Corporate social responsibility reporting in Qatar: a descriptive analysis

Hend Abdulla AlNaimi, Mohammed Hossain and Mahmood Ahmed Momin

Abstract

Purpose – The purpose of this paper is to explore the current status and extent of corporate social responsibility reporting (CSRR) in the annual reports of Qatari companies listed on the Qatar Exchange. It seeks to contribute to the meagre descriptive literature on CSRR in emerging economies in general, and in Gulf Cooperation Council (GCC) countries in particular.

Design/methodology/approach – The paper reviews the annual reports of companies from both the financial and manufacturing sectors. The paper uses content analysis and covers five areas of CSR reporting including environment, human resources, product development, community involvement and others relating to inequality and the employment of disabled people.

Findings – The paper finds that most companies disclosed information related to human resources and product development, followed by community involvement. However, no companies reported environmental issues in their annual reports.

Research limitations/implications – The research is based on annual reports for the financial year 2007. Hence, the conclusions reached cannot be generalized. A longitudinal analysis is needed to highlight trends in CSRR practices in Qatar. An in-depth case study would also facilitate our understanding of why companies are making or not making certain types of social and environmental disclosure in Qatar.

Originality/value – Descriptions of CSRR in different parts of the world are still welcome, and arguably CSRR research in GCC in general and Qatar in particular is very limited.

Keywords Corporate social reporting, Qatar, Disclosure, Gulf Cooperation Council, Annual reports, Corporate social responsibility

1. Introduction

Corporate social responsibility reporting (CSRR) is broadly defined as the potential means by which an organization can provide accounts or should account for its social and environmental impact on society through providing information, thus discharging its social accountability to wider groups of people (Gray et al., 1995a, b, 1996, 1987). Because, CSRR generates and provides relatively more verbal as opposed to numerical, social and environmental information, it tends to be described as accounting narratives or narrative disclosures (Cho et al., 2010; Jones and Shoemaker, 1994). Narrative disclosures are important as corporations do provide additional information (other than financial reports) in their annual reports through chairmen’s reports, directors’ reports, and notes to the accounts section, which stakeholders may consider useful. For example, investors may consult information regarding contingent liability in the notes and account sections of an annual report. However, there are concerns raised in the CSRR literature that management often prefers accounting narratives such as verbal, social and environmental disclosure, to quantifiable or numerical information, as such disclosure can be deliberately tailored (for example, by providing good news and avoiding bad news) mainly to manage stakeholders, maintain legitimacy or even to maintain the image of the reporting entities, rather than...
discharging social accountability (Neu et al., 1998; Gallhofer and Haslam, 2003). While such concerns are expressed more in relation to social and environmental disclosure manifested predominantly in western countries, little is yet known regarding these manifestations in ex-colonial, emerging and Gulf region countries (Kamla, 2007; Kisenyi and Gray, 1998). Indeed, Kisenyi and Gray (1998) have argued for a description of CSRR practices from very different parts of the world as a means of at least enriching current understandings of CSRR in terms of the issues that corporations report under CSRR, location of CSRR issues in annual reports, and the extent of CSRR practices. Following their call for such attention, researchers have responded, and CSRR practices from very different parts of the world are now extensively reported. However, CSRR descriptive studies are still limited to developed countries and a few emerging or newly industrialized Eastern Asian and African countries (see Belal and Momin, 2010, for a plausible review of CSR studies in emerging economies; also see Birch, 2003; and Birch and Moon, 2004). Corporate social responsibility reporting studies in emerging Gulf countries remain scarce (Alattar and Al-Khater, 2007; Kamla, 2007; Al-Khater and Naser, 2003). In recognition of this lacuna, this study aims to examine CSRR practices of emerging economy countries from the GCC countries in general and Qatar in particular. By doing so, the study contributes to the meagre literature on CSR in emerging Gulf economies.

We select Qatar based on its rapid economic growth, the magnitude of social changes, and the level of internationalization of business activities within the GCC. For example, Qatar, led by the development of commercial and industrial hubs, is the fastest growing economy in the GCC. Although Qatar is one of the smallest GCC member countries in terms of population (1,696,563 as per 2010 census) and geographical area (11,437 square kilometres), it possesses the second largest gas reserves in the world representing more than 5 percent of the world total (www.qe.com.qa). As indicated on the Qatar Exchange website, Qatar has the highest GDP per capita income in the world, estimated at US $68,467 in 2008. The Economist has predicted that economic growth in Qatar will be one of the highest in 2010, ahead of leading emerging economies such as China and India (The Economist, 2009). Qatar is currently the highest rated GCC country (AA), and has a rating from Capital Intelligence, Moody’s, and Standard and Poor’s (QNB Capital, 2010). According to Standard and Poor’s Ratings Services, the decision by FIFA to award the 2022 World Cup to Qatar (AA/Stable/A-1 + ) will have a significant impact on the country’s economic and financial future (www.ameinfo.com).

The total market capitalization of the equity market of Qatar is QR 320 billion[1]. In terms of monetary growth [Broad money M2] in the GCC, Qatar recorded double digit (16.9) and top position in 2009 (First Financial Stability Review, 2009). Social transformation in Qatar is driven by the recent expansion of the capital Doha as an international education city, which includes the establishment of many branches of reputed UK and US universities. The Qatar Foundation was established in 1995 by His Highness Sheikh Hamad Bin Khalifa Al Thani, Emir of Qatar, and the Qatar Foundation’s flagship project is the Education City which set out to be an asset not just for Qatar but for the entire Middle East region and beyond. Already it touches communities and individuals well beyond the country’s borders (www.qf.org.qa). In this paper we specifically focus on a fast developing region because we believe that compared to other countries, the rapidly developing regions in the Gulf do offer interesting characteristics in terms of economic growth, business environments, income levels, and management practice (Rettab et al., 2009). Moreover, we believe that firms in emerging Gulf countries operate in socio-political, cultural and business systems which are very different from those in western countries, and hence, research on CSRR of these countries is warranted (Kamla, 2007).

To explore CSR practice in the annual reports of Qatari companies, the following objectives are set for the paper:

- to examine the extent of CSR disclosure in annual reports;
- to examine the content-category themes of CSR; and
- to determine the location of CSR within the annual report.
The remainder of the paper is organized as follows: a discussion of the environment of corporate reporting in Qatar is followed by a literature review on descriptive CSRR studies, conducted mainly in the GCC. The method followed in this study is then described, and this is followed in turn, by a discussion of the findings. The paper concludes with summary comments, an indication of its limitations, and suggestions for future research.

2. The environment of corporate reporting in Qatar

Qatar is an independent and sovereign state situated in midway on the western coast of the Arabian Gulf, having a land and maritime boundary with Saudi Arabia, and also maritime boundaries with Bahrain, United Arab Emirates (UEA) and Iran. Qatar’s nominal GDP growth averaged a stunning 27.2 percent over the five years from 2005 to 2009 (QNB Capital, 2010). The main drivers for this rapid growth come from the ongoing increase in production and exports of LNG, oil, petrochemicals and related industries, coupled with high product prices. Moreover, economic diversification has become the cornerstone of the Qatari economy with the non-oil and gas sector overtaking the oil and gas sector for the first time in 2009, and also with the gas sector overtaking oil as the single largest contributor to the economy (QNB Capital, 2010).

While the economy in Qatar has rapidly grown, the accounting system has remained at the infant stage; for example, Qatar has not established its own Accounting Standards (ASs). However, the increasing number of foreign banks that voluntarily use International Accounting Standards (IASs) led the Qatar Central Bank (QCB) to require all banks (foreign and national) to adopt IASs (Qatar Central Bank, 2004). In a Central Bank of Qatar circular in 1999 (Circular No. 27 of 1999 issued on 19 February 1999), it states that every bank and investment and finance company must adopt IASs with effect from January 1, 1992.

In Qatar, both company law and securities market law govern the corporate financial reporting by listed companies on the QE. The Company Law No. 11 of 1981, Doha Securities Market Law No. 14 of 1995, Commercial Companies Law No. (5) of 2002, and Qatar Central Bank Law No. 33 of 2006, are four important pieces of legislation in respect of financial reporting.

3. Review of literature

Many earlier descriptive CSRR studies were undertaken in developed countries (such as for example, Ernst & Ernst, 1978; Brockhoff, 1979; Schreuder, 1979; Gray et al., 1987; Guthrie and Parker, 1990) and were mainly quantitative, using content analysis to measure the volume and extent of disclosure. Most studies provided detailed statistics regarding the percentage of companies producing CSRR, extent of disclosure, and content of CSR. For example, Guthrie and Parker (1990) found that 85 percent of US companies disclosed some form of corporate social information. Hackston and Milne (1996) conducted research on social and environmental disclosures in New Zealand companies, finding that most disclosures were about human resources, with environment and community themes also receiving significant attention. The nature of these disclosures appeared to be ‘declarative’, giving positive information. The amount of disclosure averaged about three quarters of an annual report page. Gray et al. (2001) found that human resource disclosure was ranked highest in the annual reports of UK companies. Other social disclosure items more widely disclosed were community service, environmental, and product disclosure. Following a similar trend, many researchers continued exploring the extent of disclosure and the number of companies producing CSRR with the main aim of describing CSRR practices in different developing and newly industrialized countries viz., India (Hegde et al., 1997; Singh and Ahuja, 1983), Bangladesh (Imam, 2000; Islam and Deegan, 2008; Belal and Owen, 2007), Malaysia and Singapore (Andrew et al., 1989), Fiji (Lodhia, 2000), Korea (Choi, 1998, 1999), Poland (Aluchna, 2010), South Africa (Savage, 1994; Villiers, 1999), Nigeria (Disu and Gray, 1998), Uganda (Kisenyi and Gray, 1998). Many of above-mentioned studies used some form of content analysis, developed in western countries, to examine the issue and level of social disclosure in those environments. However, there is a real danger in using western-type social reporting methods and techniques in the context of a developing country (Gray et al., 1996; Kamlı, 2007).
In the Gulf region, there has been limited comprehensive and detailed study of CSRR (Khasharmeh and Suwaidan, 2010; Menassa, 2010; Charbaji, 2009; Rettab et al., 2009; Rizk et al., 2008; Katsiolioudes and Brodtkorb, 2007; Kamla, 2007; Naser et al., 2006; Al-Khater and Naser, 2003; Naser and Baker, 1999). Indeed, very little is known about CSRR practice in terms of the issues disclosed in CSRR, location of CSRR, and extent of CSRR in the GCC countries. Naser and Baker (1999) explored the perceptions of relevant user groups such as public accountants, academics and government officials in addition to finance managers regarding CSRR in Jordan. Their study used a questionnaire survey method with a total sample size of 206 from all four groups of users. The study found that although the user groups like to receive CSR information, corporations do not, however, provide this until mandated to do so. Al-Khater and Naser (2003) made a further attempt to investigate the perception of various users regarding CSRR, but on this occasion, in Qatar. The study revealed that most users would like to see CSR information either in a separate section or as a part of the board of director's statement within the annual report. And another study by Naser et al. (2006) tests the determinants of corporate social disclosure in Qatari companies, finding this to be associated with the firm size, business risk, and corporate growth. However, neither of these studies in Qatar provides complete details of CSRR practices in terms of the extent of disclosure, issues disclosed, and the location of disclosures.

Charbaji’s (2009) study explores the effect of globalization on a commitment to the principles of CSR and ethical corporate governance in Lebanon. Based on a sample of 278 university-educated employees of public and private firms in Lebanon, the study finds that commitment to ethical corporate governance among public-sector organizations is mainly influenced by globalization and a desire to practice CSR.

The study of Katsiolioudes and Brodtkorb (2007) attempts to highlight the CSRR in UEA enterprises (471) in three areas, i.e. environment, community affairs, and consumer protection. The results show that 93 percent of companies comply with UEA environmental law, 65 percent have goodwill projects in the local community, and 75 percent state they conduct trials of new products for safety and security purposes before launching them on the market.

Rather than focusing on one Gulf country, Kamla (2007) explored the social accounting and reporting practices in a selection of Arab Middle East (AME) countries, namely: Saudi Arabia, Kuwait, Qatar, Bahrain, Oman, UAE, Syria, Jordan, and Egypt. The concern of this study is to explore the actuality and potentiality of social accounting manifestations in the AME from a critical and postcolonial perspective. Pursuing such a perspective that is sensitive to the context of the AME, it is concluded that social accounting manifestations in the AME are largely orientated towards “repressive/counter radical” positions of accounting.

The study by Rizk et al. (2008) covered CSRR in Egypt. Constructing a 34-item disclosure index covering environmental, energy, human resources, customer, and community involvement issues, this study analyzed 60 annual reports for the year 2002, finding that the issue of disclosure significantly varies according to the nature of corporations.

The study by Khasharmeh and Suwaidan (2010) evaluates social responsibility disclosure in the annual reports of manufacturing companies listed in the financial markets of the Gulf Cooperation Council (GCC); and also examines the impact of a number of company variables on the extent of disclosure of this information. The results indicate that, on average, a company disclosed about 26 percent of the 45 items included in the index with only eight companies receiving disclosure scores of 40 percent or more. However, the study does not provide evidence of the location of CSRR in the annual reports analyzed.

Menassa’s (2010) study provides evidence of the widespread use of CSRR by Lebanese banks. Presenting the key finding that these banks attribute a greater importance to human resource and product and customer disclosures, than to environmental disclosure, which in terms of its availability and extent, remains weak.

While the above CSRR studies in the GCC are valuable, they do not inform us of the detailed status of CSRR in terms of its extent, location, and the issues included within it. More specifically, whilst the studies by Naser et al. (2006), and Al-Khater and Naser (2003)
support the existence of the CSRR practice in Qatar, they lack detail of the specifics. We aim to close this gap by focusing on three issues: the extent of CSRR, the location of CSRR in the annual report, and the actual issues of disclosure. We do this in a single study through the use of content analysis.

4. Research methodology

4.1 Annual report

Most CSR studies have focused on one corporate document, namely the Corporate Annual Report (CAR) as the sampling unit (Unerman, 2000), for two main reasons. Firstly, because the CAR is a “systematically produced” statutory and, at least partially, standardized document that is known in advance, it should exist for each year studied and consequently allow year-to-year comparison (Gray et al., 1995a; Bebbington, 1997; Unerman, 2000). Furthermore, the document is the most widely distributed of all public documents and, therefore, the most accessible to researchers (Macintosh, 1990; Unerman, 2000; Campbell, 2000). Secondly, the CAR is viewed by researchers as an important document that is used by the organization to construct its own social imagery (Gray et al., 1995a). Macintosh (1990, p. 168) explained that the annual report represents a “permanent expression of those social issues which top management regard as important and wish to communicate to shareholders and the public, and so are a record of the entity’s historical social consciousness”. Tinker and Nelmark (1986) go further to suggest that the social role of the CAR is not limited to reflecting the organization’s “historical social consciousness”, but also includes playing a part in forming the worldview or social ideology that fashions and legitimises particular social conditions and dimensions, such as a woman’s place in society.

However, based on the above discussion, the present study has considered the annual report as a focus for CSR, for the following reasons:

- it is the primary source of information for investors, and the most significant formal communication that a company has with its stakeholders (Epstein and Freedman, 1994);
- due to its similarity to audited financial statements, it is perceived to be highly credible (Neu and Wright, 1992);
- it represents an organization’s best effort to respond to its stakeholders (Preston et al., 1996); and
- because it provides discretionary information in addition to regulatory data, it is a useful indicator of corporate priorities.

Consequently, we evaluated data contained in the annual reports and excluded data posted on corporate websites and in separate social responsibility and sustainability reports that, while publicly accessible, do not have the same degree of importance.

4.2 Content analysis

Content analysis has been employed in this study, since it is acknowledged as a research technique for making replicable and valid inferences from data according to their content (Krippendorff, 1980, p. 2). Additionally, the technique has been readily applied in corporate social disclosure-based research (see Gray et al., 1995a, b, for a review). There are often two interrelated issues related to the content analysis of social and environmental disclosures such as categorization of social and environmental themes, and measurement of disclosure issues.

4.3 Themes of CSD

The theme of corporate social responsibility (CSR) has been a long history as Bowen (1953) claimed that companies have the obligation to “pursue those policies, to make those decisions, or to follow those lines of actions that are desirable in terms of objectives and values of our society” (Bowen, 1953, p. 6). In the previous literature section, we identified that CSR studies are held both in developed and developing countries including in the
Middles East Region, however, the choice of chosen CSR themes varied from country to country. In order to reduce subjective judgment, a checklist instrument was designed for corporate social disclosures, with five major themes being identified, these being:

1. Environment and energy.
2. Human resources and management.
3. Product development.
4. Community involvement.
5. Others.

After that we selected sub themes under each of those themes. This checklist was devised in order to codify the qualitative information contained in the annual reports (see also, Rizk et al., 2008). Definitions applied in the checklist instrument were derived from an extensive review of previous research (Sethi, 1975; Ernst & Ernst, 1978; Belkaoui and Karpik, 1989; Guthrie and Parker, 1989, 1990; Gray et al., 1995b, 1996). In addition, final checklist has been derived after received a feedback from eight faculty members of the business and engineering college and two business executives. In the following section, we have provided a brief discussion of the each of the five themes under CSD framework.

4.3.1 Environment and energy. The environment theme can be defined as those disclosures that explain the company’s activities within the environment. For example, efforts to reduce chemical emissions into the air or water, compliance with the Environmental Act, and implementation of environmentally-friendly techniques are a few of the sub-themes categorized under environmental disclosure to capture total environmental disclosure. The energy theme includes disclosures that provide information on how companies generate their energy sources, and specifically whether their efforts conform to environmentally-friendly measures. Qatar is very rich in gas and oil as well as being one of the largest exporters of cement and steel. There are 25 companies listed on the QE under the service and/or industries sector.

4.3.2 Human resources. It is true that sustained growth is seen as requiring not only high levels of investment in physical capital but also a higher quality of human resource inputs from labor, management and entrepreneurship. Human resource development is, therefore, seen as needing to be accelerated so as to enhance the prospects for future economic growth. With natural resources becoming less plentiful and labor becoming scarcer, the contribution to growth must increasingly come from improvements in productivity and efficiency. Human resource development plays a vital role in raising productivity and providing the professional, management, and technical skills required for the growth of the economy, particularly during the process of transformation towards becoming an industrialized nation. It is obviously applicable to Qatar.

4.3.3 Product development. The technology infrastructure and operation systems in Qatar provide a comprehensive base to enhance the present services of highly technological-based services to all sectors, and thus facilitate the introduction of new derivative products and services. Of particular urgency is the acceleration of the introduction of new products and services in a cost-effective manner.

4.3.4 Community involvement. This theme involves disclosure relating to the community. The primary reason may sometimes be to portray a good public image. In Qatar, general support by companies of social affairs has always been present. This includes donations to orphanages, activities with the elderly, sponsoring games etc.

4.3.5 Others. This theme involves issues concerning the demonstration of equality (in terms of race, gender, and disability), quality and fairness by the business organization.

4.4 Measurement of CSD and data analysis

Some previous studies measured CSR on the dichotomous basis of disclosure/non-disclosure (Lynn, 1992). This method, however, fails to indicate the degree
or extent of the reporting entity’s involvement in CSRR. According to Gao et al. (2005), alternative units of analysis tend to include counts of sentences, lines and page proportions. Page proportion is used in this study because this method captures not only words but also any data and graphs devoted to social and environmental information (Gray et al., 1995a). In this study, two pieces of information were obtained: the number of pages disclosed and the location of the disclosure. To enhance the reliability of analysis and measurement, two coders were employed, as suggested by Milne and Adler (1999). The reliability test revealed an average variance of 0.68 percent between the first time coding and the re-analysis.

4.5 Companies under study

The total number of companies listed on the Qatar Exchange was 42 on 31 December 2008. Annual reports for the year 2007 were used for the study. The sampling criteria were: annual reports must be available at the stock exchange or company web site or collectable through communication; and the firm must have been listed for the entire period of the study 2006. Firms that did not meet these criteria were excluded, and this accounted for six companies that were listed after 2007, three companies that were listed in 2007, and seven whose annual reports were not available. Therefore, the total number of companies covered by the study was 25. The companies listed on the QE were classified into four main sectors: banking and finance; insurance; industry; and service. Table I summarizes the distribution of sample firms by sectors. At least 60 percent of companies in each of the four sectors are represented in the survey. Such a cohesive representation enables the research findings to be generalizable to companies listed on the Qatar Exchange. It is noted that Annual Reports were requested by mail and e-mail from these companies with two follow-up requests being made to non-respondents.

5. Findings and analysis

5.1 Level of corporate social responsibility reporting (CSRR)

An attempt has been made to measure the extent of corporate social disclosure practices in the sample companies. It can be seen from Table II that 16 companies disclosed CSR in their annual reports which constitute 64 percent of the sample. However, among the companies,

<table>
<thead>
<tr>
<th>Table I</th>
<th>Sector representation in the sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Number of companies listed as on 31 Dec. 2007</td>
</tr>
<tr>
<td>1. Banking and financial sector</td>
<td>8</td>
</tr>
<tr>
<td>2. Insurance sector</td>
<td>5</td>
</tr>
<tr>
<td>3. Industry sector</td>
<td>6</td>
</tr>
<tr>
<td>4. Service sector</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>38</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of field data

<table>
<thead>
<tr>
<th>Table II</th>
<th>CSRR practices of the sample companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category of industry</td>
<td>Number of companies in the sample</td>
</tr>
<tr>
<td>1. Banking and financial sector</td>
<td>6</td>
</tr>
<tr>
<td>2. Insurance sector</td>
<td>4</td>
</tr>
<tr>
<td>3. Industry sector</td>
<td>4</td>
</tr>
<tr>
<td>4. Service sector</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>
those within Banking and Finance sector received the highest percentage (83.33 percent) being followed by the service sector (63 percent) in disclosing CSR information in their CARs. It is also noted that the insurance sector received a low percentage (40 percent) of disclosure of CSR information.

5.2 Categories of corporate social responsibility reporting (CSRR)

It is argued that different industries place different emphasis on the content of CSRR. Environmentally-sensitive organizations like electricity/utility companies are more likely to disclose environmental issues (e.g. waste recycling, energy conservation, and pollution control) as a result of greater public influence (Gao et al., 2005; Repetto and Henderson, 2003). In the financial and banking industry, human resources are regarded as one of the most important assets. To boost a good public image, banks and financial service companies tend to disclose more employee-related issues (e.g. their training and development programs, pay and benefit scheme, pension scheme, and employee share ownership scheme). Accordingly, a significant difference is anticipated in the disclosure content between industries. The contents of the different categories of corporate social disclosure (CSRR) practices were analyzed according to the chosen methodology for the study, and a summary is given in Table III.

Table III details the breakdown of the number and percentage of companies in the sample, making CSR disclosures in various content category themes, by industrial sector. It is clear from the table that not a single company disclosed any CSR information regarding environmental and energy issues. Overall, it can be seen from the table that as many as 56 percent of the total number of companies in the sample made CSR disclosures in the area of human resources. The theme of product development is in the second place, with 48 percent of companies in the sample making disclosures in this respect. A significant percentage of companies in each industrial sector also made disclosures on human resource. The percentage of such disclosure within each sector ranges from 55 to 100 percent. A small minority made disclosures on community (28 percent) and other themes (16 percent).

The findings show that there is no distinct emphasis on any particular theme for CSR disclosure in Qatar, and although a majority of companies in the sample provided CSR disclosures in the area of Human resource, there were also disclosures under the other themes. One plausible explanation for this is that CSR disclosure in Qatar is voluntary. Hence, companies are not obligated to report specific types of CSR information.

5.3 Location of corporate social responsibility reporting

The literature (Bartlett and Chandler, 1997; Lee and Tweedie, 1975) suggests that investors consider some sections of the annual report to be more important than others. It is argued that the location of Corporate Social Disclosure (CSD) in different sections of the annual report (e.g. Chairman’s statement, Directors’ report, mission statement, operations review, financial statement, and notes to the accounts) might reflect the perceived level of importance that a company attaches to its social and environmental activities and performance (Roberts, 1992). Information on location is significant in conveying the relative

<table>
<thead>
<tr>
<th>Types of disclosure</th>
<th>Banking and financial sector (six companies)</th>
<th>Insurance sector (four companies)</th>
<th>Industry sector (four companies)</th>
<th>Service sector (11 companies)</th>
<th>Total 25 companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environment and energy</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. Human resources</td>
<td>6 100</td>
<td>2 50</td>
<td>0</td>
<td>6 55</td>
<td>14 56</td>
</tr>
<tr>
<td>3. Product developments</td>
<td>5 83.33</td>
<td>1 25</td>
<td>2 75</td>
<td>4 36</td>
<td>12 48</td>
</tr>
<tr>
<td>4. Community involvement</td>
<td>2 33.33</td>
<td>0</td>
<td>1 25</td>
<td>4 36</td>
<td>7 28</td>
</tr>
<tr>
<td>5. Others</td>
<td>2 33.33</td>
<td>1 25</td>
<td>0</td>
<td>1 9</td>
<td>4 16</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
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</tbody>
</table>
importance of the disclosure. The location of the disclosure indicates the importance placed by the company on disclosures (Unerman, 2000). Accordingly, we examine whether industries differ in the location of CSD in their annual reports.

Table IV shows that the proportion of companies with CSR disclosures in the Chairman’s/director’s Statement and separate sections of the annual report is relatively similar. Both sections occupy 32 percent of companies’ CSR disclosures. Meanwhile, disclosures in the “notes to accounts” and “others” sections were relatively fewer (12 and 8 percent respectively). However, we found no distinct patterns of specific locations for CSR disclosures in the annual reports of Qatari companies.

5.4 Amount of corporate social responsibility reporting

The amount of CSR was measured in terms of the amount of space devoted to CSR in the annual reports of the Qatari companies. However, the appropriate analysis unit used in CSR studies has been widely debated in the literature (Gray et al., 1995b; Tilt, 2001). For example the proportions of pages as a measure has been criticized by Lavers (1993) because there is an element of subjectivity inherent in this unit of analysis, due to differences in font size, margins and graphics, and the difference between one Annual Report and another (Hackston and Milne, 1996; Tilt, 1994, 2001). The second measurement of words is also questionable as individual words do not convey any meaning without a sentence to provide the context (Milne and Adler, 1999; Tilt, 2001). The third measurement was based on sentences. Ingram and Frazier (1980) and Unerman (2000) have argued that the sentence measurement may be applied with less concern about how to make the judgment. Based on the above, this study has used page as a measurement for the quantity of CSR disclose (Gray et al., 1995a, b; Hackston and Milne, 1996; Newson and Deegan, 2002; Patten, 1991). Specifically, it has used the proportion of pages devoted to different themes of social disclosure over the total pages of the annual report. The CSD disclosures were enumerated in terms of the proportion of a page taken up by each disclosure. A grid of 20 rows of equal height and five columns of equal width was laid across each CSR disclosure. The volume was counted as the number of cells on the grid taken up by a disclosure.

It is clear from Table V that four companies within the banking and financial sector disclosed CSR information in the range of 0.76 to 1 page followed by the service sector (three companies). However, CSR information in the range of 0.01-0.25 page was indicated by one insurance company, two industrial companies, and three service companies. It is noted that banking companies and two service companies also fell within the range of 0.76-1 page.

<table>
<thead>
<tr>
<th>Table IV</th>
<th>The location of CSD in the annual reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>Banking and financial sector (six companies)</td>
</tr>
<tr>
<td>Chairman’s/director’s report</td>
<td>n</td>
</tr>
<tr>
<td>Separate section</td>
<td>3</td>
</tr>
<tr>
<td>Notes to accounts</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table V</th>
<th>The extent of page covered by CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of CSD (pages)</td>
<td>Banking and financial sector</td>
</tr>
<tr>
<td>0.01-0.25</td>
<td>0</td>
</tr>
<tr>
<td>0.26-0.50</td>
<td>0</td>
</tr>
<tr>
<td>0.51-0.75</td>
<td>2</td>
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<tr>
<td>0.76 and 1.0</td>
<td>4</td>
</tr>
</tbody>
</table>
6. Conclusion

This paper has examined the incidence of CSRR disclosure practices of selected public listed companies in Qatar. It was found that the general level of CSRR (whether measured in terms of the number of companies disclosing or in terms of the CSRR page proportion of the annual report) was low among Qatari companies. In terms of the content of CSRR, most companies disclose information related to Human resources, and product developments. This result is supported by other studies performed in emerging economy country contexts (for example, Belal (2001) for Bangladesh, Naser and Baker (1999) for Jordan; Savage (1994) for South Africa). All of those studies revealed that the extent of CSRR disclosure is also very low.

The results provide further evidence that CSRR in Qatar is mostly narrative disclosure located in the chairman's report. Hence, they provide some preliminary evidence of the possibility that CSRR disclosures in Qatar represent attempts by companies to present their corporate image and to be seen as responsible corporate citizens: a concern already raised in western social accounting literature (see Gallhofer and Haslam, 2003; Gray et al., 1995a; Gray, 2000, 2001; Ball et al., 2000; and O'Dwyer and Owen, 2005).

However, one important observation in the study is the absence of environmental and energy information by the industry sector. This finding does not conform with the previous studies conducted in Western countries. It would have been reasonable to expect that given the diversity of the content-category themes in CSRR, environmentally-sensitive industries such as oil, gas, and industrial products, may make more environment-related disclosures compared to companies in industries like banking and finance. This study's findings suggest that in Qatar there is not much difference in terms of the nature and type of CSRR disclosures made across industrial sectors. Further research would be useful to explore the reasons for this by interviewing company executives in Qatar. The highest type of disclosure overall was that relating to the human resources theme, as stated earlier.

The findings of the paper have both academic and practical implications. At academic level, the findings of the paper urge for more empirical studies on CSR practices in different country contexts in general and emerging economy country in particular. It seems that the very early note by Gray et al. (1987) still remains true. Gray et al. (1987) note:

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 the stimulation it offers to the jaded palettes of western scholars but also, more importantly, it can provide vivid challenges to the presuppositional baggage with which western researchers typically approach issues.

Indeed, there is a real need to examine CSR more in a different country's contexts to enhance theoretical explanation behind CSR.

The findings of the paper also have practical implications for Qatari government and Qatari companies. For example, managers of Qatari companies may provide more quantitative and auditable social and environmental information through CSR. They may standardize their CSR disclosure through Global Reporting Initiatives (GRI) while they go for international operation. Moreover, the Qatari Government should produce clear guidelines and make CSR mandatory for all listed companies on the DSM to disclose corporate social responsibility information, particularly environmental disclosure, in the company's annual report.

7. Limitations of the study

This research, as with other studies, has its limitations. Firstly, the study only used annual reports to examine companies’ CSR disclosures. Other forms of disclosure, such as separate environmental reports, web sites, and other booklets produced by organization, may be significant and growing forms of disclosure – ideally they should be investigated.
together with annual reports. This might reveal a more complete picture of a company’s
disclosures and means of communicating effectively with its stakeholders. Secondly, the
number of companies in the sample is small and if all the 43 companies listed on the QE were
included, the result would be more concise and generalizable.

Note
1. The exchange rate of the Qatari Real (QR) against the US Dollar is always constant at US$1 = QR
    3.64.

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Appendix 1

Table AI  Content themes and sub-themes

<table>
<thead>
<tr>
<th>Content themes</th>
<th>Sub-themes</th>
</tr>
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<tbody>
<tr>
<td>Environment and energy</td>
<td>Pollution control (air, water, land, noise, visual)</td>
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<tr>
<td></td>
<td>Prevention of environmental damage</td>
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<td></td>
<td>Waste recycling</td>
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<td></td>
<td>Conservation of natural resources</td>
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<td>Research and development</td>
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<td></td>
<td>Environmental audit</td>
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<td>Environmental policy</td>
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<td></td>
<td>Other environmental disclosure</td>
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<tr>
<td></td>
<td>Conservation and energy saving</td>
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<td></td>
<td>Development/exploration of new sources</td>
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<tr>
<td></td>
<td>Use of new sources</td>
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<td></td>
<td>Other energy-related disclosure</td>
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<tr>
<td>Human Resources</td>
<td>Employee development/training programs</td>
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<td></td>
<td>Pay and benefits (profit sharing scheme)</td>
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<td></td>
<td>Pension scheme</td>
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<td>Loan to employee</td>
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<td>Employee share ownership scheme</td>
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<td></td>
<td>Sport and recreation</td>
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<td></td>
<td>Other employee-related disclosure</td>
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<tr>
<td>Product Development</td>
<td>Improved customer service</td>
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<tr>
<td></td>
<td>Networking</td>
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<td></td>
<td>Recognition of international excellence</td>
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<tr>
<td></td>
<td>Quality improvement of products</td>
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<tr>
<td>Community involvement</td>
<td>Charitable donation and service</td>
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<tr>
<td></td>
<td>Political donation and service</td>
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<tr>
<td></td>
<td>Social activity sponsorship</td>
</tr>
<tr>
<td></td>
<td>Other community activity disclosure</td>
</tr>
<tr>
<td>Others</td>
<td>Employment of women (sexual equality)</td>
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<td></td>
<td>Employment of minority (racial equality)</td>
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<tr>
<td></td>
<td>Employment of disabled people</td>
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<td></td>
<td>Customer complaints</td>
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<tr>
<td></td>
<td>Legal proceedings, litigation and liabilities</td>
</tr>
<tr>
<td></td>
<td>Other fair business practice disclosure</td>
</tr>
</tbody>
</table>

Appendix 2. Names of the companies in the study

1. Banking and financial sector:
   - Qatar National Bank
   - Qatar Islamic Bank
   - Commercial Bank Of Qatar
   - Doha Bank
   - Al-Ahli Bank
   - International Islamic Bank

2. Insurance sector:
   - Qatar Insurance
   - Doha Insurance
   - Qatar General Insurance & Reinsurance
   - Islamic Insurance
3. Industrial sector:
   - Qatar Industrial Manf. Co.
   - National Cement Co.
   - Industries Qatar
   - United Development Company

4. Services sector:
   - Qatar Telecom
   - Electricity & Water
   - Q-Ship
   - Real Estate Co.
   - Salam International Investment.
   - Qatar Navigation
   - Qatar Fuel Company (QOQOD)
   - Nakilat
   - Dlala
   - Barwa
   - Aamal

Corresponding author
Mohammed Hossain can be contacted at: mohammed.hossain@griffith.edu.au