a society through an expressed or implied social contract. Therefore, the organisation will only survive if it meets society's expectations and dispenses political, social and economic benefits (Shocker & Sethi 1974, cited in Mashat, 2005). Friedman & Miles (2001:533) claim that legitimacy theory assumes that an organisation has a contract with society to be socially responsible and to care about the welfare of society. Similarly, Guthrie & Parker (1989), argued that legitimacy theory is based on the conception that an organisation operates in society via a social contract where it agrees to achieve different socially desired actions in return for approval of its objectives. However, if the organisation does not seemingly work within society's bounds of behaviour, then society may put an end to the organisation's rights to operate (Deegan & Rankin 1996). When an organisation faces a risk to its legitimacy, it should use one of four legitimating schemes (Lindblom, 1994): firstly, reporting to stakeholders about the intentions; secondly, changing stakeholders' views of an issue; thirdly, distracting

attention away from a bad event; finally, changing external expectations about an organisation's performance.

Staden (2003) asserts that because CSR information is reported for strategic purposes, rather than to reveal accountability, this view of stakeholder perspective could be considered as overlapping legitimacy theory, which is drawn from the concept of organizational legitimacy (O'Donovan, 2002). In this context Dowling & Pfeffer, (1975:122) defined it as: "... a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part. When a disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy".

According to Patten (1992; 1991) legitimacy theory is founded on the notion of a "social contract". This idea is well explained by Shocker & Sethi (1974: 67) who state that: "Any social institution – and business is no exception – operates in society via a social contract, expressed, whereby its survival and growth are based on the delivery of some socially desirable ends to society in general, and the distribution of economic, social, or political benefits to groups from which it derives its power. In a dynamic society, neither the sources of institutional power nor the needs for its services are permanent. Therefore, an institution must constantly meet the twin test of legitimacy and relevance by demonstrating that society requires its services and that the groups benefiting from its rewards have society's approval." A company's survival therefore is dependent on the extent that the company operates "within the bounds and norms of

the society” (Brown & Deegan, 1998: 22). However, as the societal bounds and norms may change over time, the organisation continuously has to demonstrate that its actions are legitimate and that it behaved as a good corporate citizen, usually by engaging in CSR.

Gray *et al.*, (1995a) (see also Guthrie & Parker, 1989; Lehman, 1992) maintain that how a firm operates and reports will be affected by the social values of the community in which it exists. In the last few years, economic performance was considered by many authors to be the best measure of a business’s legitimacy (Abbott & Monsen, 1979; Patten, 1992 & 1991). Nevertheless, society no longer confines its expectations of business to profit making (i.e. profit maximization) and providing goods and services (Heard & Bolce, 1981). It also waits for companies to “make outlays to repair or prevent damage to the physical environment, to ensure health and safety of consumers, employees, and those who reside in the communities where products are manufactured and wastes are dumped” (Tinker & Niemark, 1987: 84).

Legitimacy theory assumes that the organisation must appear to consider the rights of the public at large, not only those of its investors. If the organisation does not appear to run within the bounds of that behaviour which is regarded as appropriate by society, then society may act to remove the organisation’s rights to continue operations.

Accordingly, companies with a poor social and environmental performance record may find it difficult to obtain the necessary resources and support to continue

operations within a community which values a clean environment. That is, society may cancel their “social contract” unless the organization undertakes particular strategies, such as presenting information to counter or offset the negative news which may be publicly available (Deegan & Rankin, 1997).

According to Waddock & Boyle (1995, cited in Jenkins, 2004) legitimacy theory is based on the perception that the business organisation will use strategies, including disclosure, that prove to the community in which it operates, that it is attempting to fulfil their expectations. Hence, within legitimacy theory, the organization needs to report enough CSR information for society to weigh if it is a good citizen, so as to defend its continued existence (Guthrie & Parker, 1989). Also Kokubu, Tomimasu, & Yamagami (1994), state that legitimacy theory explains why the organisation should publish some information for the society. Therefore, legitimacy theory stresses the management purpose and its power over information. In this context, Kokubu *et al.*, (1994) argue that this theory indicates, explicitly or implicitly, the possibility that social disclosure might be distorted by the decision makers (the management).

Just as in stakeholder theory, this might leave much of CSR disclosure at the discretion of management and, therefore, ignore the right of many stakeholders to receive information, and the obligation of an organization to provide this type of information.

Legitimacy theory is the dominant research theory on why business organisations disclose CSR information (Jenkins, 2004). This particular theory has been subjected to empirical testing by several research studies conducted in the area of CSR (see for

example, Patten, 1992; Kokubu, *et al.*, 1994, Adams *et al.*, 1998; Deegan, Rankin, & Voght, 2000; Gray, 2002; O'Dwyer, 2002; Campbell, Craven, & Shrives, 2003; Ahmad & Sulaiman, 2004; and Rahaman, Lawrence, & Roper, 2004).

By reviewing the main assumptions of legitimacy theory, it can be said that legitimacy theory could partly explain some of the reasons behind the absence or presence of CSR disclosure. However, it appears to be failing to provide a comprehensive basis for an explanation of CSR disclosure practices, because it is derived from bourgeois political economy theory (Deegan, 2000).

In the context of testing this theory, the results of many studies reveal some evidence supporting legitimacy theory (e.g. Patten, 1992; Deegan *et al.*, 2002). Patten (1992) used company size and ownership structure to test the legitimacy theory arguments (social disclosure can be viewed as a way of responding to the changing perceptions of a company's relevant publics). He found that the result supports legitimacy theory arguments.

Cormier & Gordon (2001) used legitimacy theory to explain the difference in CSR disclosure practice made by publicly owned companies and privately owned companies. They found that public companies disclose more CSR information than private companies did. And Deegan *et al.*, (2002) found that the result of examining the level of CSR disclosure and the extent of the media attention (measured by media articles related to each issue) showed evidence supporting legitimacy theory. In addition, their results indicated that there is significant correlation between the level of

HR disclosure and the extent of media attention. In particular, there was an association between employee health and safety information disclosure and the extent of media attention. It can be concluded that the employee health and safety issue attracted the greatest level of media attention within the HR theme as well as representing HR with the greatest amount of BHP' annual reports.

However some researchers did not support legitimacy theory as (Wilmshurst & Frost 2000) their findings showed limited support for legitimacy theory to explain the link between the factors that might affect management's decision making and environmental disclosure.

Thus, this theory may not explain CSR disclosure practices in a different social, political and economic setting such as the Libyan context. Libya, as mentioned earlier, has a political and economic system based on the "Third Universal Theory" of the Green Book. In this theory the society (the Mass) plays a dominant role in the majority of economic activities as well as an important role in industrial development through the provision of finance and other resources. The society (via central authorities) is continually intervening in the economy with the purpose of achieving its development and growth goals. The members of the PCs (managers) of Libyan organisation are members of the Popular Congresses (society) and, consequently, contribute in laying down national public policies for the state. These policies will obviously reflect their opinions and attitudes and will be in harmony with the public interests of society. They act as both decision-makers and as actors within society where decisions are to be

implemented. Thus, managers in Libya seem not to be using CSR disclosure to justify their companies' continued existence, enhancing the corporate image or the reputation of the company, and anticipating or avoiding social pressure, rather than achieving the objectives of society (Naser & Baker, 1999).

Thus, legitimacy theory seems to be inappropriate as a basis for the explanation of CSR disclosure practice in Libya. Therefore, this brings the discussion to another theory, namely political economy theory.

3.7.3 Political Economy Theory

Political economy theory concentrates on exchanges that arise in any framework (e.g., the market) and the relationships among social institutions participating in such exchanges (Gray *et al.*, 1995). Studies, which have adopted political economy theory in the context of CSR disclosure suggest that political economy theory may be used for an explanation of CSR disclosure practices. The main theme of political economy theory is that political, economic and social contexts are inseparable and should all be considered in CSR disclosure researches (Guthrie & Parker, 1990). Political economy has a very long historical tradition and can be defined in different ways (Gray *et al.*, 1995:52). In this context, Jackson (1982) describes political economy theory as the study of the relationship between the power and the goals of power wielders and the productive exchange system.

As a framework, political economy theory does not concentrate exclusively on market exchanges. Rather, it first of all analyses exchanges in whatever institutional

framework they occur and, second, analyses the relationships between social institutions such as government, law and property rights, each equipped by power and the economy, i.e. the system of producing and exchanging goods and services (Gray *et al.*, 1995a). In addition, they assessed Jackson's definition and stated that "the essential point, it seems, is that the economic domain can not be studied in isolation from the political, social and institutional framework within which the economy operates. As such, it seems unquestionably (but see Benston, 1982) an apposite way of thinking about social (and environmental) disclosure by corporations" (p.52).

Gray & Kouhy (1993), Tsang (1998) and Belal (2001) are particularly critical of introducing western corporate social and environmental disclosure techniques into the different socio-cultural context of developing countries, as the socio-economic, political and cultural context of a country largely influences accounting in general and corporate social and environmental disclosure in particular. Gray *et al.*, (1996) and Wallace (1990) therefore maintain that the need for CSR disclosure research is acute in the developing countries.

In the context of CSR disclosure in Islamic countries, Baydoun & Willett (2000) and Haniffa (2001) are particularly critical of introducing western corporate social and environmental disclosure techniques into the different socio-cultural context of Islamic countries. For example, Hayashi (1987:71) suggested that "Islamic accounting thinks of the society before the business enterprise whereas conventional accounting thinks of individual profit before the social profit". Baydoun & Willett (2000:81) concluded that

“private accountability and limited disclosure (western accounting criteria) are insufficient criteria to reflect the ethical precepts of Islam law. Consistency of disclosure practices with Islamic law requires application of the more all-embracing criteria of social accountability and full disclosure”. Therefore, the greatest justification for the need for an Islamic accounting disclosure is by saying “Accounting is a social construct. Conventional accounting has developed according to the needs of the capitalistic western society and it can only be justified in a pristine liberal economic democracy.

In the concept of political economy, there are a number of recent studies (mainly in western countries) that attempt to interpret CSR disclosure (practices and non-practices). For example, Guthrie & Parker (1989) examined the annual reports for a single company, BHP, for 100 years to ascertain whether the pursuit of organisational legitimacy was a primary rationale for the disclosures. They found that political economy theory provided a better explanation of the patterns of disclosure by the company than legitimacy theory as it was discovered that, for example, “management had a predisposition towards selective disclosure policies, suppressing information on some major social impact events” (Gray *et al.*, 1996:158).

Also Guthrie & Parker (1990) used the annual reports of the top 50 companies in the UK, USA and Australia to provide a comparative analysis of key aspects of disclosure types and practices in these countries. The analysis of survey results was from two theoretical perspectives of disclosure: user utility and political economy. They found

that corporate social disclosure practices offer support for a political economy interpretation, as there was recognition of the tendency of communicators to set the agenda and to portray the social, political, and economic world in their own terms.

Adler & Milne (1997) used the annual reports of 122 companies listed on the New Zealand Stock Exchange to investigate the relationships between media exposure, company size, industry sector, and corporate social disclosure. They used media exposure as a proxy for public pressure. They found support for a political economy theory that public pressure motivates companies (especially large ones) to engage in corporate social disclosure.

Adams & Harte (1998) used a political economy theory in order to interpret corporate social disclosure relating to the employment of women in two sectors in the UK from 1935-1993. They examined these disclosures in the context of the wider social, political and economic development in the UK throughout this period. By considering the broader social, political and economic context, they found that a political economy explanation encompassing patriarchy offered a better basis for understanding disclosure practice over the period than either legitimacy or stakeholder theory.

Buhr (1998) used the annual reports of Falconbridge for the years 1964-1991. She asked two key questions relating to Falconbridge's environmental performance and disclosure. Firstly, how the corporation responded to changing environmental regulations for sulphur dioxide abatement and secondly, how it chose to present these

abatement activities in its annual report. Buhr attempted to explain her results using both a political economy theory and a legitimacy theory. In contrast to Guthrie and Parker (1989), her results found that legitimacy theory provided a stronger explanation than political economy theory, as she concluded that the corporation concentrated on changing its corporate performance in response to changing environmental regulations rather than “using disclosure to influence social norms or influence the distribution of wealth and power” (Buhr, 1998:186). However, the survey limits itself to a regulations context rather than other Canadian environmental factors (political, economic, and social factors), which are equally (if not more) important. For example, Gamble, Hsu, Jackson, & Tollerson (1996) and Fekrat, Inclan, & Petroni (1996) suggested that when a country has a high level of social consciousness, for example, as in Sweden or Canada, then the company provides more information by way of voluntary disclosure.

Williams (1999) used a political economy theory in order to interpret voluntary CSR disclosure provided by organisations (356 listed companies) in annual reports operating in seven Asia-Pacific nations (Australia, Singapore, Hong Kong, the Philippines, Thailand, Indonesia and Malaysia). He concluded that the socio-political and economic systems of nations interact to shape the perceptions of organisations in the need to release voluntary CSR disclosure that met social expectations as well as to avoid government regulation to preserve their own self-interest.

The political economy theory obviously has much to offer as a basis for explanation of CSR disclosure when it is compared with stakeholder and legitimacy theories (Guthrie

& Parker, 1990; Gray *et al.*, 1996). This is because it sees the world from a point of view that involves social, economic, and political factors (external environmental factors) (two-dimensional analysis). Thus, it may be said to be concerned with altruistic behaviour. However, it fails explicitly to consider the inter-organisational factors (internal factors include: the corporate characteristics and the management attitude and cognition), which have an important role in CSR disclosure practices in a given country (Ingram & Frazier, 1980; Cowen *et al.*, 1987; Belkaoui & Karpick 1989; Patten, 1991; Tilt, 1998; O'Dwyer, 1999; Stanwick & Stanwick, 2000; O'Donovan, 2002).

Moreover, Gray *et al.*, (1996:49) have made the following comment about these theories (stakeholder, legitimacy, and political economy theories): “they are not as yet fully fledged theories (in CSR) but provide useful frameworks within which to study the developing practice of CSR, but we should note that we are a very long way from any complete understanding of why organisations do (and do not) undertake social and environmental accounting and disclosure”.

Hence, this brings the consideration to “accountability theory”, which might have a more appropriate basis for exploration of the absence or presence of CSR disclosure practices. Such a macro perspective as accountability theory might contribute to shorten the way from a complete understanding of why companies disclose (or not) CSR data.

3.7.4 The Accountability Theory

Zairi & Peters, (2002) argue that the organisational ethos has begun to subscribe to the principle 'show me' rather than just 'trust me'. Corporate social accountability and reporting is therefore seen as a key driver for engaging the wider community as an important stakeholder in organisational activity. Gray *et al.* (1996) view CSR as a means by which a business organization can discharge what they regard as its social accountability. Clarke (1998) also emphasises that the organisation must work within a sound framework of accountability, and the balance between them is critical. In this context Charkham (1998) and Spira (2001) argue that good governance means a good balance between enterprise and accountability.

Many definitions of accountability have been presented in the literature (e.g Gray *et al.*, 1987; Gibbins & Newton 1994; Glynn & Murphy 1996 and Crane & Matten 2004). Jackson (1982: 220) defines accountability as an approach that "involves explaining or justifying through the giving of information about what has been done, what is currently being done and what is planned". Therefore, providing accounts may involve justifying the subsequent, current and prior events taken, or to be taken, by the accountable person or by the organisation. These justifications may be based on economic, political, social, personal and legal reasons. Jackson (1982) described the accountability setting as involving at least two parties. One is accountable to the other in the sense that they have the right to call upon the other to give an account of their activities. Therefore, accountability involves the giving of information. (Burchell,

Cooper, & Sherer (1982:15) argue that the term accountability means “the requirement that those with power over resources explain and justify the use of that power”.

Another definition presented by Roberts & Scapens (1985:447) defined accountability as "the giving and demanding of reasons for conduct." It can be argued that this definition involves the more powerful party demanding reasons and explanations for conduct from the less powerful parties. However, accountability was defined by Gibbins & Newton (1994:166) as "a relationship, driven by social, contractual, hierarchical, or other factors, between the source (i.e. the principal) and the accountable person (i.e. the agent) in which the latter has incentives to behave as the former wishes." They supposed the existence of a relationship between two or more parties for accountability to be constructed.

Glynn & Murphy (1996: 127) consider it to be “the process via which a person, or group of people, can be held to account for their conduct.” They argued that accountability is a concept which is contingent on the context which gives rise to accountability relationship. In this context, Gray *et al.*, (1987) suppose that the accountability is an ideological framework that is most useful for analysing accounting information conduction in general and social disclosure in particular. They also defined the term accountability as “the duty to provide an account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible” (Gray *et al.*, 1996: 38).

Crane & Matten (2004:55) defined corporate accountability as “to whether a corporation is answerable in some way for the consequences of its actions.” Therefore, accountability, definitions imply three constituents with respect to the idea of accountability namely:

- The duty to provide an account by those who are accountable.
- The responsibility of those who are held accountable for actions and maybe their consequences.
- The provision of an account of actions and perhaps their consequences to the owner (Principal) which might serve as a basis for judgement and assessment, and may affect their decisions.

The accountability theory has been developed by Gray (1983) and Gray *et al.* (1986, 1987, 1991, 1993, 1996 and 1997). Gray *et al.* (1995a, 1996) indicated that power over information unequally distributed between the organisation and the groups in society and the legislative system which governs such disclosure might not be in the general public interest. Those researchers are aware of the power (economic or political), influence and conflict of interests in the relationship between business organizations and society. In this context, Mraovic (2003: 167) also stated that “it is not questionable that the major power in the organisation lies in the hands of managers”.

According to Gray *et al.*, (1991) organizations are accountable to society at large for their actions. In their compliance with the standard approach, the organization is required to account for the totality with which they complied with the law. Such power

and influence can therefore be perceived as unequally distributed in society. Therefore it might argue that this condition reflects, to a substantial extent, on the sharing of information in general, and accounting information in particular, among the organization and the individuals, groups and parties in the society. The accountability approach, according to Gray *et al.* (1993), concerns itself with the moral case for organizational disclosure of information to individuals, groups, and sections in a society with a right to such information. It does not therefore consider any systematic analysis of power and conflict.

In their accountability model, Gray *et al.* (1987, 1991 and 1996) assume a simple two-way relationship between an accountee and accountant. The accountee, who they call the “principal”, is naturally described in the conventional financial accounting literature as the “shareholder”, whereas the accountant, who they call the “agent” would be a “Director” of the organisation in the conventional financial accounting context. They also maintain that a society can be thought of as ‘sets of relationships’ (e.g. between individuals, between organizations, between groups, between the state and the individual or organization and between individuals and the rest of the natural environment etc.). A society can therefore be considered as a series of individual ‘social contracts’ between members of the society and the society itself. It is such a contract that assigns responsibility and allows a right to information and by that determines accountability. To answer the question of how such contracts (relationships) can be determined, Grey *et al.* (1996) suggest that most obvious rights and responsibilities can be determined by laws. They add that those contracts can be

thought of as both legal and non-legal, that is, some relationships and parts of some relationships are governed by law but other relationships (and some parts of all relationships) are structured by the ethics rule, values and principles of society. These relationships thus give the basis for the rights of the parties in that relation (including rights and responsibilities concerning information flows).

Gray *et al.* (1996) therefore view accountability as involving two responsibilities or duties, for actions (or inactions) and for an account of those actions – the accountability. In order for an organization to fulfil their responsibilities, one needs to consider what responsibilities organizations actually have. Responsibilities can be established in law including “the rules of the game in which the organization chooses to play” (Gray *et al.*, 1988: 13), and include compliance with law as a minimum of social responsibility. However, Tilt (1998 and 2001) argues that accountability views responsibility to comply with legislation as carrying with it the responsibility to account for the extent of that compliance. Gray *et al.* (1996) argue that while legislation often defines the responsibility for actions it infrequently identifies the responsibility to account for those actions. They assert that the legal responsibility for actions brings with it moral responsibility to account for those actions which is only partially discharged by legal responsibility to account. CSR is viewed as a means by which organizations might fill the apparent gap between their (legally) defined responsibility and its discharged accountability.

Gray *et al.* (1997: 334) state that the law often lags behind societal obligations and it might be “naive to assume a simple one-to-one mapping of a society’s beliefs about the nature of relationships (between groups, individuals and organizations) and the attendant information rights and extant law”. Whereas, the non-legal or moral or natural rights and responsibilities are need to be determined in spite of the evident difficulty in doing so.

Hence, the framework of accountability adopted by Gray *et al.* (1996) is used as a model, assisting depiction, improvement and development of social responsibilities and social contracts through a reassessment and extension of established rights to information. Such a framework views CSR as a means with which to develop the democratic functioning of information flows about these responsibilities (Owen, Gray, & Bebbington, 1997 and Tilt, 1998 & 2001). According to this concept, CSR disclosure is used to allow organizations to discharge their social accountability, then increasing the organisation’s transparency. In this context, Gray *et al.*, (1996:42) state that the development of CSR disclosure as the mechanism of accountability is perceived as “contributing to the normative position of more justly organized and better informed democracy”. They also argue that to stress the importance attached to CSR accounting and accountability is a required factor, but not a sufficient condition, to advance social change and a greater level of democracy.

On the other hand, Robert & Scapens (1985) identified some restrictions to using the accountability approach. They argue that there is no accountability due unless the

accountee (the principal) is able to enforce accountability. They add that, in the case that an accountant (the agent) voluntarily decides to disclose information that an assumed accountability may demand and the accountee cannot enforce that disclosure, such a kind of disclosure should be perceived as "ex gratia" disclosure. However, according to Gray (1992) accountability can be due even if it cannot be enforced. Instead of that, Roberts & Scapens (1985) argue that in the accountability relationship, which is basically a reflection of a social process, power rests with the accountee who can impose his/her own social values upon the accountant. In this logic, the accountability relationship can be considered as potentially exploitative. Gray (1992) reacted that CSR, in the context of the accountability approach, concentrates on the accountee or stakeholders (such as the employee or society) who are unable to enforce their accountability upon the accountant, therefore there is no place for situations of exploitation.

From the previous discussion one can fairly recognize that the accountability approach provides a particularly useful basis for a profession of accountancy which claims to serve the public interest. Therefore, whether in the marketplace or for administrative purposes, greater information is necessary to make decisions. Authorities in developing countries, like Libya, need to address the measurement processes, as well as the disclosure techniques currently in use, to ensure a greater level of accountability (Samuels, 1990). According to Jensen (1977), who studied accounting for the economic, social and environmental impacts of a business, the diversity of problems facing different countries makes it difficult to search for and find universal solutions or

uniform standards. He added, extreme solutions to our problems can be avoided, with neither the excessive exercise of power nor the breakdown of authority, by making business enterprises more accountable. Also Naser & Abu Baker (1999) found a willingness of the respondents in their survey to accept broad accountability as basis of CSR practice in Jordan.

As mentioned above, no complete theory can be used to interpret CSR disclosure practices. On the basis of the previous discussion, it is fair to conclude that these theories explain CSR disclosure practices, each from different perspectives and assumptions. However, they seem “fuzzy” in the sense that all of them are logical and acceptable and none could be voted as the best theory to explain CSR disclosure practice. According to Gray *et al* (1995:52) who argue that to treat legitimacy theory and stakeholder theory as two totally distinct theories would be incorrect when they state that “it seems that the essential problem in the literature arises from treating each as competing theories of reporting behaviour, when stakeholder theory and legitimacy theory are better seen as two (overlapping) perspectives on the issue which are set within a framework of assumptions about political economy”. This is due to the overlapping of these theories, and the specific emphasis in each study. Moreover, these theories have been mainly developed in liberal market contexts. It has been argued that the use of theories that originated in a political, economic and social setting to explain disclosure practices in a different social, political and economic setting, such as Libya is questionable.

As a result, no one theory can be proposed as a framework which might explain and give better understanding of CSR disclosure practices in Libya as a developing economic. Some research uses more than one theory to analyse CSR disclosure practices and provide an explanation for particular managerial actions (Deegan *et al.* 2002).

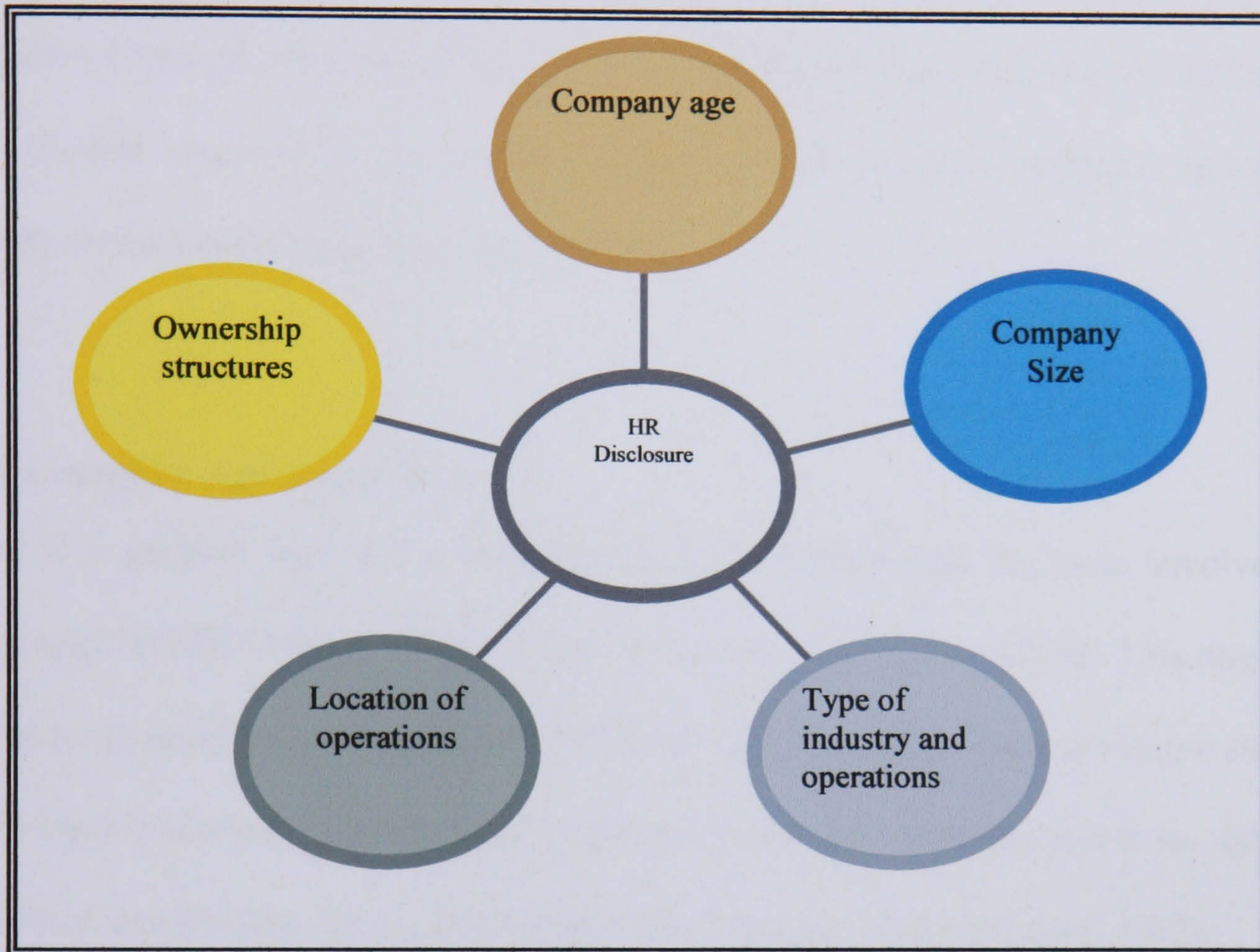
Therefore, the CSR disclosure practice in Libya can be interpreted by using not just one theory but by using a mixture of these to give better insights to such practice. Hence, the remainder of this chapter reviews some of the factors affecting CSR disclosure practices in general and HR disclosure practices in particular which are going to be examined in this study.

3.8 Determinants of HR Disclosure

By reviewing the literature on factors influencing the extent and nature of CSR disclosure in general and HR disclosure in particular, the literature divides these factors into three groups:

- Company characteristic factors including: company's size; industry type, company's age and financial performance.
- General contextual factors including: country of origin, time, specific events, media pressure, stakeholders and social, political, cultural and economic context.
- Internal context including: identity of companies chair and existence of social reporting committee.

Figure 3.1 The HR Disclosure Determinants



Therefore, attempting to understand the factors that might influence disclosure is important in order to improve the companies accountability, Adams (2002) argued that studying CSR disclosure factors gives better understanding to:

- The breadth of disclosure,
- The quality and quantity of disclosure by each company;
- The completeness or comprehensiveness of disclosure (by understanding the reasons behind disclosure and non-disclosure);
- Notification of critical analysis of the role of legislation in reaching these improvements.

In this context, Gray *et al.* (1995b) concluded that despite diversity of concerns and approaches in the literature, CSR does appear to be related to company size, industry types, the country in which the organization is reporting and the country of ultimate ownership, the company's age, senior executive attitudes and the existence of a social responsibility committee.

3.8.1 Company Age (experience):

There is a general idea that a well-established company may be more involved in social responsibility than a young (newly established) concern would be. This might be related to its experience to disclose this kind of information. There are many studies which have examined the relationship between company experience and its level of disclosure (see Phillips, Stone, & Phillips, 2001; Becker, 2001; Rimmel, 2003).

Roberts (1992) argued that company age might influence the level of CSR disclosure.

While some authors use the company age as a proxy variable to test the link between levels of disclosure and the risk in this context Foster, (1986) argued that the higher a firm' volatility or risk, the more it was challenging for information users to accurately assess a company's value and the more likely they are expected to incur information costs to assess risk factors.

On the other hand Singh & Ahuja (1983) found that the age of the company does not have influence on the CSR disclosure when they investigated forty Indian companies' annual reports. In this context, Singh & Zahn (2006) examined some determinants of intellectual capital voluntary disclosure in the 2004 annual reports of 52 Australian and

64 Canadian oil and gas companies. One of these determinants was company's age: their finding indicated that the age of company is a significant determinant of the extent of the voluntary disclosure made by their sample.

These studies tried to examine and compare two kinds of companies; one is an experienced company and another is a less-experienced one. However, this research tests the level of HR disclosure made by the same company over a long term(10 years) to consider if there was any change in the level of disclosure.

3.8.2 Industry Groups

The literature reveals that there is strong evidence that industry type is related to disclosure level (e.g Adams *et al.*, 1998; Cowen *et al.*, 1987; Roberts, 1990; Zeghal & Ahmed, 1990; Deegan & Gordon, 1996; Hachston & Milne, 1996; Patten, 1991; Roberts, 1992).

In this context, Harte & Owen (1991) found that industry sensitivity towards the environment influences the level of CSR disclosure. They argue that environment-sensitive companies are more likely to disclose information about their environmental performance than less environment-sensitive one. Roberts (1992) found that the level and type of CSR disclosure is linked with industry types. He suggests that companies in high profile industries are expected to have higher levels of CSR disclosure.

Robertson & Nicholson (1996) examined the nature of the CSR provided by UK firms. Using the stakeholder theory they found that companies in different industries give varying levels of attention to their employee related issues. For example, they found that the chemical industry gives great emphasis to employees' development. In the electricity and water companies, emphasis was placed on training opportunities for their employees, while construction companies stress employees' safety issues, and manufacturing firms give more attention to employees' welfare. In this context Singh & Ahuja (1983) found that manufacturing companies disclose more information related to social responsibility than service companies do.

Furthermore they distinguished between manufacturing companies with the activities they are involved in (capital goods, consumer goods and basic material), and found that those involved in producing basic material and capital goods disclose more information regarding CSR than others do. Adams *et al.* (1998) examined a sample of annual reports from six European countries to investigate the CSR disclosure practices. Their findings indicated that industry group is a significant factor influencing corporate social reporting patterns. Also they argued that where as companies reported environmental and some employee information, but did not in respect of ethical disclosures. And they concluded that that the significance of company size and type of industry could be explained by legitimacy theory. However, legitimacy theory was insufficient to explain the differences in results due to country of origin.

Newson & Deegan (2002) examined CSR disclosure practice in Australia, Singapore and South Korea. They found that there is a significant influence of industry type on CSR disclosures in annual reports. In this context, Gao *et al.*, (2005) found that that industry difference has an impact on the amount, content theme and location of CSR disclosure. Their findings indicate that utility companies disclosed the largest amount of CSR information measured by the number of words. In addition most information was related to environment and HR.

3.8.3 Company Size

Company size was identified in previous literature by different measurements, such as total or net of the company assets, employees' number and net sales.

In CSR disclosure literature there does appear to be a link between the level and the amount of CSR disclosure and the company size (see, for example, Andrews *et al.*, 1989; Belkaoui & Karpik, 1989; Cowen *et al.*, 1987; Singh & Ahuja, 1983; Tonkin & Skerratt, 1991; Trotman & Bradley, 1981, Patten, 1992).

Cowen *et al.* (1987) argued that large organisations are subject to more social and political pressure and are more visible in the public eye than small organisations. Hence, those larger companies tend to increase their disclosure more than the smaller ones. They suggested that managers of larger companies may disclose CSR activities in the annual reports as part of a strategy to manage or reduce political costs. Hooghiemstra (2000) also argued that CSR is meant to protect or enhance a company's image or reputation. Belkaoui & Karpik (1989) recognized that image-building and public interest concerns might influence the decision to spend on socially responsible

activities and to disclose those activities. Larger companies can be expected to disclose more CSR information to show or portray their corporate citizenship, thereby legitimizing their existence. That is because additional disclosure may influence society's perceptions about the company (Neu *et al.*, 1998). Additional disclosure may also allay public perceptions that large companies are reaping exorbitant profits from the public. Company size has been found to be significant and positively associated with the extent of social disclosure in previous studies (e.g. Singh & Ahuja, 1983; Belkaoui & Karpik, 1989; Patten, 1991; Hackston & Milne, 1996; Adams *et al.*, 1998; Richardson & Welker, 2001; Abdul Hamid, 2004; and Haniffa & Cooke, 2005).

(Patten, 1992) found that there was relation between the amount of social disclosure and the company size in the Alyeska Pipeline service company.

Based on total assets, Singh & Ahuja (1983) found that there is a positive correlation between the size of the company and CSR disclosure level, but the size in terms of net sales has no significant effect on CSR disclosure. The same correlation was found by Deegan & Gordon (1996).

Subbarao & Zeghal (1997) analysed the annual reports of a sample of publicly traded corporations in six developed countries, namely, the USA, Canada, Germany, the UK, Japan and South Korea, in an attempt to draw out an international comparison of human resource information and disclosure. They found that the size of the reporting company had an effect on the amount of disclosure in the annual report. Cormier &

Gordon (2001) related the differences between public and private sector CSR disclosure practises to the size of companies. They linked the size with ownership status, arguing that public companies are supported by government, and have the highest level of disclosures.

Smith *et al.*, (2005) used stakeholder theory to investigate and test differences in social disclosure among countries. Their findings showed that stakeholder pressures and their reflection on CSR practice can be seen more clearly in larger companies than medium and small size companies. The same findings were confirmed by Gao *et al.* (2005) when they found that there is a positive correlation between Hong Kong company size and the amount of CSR disclosure, and also by Ghazali (2007) who tested company size impact on CSR disclosure in Malaysian companies. He found that large companies disclose more CSR information, which was also supported by Silberhorn & Warren (2007)'s findings.

3.8.4 The Company Ownership

The association between voluntary disclosure and ownership structure has been found to be a significant relation by many researchers (e.g. Hossain *et al.*, 1994; Chau & Gray, 2002; Eng & Mak, 2003 & Ghazali, 2007). In addition, Hossain *et al.* (1994) found that ownership is statistically significant and negatively associated with the extent of voluntary disclosure in annual reports.

The country in which the organization is reporting and the country of ultimate ownership seem to have a significant effect on CSR disclosure levels, (see, for example, Andrews *et al.*, 1989; Guthrie & Parker, 1988 and 1990; Roberts, 1990; Teoh & Thong, 1984; Patten, 1992).

The result of Patten's (1992) study indicated that the changes in amount of social information disclosure might be related to the differences in ownership and industry type. Andrew *et al.* (1989:374) investigated CSR disclosure made by Malaysian companies. They suggested that "any further improvement in the CSR disclosure in developing countries was likely to come from large and foreign owned companies". They found that most large companies that made CSR disclosure were foreign owned. They argued that the reasons for the findings include larger companies having more resources to engage in CSR activities and foreign-owned companies being more visible and more likely to be subject to enquiry by the government.

However, when they compared their result with Guthrie & Parker (1988)'s findings which examined CSR disclosure practices in 50 Australian, the UK and US companies, their findings indicated that the companies that operate in developed countries such as the UK and the US a made more CSR disclosure than those which operate in developing countries. They suggest that in many developing countries, there were few interest groups to pressure the companies to be more socially responsible and report their CSR activities.

Ghazali (2007) tested the association between three ownership structures (ownership concentration; director ownership and government ownership) and the extent of CSR disclosure in Malaysian company annual reports. His study is based on Hossain *et al.* (1994) who found that ownership concentration is statistically significant and negatively associated with the extent of total voluntary disclosure in annual reports (financial and non-financial disclosure; of which CSR disclosure was part of non-financial) and based on agreement that the company with widely held shares held the issue of public accountability as important because there is a greater chance that these companies shares are held by the public at large. The higher level of public accountability may require additional involvement in social or community activities and, therefore, disclosure of these activities. Thus, he tried to test if the ownership concentration is negatively associated with the extent of CSR disclosure by using the proportion of shares held by the ten largest shareholders as a measure of ownership concentration. Ghazali's findings reveal that the ownership concentration is not a significant influence on CSR disclosure. Regarding director ownership, he used the proportion of shares held by executive and non-independent directors as a measure of director ownership to be consistent with Eng & Mak (2003) who found a negative association between managerial ownership and the extent of voluntary disclosure in Singaporean listed companies. This is based on the argument that the companies with this type of ownership are likely to be under less external pressure and public accountability.

In addition, disadvantages disclosing CSR information are outweighed potential benefits. Managers in director companies do not invest heavily in socially responsible activities. Therefore less CSR information can be expected in a closely held or owner managed company. Ghazali's study sought to test the association between the proportion of shares held by executive and non-independent directors and the extent of CSR disclosure. He found that director ownership has an impact on the level of CSR disclosure practices. In other words, there is a positive association between the proportion of shares held by executive and non-independent directors and the extent of CSR disclosure.

In the context of government ownership, there is general agreement that a government owned company is more politically sensitive because the activities of these companies are more in the public eye. That is because ownership by the government indirectly means that the company is owned by the public at large. Thus, this type of company may engage in more socially responsible activities and hence have more disclosure of CSR to legitimize their existence. He used a company where the government is a substantial shareholder to represent the government owned company. It is expected that a company in which the government is a substantial shareholder will disclose more CSR information in their annual reports. His aim was to test if there is an association between government ownership and the extent of CSR disclosure. The result showed that there is a positive association. He concluded that the ownership influenced the level of CSR disclosure, when his result indicates that the companies in which the directors hold a higher proportion of equity shares (owner-managed

companies) reported significantly less CSR information, while companies in which the government is a substantial shareholder reported significantly more CSR information in their annual reports.

3.9 The Summary of Previous Studies

Research into CSR disclosure, including the HR element, has tended to concentrate on the nature and extent of reporting. Some studies have attempted to determine which theories best explain how companies report, or how they should disclose CSR information. Other studies have attempted to explore whether CSR practices can be linked to other aspects of performance, such as economic performance, or to factors such as industry type, size, age, or country of origin. At the same time researchers have explored the theoretical and empirical aspects of CSR disclosure. This section reviews and analyses the key studies that relate to the phenomenon of CSR. The literature review is summarized in the Table 3-1.

An early study by Trotman (1979) used five key categories to examine the level of CSR practice in the annual reports of Australian firms. The annual reports of the top 100 companies operating in Australia were examined using content analysis under the categories of environment, energy, human resources, products, community involvement and other. The level of CSR disclosure was measured in terms of the average number of pages dedicated to disclosure in the company's annual report. The findings indicated an increased incidence of social disclosure, from 28 companies disclosing in 1967, against 48 in 1972 and 69 in 1977, with disclosure increasing from 0.08 pages in 1967 to 0.57 in 1977. The most frequently mentioned themes in 1977 were the environment and the human resource.

The factors examined in the literature can be broken down into three groups or categories (see Adams, 2002): (a) corporate characteristics, including size, industry group, financial/economic performance and share trading volume, price and risk; (b) general contextual factors, including country of origin, time, specific events, media pressure, stakeholders and social, political, cultural and economic context; and (c) internal contextual factors, including identity of company chair and existence of a social reporting committee.

Table 3.1 summary of previous studies.		
Author(s)	Objective(s)	Finding indicated that :
Tortman (1979)	Examined the extent of CSR practice of Australian	There was an increased incidence of social disclosure, with the environment and HR as the most frequently mentioned themes.
Trotman & Bradley (1981)	Examined some of the characteristics (size, systematic risk, social constraints) of firms that may be associated with their disclosure of social responsibility information.	That there is a positive association between the amount of social responsibility disclosure and the size of the company, the degree of social constraints faced by the company
Singh & Ahuja (1983)	Investigated the extent of corporate social (CS) disclosure in the annual reports of Indian public companies.	Industry type has a significant effect on the extent of CS disclosure. Therefore, they found manufacturing companies making more CS disclosure than the service companies did.
Lewis <i>et al.</i> (1984)	Reviewed the literature on financial reporting to employees between 1919 and 1979	There were fluctuations in the total of publishing frequency over the sample period as well as development of issues
Teoh & Thong (1984)	Empirically investigated CSR accounting and reporting in Malaysia as a developing country	Major corporate attention is focused on activities relating to employees and products/services
Cowen <i>et al.</i> (1987)	Investigated the relationship between a number of corporate characteristics (size, industry, profitability, and the presence of a social responsibility committee) and specific types of CSR	The corporate size and industry category correlate with certain types of disclosure while the existence of a corporate social responsibility committee appears to correlate with one particular type of disclosure (typically environmental disclosure).
Andrew <i>et al.</i> (1989)	Examined corporate social disclosure in 119 annual reports of publicly listed companies in Malaysia and Singapore.	That only 26% of surveyed companies made CSR, the majority on one theme only (human resources)
Belkaoui & Karpik (1989)	Empirically tested a positive model of the decision to disclose social information. The model tests the empirical relationship of CSR with both social and economic performance	It was suggested that companies which disclose social information are those (a) perceived to display social responsiveness, (b) those having higher systematic risk & lower leverage, and (c) those which were larger in size
Patten (1990)	Examined whether investors use social responsibility information in making investment decisions	That the information did impact upon stock market behaviour. As such, the study provides evidence that investors do use CSR in making investment decisions.
Guthrie & Parker (1990)	Provided comparative analysis of key aspects of disclosure types and practices in the UK, the US and Australia	Significant international differences are noted regarding total disclosure level, social content themes, methods, and locations of disclosure. And the most disclosed subject in all three countries is HR.

Author(s)	Objective(s)	Finding indicated that:
Patten (1991)	Examined whether variation in social disclosures across companies is a function of public pressure and/ or profitability.	Size and industry classification are significant explanatory variables whereas a number of profitability variables are not.
Patten (1992)	Investigated the effect of the Exxon Valdez oil spill on environmental disclosure in the annual reports of petroleum companies other than Exxon	Supported the legitimacy theory arguments which suggested that companies operating within sensitive industry would respond by increasing the amount of environmental disclosures in their annual reports.
Roberts (1992)	Empirically test the effect of overall company strategy on one type of social responsibility activity, CSR	Showed that stakeholder power, strategic posture and economic performance are significantly related to levels of CSR.
Epstein & Freedman (1994)	Investigated whether investors demand CSR information and if they do what type of information they want and what implications this has for information suppliers	The shareholders are interested in having their companies report on certain aspects of CSR activities. The majority of the shareholders surveyed also want the firm to report ethics, employee relations and community involvement.
Adams <i>et al.</i> (1995)	Examined corporate reporting on equal opportunities impact in Britain.	Most reporting appears to have been in response to legislation, although the study revealed that only a minority of firms in the sample comply fully with the legislation
Gray <i>et al.</i> (1995a)	CSR practice in a UK context was analysed, by using the content analysis over a period of 13 years	Revealed that there was a general rise in the proportion of companies disclosing CSR information
Deegan & Gordon (1996)	Analyzed the environmental disclosure practices of Australian companies by using content analyses and questionnaire.	There was general increase in environmental disclosure during the period 1988 to 1991, also revealed that there is link between the level of disclosure and both environmental sensitivity and firm size.
Subbarao & Zeghal (1997)	By using content analysis they examined a sample of 120 corporate annual reports comprising 20 reports from each of the six countries (the USA, Canada, Germany, the UK, Japan and South Korea)	Benefits and pensions were the most frequently disclosed information. The value-added by human resources to a company was the least frequently disclosed item. Employees featured for special contributions, and the directors' committee of HR ranked first in disclosure.
Adams & Harte (1998)	Examined disclosure with respect to gender and employment in the annual reports of the largest UK banking and retail firms over 59 years (1935-93).	The position of women in the two sectors studied can in part be explained by continuing patriarchal attitudes of management.

Author(s)	Objective(s)	Finding indicated that
Tsang (1998)	Studied the corporate social disclosures by Singapore companies in three industries over a ten-year period from 1986 to 1995	Revealed that the CSR in Singapore was in its infancy. The 17 firms mainly disclosed information on employees and community involvement, and the amount of disclosure under the two categories did not differ much.
Adams <i>et al.</i> (1998)	Tested the impact of size, industry grouping and country of origin on corporate social reporting, content analysis and questionnaire to collect the data from the largest 25 companies in six Western European countries	The large companies are more likely to disclose all types of CSR information. Industry type was found to be related to the decision to report environmental and some employee information, but not to ethical disclosures. The amount and nature of information disclosed varies significantly across Europe
Naser & Baker (1999)	By using a questionnaire survey they explore views and perceptions of various groups (from the accounting community in Jordan) about notions of CSR and accountability.	The majority of respondents are willing to accept that companies in Jordan should disclose CSR information, although they tend to believe that these companies would be unwilling to do so without legal and professional pressure.
Adams & Kuasirikun (2000)	Used a method that is both comparative and longitudinal in nature, examining in detail how ethical reporting practices developed differently in the UK and Germany.	Substantial differences in the nature and patterns of reporting both across time and between the two countries studied. German companies reported more information about their CSR
Abu-Baker & Naser (2000)	By using content analysis they attempted to provide empirical evidence on corporate social reporting practice in a developing country (Jordan).	CSR received modest attention from most surveyed companies. The themes most commonly disclosed across the 4 industry groupings were human resources.
Deegan <i>et al.</i> (2000)	Examined the reaction of Australian companies, in terms of the disclosure made in their annual reports	That annual reports are employed by companies as a means of influencing society's views of the operations of these companies, and as a means of legitimizing their ongoing existence.
Imam (2000)	Investigated the areas of CSR disclosure in 40 listed companies assess the position of this kind of reporting in Bangladesh.	Most of the listed companies did not provide any CSR information in 1996-97. Though some progressive companies disclosed some information, that information was not at all adequate in discharging social responsibilities. In addition, the disclosure level was poor.
Wilmshurst & Frost (2000)	Tested the legitimacy theory by using two methods. The chief finance officer of 105 Australian companies was surveyed	There is limited support for legitimacy theory to explain the link between the factors that might affect management's decision making and environmental disclosure.

Author(s)	Objective(s)	Finding indicated that:
Gray <i>et al.</i> (2001)	Examined the relationship between CSR disclosure and corporate size, profit and industry groups. It was based on the Centre for Social and Environmental Accounting Research' Social and Environmental Disclosure Database	In the UK, CSR is related to corporate characteristics of size, profit and industry groups. However, the detailed functional models of the relationships between different measures of CSR. Additionally, they stated that companies place the greatest emphasis on the disclosure of human resources, including employee numbers and remuneration, equal opportunities, employee share ownership, disability policy and employee training.
Cormier & Gordon (2001)	Investigated the social and environmental disclosure in annual companies' reports and what differences exist in the disclosures made by publicly owned companies and privately owned companies.	Public companies disclose more social and environmental information compared with the private companies.
Belal (2001)	Investigated CSR disclosure practices in Bangladesh. Using content analysis the quantity and nature of CSR in the annual reports was examined.	Most companies included in the survey made some form of employee's disclosures. He argued that in the absence of independent confirmation, the credibility of information disclosed is questionable.
Adams (2002)	Identified the internal contextual factors that might influence the nature and extent of CSR reporting. Seven large multinational companies in the chemical and pharmaceutical sectors of the UK and Germany were interviewed.	The process of reporting and decision making appears to depend on country of origin, company size culture. Aspects of process which appear to be influenced by these variables are the degree of formality versus informality, the departments involved and the extent of engagement of stakeholders.
Deegan <i>et al.</i> (2002)	Test legitimacy theory by using content analysis method to examine the relation between the amounts of CSR disclosure in the BHP' annual reports and level of media attention related to each theme.	The results supported the legitimacy theory argument. Employee health and safety got the greatest level of media attention and the amount of disclosure in this company.
Newson & Deegan (2002)	Two methods (questionnaire survey and content analysis) were used to collect the data to examine whether country of origin or industry of operation appears to be a significant influence on CSR.	There is a minimal association between global expectations and social disclosure policies of large multinational corporations. Country of origin and industry of operation appear to significantly influence disclosure practices.
O'Dwyer (2002)	Used legitimacy theory to examine managerial perceptions of the motives for CSR, using personal interviews with 29 senior executives in 27 Irish public limited companies	While CSR may occasionally form part of a legitimacy process, ultimately this is misguided as it is widely seen as being unable to support the achievement of a legitimacy state.

Author(s)	Objective(s)	Finding indicated that:
Al-Husan & James (2003)	By using two case studies to examine how multinational companies used expatriates and training and development to introduce and support a process of cultural reform in companies that they had acquired under the Jordanian government's privatization programme.	Expatriate was found widely used to develop and implement desired reforms and training and development was being actively used to engender supportive attitudinal changes.
Al-Khater & Naser (2003)	Examined the perception of different users of company information about the notion of the accountability process and the possibility of widening the scope of the current corporate annual report in Qatar	Most respondents would like to see CSR information disclosed, either in a separate section, or as part of the board of directors' statement within the annual report. Additionally, to achieve accountability, the respondents believe that a law that requires and encourages the disclosure of CSR information, and different parties within the society should have the right to such information.
Campbell <i>et al.</i> (2003)	Investigated the voluntary social disclosures made by five companies representing three FTSE sectors	The findings suggested that legitimacy theory may be an explanation of disclosure in some cases but not in others.
Jahamani (2003)	By using a questionnaire survey this study investigated the extent to which corporate decision makers in Jordan and United Arab Emirates are aware of, involved in and report the environmental responsibility of their companies.	The decision-makers were aware of environmental protection issues, but their commitment to these issues is still low. No difference was found between the two countries in terms of status leading to environmental awareness.
Staden (2003)	Utilized data collected using a questionnaire survey in a study conducted by Staden (1998).	Legitimacy theory and political economy of accounting theory provide the best explanation for the continued publication of the value added statement in South Africa context.
Idowu & Towler (2004)	Analyzed the contents of CSR reports of UK companies to examine CSR reports of different companies across different industries in the UK.	UK CSR reports disclose information about the contributions an entity has made in four main perspectives, which are environment, community, marketplace & workplace.
Thompson & Zakaria (2004)	By employing content analysis, the CSR disclosure made by Malaysian companies was examined.	CSR disclosure in Malaysia is still in its early stage compared to many Western countries.

Author(s)	Objective(s)	Finding indicated that:
Ahmad & Sulaiman (2004)	By using content analysis the annual reports and questionnaire of a sample of companies listed on the Main Board of the Kuala Lumpur Stock Exchange selected from construction and industrial products sectors	Very few of the surveyed companies make environmental disclosures. The findings also suggested that the factor influencing companies to reveal environmental information was related to legal compliance. It was also revealed that some limited support for legitimacy perspective in explaining the nature of environmental disclosure.
Brown <i>et al.</i> (2005)	By using HR disclosure index they examined the HR disclosure in Pacific Island countries practices and how this can be affected by ethnic background, industry, entity and size attributes.	They found that the HR disclosure decreased over the time; however, the level of HR disclosure in the same period was still higher than environmental disclosure level. The highest elements of HR disclosure were training initiatives, employee assistance, benefits and employee other. Comparatively higher levels of disclosure of employee assistance and benefits. The result of overall regression showed that there is not a significant link between industry and company types. There were no true multinational type companies in their sample set, when they suggested that such companies may have the economies of scale to more easily provide a higher level of disclosure.
Xiao <i>et al.</i> (2005)	Investigated the impact of the stage of social and economic development on CSR disclosure by comparing this kind of disclosure made in the annual reports of UK and Hong Kong companies.	UK companies were found to disclose more CSR information than their HK counterparts. It was concluded that UK and HK's different stages of social and economic development, by creating differential political costs and legitimacy threats, contributed to these differences in CSR disclosure
Mashat (2005)	By using content analysis, the CSR disclosure practices in Libyan business enterprise were examined. And the questionnaire survey was employed to investigate the perceptions amongst members of the accounting community regarding the current corporate reporting and disclosure practices in Libya.	Most companies provided some types of social disclosure; even the volume of information disclosed was low compared to developed countries' counterparts. Most of this disclosure reflected the employee and community involvement themes.

Author(s)	Objective(s)	Finding indicated that:
Smith <i>et al</i> , (2005)	Used stakeholder theory to explain differences in CSR disclosure among countries, the 1998 and 1999 annual reports for 32 Norwegian/Danish companies and 26 US companies in the electric power generation industry, using content analysis.	Companies from countries with stronger emphasis on social issues (Norway and Denmark) had a stakeholder orientation and thus higher levels and quality of CSR in their annual reports than companies from countries with a weaker emphasis on CSR issues (US) and thus a shareholder orientation, that was more clearly seen in the large companies than medium and small size companies in their sample. Showed that in Norwegian/Danish companies most disclosure was related to environmental issues followed by HR issues.
Ghazali, (2007)	By using CSR disclosure checklists and the regression test the influence of ownership structure on CSR disclosure was tested in large Malaysian companies.	The findings indicate that there are influences of ownership structure on CSR disclosure practices on the Malaysia stock market.
Silberhom, & Warren (2007)	They used content analysis to analyze the web sites of 20 British and 20 German companies to explore how these companies publicly define CSR. And they interviewed 8 senior CSR managers to view what the motivation behind CSR was.	Their findings show that companies sampled are reflecting the stakeholders view by focusing on how they interact with stakeholders and they found that there are different in CSR practices between British companies and the German ones; they attributed that to different starting points for CSR in Germany and UK. Their finding also argued that the size of company has an impact on CSR practices.
Belal & Owen (2007)	They interviewed the senior CSR managers of 23 Bangladeshi companies to examine their views and what was their motivation behind CSR disclosure.	They found that the main motivation behind current reporting practice is due to a desire on the part of company management to manage powerful stakeholder groups.
Al-Husan & James (2007)	They examined HRM strategies and policies adopted by French MNCs in two privatized Jordanian enterprises had been shaped by governmental policies and wider political consideration.	They found that there are confirmed that such policies and conditions had influenced the policies pursued by the French MNCs. The Jordanian government had exerted an important influence over the use of expatriate managers, the recruitment of new staff and the retention of existing ones.

Further, researchers have tended to investigate these factors in terms of the association between the level of CSR disclosure and certain attributes associated

with companies. In particular, company size has been found to be significantly and positively associated with CSR disclosure levels (Trotman & Bradley, 1981; Cowen *et al.*, 1987; Belkaoui & Karpik, 1989; Patten, 1991; Hackston & Milne, 1996; Deegan & Gordon, 1996; Adams *et al.*, 1998; Gray *et al.*, 2001; Newson & Deegan, 2002). Industry type has also been related to level and nature of disclosure (Cowen *et al.*, 1987; Patten, 1991; Roberts, 1992; Deegan & Gordon, 1996; Hackston & Milne, 1996; Adams *et al.*, 1998; Gray *et al.*, 2001; Newson & Deegan, 2002). Finally, there is evidence to indicate that a company's age might influence the level of CSR made (Roberts, 1992).

With regard to the relationship between CSR and the economic performance of companies, there is little evidence of a link between CSR and profitability (Cowen *et al.*, 1987 & Patten, 1991). However, Patten (1990) found a degree of relationship between CSR and share trading volume and price, although the extent of disclosure varied. A negative relationship between the level of social disclosure and systematic risk was found by Roberts (1992). However, although a significant relationship was found between CSR and the company's active strategic posture (as measured by corporate sponsorship of a philanthropic organisation, the size of a company's public affairs department and debt equity ratio) the level of CSR varied (Roberts, 1992).

In addition, studies have found that the nature and extent of CSR varies with the period in time, although this might be linked to changes in the social, political and economic context which occur over time (Lewis *et al.*, 1985; Gray *et al.*, 1995a; Deegan & Gordon, 1996; Tsang, 1998; Adams & Harte, 1998; Xiao, Gao *et al.*,

2005; Smith *et al.*, 2005). Specific events can increase the extent of reporting, for instance as organisations respond to stakeholder concerns by attempting to legitimise their activities. In this context, Patten (1992) found petroleum companies to have significantly increased their CSR, particularly their environmental disclosure, following the Exxon Valdez oil spill. Furthermore, internal organizational factors such as the influence or presence of a CSR committee, can affect reporting. A positive relationship was similarly found between the presence of a CSR committee and the number of social disclosures made (Cowen *et al.*, 1987).

Attempts have been made to identify internal contextual factors that influence the nature and extent of corporate social reporting (Adams, 2002). A key finding of Adam's study was that significant internal contextual variables are likely to impact on the extent, quality and quantity of reporting. The internal contextual variables examined include aspects of the reporting process and attitudes to reporting, along with the impact of legislation and audit. The study found that the process of reporting and decision making appears to vary in relation to the country of origin, corporate size and corporate culture. The processes most influenced by the decision-making variables are the degree of formality versus informality, the direct involvement of departments and the extent stakeholders are engaged.

Many CSR studies relate to the developed countries with a Western culture, particularly Europe, USA and Australia (Trotman & Bradley, 1981; Cowen *et al.*, 1987; Adams *et al.*, 1995; Adams & Harte, 1998; Adams & Kuasirikun, 2000; Wilmshurst & Frost, 2000; Gray, Javad *et al.*, 2001; O'Dwyer, 2002; Idowu &

Towler, 2004; Smith *et al.*, 2005). Even comparative studies of international CSR often use Western models and theories in their comparisons (Guthrie & Parker, 1990; Subbarao & Zeghal, 1997; Adams *et al.*, 1998; Newson & Deegan, 2002; Xiao *et al.*, 2005).

Very few studies are available on CSR practices in the developing nations. Further, most studies of developing economies have been undertaken in the context of newly industrialised countries such as Malaysia, Singapore and African countries, such as South Africa, Nigeria and Uganda (Tsang, 1998; Belal, 2001). With relation to the Arab world, of which Libya is part, there is only a very small number of studies on CSR practices in general or HR disclosure practice in particular (Naser & Abu-Baker, 1999; Abu-baker & Naser, 2000; Jahamani, 2003)

It is apparent that any attempt to generalize the findings of Western studies to less developed nations might be problematic, since economic and social development are likely to be important factors that affect CSR practices. In this context, Adams (2002) argues that the results of Western empirical research need to be interpreted with caution. Although the research studies undertaken so far have concentrated on large firms, the samples vary from study to study in terms of both size and industrial composition. Differences in national culture, duration and stage of development also make generalizations problematic. Moreover, cultural and national differences are likely to affect accounting practices in general and CSR practices in particular (Mathews, 1993; Perera & Mathews, 1990). Finally according to Gray *et al.*, (1995a) the nature and volume of CSR tends to vary both over time and between different countries, with an issue being considered

important in one country, or at one particular point in time, being regarded as less important in other countries, or at another time.

Kisenyi & Gray (1998) emphasized the importance of conducting research in the context of developing economies. Thus, this research sets out to fill this gap by studying the nature of HR in Libya. The research will predominately focus on the HR disclosure practices, as part of CSR, in the Libyan oil industry, to provide a better and deeper understanding within a developing economy. In this context, Mashat (2005:278) suggested that:

“Focusing on specific areas/categories of CSR (such as environmental disclosures, community involvement disclosure, consumer disclosure, or employee’s disclosure) is another way to explore and to enhance the current understanding of CSR disclosure practices within the Libyan context”.

Another shortcoming of existing studies is that, with few exceptions (Gray *et al.*, 1995, Guthrie & Parker, 1989, Hogner, 1982), many studies are cross-sectional in nature. Such studies are not able to trace the developments in CSR disclosure practices over time. The aim of this research is to address the paucity of longitudinal studies through an investigation of HR disclosure in the Libyan oil industry over a ten year period. Finally, previous studies have tended to examine CSR disclosure from the user groups’ perception (Abu-baker & Naser, 2000; Jahamani, 2003; Mashat, 2005); whilst the current study aims to investigate the perceptions of key stakeholders in Libyan oil companies, thereby opening another avenue of research.

To summarise this there is a gap in the CSR literature on HR disclosure which this study addresses. The research seeks to address this gap through a longitudinal investigation of HR disclosure practices in the Libyan oil industry. In addition, in adding to the theoretical concepts associated with CSR, the study provides a unique opportunity to contribute knowledge from the perspective of a developing economy in a North African country, a process encouraged by Kisenyi & Gray (1998:16). Finally, the specific focus on practices of HR disclosure practices will add to and extend the knowledge.

Therefore this study seeks to achieve the follows objectives:

- To explore the views and perceptions amongst three different groups (Executive Managers in the Libyan oil companies as information provider, the general managers in the NOC and the employees union in the Libyan oil industry as information users) regarding: a) the basic features of the current corporate reporting and disclosure practices of the oil companies; b) the possibility of wider disclosure in terms of HR and c) the motivation for the disclosure of such information, along with the reasons behind non-disclosure.
- To test the factors affecting the perception of stakeholders (education level, place of education and work experience)
- To evaluate the current practices relating to HR disclosure practices within the Libyan oil industry as part of the organisations' social responsibility.
- To evaluate factors affecting the level of HR disclosure practice in the Libyan oil industry (ownership, size, activity, and location of activity)

CHAPTER FOUR

RESEARCH METHODOLOGY AND METHODS

4.1 Introduction

The previous chapters reviewed the literature on CSR and HR disclosure and gave an insight into the Libyan environment. The aim of this research is to explore stakeholders' perceptions regarding CSR, including HR disclosure and to examine HR disclosure practices in the Libyan oil sector. To achieve these aims, the rest of this chapter highlights the methodology and methods used to carry out this research. Core philosophical assumptions that guide any academic research project are firstly outlined. The research approach and the research methods are then addressed in the second and third sections respectively.

4.2 Research and Philosophical Assumption

The research approach refers to "the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes" (Crotty, 1998:3). There are a number of key issues with which methodology is concerned, including why data is collected, what data is collected and from where the data is collected; finally, when and how the data is to be collected, and how it is to be analysed (Collis & Hussey, 2003). Different schools in the social sciences have, in the last few decades, distinguished between two research paradigms which are used to achieve the research aims: the Positivist and Phenomenological paradigms (Collis & Hussey 2003).

The Positivist paradigm is defined as “an approach to social research which seeks to apply the natural science model of research to investigations of the social world” (Denscombe, 2001:299). In this context, Burrell & Morgan (1985) argued that the positivist paradigm might vary in terms of its detailed approach. Some would argue, for example, that hypothesised regularities can be verified by an adequate experimental research programme. Others would claim that hypotheses can only be falsified and never demonstrated to be true. Nevertheless, both sides seem to accept that the growth of knowledge is basically a cumulative process in which new insights are added to the existing stock of knowledge and false hypotheses eliminated. Moreover, Cassell & Symon (1994:2) asserted that “the assumption behind the positivist paradigm is that there is an objective truth existing in the world which can be revealed through the scientific method where the focus is on measuring relationships between variables systematically and statistically”.

Some researchers, however, argued that to establish a correlation between variables depends basically upon defining these variables (Remenyi, 1998; Collis and Hussey, 2003; Mashat, 2005). It has also been argued that it is not possible to treat individuals as being separate from their social environments and they cannot be understood without examining the perceptions they have of their own activities. This paradigm is described as a quantitative method that focuses on the researchers' assumptions.

The Phenomenological paradigm is defined by Allan (1991:893) as “a fact or occurrence that appears or is perceived, especially one of which is the cause in question”. Collis & Hussey (2003) described it as a descriptive/interpretive method

and stipulate that every event should be studied as a unique incident in its own right.

The phenomenological paradigm of research needs to be contrasted with the positivist paradigm. Unlike the positivist, the phenomenologist does not see the world as consisting of an objective reality. The focus instead is on the primacy of subjective consciousness. Each situation is seen as unique and its meaning is a function of the positions and the individuals involved (Remenyi *et al.*, 1998). In this context, Crotty (1998) argued that phenomenology needs an individual to engage with phenomena in his or her world and make sense of them directly and immediately. In a similar vein, Collis & Hussey (2003: 53) state that "... it is assumed that social reality is within us; therefore the act of investigating reality has an effect on that reality". According to the phenomenological approach therefore the researcher is not independent of what is being researched. Instead, he or she is an intrinsic part of it. In other words, phenomenologists consider that social reality is dependent on the inner mind and feelings. As there is no reality independent of the mind, it is claimed that what is researched cannot be uninfluenced by the process of the research. Thus, the phenomenological approach is concerned with understanding individual behaviour from the participant's own frame of reference (Remenyi *et al.*, 1998; Collis and Hussey, 2003).

Remenyi *et al.* (1998) argue that researchers, within the phenomenological approach, perceive a world that is not composed of a single objective reality. There are in fact a series of multiple realities that the world is composed of. Each of these realities needs to be understood and taken into consideration. Each reality is an

artefact in its own right. It is generally of little interest to the phenomenologist that his or her work will not lead to law-like generalisations in the same sense as that of the positivist. According to the phenomenological perception, the world is socially constructed.

This qualitative approach stresses the subjective aspects of human activity by concentrating on the meaning, rather than the measurement, of social phenomena. It is sometimes depicted as the interpretative paradigm which implies that every event studied is a unique incident in its own right. This school of thought presumes that there are ‘things themselves’ to visit in our experience, in other words, objects to which our understanding relates. There is nothing other than phenomena and the essence of a phenomenon is comprehended intuitively (Crotty, 1998; Remenyi *et al.*, 1998; Collis & Hussey, 2003).

4.3 Research Approaches

Research approaches can be categorized into two broad types: quantitative and qualitative approaches. Much of the debate surrounding the choice of research methods has tended to concentrate on the choice between quantitative and qualitative methods. In this research, both quantitative and qualitative approaches have been selected as they each help to achieve the research aims. According to Bryman (1993) quantitative researchers have viewed qualitative research as an exploratory way of conducting social investigations, with it being perceived as a helpful tool at the foundation stage of a research project. Stake (1995) argued that

the main differences between qualitative and quantitative approaches can be divided into three areas:

1) The distinction between explanation and understanding as the aim of the inquiry. Qualitative research is mainly interested in understanding the complex interrelationships between different variables, while quantitative researchers are concerned with having explanation as the main purpose of the inquiry.

2) This is associated with the distinction between knowledge discovered and knowledge constructed. Qualitative researchers believe that knowledge is constructed rather than discovered. Proponents of qualitative research see this approach as a useful tool to discover meanings and interpretations.

3) There is also a distinction between the personal and impersonal role of the researcher, with their role being different in both quantitative and qualitative research. The influence of researchers on the research setting is limited in quantitative research, while it is more strongly pronounced in qualitative research.

4.4 Research Methods

To evaluate and examine the Libyan oil companies' HR disclosure, three data sources were used: first, the stakeholder perspectives on HR and CSR disclosure; second the results of an analysis of the HR disclosure content in company reports for the years 1996-2005 and finally, the political, economic and social contexts of how these environmental factors might influence HR disclosure practice (or non-practice) in Libya oil companies.

The research has, thus, adopted a triangulation approach. Triangulation refers to using different techniques to collect data for a single piece of research (Campbell and Fiske, 1959; Gross *et al.*, 1971; Smith, 1975; Denzin, 1978; Jick, 1979; Yin, 1984; Bonoma, 1985; Patton, 1987; Neuman, 2003). In this context Denzin (1978:291) defined the ‘triangulation approach’ as “the combination of methodology in the study of the same phenomenon”. Moreover, Patton (1987:60) defined it as “building checks and balances into a design through multiple data collection strategies”. Bonoma (1985) argued that collecting different types of data from different sources and by different means results in a broader and fuller picture of the phenomenon or unit of analysis under study. Thus the next sections address the two data collection methods used for this research, namely questionnaire, and content analysis.

4.4.1 Questionnaire

To gather the perspectives of corporate stakeholders with regard to the nature of CSR and HR disclosure, and to achieve the first purpose of this research the questionnaire method was used. The first aim sought to gather and explore the perceptions of stakeholders in oil companies, with respect to: a) the basic features of the current corporate reporting and disclosure practices; b) the possibility of wider disclosure in terms of HR; and c) the motivation for the disclosure of such information, along with the reasons behind non-disclosure. In this respect, Hussey & Hussey (1997) argued that individuals’ perspectives can be examined by utilising either questionnaires or interviews. However, Ticehurst & Veal (2000:49) state that “questionnaire-based surveys should only be used when quantified

information is required concerning a specific population and when individuals' own accounts of their behaviour and attitudes are acceptable as a source of information".

Furthermore, many researchers used the questionnaire method in CSR studies to investigate individuals' views (Al-Khater & Naser, 2003; C. Deegan & Gordon, 1996; C Deegan & Rankin, 1996; C. Deegan & Rankin, 1997; Mashat, 2005; Teoh & Thong, 1984)

Before constructing the questionnaire, the researcher carried out an extensive review of the existing literature regarding corporate reporting and disclosure, corporate social responsibility reporting and disclosure in general and in particular HR disclosure. Moreover, past studies were reviewed to determine the attitudes of stakeholders toward CSR disclosure (Novin & Baker, 1990; Akathapom *et al.*, 1993; Ibrahim & Kim, 1994; Ngangan, 1997; Naser & Abu-Baker, 1999; Al-Khater & Naser, 2003; Mashat, 2005; Ahmad, 2006).

When constructing the questionnaire accepted questionnaire design principles were implemented. Such principles related to the wording and language of questions, the scales and coding used, as well as, the general appearance of the questionnaire, and a detached pilot study (Sekaran, 2003; Oppenheim, 1992). Sekaran (2003:238) states that these issues "are important in questionnaire design because they can minimize biases in research".

To ensure that questions were clear and valid, care was taken with the wording and tone of the questionnaire design. In this context Sekaran (2003) stated that the

principles of wording refer to a range of factors, including the level of language sophistication, the type and the form of questions asked, the sequencing of the questions, and so the personal data sought in constructing the questionnaire for this survey a checklist was used, which emphasised the English language (Zikmund, 1991; Oppenheim, 1992; Hague, 1993; Cooper & Emory, 1995; Ghauri *et al.*, 1995; Hussey & Hussey, 1997; Kumar, 1999; Ticehurst & Veal, 2000). Application to the Arabic language was also considered to prevent the more common problems of wording and interpretation:

1) Relevant questions: Since people tend to answer what is asked of them (within limits), the questionnaire was related to the key problem and issues. Questions which are not really needed or which might sound trivial were avoided.

2) Simplifying terms: an attempted to avoid jargon and technical terms was made, to avoid confusion.

3) Length of questions: “people will not read too much, get confused easily” (Janes, 1999:322). Questions were made as short possible since, in general, the shorter the question the less confusing and ambiguous it is likely to be.

4) Leading questions: a leading question “is one which, by its contents, structure or wording, leads a respondent to answer in a certain direction” (Kumar, 1999:120). Questions were phrased in such a way as not to lead the respondent to give the responses that the researcher might regard as a “pleasing” response.

5) Negative questions: attempts were made to avoid questions which use ‘not’, as they are considered difficult to understand, particularly when asking respondents to specify whether they agree or disagree.

6) Presumptive questions: Here the researcher holds strong views about a subject and overlooks the fact that everyone might not feel the same way. In other words the researcher supposes that the study participants fit into a particular category and then seeks information based upon that assumption.

7) The Language-Translation Problems: The researcher's first language is Arabic; the translation process needed additional care, as a word or expression can have a number of meanings. Differences in words might influence the perception of the intended meaning. In this respect Emery (1987) stated that, in general, Arabic tends to be more open than English, for example what is implicit in English often has to be spelled out in Arabic. Therefore, to void this problem, the questionnaire was initially constructed in English and then translated into Arabic. After the questionnaire was translated by the researcher a detailed discussion took place through a pilot study that used Arabic first language speakers. In addition, Arabic copies were sent, along with its English version, to a qualified translator for comments and amendments. In respect of avoiding translation problems, the respondents were provided with two copies of the questionnaire, one in Arabic and another in English.

In relation to question type, two options were considered, namely open-ended and closed questions (Hague, 1993; Ghauri *et al.*, 1995; Hussey & Hussey, 1997; Kumar, 1999; Saunders *et al.*, 2000; Ticehurst & Veal, 2000). In open-ended questions the respondents write down their responses in a free-flowing way. Alternatively, closed-ended questions refer to a range of alternative answers from which the respondent is required to choose (Saunders *et al.*, 2000). However, there is no agreement as to which style is most universally suitable.

Saunders *et al.* (2000) offer that closed questions are usually quicker and easier to answer, as they require minimal writing. In addition, in term on analysing the responses the closed question is much easier to handle, because the possible responses are already categorised.

However, according to Vaus (2001), the main problem with closed questions is that they can create false opinions, either by giving a limited range of options from which to choose, or by prompting the study participants with 'acceptable' answers. Also, Kumar (1999) advises that one of the major disadvantages of such questions is that the information obtained through them lacks depth and variety. There is, finally, a greater possibility of investigator bias because the researcher may list only the response patterns that he or she is interested in.

Alternatively, the advantage of the open-ended questions is that the researcher does not influence the respondent's answers excessively and they are easy to ask. Furthermore, responses from the open-ended questions can provide a rich source of varied data (Ticehurst & Veal, 2000). Nonetheless, open-ended questions are considered to have three major disadvantages: (1) the analysis of such questions is more difficult; (2) the response rate can be very low because people have little time to write full-length answers (Ticehurst & Veal, 2000); and (3), while such questions provide respondents with the opportunity to express themselves freely if respondents are not able to express themselves adequately, the information can be lost (Kumar, 1999). Vaus (1990) suggests that the choice between open or closed questions depends on considerations such as the question content; respondents' motivation; methods of administration; type of respondents; ability to code open-ended answers; and the amount of time available to develop a set of unbiased

answers. As this current research sought to explore the stakeholder perceptions on CSR disclosure in general and HR in particular to determining their level of importance or agreement closed questions were adopted in this survey.

However, to overcome the disadvantage involved in closed questions, a comprehensive range of responses was listed to avoid biasing responses. Furthermore, a space for additional views and comments was provided at the end of the questionnaire.

With respect to the sequencing of questions Saunders *et al.* (2000) argue that when constructing questions it is important to spend time considering the order and flow of questions as this can influence the quality of information, the interest and even the willingness of participants to take part in a study. In this respect, Kumar (1999) states that there are two ways to order questions. The first is that questions should be asked in a random order and second is that they should follow a logical progression based upon the objectives of the study. Sekaran (2003), moreover, stated that the sequence of questions in the questionnaire should be such that the study participants are led from questions of a general nature to those that are more specific, and from questions that are relatively easy to answer to those that are progressively more difficult.

As regards to whether questions trying to gather personal data should be placed at the beginning or at the end of the questionnaire, it is a matter of choice for the researcher. Some researchers, however, prefer to place such information at the beginning as respondents may have psychologically identified with the questionnaire and feel committed to responding once they have said something

about themselves at the beginning (Saunders, 2000). Other researchers argue that the respondents who start to answer the questions with great interest can, by the end, become less interested. Thus, Oppenheim (1996) recommends keeping the general information which is easy to answer at the end of the questionnaire.

Nevertheless, in constructing the questionnaire for this research the following steps were taken to improve the quality of the questionnaire:

- questions were classified into parts or sections as this helps structure the questionnaire and provides a flow;
- questions that required the participants to concentrate were placed at the beginning;
- questions were ranked from concrete to abstract;
- filter questions were used to ensure that questions were relevant to the participants;
- General information questions were kept to the end of the questionnaire;
- Open-ended questions were kept to a minimum and, where possible, were placed towards the end of the questionnaire;
- A variety of question formats were used in order to retain interest.

Moreover, particular efforts were made to achieve a high rate of response through:

(1) having a covering letter accompanying the questionnaire which explained the importance of the study and assuring the respondents that their answers would remain confidential and anonymous; (2) using personal contacts during the questionnaire distribution which gained the co-operation of the manager of the Secretariats of General People Committee's office of NOC and (3) using eye-catching colour paper to attract attention and aid in reminding participants.

With regards to scaling of questions, the questionnaire was separated into seven parts (Appendix 1) which were based on the areas identified in the literature.

The first part of the questionnaire related to the respondents' perception about corporate reporting in general. The second part sought the respondents' opinion about the HR disclosure, long with the reasons and motivation behind any disclosure or non-disclosure of such information. Respondents were invited to give their opinion on a seven-point Likert scale, one of the more frequently used types (Hussey & Hussey, 1997). A compact format can increase returns, although the issue surrounding the length of scales is controversial. (Elmore & Beggs, 1975) argue that a five-point scale is just as good as any, indeed an increase from five to seven or nine points on a rating scale does not improve the reliability of the ratings (Sekaran, 2003).

On the other hand (Oppenheim, 1992) indicated that several researchers have used a seven-point scale rather than the usual five points, suggesting that reliability tends to be improved by longer scales. In addition, more points may provide greater precision for the extent of the agreement, or disagreement, with a statement (Hair, Money, & Samouel, 2003). Therefore, seven-point Likert scales were used throughout the questionnaire to provide a greater opportunity for respondents to answer the questionnaire in terms of Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree.

The third part of the questionnaire requested general information on the respondents' background and their organisations, which was to provide the independent variables. Therefore, to collect this information a nominal (or

classificatory) scale was used. The nominal scale merely allows the researcher to “qualitatively distinguish groups by categorizing them into mutually exclusive and collectively exhaustive sets” (Sekaran, 1992:161). Respondents were invited to tick or circle the subject, classification or characteristic, such as current occupation, level and place of education, years of experience, and professional qualification, to which they belong.

4.4.1.1 The Pilot Study

In this context, Sekaran (2003) points out that it is important to pre-test the survey instrument to ensure that the questions are understood by the study participants. That is, the pilot test is an overarching stage to try and eliminate any ambiguity in the questions and any problems with the wording or measurement. It assists in rectifying any inadequacies before administering the instrument to respondents and can therefore reduce biases. Borg & Gall (1989), moreover, felt that two advantages can be gained by doing a pilot study: (1) A pilot study might be utilised as a tool in collecting data about the research subject. (2) Gathering feedback from the participants in the pilot study, with regard to the subject, might be used to improve the main study.

The questionnaire used in this research underwent two stages of developmental prior to the distribution of the final version. During the first stage the draft questionnaire was initially piloted by local specialists and colleagues. After this draft was discussed, subject specialists’ comments and suggestions were incorporated into the second version of the questionnaire. The completed questionnaire was delivered to a sample of PhD students who are interested in

corporate reporting and whose first language was Arabic. They were asked for their comments with regard to the English/Arabic translation. All the replies were carefully examined and some were discussed personally with the respondents. In this way, both the English and the Arabic versions of the questionnaire were modified.

The second stage of the pilot study was conducted in Libya. Thirty-six copies of the final questionnaire, which resulted from of the initial pilot study, were delivered to executive managers in the target oil companies (with a 69% response rate). As most of executive managers in the oil companies are English speakers they were provided with an English copy, along with the Arabic version. The researcher then considered the responses and comments from participants in this second phase of the pilot study and then analysed them using SPSS software. Consequently, the Arabic and English versions of questionnaire were revised for a second time in Libya and the final versions were constructed. The final Arabic and English copies of the questionnaire were distributed in the final survey.

4.4.1.2 The Content of the Questionnaire

The content of the questionnaire used in this research covered the research objectives:

Part one of the questionnaire investigated the perceptions of the participants with about the basic features of current corporate reporting and disclosure practices of the Libyan oil industry, in terms of the purpose behind the annual reports and accounts prepared by Libyan organisations and oil companies in particular.

Respondents were given a list of possible purposes in relation to corporate disclosure and they were invited to identify the level of importance (on a seven-point scale) that they believe that oil companies in Libya attach to each of the purposes presented.

Part two of the questionnaire was designed to examine the participants' perceptions of HR disclosure and their views about the HR disclosure practices adopted by oil companies in Libya. Respondents were asked in this part to indicate the extent to which they agree or disagreed, as to which, HR categories should be included in the company' annual reports.

Part three of the questionnaire was to investigate the participant's perceptions of potential benefits that can be obtained from disseminating HR information. They were asked to indicate their level of importance on a seven- point scale.

Part four of the questionnaire was designed to investigate the perceptions of participants on possible locations which might be used to disclose HR information. Again, they are asked to indicate their views on these locations on a seven- point scale.

Part five of the questionnaire was designed to examine the participants' perceptions of methods that might be used to disclose HR information, and were asked to indicate if they are in agreement or disagreement.

Part six of the questionnaire was used to investigate the perceptions of the participants with regard to possible reasons that might prevent oil companies from disseminating HR information.

Part seven was designed to collect general information concerning the background of the study participants. This part comprised five questions which collected information regarding the respondents' educational qualifications, the place in which they received their education, their latest qualification, and then years of experience. The rationale behind this part was to identify those characteristics of this study's participants that could be used as independent variables.

4.4.1.3 Population and Sample

As mentioned earlier, this research focused on the Libyan oil industry. Therefore the questionnaires were delivered personally to three different groups.

First, the executive managers who worked for those oil companies that formed part of the sample companies used in content analysis (all listed oil companies in NOC). These included some of the Secretariats and members of the General People's Committee of the companies; financial managers; accounting managers; employees' department managers; training and development managers; and internal audit department managers (as these people are associated with the annual report and thereby facilitate perspective on HR disclosure). There are two reasons for the selection of these groups. (1) all of them had some input into the formulation of the corporate reports and in most cases either prepare or review

reports which are likely to expose them to the issue of HR at some stage: (2) individuals at a high level of management could be expected to have a broad perspective on their organisation's operations and may thus be viewed as being able to address questions surrounding HR disclosure. In this context, Mashat (2005) suggested that an examination of decision-maker's views is likely to make a strong contribution to a study. In addition, as in previous studies, similar executive groups have been targeted.

The second group was the owners. Most of the oil companies operating in the Libyan oil industry are fully or partly, owned by NOC. Therefore, directors of finance, administration, auditing and manpower management who work for NOC were targeted in this survey. The main reason of choosing this group is that NOC can be seen as surrogates and representatives of Libyan society at large, and because their activities are closely related to corporate reporting and disclosure practices.

The third group was the employees union in the Libyan oil industry with the questionnaires being personally delivered to the committee of the employees union in each of the sample companies and in NOC. The main reason of choosing this group is that this body is the main pressure group in Libyan organisation established by employees themselves and therefore, could present their view regarding to HR issues (see Chapter Two).

4.4.1. 4 Data Analysis

There are many statistical techniques which can be used in analyzing the data captured by the research questionnaire. According to Oppenheim (1992) different statistical tools are used for different purposes, depending on the nature of the data. In this respect, Pallant (2001) suggested that when designing research, this gives researchers a wider range of possible techniques to use when analysing their data. Researchers should try to use continuous data rather than categories to measure their dependent variable. Pallant (2001) however, pointed out that before deciding which tests to use, the types of data should be determined (Parametric or non-parametric). Moreover, there are five assumptions that traditionally guide the researcher to parametric analysis:

- Level of measurement: the dependent variable measured at the interval or ratio level, which is, using a continuous scale, rather than discrete categories.
- Random sampling: the scores are obtained using a random sample from the population.
- Independence of observations: the observations that make up the research data are independent of one another.
- Normal distribution: the population from which the samples are taken are normally distributed. He states that with large sample sizes (30 or more) the violation of this assumption should not cause any big problems.
- Homogeneity of variance: the samples are obtained from populations of equal variances.

In respect of applying these criteria to this research, the sample is greater than 30 and they were selected randomly from a normally distributed population.

Therefore, the methods and techniques used in this research include (a) descriptive statistics (b) One-way ANOVA test (c) correlations test. The descriptive statistics method comprises frequencies (counts and percentages), measures of central tendency (mean) and measures of spread (standard deviation). Frequencies enable the researcher to describe the characteristics of the studied sample and to know the frequency distributions of the variables under investigations. According to Berenson & Levine (1999:60) a frequency distribution is “a summary table in which the data are arranged into conveniently established, numerically ordered class groupings or categories.” Grouping, or condensing, the observations into frequency distribution tables make the process of data analysis and interpretation much more manageable and meaningful. Measures of central tendency and dispersion, which include statistics such as means, median, standard deviations etc., also enable the researcher to characterise the observations in a meaningful way. In this respect Sekaran (2003) argues that measures of central tendency and dispersion in the data will give the researcher a good idea of how the respondents have reacted to the items in the questionnaire and how good the items and measures are. “We can acquire a feel for the data by checking the central tendency and the dispersion” Sekaran (2003:306).

The ‘mean’ was the main statistical measure employed in this study to analyse the participants’ returns. The idea is that for a particular item on the questionnaire, the researcher aims to compute the mean value that underscores the respondents’ behaviour with respect to the stated research question and/or hypothesis. The questionnaire employed in this research used a seven-point scale in the majority of the questions, where 1 represents the lowest point and 7 indicates to the highest

point. The respondents' average (i.e. the mean) response to a question or an issue is ranked in order. This ranking represents the strength of responses from 'important' to 'not important', or from 'agree' to 'disagree'. Such a ranking order is particularly important for this study in that it indicates respondents' opinions in terms of their perception of the importance of a specific problem or an issue plus their preferred solutions from the alternatives provided.

The data collected from the survey was analysed using the SPSS software to test the appropriateness of these scales to measure the study variables. The tests used in this study were the Analysis of Variance (One-way ANOVA) and correlation with a level of significance of $p = .005$.

4.4.1.5 Delivery and Response

As mentioned earlier in this chapter, using the questionnaire as a method of collecting the data has disadvantages. In this context, Oppenheim (1992) stated that the largest disadvantage of questionnaires is that they usually produce very poor response rates. Response rates achieved for mailed questionnaire survey are in general lower than for other survey methods. Therefore, some researchers argue that the low response rates can cause serious problems such as creating unacceptable reduction of sample size which may cause bias (Vaus, 2001). However, to avoid this problem and because the postal services in Libya are not effective enough to send postal questionnaires to the companies sampled, the questionnaires were personally distributed to each respondent. Moreover, considerable attention was made to meet with participants, in order to introduce the main aim of the survey and clarify any difficulties they may have had.

In addition to making the respondents feel confident in answering the survey the questionnaires were attached with a copy of the Head of General People Committee's of NOC letter, granting permission to collect these data. As a result, a total response rate of 79% was achieved in this research (see Table 4.1). It is noteworthy that the literature suggests that a response rate of 60 per cent is considered to be exemplary (see for example Mangione 1995; and Remenyi *et al.* 1998).

Table 4.1 Response rate for the questionnaire survey

<i>Group</i>	<i>Distributed questionnaires</i>	<i>Useable questionnaires</i>	<i>Response Rate (%)</i>
Executives managers	106	82	77
NOC (owners)	50	41	82
Employees Union	42	33	79
Total	198	156	79

4.4.2 Content Analysis:

The content method was used in this research to provide a preliminary indication of the quantity and nature of HR disclosure practices in the Libyan oil industry. Exploring the context of HR disclosure in a developing economy achieved the second research aim of evaluating the current practices relating to HR disclosure practices within the Libyan oil industry, as part of the organisations' social responsibility.

According to Neuendorf (2002) the content analysis technique is considered the fastest growing technique in quantitative research. This has led to a number of definitions of content analysis being introduced in the literature, particularly in the area of quantitative message analysis. One of the earliest definitions of content analysis viewed it as “a research technique for the objective, systematic, and quantitative description of the manifest content of communication” (Berelson, 1952:173). It has also been seen as a technique for gathering data that consists of codifying qualitative information, in anecdotal and literary form, into categories in order to derive quantitative scales of varying levels of complexity (Abbott & Monsen, 1979).

Moreover, Krippendorff (1980:21) defined the method as “a research technique for making replicate and valid inferences from data to their context”. Wolfe (1991:282), furthermore, defines it as “coding words or other units of text against particular schema of interest reducing the text to more structured and concise units of information so that inferences can be drawn about the text or its source”. Using content analysis may provide some advantages to the researcher in this context. Indeed, as Wolfe (1991:282), pointed out, advantages that might help the researchers to achieve their aims are as follows:

- Content analysis is unobtrusive, neither the sender nor the receiver of the analysed messages is aware that the messages will be analysed;
- Content analysis of various types of documents produced on a regular scheduled basis presents an opportunity to develop longitudinal data bases;
- Content analysis allows the researcher to work directly with core human and organisational behaviour-communication (Weber, 1990);

- Content analysis can assist researchers of differing methodological and theoretical persuasions to work together, thereby contributing to the convergence of theoretical and empirical perspectives;
- Analysing naturally-occurring language has advantages over numerical analyses, especially for the understanding and describing many organisational phenomena ;
- Content analysis facilitates linking summary statistics to natural language, which can result in research outcomes that add validity and meaning to everyday actors as well as scientists.

Therefore numerous researchers have used the content analysis technique as a data gathering method (see Table 4.2).

Table 4.2* Summary of studies that used content analysis as a research method

Study(ies)	Data Source (Documents Analysed)	Measurement Method (measurement unit)			
	Annual reports	words	sentences	pages	other
Abbott & Monsen (1979)	✓				✓
Guthrie & Mathews (1985)	✓			✓	
Guthrie & Parker (1990)	✓			✓	
Zeghal & Ahmed (1990)		✓			
Patten (1991)	✓			✓	
Lynn (1992)	✓				✓
Gray <i>et al.</i> (1995a)	✓			✓	
Gray <i>et al.</i> (1995b)	✓			✓	
Adams <i>et al.</i> (1995)	✓			✓	
Hackston & Milne (1996)	✓		✓		
Deegan & Gordon (1996)	✓	✓			
Deegan & Rankin (1997)	✓	✓			
Adams <i>et al.</i> (1998)	✓			✓	
Tsang (1998)	✓		✓		
Abu-Baker & Naser (2000)	✓			✓	
Adams & Kuasirikum (2000)	✓			✓	
Belal (2001)	✓				✓
Campbell <i>et al.</i> (2003)	✓	✓			
Parsa, & Ghaffari (2003)	✓				✓
Abeysekera & Guthrie (2004)	✓				✓
Ahmed & Sulaiman (2004)	✓		✓		
Thompson & Zakaria, (2004)	✓		✓	✓	
Mashst (2005)	✓			✓	
Xiao <i>et al.</i> (2005)	✓	✓			
Gao <i>et al.</i> (2005)	✓	✓			
Silberhorn & Warren (2007)					✓
Ghazali (2007)					✓

4.4.2.1 The Content Analysis Stages:

Content analysis is used by researchers as a method to analyse text or language by reference to incidence within certain pre-selected words or sentences. It is based on the assumption that the more frequently a word form is used, the more significant it is to the subject. However, there are a number of essential stages in any content

* The format of this table was based on that used by Unerman (2000)

analysis and choices have to be made at each stage. These stages are listed by Weber (1994); and Wolfe (1991) as following:

1. Identify the question (s) to be investigated;
2. Determine the sampling units;
3. Determine and define the content categories;
4. Determine the recording unit;
5. Determine the coding mode;
6. Test coding on sample of text; and
7. Assess reliability and validity.

Therefore the following sections discussed the related issues.

4.4.2.2 Identify the Question(s) to be investigated

In the first stage of the data collection process content analysis was used to identify the research question(s). In this respect, Weber (1994) recommended that the researcher first identify the research question(s) to be investigated. This method was used for collecting data on CSR (using corporate annual reports) in Libya. Content analysis is therefore employed to test the hypotheses, so as to further understand HR disclosure practice in the Libyan oil industry. Indeed this study provides the first detailed and longitudinal analysis of the level of HR disclosure in the country.

The collecting of data on HR (using corporate annual reports of oil companies operating in Libya) is used to answer the following research questions:

- To what extent do oil companies in Libya disclose the interaction between their activities and their HR related information?

- What kinds of HR information (categories) are mostly disclosed by the companies?
- Has the volume of HR disclosure (as measured by proportion of the page) increased over the period covered by this research (from 1996 to 2005)?
- What types of information (quantitative financial – quantitative but not financial - or descriptive) are mainly disclosed by the oil companies?
- What differences exist in the disclosure practices of Libyan oil companies with regards to activity, size, ownership structure and location?

4.4.2.3 Determine the Sampling Units

Two decisions regarding the data source and how it will be categorised need to be made. In this context, Krippendorff (1980) stated that selecting the sample unit for analysis is a significant stage in any content analysis process. Therefore, the following sub-sections identify the source of the text that was used in this research.

The Source of the Text to be analysed: As shown in Table 4.2 most studies used the annual reports as the main source for their analysis of CSR disclosure practices. The company's annual reports are considered as an important channel for the company to communicate its information to users, through an independent system (Belkaoui & Karpik, 1989; Gray *et al.*, 1995a). Furthermore, Gray *et al.* (1995b) pointed out that annual reports are broadly viewed as a major official and legal document. The reports, which are produced on a regular basis, act as a significant forum for a firm's communication within political, social and economic systems. According to Abu-Baker & Naser (2000), who undertook work in a developing

economy, general corporate reporting is little used, so it is likely that most of the information is conveyed through the annual report. This helps to make company reports from developing economies, such as Libya, a particularly valuable source of information.

Social disclosure can be made through a variety of alternative channels, such as advertising, promotional leaflets, interim reports, press releases, discussions, and meetings with financial analysts and journalists, and separate reports on such matters as environmental activities, human resources or charitable activities (Zeghal & Ahmed, 1990; Abu-Baker & Naser, 2000). However, the majority of studies into CSR have focused almost exclusively on corporate annual reports as the primary source (see Table 4.2). In this context, Hines (1988) argues that the annual report is seen as the most important document in terms of the firm's construction of its own social image.

Therefore, the annual reports of oil companies operating in Libya were analyzed. There are two major reasons for this choice. Firstly, documents such as internal reports which are not intended for external use might be difficult to obtain, especially from the Libyan oil industry. Also, such documents can be published any time, so the researcher might be overwhelmed by the number of documents. Secondly, such documents might not have been placed in the corporate archive, and thus it would not be possible to ensure the comprehensiveness of the data.

In addition, it has been asserted (e.g. Abu-Baker & Naser, 2000) that in developing economies, other disclosure channels, such as Internet, advertising and promotional

leaflets, are of limited use to companies, with most information being disseminated in the formal annual report. This can be applied to the Libyan context, in which this research is undertaken. Furthermore, Mashat (2005) points out those annual reports are considered the major means through which corporate messages are promulgated, with it being unlikely that organizations in developing economies will carry out Internet reporting. Consequently, for these reasons, this research sought to understand the HR disclosure in the Libyan oil industry by focusing on the annual reports.

The Components of the Text to analyse: According to Tilt (1998) an essential element of content analysis is the choice and development of categories into which data capture units can be classified. In this respect Gray *et al.* (1995b:81) state that “the ‘objectivity’ criterion requires that independent judges would be able to identify similarly what was and was not CSR...”

The identification of the categories in the sampling unit (annual report) is facilitated by the development of a set of all-encompassing rules for each category, which are mutually exclusive, exhaustive and independent (Gray *et al.*, 1995b; Tilt, 1998; and Unerman, 2000). This also satisfies Krippendorff’s (1980) systematic criterion. In this context Gray *et al.* (1995b) contend that the systematic criterion requires a set of exhaustive rules which will define the category ‘HR disclosure’ in any of the subcategories in a common and all-embracing manner. What falls within the rules therefore becomes HR whilst that which falls outside is not HR disclosure.

The major themes for HR disclosure were developed by Gray *et al.*, (1995b) and modified by Mashat (2005). Similar themes are used in this research about employee data; pension data; consultation with employees; employment of disabled; value added statement; health and safety; equal opportunities; employees' share ownership and employee other.

4.4.2.4 Determine and Define the Content Categories

It is important to determine the fit for each of the above categories and with respect to defining sub-categories. Gray *et al.* (1995b) developed decision rules which can guide researchers (see appendix 4). It is noteworthy that the categories, along with the sub-categories, were developed with reference to the Ernst & Ernsts' (1978) database. In the process of developing the decision rules, it is important that they possess shared meaning and that the data-gathering and analysis is capable of replication, so as to satisfy Krippendorff's (1980) reliability criterion. The definitions employed for CSR are made explicit and link with previous research by Guthrie & Parker (1990), Guthrie & Mathews (1985) and Ernst & Ernst (1978), which should afford a high degree of shared meaning.

The ultimate categories and decision rules (Gray *et al.*, 1995b; Mashat, 2005) adopted in this research were guided by the rigorous nature of their development and their focus on satisfying Krippendorff's (1980) requirement for systematic, objective and reliable criteria for content analysis. Nevertheless, some of the decision rules required adjustments to align them to the Libyan context.

Accordingly, to enable content analysis to be performed in a manner which can be replicated, the method employed in this research is based on an established research instrument (Gray *et al.*, 1995b), which itself is based on earlier work (Ernst & Ernst, 1978; Guthrie & Mathews, 1985). The choice of this instrument was mainly influenced by the comprehensive nature of its development and the extensive utilization of this instrument in CSR studies. In this respect, Guthrie & Mathews (1985) and Gray *et al.*, 1995b) suggest that in order to enrich the content analysis data, an endeavour must be made to capture the quality and type of disclosure. To this end, categories representing the following were recorded: the dimensions of the social disclosure theme (employee data; pension data; consultation with employees; employment of disabled; value added statement; health and safety; equal opportunities “racial and sexual equality”; employees’ share ownership; employee other); evidence (e.g. monetary quantification; quantified but non-monetary/statistical; and descriptive); and quantity (i.e. proportion of the page).

4.4.2.5 Determine the Recording Unit

A fundamental and important decision is to determine the recording unit the specific segment, or content of text, that is characterised by placing it in pre-determined categories. According to Table 4.2, units of a content analysis can be a word, sentences, lines, pages, per cent of pages, or mix of these units. The units of analysis in written communications that tend to be preferred is words, sentences and pages (Tilt, 1998; Unerman, 2000). Gray *et al.* (1995b:84) summarised the advantages of these units as:

- Words have the advantage of lending themselves to more exclusive analysis (are categorized more easily) and have the pragmatic advantage that databases can be scanned for specified words.
- Sentences enable the researcher to infer meaning.
- Pages reflect the total amount of space given to a topic and, by inference, the importance of that topic. Pages are also considered an easier and more reliable measurement unit to measure by hand.

In line with Mashat's (2005) research instrument, the proportion of the page was used in this research as the basic unit to measure the amount of HR disclosure in the annual reports, which is a common approach (see Table 4.2). The use of the proportion of pages was also based on the strong argument (see Unerman, 2000: 675) against measuring CSR in terms of numbers of characters, words or sentences as "this will result in any non-narrative CSR disclosures (such as photographs or charts) being ignored." Measurement units of capturing CSR data which cannot take account of graphs, charts or photographs will omit from the CSR study the potentially powerful and highly effective means of communication (Beattie & Jones, 1992; 1994; Preston, Wright, & Young, 1996).

In this respect, Unerman (2000) maintains that photographs and charts are sometimes a more influential and powerful vehicle for promulgating CSR information than narrative disclosures, especially for stakeholders who have neither the time nor inclination to read every word in the annual report. As one of the main assumptions behind content analysis is that the amount of disclosure implies the importance of a disclosure (Deegan & Rankin, 1996; Gray *et al.*, 1995b:

Krippendorff, 1980; Neu *et al.*, 1998), it seems strange and inappropriate to overlook counting the amount of disclosure assigned to anything other than words and numbers. Moreover, other measurement units (such as word, sentence or paragraph counts) overlook any difference in font size, which can be captured by measuring volume in the proportion of page (Unerman, 2000).

Following the procedures employed by Gray *et al.* (1995b) and Mashat (2005), a transparent grid of A4 size was divided into percentages,^{*} with 25 rows of equal height and four columns of equal width (see Appendix 5) which was laid across each HR disclosure. Calculations were made by the number of cells on the grid taken up by a specific disclosure (making allowance for any blank parts of a page). Each disclosure was first identified and coded before being gauged. The resultant number(s) were then transferred manually to sheets on which the structure of the database was printed (see appendix 6).

4.4.2.6 Determine the Coding Mode

In reviewing the CSR literature different approaches have been used to measure the extent of disclosure in reports, the weighted disclosure approach and the un-weighted disclosure approach. The weighted method has been used in financial disclosure (Chandra, 1974; Buzby, 1975; Wallace, 1987). It is based on the fact that user groups value each item differently, and items have different values in the corporate reports. Thus, this method gives different weighting to the different disclosure items. For example, Chandra (1974) and Buzby (1975) used a 5-point Likert scale to measure the importance of selected disclosure items by sampling financial analysts. The basis of the weighted method has merits, but in the case of

^{*} The standard A4 template was received from the CSEAR by which it was designed

“general purpose reports”, which are used to meet the needs of many stakeholders, the value of each item can be considered equally important to all users.

The report is directed to all users with no specific preference being addressed. This suggests that the un-weighted method is more suitable for this study, since it is not concerned with any specific user group. “On the other hand, any method of assigning weights to individual disclosure items is misleading because the importance of any disclosure item varies from company to company, industry to industry and time period to time period” (Spero, 1979:42). Support for not attaching weights to disclosure items can be found in Robbins and Austin (1986), and Cooke (1989, 1991). In addition Spero (1979) argued that “different weighting schemes are not as important as item selection because companies that view disclosure positively disclose many items and have high scores regardless of item weights” (p.64). The result is that an un-weighted disclosure approach was used in this research.

4.4.2.7 Test Coding on Sample of Text (Pilot Test)

Following Wolfe (1991) and Weber (1985), an effective way to determine the practicality of the content analysis process, the clarity of categories, and the validity of outcome measures, is to analyse a sample of documents. Testing a sample of the text provides the researcher with practical experience, which may contribute to increased reliability (Berg & Veer, 1985). In this context, Mashat (2005:175) pointed out that “it is very important that the researcher has to be

familiar with the CSR research instrument and its application to the annual reports of Libyan organizations prior to beginning the main content analysis”.

Therefore, to test the coding a sample from the annual report was sent to PhD colleagues who are familiar with content analysis process. The reports were accompanied by a data collection sheet and the diction rule. The results suggested that there were no major problems with the process (see the section below).

As part of the pilot work to be completed prior to gathering the primary data the researcher analysed the content of ten annual reports from five of the surveyed companies (chosen randomly). The coding of the reports was based on the defined content categories, using a decision rule. During this analysis, there were no major problems. Some of the analyzed annual reports (as part of the pilot work) constitute part of the final sample. Throughout the pilot work, any difficulties concerning the interpretation of the decision rules were noted, after which clarification with the researcher’s supervisory team was sought before analyzing the final sample.

4.4.2.8 Assess Reliability and Validity

Krippendorff (1980) identifies three types of reliability for content analysis, namely stability, reproducibility, and accuracy. Stability refers to the ability of a judge to code data the same way over time, and is the weakest of reliability tests. Krippendorff (1980), furthermore, noted that the test of stability measures whether particular items classified by the same researcher at different times, have remained stable (reliability a cross time).

Reproducibility, which is sometimes referred to as inter-coder reliability (Milne & Adler, 1999) or equivalence reliability (Neuman, 2003), signifies the extent to which content classification produces the same results when the same text is coded by different people (Weber, 1990). Weber (1994) argued that conflicting coding usually results from cognitive differences among the coders' ambiguous coding instructions, or from random recording errors. High reproducibility (inter-coder) is considered a minimum standard for content analysis (Weber, 1994). Hence, in order to obtain a measure of the reliability of the classification process (reproducibility) companies were independently coded by both the researcher and two other researchers.

The researcher coded the reports of four companies while the other researchers coded the reports of the rest of the companies. Each of the remaining coders handled reports of three respondent companies. There was almost total agreement between the researcher and the other coders on the categorisation of the texts and the measurement results. A number of steps were taken to ensure this inter-coder reliability namely:

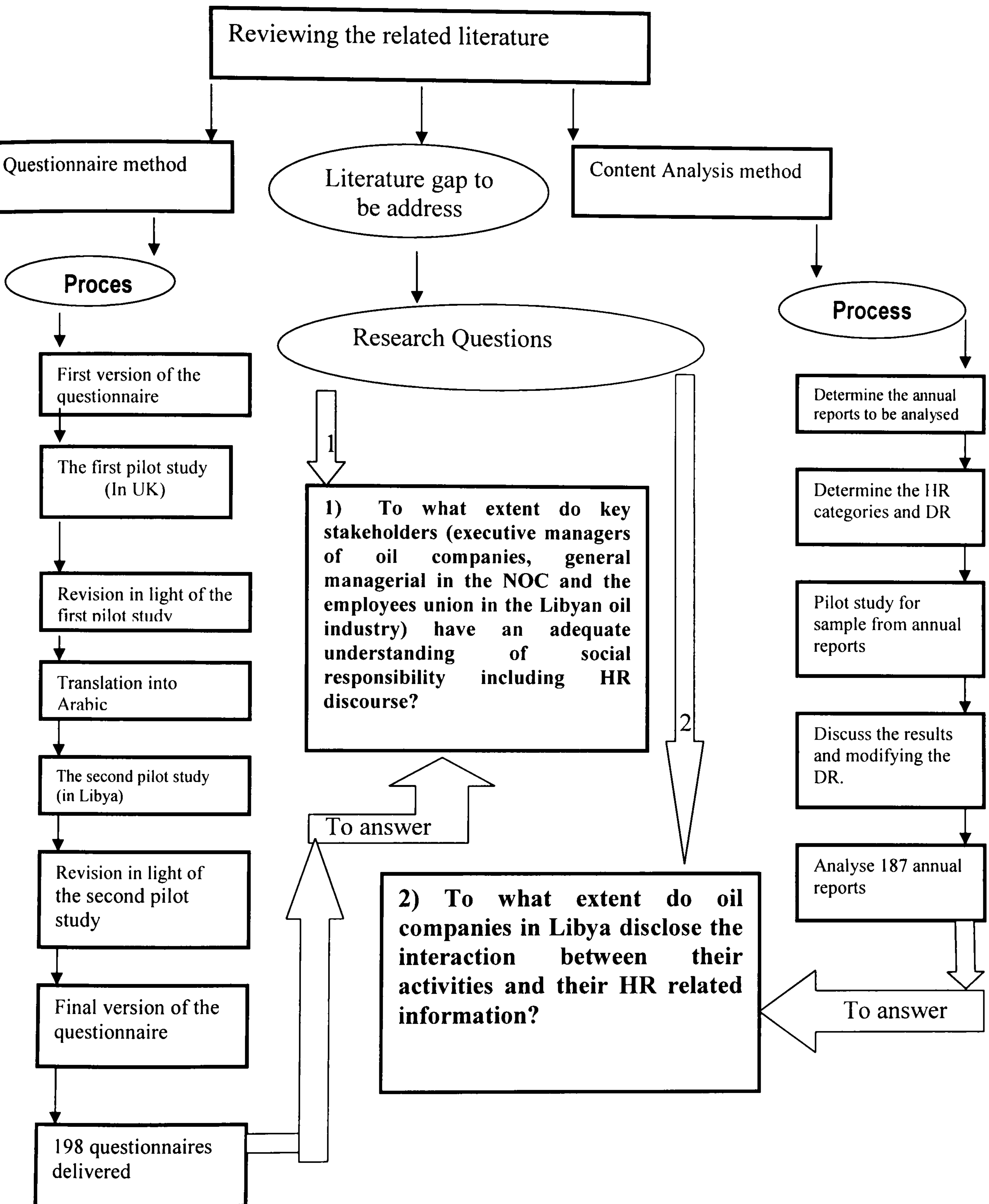
- (1) A copy from a sample of annual reports was analysed by a researcher, who is familiar with the CSR disclosure, using the same decision rules.
- (2) Each of the annual reports was studied in detail and the relevant data extracted manually.
- (3) Pages were measured using a grid, after which numbers were transferred to the data collection sheet.
- (4) After each annual report was transferred to a data collection sheet, the collection sheets were entered into a database.

Part of the content of the annual reports, which were analysed by the researcher were those analysed during the pilot test. This procedure was undertaken in order to ascertain if the initial categories identified and their measurement remained stable overtime. The result showed that it was strongly stabilised. In addition to being reliable, the process used needs to be valid, in the sense that it measures or represents what the researcher intends it to measure (Weber, 1990). Krippendorff (1980) defined validity (semantic validity) as the extent to which persons agree that the list of words placed in the category have similar meanings or connotations. In this study, the agreement between the researcher and other coders on the categorisation of the text, as mentioned earlier, can be used to suggest that the procedure of categorisation was valid.

4.5 Summary

Figure 4.1 summaries the process of the two research method used in this research and the main aim of using each method by linking them into research questions. This research aims to answer two main questions: the first question is to explore the perceptions of the key stakeholders in the Libyan oil industry regarding CSR disclosure, including HR, by using the questionnaire. The second question is to examine HR disclosure practice in the Libyan oil industry by using content analysis.

Figure 4.1 Summary of the Research Methodology



CHAPTER FIVE

THE RESEARCH RESULTS

5.1 Introduction

This chapter reports on the results of both the questionnaire survey and the content analysis. It is, therefore, divided into two sections. The first section reports on the results of the questionnaire sent to three groups in the Libyan oil sector. The second section deals with the results of the content analysis of corporate annual reports of different companies' groupings operating in the Libyan oil sector in order to investigate HR practices.

5.2 Findings of the Questionnaire Survey

This section reports on the results of the questionnaire survey. It focuses on the perceptions of executive managers as information provider of surveyed companies, employees union in the oil sector and NOC as an information user regarding corporate social responsibility and disclosure in general and HR disclosure in particular.

5.2.1 Results of Reliability Statistics test

By using a Cronbach's alpha test the reliability was tested for all items in the scales. Cronbach's alpha for the pilot study was .94 which was over .70. In the final survey the Cronbach's alpha was just .88 which is still acceptable as well because it is above .70 (Table 5.1)

Table 5.1 Cronbach's alpha test

	NO. of items	No of cases	Cronbach's Alpha
The pilot study	66	25	.941
The final survey	58	156	.887

5.2.2 Respondents' Profile

A total of 156 questionnaires, from three different groups in the Libyan oil sector (executive managers, owners and employees union), were analysed. The questionnaire required information about the respondent' levels of education, place of education and years of experience. More than half of the research participants (54.5 per cent) hold a Bachelor degree, 38.5 per cent hold a Postgraduate degree and only 6.4 per cent hold a Higher Diploma (Table 5.2). Regarding the place of education, the result indicates that the majority of respondents obtained their last degree in Libya (55.8 per cent), whereas 19.2 per cent obtained their degrees from the UK, but only 12.2, 9 and 3.2 per cent got their last degree from the USA, Other Arab countries and other countries such as (South Africa, Canada and Malaysia) respectively (Table 5.3). Most (60.9 per cent) of respondents have more than ten years experience, with about a quarter having experience of more than five and less than ten years and only 14 per cent having experience exceeding ten years (Table 5.4).

Executive managers: A half of the executive managers participating (51.9 per cent) hold a Postgraduate degree, whereas those who held a Bachelor degree and a

Higher Diploma degree represent 39.5 and 8.6 per cent respectively. The results show that nearly a third of this group obtained their last degree from Libya (35.4 per cent) and about quarter of them had it from the UK (26.8 per cent), whereas 12.2 and 6.1 per cent of this group have their last degree from Other Arab countries and others respectively. Furthermore, the results indicated that the vast majority of this group (84.1 per cent) have more than ten years experience with 12.2 per cent having experience of less than ten and more than five years and only 3.7 per cent of this group have less than five years experience (Table 5.2).

Owners groups: The results indicated that the majority of Owners group (70.7 per cent) held a Bachelor degree. More than a half (56.4 per cent) of respondents from this group stated that they held a Bachelor degree. A significant percentage of this group (29.3 per cent) held a postgraduate degree whereas no body of this group held a Higher Diploma. The results also show that more than two thirds of respondents from this group received their last education degree from Libya (78 per cent), whereas those who received their last education degree from other Arab countries, the UK and the U.S. represent 4.9, 12.2 and 4.9 per cent respectively. Regarding the period of experience, nearly half of the respondents from this group (43.9 per cent) have more than ten years experience with less than a third of them having experience of less than ten years and more than five years whereas just 24.4 per cent have experience of less than five years (Table 5.2; Table 5.3 and Table 5.4).

Employees Union: in this group the results indicate that more than two thirds of the respondents from this group hold a Bachelor degree (72.7 per cent). Whereas, 18.2 and 9.1 per cent of the respondents from this group held Postgraduate degree and a Higher Diploma degrees respectively. As to the place of last education, the results show that more than three quarters of the respondents from this group obtained their last degree from Libya 78.8 per cent and 9.1 per cent obtained their last degree from other Arab countries and the UK, whereas just 3 per cent obtained their last degree from USA. The finding indicated that approximately half of the participants from this group have more than five and less than ten years experience, 48.5 per cent with 27.3 and 24.2 per cent having less than five years and more than ten years experience respectively (Table 5.2; Table 5.3 and Table 5.4).

Table 5.2 Education level

Groups	Education Level						Total	
	Higher Diploma		Bachelor degree		Postgraduate degree		Freq.	%
	Freq.	%	Freq.	%	Freq.	%		
Executive managers	7	8.6	32	39.5	42	51.9	81	100
Owner	-	-	29	70.7	12	29.3	41	100
Employees Union	3	9.1	24	72.7	6	18.2	33	100
Total	10	6.5	85	54.8	60	38.7	155	100

Table 5.3 Place of last degree

Groups	Place of the last Education degree										Total	
	Libya		Other Arab countries		U.K		U.S.A		Other			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Executives managers	29	35.4	10	12.2	22	26.8	16	19.5	5	6.1	82	100
Owner	32	78	2	4.9	5	12.2	2	4.9	-	-	41	100
Employees Union	26	78.8	3	9.1	3	9.1	1	3.0	-	-	33	100
Total	87	55.8	15	9.6	30	19.2	19	12.2	5	3.2	156	100

Table 5.4 The Respondents' experience

Groups	period of experience						Total	
	less than 5 yrs		5-10 yrs		More than 10yrs			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Executives managers	3	3.7	10	12.2	69	84.1	82	100
Owner	10	24.4	13	31.7	18	43.9	41	100
Employees Union	9	27.3	16	48.5	8	24.2	33	100
Total	22	14.1	39	25.0	95	60.9	156	100

5.2.3 The Main purpose(s) of Corporate Disclosure

The research participants were given a list of possible purposes of corporate reporting. Respondents were asked to classify the importance (on a seven-point scale where seven represents most important or the highest level of agreement) that they attach to each of these purposes presented in the list. The Table 5.5 presents the mean score for each information users and the standard deviation. The users are listed in order as of importance determined by their means. There is general agreement among the respondents that providing information to the managers and the owners are the most important once (5.82 and 5.80) followed by investors and financial organisation (5.62 and 5.15). Also the results reveal that the less important users to provide to them information are employees and social securities (4.19 and 4.32).

Table 5.5 Perceptions on mean purpose(s) of corporate disclosure

Rank	The main purposes of corporate disclosure is to :	Mean	Std. Deviation
1	Provide information to managers	5.82	1.23
2	Provide information to owners on use of funds	5.80	1.34
3	Provide information to investors	5.62	1.53
4	Provide information to financial organisation	5.15	1.69
5	Provide information to creditors	4.89	1.66
6	Provide information to Tax authorities	4.70	1.85
7	Provide information to Labour farce Authority	4.40	1.88
8	Provide information to society at large	4.38	1.83
9	Provide information to Social Security	4.32	2.01
10	Provide information to employees	4.19	1.93

By using One-Way ANOVA test the statistical results were summarized (Appendix 8). The participants' profiles were divided into their group, education

level, place of education and work experience. In addition, the profile of the companies they work for profile were divided as well into ownership, size, activities and the location of its activities.

There is general agreement amongst all groups of participants (Executives managers, Owners and Employees Union) which is supported by the results of One-Way ANOVA test. The results are not significant at the 0.05 level suggesting that there is no difference between the mean of the three groups that participated in the research except their answering of the question regarding the “purpose of corporate reporting to provide information to the managers” when it shows there is a statistically significant difference between these groups ($f = 3.97$, $df = 2$, $p = .021$) (Appendix 8). A post hoc test using Duncan indicated that the Employees Union thought the purposes of the provision of information to the managers in the annual report is less important (5.36) than Executives managers group (6.05). Therefore, the results of the One-Way ANOVA test rejected the null hypothesis:

H₀: There are no significant different perceptions on the main purpose(s) of corporate reporting between all groups involved in the survey.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significantly different perception on the main purpose(s) of corporate reporting between all groups involved in the survey.

Regarding the respondents' education level the results indicate that there are no significant differences between the difference participants' education level in how they answered questions regarding their perception of the purposes of corporate reporting except their perception about “the provision of information to investor to

assist them in making right decisions” and “provision of information to society at large” when it showed that there is a statistically significant difference between the participants in how they answered those questions ($f = 5.25, df = 2, P = .006$) and ($f = 3.57, df = 2, P = .03$) respectively.

A post hoc test using Duncan shows that the participants who have a postgraduate degree thought the purposes of the provision of information to the investors is less important (4.47) than where they have a Higher Diploma degree (5.60). Whereas the participants having a Bachelor degree thought that the purposes of the provision of information to society at large is less important (4.11) than those who have a Higher Diploma degree (5.60). Therefore, the results of the One-Way ANOVA test rejected the null hypothesis (Appendix 8):

H₀: There are no significant differences between participants' perceptions toward the main purpose(s) of corporate reporting between different levels of participants' education.

Whereas the alternative hypothesis is accepted:

H₁: There is at least one significant difference between their perceptions on the main purpose(s) of corporate reporting across different levels of participants' education.

In the context of place of education the findings indicate that there are no differences between the places of education that participants obtained their last degree and their perceptions toward the main purpose(s) of corporate reporting except their perceptions toward “the purposes of the provision of information to the employees to assist them in protecting their interest” when the statistical test shows

that (see table 4.5) there is a statistically significant difference between places of education that participants obtained their last education and in how they answered the question regarding their perceptions towards the purposes of the provision of information to the employee ($f = 3.58$, $df = 4$, $P = .008$). A post hoc test using Duncan shows that the participants who obtained their last degree from other Arab countries thought that the purposes of the provision of information to the employees is less important (2.67) than those who obtained it from Libya and other countries (such as South Africa, Canada and Malaysia) (4.55 and 4.60 respectively).

Therefore, from the results of the One-Way ANOVA test, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception towards the main purpose(s) of corporate reporting between different places that participants obtained their last degree from.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significant difference in the main purpose(s) of corporate reporting between different places where those participants obtained their last degree from.

The findings, based on work experience (Appendix 8), also show that the respondents share the same perceptions towards the half of main purposes of corporate disclosure. The other half have different perceptions regarding the “provision of information to the employees”, “provision of information to the financial organisations”, “provision of information to the tax authorities”, “provision of information to the social security organisations” and “provision of

information to society at large”, on which there is a statistically significant difference between the various period of experience the participants have ($f = 19.697$, $df = 2$, $p = 000$), ($f = 4.17$, $df = 2$, $p = .017$), ($f = 5.34$, $df = 2$, $p = .006$), ($f = 4.82$, $df = 2$, $p = .009$), ($f = 5.16$, $df = 2$, $p = .007$) respectively . A post hoc test using Duncan shows that the participants who have less experience (less than 5 years) disagree to a greater extent with the purpose of the provision of information to the employees (2.95) than those who have more than 5 years and less than 10 years experience (3.89) and than those who have more than 10 years experience (5.59).

The participants who have a period of experience (less than 5 years and more than 10 years) agree more on the purpose of the provision of information to financial organisations (5.79) than those who have more than 10 years experience (4.88), whereas participants who have less experience (less than 5 years) disagree more about the purpose of the provision of information to the tax authorities (3.82) than those who have more than 5 years and less than 10 years experience (5.36). Furthermore participants having less experience (less than 5 years) disagree more about the purposes of the provision of information to the social security (3.36) than those who have above 10 years experience and who have more than 5 years and less than 10 years (4.27 and 4.97).

Participants who have less experience (less than 5 years) disagree more about the purpose of the provision of information to society at large (3.41) than those who have more than 10 years experience (4.71).

It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences between participants' perception toward main purpose(s) of corporate reporting across different participants' periods of experience.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference in the main purpose(s) of corporate reporting between different participants' periods of experience.

In terms of the profile of the participants' company and their perception on the the main purposes of corporate reporting, the company's profile is divided into the following types:

Company ownerships (Subsidiary fully owned by NOC (CFO), Joint venture with NOC (CJV) and companies having exploration and participation sharing agreement with NOC (CEPSA): the findings indicate that there is no effect from the type of company's ownership - which the participants work for - on their perception regarding the main purposes of corporate reporting except their views regarding "providing information to financial organisations"; " providing information to the social security organisation" and "providing information to the Labors Force Authority" when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between company ownership and how the participants score these issues. "Providing information to financial organisation" was ($f = 5.24$, $df = 2$, $p = .007$). A post hoc test using Duncan shows that the participants working for companies with EPSA thought the provision of information to financial organisations less important (4.29) than the subset who

work for subsidiary companies fully owned by NOC and Joint venture companies (5.37 and 5.54 respectively).

“Providing information to social security organisation” was ($f = 5.91$, $df = 2$, $p = .004$). A post hoc test using Duncan shows that the participants working for Joint venture companies thought the provision of information to social security organisation less important (3.50) than the subset who work for CFO and EPSA companies (4.94 and 4.57 respectively).

“Providing information to the Labours Force Authority” was ($f = 8.69$, $df = 2$, $p = .00$). A post hoc test using Duncan shows that the participants work for Joint venture companies thought the provision of information to the Labor Force Authority less important (3.50) than the subset who work for subsidiary companies fully owned by NOC and EPSA companies (5.33 and 4.91 respectively).

Therefore, the null hypothesis is rejected:

H_0 : There are no significant differences between participants' perception toward the main purpose(s) of corporate reporting across different types of ownership.

And the alternative hypothesis is accepted:

H_1 : There is at least one significant difference between participants' perception toward the main purpose(s) of corporate reporting across different types of ownership.

The company's size: the companies which the participants work for were divided into three groups, based on the number of employees in each company (small size

= less than 2000 employees, middle size = more than 2000 and less than 4000 employees; and large size = more than 4000 employees). The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants' perceptions regarding the main purpose of corporate reporting across different companies size groups. Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception towards the main purpose(s) of corporate reporting across different company' size.

And the alternative hypothesis is rejected:

H₁: There are at least one significant differences between participants' perceptions towards the main purpose(s) of corporate reporting across different company' size.

Company activities are divided into five types of activities namely Exploration (E), Production (P), Both (E&P), Service and other. The participants' perception of the main purpose(s) of corporate reporting was tested based, on the types of company activities they work for to examine the effect of activity type on the participants' perception. By using a One-way ANOVA test, the result shows that (Appendix 8) there are no statistically significant differences between participants' perceptions regarding the main purposes of corporate reporting across different company' activities types.

Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception toward the main purpose(s) of corporate reporting across different company' activities.

And the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perceptions toward the main purpose(s) of corporate reporting across different company' activities.

Company activities location is divided into onshore, offshore and both on and off shore. By using One-way ANOVA the result shows that (Appendix 8) there are no statistically significant differences between participants' perceptions regarding most main purposes of corporate reporting across different company activities' location, except when the test found that "providing information to the Owners and Investor" is statistically different ($f = 4.20$, $df = 2$, $p = .02$) and ($f = 4.00$, $df = 2$, $p = .02$) respectively. A post hoc test using Duncan indicates that the participants who work for onshore companies thought that the provision of information to the Owners less important (5.35) than the subset who work for both on/offshore and offshore companies (6.04 and 6.21 respectively). Whereas the participants who work for onshore companies thought the provision of information to the Investors less important (5.04) than those who work for offshore companies (6.43). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward the main purpose(s) of corporate reporting across different company' activities location.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward the main purpose(s) of corporate reporting across different company' activities location.

5.2.4 The Disclosure of HR Information in the Libyan oil sector

A list of the main themes related to HR information was listed in the questionnaire to the three groups surveyed. The aim was to ascertain their perceptions regarding whether the organisation should disclose this information in their annual reports.

By using the mean of their score the Table 5.6 shows that “training programmes” ranks as the highest mean (6.013). This reveals that the respondents to this survey thought that the most important theme that they agree to be disclosed is training programmes followed by health and safety and employees data (5.846 and 5.603).

On the other hand the shares for employees and employment of disabled people are the lowest themes to be disclosed (4.597 and 4.833).

Table 5.6 The rank mean of HR disclosure themes

Rank	HR themes	mean	Std. Deviation
1	Training programmes	6.013	1.377
2	Health and safety	5.846	1.615
3	Employee data	5.603	1.527
4	Consultation with employees	5.353	1.372
5	Pension data	5.321	1.511
6	Value added	5.212	1.734
7	Equal opportunities	5.019	1.801
8	Employment of disabled people	4.833	1.931
9	Shares for employees	4.597	2.024

In order to get wider views of respondents, they were asked to distinguish between personal views and the actual action of disclosure in their companies. Table 5.7 shows the correlation between the respondents' personal view and what they think

about actual disclosure in their organisations. The Pearson' correlation test (Table 5.7), indicates that there is a statistically significant relationship between how the respondents answered question 2.b, 2.c, 2.e, 2.f, 2.g and 2.i. However, in general the relationship is weak ($r = .50, .49, .21, .45, .16,$ and $.31$ respectively). It would therefore be fair to reject the null hypothesis:

H₀: There are no correlations between the respondents' perceptions towards HR information to be disclosed and the actual practice in their companies.

And the alternative hypothesis is accepted:

H₁: There are correlations between the respondents' perceptions towards HR information to be disclosed and the actual practice in their companies.

Table 5.7 The Correlation between Respondents' Personal View and Actual

Q. N	HR Items	r	n	Level of significance	Result	Kind of correlation
2.a	Employees Data	.135	155	.094	No significant	No correlation
2.b	pension data	.498	155	.000	significant	Weak correlation
2.c	Consultation with employees	.489	156	.000	significant	Weak correlation
2.d	Employment of disabled people	.061	156	.451	No significant	No correlation
2.e	Value added statement	.212	156	.008	significant	Weak correlation
2.f	Health and safety	.450	156	.000	significant	Weak correlation
2.g	Shares for employees	.160	152	.049	significant	Weak correlation
2.h	Equal opportunities	.135	156	.093	No significant	No correlation
2.i	Training programs	.309	156	.000	significant	Weak correlation

Notes: r is Pearson's correlation score, n is the number of respondents who answered this question and level of significance is the statistic result at .05 level of significant.

By testing the difference between the three different groups surveyed, the findings indicate that there is general agreement amongst all groups of participants (Executive managers, Owners and Employees Union) regarding the list of HR items to be disclosed.

The results of a One-Way ANOVA test show that there is no significant difference between the mean of the three groups that participated in the research, except their answering of the question regarding the “training programs - actual disclosure” when it shows there is a statistically significant difference between these groups ($f = 4.10$, $df = 2$, $p = .019$) (Appendix 8). A post hoc test using Duncan indicated that the owners group disagrees more about the “training programs” to be actually disclosed (4.27) than the Executive managers group (5.27). Therefore, the results of the One-Way ANOVA test rejected the null hypothesis:

H₀: There are no significant different perceptions towards HR items to be disclosed between all groups involved in the survey.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significantly different perception towards HR items to be disclosed between all groups involved in the survey.

Regarding the respondents' education level the results indicate that there is no significant difference between the different participant's education level in how they answered questions regarding their perception of the list of HR items to be disclosed, except their perception about “Consultation with employees - actual disclosure”, “Employment of disabled people - personal assessment” . “Shares for employees - actual disclosure” and “Equal opportunities - personal assessment” when results showed that there is statistically significant difference between the

participants in how they answered those questions ($f = 3.37$, $df = 2$, $p = .04$), ($f = 3.11$, $df = 2$, $p = .05$), ($f = 3.53$, $df = 2$, $p = .03$) and ($f = 7.51$, $df = 2$, $p = .001$) respectively.

A post hoc test using Duncan shows that the participants who have a Higher Diploma disagreed more about “Consultation with employees’ actual disclosure” to be disclosed (2.60) than when they have a postgraduate and Bachelor degree (4.07 and 4.25). Whereas the participants having a Higher Diploma disagreed more about “Shares for employees -actual disclosure” to be disclosed (2.00) than respondents who have a postgraduate degree (2.95). And the participants, who have a Bachelor degree disagreed more about “Equal opportunities – Personal assessment” to be disclosed (4.56) than when they have a postgraduate and Higher Diploma degree (5.60 and 5.80). Therefore, the results of the One-Way ANOVA test rejected the null hypothesis (Appendix 8):

H₀: There are no significant differences between participants’ perception on HR items to be disclosed between different levels of participants’ education level.

Whereas the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perceptions on HR items to be disclosed between different levels of participants’ education level.

In the context of place of education, the findings indicate that there are no differences between the places of education that participants obtained their last degree and their perceptions toward the list of HR items to be disclosed. Therefore, from the results of the One-Way ANOVA test, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception toward list of HR items to be disclosed between different places that participants obtained their last degree from.

Therefore the alternative hypothesis is rejected:

H₁: There is at least one significant difference in the list of HR items to be disclosed between different places those participants obtained their last degree from.

The findings based on work experience (Appendix 8), also shows that there is a statistically significant difference between respondents perceptions towards more than half of list of HR items to be disclosed. In the following “employees data - personal assessment” (f =6.19, df = 2, p =.003) , “employees data - actual disclosure” (f =7.05, df =2, p =.001) , “employment of disabled people - actual disclosure” (f =7.34, df = 2, p =.001), “employment of disabled people - personal assessment” (f =6.846, df =2, p =.001), “Value added – personal assessment” (f = 12.91, df= 2, p= 00), “Health and safety - personal assessment” (f = 5.13, df = 2, p = .007), “ Equal opportunities - personal assessment” (f =23.00, df =2, p =00), “Equal opportunities - actual disclosure” (f =5.37, df =2, p =.006), “ Training programs - personal assessment”(f = 5.82, df =2, p =.004) and “ Training programs – actual disclosure” (f = 4.38, df = 2, p = .014).

A post hoc test using Duncan shows that the participants having less experience (less than 5 years) are more likely to disagree about the list of HR items to be disclosed (“employees data- personal assessment”, “employment of disabled people- personal assessment”, “Value added – personal assessment”, “Health and safety -personal assessment”, “Equal opportunities - personal assessment” and “Training programs – actual disclosure”) than who have more than 5 years

experience. However regarding the following items “employees data - actual disclosure” “employment of disabled people - actual disclosure”, equal opportunities- actual disclosure” and “ training programs - personal assessment” participants who have a period of experience of more than 5 years disagree more about those items to be disclosed than those who have less than 5 years experience. It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences between participants’ perception toward the list of HR items to be disclosed across different participants’ periods of experience.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference in the list of HR items to be disclosed between different participants’ periods of experience.

In term of the company ownerships (COF, CJV and EPSA) the findings indicate that there are no effects from the participants’ type of company ownership on their perception regarding HR items to be disclosed, except their views regarding “pension data - actual disclosure” and “Shares for employees - personal assessment” when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between the perception of participants who work for different type of ownerships. “Pension data - actual disclosure” was ($f = 6.11$, $df = 2$, $p = .003$) and “Shares for employees- personal assessment” was ($f = 6.85$, $df = 2$, $p = .002$). A post hoc test using Duncan shows that the participants who work for companies in a CJV (3.77) disagree less than those who work for COF (5.40) on “Pension data actual disclosure” disclosed. The participants who work for Joint

venture companies agree more (5.65) than the subsets who work for CFO and EPSA companies (3.91 and 4.33 respectively) to disclose “shares for employees - personal assessment”. Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward HR items to be disclosed across different types of ownership.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward HR items to be disclosed across different types of ownership.

The company’s size: The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants’ perception regarding the HR items to be disclosed across different companies size, except their view toward “Employees data-personal assessment” when the result shows that there is a statistically significant difference between participants’ perception who work for different company sizes ($f = 3.22$, $df = 2$, $p = .045$). A post hoc test using Duncan shows that the participants who work for a small company (5.83) agree more than those who work for a middle size company (4.91) about disclosing “Employees data-personal assessment”. Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward HR items to be disclosed across different company sizes.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward HR items to be disclosed across different company sizes.

Company activity: By using a One-way ANOVA test the result shows that (Appendix 8) there are no statistically significant differences between participants' perception regarding HR items to be disclosed across different company activity types except their view about "Pension data - actual disclosure" ($f = 2.59$, $df = 4$, $p = .043$), "Consultation with employees – actual disclosure" ($f = 2.93$, $df = 4$, $p = .026$), "Health and safety – personal assessment" ($f = 2.80$, $df = 4$, $p = .032$), "Shares for employees - personal assessment" ($f = 3.59$, $df = 4$, $p = .010$) and "Equal opportunities – personal assessment" ($f = 3.68$, $df = 4$, $p = .009$). A post hoc test using Duncan shows that the participants work for company involved in service activities (6.07) agree more than those who work for companies involved in (P) activities (4.21) to disclose "Pension data - actual disclosure". And participants who work for a company involved in service activities (5.07) agree more than those who work for the company involved in (E&P) activities (3.53) to disclose "Consultation with employees - actual disclosure". Whereas, participants who work for companies involved in other activities (4.60) disagree more than those who working for company involved in E&P, E and P activities (5.86, 6.00 and 6.47 respectively) about disclosing "Health and safety - personal assessment". However participants who work for the company involved in both E&P and other activities (3.60 and 4.03) disagree more than those who work a company involved in (P) activities (5.84) about disclosing "Shares for employees - personal assessment". And also, participants who work for companies involved in E and both E&P activities (4.38 and 4.61) disagree more than those who work for companies involved in (P) activities (6.26) about "Equal opportunities - personal assessment" to be disclosed. Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward HR items to be disclosed across different company' activities.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward HR items to be disclosed across different company' activities.

Company activities' location: By using a One-way ANOVA test the results show that there are no statistically significant differences between participants' perception regarding most HR items to be disclosed across different company' activities location except their view about ("Pension data - personal assessment" (f =3.41, df =2, p =.04), "Pension data - actual disclosure" (f =9.32, df =2, p =.00), "Consultation with employees – actual disclosure" (f =5.09, df =2, p =.008) and "Shares for employees-personal assessment" (f =3.73, df =2, p=.03) (Appendix 8). A post hoc test using Duncan shows that the participants who work for the company involved onshore activities (4.74) disagree more than those who work for a company involved in both on/offshore activities (5.60) to disclose "Pension data - personal assessment". And again the participants who work for a company involved in onshore activities (3.39) disagree more than those who work for a company involved in offshore and both on/offshore activities (4.86 and 5.32) to disclose "Pension data - actual disclosure" . Whereas, participants who work for a company involved in onshore activities (4.70) disagree more than those who work for a company involved in offshore activities (6.00) to disclose "Consultation with employees – actual disclosure". However participants who work for a company involved in both on/offshore activities (4.14) disagree more than those who work for a company involved in onshore activities (5.48) to disclose "Shares for employees-personal assessment". Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward HR items to be disclosed reporting across different company activities' location.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward HR items to be disclosed across different company activities' location.

5.2.5 Benefits of disseminating HR information:

The three groups surveyed were provided with a list of potential benefits that can be obtained from disclosing HR information and were requested to indicate the level of importance (in the seven - point scale) they would attach to each of these benefits. By using the mean to view how they rank this list Table 5.8 shows that the rank for the listing benefits items are slightly different when it reveals that the respondents thought that the most important benefit is to “increase transparency” of the organisation (5.936) followed by “higher valuation” and “develop HR” (5.712 and 5.583). However the “good marketing to recruit good people” ranks as the least important benefit (5.442).

Table 5.8 The rank of HR disclosure benefits

Rank	HR disclosure benefit :	mean	Std. Deviation
1	Increased transparency	5.936	1.190
2	Higher valuation	5.712	1.270
3	Develop HR	5.583	1.650
4	Increased trustworthiness	5.474	1.679
5	Serve society at large	5.455	1.546
6	Good marketing to recruit good people	5.442	1.533

The results of a One-way ANOVA test also reveal that there is a general agreement amongst the three groups surveyed towards the vast majority of the listed benefits, except their views regarding the disclosure of this kind of information will “increase transparency”. The findings indicate that there are statistically significant differences between participants’ perception regarding these issues amongst the three groups ($f = 6.70$, $df = 2$, $p = .002$) and ($f = 4.29$, $df = 2$, $p = .015$) respectively.

A post hoc test using Duncan indicated that the owners group thought that HR disclosure benefits increase the transparency and is more important (6.09) than what Executive managers group thought (5.63). Whereas, the Employees union group thought that HR disclosure benefits to “Develop HR” are less important (4.88) than other groups thought (owner = 5.61 and Executives managers = 5.85).

This leads to the rejection of the null hypothesis:

H₀: There are no significantly different perceptions on HR disclosure benefits between all groups involved in the survey.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significantly different perception on HR disclosure benefits between all groups involved in the survey.

Regarding the respondents’ education level, the results of One-way ANOVA test reveal that there is general agreement amongst all levels of education that the participants have towards all of the listed benefits of HR disclosure. This deals with the acceptance of the null hypothesis (Appendix 8):

H₀: There are no significant differences between participants’ perceptions toward HR disclosure benefits between different levels of participants’ education.

The alternative hypothesis is rejected:

H₁: There is at least one significant difference between the perceptions on the HR disclosure benefits across different levels of participants' education.

In the context of place of education the findings of a One-way ANOVA test indicate that there are no differences between the places of education where participants obtained their last degree and their perceptions toward HR disclosure benefits. Therefore, from the results of the One-Way ANOVA test, the null hypothesis is accepted (Appendix 8):

H₀: There are no significant differences between participants' perceptions toward HR disclosure benefits between different places where participants obtained their last degree from.

Therefore the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward HR disclosure benefits between different places that participants obtained their last degree from

The findings based on work experience (Appendix 8) shows that there are statistically significant differences between the various periods of experience the participants have and their perception toward most of the HR disclosure benefits except their answer to the question regarding the increase in trustworthiness when they share the same views.

The One-way ANOVA test indicates that there are statistically significant differences in increasing the transparency ($f = 3.62$, $df = 2$, $p = .029$), higher valuation ($f = 16.91$, $df = 2$, $p = .00$), good marketing to recruit good people ($f = 3.71$, $df = 2$, $p = .003$), serve society at large ($f = 15.95$, $df = 2$, $p = .00$), develop HR

($f=17.45$, $df=2$, $p=.00$). A post hoc test using Duncan shows that the participants who have less experience (less than 5 years) thought that the HR disclosure benefits of increased transparency are more important (6.32) than those who have more than 5 years and less than 10 years experience (5.54). However the participants who have more than 5 years and more than 10 years experience thought that the HR disclosure benefits of higher valuation more important (5.74 and 6.00) than those who have less than 5 years experience (4.41). And the same findings regarding disclosing HR is to good marketing to recruit good people and develop HR when less than 5 years (4.64 and 3.91), more than 5 and less than 10 years (5.51 and 5.51) and more than 10 years (5.60 and 6.00) respectively. Whereas participants who have less experience (less than 5 years) thought that the HR disclosure benefits is to serve society at large is less important than those who have more than 5 years and less than 10 years experience (5.03) who thought that the HR disclosure benefits composed to serving society at large is less important than who have more than 10 years experience (5.93). It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences between participants' perceptions toward HR disclosure benefits across different participants' periods of experience.

The alternative hypothesis is accepted:

H₁: There is at least one significant difference in HR disclosure benefits between different participants' periods of experience.

In terms of the company ownership the findings indicate that there are no effects as a result of type of company ownership - which the participants work for - on their

perception regarding HR disclosure benefits, except their views regarding “Serve society at large” when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between company ownership in how the participants score in this issue ($f = 4.304$, $df = 2$, $p = .017$).

A post hoc test using Duncan shows that the participants who work for fully owned subsidiary companies by NOC thought that the benefits of HR disclosure related to serving society at large is less important (5.14) than those who work for Joint venture companies (6.08). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward HR disclosure benefits across different types of ownership.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward HR disclosure benefits across different types of ownership.

The company’s size: The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants’ perception regarding the HR disclosure benefits across different companies size groups. Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants’ perception toward HR disclosure benefits across different company sizes.

And the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants’ perception toward HR disclosure benefits across different company sizes.

Company activities: By using a One-way ANOVA test the result shows that (Appendix 8) there are no statistically significant differences between participants' perceptions regarding HR disclosure benefits across different company activity types, except their perception towards HR benefits to develop HR, when it shows that there are statistically significant differences between participants' perceptions regarding HR disclosure benefits across different company activity types ($f = 2.95$, $df = 4$, $p = .025$). A post hoc test using Duncan indicates that the participants who work for service companies thought HR benefits to develop HR is less important (5.14) than the subset who work for (P) companies (6.42). Therefore, the null hypothesis is rejected:

H_0 : There are no significant differences between participants' perception toward HR disclosure benefits across different company' activities.

And the alternative hypothesis is accepted:

H_1 : There is at least one significant difference between participants' perception toward HR disclosure benefits across different company' activities.

Company activities location a One-way ANOVA test shows that (Appendix 8) there are no statistically significant differences between participants' perceptions regarding most HR disclosure benefits across different company activities' location, except when the test found that there is a statistical difference in their view regarding an increase in transparency ($f = 4.16$, $df = 2$, $p = .019$). A post hoc test using Duncan indicates that the participants who work for onshore companies thought the HR disclosure benefits to increase the transparency is less important (5.09) than the subset who work for both on/offshore companies (5.93). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perceptions toward HR disclosure benefits across different company activities' location.

The alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward HR disclosure benefits across different company activities' location.

5.2.6 Location of HR Information:

A number of possible locations to disclose HR information were presented in the questionnaire. The aim was to question the respondents' perceptions about the extent to which they agree with each of the locations to disclose HR information and what the companies do in practice.

The respondents view about these locations is presented in Table 5.9 . It reveals that disclosing HR information in separate sections in the annual report is the most important location that the respondents agree to use to disclose HR information (5.526). In any section within annual report is the lowest rank (3.737).

Table 5.9 The rank mean of HR disclosure location

Rank	Location	Mean	Std. Deviation
1	In separate section in the annual report	5.526	1.563
2	In the Directors statement within annual report	4.526	2.093
3	In separate booklet attached to the annual report	3.891	2.154
4	In any section within the annual report	3.737	2.042

To test if there is any correlation between respondents' views regarding the location of disclosure and what they think about the actual disclosure practices, a Pearson correlation test was used. Table 5.10 shows that there is a statistically significant positive relationship between how the respondents answered all the questions related to location of HR disclosure. It would therefore be fair to accept the null hypothesis:

H₀: There are no correlations between the respondents' perceptions towards the location of HR disclosure and the actual practice in their companies.

The alternative hypothesis is accepted

H₁: There are correlations between the respondents' perceptions towards the location of HR disclosure and the actual practice in their companies.

Table 5.10 The Correlation Test Regarding the Location of Disclosing HR Information

q.n	Location	r	n	Level Of significance	Result	Level of Correlation
4.a	In a separate section entitled 'HR' or equivalent in the annual report	.497	156	.000	significant	Weak correlation
4.b	In a separate booklet attached to the annual report.	.597	156	.000	significant	Strong correlation
4.c	In the Directors' statement within the annual report	.660	156	.000	significant	Strong correlation
4.d	In any section within the annual report.	.696	156	.000	significant	Strong correlation

Notes: r is Pearson's correlation score, n is the number of respondents who answered this question and level of significance is the statistic result at .05 level of significant.

The results of a One-way ANOVA test also indicate that there are significant differences amongst the three groups surveyed towards half of the possible

locations of HR disclosure as follows (in separate section in the Annual Report - personal assessment ($f = 5.11$, $df = 2$, $p = .007$) , in the Directors Statement within Annual Report - actual disclosure ($f = 4.22$, $df = 2$, $p = .017$), in the Directors Statement within annual report- actual disclosure ($f = 6.88$, $df = 2$, $p = .001$) and in any section within annual report- personal assessment ($f = 3.75$, $df = 2$, $p = .026$) (Appendix 8).

A post hoc test using Duncan indicated that the owners and employees union group agree more that HR should be disclosed in a separate section in the annual report - personal assessment (6.0 and 5.86) than executive's managers (5.16). Whereas, the employees union and executives managers groups disagree more that HR information should be disclosed in the Director Statement within annual report - personal assessment (3.940 and 4.39) than owner group (5.27). The same was true for other locations (in the Director Statement within annual report- actual disclosure and in the Director Statement within the annual report- personal assessment. This leads to the rejection of the null hypothesis:

H₀: There are no significantly different perceptions on location of HR disclosure between all groups involved in the survey.

The alternative hypothesis is accepted:

H₁: There is at least one significant different perception of location of HR disclosure between all groups involved in the survey.

Regarding the respondents' education level, the results of a One-way ANOVA test reveals that there is a general agreement amongst all levels of education that the

participants have towards all of the location of HR disclosure listed. This deals to the acceptance of the null hypothesis (Appendix 8):

H₀: There are no significant differences between participants' perception toward location of HR disclosure between different levels of participants' education.

Whereas alternative hypothesis is rejected:

H₁: There is at least one significant different between their perceptions on location of HR disclosure across different levels of participants' education.

In the context of place of education the findings of a One-way ANOVA test indicate that there are no differences between the places of education that participants obtained their last degree and their perceptions toward location of HR disclosure. Therefore, from the results of the One-Way ANOVA test, the null hypothesis is accepted (Appendix 8):

H₀: There are no significant differences between participants' perception toward location of HR disclosure between different places that participants obtained their last degree from.

Therefore the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward location of HR disclosure between different places where participants obtained their last degree from.

The findings based on work experience (Appendix 8) shows that there are no statistically significant differences between the various periods of experience the participants have and their perception toward the location of HR disclosure. It would therefore be fair to accept the null hypothesis:

H₀: There are no significant differences between participants' perception toward location of HR disclosure across different participants' periods of experience.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between location of HR disclosure and different participants' periods of experience.

In terms of the **Company ownership** the findings indicate that there is no effect of type of company ownership on participants' perception regarding location of HR disclosure, except their views regarding disclosure of HR in a separate section in the annual report - personal assessment when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between company ownership in how the participants score in this issue ($f = 7.08$, $df = 2$, $p = .001$). A post hoc test using Duncan shows that the participants who work for companies with EPSA disagree to a greater extent with disclosure of HR in separate sections in the annual report - personal assessment (4.10) than who work for fully owned subsidiary of NOC and Joint venture companies (5.43 and 5.65). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward location of HR disclosure across different types of ownership.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward location of HR disclosure across different types of ownership.

The company size: The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants' perception regarding the location of HR disclosure across different company size groups except their views regarding disclosure of HR in a separate booklet attached in the annual report - actual disclosure (Appendix 8) when it was significantly different ($f = 3.543$, $df = 2$, $p = .034$). A post hoc test using Duncan shows that the participants working for large size companies agree to a greater extent with disclosure of HR in separate booklet attached in the annual report- actual disclosure (4.56) than who work for small and middle size companies (3.10 and 3.49). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward location of HR disclosure across different company size.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perceptions toward location of HR disclosure across different company size.

Company activities: By using a One-way ANOVA test the results show that (Appendix 8) there are no statistically significant differences between participants' perceptions regarding location of HR disclosure across different company activity types. Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception toward location of HR disclosure across different company activities.

And the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward location of HR disclosure across different company activities.

Company activities' location: A One-way ANOVA test shows that there are no statistically significant differences between participants' perceptions regarding location of HR disclosure across different company activities' location (Appendix 8). Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception toward location of HR disclosure across different company activities' location.

And the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward location of HR disclosure across different company activities' location.

5.2.7 Methods of disseminating HR Information

The aim of this section was to ask respondents to express the extent of their agreement with different methods that can be used to disclose HR information. Table 5.11 reveals that using a quantitative and monetary method to disclose HR information is the method that most of the respondents agree to be used to disclose HR information with the highest rank mean (5.231). Whereas a descriptive method was ranked the lowest one (4.590).

Table 5.11 The rank means of HR disclosure methods

rank	Methods	Mean	Std. Deviation
1	In quantitative and monetary manner	5.231	1.696
2	In quantitative but non-monetary manner	4.859	2.011
3	In a descriptive manner	4.590	1.931

Also the relationship between how the respondents answered the questions regarding their personal views about the methods that can be usefully used to disclose HR information and actual practices in their companies were tested by using a Pearson's correlation test. Table 5.12 indicates that there are positive strong relationships between how the respondents answered the questions regarding the methods which can be used to disclose HR information and which method their companies actually used to present this information. It would therefore be fair to reject the null hypothesis:

H₀: There is no correlation between the respondents' perceptions towards the methods which can be used to disclose HR information and the actual practice in their companies.

The alternative hypothesis is accepted

H₀: There are correlations between the respondents' perceptions towards the methods which can be used to disclose HR information and the actual practice in their companies.

Table 5.12 The Correlation between Respondents' Views on Disclosure Methods

q.n.	Methods	r	n	Level of significant	Result	Kind of correlation
5.a	In a descriptive manner	.521	156	.000	significant	Strong correlation
5.b	In a quantitative and monetary manner	.581	156	.000	significant	Strong correlation
5.c	In a quantitative but non-monetary (statistical) manner	.569	156	.000	significant	Strong correlation

Notes: r is Pearson's correlation score, n is the number of respondents who answered this question and level of significance is the statistic result at .05 level of significant.

In terms of testing the differences between the three groups surveyed in this research, the participants were asked to express the extent of their agreement with different methods that can be used to disclose HR information. Analysis of their answers by using a One-way ANOVA test the result indicates that there are no significant differences amongst the three groups surveyed towards most of the possible methods that can be used to disclose HR information except their perception toward disclosure of HR information in quantitative and monetary method - personal assessment and quantitative but not monetary method – personal assessment when it was statistically significant difference ($f=3.21, df=2, p=.04$) and ($f=4.53, df=2, p=.012$) (Appendix 8).

A post hoc test using Duncan indicates that the employees union group disagrees to a greater extend that HR should be disclosed in quantitative and monetary method - personal assessment (4.79) than executives managers (5.55) .whereas, the executives managers groups disagree to a greater extend that HR information is

disclosed in quantitative but not monetary method – personal assessment (4.45) than employees union group (5.64). This leads to the rejection of the null hypothesis:

H₀: There are no significant different perceptions on methods that can be used to disclose HR information between all groups involved in the survey.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significantly different perception toward the methods that can be used to disclose HR information between all groups involved in the survey.

Regarding the respondents' education level, the results of a One-way ANOVA test reveals that there is a general agreement amongst all levels of education that the participants have towards all the methods that can be used to disclose HR information, except using quantitative but not monetary method - actual disclosure when it is statistically significant ($f=5.450$, $df=2$, $p=.005$) (Appendix 8).

This leads to the rejection of the null hypothesis:

H₀: There are no significant differences between participants' perception toward the methods that can be used to disclose HR information between different levels of participants' education.

Whereas the alternative hypothesis is accepted

H₁: There is at least one significant difference between participants' perception toward the methods that can be used to disclose HR information across different levels of participants' education.

In the context of the place of education, the findings of a One-way ANOVA test indicates that there are no differences between the places of education that participants obtained their last degree and their perceptions toward the methods that can be used to disclose HR information. Therefore, from the results of the One-Way ANOVA test, the null hypothesis is accepted (Appendix 8):

H₀: There are no significant differences between participants' perception toward the methods that can be used to disclose HR information between different places that participants obtained their last degree from.

Therefore the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward the methods that can be used to disclose HR information between different places that participants obtained their last degree from

The findings based on work experience (Appendix 8) show that there are no statistically significant differences between the various periods of experience the participants have and their perception toward the methods that can be used to disclose HR information except using quantitative and monetary method - personal assessment and actual disclosure and using quantitative but not monetary method actual disclosure, when it was statistically significant differences between different periods of experience they have and their views about using this method ($f = 6.394$, $df = 2$, $p = .002$), ($f = 6.566$, $df = 2$, $p = .002$) and ($f = 6.182$, $df = 2$, $p = .003$) respectively.

A post hoc test using Duncan shows that the participants who have less experience (less than 5 years) disagree more in using quantitative and monetary method - personal assessment (4.36) than those who have more than 5 years and less than 10 years and those who have more than 10 years experience (5.90 and 5.16). However the participants who have experience (more than 5 years and less than 10 years) agree to a greater extent that using quantitative and monetary method - actual disclosure (5.56) than those who have less than 5 years experience and more than 10 years experience (4.18 and 4.35). And also the same participants who have less than 5 years (3.05), disagree more that using quantitative but not monetary method - actual disclosure than those who have 5 and less than 10 years experience and those who have more than 10 years (4.54 and 4.76) . It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences between participants' perception toward methods that can be used to disclose HR information across different participants' periods of experience.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference in methods that can be used to disclose HR information between different participants' periods of experience.

In terms of the company's ownership: the findings indicate that there is no effect on the type of company ownership for which the participants work on their perception regarding methods that can be used to disclose HR information except their views regarding using descriptive method - personal assessment when the One-way ANOVA test (Appendix 8) shows that there are statistically significant

differences between company ownership and how the participants score in this issue ($f = 3.62$, $df = 2$, $p = .03$).

A post hoc test using Duncan shows that the participants working for companies with EPSA agree more on disclosing HR in descriptive manner - personal assessment (5.33) than those who work for a fully owned subsidiary by NOC and Joint venture companies (4.26 and 3.85). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward methods that can be used to disclose HR information across different types of ownership.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward methods that can be used to disclose HR information across different types of ownership.

The company's size: The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants' perception regarding methods that can be used to disclose HR information, except their views regarding using descriptive method - personal assessment when the One-way ANOVA test (Appendix 8) shows that there is a statistically significant difference between company' size and how the participants score for this issue ($f = 3.13$, $df = 2$, $p = .05$). A post hoc test using Duncan shows that the participants who work for large companies size disagree more that descriptive method - personal assessment

be used to disclose HR information (3.56) than those who work for middle companies size (4.94).

Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward methods that can be used to disclose HR information across different company sizes.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward methods that can be used to disclose HR information across different company sizes.

Company activities: By using One-way ANOVA the result shows that (Appendix 8) there are no statistically significant differences between participants' perception regarding methods that can be used to disclose HR information across different company activity types except their views regarding using descriptive method - personal assessment. The One-way ANOVA test (Appendix 8) shows that there is a statistically significant difference between company' activities and how the participants score for this issue($f=2.825$, $df=4$, $p=.03$).

A post hoc test using Duncan shows that the participants working for companies involved in E, Service and both E&P activities agree to a greater extent that descriptive method - personal assessment is used to disclose HR information (5.25. 5.14 and 4.53) than those who work for companies involved in other activities (2.40). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward methods that can be used to disclose HR information across different company activities.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward methods that can be used to disclose HR information across different company' activities.

Company activities' location a One-way ANOVA test shows that (Appendix 8) there are no statistically significant differences between participants' perception regarding methods that can be used to disclose HR information across different company activities' location, except their views regarding using descriptive method - actual disclosure. The One-way ANOVA test (Appendix 8) shows that there is a statistically significant difference between company activities' location and how the participants score for this issue ($f=3.57$, $df=2$, $p=.03$). A post hoc test using Duncan shows that participants who work for onshore companies agree more that the descriptive method - actual disclosure should be used to disclose HR information (5.22) than those who work for offshore and both on/offshore companies (3.860 and 4.160). Therefore, the null hypothesis is accepted:

H₀: There are no significant differences between participants' perception toward methods that can be used to disclose HR information across different company activities' location.

And the alternative hypothesis is rejected:

H₁: There is at least one significant difference between participants' perception toward methods that can be used to disclose HR information across different company activities' location.

5.2.8 Possible reasons behind not disclosing HR Information

The participants surveyed were provided with a list of possible reasons that might be thought of as the main obstacles preventing HR information being disclosed by the oil companies in Libya. The respondents were then requested to indicate the level of importance they would accord to each of the listed reasons.

Table 5.13 presents the mean for each possible reason and the standard deviation and the reasons are listed in order of importance determined by their means scores. The table also reveals that respondents to this survey thought that the main reasons for Libyan companies not disclosing HR information are related to “the public do not have enough knowledge of the importance of HR information” (5.244). The second most ranked reason is that “the objective of organisation is to emphasize its economic performance” (4.955). However the least ranked reasons are “the cost of disclosure is outweighs the benefits” and “HR information is sensitive to disclose” (3.038 and 3.372).

Table 5.13 The rank mean of the reasons behind non- disclosure

Rank	Reasons	Mean	Std. Deviation
1	The public do not have enough knowledge of the importance of HR information	5.244	1.694
2	The objective of organisation is to emphasize its economic performance.	4.955	1.803
3	There are no legal requirements	4.872	1.816
4	The management does not appreciate its social responsibility	4.705	1.975
5	Would like to, but unsure of how to proceed	4.359	1.842
6	There is insufficient demand for HR info.	3.955	1.949
7	HR info is sensitive to disclose.	3.372	1.860
8	The cost of disclosure outweighs the benefits.	3.038	1.770

The results of a One-way ANOVA test also indicate that there are no statistically significant differences between participants' perception regarding the list of possible reasons that might be thought of as the main obstacles preventing HR information being disclosed amongst the three groups except their awareness of (would like to, but unsure of how to proceed) when there are statistically significant differences ($f = 8.00$, $df = 2$, $p = .00$) (Appendix 8). A post hoc test using Duncan indicated that the owners group thought that the reasons are less important (3.41) than Employees Union and executive's managers group thought (4.64 and 4.720). This leads to the rejection of the null hypothesis:

H₀: There are no significantly different perceptions on possible reasons that might be thought of as the main obstacles preventing HR information being disclosed between all groups involved in the survey.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significant different perception possible reasons that might be thought of as the main obstacles preventing HR information being disclosed between all groups involved in the survey.

Regarding the respondents' education level, the results of the One-way ANOVA test reveal that there is general agreement amongst all levels of education that the participants have, towards all of the listed possible reasons that might be thought of as the main obstacles preventing HR information being disclosed except their view about "the public do not have enough knowledge of the importance of HR information" and "there is insufficient demand for HR information" when there are statistically significant differences ($f=8.31$, $df=2$, $p=.00$) and ($f=5.28$, $df=2$, $p=.006$) (Appendix 8).

A post hoc test using Duncan indicated that the participants holding a postgraduate degree thought that "the public do not have enough knowledge of the importance of HR information" is a less important reason (4.60) than that those who hold a Higher diploma and Bachelor degree (6.10 and 5.61). This leads to the rejection of the null hypothesis:

H₀: There are no significant differences between participants' perception toward the reason behind non-disclosure of HR information between different levels of participants' education.

The alternative hypothesis is rejected:

H₁: There is at least one significant difference between their perceptions on the reason behind non-disclosure of HR information across different levels of participants' education.

In the context of the participants' place of education, the findings of a One-way ANOVA test indicate that there are no differences between the places of education where participants obtained their last degree and their perceptions toward the reason behind non-disclosure of HR information, except their view about "the public do not have enough knowledge of the importance of HR information" when it is a statistically significant difference ($f=3.917$, $df=2$, $p=.022$) (Appendix 8). A post hoc test using Duncan indicates that the participants obtained their last degree from other Arab countries thought that "the public do not have enough knowledge of the importance of HR information" is a less important reason (3.730) than when they obtained it from Libya, the UK, USA and other thought (5.510, 5.300, 5.210 and 5.000 respectively). Therefore, from the results of the One-Way ANOVA test, the null hypothesis is rejected:

H₀: There are no significant differences between participants' perception toward the reason behind non-disclosure of HR information between different places that participants obtained their last degree from.

Therefore the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants' perception toward the reason behind non-disclosure of HR information between different places that participants obtained their last degree from

The findings based on work experience show that there are no statistically significant differences between the various period of experience the participants have and their perception toward the reason behind non-disclosure of HR information, except their views regarding "there is insufficient demand for HR

information” when it was statistically significantly different ($f = 3.92$, $df = 2$, $p = .022$). A post hoc test using Duncan shows that the participants who have less experience (less than 5 years) thought that the “there is insufficient demand for HR information” is more of an important reason (5.00) than those who have more than 5 years and less than 10 years experience and more than 10 years (3.90 and 3.74). It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences between participants’ perception toward the reason behind non-disclosure of HR information across different participants’ periods of experience.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference behind non-disclosure of HR information between different participants’ periods of experience.

In terms of the company’s ownership: the findings indicate that there are no effects of type of company ownership which the participants work for on their perception regarding the reason behind non-disclosure of HR information, except their views regarding “there are no legal requirements”, “HR information is sensitive to be disclosed” and “would like to, but unsure of how to proceed” when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between company’ ownership in how the participants score in this issues ($f = 7.66$, $df = 2$, $p = .001$), ($f = 3.73$, $df = 2$, $p = .028$) and ($f = 4.42$, $df = 2$, $p = .015$) respectively).

A post hoc test using Duncan shows that the participants work for companies with EPSA thought that “there are no legal requirements” is less important (3.86) than

those who work for a fully owned subsidiary by NOC and Joint venture companies (4.94 and 5.770). Whereas, the participants who work for companies with EPSA thought that the “HR information is sensitive to be disclosed” is more important reason (4.19) than those who work for fully owned subsidiary by NOC and Joint venture companies (3.09 and 2.88). The participants who work for companies with EPSA thought that “would like to but ensure of how to proceed” is less important (3.86) than those who work for fully owned subsidiary by NOC and Joint venture companies (4.89 and 5.19). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward the reason behind non-disclosure of HR information across different types of ownership.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward the reason behind non-disclosure of HR information across different types of ownership.

The company size: The One-way ANOVA test (Appendix 8) shows that there are no statistically significant differences between participants’ perception regarding the reason behind non-disclosure of HR information across different companies size groups except their view regarding “the management does not appreciate its social responsibility” and “the objectives of the organisation emphasize its economic situation” when the One-way ANOVA test (Appendix 8) shows that there are statistically significant differences between company size and how the

participants score in this issues ($f = 5.84$, $df = 2$, $p = .004$), ($f = 3.28$, $df = 2$, $p = .043$) respectively).

A post hoc test using Duncan shows that the participants working for small companies thought that “the management does not appreciate its social responsibility” is more important (5.86) than those who work for middle and large size companies (4.49 and 54.39). Whereas the participants who work for small companies thought that the “the objectives of the organisation emphasize its economic situation” is a more important reason (5.39) than those who work for middle size companies (4.46). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward the reason behind non-disclosure of HR information across different company sizes.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward the reason behind non-disclosure of HR information across different company sizes.

Company activities: By using a One-way ANOVA test the result shows that (Appendix 8) there are no statistically significant differences between participants’ perception regarding the reason behind non-disclosure of HR information across different company activity types, except their perception toward “the cost of disclosure outweighs the benefits” when it shows that there are statistically significant differences ($f = 2.69$, $df = 4$, $p = .04$).

A post hoc test using Duncan indicates that the participants working for companies with other activities thought that the “the cost of disclosure outweighs the benefits” is a less important reason (1.60) than the subset who work for service and both (E&P) companies (3.79 and 3.58). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward the reason behind non-disclosure of HR information across different company activities.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward the reason behind non-disclosure of HR information across different company activities.

Company activities’ location: A One-way ANOVA test shows that (Appendix 8) there are no statistically significant differences between participants’ perception regarding most reasons behind non-disclosure of HR information listed across different company’ activities location, except when the test found that there is a statistically significant difference in their view regarding “the management does not appreciate its social responsibility” , “there are no legal requirements” and “there is insufficient demand for HR information” (($f = 3.90$, $df = 2$, $p = .024$). ($f = 4.15$, $df = 2$, $p = .019$) and ($f = 4.88$, $df = 2$, $p = .01$) respectively) .

A post hoc test using Duncan indicate that the participants who work for offshore companies thought “the management does not appreciate its social responsibility” is less important (3.71) than the subset who work for onshore and both on/offshore

companies (5.13 and 5.24). Whereas, the participants who work for offshore companies thought “there are no legal requirements” is a more important reason (5.79) than those who work for both on/offshore companies (4.44). However, the participants who work for offshore companies thought “there is insufficient demand for HR information” is a more important reason (5.36) than the subset who work for onshore and both on/offshore companies (3.57 and 3.76). Therefore, the null hypothesis is rejected:

H₀: There are no significant differences between participants’ perception toward the reasons behind non-disclosure of HR information across different company activities’ location.

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference between participants’ perception toward the reasons behind non-disclosure of HR information across different company activities’ location.

5.3 Findings of Content Analysis

This section reports on the results of the content analysis of corporate reports of surveyed companies. It includes the following subsections: the next subsection describes the overall level and the trends of HR disclosure; the contents category themes of HR disclosure are outlined in the second subsection; the third subsection deals with evidence of disclosure; the HR disclosure according to the ownership type is considered in the fourth subsection. Examples of disclosure are provided through out these sections in order to illustrate the nature of the disclosure undertaken. A summary of the results is provided in the final section.

5.3.1 Trends in HR Disclosure

The average volume of HR disclosure practice for 19 oil companies operating in Libyan oil industry over a 10 year period from 1996 to 2005 is presented in Table 5.14. The trend in HR disclosure in general indicates that all companies (in total) contain some HR information, with it steadily increasing in average volume over all the period, rising from 0.97 pages in 1996 to 2.68 pages in 2005 with maximum (2.23 and 4.53 pages) and minimum of pages were disclosed (.44 and .88 pages) respectively. Furthermore, all companies' samples disclosed Employees data, Health and Safety and Training programs related information over the ten years period. Whereas there were no one company disclosing consultation with employees and employment of disabled people over the ten year periods. However, just one company disclosed the value added statement information in 2002 and 2003, and two companies disclosed this information in 2004 and 2005, and no one did in the six year period from 1996 to 2001 inclusive.

Nevertheless, other themes (Shares employees, Equal opportunities and other HR related information) were disclosed by 95 per cent of the companies sampled over most of the periods. Pension data was disclosed by 90 per cent of the companies in all years. The Table 5.15 also shows that the average volume of disclosure, and therefore the assumed importance, for HR themes is slightly increasing. 'Employee data' disclosure rose from 0.14 pages in 1996 to 0.37 pages in 2005 with an average over the ten years of 0.25 pages. "Pension data" increased from 0.08 in 1996 to more than double in 2005, 0.22 pages, with an average of 0.13 pages. "Value added" is disclosed by just one company which started to mention some related information in 2002, with an average of 0.05 which increased in 2005 to 0.30 pages, "Health and safety" disclosure increased from nearly a quarter of a

page in 1996 to more than half a page in 2005, with an average over the ten years of 0.40 pages. “Shares issued to employees” disclosure rose from 0.07 pages in 1996 to 0.15 pages in 2005. “Equal opportunities” disclosure increased from 0.08 pages in 1996 to more than double (0.19 pages) in 2005, with an average of 0.13 pages. Furthermore, the more identifiable trend is with “training programs” disclosure, the average level of disclosure increased from 0.26 in 1996 to three times (0.78 pages) in 2005, with the highest average of 0.54 pages. However, the “other information” increased from 0.16 in 1996 to 0.40 in 2005, with an average over ten years of 0.26 pages.

The results also indicate that the range between the maximum and minimum of pages disclosed is high and increasing for all HR themes when the highest maximum volume was reached by training programs (1.43 pages) in 2005 whilst the minimum disclosure in the same year was (.32 page). The average of HR themes disclosure is depicted in Table 5.15, from which can be seen that the highest average of volume of the main themes of HR was related to the training programs information which more than half a page, followed by “health and safety” (0.40 pages). However, just a quarter of a page was covered by “employees data” and “other related information”. And, the pension data and equal opportunities just reached 0.13 pages in the average and 0.11 for shares employees. The results indicate that apart from those themes, the sample did not disclose any information related to consultation with employees and employment of disabled, which can be seen from the absence of those themes of the information captured from the sample’s annual reports (Table 5.15). The “value added” information was also almost absent (.01 pages).

Table 5.14 Average Volume of Main HR Disclosure Categories

Employees data \ years	96*	97	98	99	00	01	02	03	04	05
Number of companies disclosing	17	18	19	19	19	19	19	19	19	19
% of companies disclosing	100	100	100	100	100	100	100	100	100	100
Average volume of disclosure (Mean pages)	.14	.15	.18	.21	.23	.26	.29	.31	.33	.37
Maximum pages disclosed	.50	.49	.61	.60	.63	.85	.84	.85	.90	.89
Minimum pages disclosed	.05	.05	.06	.07	.09	.09	.08	.09	.10	.10
Pension Data										
Number of companies disclosing	15	16	17	17	17	17	17	17	17	17
% of companies disclosing	88	89	90	90	90	90	90	90	90	90
Average volume of disclosure (Mean pages)	.08	.09	.10	.12	.14	.16	.18	.19	.21	.22
Maximum pages disclosed	.18	.19	.20	.26	.31	.31	.35	.38	.43	.48
Minimum pages disclosed	.04	.04	.04	.04	.05	.08	.08	.09	.10	.10
Consultation with employees										
Number of companies disclosing	0	0	0	0	0	0	0	0	0	0
% of companies disclosing	0	0	0	0	0	0	0	0	0	0
Average volume of disclosure (Mean pages)	0	0	0	0	0	0	0	0	0	0
Maximum pages disclosed	0	0	0	0	0	0	0	0	0	0
Minimum pages disclosed	0	0	0	0	0	0	0	0	0	0
Employment of disabled people										
Number of companies disclosing	0	0	0	0	0	0	0	0	0	0
% of companies disclosing	0	0	0	0	0	0	0	0	0	0
Average volume of disclosure (Mean pages)	0	0	0	0	0	0	0	0	0	0
Maximum pages disclosed	0	0	0	0	0	0	0	0	0	0
Minimum pages disclosed	0	0	0	0	0	0	0	0	0	0

* Total of companies is 17 companies.

Value added statement										
Number of companies disclosing	0	0	0	0	0	0	1	1	2	2
% of companies disclosing	0	0	0	0	0	0	5	5	11	11
Average volume of disclosure (Mean pages)	0	0	0	0	0	0	.05	.05	.14	.30
Maximum pages disclosed	0	0	0	0	0	0	.05	.05	.17	.47
Minimum pages disclosed	0	0	0	0	0	0	.05	.05	.10	.12
Health and safety										
Number of companies disclosing	17	18	19	19	19	19	19	19	19	19
% of companies disclosing	100	100	100	100	100	100	100	100	100	100
Average volume of disclosure (Mean pages)	.22	.25	.30	.34	.39	.41	.46	.49	.53	.57
Maximum pages disclosed	.35	.41	.53	.58	.66	.69	.82	.83	.88	.91
Minimum pages disclosed	.12	.11	.13	.14	.17	.17	.17	.19	.19	.19
Shares issued to employees										
Number of companies disclosing	16	17	18	18	18	18	18	18	18	18
% of companies disclosing	94	94	95	95	95	95	95	95	95	95
Average volume of disclosure (Mean pages)	.07	.08	.08	.09	.10	.12	.12	.14	.14	.15
Maximum pages disclosed	.13	.14	.14	.16	.16	.18	.19	.22	.23	.24
Minimum pages disclosed	.02	.02	.02	.02	.03	.04	.04	.03	.04	.04
Equal opportunities										
Number of companies disclosing	16	17	18	18	18	18	18	18	18	18
% of companies disclosing	94	94	95	95	95	95	95	95	95	95
Average volume of disclosure (Mean pages)	.08	.09	.11	.11	.13	.15	.15	.16	.17	.19
Maximum pages disclosed	.13	.20	.19	.19	.20	.28	.27	.28	.28	.30
Minimum pages disclosed	.03	.03	.04	.06	.08	.10	.10	.10	.10	.10

Training programs										
Number of companies disclosing	17	18	19	19	19	19	19	19	19	19
% of companies disclosing	100	100	100	100	100	100	100	100	100	100
Average volume of disclosure (Mean pages)	.26	.40	.47	.54	.59	.63	.67	.62	.72	.78
Maximum pages disclosed	.71	.83	.94	.94	1.23	1.34	1.39	1.33	1.4	1.43
Minimum pages disclosed	.16	.18	.18	.18	.19	.20	.20	.23	.23	.32
Other										
Number of companies disclosing	16	17	18	18	18	18	18	18	18	19
% of companies disclosing	94	94	95	95	95	95	95	95	95	100
Average volume of disclosure (Mean pages)	.16	.18	.22	.24	.26	.28	.29	.32	.37	.40
Maximum pages disclosed	.45	.37	.62	.74	.68	.66	.72	.81	.90	.98
Minimum pages disclosed	.07	.07	.07	.07	.07	.09	.07	.15	.15	.15
Average Total Volume of HR disclosure										
No. of companies disclosing	17	18	19	19	19	19	19	19	19	19
% of companies disclosing	100	100	100	100	100	100	100	100	100	100
average volume of HR disclosure(Me)	.97	1.15	1.36	1.53	1.75	1.93	2.08	2.23	2.44	2.68
Maximum pages disclosed	2.23	2.47	2.95	3.05	3.31	3.87	3.95	4.06	4.32	4.53
Minimum pages disclosed	.44	.45	.45	.45	.48	.49	.49	.54	.54	.88

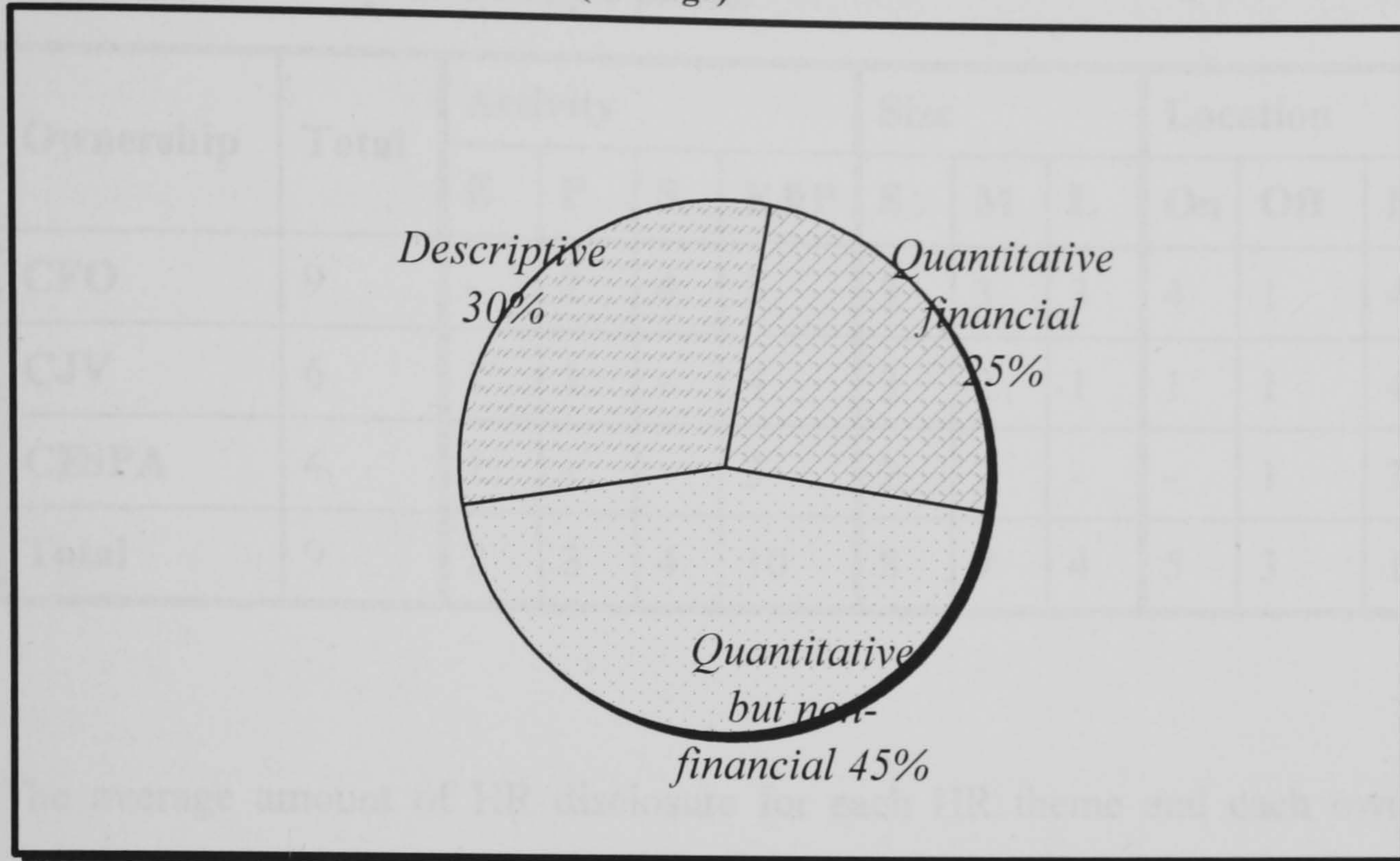
Table 5.15 HR Themes and average level of disclosure

HR Themes	HR evidence			Total
	Quantitative financial	Quantitative but non-financial	Descriptive	
Employees Data	.10	.14	.01	.25
Pension Data	.05	.08	.01	.13
Consultation with employees	-	-	-	-
Employment of disabled	-	-	-	-
Value added statement	.01	.00	.00	.01
Health and safety	.10	.18	.11	.40
Shares issued to employees	.05	.06	.00	.11
Equal opportunities	.00	.09	.03	.13
Training programs	.12	.19	.23	.54
Other	.02	.09	.15	.26
Total	.45	.82	.55	1.82
* The average based on the total of annual reports analyzed (187)				

5.3.2 HR Disclosure Evidence

As explained in Chapter Three, the capturing of HR disclosure evidence (quantitative – financial; quantitative not financial; or descriptive), can contribute to enriching the content analysis data and assessing the quality of the information disclosed. Figure 5.1 below indicates the proportion of HR disclosure containing the communication of quantitative financial, quantitative but non-financial, and descriptive information. The results show that the nearly half of information disclosed was quantitative but non-financial information (45 per cent), with the proportion of descriptive and financial information being 30 and 25 percent respectively.

Figure 5.1 HR Disclosure Evidence (average)



5.3.3 Analysis of HR Disclosure According to Ownership Type:

According to the company ownership the sample is separated into three groups (companies fully owned by NOC (CFO), CJV companies and ESPA). By analysis the average volume of disclosure made by each group indicates that nearly half of companies' sampled (9 companies) are CFO and 6 are CJV and just 4 are from ESPA group (Table 5.16). Furthermore, half of the sample is involved in E&P activities and around a quarter of work in S and P activities, and just two companies work in E activities. Less than half of the companies (8) are small size, seven companies are middle size and just four are large. According to location, the results indicate that more than half of the companies sampled work in both onshore and offshore locations and nearly a quarter of work in other locations (5 onshore and 3 offshore).

Table 5.16 The companies sample profile

Ownership	Total	Activity				Size			Location		
		E	P	S	E&P	S	M	L	On	Off	Both
CFO	9	-	2	4	3	3	3	3	4	1	4
CJV	6	1	1	-	4	3	2	1	1	1	4
CESPA	4	1	-	-	3	2	2	-	-	1	3
Total	9	2	3	4	10	8	7	4	5	3	11

The average amount of HR disclosure for each HR theme and each ownership group is presented in the table 5.17. In total, the highest average reached by the CJV group 2.19 pages, followed by CESPA and CFO groups with 2.10 and 1.44 pages respectively. This also applies to “employee’s data” related information 0.32, 0.26 and 0.19 pages respectively, and also “training programs” and “other” related information (0.69, 0.54 and 0.44 page) and (0.37, 0.31 and 0.17 page). However the “pension data” information disclosed had a high average by the CESPA group (0.19 pages) with almost the same amount was disclosed by other groups (CJV and CFO) with average of 0.12 and 0.11 pages respectively.

Whereas the highest average amount regarding “Health and safety” and “Equal opportunities” is disclosed by CESPA group (0.50 and 0.16 pages) followed by the CJV group (0.43 and 0.15 pages) and CFO group (0.33 and 0.11 pages) respectively. Regarding the “Shares issued to employees” the findings indicate that the same average was disclosed by the CJV and CESPA groups 0.12 pages, with CFO group reaches just 0.09 pages. Furthermore, only the CESPA group disclosed “values added” related information 0.03 pages. Nevertheless, most of this

information was disclosed by using the quantitative non-financial method. The CFO group use this method to disclose half of the HR information and the CJV group used it to present nearly two third of the information, but the CESPAs group just used it to present more than a third of HR information.

Table 5.17 Average amount of HR themes disclosure by ownership

Ownership HR themes	CFO				CJV				CESPA			
	M	Q	D	T	M	Q	D	T	M	Q	D	T
Employees Data	.09	.10	.00	.19	.11	.21	.00	.32	.11	.11	.04	.26
Pension Data	.05	.07	.00	.12	.03	.08	.00	.11	.06	.09	.04	.19
Consultation with employees	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Employment of disable	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Value added statement	.00	.00	.00	.00	.00	.00	.00	.00	.02	.00	.01	.03
Health and safety	.07	.18	.08	.33	.09	.16	.18	.43	.18	.22	.10	.50
Shares employees	.04	.05	.00	.09	.05	.07	.00	.12	.06	.06	.00	.12
Equal opportunities	.01	.09	.01	.11	.00	.10	.05	.15	.00	.09	.07	.16
Training programs	.10	.17	.17	.44	.15	.25	.29	.69	.12	.16	.26	.54
Other	.00	.07	.10	.17	.07	.10	.20	.37	.00	.10	.21	.31
Total	.36	.73	.35	1.44	.50	.97	.72	2.19	.55	.82	.73	2.10

Notes: M= Quantitative financial information, Q= Quantitative non- financial information, D= Descriptive information and T= Total.

In order to determine whether there is a difference regarding the volume of HR disclosure between different ownership groups, a one-way ANOVA test was undertaken, as measured by the proportion of the page, between various ownership structures. The test demonstrated that the level of significance is lower than 0.05 ($f = 21.285$, $df = 2$ and $p = .000$) (Appendix 10). The difference between ownership

structures is therefore found to be significant. And a similar conclusion was reached i.e. there is a difference in the extent of HR disclosure between various ownership structures by the average amount of total HR was disclosed by each group. A post hoc test shows that the CFO companies group disclosed less amount of HR information compared with other groups (CJV and CESPA). It would therefore be fair to reject the null hypothesis:

H₀: There are no significant differences regarding the volume of HR disclosure between various ownership groups (CFO, CJV and CESPA).

The alternative hypothesis is accepted:

H₁: There is one at least one significant differences regarding the volume of HR disclosure between various ownership groups (CFO, CJV and CESPA).

5.3.4 Analysis of HR Disclosure According to The Company's Activity Type:

The average amount of HR disclosure for each HR theme and each company activity type is presented in Table 5.18. The E&P is found to be the highest HR discloser. The result reveals that the average amount of total disclosure reported by the E&P sample reaches 2.06 pages on average, with E activities group ranked second (1.91 pages) and then following by S and P activities groups (1.60 and 1.28 pages respectively). Regarding the HR disclosure themes, most of HR themes except the "other" related information, were ranked the highest by E&P, whereas the higher average was reached by E activities group (0.32 pages). Furthermore.

again the most used method to present HR information is quantitative non-financial method by all groups (see table 5.18).

In order to determine whether there is or is not a difference regarding the volume of HR disclosure between various activities groups, a one-way ANOVA test was undertaken to test the hypothesis. The result shows that there is statistically significant difference between various activities groups ($f = 9.086$, $df = 3$, $p = .000$) (Appendix 10). A post hoc test indicates the companies involved in E or E&P activities disclose more than the companies that involved just in P activities.

Therefore, the null hypothesis is rejected:

H₀: There are no significant differences regarding the volume of HR disclosure between various company activity groups (S, P, E and E&P).

And the alternative hypothesis is accepted:

H₁: There is at least one significant difference regarding the volume of HR disclosure between various company activity groups (S, P, E and E&P).

Table 5.18 Average amount of HR disclosure by activity types

Activities HR	S				P				E				E&P			
	M	Q	D	T	M	Q	D	T	M	Q	D	T	M	Q	D	T
Employees Data	.08	.07	.00	.15	.06	.11	.00	.18	.12	.08	.00	.20	.11	.19	.02	.32
Pension Data	.07	.08	.00	.15	.06	.03	.00	.10	.03	.11	.00	.14	.04	.08	.01	.14
Consultation with employees	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Employment of disable	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Value added statement	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.01	.00	.00	.01
Health and safety	.13	.19	.06	.38	.04	.16	.08	.29	.14	.09	.20	.43	.10	.20	.13	.43
Shares employees	.03	.06	.00	.09	.03	.04	.00	.07	.05	.07	.00	.12	.06	.06	.00	.12
Equal opportunities	.01	.10	.00	.12	.00	.05	.04	.09	.00	.09	.05	.14	.00	.10	.04	.14
Training programs	.14	.17	.20	.50	.09	.15	.14	.39	.13	.18	.24	.55	.12	.21	.26	.60
Other	.00	.09	.12	.21	.00	.07	.11	.18	.00	.12	.21	.32	.04	.08	.17	.29
Total	.46	.76	.38	1.60	.29	.62	.37	1.28	.47	.73	.71	1.91	.49	.93	.64	2.06

Notes: M= Quantitative financial information, Q= Quantitative non- financial information, D= Descriptive information and T= Total.

5.3.5 Analysis of HR Disclosure According to The Company's Work Location

This section deals with analysis of HR disclosure practices according to the location where companies operate (onshore, offshore and both location on and offshore).

The amounts of HR disclosure by each group are presented in table 5.19. The result of descriptive analysis indicates that the company samples operating in both on shore and offshore disclosed more than other groups, as can be seen in the total of average for this group (1.97 pages) following by the offshore group with a total average of 1.89 pages. When the onshore group disclosed it was the amount of highest disclosure compared with others (1.45 pages).

The most useful method to present HR information was Quantities non-financial method which is used by all groups. Again the training programme scored the highest disclosed theme by all groups, the second highest one was health and safety for all groups with the offshore group disclosing more than other groups (0.46 pages). The one-way ANOVA test was used to test whether there is or is not significant difference between the amounts of HR disclosure according to the location that the company operates in. The result indicates that there is statistically significant differences between these groups ($f = 7.109$, $df = 2$, $p = .001$) (Appendix 10). A post hoc test shows that the companies operating in onshore location disclosed less amount of HR information than the companies operating in other locations (offshore location and both locations). The null hypothesis therefore is rejected:

H₀: There are no significant differences regarding the volume of HR disclosure between various location groups (onshore, offshore and both locations).

And the alternative hypothesis is accepted:

H₁: There is at least one significant differences regarding the volume of HR disclosure between various location groups (onshore, offshore and both locations).

Table 5.19 Average amount of HR themes disclosure by Location

Location HR themes	Onshore				Offshore				Both on/offshore			
	M	Q	D	T	M	Q	D	T	M	Q	D	T
Employees Data	.08	.11	.00	.19	.10	.07	.00	.17	.11	.17	.02	.29
Pension Data	.07	.06	.00	.13	.04	.09	.00	.13	.04	.08	.01	.14
Consultation with employees	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Employment of disable	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Value added statement	.00	.00	.00	.00	.01	.00	.01	.02	.00	.00	.00	.00
Health and safety	.05	.15	.11	.32	.22	.17	.07	.46	.09	.20	.12	.41
Shares employees	.04	.05	.00	.09	.06	.04	.00	.10	.05	.06	.00	.11
Equal opportunities	.00	.07	.03	.10	.00	.11	.03	.14	.00	.10	.04	.14
Training programs	.11	.16	.16	.43	.14	.18	.24	.55	.12	.21	.26	.58
Other	.00	.07	.11	.18	.00	.10	.19	.30	.04	.09	.16	.29
Total	.36	.67	.42	1.45	.58	.76	.55	1.89	.46	.91	.61	1.97

Notes: M= Quantitative financial information, Q= Quantitative non- financial information, D= Descriptive information and T= Total.

5.3.6 Analysis of HR Disclosure according to the company's size

In this section the amount of HR disclosure is analyzed regarding the company's size (small, middle and large size)*. The average amount of HR disclosure for each group is presented in Table 5.20. The results indicate that small company size disclose more HR information (1.90 pages) than other groups middle size and large large (1.71 and 1.86 pages respectively). The highest average amount of HR themes was related to the training program in all three groups investigated. Health and safety ranks the second higher amount in all groups, followed by employees' data and other in middle and large size groups but not in the small size group when

* The size groups based on employees' number.

followed by other and employee data. The lowest amount was given to the shares issued to employees by all the groups.

Table 5.20 Average amount of HR themes disclosure by size

Size HR themes	Small				Middle				Large			
	M	Q	D	T	M	Q	D	T	M	Q	D	T
Employees Data	.08	.14	.00	.22	.10	.13	.02	.25	.14	.16	.00	.30
Pension Data	.04	.07	.00	.11	.04	.07	.02	.13	.07	.10	.00	.18
Consultation with employees	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Employment of disable	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Value added statement	.00	.00	.00	.00	.01	.00	.01	.02	.00	.00	.00	.00
Health and safety	.12	.18	.10	.39	.10	.19	.09	.39	.06	.18	.19	.43
Shares employees	.04	.06	.00	.10	.05	.04	.00	.09	.05	.07	.00	.12
Equal opportunities	.01	.10	.03	.14	.00	.08	.05	.13	.00	.09	.03	.11
Training programs	.13	.22	.27	.61	.10	.18	.19	.48	.14	.16	.21	.50
Other	.05	.09	.18	.31	.00	.07	.15	.22	.00	.11	.11	.22
Total	.47	.86	.57	1.90	.42	.76	.54	1.71	.47	.87	.53	1.86

Notes: M= Quantitative financial information, Q= Quantitative non- financial information, D= Descriptive information and T= Total.

However, the one-way ANOVA test indicates that there is no statistically significant difference between amounts of HR disclosed by various size groups ($f = .939, df = 2, p = .393$) (Appendix 10).

Therefore, the null hypothesis is accepted:

H₀: There are no significant differences regarding the volume of HR disclosure between various company size groups (small, middle and large).

And the alternative hypothesis is rejected:

H₁: There is one at least significant differences regarding the volume of HR disclosure between various sizes groups (small, middle and large).

CHAPTER SIX

DISCUSSION AND CONCLUSIONS

6.1 Introduction

The first purpose of this chapter is to collate and discuss the key findings, in line with the research aims and the research questions. The second part purpose the conclusions, which include possible explanations for HR practices by the Libyan oil industry, and the conclusion addressed the research questions and offer recommendations and some suggestions for future research in relation to HR disclosure and CSR disclosure practices within the Libyan context.

The research set out to investigate HR disclosure and to specifically address the following objectives:

- To explore the views and perceptions amongst three different groups:
 - 1) The executive managers in the Libyan oil companies;
 - 2) The general managers in the NOC;
 - 3) the employees union in the Libyan oil industrywith respect to:
 - a) the basic features of the current corporate reporting and disclosure practices of the oil companies;
 - b) the possibility of wider disclosure in terms of HR;
 - c) the methods and location of HR disclosure and;
 - d) the motivation for the disclosure of such information, along with the reasons behind non-disclosure.
- To test independent variables which may affect the perception of stakeholders (education level, place of education and work experience)
- To evaluate the current situation relating to HR disclosure practices, as part of the organisations' social responsibility, within the Libyan oil industry.

- To evaluate factors affecting the level of HR disclosure in the Libyan oil industry (ownership, size, activity, and location of activity)

In particular, the research sought answers to the following questions:

(1) To what extent do the stakeholders (executive managers of the oil companies, general managers in the NOC and the employees union in the Libyan oil industry) have an adequate understanding of social responsibility, including HR disclosure?

To answer this question the following supplementary questions were addressed:

- 1.a. What are their perceptions about the intended purpose(s) of CSR information?
- 1.b. What are their perceptions of disclosure by the Libyan oil industry of HR items?
- 1.c. What are the perceived motivations of the company's HR disclosure?
- 1.d. What are their perceptions of possible locations of HR disclosure in the Libyan oil industry?
- 1.e. What are their perceptions of possible methods of HR disclosure in the Libyan oil industry?
- 1.f. What are the perceived main reasons for oil companies not making HR disclosures?

(2) To what extent do oil companies in Libya disclose the interaction between their activities and their HR related information?

In term of answering this question the following sub-questions were presented:

2.a. What type of HR information is disclosed in the annual reports of Libyan oil companies?

2.b. In what ways is HR disclosure presented in annual reports?

2.c. To what extent does the amount of HR disclosure vary in Libyan oil companies across time?

2.d. What differences exist in the disclosure practices of Libyan oil companies with regards to company activity, size, ownership structure and location (onshore or offshore)?

6.2 Discussion of Results

This section discusses and interprets the main findings reported by the two main data collection methods (the questionnaire survey and the content analysis) which are used in this research.

6.2.1 The questionnaire survey:

The questionnaire survey was carried out in order to achieve the first aim of this research, which was to explore views and perceptions amongst three key groups of stakeholders. The survey sought to examine views and perceptions regarding several issues as follows:

6.2.1.1 The main purposes of corporate disclosure

With regard to the possible purposes for the preparation of corporate annual reports by Libyan oil industry companies, the provision of information to all key stakeholders groups was significantly important for most of respondents, with a

score slightly above mid-range. One explanation is that there is growing recognition within companies in the Libyan oil industry of international duties of accountability driven by their stakeholders' expectations. In this respect Cray *et al.* (1996) argued that the formal CSR processes should enhance corporate transparency, develop corporate image and provide useful information for a wider range of information user.

However, the purpose of provision of information to the managers to assist in managing their business received a high ranking. It is possible that respondents to this survey interpreted this purpose as a usefulness decision objective in corporate disclosure. Alternatively, it may be the case that some participants, such as financial managers (as they are in charge of preparing the annual reports), might be aware of the absence of effective separate systems that are capable of providing management information. The results showed that there is a significant difference between the three stakeholders groups. Moreover, the executive managers who participated in this survey thought that the provision of information to managers to assist in managing their business was more important than the employees' union group. Nevertheless, the importance of the provision of information to managers has again probably arisen because some participants, such as executive managers (as they are also in charge of preparing the annual reports), which might be aware of the absence of effective separate systems in most Libyan oil companies that are able to provide management information. It has been argued that there are two strategic attitudes as showed by Ullmann (1985) which might be active or positive. Those companies which have key decision makers (executive managers) who challenge their organization's relationship with key stakeholders through social

responsibility activities possess an active attitude. Whereas, a passive attitude suggests that businesses are neither involved in continuous monitoring activities nor are deliberately searching for an optimal stakeholder strategy; that is, a company whose key decision makers (executive managers) are not continuously monitoring its position with stakeholders and are not developing specific programs to address stakeholder impact are perceived as possessing a passive strategic attitude. Therefore, the more active the strategic attitude the greater the expected social responsibility actions and disclosures.

The result is broadly consistent with previous results in the Libyan context, where respondents ranked this purpose as the second most important (Mashat, 2005). However this result is not consistent with the Naser & Baker, (1999) study. They explored the perception of five different groups in Jordan (which has a stock market) and found that the provision of information to the shareholders received the highest ranking. However, when Mashat, (2005) investigated the views of five groups in the Libyan context he found that the provision of information to financial organisations was considered by the study participants as being of the highest importance. This may be ascribed to the requirements of the Libyan Commercial Code and Libyan banks, whereby all companies operating in Libya (Libyan or international) are required to provide their annual reports to the Loans Department when they apply to any financial facilities.

The respondents attached a relatively high importance to the proposal that the main purpose of corporate disclosure is to provide information to owners on the use of their funds. It may be supposed that respondents interpreted this purpose as the

'stewardship' objective for corporate reporting. The increased incidence of reporting performance indicators, particularly attempts at effectiveness information, can be interpreted as moves toward the discharge of accountability.

In this respect Gray (2001: 11) asserts that accountability is a fairly simple idea that is widely misinterpreted and misused. "It is simply about identifying what one is responsible for and then providing information about that responsibility to those who have rights to that information (the stakeholders)". Furthermore, it is consistent with previous results in developing economies (Naser & Baker, 1999) although it is inconsistent with Mashat's (2005) work. The managers, owners, investors and financial organisations were all regarded by respondents as being important to most groups and the providing of the information to each of these groups received an average score towards the higher end of the scale. These groups can be seen as those which contain the most interest groups in the Libyan oil industry who might look at this kind of information. On the other hand, creditors, tax authorities, Labour Force Authority, Social Security office, employees and the society at large, were regarded by respondents as being of some importance to most of the groups with a score slightly above mid-range.

The provision of information to employees and society at large received the lowest score by the respondents. These results are consistent with previous study results (Naser & Baker, 1999; Mashat, 2005). It also supports the ranking which identifies the reasons behind non-disclosure, whereby the respondents thought the most important reason was that the public do not have enough knowledge of the importance of HR information. That is, educational background and experience can be an important determinant in the participants' perception of CSR disclosure, with

better educated and expert managers being more likely to approve innovative activities and to disclose more voluntary information, including HR (Hambrick & Mason, 1984; Derwent, 1989, Gray, 1990; Bebbington *et al*, 1994; Lodhia, 2003). Haniffa & Cooke (2002), for example, found a significant relationship between the proportion of directors on the board who had an academic background in accounting and business and the extent of voluntary disclosure of information, including HR disclosure. In the current study there is a general agreement between the participants toward the provision of information provided to the owners.

6.2.1.2 The Disclosure of HR Information in Libyan oil sector

The results of, and particularly the rankings, are broadly consistent with previous studies in developing economies such as Malaysia and Singapore (Andrew *et al.*, 1989) and Libya (Mashat, 2005). One explanation could be that as employees in Libya are members of employees union, the companies may take care of their needs and avoid conflict with their representatives. Indeed, historically, the company chairman was chosen by the employees (Law No. 13, 1981). In addition, the government in a developing economy like Libya pays close attention to the living standards and working conditions of the employees, by disclosing detailed information relating to HR, such as training and health and safety.

The training programme related information in the current research received the highest rank, with respondents from most groups agreeing at the higher end of the scale. This broadly reflects Mashat's (2005) findings which found the highest ranking to be "employees other", which included training information. One

expectation might be that after the nationalization of foreign oil companies operating in Libya (1973), the government took serious steps to rely on national employment. The result of this policy is that the government has sought to increase training programmes for workers in this sector. In addition, foreign companies returning to Libya are required by the NOC to train and employ half of their workforce nationally. Furthermore the prices of oil companies' products are controlled by the international markets, so to increase profits companies have to reduce production costs by using new technology which need intelligent and trained employees.

The results show the owner group and the respondents with less experience disagreeing more about the "training programmes" disclosure than the executive managers group and respondents who have more experience. This may be ascribed to the view that such disclosure is guided by the management planning training programmes and therefore satisfies their achievement in this area. Experience seems to play an important role in recognising the benefits of disclosing HR information.

Training is a way to invest in developing the human capital, with the company needing to train and create a strong and intelligent workforce. So the company might invest a substantial amount in training their workforce. However, in some cases, the emphasis of this training appeared not to be on direct work-related skills, but is intended to strengthen the 'soft qualities' of employees, such as employee conduct, attitudes, willingness to learn and their relationship building skills. In this context, Deegan *et al.* (2002:341) point out that the company could disclose

information about its employee training by reporting information related to “training employees through in-house programmes, giving financial assistance to employees in educational institutions or continuing education courses or establishment of trainee centres”.

The results indicate that the relationship between the respondent’s views regarding the real HR disclosure practices in the Libyan oil industry and their opinions about these items to be disclosed was significant although rather weak. This may suggest that the respondents believe and they look forward to seeing or disclosing this information, but there are limitations that are preventing the companies reporting HR information.

The areas of health and safety, employee’s data, consultation with employees, pension data, value added and equal opportunities were regarded by respondents as being of above the medium level of importance, scoring an average of five out of seven on the Likert scale. However, the employment of disabled people and shares for employees received the lowest ranking of level of importance although they also remained scoring above mid-range. Furthermore, the results supported the earlier assumption that respondents with more experience agree more than those who have less experience about disclosing “employee’s data”.

6.2.1.3 Benefits of disseminating HR information:

From the list of potential benefits obtained from disclosing CSR and HR in particular, the participants in the survey indicated the level of importance of each.

The results show a general agreement amongst the respondents that the proposed benefits are important. The respondents believed that increased transparency was the most important benefit from disclosing HR information. In this context, Craig & Hussey (1981) found that increasing human resource disclosure information can provide significant benefits to the organization. They argue that such information may allow the organization to improve their communication channels and reach employees directly on matters or issues of crucial importance. Such information can also correct rumours and inaccuracies, and stimulate discussion between employees and employers.

Aspects of lesser importance in disclosing HR information relate to the market to recruit good people and to serving society at large. Ranking showed that providing information to the managers and the owners was considered the most important purpose of disclosing HR information, whilst providing information to society at large, the social security and the employees was viewed as the least important purpose in disclosing HR information. However, the results are inconsistent with the earlier findings of Alkater & Naser (2003) and Mashat (2005) who found that developing human resources and serving society at large were considered the main beneficiaries of CSR information. This view may be explained in part by decision usefulness, as most of oil companies in Libya are state or part state owner.

The result of a one-way ANOVA test shows a general agreement amongst the three groups surveyed with respect to the majority of the listed benefits, with one exception. The exception refers to the owner group believing that a benefit of disclosing HR information is to increase the organisation's transparency, whereas

the executive managers group thought that is reverse. The work experience of the groups surveyed may have contributed to the significant differences in their perceptions toward most of the propositions listed, with one expectation, an increase in trustworthiness. While respondents with more experience believe that they can find a major influence of HR information on the propositions list of HR benefits, the less experienced view there to be little influence of the disclosure of HR information on this list.

6.2.1.4 Location of HR Information:

The survey participants were provided with a number of possible locations where HR information should be disclosed and were asked to express their level of agreement with each of the locations (see Table 5.9).

The results indicate that the most popular of location for HR disclosure is in a separate section in the annual report titled HR or an equivalent. The second ranked location was “In the Directors statement within the annual report”. However, the respondents did not favour HR disclosure being in any of the sections within the annual report, preferring that it be in either a separate section or in within the directors’ statement. The result is in total agreement with other studies (Naser & Abu Baker, 1999; Al-Khater & Naser, 2003; Mashat, 2005). The finding may be attributed to the participants being familiar with the annual report, which is required by the Libyan commercial laws (see Chapter 2 for more details), or they might not have experienced disclosure in other locations. The One-way ANOVA

test, however, shows significant differences in the respondents' view on whether HR information should be disclosed in a separate section in the annual report or other locations, with one exception recommending disclosing HR information in a separate booklet that is attached with the annual report. Since the annual report is prepared by the executives' managers, that group believe that those locations are not the correct locations to inform the public about HR information, and they disagreed more than other groups with those locations. In this respect (Kuasirikun & Sherer, 2004) argue that the absence of a standard approach to disclosing HR distort the results; indeed, they found that Thai companies report HR information in different locations within their annual report with regard to correlation between the respondents' personal view and their preference for location, there is an apposite relationship between the two variables. That is, respondents were generally satisfied with the location used to disclose HR information.

6.2.1.5 Methods of disseminating HR Information:

In this section the participants' opinions about how to present HR information in the annual report was explored by giving them three different methods to introduce HR information and asked them to indicate the level of the agreement with each (see Table 5.11).

The results indicate that there was strong agreement in all groups for HR disclosure in the Libyan oil sector being expressed in financial forms, with this being ranked the highest method. This might be because the quantitative and monetary method is the easy way to measure and present information. In this context, (Imam, 2000)

pointed out that in many cases quantitative data could have been easily provided and many organisations prefer to use this form to present their CSR information .

This supports the One-way ANOVA result that in the annual report' whereas and the participants, who have more experience agreed that presenting HR information in financial (quantitative and monetary) is beneficial. This result is not consistent with the Al-Khater & Naser (2003) findings, which demonstrated that HR disclosure should be in both financial and non financial forms. Furthermore, they ranked disclosing the CSR information in financial form as the lowest. Also, in the state of Jordan, the majority of corporate users preferred to see CSR information in all forms, both financial and non-financial (Naser & Abu Baker, 1999). However, the result from the current study is partially supported by Mashat's (2005) findings showed that disclosing CSR information using the financial method was ranked second, whilst the highest ranking was the descriptive approach. Patten (1995) also classified disclosures as to whether they contained quantitative information and if so, whether such information was monetary or non-monetary in nature. Further, (Kuasirikun & Sherer, 2004) found that HR disclosure typically appeared in a narrative form. Whilst narrative disclosure is a potential method for disclosing information on employee concerns, the use of monetary and quantitative disclosures is also found to be beneficial (Gray *et al.*, 1987, 1996). Finally, (Zairi & Letza, 1994) highlight the shortcomings of existing corporate reporting, in that the information in the annual reports seems to be more historical in nature.

6.2.1.6 The reasons behind not disclosing HR Information:

The results show that respondents thought that the main reasons for Libyan oil companies not making a HR disclosure are basically related to the public not having enough knowledge of HR information and that the objectives of the organisations emphasize its economic performance. Both reasons received the highest ranking (see table 5.13). The results may reflect the respondents' opinions being based on a "need-to-know" rather than a "right-to-know", basis. That is, information is only disclosed to those parties to whom the business organisation is legally accountable and not to the general public. The nature of the economic system applied in Libya in general, and the Libyan oil industry in particular, is possibly reflected in the participant perception of CSR disclosure. Since all oil companies are either fully or partially State Owned, maximising their market value was not considered as the companies' main target. Avoiding losses and maximising production levels were the main concern. The information that companies usually provide relates to production, sales, and expenses.

It has been asserted that in countries where state ownership dominates, such as Libya, only a limited number of government users (i.e. the central authorities) are expected to be provided with accounting information (Arpan & Radebaugh, 1985). Furthermore, the lack of legal requirements received the highest ranking which indicates that the respondents believe that an absence of mandatory disclosure can be seen as an important reason for not making CSR disclosure. Unerman (2000b: 77) emphasises the importance of regulations in relation to CSR when he states that "while I fully support measures that lead to increased CSR, I believe voluntary initiatives in this area are likely to be considerably less effective than regulation."

In this respect Haiffa & Cooke (2002:327-328) stated that “Corporations in general are unlikely to provide high-quality information if the demand function does not exist or if laws and regulations governing information provision are not enforced.”

Ahmed & Nicholls (1994) also assert that an inadequate regulatory framework, poor enforcement mechanisms, the lack of an accounting profession and the absence of an effective capital market are some of the reasons for low levels of accounting disclosure and accounting standards in developing countries.

Naser & Abu Buker (1999) found that all the reasons listed by Ahmed & Nicholls (1994) may prevent organisations from disclosing CSR information. In Jordan, the respondents ranked the no legal requirements as the top reason for companies not making CSR disclosure. That the cost of CSR disclosure outweighs its benefit received the lowest rank (see also Al-Khater & Naser, 2003 and Mashat, 2005).

The costs of disclosing more human resource information included the potential of misunderstanding amongst employees, make unions more hostile towards management propaganda, and reporting of irrelevant employee matters (Craig & Hussey 1981).

6.2.2 Content Analysis:

The main aim of using this method was to examine and evaluate HR disclosure practices in the Libyan oil industry over a ten year period. A selection of 187 annual reports was evaluated to achieve the third and fourth aims of this research.

6.2.2.1 Trends in HR Disclosure

This section discusses of trends of HR disclosure practices over a ten year period in the Libyan oil industry. The results are, in many respects, consistent with previous research studies. All 19 companies included in this research made at least some HR disclosure. This is similar to the findings of studies conducted in other countries, including the UK (Gray *et al*, 1995a), Nigeria (Disu & Gray, 1998), Singapore (Tsang, 1998), Jordan (Abu-Baker & Naser, 2000), Bangladesh (Imam, 2000, and Belal, 2001). One difference with the Libyan context is that disclosure is voluntary (see Tsang, 1998) with there being no statutory disclosure requirement. In terms of HR ranking the findings corroborate many previous studies. The most common HR theme in the oil company's annual reports concerns training programmes information, which is also the most common area in which HR disclosure is made. However, Imam (2000) found that few companies provided important human resource information such as health, training and safety in Bangladesh.

In general, the findings show that Libyan oil companies have steadily increased their disclosure of HR information, with this being around 19 per cent on average (see table 5.14). In the Libyan oil industry, eight out of ten employee categories were commonly disclosed as the main disclosure areas. A similar result was found by Mashat (2005) who reported that Libyan enterprises disclosed six out of nine of

the HR categories, although few companies disclosed information related to a value added statement. Despite just one or two CESPAs disclosing value added information, it was an insignificant area with less than a quarter of a page being devoted to its disclosure in 2002, 2003, 2004 and 2005. In this regard, Gray & Maunders, (1980) attributed the increase of value added information in the UK to a legal requirement to disclose this kind of information (see also Naser & Baker, 1999; Al-Khater & Nuser, 2003 and Mashat, 2005). This finding corroborates Andrew *et al's* (1989) argument that any further improvement in the CSR disclosure in developing countries is likely to come from large, foreign owned, companies.

The growing importance of disclosure of HR information might reflect the notion that oil companies have increased their attention to HR information over the period and there is an expectation to disclose this kind of information. In this context, Roberts (1992) argued that a company's age might influence their level of CSR disclosure. Indeed, he found that companies with more experience disclosed more CSR information than other companies. In the Libyan oil industry context, (see Chapter Two for more detail) NOC has the authority to manage and direct the oil companies and their manpower source, which may have resulted in a steady increase in HR disclosure practices. The increase might be attributed to a heightened perception by NOC's managers about the importance of HR information and the companies trying to satisfy their legitimacy with NOC. This demonstrates the growing importance of disclosure even though most of this total relates to training programmes and health and safety matters. Furthermore, the two main categories, of training programmes and health and safety information,

account more than 25 per cent of the total (see table 5.14). The high percentage tends to support the questionnaire findings when the respondents ranked these two categories with the highest importance for disclosure (see table 5.6).

The findings indicate that whilst oil companies mainly reported employee related information not all companies disclosed this information over the 10 year period, with a marked absence of consultation with employee and disability employment. There are two suggestions that might explain this absence of disclosure. The first suggestion is that due to the oil industry's unique needs, the majority of employees do not have a disability. This is supported by the questionnaire findings, where the respondent ranked the disclosure of information regarding employment of disabled people as the lowest after company shares for employees (see table 5.6). The employees union in this industry has consultation as one of its duties. Also, the result conclusively identifies the paucity of disclosure of value added information. Overall only two companies disclosed any value added information. In this context Brown, *et al.* (2005) found that just two companies from the Pacific Island countries presented value added achievement by employees even when this information was presented in the notes section. However, Guthrie (2004) found that the second item of HR was information regarding the value that was added by employees. Therefore, the low level of disclosure regarding this category may be attributed to the ownership structure (see section 6.3.21).

The results show that training programmes was given more space in the annual reports compares with other HR disclosure categories. Based on the assumption that the amount is indicative of importance, the disclosure of information classified

under this particular category is increasing in importance. In contrast, early findings regarding Libyan HR disclosure practices by Libyan enterprise indicated that the most common category was “employees other” (this includes staff turnover, thanks to employees, employee trends/statistics, and employee training (Mashat, 2005). The findings also indicated that in addition to its growing importance the employee category also approached 100 % incidence in annual reports. Thus, there is a strong recognition and concern over the issues classified under this category. In contrast, whilst the findings demonstrate a high incidence of HR disclosure the level of disclosure is low, at less than three quarter of page.

The results showed that the trend for HR disclosure is increasing, and that the range between the maximum and minimum disclosers, in terms of volume, is equally high and is increasing. This suggests that some oil companies are disclosing progressively more than others each year, with the implication being that some oil companies consider the issue of HR more important than others.

In terms of the total amount of disclosure and the HR themes disclosed in general, it can argue that the recognition and/or concern related to these disclosures by the oil companies are still at its early stage. The lack of mandatory (i.e. statutory) disclosure requirements and the weakness of the accounting profession in Libya (see Chapter Two) can equally be seen as important reasons for low disclosure levels. Unerman (2000b: 77) emphasises the importance of regulations in relation to CSR, and has argued that voluntary initiatives in this area are likely to be less effective than regulation. Ahmed & Nicholls (1994) also assert that an inadequate regulatory framework, poor enforcement mechanisms, the lack of an accounting

profession and the absence of an effective capital market are contributory reasons for the low levels of accounting disclosure in developing countries.

6.2.2.2 HR Disclosure Evidence

HR evidence suggests whether the statements made in the sampling units are quantitative financial, quantitative but not financial, or descriptive. The content analysis found that all three approaches are employed by the oil companies in reporting their HR information. However, the disclosures in this research were predominately quantitative (either financial or other numeric) which represented 70% of the total proportion. Quantitative but not financial disclosure accounted for 45%, with 25% being quantitative financial and the remaining 30% were descriptive. This result is supported by findings by Abu-Baker & Naser (2000), Mashat (2005) and Ahmad (2006) where the disclosures in their studies were mostly quantitative (either financial or other numeric). However, Imam (2000) found that the information relating to health, safety and training were generally qualitative in nature. Further, although the Bangladesh companies provided additional information in the Notes to the accounts, this information was essentially quantitative in nature.

In contrast, these results reflect the early questionnaire finding where the respondents ranked the descriptive approach as the lowest means used to disclose HR information. Furthermore, this might be because of the difficulties of understanding and measuring this kind of information. In this context, this Naser

and Baker (1999) and Mashat (2005) found that the respondents liked to see the CSR disclosure presented in quantitative form.

6.2.2.3 HR Disclosure According to Ownership structure:

The amount of HR disclosure was measured across the ownership groups (CFO, CJV and CESPAs)* in terms of the amount of space devoted to HR in the annual reports. HR disclosure was not extensively reported by the Libyan oil companies targeted in this research. The CJV companies disclosed a weighted average number of 2.19 pages, which was followed by the CESPAs companies with an average disclosure of 2.10 pages, whereas the average disclosure by CFO companies was low compared with other groups, at 1.44 pages. The larger degree of HR disclosure by CJV or CESPAs companies might be attributed to the notion that these companies (90%) are mostly operating in offshore or in both onshore and offshore fields and need to demonstrate their legitimacy and accountability to NOC. This idea is supported by the one-way ANOVA test which demonstrated statistically significant differences between ownership groups. In addition, CFO companies (as national companies) disclosed less amounts of HR information than other companies (CJV and CESPAs companies). Furthermore, the questionnaire results showed that participants who worked for CFO companies paid less attention to HR information disclosure than those working for CJV or CESPAs organisation. In this regard, Smith, *et al.*, (2005) tested stakeholder theory by exploring differences in CSR disclosure among countries. The 1998 and 1999 annual reports for 32 Norwegian/Danish companies and 26 US companies, in the electric power

* (CFO = Companies fully owner by NOC, CJV= Companies having joint venture and CESPAs= companies having exploration and participation sharing agreement with NOC)

generation industry, were analysed using content analysis. They found that the companies from countries who place a stronger emphasis on social issues (Norway and Denmark) had a higher stakeholder orientation and thus had greater disclosure of CSR in their annual reports, those with a lower emphasis on CSR (US) and shareholder orientation. This disclosure result is supported by Andrew *et al.*'s (1989) findings that the large Malaysian companies who made the greatest CSR disclosure were mostly foreign owned. They argued that the reasons for the disclosure are that larger companies have more resources to engage in social reporting activities. In addition, foreign-owned companies are more visible and therefore more likely to be the subject of a government enquiry. They suggested that any further improvement in CSR disclosure in developing countries was likely to come from large and foreign owned companies.

However, this is not consistent with a government owned company being more politically sensitive, because the activities of these companies are more in the public eye. That could be because ownership by the government means that the company is indirectly owned by the public at large. Thus, this type of company may engage in more socially responsible activities and hence have made greater CSR disclosure to legitimize their existence. Eng & Mak (2003) and Ghazali (2007) concluded that ownership tends to influence the level of CSR disclosure. They found that in companies where the directors held a higher proportion of equity shares (owner-managed companies) significantly less CSR information was reported, whilst companies in which the government is a substantial shareholder reported significantly more CSR information in their annual reports. In the Libyan oil industry case, the companies that are fully owned by NOC are equivalent to

publicly own organisations. They disclose less HR information because they appear to be under less public pressure than other foreign owned companies operating in the Libyan oil industry.

6.2.2.4 HR Disclosure According to the Company's Activity:

Previous studies have considered industry type as an influencing factor on CSR practises. However, in this research the industry impact was controlled by focusing on one industry (the oil industry) to provide a deep understanding of HR disclosure practice in that sector. Nevertheless, the companies' activity can be used as a determinant that might help to explain HR disclosure practices in the Libyan oil industry. Therefore the companies were grouped under four different activities: (S, P, E and E&P)*. Using the average amount disclosed by each group (see Table 5.18), it is apparent that companies involved in (E) and (E&P) activities disclosed more than the companies involved in (P) and (S) activities. This result is supported by the one-way ANOVA test which showed that there is a statistically significant difference between these groups. The same result was found by the questionnaire where the participants who worked for (E&P) companies believed that disclosing HR information develops the organisation's HR. Furthermore, the same result was confirmed when the companies involved in (E) and (E&P) activities appear to disclose more than companies that involved in (P) activities. In this context, Harte & Owen (1991) found that the industry that is involved in activities that have a sensitive impact on the environment tended to have a greater level of CSR disclosure. Also, Robertson & Nicholson (1996) found that companies in different

* (S= Companies involved in service activities; P= companies involved in production activities; E= companies involved in exploration activities and E&P = companies involved in both production and exploration activities)

industries give varying levels of attention to employee related issues when they referred that to industry' needs. For example, the chemical industry gave a great emphasis to employees' development; in the electricity and water companies, emphasis was placed on training opportunities for their employees; the construction companies stressed employees' safety issues; and the manufacturing companies give more attention to employees' welfare.

In this context, Foster, (1986) and Cormier *et al.* (2005) argued that the higher a company' volatility or risk, the more challenging it is for investors to accurately assess their value and the more likely they are to incur information costs to assess its risk factor. The operational type of organisation (E&P) might be one variable that can be used as a proxy for volatility and risk. Singh & Zahn (2006) found that types of operations have significant determinants on the extent of intellectual capital disclosure.

Thus, it can be argued that (E) and (E&P) are more environment-sensitive companies and their operations needs make it more likely that they will disclose HR information more than less environmentally-sensitive organisations. Therefore, in current research (E&P) companies disclosed the greater amount of HR information, moreover more than a quarter of HR information disclosed by (E&P) companies related to training programmes.

6.3.2.5 HR Disclosure According to Location of Activities:

Analysis of HR disclosure with regard to the location of the company's operations demonstrated that companies working offshore disclosed more HR information than those which worked onshore (see Table 5.19). This result is supported by a one-way ANOVA test which showed that companies involved in onshore operations disclosed less HR information than their counterparts in other locations. A possible explanation for these differences is that nearly 65 per cent of the companies that work in offshore and both on/offshore locations are wholly or partly foreign owned. Employee's social responsibility required for company accountability is concerned with vocational training support and employees' welfare. The time employees spend in the field and increase their demands for more information about employees issues are also important. As a result of that the offshore companies wanting to satisfy their accountability and legitimise their existence tend to be involved in the matters relating to employees and often disclose more HR information.

6.3.2.6 HR Disclosure According to the Company's Size

With regard to the analysis of HR disclosure with respect to company size (based on employee number), it was found that small size companies disclosed more HR information compared with middle and large size companies. In addition, there is apparent disagreement across oil companies, from different sizes groupings, when considering the types of information that is disclosed. Hence, the smaller companies disclosed the largest amount of information regarding training programmes (see Table 5.20), possibly as a result of competition between these companies in labour market, and to maintain or recruit good staff.

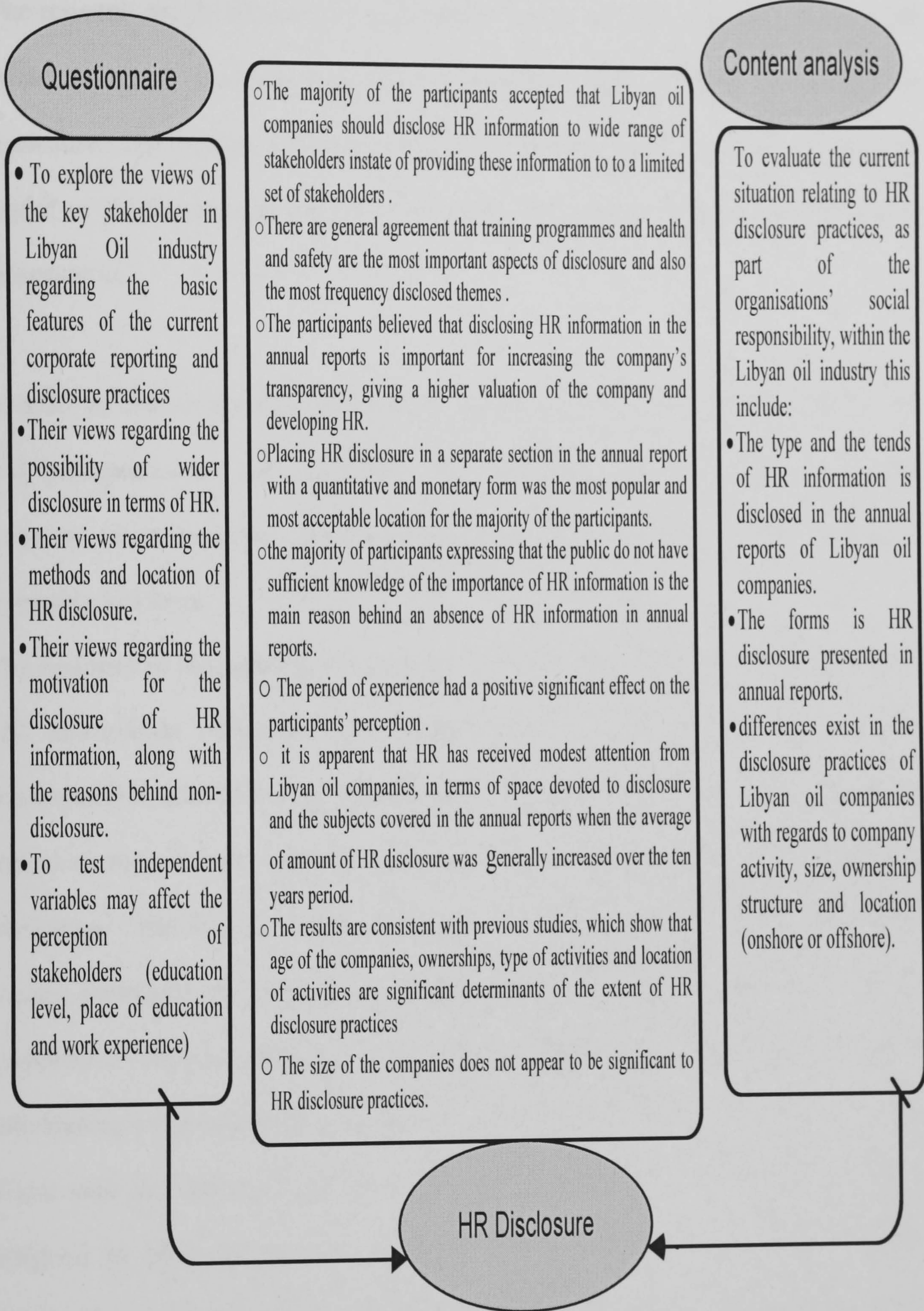
However a one-way ANOVA test indicated that there are no statistically significant differences between companies by size. This result is consistent with previous researches that have not supported a size-disclosure relationship. For example, in the US, Roberts (1992) found no significant relationship between company size and the level of CSR disclosure, whilst in New Zealand, Davey (1982) and Ng (1985) failed to support the hypothesized association between company size and CSR disclosure.

However, this result is not consistent with many previous studies that found company size to be positively associated with social disclosure (see for example Singh & Ahuja, 1983; Belkaoui & Karpik, 1989; Patten, 1991; Hackston & Milne, 1996; Adams *et al.*, 1998; Richardson & Welker, 2001; Abdul Hamid, 2004; Haniffa & Cooke, 2005 and Silberhorn & Warren, 2007).

The result is consistent with Cormier & Gordon's (2001) argument, where they related the differences between public and private sector in CSR disclosure to the size of companies. In other words they linked size with ownership status, arguing that public companies are supported by government and have the highest level of disclosures. The analysis of HR disclosure supported this conclusion, whereby the CFO companies, which disclosed less HR information, represent three out of four large companies in the sample (see Table 5.16). In another words, half of the large companies were involved in (E&P) activity (the activity group that disclosed the largest amount of HR information). It can be seen that large companies did not disclose significantly more information than their counterparts in other size groups; they might be influenced by the ownership of these companies. Another possible

explanation is that of the type of oil companies prevalent in Libya, with nearly 65 per cent of the companies being involved in (E or E&P) activities. These companies are more likely to be a small size.

Figure 6.1 Summary of the research aims and findings



6.3 Conclusion

The research sought to answer two main questions: the first question relates to the extent to which stakeholders have an understanding of CSR including HR disclosure. The second question, concerns what Libyan oil companies do with regard to disclosure and the interaction between activities and their HR related information.

In order to answer the first question the research analysed key stakeholders views and perceptions on HR disclosure. The research also, to answer the second question, examined the current practices of HR disclosure in oil companies operating in Libya.

The majority of the participants accepted that Libyan oil companies should disclose HR information. However, they agreed that most oil companies do provide information to a limited set of stakeholders. To a large extent these stakeholders are linked to the oil companies through financial interest, stewardship and decision usefulness objectives. In terms of having a right of access to HR information, certain stakeholders, such as those who have the statutory power to hold the company to account, were also considered important. For example, the provision information to managers and owners was considered as being of high importance. There was also general agreement in terms of the level of importance that was assigned to most of the HR disclosure. However, the requirements of other stakeholders such as employees, social security and the society at large, were either overlooked or considered to be of less important. In respect of the participants' experience there is evidence to show that the length of participants experience can impact on their views, with regard to the main purposes of corporate disclosure.

The analysis of perceptions of which HR themes should be disclosed in the annual reports indicated a general agreement that training programmes and health and safety are the most important aspects of disclosure. In addition, the length of the participants' experience has a positive impact on their views of the HR categories to be disclosed. Indeed, there was a significant correlation between the participants' view of what they thought about the real practices HR disclosure with most of the categories.

With regard to the benefits of HR disclosure participants believed that disclosing HR information in the annual reports is important for increasing the company's transparency, giving a higher valuation of the company and developing HR. In addition, experience had a positive effect on the participants' perception for most of the benefits of HR disclosure.

Placing HR disclosure in a separate section in the annual report was the most popular and most acceptable location for the majority of the participants. Alternative locations, such as within a separate booklet, were not considered acceptable. Indeed, there is a relationship between what the participants thought about the actual location and their views about these locations.

The vast majority of respondents prefer to see HR disclosure being communicated in a quantitative and monetary form. Other forms ranked lower but they were still thought acceptable by the majority of respondents for presenting HR information.

Regarding the period of experience, there was disagreement between this again with most methods, except the quantitative and monetary approach.

The reason behind an absence of HR information in annual reports was explained by the majority of participants believing that the public do not have sufficient knowledge of the importance of HR information. They also suggested that the key objective of a company was to emphasize its economic, rather than its social, performance.

In relation to HR disclosure practices, it is apparent that HR has received modest attention from Libyan oil companies, in terms of space devoted to disclosure and the subjects covered in the annual reports. Over a ten year period company reports achieved a weighted average of 1.82 pages devoted to HR disclosure. In addition, the majority of HR information presented in the annual reports was in a quantitative form, but not monetary in nature.

Nevertheless, the two most prevalent areas of HR disclosure were training programmes and health and safety. The average extent of HR disclosure and the type of HR information reported generally increased over the ten years period, although there was not a significant variation between years. The results are consistent with previous studies, which show that age of the companies, ownership, type of activities and location of activities are significant determinants of the extent of HR disclosure practices. More specifically, analysis showed that:

- The age of a company had a positive impact on HR disclosure when the amount of HR information disclosure was increased over time.

- The ownership structure is a significant determinant and the directional indicators are consistent with previous findings, whereby foreign owned companies disclose more HR information than national companies.
- The company activity type is a significant determinant of HR disclosure, with the directional indicators being consistent with theoretical predictions and earlier empirical work. Specifically, those companies involved in exploration and both product and exploration as sensitive activities tended to disclose more than companies involved just in product activity.
- The location of activity is a significant determinant in HR disclosure practices. A company involved in offshore activities is more likely to disclose more HR related information than those operating onshore.
- The size of the companies does not appear to be significant to HR disclosure practices, which is contrary to theoretical predictions and previous empirical work. Indications are, however, that small size companies appear to be more receptive to pressure groups in disclosing more HR information. However, whilst the directional indicators for company size were as unexpected, the total amount of HR information disclosed by small size companies is greater than that disclosed middle and large sized organisations.

In conclusion, following a review of the relevant literature and the research's finding, the current research makes a contribution to the knowledge in the following ways:

- The research complements previous studies, which have predominately been developed in liberal market contexts, and adds to the theoretical basis of CSR disclosure.

- This research contributes to the limited studies on CSR conducted in developing economies in general, and within the Arabic countries in particular. It is the first study to address HR disclosure in Libya, which has so far been neglected in the CSR literature.
- The study provides the first detailed longitudinal assessment of HR disclosure practice among Libyan oil companies. This analysis provides the basis for a comparison with other Arabic and developing economies, as well as with developed economies.
- The results have shown that the highlighting of a lack of academic research in the HR disclosure field stimulated the Libyan respondents to recognise what has prevented the Libyan oil companies from making HR disclosure.
- Empirically, this study has made a contribution to research by extending the HR disclosure practices to the Libyan oil industry, which was excluded from Mashat's (2005) study.

Based on the research's outcomes some recommendations can be made in relation to HR disclosure, in particular and CSR disclosure and accountability practices in general, within the Libyan context. There are three key recommendations:

- 1) To improve the awareness of the importance of information and its disclosure, particularly HR disclosure, Libyan organisations should be encouraged to distribute their annual reports to a wider range of stakeholder and present the information in a form where it is easy to understand, for both internal and external stakeholders.

2) To increase transparency organisations should recognise that all stakeholders, including customers, employees, public at large, have a right to access the organisation's information at any time. This could be achieved through a greater awareness of the accounting education system, the accounting professions, governmental bodies and the media, and legal requirements.

3) To provide guidance for companies in disclosing this kind of information, the accounting body in Libya, as well as the Libyan stock market, should determine the HR information themes to be disclosed and establish this as one of its standard, or listing requirements.

In any research there are limitations and this research is no different. The data source was the annual report from the Libyan oil sector and Unerman (2000) and Zeghal and Ahmed (1990) argue that only a small proportion of an organisation's total CSR information might be captured exclusively through such reports. Therefore, by not pursuing other data sources, such as advertising, promotional leaflets, interim reports, websites, and separate reports, the data presented does not fully capture HR disclosure practices in the Libyan oil industry.

In addition, the content analysis method used to collect the data from the annual reports can have limitations. According to Tilt (1998), in using content analysis to analyse text there is an element of subjectivity because the same document can be interpreted differently by both users and researchers. However, to minimize the subjectivity the research instrument developed by the Centre for Social and

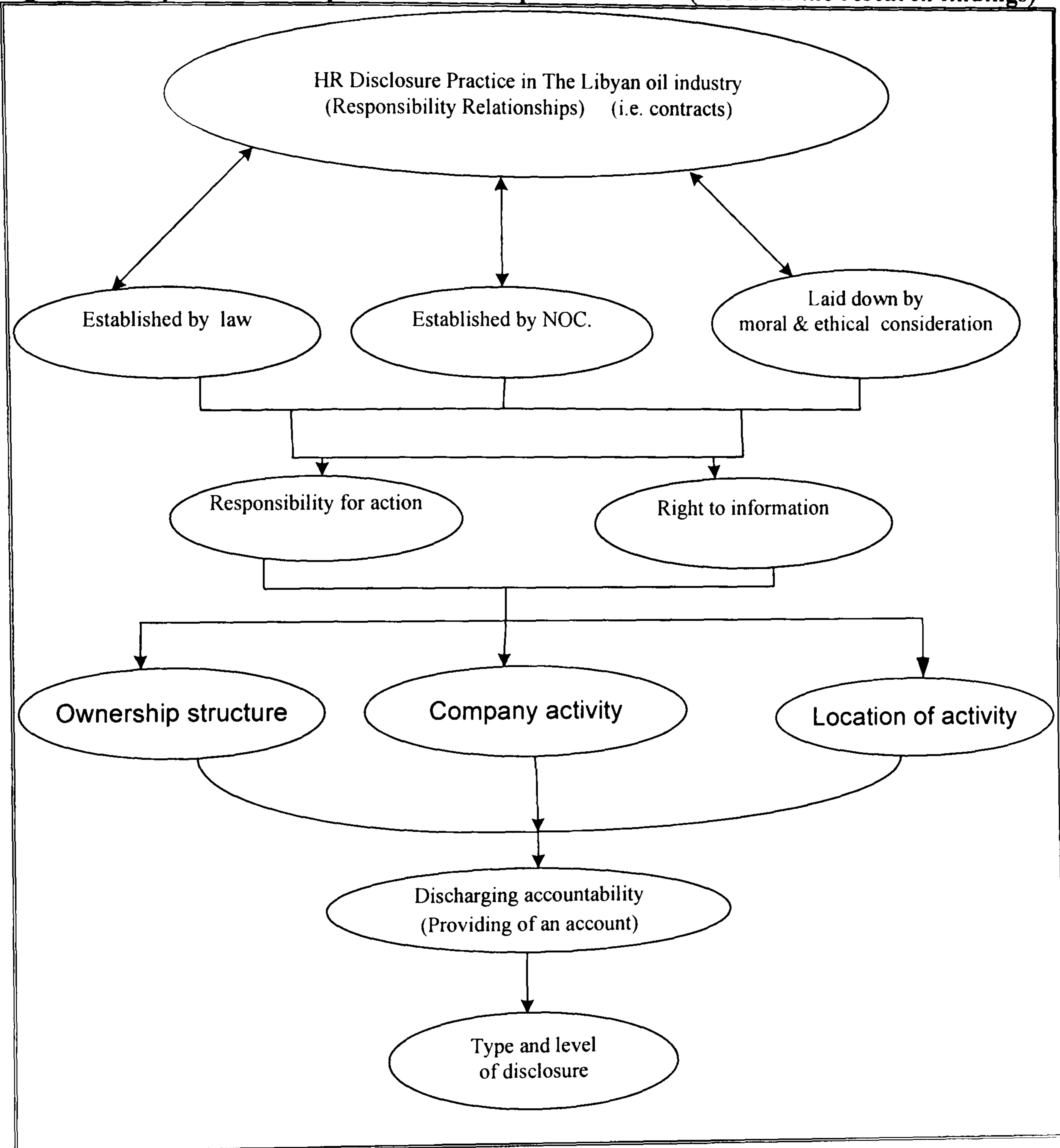
Environmental Accounting Research was pre-tested and adjustments were made to align it with to the Libyan context (see Chapter Four).

The research outcomes indicate that there is value in further investigating an appropriate theoretical model that explains the type and extent of HR disclosure in a Libyan context.

An expansion of the study to include a wide range of corporate documents that are in the public domain would broaden the study of the HR practices. It would be valuable to introduce case study methods, which would study a single company in depth as this would lead to a richer understanding of the process of disclosure.

Finally, a comparison of HR disclosure practices in the public and private sectors and listed and unlisted companies, would prove beneficial. Longitudinal studies would investigate HR disclosure prior to, and after, being listed or being privatisation.

Figure 6.2 Libyan oil industry' HR disclosure practice model (based on the research findings)



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APPENDICES

Appendix 1 Questionnaire

Dear Respondents

I am currently engaged in research with Liverpool John Moores University, UK. And have a particular interest in the Libyan oil industry and how human resources information is used. The attached questionnaire is preliminary part of a wider study and I would be grateful of your cooperation. I would also appreciate it if you could add any comments on how user friendly, or not, you found the questionnaire and I have left space at the end for your comments.

The questionnaire seeks answers from your own experiences; however I would like to assure you that all responses would be kept confidential. I have attached two copies from the questionnaire, one in English language and another in Arabic, and so please complete the one you feel most comfortable with.

The questionnaire should take no longer than 15 minutes to complete

Thank you very much for your cooperation.

Yours Faithfully

Fathi Zubek

Ph.D. student

Account, Financial and Economic School

Liverpool John Moores University

Email : AFEFZUBE@livjm.ac.uk

CONFIDENTIAL

A Survey on how Information is used in an Organisation.

Part One: Your views on corporate reporting

Instructions

(For each of the following questions please circle the number that best describes your response.

The lower numbers relate to either “strongly disagreeing” or the them being “not at all Important”, with higher numbers being “strongly agree” or “very important”.)

1) The following is a list of possible purposes of corporate information.

	I believe the main purpose of information in the organization is:	s.disagree-----s.agree						
1 .a	To provide information to owners on the use of their funds.	1	2	3	4	5	6	7
1 .b	To provide information to investors to assist them in making the right decisions.	1	2	3	4	5	6	7
1 .c	To provide information to creditors to assist them in protecting their interests.	1	2	3	4	5	6	7
1 .d	To provide information to managers to assist them in managing their business.	1	2	3	4	5	6	7
1 .e	To provide information to employees to assist them in protecting their interests.	1	2	3	4	5	6	7
1 .f	To provide information to financial organizations to assist them in negotiating financial facilities.	1	2	3	4	5	6	7
1 .g	To provide information to Tax authorities to be used as a basis to assess taxation.	1	2	3	4	5	6	7
1 .h	To provide information to Social Security organization to assist them in planning their budget.	1	2	3	4	5	6	7
1 .i	To provide information to Labour force Authority to assist them in the manpower planning processes.	1	2	3	4	5	6	7
1 .j	To provides information to assist the society at large to judge the organization’ actions and policies.	1	2	3	4	5	6	7

Part Two: Perceptions towards corporate reporting and accountability

2) Below is a list of items relating to human resources information?

(Use the first scale to indicate your disagreement or agreement that disclosure of the items in their annual reports will have beneficial socio-economic effects. Use the second scale to indicate the extent to which your own organization disclosure such information.)

	Disclosure of the following items in the annual report will have a positive socio-economic effect:	Your personal assessment s.disagree ----s.agree							Actual disclosure in your organisation Not at all-----Totally						
		1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .a	Employee data (e.g. the employees number, females and males; employee's wage costs)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .b	Pension data (e.g. commitments for pension)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .c	Consultation with employees (e.g. action regarding informing employees, increasing employee financial and economic awareness)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .d	Employment of disabled people (including retraining)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .e	Value added statement (any reference to the creation of value added)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .f	Health and safety	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .g	Shares for employees (e.g. participation of employees in share schemes and profit sharing)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .h	Equal opportunities (e.g. racial equality and sexual equality)	1	2	3	4	5	6	7	1	2	3	4	5	6	7
2 .i	Training programs.	1	2	3	4	5	6	7	1	2	3	4	5	6	7

3) Below is a list of potential benefits that can be obtained from disseminating Human resources information.

(Please indicate the level of importance you would accord to each of these benefits):

	Benefits of disseminating information	Importance						
		Not at all.....very						
3 .a	Increased transparency	1	2	3	4	5	6	7
3 .b	Higher valuation	1	2	3	4	5	6	7
3 .c	Good marketing to recruit good people	1	2	3	4	5	6	7
3 .d	Serve society at large	1	2	3	4	5	6	7
3 .e	Develop human resources	1	2	3	4	5	6	7
3 .f	Increased trustworthiness	1	2	3	4	5	6	7

4) With regards social responsibilities, please indicate the suitability of each of following items in relation to a where human resources information is placed the company's reports.

(Use the first scale to indicate your personal disagreement or agreement with each item. Use the second scale to indicate what your organisation actually does)

	Location of HR Disclosure	Your personal assessment							What your organization actually does						
		s.disagree -----s.agree							s.disagree-----s.agree						
4 .a	In a separate section entitled 'Human Resource' or equivalent in the annual report.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4 .b	In a separate booklet attached to the annual report.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4 .c	In the Directors' statement within the annual report.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4 .d	In any section within the annual report.	1	2	3	4	5	6	7	1	2	3	4	5	6	7

5) Below are possible methods that can be used to disclose human resource information; (Use the first scale to indicate your personal view for each item. Use the second scale to indicate what your organisation actually does)

	Methods of Disclosure	Your personal assessment s.disagree -----s.agree							What your organization actually does s.disagree-----s.agree						
		1	2	3	4	5	6	7	1	2	3	4	5	6	7
5 .a	In a descriptive manner	1	2	3	4	5	6	7	1	2	3	4	5	6	7
5 .b	In a quantitative and monetary manner	1	2	3	4	5	6	7	1	2	3	4	5	6	7
5 .c	In a quantitative but non-monetary (statistical) manner	1	2	3	4	5	6	7	1	2	3	4	5	6	7

6) Below is a set of possible reasons that might prevent Libyan organizations from disseminating human resources information.
 (Use the first scale to indicate the level of importance you would accord each reason and in the second scale indicate what your organization actually does)

	Reasons that might prevent disclosure of information	Your feeling of Importance Not -----very							Actual disclosure in your organization Not-----very						
		1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .a	The management does not appreciate its social responsibility toward its employees.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .b	The objectives of the organisation emphasize its economic rather than social performance to its employees.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .c	There are no legal requirements.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .d	The public do not have enough knowledge of the importance of HR. information.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .e	The cost of disclosing this type of information outweighs the benefits	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .f	Human resources information is sensitive to disclose.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .g	There is insufficient demand for this kind of information.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
6 .h	Would like to, but unsure of how to proceed	1	2	3	4	5	6	7	1	2	3	4	5	6	7

Part three: General information – please note that the information will only be used to group the data for statistical analysis, no individual data will be

Instructions

(For each question please tick one box only, that best describes your response)

7) The company you currently work for is: (please tick the appropriate box)

- a A subsidiary fully owned by The National Oil Corporation (NOC)
- b. A company having exploration and participation sharing agreement(s) (EPSA) with The NOC
- c Company having joint venture agreement (s) with NOC
- d. Other please specify.....

8) The total number of employees in your company in Libya is:

- a. Less than 250 employees
- b. Between 250 and 499 employees
- c. Between 500 and 749 employees
- d. Between 750 and 1000 employees
- e. More than 1000 employees

9) The main location of your company's activities are:

- a Offshore in Libya.
- b. Onshore in Libya.
- c Both offshore and onshore in Libya.
- d. Other please specify

10) The main work you organisation is currently involved in is:

- a Exploration activities in Libya.
- b. Production activities in Libya.
- c Both exploration and production activities in Libya
- d. Service activities in Libya.
- e Other please specify

11) How long have you worked in the oil industry?

- a Less than 2 years.
- b. More than 2 years and less than 5 years.
- c More than 5 years and less than 7 years.
- d. More than 7 years and less than 10 years
- e More than 10 years.

12) What is the highest educational qualification you have obtained:

- a None
- b. Secondary school.
- c Intermediate Diploma.
- d. Higher Diploma.
- e Bachelor degree.
- f Master degree.
- g PhD. Degree.
- h. Other please specify
.....

13) Where did you gain your highest education qualification?

- a Libya.
- b. Other Arab countries.
- c U.K.
- d. U.S.A.
- e Other please indicate.....
....

Thank you for taking the time to complete the questionnaire. If you have any comments you think might be appropriate to this questionnaire, please do not hesitate to add them here:

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Appendix 2
The Arabic Version of the Questionnaire

الأخ المحترم
السلام عليكم ورحمة الله وبركاته

أفيدكم بأنني أقوم حالياً ببحث في جامعة ليفربول جون مورس (Liverpool John Moores University) بالمملكة المتحدة وبالتحديد فإن بحثي مهتم بقطاع النفط في ليبيا والموارد البشرية في هذا القطاع (من حيث المعلومات المنشورة وكيفية استخدامها). كما أفيدكم بأنه سيتم استخدام صحيفة استبيان (من بين طرق أخرى تم تبنيها في هذا البحث) لغرض جمع البيانات. عليه فإنني أتشرف بدعوة سيادتكم للمشاركة في هذا البحث وذلك بالإجابة على الأسئلة التي تتضمنها أجزائه الثلاثة وذلك من خلال خبرتكم. هذا وقد تم تخصيص خانة لتدوين أية ملاحظات أو إضافات قد ترون أنها قد تسهم في إثراء هذا البحث. وأؤكد لكم أن إجاباتكم وملاحظاتكم سوف تستخدم لأغراض البحث العلمي فقط. أرسل لك نسختان من هذا الاستبيان واحدة باللغة العربية والأخرى باللغة الانجليزية لتختار واحدة فقط منهن حسب اللغة التي تجيدها .

وأخير لا يسعني إلا أن أشكركم جزيل الشكر مقدراً لكم حسن تعاونكم.

فتحي فرج الزوبيك
طالب دكتوراه
جامعة ليفربول جون مورس
E. afetzube@livjm.ac.uk

استبيان حول كيفية استخدام المعلومات في المنظمات

الجزء الأول: وجهة نظرك حول الإفصاح الشامل .

مقدمة (للإجابة على الأسئلة التي يتضمنها هذا الاستبيان؛ الرجاء التكرم بوضع دائرة حول الأرقام أو الحروف التي ترى أنها تمثل الإجابة المناسبة قد تحتاج أحيانا إلي كتابة إجابتك). الأرقام الصغيرة تعني أن البند بالنسبة لك غير مهمة على الإطلاق أو أنك غير موافق بشدة وبالعكس الأرقام الكبيرة تعني أنك موافق بشدة أو أن البند مهم جدا.

(1) فيما يلي مجموعة من الأهداف والغايات المقصودة من إعداد التقارير السنوية للمنظمات بصفة عامة.

الأهمية النسبية							إن الغرض المقصود من إعداد التقارير السنوية هو تقديم البيانات والمعلومات:	
7	6	5	4	3	2	1		
7	6	5	4	3	2	1	للملاك لبيان استخدامات أموالهم	1.1
7	6	5	4	3	2	1	للمستثمرين، وذلك لمساعدتهم في اتخاذ قراراتهم الاستثمارية السليمة .	2.1
7	6	5	4	3	2	1	للدائنين وذلك لمساعدتهم في حماية حقوقهم و مصالحهم.	3.1
7	6	5	4	3	2	1	للمديرين لمساعدتهم في إدارة المنظمات القائمين على إدارتها.	4.1
7	6	5	4	3	2	1	للعاملين بالمنظمة وذلك لمساعدتهم في حماية مصالحهم .	5.1
7	6	5	4	3	2	1	للمؤسسات المالية المختلفة (كالمصارف وغيرها من مؤسسات الإقراض) لمساعدتها في اتخاذ القرارات الخاصة بالإقراض و منح التسهيلات الائتمانية.	6.1
7	6	5	4	3	2	1	لمصلحة الضرائب لاستخدامها كأساس لتقدير الضرائب و احتسابها.	7.1
7	6	5	4	3	2	1	لمؤسسة الضمان الاجتماعي لمساعدتهم في إعداد ميزانياتهم التقديرية.	8.1
7	6	5	4	3	2	1	للهيئة العامة للقوى العامة لمساعدتهم في تخطيط قوى العمل في الدولة	9.1
7	6	5	4	3	2	1	للمجتمع ككل، وذلك للمساعدة في الحكم على أنشطة المنظمة ه سياساتها	10.1

الجزء الثاني: آراء ووجهات نظر حول الإفصاح عن المسؤولية الاجتماعية والمساءلة

(2) القائمة التالية تتضمن أهم البنود المتعلقة بالمعلومات عن الموارد البشرية والتي يمكن لمنظمات الأعمال الإفصاح عنها: الرجاء تحديد إلي أي مدى توافق على أنه يجب على منظمات الأعمال الليبية القيام بالإفصاح عن مثل هذه المعلومات مستخدماً الجدول الأول. كما نرجو منك توضيح إلى أي مدى ترى أن شركتكم تفصح عن هذه المعلومات مستخدماً الجدول الثاني.

مدى إفصاح شركتكم عن هذه البنود غير موافق-----موافق								درجة موافقتك على الإفصاح عن هذه البنود عموماً غير موافق----- موافق								المعلومات المتعلقة بالموارد البشرية التي يمكن للمنظمات أن تفصح عنها:	
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات متعلقة بالعمالين مثل عدد العاملين (ذكور/ وإناث) والتكاليف المتعلقة بمرتباتهم.	1.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات متعلقة بالتقاعد مثل التعويضات والمكافآت التي تقدمها الشركة عند التقاعد	2.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات متعلقة بالاستشارات للعاملين مثل الاستشارات التي تقدم لزيادة وعي العاملين وتثقيفهم.	3.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات متعلقة بما قدمته الشركة في مجال الاهتمام بالعجزة مثل توظيفهم وتدريبهم للتغلب على عاهتهم الجسدية.	4.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	قائمة بالقيمة المضافة للشركة مثل الإشارة إلى مساهمة العاملين في تعظيم ربحية الشركة.	5.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات عن صحة وسلامة العاملين	6.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات عن مشاركة العاملين مثل برامج مشتريات أسهم للعاملين.	7.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات عن سياسات الشركة في تطبيق مبدأ المساواة بين العاملين مثل توظيف العنصر النسائي	8.2		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	معلومات متعلقة بتدريب وتطوير العاملين.	9.2		

3) فيما يلي قائمة بأهم المنافع (الفوائد) التي يمكن تحقيقها (الحصول عليها) من خلال نشر المعلومات المتعلقة بالموارد البشرية. مستخدماً مقياس الأهمية المدرج أدناه الرجاء تحديد مستوى الأهمية الذي يعبر عن رأيك حول أهمية كل من هذه المنافع.

الفوائد		الأهمية النسبية غير مهمة-----مهمة						
1.3	لزيادة الشفافية.	1	2	3	4	5	6	7
2.3	للمساعدة في دقة تقييم أداء الشركة .	1	2	3	4	5	6	7
3.3	لخلق سوق عمل جيد لاختيار العناصر البشرية المناسبة.	1	2	3	4	5	6	7
4.3	لخدمة المجتمع ككل.	1	2	3	4	5	6	7
5.3	للمساعدة في تطوير الموارد البشرية.	1	2	3	4	5	6	7
6.3	لتعزيز الثقة في المؤسسة من تم زيادة ولاء العاملين.	1	2	3	4	5	6	7

4) مستخدماً المقياس المدرج أدناه، الرجاء تحديد إلى أي مدى توافق على المقترحات التالية كمواقع ممكنة للإفصاح عن المعلومات المتعلقة بالموارد البشرية (العاملين) لمنظمات الأعمال الليبية؟ وكذلك أي من هذه المقترحات تستخدم في شركتكم عند الإفصاح عن الموارد البشرية.

الموقع (المكان)	درجة موافقتك عموماً غير موافق-----موافق	حقيقة الأمر فيما يتعلق بشركتكم غير موافق-----موافق
4.أ	أن تكون من ضمن محتويات التقرير السنوي وكفكرة مستقلة بعنوان (الموارد البشرية للمنشأة)، أو بأي عنوان يخدم نفس الغرض.	1 2 3 4 5 6 7
4.ب	أن تكون في كتيب منفصل مرفق بالتقرير السنوي .	1 2 3 4 5 6 7
4.ج	أن تكون من ضمن محتويات التقرير السنوي بحيث يتم إدراجها في تقرير مجلس الإدارة.	1 2 3 4 5 6 7
4.د	أن تكون من ضمن محتويات التقرير السنوي من خلال إدراجها ضمن أي جزء من أجزاءه.	1 2 3 4 5 6 7

5) القائمة التالية تحتوي على مجموعة من الطرق التي يمكن عن طريقها الإفصاح عن المعلومات المتعلقة بالموارد البشرية لمنظمات الأعمال. إلى أي مدى تتفق مع أي من هذه الطرق باعتبارها الأنسب لمنظمات الأعمال الليبية عموماً وفي شركتكم بشكل خاص.

حقيقة الأمر فيما يتعلق بشركتكم غير موافق ----- موافق							درجة موافقتك عموماً غير موافق ----- موافق							الطرق أو الأساليب
7	6	5	4	3	2	1	7	6	5	4	3	2	1	أ.5 باستخدام تعابير وصفية مالية (بأسلوب وصفي مالي).
7	6	5	4	3	2	1	7	6	5	4	3	2	1	ب.5 باستخدام تعابير وصفية غير مالية (بأسلوب وصفي).
7	6	5	4	3	2	1	7	6	5	4	3	2	1	ج.5 باستخدام أسلوب كمي مالي.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	د.5 باستخدام أسلوب كمي غير مالي (إحصائي).

6) فيما يلي قائمة تحتوي على مجموعة من العوامل التي يمكن أن تمثل الأسباب الكامنة وراء عدم قيام المنظمات الليبية بالإفصاح عن المعلومات المتعلقة بمسؤولياتها الاجتماعية اتجاه العاملين في العموم وفي شركتكم على وجه الخصوص. الرجاء إبداء تقديرك لدرجة الأهمية لأي من هذه الأسباب وذلك باستخدام المقياس المدرج أدناه.

تقديرك الشخصي في ما يتعلق بموقف شركتكم غير موافق ----- موافق							تقديرك الشخصي لموقف المنظمات عموماً غير موافق ----- موافق							عدم قيام المنظمات الليبية بالإفصاح عن المعلومات الاجتماعية يمكن أن يعزى إلى:
7	6	5	4	3	2	1	7	6	5	4	3	2	1	1.6 أن الإدارة لا تعي (لا تدرك) مسؤولياتها الاجتماعية اتجاه العاملين.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	2.6 أهداف المنظمة تؤكد (تركز) على الأداء الاقتصادي على حساب الأداء الاجتماعي للعاملين.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	3.6 نظراً لعدم وجود متطلبات قانونية تفرض على المنظمات الليبية الإفصاح عن مثل هذه المعلومات.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	4.6 الجمهور يفتقر إلى المعرفة والإلمام بأهمية المعلومات المتعلقة بالموارد البشرية.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	5.6 تكلفة إعداد مثل هذه المعلومات والإفصاح عنها تفوق المنفعة المرتقبة منها.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	6.6 نظراً لأن المعلومات المتعلقة بالموارد البشرية حساسة وسرية لا يمكن نشرها.
7	6	5	4	3	2	1	7	6	5	4	3	2	1	7.6 نظراً لعدم وجود طلب كاف على مثل هذه المعلومات
7	6	5	4	3	2	1	7	6	5	4	3	2	1	8.6 هناك رغبة في الإفصاح ولكن لا توجد المعرفة الكافية عن كيفية

الجزء الثالث معلومات عامة (للإجابة على هذا الجزء من فضلك قم بوضع دائرة على الحرف الذي يعبر عن وضعك أو وضع شركتك)

(7) الشركة التي تعمل فيها حالياً هي:

- أ - مملوكة ملكية تامة للمؤسسة الوطنية للنفط.
- ب - شركة تعمل بموجب اتفاقيات استكشاف ومقاسمة إنتاج.
- ج - شركة مشاركة مع المؤسسة .
- د - أخرى وضح من فضلك

(8) عدد العاملين في الشركة التي تعمل فيها في ليبيا تقريبا هو :

- أ - أقل من 250 عامل
- ب - ما بين 250 إلى 500 عامل.
- ج - ما بين 500 إلى 750 عامل.
- د - ما بين 750 إلى 1000 عامل.
- هـ - أكثر من 1000 عامل.

(9) موقع عمل (نشاط) شركتكم حالياً متركز :

- أ - في السواحل الليبية .
- ب - في الصحراء الليبية .
- ج - في السواحل والصحراء الليبية
- د - في مكان آخر من فضل وضح

(10) شركتكم تعمل حالياً في مجال

- أ - استكشاف النفط في ليبيا
- ب - إنتاج النفط في ليبيا .
- ج - إنتاج واستكشاف النفط في ليبيا .
- د - خدمات شركات النفط في ليبيا.
- هـ - أخرى من فضلك حدد

(11) مدة الخبرة تقريبا :

- أ - أقل من سنتين
- ب - من سنتين إلى 5 سنوات
- ج - من 5 إلى 7 سنوات .
- د - من 7 إلى 10 سنوات .
- هـ - أكثر من 10 سنوات.

(12) أعلى شهادة علمية تحصلت عليها :

- أ - لا يوجد
- ب - أقل من الثانوية العامة.
- ج - ثانوية عامة.
- د - دبلوم متوسط.
- هـ - دبلوم عالي .
- و - درجة البكالوريوس (أو ما يعادلها)
- ز - درجة الماجستير (أو ما يعادلها) .
- ح - درجة الإجازة الدقيقة الدكتوراه (أو ما يعادلها)
- ط - أخرى حدد من فضلك

(13) البلد الذي حصلت فيه على آخر مؤهل دراسي :

- أ - ليبيا
- ب - بلد عربي آخر
- ج - المملكة المتحدة.
- د - الولايات المتحدة الأمريكية.
- هـ - أخرى، حدد من فضلك: -----

إذا كانت لديك أية ملاحظات أو اقتراحات ترى أنها قد تتلاءم مع الموضوعات التي تم عرضها في هذا الاستبيان، يرجى التكرم بتدوينها أدناه.

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Appendix 3

Categories of HR utilized in content analysis of annual reports¹

- 11) Employee data;**
- 12) Pension data;**
- 13) Consultation with employees;**
- 14) Employment of disabled;**
- 15) Value added statement;**
- 16) Health and safety;**
- 17) Equal opportunities “racial and sexual equality”;**
- 18) Employees’ share ownership;**
- 19) Training**
- 20) Employee other**

¹Adapted from Gray et al. (1995b, pp. 95-96), and we took just HR themes.

Appendix 4

The decision rules(DRs) for the categories of HR¹

(1) Employee data:

- a. Average numbers employed by category and wages (including pension and social security costs);
- b. Average numbers employed by geographical area.
- c. Disclosure of directors' emoluments.

(2) Pension data:

- a. Commitments for pensions, whether or not provided;

(3) Consultation with employees:

- a. Action regarding informing employees, consulting employees, encouraging (and engaging in) employee participation;
- b. Increasing employee financial and economic awareness;
- c. Excludes profit sharing and employee share option plans (ESOPs)

(4) South Africa:²

- a. Any information/reference to employment in South Africa other than as part of economic/review or employment data.

(5) Employment of disabled:

- a. Employment of disabled persons (including retraining);
- b. Distinction between registered/unregistered disabled is not relevant here.

(6) Value added statement:

- a. Any reference to the creation and distribution of value added;
- b. Any statement headed value added or added value;
- c. Any statement with "distribution" to employees and state (not including shareholders)

(7) Health and Safety:

- a. Health and safety at work; Toxic hazards (e.g.) to employees and the public; information to employees, training and accidents.

(8) Equal opportunities:

- a. Equal opportunities; Racial equality;
- b. Sexual equality

(9) Share ownership:

- a. Participation of employees in share schemes, profit sharing, ESOPs where employees mean , directors;
- b. Schemes/reference must be to employees (exclude if reference is to executive or directors only);
- c. Loans for this purpose but not directors.

(10) Employee other:³

- a. Anything else on employees not covered above; - For example: staff turnover; thanks to employees; length of service; racial and sexual equality; pensioners; employee trends/statistics by sex, age, for more than two years, statement of employment policy(ies); redundancy; changes in salaries/wages.

¹ Adapted from Gray et al. (1995b, pp.96-99) and the DRSs of HR were selected.

² The first rule of the Gray et al. (1995b) DRs under this particular category i.e. South Africa (SA) referred to 'compliance with code and/or submission to DTI'. Given that no code exists for SA in Libya, this rule was not utilized in this study. In fact the entire SA category was not relevant to the Libyan context, and so is not relevant to this study.

³ These examples, classified by Gray et al. (1995b) under this category, were considered relevant in the Libyan context, the others were not as so were excluded.

Appendix 6

Structure of the HR database records (data collection sheet)

Code (year)	Company Name				
	Total pages (annual report) :				
Category	Evidence (Type)			Total	%
	Quantita tive financial	Quantitative non-financial	Descriptive non- financial		
Employee data					
Pension data					
Consultation with employees					
Employment of disabled					
Value added statement					
Health and safety					
Shares employees					
Equal opportunities					
Training programs.					
Other					
Total					

Appendix 7
The oil companies sampled profile that operating in the Libyan oil industry*

	Ownership			Activities			size				Location						
	CFO	CJV	ESP	Tot	E	P	S	E&P	Tot	S	M	L	Tot	On	off	both	Tot
ownership	CFO	9		9	-	2	4	3	9	3	3	3	9	4	1	4	9
	CJV		6	6	1	1	-	4	6	3	2	1	6	1	1	4	6
	ESP			4	1	-	-	3	4	2	2	-	4	-	1	3	4
	Tot	9	6	19	2	3	4	10	19	8	7	4	19	5	3	11	19
activities	E	-	1	2	2	-	-	-	2	2	-	-	2	-	1	1	2
	P	2	1	3	-	3	-	-	3	-	2	1	3	3	-	-	3
	S	4	-	4	-	-	4	-	4	3	-	1	4	1	1	2	4
	E&P	3	4	10	-	-	-	10	10	3	5	2	10	1	1	8	10
	Tot	9	6	19	2	3	4	10	19	8	7	4	19	5	3	11	19
	S	3	3	8	2	-	3	3	8	8	-	-	8	-	2	6	8
size	M	3	2	7	-	2	-	5	7	-	7	-	7	3	1	3	7
	L	3	1	4	-	1	1	2	4	-	-	4	4	2	-	2	4
	Tot	9	6	19	2	3	4	10	19	8	7	4	19	5	3	11	19
	On	4	1	5	-	3	1	1	5	-	3	2	5	5	-	-	5
location	Off	1	1	3	1	-	1	1	3	2	1	-	3	-	3	-	3
	Both	4	4	11	1	-	2	8	11	6	3	2	11	-	-	11	11
	Tot	9	6	19	2	3	4	10	19	8	7	4	19	5	3	11	19

* Adopted from NOC' website www.noclibya.com.ly and the questionnaire.

Appendix 8 Summary of the One- Way ANOVA test

Table 1. The importance that the target groups attach to the purpose(s) of corporate reporting

Purpose information to:	Within groups			Within education level			Place of last education				Within work experience					
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
Owners on the use of their funds.	.386	2	.681	H ₀	1.243	2	.291	H ₀	.485	4	.747	H ₀	2.400	2	.094	H ₀
Investors to assist them in making the right decisions.	.100	2	.905	H ₀	5.251	2	.006	H ₁	.961	4	.431	H ₀	2.841	2	.061	H ₀
Creditors to assist them in protecting their interests.	1.076	2	.344	H ₀	1.144	2	.321	H ₀	.132	4	.971	H ₀	.576	2	.563	H ₀
Managers to assist them in managing their business..	3.967	2	.021	H ₁	.185	2	.831	H ₀	.629	4	.643	H ₀	2.244	2	.109	H ₀
Employees to assist them in protecting their interests.	.095	2	.909	H ₀	1.058	2	.350	H ₀	3.583	4	.008	H ₁	19.697	2	.000	H ₁
Financial organizations to assist them in negotiating financial facilities..	.246	2	.783	H ₀	.588	2	.556	H ₀	.958	4	.433	H ₀	4.170	2	.017	H ₁
Tax authorities to be used as a basis to assess taxation.	.592	2	.555	H ₀	1.705	2	.185	H ₀	1.038	4	.390	H ₀	5.337	2	.006	H ₁
Social Security organization to assist them in planning their budget.	.203	2	.816	H ₀	.852	2	.429	H ₀	2.109	4	.082	H ₀	4.822	2	.009	H ₁
Labour force Authority to assist them in the manpower planning processes.	.908	2	.406	H ₀	.102	2	.903	H ₀	1.650	4	.165	H ₀	2.205	2	.114	H ₀
Assist the society at large to judge the organization' actions and policies	1.962	2	.144	H ₀	3.586	2	.030	H ₁	.606	4	.659	H ₀	5.158	2	.007	H ₁

Notes: f is the ANVOA score, df is degree of freedom, p is the level of significance and H₀, H₁ indicate if the result is supporting null hypothesis (H₀)or alternative hypothesis (H₁).

Table 2. The importance that the target groups attach to the purpose(s) of corporate reporting

Purpose information to:	Company's ownership		Company's size		Company's activities		Company's location		
	f	Sig	H ₀ /H ₁	df	Sig	H ₀ /H ₁	f	Sig	H ₀ /H ₁
Owners on the use of their funds.	.593	.555	H ₀	2	.593	H ₀	4.197	.019	H ₁
Investors to assist them in making the right decisions.	1.373	.259	H ₀	2	.619	H ₀	3.998	.022	H ₁
Creditors to assist them in protecting their interests.	1.520	.225	H ₀	2	.900	H ₀	1.181	.312	H ₀
Managers to assist them in managing their business.	.119	.888	H ₀	2	.975	H ₀	.727	.487	H ₀
Employees to assist them in protecting their interests.	2.343	.103	H ₀	2	.343	H ₀	1.721	.186	H ₀
Financial organizations to assist them in negotiating financial facilities.	5.235	.007	H ₁	2	.714	H ₀	2.977	.057	H ₀
Tax authorities to be used as a basis to assess taxation.	1.033	.361	H ₀	2	.973	H ₀	.030	.971	H ₀
Social Security organization to assist them in planning their budget.	5.907	.004	H ₁	2	.516	H ₀	1.955	.149	H ₀
Labors force Authority to assist them in the manpower planning processes.	8.685	.000	H ₁	2	.784	H ₀	.540	.585	H ₀
Assist the society at large to judge the organization' actions and policies	.861	.427	H ₀	2	.064	H ₀	.562	.572	H ₀

Table 3. HR items to be disclosed

HR items:	Within groups		Within education level		Place of last education		Within work experience	
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
Employee data - Personal assessment	3.009	2	.052	H ₀	.532	4	.713	H ₀
Employee data - Actual disclosure	.249	2	.780	H ₀	1.218	4	.306	H ₀
Pension data - Personal assessment.	.218	2	.805	H ₀	.623	4	.646	H ₀
Pension data - Actual disclosure	.917	2	.402	H ₀	.842	4	.501	H ₀
Consultation with employees- Personal assessment	2.115	2	.124	H ₀	1.139	4	.341	H ₀
consultation with employees- Actual disclosure	.608	2	.546	H ₀	.690	4	.600	H ₀
Employment of disabled people- Personal assessment	1.382	2	.254	H ₀	2.065	4	.088	H ₀
Employment of disabled people- Actual disclosure	2.033	2	.134	H ₀	1.645	4	.166	H ₀
Value added - Personal assessment	1.145	2	.321	H ₀	1.206	4	.310	H ₀
Value added - Actual disclosure	1.294	2	.277	H ₀	1.192	4	.317	H ₀
Health and safety- Personal assessment	.012	2	.989	H ₀	.471	4	.757	H ₀
Health and safety- Actual disclosure	1.795	2	.170	H ₀	1.038	4	.390	H ₀
Shares for employees- personal assessment	.064	2	.938	H ₀	2.407	4	.052	H ₀
Shares for employees- Actual disclosure	1.697	2	.187	H ₀	.278	4	.892	H ₀
Equal opportunities- Personal assessment	.128	2	.880	H ₀	1.338	4	.258	H ₀
Equal opportunities- Actual disclosure	2.694	2	.071	H ₀	.343	4	.848	H ₀
Training - Personal assessment	.556	2	.575	H ₀	.482	4	.749	H ₀
Training- Actual disclosure	4.096	2	.019	H ₁	1.673	4	.159	H ₀

Table 4 HR items to be disclosed

HR items :	Company's ownership			Company's size			Company's activities			Company's location						
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁				
Employee data - Personal assessment	1.261	2	.289	H ₀	3.220	2	.045	H ₁	1.062	4	.381	H ₀	.285	2	.753	H ₀
Employee data - Actual disclosure	1.213	2	.303	H ₀	2.394	2	.098	H ₀	1.547	4	.197	H ₀	1.489	2	.232	H ₀
Pension data - Personal assessment.	.480	2	.621	H ₀	1.731	2	.184	H ₀	.564	4	.690	H ₀	3.408	2	.038	H ₁
Pension data - Actual disclosure	6.109	2	.003	H ₁	.270	2	.764	H ₀	2.587	4	.043	H ₁	9.315	2	.000	H ₁
Consultation with employees- Personal assessment	.594	2	.555	H ₀	2.534	2	.086	H ₀	2.068	4	.093	H ₀	5.093	2	.008	H ₁
consultation with employees- Actual disclosure	.472	2	.625	H ₀	.191	2	.826	H ₀	2.927	4	.026	H ₁	1.944	2	.150	H ₀
Employment of disabled people- Personal assessment	1.097	2	.339	H ₀	2.567	2	.083	H ₀	1.979	4	.106	H ₀	.119	2	.888	H ₀
Employment of disabled people- Actual disclosure	1.750	2	.180	H ₀	.387	2	.680	H ₀	2.360	4	.061	H ₀	.923	2	.402	H ₀
Value added - Personal assessment	.976	2	.381	H ₀	.633	2	.534	H ₀	1.098	4	.364	H ₀	.474	2	.624	H ₀
Value added - Actual disclosure	.150	2	.861	H ₀	.214	2	.807	H ₀	.845	4	.501	H ₀	.148	2	.863	H ₀
Health and safety- Personal assessment	.793	2	.456	H ₀	.614	2	.544	H ₀	2.797	4	.032	H ₁	.489	2	.615	H ₀
Health and safety- Actual disclosure	.358	2	.700	H ₀	2.879	2	.062	H ₀	1.366	4	.254	H ₀	1.621	2	.204	H ₀
Shares for employees- personal assessment	6.847	2	.002	H ₁	.644	2	.528	H ₀	3.587	4	.010	H ₁	3.732	2	.028	H ₁
Shares for employees- Actual disclosure	.047	2	.954	H ₀	.928	2	.400	H ₀	.814	4	.520	H ₀	1.326	2	.272	H ₀
Equal opportunities- Personal assessment	2.458	2	.092	H ₀	.321	2	.726	H ₀	3.679	4	.009	H ₁	.946	2	.393	H ₀
Equal opportunities- Actual disclosure	1.375	2	.259	H ₀	.071	2	.932	H ₀	1.098	4	.364	H ₀	.198	2	.821	H ₀
Training - Personal assessment	.402	2	.670	H ₀	.903	2	.410	H ₀	.880	4	.480	H ₀	.824	2	.442	H ₀
Training- Actual disclosure	1.238	2	.296	H ₀	.517	2	.598	H ₀	1.065	4	.380	H ₀	.093	2	.911	H ₀

Table 5 HR disclosure benefits

HR benefits :	Within groups			Within education level			Place of last education			Within work experience		
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
Increased transparency	6.696	2	.002	H ₁	1.447	2	.239	H ₀	1.002	4	.408	H ₀
Higher valuation	.809	2	.447	H ₀	.769	2	.465	H ₀	.720	4	.580	H ₀
Good marketing to recruit good people	1.658	2	.194	H ₀	.590	2	.556	H ₀	.387	4	.818	H ₀
Serve society at large	1.030	2	.359	H ₀	.997	2	.371	H ₀	1.420	4	.230	H ₀
Develop HR	4.289	2	.015	H ₁	1.602	2	.205	H ₀	1.946	4	.106	H ₀
Increased trustworthiness	.082	2	.921	H ₀	.738	2	.480	H ₀	.150	4	.963	H ₀

Table 6 HR disclosure benefits

HR disclosure benefits :	Company's ownership			Company's size			Company's activities			Company's location		
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
Increased transparency	.387	2	.681	H ₀	.259	2	.772	H ₀	.298	4	.878	H ₀
Higher valuation	.993	2	.375	H ₀	.271	2	.764	H ₀	.659	4	.623	H ₀
Good marketing to recruit good people	2.718	2	.072	H ₀	.650	2	.525	H ₀	1.446	4	.227	H ₀
Serve society at large	4.304	2	.017	H ₁	.634	2	.533	H ₀	1.387	4	.246	H ₀
Develop HR	2.697	2	.074	H ₀	.300	2	.742	H ₀	2.952	4	.025	H ₁
Increased trustworthiness	3.039	2	.054	H ₀	.307	2	.737	H ₀	1.164	4	.333	H ₀

Table 7: HR disclosure Location

HR disclosure Location	Within groups				Within education level				Place of last education				Within work experience			
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
In separate section in the annual report- personal assessment	5.108	2	.007	H ₁	.384	2	.682	H ₀	1.213	4	.308	H ₀	.052	2	.949	H ₀
In separate section in the annual report- Actual disclosure	2.065	2	.130	H ₀	1.712	2	.184	H ₀	.836	4	.504	H ₀	1.376	2	.256	H ₀
In separate booklet attached to the annual report- Personal assessment	2.208	2	.113	H ₀	1.873	2	.157	H ₀	.904	4	.463	H ₀	.766	2	.467	H ₀
In separate booklet attached in the annual report- Actual disclosure	1.039	2	.356	H ₀	1.602	2	.205	H ₀	.380	4	.822	H ₀	.068	2	.934	H ₀
In the Directors statement within annual report- Personal assessment	4.216	2	.017	H ₁	.373	2	.689	H ₀	1.905	4	.112	H ₀	2.571	2	.080	H ₀
In the Directors statement within annual report- Actual disclosure	6.881	2	.001	H ₁	.210	2	.811	H ₀	1.658	4	.163	H ₀	.565	2	.570	H ₀
In any section within the annual report- Personal assessment	3.746	2	.026	H ₁	1.389	2	.252	H ₀	.588	4	.672	H ₀	.801	2	.451	H ₀
In any section within the annual report - Actual disclosure	1.755	2	.176	H ₀	2.019	2	.136	H ₀	2.360	4	.056	H ₀	.084	2	.920	H ₀

Table 8: HR disclosure location

HR disclosure location	Company's ownership				Company's size				Company's activities				Company's activities location			
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
In separate section in the annual report- personal assessment	7.081	2	.001	H ₁	.138	2	.871	H ₀	1.810	4	.135	H ₀	1.282	2	.283	H ₀
In separate section in the annual report- Actual disclosure	.780	2	.462	H ₀	.639	2	.531	H ₀	1.171	4	.330	H ₀	1.905	2	.156	H ₀
In separate booklet attached to the annual report- Personal assessment	1.412	2	.250	H ₀	3.543	2	.034	H ₁	1.118	4	.354	H ₀	2.979	2	.057	H ₀
In separate booklet attached in the annual report- Actual disclosure	.280	2	.756	H ₀	.180	2	.836	H ₀	.245	4	.912	H ₀	1.251	2	.292	H ₀
In the Directors statement within annual report- Personal assessment	.016	2	.984	H ₀	1.479	2	.234	H ₀	2.041	4	.097	H ₀	.496	2	.611	H ₀
In the Directors statement within annual report- Actual disclosure	2.333	2	.104	H ₀	2.106	2	.129	H ₀	1.888	4	.121	H ₀	.992	2	.375	H ₀
In any section within the annual report- Personal assessment	.727	2	.487	H ₀	2.571	2	.083	H ₀	.829	4	.511	H ₀	2.206	2	.117	H ₀
In any section within the annual report - Actual disclosure	1.851	2	.164	H ₀	1.344	2	.267	H ₀	.950	4	.440	H ₀	.675	2	.512	H ₀

Table 9: HR disclosure manner

HR disclosure manner	Within groups				Within education level				Place of last education				Within work experience			
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
In a descriptive manner- Personal assessment	1.666	2	.192	H ₀	.217	2	.806	H ₀	.443	4	.777	H ₀	2.334	2	.100	H ₀
In a descriptive manner- Actual disclosure	.104	2	.902	H ₀	.545	2	.581	H ₀	2.058	4	.089	H ₀	1.546	2	.216	H ₀
In quantitative and monetary manner- Personal assessment	3.214	2	.043	H ₁	2.167	2	.118	H ₀	.468	4	.760	H ₀	6.394	2	.002	H ₁
In quantitative and monetary manner- Actual disclosure	.072	2	.931	H ₀	.363	2	.696	H ₀	.248	4	.911	H ₀	6.566	2	.002	H ₁
In quantitative but non-monetary manner- personal assessment	4.531	2	.012	H ₁	2.003	2	.138	H ₀	.713	4	.584	H ₀	1.394	2	.251	H ₀
In quantitative but non-monetary manner- Actual disclosure	1.270	2	.284	H ₀	5.450	2	.005	H ₁	1.165	4	.329	H ₀	6.182	2	.003	H ₁

Table 10: HR disclosure manner

HR disclosure manner	Company's ownership				Company's size				Company's activities				Company's activities location			
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
In a descriptive manner- Personal assessment	3.616	2	.031	H ₁	3.126	2	.049	H ₁	2.825	4	.030	H ₁	.738	2	.481	H ₀
In a descriptive manner- Actual disclosure	.885	2	.417	H ₀	1.205	2	.305	H ₀	.633	4	.641	H ₀	3.568	2	.033	H ₁
In quantitative and monetary manner- Personal assessment	.804	2	.451	H ₀	.322	2	.725	H ₀	.972	4	.428	H ₀	.906	2	.408	H ₀
In quantitative and monetary manner- Actual disclosure	.980	2	.380	H ₀	.376	2	.688	H ₀	1.250	4	.297	H ₀	.428	2	.654	H ₀
In quantitative but non-monetary manner- personal assessment	.912	2	.406	H ₀	.791	2	.457	H ₀	1.627	4	.176	H ₀	.575	2	.565	H ₀
In quantitative but non-monetary manner- Actual disclosure	1.260	2	.289	H ₀	.077	2	.926	H ₀	.576	4	.681	H ₀	1.463	2	.238	H ₀

Table 11: Reason behind non-disclosure

Reason behind non-disclosure	Within groups			Within education level			Place of last education			Within work experience						
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁				
The management does not appreciate its Social responsibility	2.528	2	.083	H ₀	2.136	2	.122	H ₀	1.584	4	.181	H ₀	1.072	2	.345	H ₀
The objectives of organization emphasize its economic.	.046	2	.955	H ₀	.180	2	.835	H ₀	1.981	4	.100	H ₀	.386	2	.680	H ₀
There are no legal requirements	.399	2	.672	H ₀	1.043	2	.355	H ₀	1.039	4	.389	H ₀	.650	2	.523	H ₀
The public do not have enough knowledge of the importance of HR information	.911	2	.404	H ₀	8.313	2	.000	H ₁	3.793	4	.006	H ₁	.373	2	.689	H ₀
The cost of disclosure is outweighs the benefits.	.833	2	.437	H ₀	.506	2	.604	H ₀	.283	4	.889	H ₀	.326	2	.722	H ₀
HR info is sensitive to disclose.	.421	2	.657	H ₀	1.696	2	.187	H ₀	1.103	4	.357	H ₀	.526	2	.592	H ₀
There is insufficient demand of HR info.	1.695	2	.187	H ₀	5.282	2	.006	H ₁	.545	4	.703	H ₀	3.917	2	.022	H ₁
Would like to, but ensure of how to proceed	7.995	2	.000	H ₁	.723	2	.487	H ₀	.735	4	.569	H ₀	2.386	2	.095	H ₀

Table 12: Reason behind non-disclosure

Reason behind non-disclosure	Company's ownership				Company's size				Company's activities				Company's activities location			
	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁	f	df	Sig	H ₀ /H ₁
The management does not appreciate its Social responsibility	1.410	2	.250	H ₀	5.841	2	.004	H ₁	1.531	4	.202	H ₀	3.898	2	.024	H ₁
The objectives of organization emphasize its economic.	1.802	2	.172	H ₀	3.276	2	.043	H ₁	.639	4	.636	H ₀	1.808	2	.171	H ₀
There are no legal requirements	7.661	2	.001	H ₁	.875	2	.421	H ₀	1.652	4	.170	H ₀	4.151	2	.019	H ₁
The public do not have enough knowledge of the importance of HR information	.128	2	.880	H ₀	.023	2	.977	H ₀	.759	4	.555	H ₀	.170	2	.844	H ₀
The cost of disclosure is outweighs the benefits.	1.404	2	.252	H ₀	.692	2	.504	H ₀	2.688	4	.037	H ₁	2.475	2	.091	H ₀
HR info is sensitive to disclose.	3.733	2	.028	H ₁	1.877	2	.160	H ₀	.655	4	.625	H ₀	1.134	2	.327	H ₀
There is insufficient demand of HR info.	2.422	2	.095	H ₀	2.133	2	.125	H ₀	2.434	4	.054	H ₀	4.882	2	.010	H ₁
Would like to, but ensure of how to proceed	4.420	2	.015	H ₁	.413	2	.663	H ₀	1.209	4	.314	H ₀	1.428	2	.246	H ₀

Table 13 The One Way ANOVA Test within the Companies Group.

Between Groups:	df	F	sig	H ₀ /H ₁
Ownership (CFO, CJV and CESPA)	2	12.013	.000	H ₁
company's activity types(S,P,E and E&P)	3	9.086	.000	H ₁
Location of activities(onshore, offshore and both)	2	7.109	.001	H ₁
company's size(small, middle and large)	2	.939	.393	H ₀

**Appendix 9
The Post Hoc Tests results**

Provide info to managers

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	5.36	
owner	41	5.73	5.73
Executives managers	82		6.05
Sig.		.149	.214

Provide info to financial organisation

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
A company with EPSA	21	4.29	
Subsidiary fully owned by NOC	35		5.37
Joint venture with NOC	26		5.54
Sig.		1.000	.673

Q1 Provide info to Social Security

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Joint venture with NOC	26	3.50	
A company with EPSA	21		4.57
Subsidiary fully owned by NOC	33		4.94
Sig.		1.000	.419

Provide info to Labour farce Authority

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Joint venture with NOC	26	3.50	
Subsidiary fully owned by NOC	35		4.91
A company with EPSA	21		5.33
Sig.		1.000	.355

Provide info to owners on use of funds

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	5.35	
both offshore and onshore in Libya	45		6.04
offshore in Libya	14		6.21
Sig.		1.000	.595

Provide info to investors

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	5.04	
both offshore and onshore in Libya	45	5.60	5.60
offshore in Libya	14		6.43
Sig.		.207	.062

Provide info to employees

Duncan

Work experience	N	Subset for alpha = .05		
		1	2	3
less than 5 years	22	2.95		
more than 10 years	95		3.89	
more than 5 years and less than 10 years	39			5.59
Sig.		1.000	1.000	1.000

Provide info to financial organization

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 10 years	95	4.88	
less than 5 years	22	5.14	5.14
more than 5 years and less than 10 years	39		5.79
Sig.		.515	.091

Provide info to Tax authorities

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.82	
more than 10 years	95	4.63	4.63
more than 5 years and less than 10 years	39		5.36
Sig.		.054	.085

Q1 Provide info to Social Security

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.36	
more than 10 years	93		4.27
more than 5 years and less than 10 years	39		4.97
Sig.		1.000	.125

Q1 Provide info to society at large

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.41	
more than 5 years and less than 10 years	39	4.15	4.15
more than 10 years	95		4.71
Sig.		.075	.187

Q1 Provide info to society at large

Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Bachelor degree	85	4.11	
Postgraduate degree	60	4.57	4.57
Higher Diploma	10		5.60
Sig.		.384	.052

Q1 Provide info to employees

Duncan

Place of last education	N	Subset for alpha = .05	
		1	2
Other Arab countries	15	2.67	
U.S.A	19	3.84	3.84
U.K	30	4.03	4.03
Libya	87		4.55
Other	5		4.60
Sig.		.071	.340

Training- Actual disclosure

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
owner	41	4.27	
Employees Union	33	4.91	4.91
Executives managers	82		5.27
Sig.		.099	.353

Pension data - Actual disclosure

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Joint venture with NOC	26	3.77	
A company with EPSA	20	4.65	4.65
Subsidiary fully owned by NOC	35		5.40
Sig.		.084	.140

Shares for employees- personal assessment

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Subsidiary fully owned by NOC	33	3.91	
A company with EPSA	21	4.33	
Joint venture with NOC	26		5.65
Sig.		.409	1.000

Employee data - Personal assessment

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
between 2000 and 3999 employees	35	4.91	
more than 4000 employees	18	5.50	5.50
Less than 2000 employees	29		5.83
Sig.		.156	.426

Pension data - Personal assessment

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	4.74	
offshore in Libya	14	5.43	5.43
both offshore and onshore in Libya	45		5.60
Sig.		.082	.663

Pension data - Actual disclosure

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	3.39	
offshore in Libya	14		4.86
both offshore and onshore in Libya	44		5.32
Sig.		1.000	.385

Consultation with employees- Personal assessment

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	4.70	
both offshore and onshore in Libya	45	5.36	5.36
offshore in Libya	14		6.00
Sig.		.079	.087

Shares With employees- personal assessment

Duncan

The company location	N	Subset for alpha = .05	
		1	2
both offshore and onshore in Libya	43	4.14	
offshore in Libya	14	4.50	4.50
onshore in Libya	23		5.48
Sig.		.534	.094

Pension data - Actual disclosure

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Production	19	4.21	
Both Exploration and Production	35	4.37	4.37
Exploration	8	4.63	4.63
Other	5	5.00	5.00
Service	14		6.07
Sig.		.380	.056

Consultation with employees- Actual disclosure

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Both Exploration and Production	36	3.53	
Production	19	4.21	4.21
Exploration	8	4.38	4.38
Other	5	4.60	4.60
Service	14		5.07
Sig.		.146	.244

Health and safety- Personal assessment

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Other	5	4.60	
Service	14	5.21	5.21
Both Exploration and Production	36		5.86
Exploration	8		6.00
Production	19		6.47
Sig.		.308	.057

Shares for employees- personal assessment

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Other	5	3.60	
Both Exploration and Production	35	4.03	
Service	13	4.31	4.31
Exploration	8	5.13	5.13
Production	19		5.84
Sig.		.090	.078

Equal opportunities- Personal assessment

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Exploration	8	4.38	
Both Exploration and Production	36	4.61	
Other	5	5.00	5.00
Service	14	5.14	5.14
Production	19		6.26
Sig.		.330	.095

Employee data - Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.64	
more than 10 years	95		5.66
more than 5 years and less than 10 years	39		6.00
Sig.		1.000	.330

Employee data - Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 10 years	94	4.37	
less than 5 years	22	4.64	
more than 5 years and less than 10 years	39		5.74
Sig.		.557	1.000

Pension data - Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 5 years and less than 10 years	39	4.23	
more than 10 years	94	4.36	
less than 5 years	22		5.45
Sig.		.781	1.000

Employment of disabled people- Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.59	
more than 5 years and less than 10 years	39		4.59
more than 10 years	95		5.22
Sig.		1.000	.147

Employment of disabled people- Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 5 years and less than 10 years	39	2.51	
more than 10 years	95	3.05	
less than 5 years	22		4.41
Sig.		.234	1.000

Value added - Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.59	
more than 5 years and less than 10 years	39		5.46
more than 10 years	95		5.48
Sig.		1.000	.952

Health and safety- Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.91	
more than 5 years and less than 10 years	39		5.77
more than 10 years	95		6.09
Sig.		1.000	.377

Equal opportunities- Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	2.95	
more than 5 years and less than 10 years	39		5.00
more than 10 years	95		5.51
Sig.		1.000	.175

Equal opportunities- Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 5 years and less than 10 years	39	3.97	
more than 10 years	95	4.02	
less than 5 years	22		5.36
Sig.		.912	1.000

Training - Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 5 years and less than 10 years	39	5.38	
more than 10 years	95		6.20
less than 5 years	22		6.32
Sig.		1.000	.705

Training- Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.86	
more than 10 years	95		5.09
more than 5 years and less than 10 years	39		5.13
Sig.		1.000	.937

consultation with employees- Actual disclosure

Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Higher Diploma	10	2.60	
Postgraduate degree	60		4.07
Bachelor degree	85		4.25
Sig.		1.000	.746

Shares for employees- Actual disclosure

Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Higher Diploma	10	2.00	
Bachelor degree	82	2.32	2.32
Postgraduate degree	60		2.95
Sig.		.488	.167

Equal opportunities- Personal assessment

Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Bachelor degree	85	4.56	
Postgraduate degree	60		5.60
Higher Diploma	10		5.80
Sig.		1.000	.689

Increased transparency

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Executives managers	82	5.63	
Employees Union	33	6.09	6.09
owner	41		6.41
Sig.		.061	.184

Develop HR

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	4.88	
owner	41		5.61
Executives managers	82		5.85
Sig.		1.000	.476

Serve society at large

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Subsidiary fully owned by NOC	35	5.14	
A company with EPSA	21	5.43	5.43
Joint venture with NOC	26		6.08
Sig.		.407	.062

Increased transparency

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	5.09	
offshore in Libya	14	5.57	5.57
both offshore and onshore in Libya	45		5.93
Sig.		.167	.300

Develop HR

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Service	14	5.14	
Other	5	5.40	5.40
Both Exploration and Production	36	5.86	5.86
Exploration	8	6.00	6.00
Production	19		6.42
Sig.		.109	.055

Increased transparency

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 5 years and less than 10 years	39	5.54	
more than 10 years	95	6.01	6.01
less than 5 years	22		6.32
Sig.		.086	.261

Higher valuation

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.41	
more than 5 years and less than 10 years	39		5.74
more than 10 years	95		6.00
Sig.		1.000	.344

Good marketing to recruit good people

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.64	
more than 5 years and less than 10 years	39		5.51
more than 10 years	95		5.60
Sig.		1.000	.805

Serve society at large

Duncan

Work experience	N	Subset for alpha = .05		
		1	2	3
less than 5 years	22	4.18		
more than 5 years and less than 10 years	39		5.03	
more than 10 years	95			5.93
Sig.		1.000	1.000	1.000

Develop HR

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.91	
more than 5 years and less than 10 years	39		5.51
more than 10 years	95		6.00
Sig.		1.000	.165

In separate section in the annual report- personal assessment

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Executives managers	82	5.16	
Employees Union	33		5.85
owner	41		6.00
Sig.		1.000	.638

In the Directors statement within annual report- Personal assessment

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	3.94	
Executives managers	82	4.39	
owner	41		5.27
Sig.		.299	1.000

In the Directors statement within annual report- Actual disclosure

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	3.55	
Executives managers	82	3.67	
owner	41		4.93
Sig.		.758	1.000

In any section within the annual report- Personal assessment

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	3.24	
Executives managers	82	3.59	
owner	41		4.44
Sig.		.420	1.000

In separate section in the annual report- personal assessment

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
A company with EPSA	21	4.10	
Subsidiary fully owned by NOC	35		5.43
Joint venture with NOC	26		5.65
Sig.		1.000	.593

In separate booklet attached to the annual report- Personal assessment

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
Less than 2000 employees	29	3.10	
between 2000 and 3999 employees	35	3.49	
more than 4000 employees	18		4.56
Sig.		.463	1.000

In the Directors statement within annual report- Actual disclosure

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
between 2000 and 3999 employees	35	3.29	
Less than 2000 employees	29	3.69	3.69
more than 4000 employees	18		4.39
Sig.		.441	.184

In quantitative and monetary manner- Personal assessment

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Employees Union	33	4.79	
owner	41	4.95	4.95
Executives managers	82		5.55
Sig.		.644	.093

In quantitative but non-monetary manner- personal assessment

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
Executives managers	82	4.45	
owner	41	5.05	5.05
Employees Union	33		5.64
Sig.		.152	.159

In a descriptive manner- Personal assessment

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Joint venture with NOC	26	3.85	
Subsidiary fully owned by NOC	35	4.26	
A company with EPSA	21		5.33
Sig.		.444	1.000

In a descriptive manner- Personal assessment

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
more than 4000 employees	18	3.56	
Less than 2000 employees	29	4.28	4.28
between 2000 and 3999 employees	35		4.94
Sig.		.191	.226

In a descriptive manner- Actual disclosure

Duncan

The company location	N	Subset for alpha = .05	
		1	2
offshore in Libya	14	3.86	
both offshore and onshore in Libya	45	4.16	
onshore in Libya	23		5.22
Sig.		.577	1.000

In a descriptive manner- Personal assessment

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Other	5	2.40	
Production	19	3.79	3.79
Both Exploration and Production	36		4.53
Service	14		5.14
Exploration	8		5.25
Sig.		.100	.114

In quantitative and monetary manner- Personal assessment

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.36	
more than 10 years	95		5.16
more than 5 years and less than 10 years	39		5.90
Sig.		1.000	.055

In quantitative and monetary manner- Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	4.18	
more than 10 years	95	4.35	
more than 5 years and less than 10 years	39		5.56
Sig.		.705	1.000

In quantitative but non-monetary manner- Actual disclosure

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
less than 5 years	22	3.05	
more than 5 years and less than 10 years	39		4.54
more than 10 years	95		4.76
Sig.		1.000	.649

In quantitative but non-monetary manner- Actual disclosure

Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Higher Diploma	10	3.80	
Bachelor degree	85	4.08	4.08
Postgraduate degree	60		5.17
Sig.		.640	.074

Would like to, but unsure of how to proceed

Duncan

Respondents	N	Subset for alpha = .05	
		1	2
owner	41	3.41	
Employees Union	33		4.64
Executives managers	82		4.72
Sig.		1.000	.824

There are no legal requirements

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
A company with EPSA	21	3.86	
Subsidiary fully owned by NOC	35		4.94
Joint venture with NOC	26		5.77
Sig.		1.000	.076

HR info is sensitive to disclose.

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
Joint venture with NOC	26	2.88	
Subsidiary fully owned by NOC	35	3.09	
A company with EPSA	21		4.19
Sig.		.678	1.000

Would like to, but unsure of how to proceed

Duncan

Ownership	N	Subset for alpha = .05	
		1	2
A company with EPSA Subsidiary fully owned by NOC	21	3.86	
Joint venture with NOC	35		4.89
Sig.	26	1.000	.488

The management does not appreciate its Social responsibility

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
more than 4000 employees	18	4.39	
between 2000 and 3999 employees	35	4.49	
Less than 2000 employees	29		5.86
Sig.		.848	1.000

The objectives of organisation emphasize its economic.

Duncan

The employees number	N	Subset for alpha = .05	
		1	2
between 2000 and 3999 employees	35	4.46	
more than 4000 employees	18	5.22	5.22
Less than 2000 employees	28		5.39
Sig.		.081	.694

The management does not appreciate its Social responsibility

Duncan

The company location	N	Subset for alpha = .05	
		1	2
offshore in Libya	14	3.71	
onshore in Libya	23		5.13
both offshore and onshore in Libya	45		5.24
Sig.		1.000	.837

There are no legal requirements

Duncan

The company location	N	Subset for alpha = .05	
		1	2
both offshore and onshore in Libya	45	4.44	
onshore in Libya	23	5.35	5.35
offshore in Libya	14		5.79
Sig.		.088	.405

There is insufficient demand of HR info.

Duncan

The company location	N	Subset for alpha = .05	
		1	2
onshore in Libya	23	3.57	
both offshore and onshore in Libya	45	3.76	
offshore in Libya	14		5.36
Sig.		.732	1.000

The cost of disclosure is outweighs the benefits.

Duncan

The company activities	N	Subset for alpha = .05	
		1	2
Other	5	1.60	
Production	19	2.42	2.42
Exploration	8	2.75	2.75
Both Exploration and Production	36		3.58
Service	14		3.79
Sig.		.178	.123

There is insufficient demand of HR info.

Duncan

Work experience	N	Subset for alpha = .05	
		1	2
more than 10 years	95	3.74	
more than 5 years and less than 10 years	39	3.90	
less than 5 years	22		5.00
Sig.		.719	1.000

The public do not have enough knowledge of the importance of HR information
Duncan

Educational level	N	Subset for alpha = .05	
		1	2
Postgraduate degree	60	4.60	
Bachelor degree	85		5.61
Higher Diploma	10		6.10
Sig.		1.000	.305

The public do not have enough knowledge of the importance of HR information
Duncan

Place of last education	N	Subset for alpha = .05	
		1	2
Other Arab countries	15	3.73	
Other	5		5.00
U.S.A	19		5.21
U.K	30		5.30
Libya	87		5.51
Sig.		1.000	.468