

**Islamic Cultural Values among Malaysian Muslim Accountants and
Their Influence on Corporate Social Accountability**

A thesis submitted to the College of Business
in fulfillment of the requirements for the degree
Master of Science (Accounting)
University Utara Malaysia

By

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Declaration

I declare that all the work described in this dissertation was undertaken by myself (unless otherwise acknowledged in the text) and that none of the work has been previously submitted for any academic degree. All sources of quoted information have been acknowledged through references.

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ABSTRACT

This study investigates the influence of Islamic culture on corporate social accountability among Muslim accountants in Malaysia. Two independent variables are proposed namely collectivism and power distance. Multivariate analysis was employed to examine the relationship between variables in the framework and 40 respondents involve in this study. It is found that there is no relationship between collectivism and corporate social accountability. On other hand there is a significant positive relationship between power distance and corporate social accountability. In conclusion this study recommends the need to integrate Islamic values in accounting practice. Encouraging Islamic-driven accounting practice can improve financial disclosure and in turn decision making.

بسم الله الرحمن الرحيم

ACKNOWLEDGMENT

Praise and gratitude be given to Allah the Almighty for putting forward me such a great strength, patience, courage, and ability to complete this project.

My excessive gratefulness to my supportive and helpful supervisor, Mr. Mohamad Hisyam Selamat for assessing and guiding me in the completion of the research. With all truthfulness, without his, the project would not have been a complete one. He has really been for me a center of motivation and guidance. I am truly grateful to his continual support and cooperation, as being prepared to assist me all along the completion of the project.

I would like to present my thanks to all of my family, my dear mother Masouda Khalifa, to my father Salem Issa Alazzabi, my only sister, and my siblings, who has always been there for me.

My demonstrative appreciations to all my friends and everyone who has helped either directly or indirectly to the completion of this project.

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CHAPTER I

INTRODUCTION

1.1 Background of Study

Culture is a powerful social factor that has been cited to influence the development of accounting system and practices of a country (Violet, 1983; Gray, 1988 and Perera, 1989). Increasingly attention has been directed at the cultural dimension of accounting (for example Gray, 1988; Perera, 1989a and 1989b; Tay and Parker, 1990; Hamid, Craig and Clarke, 1993 and Baydoun and Willett, 1995). Culture is often cited as a significant social factor that would possibly affects the accounting system and practices as well as the perception and use of accounting information by individuals (Palau, 2001). Accounting is seen as an interactive socio-technical activity involving both human and non-human resources or techniques and hence accounting cannot be cultural free (Violet, 1983). Hofstede (1980) defines culture as the collective programming of the mind which distinguishes the members of one group from another. The influence of culture on how individuals perceive their responsibilities and carry out their duties cannot be ignored. Increasingly, therefore, culture is often included as a possible barrier in the accounting harmonization process (Hamid et al., 1993 and Palau, 2001).

Religion has been identified as one of the elements that influence cultural environment and in turn accounting practices (Briston, 1978; Baydoun and Willett, 1995). This is because religion affects the way in which people behave and thus affects cultural values (Hamid et al., 1993). Interestingly, the focus has been on Islam, which is considered as

ad-din wa al-Duniya or ‘both faith and a way of life’ (Abdullah, 1999). Islam is said to influence accounting practices significantly (Gambling and Karim, 1991; Hamid et al., 1993; Karim, 1995 and Baydoun and Willett, 1995). This is because Islam prescribes a broad framework for its followers in all aspects of life including the manner as to how a business should be conducted (Baydoun and Willett, 1995). Gambling and Karim (1986) support the stance that Islam significantly influences social accountability in countries where Islam is the official religion. Therefore it is interesting to study how Islamic cultural values influence corporate social accountability among Muslim accountants in Malaysia.

1.2 Statement of Problem

In the past 25 years, the world has seen a great change in Muslim world. This scenario is coined as Islamic fundamentalism or Islamic resurgence (Overman, 1994; Tayeb, 1997). The most important aspect of the resurgence is the aspiration of Muslims to condition their political, social and economic life in accordance with Islamic teaching and principles. The Islamic revivalists claimed that non-Islamic political and economics model have failed Islamic world (Tayeb, 1997). As such, from the economical perspective, there has been a paradigm shift from the conventional utilitarian economics to Islamic economics (Overman, 1994). This leads to the establishment of Islamic political and economic organizations at the international, regional and local levels (Shahul, 2001). These include, among others, Organization of Islamic countries (OIC),

Economic Co-operation Organization (ECO), D8 (group of developing eight Muslim countries) and Gulf Co-operation Council (GCC).

There is also the debate in the academia on whether the conventional accounting system is the appropriate system to be accepted without question by all other cultures and people of the world (Wallace 1990a). Such debates are informed by the realization that cultural values play significant roles in the development of the economic and financial sectors of any given society. Indeed initial research (e.g. Hove, 1986) has shown that the other people need not accept without reservations the conventional accounting system. However, it need to be noted that the extent to which western accounting system is relevant or otherwise to other cultures and people is a matter of continue debate (Baydoun & Willet, 1995). Research has so far indicated that culture influences accounting practice (Gray, 1988; AlHashim & Arpan, 1992; Perera, 1989) and that one system cannot be transplanted into another cultural environment and take root without causing dysfunctional effects on the host culture and society.

Corporate social accountability is a critical issue in any part of this world (Shahul, 2000). Accounting profession is also not free from the problem of social accountability. This is evident from the increase of corporate scandals and collapse that is significantly contributed by accountants (Niskanen, 2002). This is such as Enron (Blackburn, 2002), Merrill Lynch (Jickling, 2003), Royal Bank of Scotland (Jamieson, 2008) and others. In Malaysia the corporate scandals are such as Transmile Bhd and Megan Bhd (Nor Raihan and Shamsul Nahar, 2007). All these scandals are related to financial report make-over

(Nor Raihan and Shamsul Nahar, 2007). In this case, the financial reports of the involved companies do not represent real financial condition. It is argued that this scenario is fuelled by low social accountability amongst accountants. As Muslim accountants are subject to Islamic norms and principles, the occurrence of financial misappropriation should be lower amongst them. Thus it is interesting whether Islamic cultural values affect the level of social accountability amongst Muslim accountants.

As working is considered Ibadah in Islam, the motivation of Muslim should be always higher (Faruqi, 1989). However this is not translated into reality in accounting profession in Malaysia. This is because the number of Muslim accountants in Malaysia is just 15 percent from the whole number of accountants (MIA Directory, 2007). This highlights low accountability amongst Muslim accountants to fulfill Fard Kefayah to ummah in this country. This problem can jeopardize the aspiration of Malaysian government to achieve 30 percent participation of Muslim people in economic activities. Thus the element of Islamic norms and principles that can be used to increase the level of social accountability amongst Muslim accountants should be studied. This understanding in turn can be used to instill a sense of responsibility amongst Muslim accountants to give service to Muslim society in this country.

From the aforementioned discussion problem it is clear that there is a need to investigate Islamic cultural values than can be used to increase the level of social accountability amongst Muslim accountants in Malaysia. Thus the aim of this research is to propose

Islamic cultural values that can increase the level of social accountability amongst Muslim accountants.

1.3 Research Questions

From the discussions above, one theoretical issue can be highlighted which is as follow:

- (1) The lack of research focusing on the role of Islamic cultural values on corporate social accountability (Shahul, 2000).

To understand the above one theoretical issue, the researcher proposes one research question which is as follow:

RQ1: Does Islamic cultural values significantly influence social accountability of Muslim accountants?

1.4 Research Objectives

To answer the above research question it is suggested that objective has to be set as stepping stone. The objective is as follow:

1. To investigate the relationship between Islamic cultural values and corporate social accountability amongst Muslim accountants.

1.5 Scope of Study

This study intends to focus on selected Muslim accountants in Malaysia. Questionnaire is mailed to 200 registered Muslim accounting and auditing firms that register with Malaysian Institute of Accountants (MIA). These firms were selected based on the name of the company. Malaysia Muslim firms are settled for base on the factors of convenience and proximity. In addition religious beliefs are strong amongst Malay in Malaysia. The field of Islamic cultural values is chosen because of the need to fulfill the requirements of Muslim investors and users in the economy.

1.6 Significance of Study

This study has theoretical and practical significances. For the former, partial test of Islamic cultural values will provide additional empirical evidence concerning the role of cultural values on social accountability. Understanding the impact of cultural values on social accountability amongst Muslim accountants enables the organizations to run their business activities according to Islamic norms and principles. From the latter perspective, this study might have the potential to shape attitudes and behaviors of professionals in this field in the near future (Lewis, 2001; Shahul, 2001). This humanistic development can reduce fluctuation in the financial market that exists due to irrational sentiments.

1.7 Dissertation Outline

The presentation of this dissertation is in accordance with University Utara Malaysia guidelines. The chapters are divided into five sections. Chapter 1 states the problem, background of the problem, purpose of the study, research question, scope and limitation of the study and significance of the study. Chapter 2 offers the theoretical background of this study. It discusses the work of well known researcher in Islamic social accountability field of study and behavioral aspect of social accountability. Chapter 3 describes and defines the instruments used, the characteristics of the sample selected to conduct this study and the procedures implemented to collect the data. It describes the null and alternate hypotheses, the specific test performed, and the reliability and validity of the instruments. Chapter 4 presents the findings obtained from the research. The results are analyzed and interpreted in relation to the hypotheses formulated. Chapter 5 discusses the findings of this study. An explanation of the results is provided to indicate the similarities and differences found in this study when compared to previous research. Lastly, the summary and recommendations for future research in the areas of corporate social accountability are offered in chapter 6.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to present the theoretical information of this research conceptual framework. The discussion of the framework is closely linked with the Islamic principles.

2.8 Definition of Culture

There is no general consensus with regards to the precise meaning of the concept of culture (Seymour-Smith, 1986). Soeters and Schreuder (1988) state that there are as many definitions of culture as there are authors writing on the subject. The classical definition of culture, as noted in Violet (1983), is learned behavior. Tylor (1929), considered by many to be the founder of modern anthropology, regards culture as knowledge, belief, art, morals, law, custom, and any other capabilities and habits that are acquired by man as a member of society.

Reviewing the anthropological work on culture, Violet (1983, p. 3) defined culture as an: “...integrated system of learned human behavioural patterns that are characteristic of the members of a society and that are not the result of biological inheritance. Culture is therefore acquired behaviour. But it is as much a part of the natural universe as the stars in the heavens, for it is a natural product of man’s activities, and man is part of nature.”

Culture can be viewed as the system which encompasses and determines the evolution of social institutions and social phenomena pertaining to human social existence. As a social system it enables mankind to interpret and explain social phenomena in his immediate social environment (Shraddha, 1997). Postulates or values of a culture determine a systematic choice by a society for explaining and rationalising social phenomena and based on these postulates customs are created and adopted (Shraddha, 1997). These customs themselves develop into or exist as social institutions. Accounting is argued to be one such social institution and as such must reflect the postulates of its culture. Violet (1983) concluded that each culture produced unique accounting structures shaped by a multitude of cultural constraints and variables which needed investigation.

Bloom and Naciri (1989, p. 72) defined culture as “ the total pattern of human behaviour and its products embodied in thought, speech, action and artefacts and dependent upon man’s capacity for learning and transmitting knowledge to succeeding generations through the use of tools, language and systems of abstract thought”. In this cause culture is viewed as learned behaviour which is spread throughout the population subconsciously. Recognising the importance of culture on accounting systems, Bloom and Naciri (1989) provided an analysis of the similarities and differences in the standard setting process of selected countries and rationale of these differences in terms of the culture of the countries. They concluded that standard setting in any country was a function of the economic, political and social environment (culture) of that country.

Belkaoui (1992, p. 51) used the definition of culture, provided by Kroeber and Kluckhohn (1952), as follows: “ Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts. The essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values. Cultural systems may on one hand, be considered as products of action, on the other as conditioning elements of further action.” Belkaoui (1992) postulated that culture dictates organisational structures, micro-organisational behaviour, the accounting environment and the cognitive functioning of individuals faced by an accounting phenomenon.

Winthrop (1991) defines culture according to the context in which it was being used. In social anthropology, culture is said to be the arrangements of beliefs and customs through which social relations are expressed. Thus, culture is better understood as ‘the reflection of a continuous series of goal-seeking transactions between individuals, operating under the constraints of scarce resources’ (Winthrop, 1991, p.56). In materials studies, culture is the patterned knowledge, technique and behaviour through which humans adapt to the natural world. In this context, culture is made up of the energy systems, the objective and specific artefacts, the organisations of social and political relations, the modes of thought, the ideologies, and the total range of customary behaviours that are transmitted from one generation to another by a social group and that enable it to maintain life in a particular habitat (Willett, 2002). In ethnoscience, culture is interpreted as a set of standards for behaviour considered authoritative within a society (Violet, 1983). As such, language is presumed to be a model for culture. Finally, in symbolic studies, culture is seen as a system

of meanings through which social life is interpreted. Hence culture exists only in the meaningful interaction of individuals in a society.

All the above works on culture recognises that culture is learned or acquired behaviour resulting from man's response to his environment which once acquired then conditions man's response to his social environment. Thus culture is a totality of learn behaviours, its has moderating effects on social system in its entirety and varies across society as the aforementioned conceptualization as shown. As such this study will adopt the Hoftside (1980) conceptualization. This is based on the fact that his definition emphasis the overaching important of culture in all the systems and processes in a country, including the accounting system.

2.9 Relationship between Culture and Religion

There are several studies that examine the role of religion in dictating organizational cultures, micro-organizational behavior, the accounting environment and cognitive functioning of individuals (e.g. Gerhady, 1990; Baydoun and Willett, 1995). One of such part breaking study is that by Gray (1988) in which he proposed a framework that relates religion to accounting system. It was in view of this that Askary (2004) argued that there is a close relationship between culture and religion.

Faruqi (1989) contends that religion is the very essence and core of culture. However, religion is a complex notion and difficult to define (Acquaviva, 1979; Clark, 1958). Geertz

(1973: 90) defines religion as a system of symbols which acts to establish powerful, pervasive, and long-lasting moods and motivations in men by formulating conceptions of a general order of existence and clothing these conceptions with such an aura of factuality that the moods and motivations seem uniquely realistic.

Spiro and D'Andrade's (1958) defined religion as an institution consisting of a culturally patterned interaction that shift the concept of religion from a concern with psychological questions of belief to a focus on cultural actions, patterned by a world view, and reflected in rituals. Similarly, the main sociological theories of religion emphasis its roles as a variable that offers a socially shared set of meanings (Askary, 2004). Religious behaviour, beliefs and experiences are simply part of the culture, and are regularly transmitted from generation to generation in the same way as any other customs (Argyle and Beit-Hallahmi, 1975).

Acquaviva (1979) argued that religion has always exerted a profound influence on many aspects of human life and personality. Every society has a religious dimension, which it shares and expresses in all aspects of the social life of individuals - their laws, their customs and habits (Gilkey, 1981). In fact, it has been proposed that capitalism owes its beginnings to the Protestant ethic, which emphasizes frugality and industry (Weber, 1985). According to Faruqi (1989), religion is the lens through which all understanding and thinking take place, making it the foundation of all decisions and actions. As such, religious ideas and practices have always been at the centre of human activities.

From the aforementioned conceptual discussion it is clear that religion will and do affect social accountability through the way institutions are organized and the processes they use (Baydoun and Willet, 1995). This is because religion is the very essence and core of a culture (Faruqi, 1989).

2.10 The Notion of Islamic Social Accountability

Islam literally means peace and obedience. The adherences to Islam means obey God and to appreciate the purpose of being in this world (Al-Faruqi, 1992). God is said to have proclaimed that “I have only created jinn and mankind that they serve me” (al-Koran, 51:56). The nature of this service is spelled out clearly when God, upon creating men, declared “I will create a caliph on earth” (al-Koran, 2:30). Muslims consider humans to be caliph of God. Thus, whatever worldly possession a Muslim has is to be held in a stewardship capacity – that is simply a trust from God (Abu-Sulayman, 1994). According to Islam, Muslims are trustees (or stewards) for God. Mankind agrees to assume this great responsibility in a covenant with God (Koran, 33:71).

The economic system in general and the accounting system in particular of any society that follows the principles of Islam are influenced by Islamic laws and principles. Such society will organize their economic system according to the philosophy underpinning the Islamic system. If we examine the role of economic activities in Islam we will observe that the philosophy of human activity should be directed towards the achievement of Falah in this life and also in the Hereafter. According to Siddiqi (1972), Falah is a tangible quality

towards the achievement of God's pleasure. Human welfare, as believed by Muslims, can be achieved without any conflict if the believers have a genuine interest in this worldly life and the Hereafter.

To achieve the above Falah, economic activities must be morally directed. In any economic decisions, including financial reporting upon economic activities, the ethical values should act as a norm and economic relationship must be regarded as moral relationship (Shahul, 2000).

The achievement of Falah is neither dependent on nor related to maximization of wealth or profit nor to the size of individual business enterprise and quantity of output (Shahul, 2000). In other words, the organizations should direct their activities towards providing good products or services to the society and not merely concentrating on profit maximization.

Accounting functions to discharge the accountability of enterprise as a result of the separation between the stakeholders and the management. The stakeholders consist of shareholders, creditors, potential investors and the public. In Muslim society, the concept of accountability is ingrained in the basic creation of Man as a calipha of God on the earth (Shahul, 2000). Man mission on earth is to fulfill the purpose of being in the universe. In this cause man is created as trustees and accountable for all their actions (Abu-Sulayman, 1994). Therefore, in Islam, accounting should function not only as a service activity providing financial information to the users and to the public but also as a platform to provide information that enabling obedient to God and the creation of good society (Shahul,

2000). The accountants should fulfill their responsibility so that an organization's internal procedures, policies and governance mechanism are properly debated and recorded (Gambling and Karim, 1991).

Implicit to the above discussion is that Muslim accountants are not merely responsible to human superiors, management, client or shareholders only but also to God in all situations. They should utilize resources according to principles of the Sharia. To ignore this fundamental aspect is a betrayal of divine trust (Hassan, 1995). Only if guided by proper relationship with God, could accountants then be inspired by value of truthfulness, fairness, tolerance and uprightness among others. These values in turn motivate Muslim accountants to deliver excellent services in order to please God. They understand that their work is a form of Amal Salih (virtuous deed) which is then the key for the attainment of Falah (true success in this world and in the Hereafter). Their work is also a form of Ibadah (servitude to God) in so far as it is in conformity with the divine norms and values. Muslim accountants who are imbued with the world-view of Tawhid (oneness of God) are not anti-profit or anti-worldly gain within the limits provided by religion. Their vision of success and failure, however, extends beyond worldly existence to the life in the Hereafter.

From the aforementioned discussions it is clear that corporate social accountability is significant in Islamic economic and business ethics (Shahual, 2000). This is of particular interest and is indeed a major focus of this study.

2.10.1 Corporate Social Accountability

Shahul (2000) defines accountability as “the duty to provide a detail account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible”. The concept of accountability in Islam is coined as *hesab*. Askary and Clarke (1997) observe that the word *hesab* is repeated more than eight times in different verses in the Koran. *Hesab* or ‘account’ is the root of accounting (Shahul, 2000). In the Koran it refers to one’s obligation to God in all endeavors.

Accountability relates to the duty of a person or an entity to use (and prevent the misuse of) resources entrusted to it in an effective, efficient and economical manner, within the boundaries of the moral and legal framework of the society, and to provide an account of its actions to accountees who are not only the persons that provided it with its financial resources but to groups within society and to society at large (Shahul, 2000).

In the Muslim society, the above notion of accountability is highly ingrained in the belief of hereafter, heaven and hell (Khir, 1992). The notion of accountability from the perspectives of Islamic teaching and practices arises from the *amanah* or primordial trust (i.e. free-will, freedom to choose, knowledge and reason) which was given to man by the creator (Al-Faruqi, 1992).

Based on the reading of some Koranic verses, Adnan and Gaffikin (1997) advocate a slightly different view of accountability in the accounting area. They assert that the primary

objective of (Islamic) accounting system is the provision of information to fulfill the accountability obligation to the real owner (Allah). In addition to this, they assert that the overall accountability to act according to the Sharia would be better operationalised if it is directed towards the fulfillment of the principles of Zakat in accordance with Islamic teaching (which is considered God's share of the wealth). The emphasis on Zakat is considered logical because it is a prime Islamic socio-religious obligation and in turn could lead to the avoidance of cheating and window dressing. (Shahul, 2000). The main objective of Zakat in Islam is to assist Muslim society to discharge the needed societal responsibility to the poor and those that needs societal assistance. Because Muslims believe that God always watches over them and thus is aware of any wrong doing (Shahul, 2000). One could argue that God equally watches the faithful on all transactions and not only on Zakat. However, the authors state that the psychological affect of avoiding window dressing games in Zakat accounting is real because both preparers and users realize that they cannot cheat God of his share.

The researcher believes that a broader concept of accountability is better because although Zakat is an important socio-religious obligation it covers the right of various stakeholders of large organizations, especially in this era of large corporations. If large businesses and other entities are not held Islamically accountable but only Zakat accountable, they may pay Zakat on unlawful and immoral sources of income, which is forbidden by Islam. This could negatively affect the health of economic, moral and spiritual of stakeholders.

An important concept in Islam that is somewhat related to social responsibility and which is fundamental to determine if a particular transaction is allowed is al-gharar (uncertainty or lack of clarity). The Prophet forbade any transaction that would lead to a dispute or conflict or which would result in litigation due to the uncertain nature of a particular transaction. For example, Muslims are prohibited from selling unripened fruits that are still in the orchards (Al-Qaradawi, 1994, p254). This may be interpreted that in Islam therefore, transactions or events that are not well-defined or not properly specified are forbidden (Maliah, 2002).

Lewis (2001) observe that the basic similarity between *hesab* in Islam and 'accounting' lies in the responsibility of every Muslim to carry out duties as prescribed in the Koran. Similarly, in business enterprises, both management and providers of capital are accountable for their actions both within and outside firm. From Islamic perspective accountability in this context means the act of being socially accountable to the community (*ummah*) or society at large. Hence, one would rationalize that the main objective of Islamic accounting would be to provide information that enables those involved in the firm to fulfill their accountability to the society.

Given this, the concept of social accountability and responsibility according to Islamic law [Sharia] includes but is not limited to charities, wages to employees, and environmental protection (Maliah, 2002). This means that financial reporting in the Islamic society is likely to be more detailed than what is currently prevalent in Western societies. Besides this objective it is included the provision of information on Sharia compliance, the proper assessment and distribution of zakat, the equitable and fair distribution of wealth generated

by the organization among its employees and other stakeholders and the promotion of a co-operative environment and solidarity (Shahul, 2000).

From the above discussion it is clear that social accountability as explain above is important in accounting information processing particularly in society that adhered to Islamic teaching and principle (Shahul, 2000). Thus it is included in this research conceptual framework as the dependent variable.

2.11 Cultural Values That Influence Islamic social accountability

In order to investigate the relationship between culture values and the notion of Islamic social accountability amongst accountant, this research will look into the following cultural values: (1) collectivism; and (2) small power distance. These cultural values are derived from the work of Hofstede (1980). These cultural values were selected because of their intimate relationships with accountability (Shahul, 2000). The description of each cultural value is offered in subsections 2.5.1 and 2.5.2.

2.11.1 Collectivistic Societies

Based on the above discussion collectivistic societies are declared as the first element of this research conceptual framework. The differences between individualistic and collectivist societies can be found by contrasting the preference of the individual with the role of groups in those societies.

Hofstede (1980) argued that the interests of group need to supersede the interests of individual because the individual derived their existence from within the group and remains relevant in the context of the group. This view is in tandem with the Islamic view of unity that treats all Muslims as one national or ummah. Thus all Muslims are considered as one unified nation. The Koran declares:

All people are a single nation... (2:213).

Verily, this nation of yours constitutes one nation, and I am your God, be cautious of me (23:52).

From the above verses it is clear that the Muslim ummah is taking to be a collective nation by our creator. In addition to this, however, Islam also recognizes the importance of individuals and greatly respects individual human rights. Islam preserves the importance of individual human rights and the virtues of self-reliance and personal independence. In this respect the Holy book says:

Whoever slays a soul, unless it is for manslaughter or for mischief in the land, it is as though he slew all men; and whoever keeps it alive, it is as though he kept alive all men... (5: 32)

Regarding Muslims as individual is recommended by the Sharia. Thus, Islam addresses both the affairs of separate individuals and the society to which they belong. Nevertheless the ultimate focus is Muslim as one nation. The right of Muslim society is much more important than individual Muslim. What is good for ummah is always good for individual Muslim. The element of collectivistic society according to Islamic teaching can be explained in five

subelements which are as follows: (1) brotherhood relationship; (2) group management; (3) collective interest; (4) consensus in decision making; and (5) the role of government (Askary, 2004). The description of each subelement is provided in the following five subsections.

2.11.1.1 Brotherhood Relationship

The holy Koran has placed a great emphasis on the concept of unity (Tawhid). This concept extends to all aspect of life of Islamic society. It directs the followers to be united as one society, with a strong networking relationship between each other. There are, therefore, specific orders to encourage, maintain and support genuine brotherly relations. Those are supported by the following verse:

The believers are but brethren, therefore make peace between your brethren and be careful of (your duty to) Allah that mercy may be had on you (49: 10).

Prophet Muhammad (P.B.U.H.) said: “You will not enter Paradise until you have faith, and you will not have faith until you love each other. Shall I direct you to something which if you fulfill you will love one another? Spread peace among yourselves”. (It was reported by Muslim).

In the above hadith, our beloved Prophet (P.B.U.H.) recommends Muslim to spread peace. This can be fulfilled by saying peace be with you and by promoting peace in the society through reconciling differences. This, in fact, is the slogan of Islam, namely, spreading peace. The word “Islam” indeed means peace particularly within the ummah and thus the concept of brotherhood is of paramount importance in Islam.

Brotherhood relationship is further emphasized by the Messenger of Allah (P.B.U.H.) in hadith: “Don’t belittle any good deed even to meet your brothers with a smiling face”. He also said: “Smiling to your brothers is an act of charity.” That is why the Messenger (P.B.U.H.) had a smiling face all the time. In short an individual Muslim should be smiling when meeting other Muslim brothers.

The third right of brotherhood in Islam is to love other Muslim as if one Muslim love oneself. Allah says in the Quran: “And believers are loyal to one another” (71-9). Confirming this, the Prophet (P.B.U.H.) said: “Each of you cannot be a believer until he loves for his brother what he loves for himself.” Not only had this but the early Muslims used to prefer their brothers over their own selves. That is why the Quran praised them in the following: “And they prefer (their brothers) over themselves even if they are hungry” (9-59). Implicit in these verses is the importance of brotherhood relationship in Islam.

Islam also stresses humbleness and modesty. In this case one Muslim should be humble and modest when dealing with other Muslims and with other people. In addition to this, Islam prohibits backbiting and slandering. This means that one Muslim should respect other Muslims deep in his / her heart. This is further strengthened by the order to be nice to other people. In this context Allah says in the Quran: “And cooperate with one another in all that is good and pious and don’t cooperate in sin and aggression” (2-5). The Messenger of Allah (P.B.U.H.) was asked: “Who is the dearest person to Allah?” He said: “Those who are most useful to (other) people.” That is why in another tradition the Prophet (P.B.U.H.) said: “And Allah will surely

help the person as long as he helps his brother.” In short being nice and respect other Muslim brothers is of paramount importance in Islam.

Thus, from the Islamic viewpoint, brotherhood relationship serves as a social bond and a cultural network in which an individual is expected to be responsible for the welfare and interest of others – a key characteristic of collectivistic societies. It is argued that accountants with strong brotherhood feeling are more accountable and thus always keep public interest in checked (Askary, 2004). Thus it is included in this research conceptual framework.

2.5.1.2 Group Management

The caliph or leader is technically the manager of all Muslims. The Koran states that:

Oh who believe! Obey Allah, and obey the Messenger and those charged with authority among you (4: 59).

The command of Allah, written in Koran and manifested in prophet Mohamed’s deeds should be obeyed without any variation or modification by Muslims. The Calipha is responsible for administering that obedience. It has been commanded in the above verse that the Caliph (and all surrogates of Islamic authority) should be obeyed by Muslims after the prophet Mohamed.

This order places all Muslims in an equal manner in respect to the administration of daily affairs and in respect to the access to legitimate authority of Allah through the Caliph. This can be interpreted as an emphasis in Islam on, at the end-of-the-day, the potential of group (collectivistic) management. It is argued that a high degree of group management results in a

high degree of accountability amongst accountants. Thus it is included in this research conceptual framework.

2.5.1.3 Collective Interests

The focus of Koran is on the interests of the Muslim society as a whole rather than on the special interest of individual Muslim. This is a common theme as indicated by the following verse:

And hold fast, all together, by the Convenient of Allah (habl-Allah) and be not split up among yourselves (3: 102).

Hofstede (1980) collectivist value corresponds, in sentiment, to the collectivistic (unity) value in Islam. Islam encourages its followers to be united. Every Muslim is responsible for the safety and wellbeing of other Muslim. Nevertheless the government must play an active role in establishing a good Islamic society. The only permitted way for one Muslim to be more superior than the others are through knowledge, spiritual refinement, and Islamic laws obedient.

From the aforementioned discussion it is clear that a high awareness of collective interests can increase accountability amongst accountants (Askary, 2004). Thus it is included in this research conceptual framework.

2.5.1.4 Consensus in Decision Making

There is considerable evidence from early Islamic historical sources that the Prophet Mohamed (PBUH) asked his followers to give opinion during critical situations such as holy wars. God commanded the Prophet, despite his unique position as the last messenger, to consult with his followers when administering the state. The Koran directs this value as follows:

“... And consult with them upon the conduct of affairs” (3: 159)

“... Who (conduct) their affairs (or, government) by mutual consultation...” (42: 38)

Unquestionably, this is supportive to collectivistic values. In other words, the willingness to have a consensus in the meeting represents a high degree of collective interests. Thus the value of consensus in decision making can influence accountability amongst accountants, and as a consequence included in this research conceptual framework.

2.5.1.5 The Role of Government

The government is responsible for observing and enforcing Sharia law by developing and sustaining a welfare society. Therefore, the government has a dominant role in developing a robust economic system to sustain that necessary welfare framework (Askry, 2004). The Koran conveys the indisputable responsibility of the government in seemingly intractable situations:

...and discuss in deliberation with them (the professional Muslim) the governmental affairs thereupon, whenever you decide then (carry out your decision and) place your confidence and trust in God, verily God loves those who are trusting Him. (3: 159)

The above verse supports Gambling and Abdel-Karim's (1986) description of Islamic society as "the collective personalities . . ." (p. 39) and Hofstede's (1980) subvalues of group societies. Islamic society is thus expected to incline more towards a collectivist rather than an individualist society. This scenario leads to a high level of accountability. To appreciate this, the element of government is included in this research conceptual framework.

2.5.2 Small Power Distance

As mentioned above, the notion of power distance represents the second element in the conceptual framework of this study. According to Hofstede (1980), power distance measures the degree or extent of inequality that exist in term of power relations between different classes in a society. Islamic societal values are conducive to (in Hofstedian terms) small-power-distance classification. This matter is verified by small-power-distance-like criteria in the framework of the Koranic verses. This framework can be categorized into three categories which are as follows: (1) absolute obedient to Allah; (2) the concept of equality; and (3) zakat. The description of each category is provided in the following three subsections.

2.5.2.1 Absolute Obedient to Allah

In Islamic religious philosophy, the only authorized legitimate, ultimate power is belong to Allah. Only Allah has absolute power and omnipotent force in the world. It is mentioned in the Koran that the believers should:

Fear of Allah and seek the means of approach unto Him and strive with might and main in his cause; that you may prosper (5: 38).

O you who believe! Obey Allah and obey the Apostle and those in authority from among you (4: 59).

Because Allah desires happiness for human life, Islamic Holy writ explains that He sent Mohamed and other Prophets before him (such as Jesus and Mosses) to teach His laws. Thus, the only legitimate form of power in Islam is the one that comply with Sharia. As a consequence, the followers have to obey Sharia at all time. In the Koran Allah states that:

And those saved from the desire of their own souls (i.e. those who rise above personal interests)-they are the ones that attain felicity (64: 16).

From the aforementioned discussion it is clear that Islam promotes absolute obedient to Allah and in turn low power distance. It is this that informed Askary (2004) position that low power distance leads to a high level of accountability. Therefore the element of absolute obedient to Allah is included in this research conceptual framework.

2.5.2.2 Concept of Equality

Islam desires neither a superior (first or affluent) class nor a poor class in its society. Middle or sustainable uniform class is the most desired in Islam. This philosophy draws on the brotherhood and justice. These are supported by the following verse:

The believers are but a single Brotherhood. Therefore, establish happiness, peace and order among two (contending) members of your brotherhood, and observed your duty to Allah that haply you may obtain mercy (49:10).

The concept of equality in Islam implies that any individual should not enjoy a priority due to his / her race, language, colour, wealth or other distinguishing differences. In Islamic philosophy individual have equal rights in essential matters such as respect for human freedom, cultural justice and others freedoms that did not go against Islamic teaching and principles. Islam provides sound laws to prevent and discourage all exploitation of the weak, injustice to the unprotected and expels despotism from society (Askar, 2004). Islam promotes the value of piety, truth, justice, love, wisdom, beauty, and selflessness, and thereby greatly diminishes the emergence of class-conflict society that inhibits human unity. The following verse addresses equality:

. . . And they have rights similar to those against them in a just manner . . . (2:228)

However, it need to be note that Islamic law did not guarantee absolute equality for human beings, especially for those who have greater knowledge of Islam and practice Islamic virtues. This is evident from the following verse:

...Say: Are they equal - who know and those who do not know? Only those who are highly rational recognize (this fact). (39: 9)

Consistent with the Islamic concept of brotherhood of believers, one can conclude that the members of Islamic society would be undifferentiated or class-equal group. Common status is the objective in Islam. The usage of the concept of middle class in Hofstede's (1980) analysis conveys the idea of a dominant group of equal status. Askary (2004) argued that a good Muslim accountant will observe class-equal group concept and as a consequence influences his accountability. Thus the element of equality is included in this research conceptual framework.

2.5.2.3 Zakat

The principle of Zakat and the importance attached to it in Islamic law and teaching is such that it will be a welfare tax system for ensuring that the basic need of the less fortunate Muslims are met by the society. The Koran emphasizes that “zakat is for the poor, the needy ...a duty ordained by Allah ... (Koran 9:60).” Literally, zakat means to grow (in goodness) or increase, purifying or making pure. Thus, the act of giving zakat means the act of purifying one’s wealth to gain Allah's blessing and to make it grow in goodness.

The rich is commanded to assist the needy by paying zakat and sadaqah so that the poor will not feel disregarded and isolated. The rich should not also offend the poor by their condescending behaviour. This rule applies equally to those who have authority in the government and the ordinary people (Askry, 2004). In summary, the Koran commands all believers to be benevolent to the weak and the poor through the exhortation that:

Make yourself submissively gentle to them with compassion. . . (17:24)

Mohamed is the Apostle of Allah, and those with him are firm of heart against the unbelievers, compassionate among themselves (48: 24)

Thus it can be argued that Zakat is not a sacrifice but a normal social aspect of the teaching and principles of Islam, it is nothing but a religious acts albeit an important one. It is an important ‘trust’ from Allah (Quran 33:728). Islam therefore commands generosity in terms of voluntary economic well-doing to those in need and to the utmost of one’s capacity. In other words, a Muslim must regard zakat as the fulfillment of other person right – not merely as a ritualistic religious charity to a beggar or the needy. Thus the accountants who believe in the importance

of zakat as a social responsibility are more accountable than those who do not (Shahul, 2000). Taking zakat as an important social act will lead to increase in the level of accountability. For this reason the element of zakat is included in this research conceptual framework.

2.6 Proposed Theoretical Framework

To link the above theoretical information, a diagram of this study research conceptual framework is outlined. The diagram is illustrated in figure 2.1.

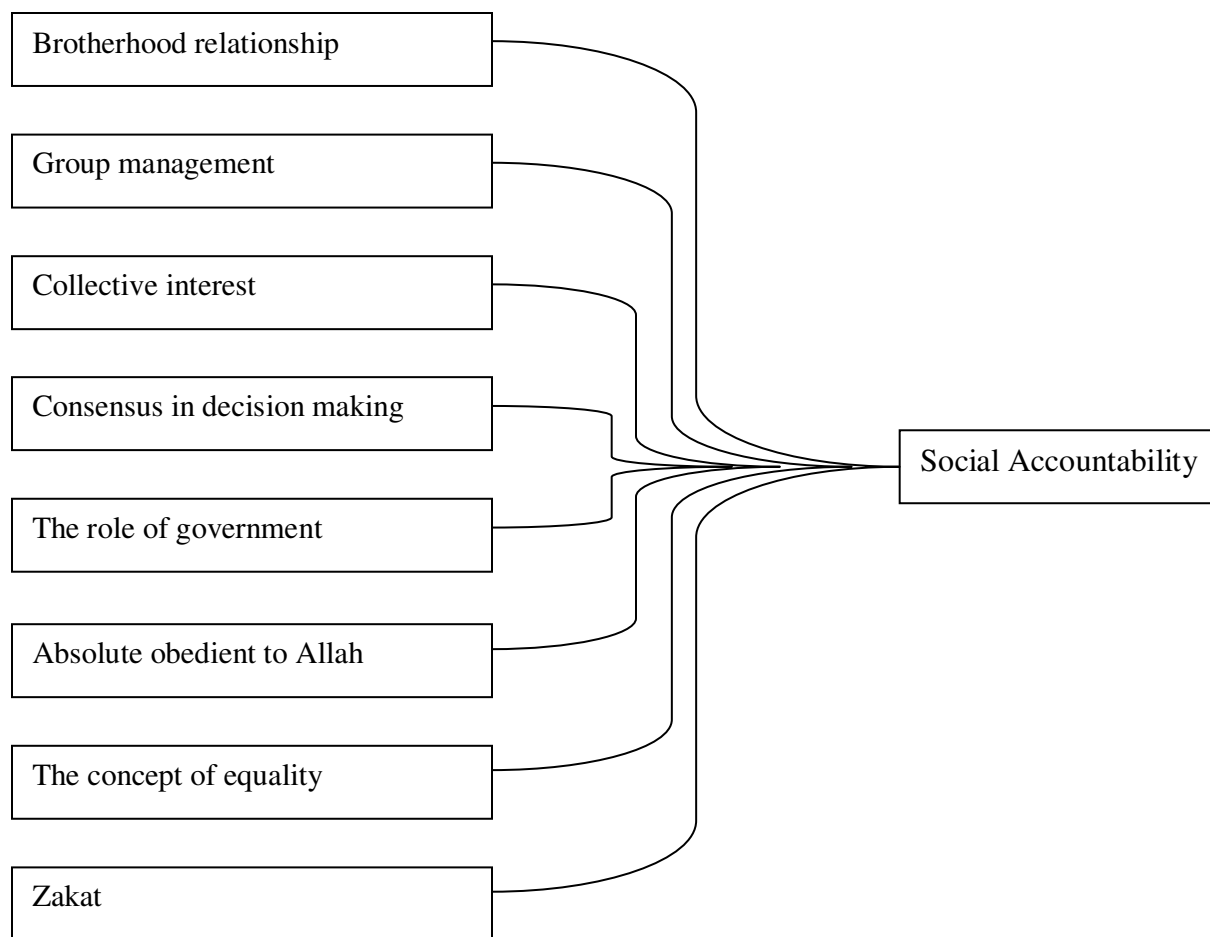


Figure 2.1 the proposed conceptual framework

From the above figure 2.1 it can be seen that this research on Islamic cultural values consist of brotherhood relationship, group management, collective interest, consensus in decision making, the role of government, absolute obedient to Allah, the concept of equality and zakat. These cultural values in turn will influence the depth and understanding of social accountability amongst Muslim accountants. It is argued that a strong understanding of the Islamic notion of accountability will lead to better accounting practice in line with Islamic teaching.

2.7 Summary

This chapter discusses theoretical background of this research conceptual framework. From the framework it can be concluded that the dependent variable is social accountability. The independent variables, on the other hand, consist of collectivistic society and small power distance. To validate this framework in a real life setting, survey-based research approach is adopted. The definitions and descriptions of the selected research approach are dealt with in chapter 3.

CHAPTER 3

RESEARCH HYPOTHESES AND METHODOLOGY

3.1 Introduction

This chapter discusses the research hypotheses and approach that are utilized to validate the conceptual framework of this research. The discussion consists of research hypotheses, equations, sampling, data collection and data analysis techniques.

Research is the collection of specified information according to prescribed procedures for a given objectives (Sekaran, 2000). Research is guided by a set of beliefs and feeling about the world and how it should be understood and studied (Denzin & Lincoln 1998). Research methods are all those techniques that are used for conducting research. Research methods are of these categories: collection of data, analysis and methods used to evaluate the accuracy of the results (Chaudhary 1987).

Variables and their unit of measurements are also clarified in this chapter, that how independent variables are influencing the dependable variables. A sample of questionnaire can be found at Appendix. Then the discussion is for the data collection, which is specified. Finally, the data analysis at the end with some remarks and recommendations, and some other ways to conduct this research.

3.2 Research Hypotheses

To answer the research question it is suggested that some hypothesis have to be set as stepping stones. Based on the framework (figure 2.1) the following hypotheses are proposed

H1 *There is a significant relationship between collectivism and corporate social accountability*

H1a *There is a significant relationship between brotherhood relationship and corporate social accountability*

H1b *There is a significant relationship between group management and corporate social accountability*

H1c *There is a significant relationship between collective interest and corporate social accountability*

H1d *There is a significant relationship between consensus in decision and corporate social accountability*

H1e *There is a significant relationship between government and corporate social accountability.*

- H2** *There is a significant relationship between power distance and corporate social accountability.*
- H2a** *There is a significant relationship between absolute obedient to Allah and corporate social accountability.*
- H2b** *There is a significant relationship between equality and corporate social accountability.*
- H2c** *There is a significant relationship between zakat and corporate social accountability.*
- H3** *There is a significant relationship between corporate social accountability and Islamic accounting practices*

3.3 Research Equations

There are two structural equations to determine the interaction among predictors to dependent variable, which are as follows:

$$f(\text{CSAi}) = f(\text{B R} + \text{G M} + \text{C I} + \text{C D M} + \text{G} + \text{A O A} + \text{E} + \text{Z})$$

$$\text{CSAi} = \alpha + \beta \text{B R} + \beta \text{G M} + \beta \text{C I} + \beta \text{C D M} + \beta \text{G} + \beta \text{A O} + \beta \text{E} + \beta \text{Z} + \varepsilon$$

Where:

CSAi = Islamic Corporate social accountability.

B R = Brotherhood relationship.

G M = Group management.

C I = Collective interest.

C D M = Consensus in decision making.

G = Role of Government.

A O A = Absolute obedient to Allah.

E = Equality.

Z = Zakat.

β = β parameters to be estimated.

α = α constant.

ε = error term.

3.4 Research Methodology

This study is exploratory in nature as its major purpose is to gain a better understanding about the impact of Islamic cultural values on corporate social accountability in Malaysia. Survey-based method is utilized to collect detailed information regarding the characteristics of the respondents. Sections 3.4.1 – 3.4.3 discuss the research design in details.

3.4.1 Population and Sampling

Based on the previous discussion it can be seen that the population of this study is Malaysian audit firms that register with Malaysian Institute of Accountants (MIA). Due to MIA rules and regulations, the research is supplied with the list of audit firms and not auditors' home address. Thus, the questionnaires are sent to the respondents according to their audit firm address and not their home address.

Due to the nature of this study, the researcher choose audit firms registered with a Muslim name. This is to enable the respondents understand the terms used in the questionnaire. However, it need to be noted that there are likely to be other audit firms which the researcher failed to choose based on the fact that they are not registered with conventional Muslim names but which are actual owned and managed by Muslim auditors. Aside this there firms choose by the researcher that are registered a under mixture of conventional Muslim names and non-Muslim names as well. There are 1373 audit firms in Malaysia (MIA Members directory, 2007). From this figure, 200 audit firms are considered as Muslim audit firms and those that the researcher assumes Muslim auditors are partners based on the name under which they are registered. The questionnaire was sent to Muslim chartered auditors of each selected audit firm. The questionnaire was administered either as an email attachment or via postal service.

3.4.2 Data Collection Procedure

In this study, questionnaire is utilized as primary data collection method. The instructions are given to the respondents on how to complete the questionnaire. A total of 200 audit firms were selected and 200 questionnaires are distributed to supposed Muslims auditors from these firms that constitute the respondents of this study.

The literature review provides an initial understanding for the relationship between Islamic cultural values and social accountability and this serves as the basis for the development of a draft questionnaire. The final questionnaire consists of a total of 3 questions. All together there are 66 sub questions which are likert scale in nature of these 7 items are for brotherhood, 7 items for group management, 7 items for collective interest, 7 items for consensus in decision making, 7 items the role of government, 7 items absolute obedient to Allah, 7 items for the concept of equality, 7 items for zakat, and 10 items for social accountability.

The questionnaire is adapted from Hofstede (1980) for culture values items and Lewis (2001) for social accountability. The questionnaires consist of three sections. Section A is designed to gather information on demographic variables. Section B measures the Islamic cultural values (B1- collectivism; B2- power distance). Section C measures corporate social accountability (See Appendix 1).

3.4.3 Variables and Measurement

3.4.3.1 Corporate Social Accountability

Shahul (2000) defines corporate social 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”. The concept of accountability in Islam is coined as *hesab*. Askary and Clarke (1997) observe that the word *hesab* is repeated more than eight times in different verses in the Koran. *Hesab* or ‘account’ is the root of accounting (Shahul, 2000). In the Koran it refers to one’s obligation to God in all endeavors.

The measure using a five-point Likert-scale ranging from “1” (strongly disagree) to “5” (strongly agree).

Variable	Items	Questionnaire
Corporate Social Accountability	<i>Organization Commitment</i>	1. An independent audit demonstrates organization’s commitment to transparent Islamic accounting practice
	<i>Certification</i>	2. Certification may be publicized as a part of company’s social accountability report.
	<i>assurance to stakeholders</i>	3. An independent audit provides assurance to stakeholders that Islamic accounting management practices are of a consistently high standard
	<i>A consistent approach</i>	4. A consistent approach to managing corporate social accountability is vital.
	<i>Reliable for interested parties.</i>	5. Corporate Social accountability of Islamic accounting management system is reliable for interested parties.

	<i>Corporate Social accountability of Islamic accounting management system.</i>	<i>6. Corporate Social accountability has ensured that Corporate Social accountability of Islamic accounting management system.</i>
	<i>Standard, continual assessment</i>	<i>7. Depending on the particular requirements of the Code or Standard, continual assessment of Social accountability system will be required.</i>
	<i>certificate of conformity or compliance statement</i>	<i>8. On successful completion of the assessment, Islamic accounting practice delivers a certificate of conformity or compliance statement in respect to required criteria.</i>
	<i>Step towards ethical to community (umma).</i>	<i>9. Corporate Social accountability practice may be publicized as a part of a demonstrable step towards ethical to community (umma).</i>
	<i>that Islamic accounting system retains consistency</i>	<i>10. Corporate Social accountability will ensure that Islamic accounting system retains that consistency.</i>

3.4.3.2 Collectivism

The measure using a five-point Likert-scale ranging from “1” (strongly disagree) to “5” (strongly agree).

Variable	Dimensions	Questionnaire
Collectivism	Brotherhood	<ol style="list-style-type: none"> <i>1. I can achieve my goals regardless of how well my group performs.</i> <i>2. I can achieve my goals regardless of how well my group performs</i> <i>3. To me, pleasure is spending time with others</i> <i>4. I can influence and persuade people to agree with Islamic Accounting</i> <i>5. I have a big chance to improve the Islamic Accounting knowledge among employee</i> <i>6. Islamic Accounting has a design to do internal protection</i>

		<p>7. <i>I can share my skills to everyone (subordinate, peers and top management)</i></p>
	Group Management	<p>1. <i>It is my duty to take care of my community, even when I have to sacrifice what I want</i></p> <p>2. <i>I respect the majority's wishes in groups of which I am a member</i></p> <p>3. <i>Community members should stick together, no matter what sacrifices are required</i></p> <p>4. <i>I can attain my personal goals by working for my community's goal</i></p> <p>5. <i>Winning is everything for the success of the community</i></p> <p>6. <i>It is important to me that I do my job better to achieve the success of my community</i></p> <p>7. <i>Allow colleagues to consult each other without being suspicious about it</i></p>
	Collective Interest	<p>1. <i>My community can explain the organizational objectives to my colleagues</i></p> <p>2. <i>I didn't have any problem to communicate with my colleagues</i></p> <p>3. <i>My community have an access to the organizational resources</i></p> <p>4. <i>My community can make a design through the Islamic Accounting system continuously</i></p> <p>5. <i>My community have a good skills to link Islamic Accounting to system</i></p> <p>6. <i>I can influence and persuade people to agree with the Islamic Accounting system</i></p> <p>7. <i>My community have a big chance to improve the Islamic Accounting</i></p>
	Consensus in Decision Making	<p>1. <i>Using Islamic Accounting in my job would enable me to accomplish task</i></p> <p>2. <i>Islamic Accounting significant influence over what happens in my work area</i></p> <p>3. <i>Islamic Accounting have considerable opportunity for independence and freedom in how I do my job</i></p> <p>4. <i>Islamic Accounting impact on what happens in my work area is large</i></p>

		<ul style="list-style-type: none"> 5. <i>Islamic Accounting self-assured about my capabilities to perform my work activities</i> 6. <i>Islamic Accounting can help me to decide on my own how to go about doing my work</i> 7. <i>Islamic Accounting have significant autonomy in determining how I do my job</i>
	The Role of Government	<ul style="list-style-type: none"> 1. <i>I feel good when I co-operate with colleagues in government roles pattern</i> 2. <i>Government policies encourage use of Islamic Accounting</i> 3. <i>Using Islamic Accounting has a legal recognition</i> 4. <i>Islamic Accounting has a ability to synchronize an examination of finance report</i> 5. <i>Islamic Accounting has a dynamic movement in the latest trend of corporate sector</i> 6. <i>In general, I am hesitate to try out new information technologies in Islamic Accounting</i> 7. <i>Government gives a support to the implementation of Islamic accounting</i>

3.4.3.3 Power Distance

The measure using a five-point Likert-scale ranging from “1” (strongly disagree) to “5” (strongly agree).

Variable	Dimensions	Questionnaire
Power Distance	Absolute Obedient to Allah	<ul style="list-style-type: none"> 1. <i>I am applying my Islamic Accounting knowledge to do my job</i> 2. <i>Include absolute obedient to Allah in every discussion</i> 3. <i>I would find an Islamic</i>

		<p><i>Accounting useful in my job</i></p> <p>4. <i>I would find an Islamic Accounting useful in my job</i></p> <p>5. <i>Islamic Accounting give me positive view about my ability to do my job</i></p> <p>6. <i>The work I do is very important through Islamic Accounting performance in company</i></p> <p>7. <i>My job activities are personally meaningful to Islamic Accounting performance</i></p>
	Equality	<p>1. <i>Explain your position in order to provide better suggestions.</i></p> <p>2. <i>Provide my colleagues with more direction and oversight</i></p> <p>3. <i>Recognize that they want a more equal discussion regardless of the levels of those involved.</i></p> <p>4. <i>Recognize that they want a more equal discussion regardless of the levels of those involved.</i></p> <p>5. <i>They may prefer to work with those who can question and challenge their ideas</i></p> <p>6. <i>I prefer to use an influencing skill.</i></p> <p>7. <i>Provide my colleagues with choices to discuss</i></p>
	Zakat	<p>1. <i>Zakat supervise stronger participative orientation to the community</i></p> <p>2. <i>I think it would be very good to use Zakat method</i></p> <p>3. <i>In my opinion it would be very desirable to use the Zakat for the enquiry.</i></p> <p>4. <i>It would be much better for me to use the Zakat for the company in addition to conventional methods</i></p> <p>5. <i>Using the Zakat for my activities is a good idea</i></p> <p>6. <i>Zakat provides highly personalized services</i></p> <p>7. <i>Zakat provides time and location-based services</i></p>

3.4.4 Data Analysis Techniques

The latest version of the Statistical Package for the Social Sciences (SPSS 16.0) was used for the statistical analysis. Items were coded before they are entered into the computer. To achieve the objective of this research, the researcher undertook six types of data analysis. Their descriptions are provided in subsection 3.4.4.1 – 3.4.4.6.

3.4.4.1 Reliability Test

The researcher undertook reliability analysis to assess the dimensionality of the measurement scale. Reliability scale was assessed in term of items-to-total correlation and Cronbach's alpha to determine internal consistency of the measurement scale. The testing of the measurement shows the high level of reliability of the measurements (Cronbach's alpha > 0.7).

3.4.4.2 Demographic Analysis

Profiles of respondents were employed to determine the character of the dynamism of the collectivism and power distance among Muslim accountant. The profiles are related to gender, education background, company level, and others.

Descriptive was employed to determine the character of respondents, such as: gender, race, and education, involve in accounting, accounting application, age, professional qualification and department. The frequency and percentage was viewed to figure the various into related to the study.

3.4.4.3. Descriptive Analysis

Descriptive statistics such as mean and percentage used to measure the percentage of variables and to describe the mean of independent and dependent variables.

3.4.4.4 Correlation Analysis

Correlation test is used for inferential statistics. The Pearson correlation will be used to measure the significance of linear bivariate between the independent and dependent variables thereby achieving the objective of this study (Sekaran, 2003). Variable association refers to a wide variety of coefficients which measure the strength of a relationship. Correlation is a bivariate measure of association (strength) of the relationship between two variables. It varies from 0 (random relationship) to 1 (perfect linear relationship) or -1 (perfect negative linear relationship). It is usually reported in terms of its square (r^2), interpreted as percent of variance explained (Hair et al., 2006).

3.4.4.5. Simple Regression Analysis

A simple regression was employed to examine the level of influence between predictors and dependent variable. The F-test shows a significant level of the equations and the coefficient of the calculation will produce alpha and beta value in order to arrange the interaction among variable in the framework (Sekaran, 2003). The result of this analysis is important in accepting or rejecting the hypotheses of this research.

3.4.4.6 Multiple regression analysis

Multiple regressions was used to determine the relationship between independent, and dependent variables, the direction of the relationship, the degree of the relationship and strength of the relationship (Hair et, al., 2006). IT was employed as statistical technique for determining what proportion of the variance of a continuous, preferably normally distributed, variable is associated with, or explained by, two or more other variables, taking into account the associations between those other variables. For the hypotheses testing, there are two main ways in which multiple regressions was used. One way was to determine which variables explain the greatest and significant proportions of the variance in the variable of interest and what these proportions were.

3.5 Summary

This chapter discusses in detail the hypotheses, sampling, data collection procedures and data analysis techniques of this research. They are critical in validating the framework of this research.

CHAPTER 4

RESEARCH FINDINGS

4.1 Introduction

This chapter discusses the findings of this research. The findings are obtained from the statistical analysis using SPSS version 16.0. They are presented according to the proposed analysis techniques that are mentioned in subsection 3.4.3. All findings are linked with the research question and objective.

4.7 Reliability Results

As mentioned in subsection 3.4.3, the first analysis of this research is reliability analysis. The highlight reliability statistics of corporate social accountability, collectivism(brotherhood, group management, collective interest, consensus in decision making and the role of government) and power distance (absolute obedient to Allah, the concept of equality, and zakat) respectively. The testing of the measurement shows the high level of reliability of the measurements (Cronbach's alpha > 0.7). This result confirmed the measurements of variables of this research (see appendix 2).

According to the result in the appendix 2, indicate that the items in each construct can be considered as internally consistent (Sekaran, 2003). This is evident from a high level of coefficient alphas ranging from 0.91 to 0.95, which are exceeding the acceptable level of 0.70 (Cohen, 1988) in all cases. Therefore, all measures were considered reliable for hypothesis testing among independent and dependent variables.

4.8 Profiles of Respondents

Demographic analysis is second data analysis technique. Questionnaires were distributed to Muslim accountant of each selected audit firm. The subjects were 35 (87.5%) male and 5 (12.5%) female respondents. All the respondents were Malay. Educational background of the respondents was as follow: (1) 2 (5%) bachelor degree; (2) 29 (72.5%) master degree; and (3) 9 (22.5%) doctorate degree. There were 12 (30%) respondents that have 1 to 3 years experiences in accounting field and another; 28 (70%) were those who have more than 4 years experience.

The category of applied accounting software were as follows: (1) 7 (17.5%) communication system; (2) 5 (12.5%) transactional system for accounting finance, marketing; (3) 4 (10%) decision support system for accounting, finance, marketing; (4) 21 (52.5%) enterprise system; (5) 1 (2.5%) interorganisational system; and (6) 2 (5%) other. The breakdown of respondents' age was as follow: (1) 28 (70%) 26-35 years; (2) 5

(12.5%) 46-55 years; and (3) 7 (17.5%) above 56 years. A total of 22 (55%) respondents have professional qualification and the rest do not have professional qualification. 37 (97%) respondents involve in audit service and the rest involve in other services. Table 4.1 summarizes the above information in details.

The above results give the demographic patterns and information about the level of education and professional qualifications of respondents of this study. The next section will discuss how the objective is achieved.

Table 4.1: Profiles of Respondents (N=40)

Variable	Frequency	Percent
Gender:		
Male	35	87.5
Female	5	12.5
Race:		
Malay	40	100
Education:		
Bachelor Degree	2	5
Master Degree	29	72.5
PhD Degree	9	22.5
Involve in Accounting:		
1 to 3 years	12	30
More than 4 years	28	70
Accounting Application:		
Communication system	7	17.5
Transactional systems for accounting finance, marketing	5	12.5
Decision support system for accounting, finance, marketing	4	10

Enterprise system	21	52.5
Interorganisational informational system	1	2.5
Other	2	5
Age:		
26-35 years	28	70
46-55 years	5	12.5
Above 56 years	7	17.5
Professional Qualification:		
No	22	55
Yes	18	45
Department:		
Audit firms	37	97
Other	3	3

4.9 Descriptive Frequency of Variable

The third data analysis technique is descriptive analysis which is to uncover the frequency of variables. Table 4.2 illustrates that the mean for collectivism is 2.17 (SD=1.00), power distance is 1.63 (SD=0.68) and corporate social accountability is 1.73 (SD=0.70).

Table 4.2: Descriptive Statistics of Variables

	Variable Name	No of Items	Mean	Std. Dev
Collectivism	Brotherhood	7	2.11	1.08
	Group Management	7	2.28	1.04
	Collective Interest	7	1.15	1.38
	Consensus	7	2.13	1.20
	The Role of Government	7	1.15	1.03
Power Distance	Absolute	7	2.18	1.06
	Equality	7	1.61	.685
	Zakat	7	1.62	.695
	Total	56		

Although the above mean are not high but it does not mean that this research fails to answer its question. This is evident from the discussion in the following subsections.

4.10 Correlations among Variables

As mentioned in subsection 3.4.3.4 correlation analysis is the fourth data analysis technique of this research. Table 4.3 shows that power distance element (Absolute obedient to Allah and Equality) were significantly correlated in a strong positive correlation (0.50) whereas; collectivism variable (brotherhood, group management, collective interest, consensus in decision making and the role of Government) was not

significantly correlated. The impact of these findings on hypotheses testing is dealt with in the next section.

Table 4.3: Correlations among Variables

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Brotherhood	1	.743	.816	.713	.816	.721	.188	-.232
Group Management		1	.788	.857	.788	.876	.117	-.328
Collective Interest			1	.764	1.000	.768	.185	-.239
Consensus				1	.764	.722	.162	-.189
The Role of Government					1	.768	.185	-.239
Absolute						1	.203	-.262
Equality							1	.788
Zakat								1

** . Correlation is significant at the 0.01 level (2-tailed)

4.6 Results of Hypothesis Testing

The critical task in analysis is hypotheses testing. As mentioned in subsections 3.4.3.5 and 3.4.3.6, this research utilized simple regression and multiple regression analyses to test the hypotheses. The findings are highlighted in subsections 4.6.1 – 4.6.10.

4.6.1 Simple regression between Brotherhood Relationships and Corporate Social Accountability (H1a)

This subsection discusses whether brotherhood relationship has an impact on corporate social accountability. The result of Simple regression analysis revealed that there was insignificant relationship between those two variables ($p > 0.597$). The correlation analysis for these variables showed a negative coefficient R^2 of .007, the interaction among variables consist of independent and dependent variable was tested using regression test. The significance ($P=0.000$) confirmed there is -0.01% degree of influence from IV to DV. Independent variable as predictor's success to estimate there is -0.99% on Dependent variable. The equation confirmed the regressions test between variables in the framework as hypothesized model. Table 4.4 shows all these result in details.

Table 4.4: Simple regression between Brotherhoods and Corporate Social Accountability

Variable	B	Se. B	β	t- value
Brotherhood	-.056	.105	-.086	-.533

Note: R^2 .007; $F= 1.38$; $\text{Sig. } F= .597$; ($p > 0.597$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

Based on the above result, H1a is rejected. This in turn partly answers the research question and achieves the objective of this research.

4.6.2 Simple regression between Group Management and Corporate Social Accountability (H1b)

This subsection intends to determine whether group management has an impact on corporate social accountability. The result of simple regression analysis revealed that there was no significant relationship between group management and corporate social accountability ($p > 0.679$). The correlation analysis for these variables showed a positive coefficient R^2 of .005. All these results are summarized in table 4.5.

Table 4.5: Simple regression between Group Management and Corporate Social Accountability

Variable	B	Se. B	β	t- value
Group Management	-.043	.104	-.068	-.418

Note: R^2 .005; $F= 1.38$; $\text{Sig.}F= .679$; ($p > 0.679$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

To recapitulate, there was insignificant relationship between group management and corporate social accountability. This results in the rejection of H1b. By doing this, this research has partly answered the research equation and achieved the objective of this research.

4.6.3 Simple regression between Collective Interests and Corporate Social Accountability (H1c)

As mentioned in chapter 3, the fourth hypothesis of this research is that: “There is a significant relationship between collective interests and corporate social accountability”.

The result of Simple regression analysis showed that there was insignificant relationship

between collective interests and corporate social accountability ($p > 0.705$). The correlation analysis for these variables showed a negative coefficient R^2 of 0.004. Table 4.6 illustrates the results in detail.

Table 4.6: Simple regression between Collective Interests and Corporate Social Accountability.

Variable	B	Se. B	β	t- value
Collective Interest	-.042	.110	-.062	-.382

Note: R^2 0.004; $F = 1.38$; $\text{Sig. } F = .705$; ($p > 0.705$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

From the aforementioned discussion it is clear that $H1c$ need to be rejected. This rejection in turn partly answers the research question and achieves the objective of this research.

4.6.7 Simple regression between Consensus in Decision and Corporate Social Accountability (H1d)

This subsection intends to determine whether there is a relationship between consensus in decision and corporate social accountability. The result of simple regression analysis revealed that; there was a negative relationship between consensus in decision and corporate social accountability ($p > 0.649$). This result in the rejection of $H1d$. For further details please refer to table 4.7.

Table 4.7: Simple regression between Consensuses in Decision and Corporate Social Accountability

Variable	B	Se. B	β	t- value
Consensus in decision	.043	.094	.074	.458

Note: R^2 .005; $F= 1.38$; $\text{Sig.}F= .649$; ($p > 0.649$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

From the above discussion it can be seen that there is no relationship between consensus in decision and corporate social accountability. This study found that there was insignificant influence of consensuses in decision making on corporate social accountability. This finding enables this research to answer the question and achieves the objective of this research.

4.6.5 Simple regression between Governments and Corporate Social Accountability (H1e)

The last hypothesis under the element of collectivism aims to answer the following question: “Is there any relationship between government and corporate social

accountability”. The result of regression analysis revealed that there was insignificant relationship between government and corporate social accountability ($p > 0.705$). These results are illustrated in table 4.8.

Table 4.8: Simple regression between Governments and Corporate Social Accountability

Variable	B	Se. B	β	t- value
Government	-.042	.110	-.062	-.382

Note: $R^2 = .004$; $F = 1.38$; $\text{Sig. } F = .705$; ($p > 0.705$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

Due to insignificant relationship between government and corporate social accountability, H_1 is rejected. This in turn answers the question of this research. Answering this question enables this research achieves its objective.

4.6.6 Simple regression between Absolute Obedient and Corporate Social Accountability (H2a)

The first hypothesis under the flag of power distance is that: “Is there any relationship between absolute obedient and corporate social accountability”. The result of regression analysis revealed that there is no significant relationship between absolute obedient and

corporate social accountability ($p > 0.744$). All these information are illustrated in table 4.9.

Table 4.9 Simple regression between Absolute Obedient and Social Accountability

Variable	B	Se. B	β	t- value
Absolute Obedient	-.035	.107	-.053	-.328

Note: R^2 0.003; $F= 1.38$; $\text{Sig. } F= .744$; ($p > 0.744$)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

To recapitulate, H2a was rejected in this research. As discussed in the previous subsections, this leads to the achievement of the objective of this research.

4.6.7 Simple regression between Equality and Corporate Social Accountability (H2b)

This subsection aims to determine whether the element of equity has an impact on corporate social accountability. The result of regression analysis revealed that there was significant relationship between equity and corporate social accountability ($p > 0.00$). The correlation analysis for these variables showed a positive coefficient R^2 of 0.51. All these information are illustrated in table 4.10.

Table 4.10 Simple regression between Equality and Social Accountability

Variable	B	Se. B	β	t- value
Equality	.738	.115	.720	6.395

Note: R^2 0.50; F= 1.38; Sig.F= .00**; (p<.000)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

Based on the above discussion, it is declared that H2b is accepted. This in turn enables the research to answer the research question and achieves the research objective.

4.6.8 Simple regression between Zakat and Corporate Social Accountability (H2c)

Zakat is the third subelement of power distance. This subsection intends to validate whether zakat has an impact on corporate social accountability. The result of regression analysis revealed that there was a significant relationship between zakat and corporate social accountability (p=0.000). This is evident from the information in table 4.11

Table 4.11 Simple regression between Zakat and Social Accountability

Variable	B	Se. B	β	t- value
Zakat	.674	.122	.667	5.522

Note: R^2 0.44; F= 1.38; Sig.F= .00**; (p<.000)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

Due to significant relationship between zakat and corporate social accountability, H2c is accepted. This in turn answers the question of this research and achieves the objective of this research.

4.8.9 Multiple Regressions between Collectivism, Power Distance and Corporate Social Accountability (H1 and H2)

Multiple regression analysis results were employed to determine whether the element of power distance has an impact on social accountability. The result of multiple regression analysis revealed that, there was insignificant relationship between collectivism and

corporate social accountability (p=0.000). All these information can be obtained in table 4.12.

Table 4.12: Multiple Regressions between Collectivism, Power Distance and Corporate Social Accountability

Variables	B	Sig.	β	Se.B	t- value
Brotherhood	.959	.009	-.242	.345	2.775
Group Management	-.157	.229	-.097	.128	-1.226
Collective Interest	-.062	.743	.473	.188	-.330
Consensus	.275	.045	-.141	.132	2.091
Role of Government	-.095	.525	-.262	.148	-.643
Absolute	-.173	.285	.879	.159	-1.088
Equality	.902	.002	-.126	.262	.444
Zakat	-.128	.636	-.242	.268	.478

Note: R^2 0.31; F= 1.38; Sig.F= .00**; (p<.000)

B= Unstandardized coefficient beta;

Se.B= Standard error of regression coefficient;

β = Beta coefficient

t- Value= The mean of a single variable differs from a specified constant.

The above table 4.12 shows that there is insignificant relationship between collectivism and corporate social accountability. Therefore H1 is rejected, and also show the significant relationship between power distance (Equality, Zakat) and corporate social accountability. Therefore H2 is accepted. By obtaining this result, this research is able to answer the research question and in turn achieves the research objective.

4.7 Results Summary

This section discusses the summary of the results of hypotheses testing. The summary is provided in table 4.13.

Table 4.13 Summary of Hypothesis Testing Results

Hypothesis Statement	Adj R²	Sig. Level	Description
H1a: There is a negative direct relationship between brotherhood relationship and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ brotherhood relationship + ϵ)</i>	-0.01%	0.597	Rejected
H1b: There is a negative direct relationship between group management and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ group management + ϵ)</i>	-0.02%	0.679	Rejected
H1c: There is a negative direct relationship between collective interest (col3+col4) and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ collective interest + ϵ)</i>	-0.02%	0.705	Rejected
H1d: There is a negative direct relationship between consensus in decision and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ consensus in decision+ ϵ)</i>	-0.02%	0.649	Rejected
H1e: There is a negative direct relationship between role of government and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ role of government+ ϵ)</i>	-0.02%	0.705	Rejected
H2a: There is a negative direct relationship between absolute obedient and corporate social accountability	0.02%	0.744	Rejected

<i>(Corporate Social Accountability = $\alpha + \beta$ absolute obedient + ϵ)</i>			
H2b: There is a positive direct relationship between equality and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ equality + ϵ)</i>	50%	0.000	Accepted
H2c: There is a positive direct relationship between zakat and corporate social accountability <i>(Corporate Social Accountability = $\alpha + \beta$ zakat + ϵ)</i>	43%	0.000	Accepted
H1: There is a negative direct relationship between Collectivism and Corporate Social Accountability <i>(Corporate Social Accountability = $\alpha + \beta$ Collectivism + ϵ)</i>	-0.02%	0.853	Rejected
H2: There is a positive direct relationship between Power Distance and Corporate Social Accountability <i>(Corporate Social Accountability = $\alpha + \beta$ Power Distance + ϵ)</i>	29%	0.000	Accepted

4.8 Summary

This chapter discusses the findings of this research. The findings are obtained from descriptive, linear regression and multiple regression analyses. The reliability of variables and measurement is also provided. Each finding is linked with research question and

objective. Being discussed the findings of this research but not their relationship with the practical setting, the next chapter will discuss the finding from the practical perspective.

CHAPTER 5

DISCUSSIONS

5.5 Introduction

The previous chapter presents the results of data analyses which are intended to validate this research conceptual framework. This chapter intends to discuss the results from the practical setting.

5.2 Refining conceptual framework

From the discussion in the chapter 4, it is clear that the element of power distance (zakat and equality) is significantly related to corporate social accountability. On the other hand, the element of collectivism is not significantly related to corporate social accountability and thus rejected. In other words, the initial conceptual framework needs to be refined. The diagram of the refined conceptual framework is depicted in figure 5.1.

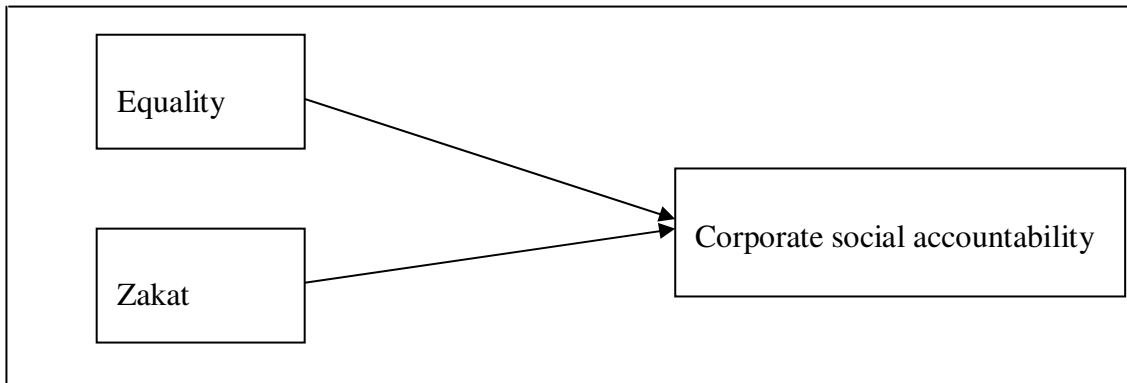


Figure 5.1 Refined Conceptual Framework

The implications of the above refined conceptual framework in the practical setting are explained in subsections 5.3 and 5.4.

Culture is a powerful social factor that has been cited to influence the development of accounting system and practices of a country (Violet, 1983; Gray, 1988 and Perera, 1989). Religion has been identified as one of the elements that influence cultural environment and in turn accounting practices (Briston, 1978; Baydoun and Willett, 1995). This is because religion affects the way in which people behave and thus affects cultural values (Hamid et al., 1993). Interestingly, the focus has been on Islam, which is considered *as ad-din wa al-Duniya* or ‘both faith and a way of life’ (Abdullah, 1999).

Hofstede’s (1980) study was the catalyst for a new paradigm in international accounting research during the decade. Indeed, it became the dominant paradigm. Likewise the adoption of his culture definition - a collective programming process by a society, which

distinguishes the belief systems of its members from other societies, became the expected mantra. Hofstede had specified four characteristics of culture: symbols, heroes, rituals and values. Indeed, later accounting researchers (such as Gray 1988, Perera 1989 and 1994, Wuthnow 1994, and Baydoun and Willett, 1995) adopted these and, as with virtually every piece of Hofstede-like wisdom, they were swept into the context of accounting. To that end his research was embraced almost entirely by researchers who explored accounting within a value system paradigm (Pourjalali and Meek, 1995).

Hofstede's (1980) pioneering work was aimed at establishing structural elements of culture that affect known behaviour in work situations or organizations. From Hofstede's work four underlying societal value dimensions could be determined along which countries could be positioned. These dimensions were labelled: Individualism, Power distance, Uncertainty Avoidance and Masculinity. Further research by Hofstede and Bond (1988) into Chinese values revealed a fifth dimension – short-term versus long-term orientation (Askary, 2004).

Curiously, the accounting researchers did not question (to any significant extent) the applicability of Hofstede's framework to the accounting context. It was inferred as an act of faith. That his research sample (containing IBM workers only) was designed and selected to avoid diversity did not deter the use of its results by accounting researchers in the specific context of, and to explain national diversities in, accounting. Consequently, cultural studies in accounting have pursued the cause of the differences in accounting practices within countries (Askary, 2004).

Gray (1988) translated Hofstede's (1980) cultural and societal values into accounting values and posited a relationship between them. Gray's model proposed that all accounting policy decisions, at a national level, are made in response to cultural values that are explicable in the terms of the Hofstede study (Salter and Niswaner, 1996). Gray (1988) proposed the identification of four accounting value sets derived from a review of accounting literature and practice: professionalism v statutory control; uniformity v flexibility; conservatism v optimism and secrecy v transparency. By reviewing Hofstede and Gray's (1988) studies, Perera (1989) expanded a theoretical framework for analyzing the impact of culture on accounting. He argued that the accounting practices and systems of different countries are influenced by their cultural values that, in turn, shape their accounting practices. He posited that the findings of previous studies demonstrate a worldwide diversity of accounting requirements and practices that are (mostly) explicable in terms of the national cultural differences.

According to Askary (2004), differences between the individualistic and the collectivist societies should be found by contrasting the preference of the individual with the role of the groups in those societies. Hofstede calls collectivist societies those in which the interests of the group prevail over the interests of the individual. This view is close to the Islamic view of unity that treats all Muslims as comprising one nation. The Muslim is thus represented to transcend national boundaries and all Muslims are considered to comprise the collective population of one unified nation.

Shahul (2000), defines accountability as the duty of an entity to use (and prevent the misuse of) the resources entrusted it in an effective, efficient and economical manner, within the

boundaries of the moral and legal framework of the society, and to provide an account of its actions to accountees who are not only the persons who provided it with its financial resources but to groups within society and to society at large. Gray et al. (1988 &1996) have used the accountability model as a theoretical framework for corporate social and environmental reporting and mainly examined disclosures in annual reports and social/environmental audits.

Adnan and Gaffikin (1997), assert that the overall accountability to act within the Sharia would be better operationalised, if the accountability is directed towards the fulfillment of the Zakat obligation (which is considered God's share of the wealth). They argue that this emphasis on accounting for Zakat is logical because it is a prime Islamic socio-religious obligation; it will lead to avoidance of cheating and window dressing and advocate Zakat assessment as the main objective of Islamic accounting. They see accountability manifested "in the form of how one can account for his or her Zakat obligations properly" (p121). Gambling & Karim (1986) also suggest that the way forward for Islamic accounting and finance is to develop the concept of Zakat more fully.

Summarize of studies that have related with this study

Author	Year	Descriptions	Previous Study	Current Study
Gray	1988	Framework	He proposed a framework that relates religion to accounting system.	New Framework of Islamic Accounting Value
Faruqi	1989	Religion concept	Religion is the very essence and core of culture. However, religion is a complex notion and difficult to define	Supporting
Shahrul	2000	Ethic	Economic activities must be morally directed. In any economic decisions including financial reporting upon economic activities	The ethical values should act as a norm and economic relationship must be regarded as moral relationship.
Shahul	2000	Zakat	The emphasis on Zakat is considered logical because it is a prime Islamic socio-religious obligation and in turn could lead to the avoidance of cheating and window dressing.	Supporting

Lewis	2001	Sharia	Observe that the basic similarity between <i>hesab</i> in Islam and ‘accounting’ lies in the responsibility of every Muslim to carry out duties as prescribed in the Koran.	Supporting
Maliah	2002	Corporate Social Accountability concept	The concept of social accountability and responsibility according to Islamic law [Sharia] includes but is not limited to charities, wages to employees, and environmental protection.	Supporting

5.3 The relationship between collectivism and corporate social accountability

According to Askary (2004), Islamic societies from this view have to be considered collectivist. Yet, it also is to be noted that Islam recognizes the importance of individuals and greatly respects their individual human rights. That is, Islam has the potential to preserve the initial importance of the individual and the virtues of self-reliance and personal independence. Thus from the Islamic viewpoint, the brotherhood relationship functions as a cultural network in which each person is responsible for the others, a key characteristic in collectivist societies. The Hofstede collectivist value thus corresponds in

sentiment to the collectivism (unity) value inherent in Islam. Islam encourages Islamic society to be united. In an Islamic society all have a responsibility for the safety and wellbeing of each other, in addition to the overarching authority and responsibility of the Islamic government, and to have a society dedicated to godliness. The only mechanisms for bestowing superiority of one Muslim over another are the acquisition of knowledge of the Islamic sciences and the pursuit of the means of spiritual refinement, and to exercise moral goodness by following Islamic laws.

Based on the unity concept, an economic system compliant with Islamic laws would have to emphasise the Muslims' group interests, more of a focus on the macro than on the micro economic elements. In fact, it is a responsibility of Muslim governments to plan such an economic system to achieve economic welfare for all the members of Muslim societies. By virtue of that responsibility, the Islamic State should care for the Muslims' collective interests, and not only those of specific, or only of some, individual groups. In this regard the Koranic verses underpin the necessary focus on benefits (including economic welfare) to Muslim societies as a whole, not on a particular group within them. Individuals stand in the same relationship one to another, as the separate Islamic groups stand in relation to each other.

According to Baydoun and Willett (1994), the principle of shura gives the individual the right to be heard and the power to require information concerning the effect of the firm on the ummah. However, it is usually held that the larger interest of society takes precedence over the interest of the individual (Chapra, 1992). Kahf's (1991) viewpoint that Islam takes a

middle path between Individualism and Collectivism reconciles these aspects of Islam, arguing that Islam strikes a balance between human drives and desires on the one hand and social needs and responsibilities on the other.

It is surprising in this study to observe that there is no relationship between collectivism (brotherhood relationship, group management, collective interest, consensus in decision making and the role of government) and corporate social accountability. This scenario might be due to low response rate from the respondents. In addition the respondents may not understand the questions in the questionnaire. Thus further studies need to be undertaken to improve those deficiencies.

The above refined framework also illustrates that Malaysian Muslim accountants are getting more individualistic. This statement is premise on the fact that the study fail to get a strong relationship between collectivism and corporate social accountability. This trait is like a cancer in accounting profession in general and social accountability in particular. The regulators should rectify this problem without delay. This is because individualistic behavior can reduce the reliability and relevancy of financial report.

According to Shahul (2000), to achieve the Falah, economic activities must be morally directed. In any economic decisions, including financial reporting upon economic activities, the ethical values should act as a norm and economic relationship must be regarded as moral relationship. Falah is a tangible quality towards the achievement of God's pleasure.

Human welfare, as believed by Muslims, can be achieved without any conflict if the believers have a genuine interest in this worldly life and the Hereafter (Siddiqi, 1972).

Having discussed the implications of the results of collectivism in the practical setting but not the results of power distance, the next subsection will discuss the implications of the results of power distance in the practical setting.

5.4 The relationship between power distance and corporate social accountability

According to Hofstede, power distance measures the degree of inequality in power within different classes of a society. Islamic societal values are conducive to (in Hofstedian terms) the small power distance classification. In Islamic religious philosophy, the only authorized legitimate, ultimate, power belongs to Allah. As only Allah has absolute power and is the omnipotent force in the world, because Allah desires happiness for human life, Islamic Holy writ explains that he sent Mohamed and other Prophets before him (such as Jesus and Mosses) to declare His laws. Thus, the only legitimate form of the government in Islamic countries is the Islamic form, developed in compliance with Islamic law.

The Holy Koran emphasises the human basis of cultural life, in contrast with a distinction hierarchy, or divisions based on class. Equality in Islam implies that individuals should not enjoy a priority as a result of race, language, colour, wealth or other distinguishing differences. In Islamic philosophy, human rights include all rights to have an all-inclusive

equal class society. Therefore people automatically are to have equal rights in essential matters, such as freedom, cultural justice and similar matters. Islam gives a firm teaching and provides sound laws to prevent and discourage all exploitation of the weak, injustice to the unprotected and expels despotism from society. On the other hand, Islam promotes a welfare society based on piety, truth, justice, love, wisdom, beauty, and selflessness, and thereby eliminates all possibility of the emergence of any type of class-conflict and its consequential disturbance of the principle of human unity.

Islam has provided a cultural welfare tax system through Zakat for ensuring that the basic needs of the disabled and the unemployed are met. As the Koran emphasises, “Zakat is for the poor, the needy ...a duty ordained by Allah,” (9:60). Literally, Zakat means to “grow” (in goodness) or ‘increase’, ‘purifying’ or ‘making pure’. Thus, the act of giving Zakat means the act of purifying one’s wealth to gain Allah's blessing to make it grow in goodness.

In that sense the tithing of Zakat is not a sacrifice, but a normal religious act, and by virtue of that – an everyday ordinary activity. For all that belongs to a Muslim is held in ‘trust’ from Allah (33:728). Islam therefore also commends generosity in terms of a voluntary economic well-doing to those in need, to the utmost of one’s capacity, and in considering one’s action in that regard a fulfilment of the right of the other person – not merely as a ritualistic religious ‘charity to a beggar’.

From the perspective of power distance, the elements of zakat and equality have significant relationships with corporate social accountability. On the other hand, the

element of absolute obedient to Allah is not significantly related to corporate social accountability. This is quite surprising because faith or “iman” cannot push an auditor to be more accountable. Thus a special programme that emphasis on the importance of accountability needs to be undertaken. The lecture must also include the elements of zakat and equality. All these reactions aim to further increase the level of corporate social accountability amongst Malaysian Muslim accountants. This in turn could improve accounting practice in Malaysia in the future.

This study confirmed that equality is a predictor of corporate social responsibility. It is argued that equality can increase transparency in an organization. This is evident from the establishment of audit committee. It is quite surprising to observe a relationship between zakat and corporate social accountability. However, as zakat promotes love and sympathy, a positive relationship between zakat and corporate social accountability is logical. Thus the elements of zakat and equality should be encouraged amongst Muslim accountants. Having declared this, this research question and in turn achieve its research objective.

5.5 Summary

To recapitulate, corporate social accountability is only influenced by the elements of zakat and equality. Thus both elements should be further improved by the regulatory bodies in the future to further improve social accountability amongst Muslim accountants.

CHAPTER 6

CONCLUSIONS AND RECOMENDATIONS

6.6 Introduction

The previous chapter presents the results of data analyses which are intended to validate this research conceptual framework. In this final chapter, the results of empirical tests are summarized and discussed from the perspective of their practical and theoretical implications, possible limitations and future research opportunities.

6.7 Summary

The multivariate technique of statistics was employed to test if there is significant relationship between Islamic cultural values and corporate social accountability. Major component of cultural values are investigated. These components are aggregated into two variables to aid easy analysis. These aggregations are: collectivism and small power distance. Both of them are linked with corporate social accountability as dependent variable of this research. This study found that there was significant positive relationship between power distance and corporate social accountability. In addition, this research also found that there was no relationship between collectivism and corporate social accountability.

Overall, this study achieved its research objective. The relationship between Islamic cultural values and corporate social accountability exist amongst Muslim accountants from the perspective of power distance. In particular the elements of zakat and equality influence the level of corporate social accountability amongst Malaysian Muslim accountants.

6.8 Conclusions

This study examined the relationship between Islamic culture values and corporate social accountability from the perspective of Malaysian Muslim accountants. This study gives a better understanding of how Islamic cultural values influence corporate social accountability and in turn accounting practices. It is argued that corporate social accountability plays an important role in establishing transparent and reliable accounting system. From the analysis it is found that the elements of zakat and equality have a significant relationship with corporate social accountability. Thus accounting bodies and government agencies should inculcate those two elements amongst accountants in order to increase their accountability. This study also concludes an – in depth study on collectivism should be undertaken to investigate its insignificancy in corporate social accountability and in turn accounting practice.

6.9 Limitation of Study

The only limitation of this study was its duration. Due to this, the scope of study was focused to a venue accessible to the researcher. It was felt that with longer time horizon, it would be possible to get more data from other companies that would enable a generalization to be made in relation to the influence of Islamic cultural values on social accountability and in turn accounting practice.

6.10 Recommendations for Further Research

The research had some limitations that will need to be addressed in future research. It will be interesting to evaluate the link between Islamic cultural value and corporate social accountability from higher perspective such as across different industries, government policies, financial disclosure, Islamic sharia and others can be undertaken. All these areas have a potential to affect corporate social accountability and in turn accounting practice.

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**APPENDIX1:
QUESTIONNAIRE**



UNIVERSITI UTARA MALAYSIA

Dear Participant,

The general purpose of this research is to examine Corporate Social Accountability and Islamic culture value among accountant. I would appreciate if you could spare some time and thought in completing the survey questionnaires. I hope that you would co-operate in completing the questionnaire with the best of your ability.

This questionnaire consists of two parts. Part one consists of questions about your demographic profile; continue with part two about your perception to Islamic culture value and Corporate Social Accountability. Your response will be treated as confidential and used for research purposes only. There is no right or wrong answer.

Thank you for your willingness to participate in this study.

You're sincerely,

Mohamed Salem Issa

HP: 0172153932

Email: mohamad_alazzabi@yahoo.com

(SECTION A):

(This section intends to get information the respondents' demographic background).

(Tick the box which answers is best describing you).

A. Gender

1. Male
2. Female.

B. Race:

1. Malay
2. Chinese
3. Indian
4. Others.

C. Your education background:

1. High School
2. Diploma
3. Bachelor Degree
4. Master Degree
5. PhD Degree

D. How long have you been involve in accounting sector?

1. Less than 6 month
2. 6-12 month
3. 1 to 3 years
4. More than 4 years

E. What level of accounting applications is your company using?

1. Desktop suites (e.g. Word processing, productivity)
2. Communication systems (e.g. groupware, e-mail)
3. Transactional systems for accounting finance, marketing, etc.
4. Decision support systems for accounting, finance, marketing, etc.
5. Enterprise systems (ERP, CRM)
6. Interorganisational Information systems (EDI, Electronic Business)
7. Other

F. Please state your age?

1. 18-25 years
2. 26-35 years
3. 36-45 years
4. 46-55 years
5. above 56 years

G. Do you have professional qualification in Accounting

1. No
2. Yes, Please specify

H. Your department

1. Finance
2. Operation
3. Internal Audit
4. Others. please specify _____

Section B: Islamic Culture Variables

B1.1 Brotherhood Relationship

Code	<i>To what extent do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Bro1	<i>I can achieve my goals regardless of how well my group performs</i>	1	2	3	4	5
Bro2	<i>My goals are more achievable if I work with my community as a group</i>	1	2	3	4	5
Bro3	<i>To me, pleasure is spending time with others</i>	1	2	3	4	5
Bro4	<i>I can influence and persuade people to agree with Islamic Accounting</i>	1	2	3	4	5
Bro5	<i>I have a big chance to improve the Islamic Accounting knowledge among employee</i>	1	2	3	4	5
Bro6	<i>Islamic Accounting has a design to do internal protection</i>	1	2	3	4	5
Bro7	<i>I can share my skills to everyone (subordinate, peers and top management)</i>	1	2	3	4	5

B1.2 Group Management

Code	<i>To what extent do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Gm1	<i>It is my duty to take care of my community, even when I have to sacrifice what I want</i>	1	2	3	4	5
Gm2	<i>I respect the majority s wishes in groups of which I am a member</i>	1	2	3	4	5
Gm3	<i>Community members should stick together, no matter what sacrifices are required</i>	1	2	3	4	5
Gm4	<i>I can attain my personal goals by working for my community s goal</i>	1	2	3	4	5
Gm5	<i>Winning is everything for the success of the community</i>	1	2	3	4	5

Gm6	<i>It is important to me that I do my job better to achieve the success of my community</i>	1	2	3	4	5
Gm7	<i>Allow colleagues to consult each other without being suspicious about it.</i>	1	2	3	4	5

B1.3 Collective Interest

Code	<i>To what extend do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Col1	<i>My community can explain the organizational objectives to my colleagues</i>	1	2	3	4	5
Col2	<i>I didn't have any problem to communicate with my colleagues</i>	1	2	3	4	5
Col3	<i>My community have an access to the organizational resources</i>	1	2	3	4	5
Col4	<i>My community can make a design through the Islamic Accounting system continuously</i>	1	2	3	4	5
Col5	<i>My community have a good skills to link Islamic Accounting to system</i>	1	2	3	4	5
Col6	<i>I can influence and persuade people to agree with the Islamic Accounting system</i>	1	2	3	4	5
Col7	<i>My community have a big chance to improve the Islamic Accounting</i>	1	2	3	4	5

B1.4 Consensus in Decision Making

Code	<i>To what extend do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Con1	<i>Using Islamic Accounting in my job would enable me to accomplish task</i>	1	2	3	4	5
Con2	<i>Islamic Accounting significant influence over what happens in my work area</i>	1	2	3	4	5
Con3	<i>Islamic Accounting have considerable opportunity for independence and freedom in how I do my job</i>	1	2	3	4	5

Con4	<i>Islamic Accounting impact on what happens in my work area is large</i>	1	2	3	4	5
Con5	<i>Islamic Accounting self-assured about my capabilities to perform my work activities</i>	1	2	3	4	5
Con6	<i>Islamic Accounting can help me to decide on my own how to go about doing my work</i>	1	2	3	4	5
Con7	<i>Islamic Accounting have significant autonomy in determining how I do my job</i>	1	2	3	4	5

B1.5 The Role of Government

Code	<i>To what extent do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Rol1	<i>I feel good when I co-operate with colleagues in government roles pattern</i>	1	2	3	4	5
Rol2	<i>Government policies encourage use of Islamic Accounting</i>	1	2	3	4	5
Rol3	<i>Using Islamic Accounting has a legal recognition</i>	1	2	3	4	5
Rol4	<i>Islamic Accounting has a ability to synchronize an examination of finance report</i>	1	2	3	4	5
Rol5	<i>Islamic Accounting has a dynamic movement in the latest trend of corporate sector</i>	1	2	3	4	5
Rol6	<i>In general, I am hesitate to try out new information technologies in Islamic Accounting</i>	1	2	3	4	5
Rol7	<i>Government gives a support to the implementation of Islamic accounting</i>	1	2	3	4	5

B2.1 Absolute Obedient to Allah

Code	<i>To what extent do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Ab1	<i>I am applying my Islamic Accounting knowledge to do my job</i>	1	2	3	4	5
Ab2	<i>Include absolute obedient to Allah in every discussion.</i>	1	2	3	4	5

Ab3	<i>I would find an Islamic Accounting useful in my job</i>	1	2	3	4	5
Ab4	<i>Using Islamic Accounting can increase my religious process</i>	1	2	3	4	5
Ab5	<i>Islamic Accounting give me positive view about my ability to do my job</i>	1	2	3	4	5
Ab6	<i>The work I do is very important through Islamic Accounting performance in company</i>	1	2	3	4	5
Ab7	<i>My job activities are personally meaningful to Islamic Accounting performance</i>	1	2	3	4	5

B2.2 The Concept of Equality

Code	<i>To what extend do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Eq1	<i>Explain your position in order to provide better suggestions.</i>	1	2	3	4	5
Eq2	<i>Provide my colleagues with more direction and oversight</i>	1	2	3	4	5
Eq3	<i>Recognize that they want a more equal discussion regardless of the levels of those involved.</i>	1	2	3	4	5
Eq4	<i>They may expect subordinates (or you) to design "how" something is accomplished while they define the "what."</i>	1	2	3	4	5
Eq5	<i>They may prefer to work with those who can question and challenge their ideas.</i>	1	2	3	4	5
Eq6	<i>I prefer to use an influencing skill.</i>	1	2	3	4	5
Eq7	<i>Provide my colleagues with choices to discuss</i>	1	2	3	4	5

B2.3 Zakat

Code	<i>To what extent do you believe the following statements are valid in your activities</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Za1	<i>Zakat supervise stronger participative orientation to the community</i>	1	2	3	4	5
Za2	<i>I think it would be very good to use Zakat method</i>	1	2	3	4	5
Za3	<i>In my opinion it would be very desirable to use the Zakat for the enquiry.</i>	1	2	3	4	5
Za4	<i>It would be much better for me to use the Zakat for the company in addition to conventional methods</i>	1	2	3	4	5
Za5	<i>Using the Zakat for my activities is a good idea</i>	1	2	3	4	5
Za6	<i>Zakat provides highly personalized services</i>	1	2	3	4	5
Za7	<i>Zakat provides time and location-based services.</i>	1	2	3	4	5

SECTION C: Corporate Social Accountability

Code	To what extent do you believe the following statements are valid in your business	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
SA1	<i>An independent audit demonstrates organization's commitment to transparent Islamic accounting practice</i>	1	2	3	4	5
SA2	<i>Certification may be publicized as a part of company's social accountability report.</i>	1	2	3	4	5
SA3	<i>An independent audit provides assurance to stakeholders that Islamic accounting management practices are of a consistently high standard</i>	1	2	3	4	5
SA4	<i>A consistent approach to managing corporate social accountability is vital.</i>	1	2	3	4	5
SA5	<i>Corporate Social accountability of Islamic accounting management system is reliable for interested parties.</i>	1	2	3	4	5
SA6	<i>Corporate Social accountability has ensured that company service is consistent.</i>	1	2	3	4	5
SA7	<i>Depending on the particular requirements of the Code or Standard, continual assessment of Social accountability system will be required.</i>	1	2	3	4	5
SA8	<i>On successful completion of the assessment, Islamic accounting practice delivers a certificate of conformity or compliance statement in respect to required criteria.</i>	1	2	3	4	5
SA9	<i>Corporate Social accountability practice may be publicized as a part of a demonstrable step towards ethical to community (umma).</i>	1	2	3	4	5
SA10	<i>Corporate Social accountability will ensure that Islamic accounting system retains that consistency.</i>	1	2	3	4	5

"Thank You Very Much"

**APPENDIX 2:
DATA ANALYSIS**

Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	40	100.0	100.0	100.0
	Total	40	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	35	87.5	87.5	87.5
	Female	5	12.5	12.5	100.0
	Total	40	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor Degree	2	5.0	5.0	5.0
	Master Degree	29	72.5	72.5	77.5
	Phd Degree	9	22.5	22.5	100.0
	Total	40	100.0	100.0	

Involve

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 to 3 years	28	70.0	70.0	70.0
More than 4 years	12	30.0	30.0	100.0
Total	40	100.0	100.0	

Application

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Communication system	7	17.5	17.5	17.5
Transactional systems for accounting finance, marketing	5	12.5	12.5	30.0
Decision support systems for accounting, finance, marketing	4	10.0	10.0	40.0
Enterprise system	21	52.5	52.5	92.5
Interorganisational Information System	1	2.5	2.5	95.0
Other	2	5.0	5.0	100.0
Total	40	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 26-35 years	28	70.0	70.0	70.0
46-55 years	5	12.5	12.5	82.5
Above 56 years	7	17.5	17.5	100.0
Total	40	100.0	100.0	

Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	22	55.0	55.0	55.0
	Yes	18	45.0	45.0	100.0
	Total	40	100.0	100.0	

Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Finance	18	45.0	45.0	45.0
	Operation	10	25.0	25.0	70.0
	Internal Audit	12	30.0	30.0	100.0
	Total	40	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Brotherhood	40	1.00	5.00	2.1125	1.08301
Group	40	1.00	4.67	2.2833	1.09532
Government	40	1.00	5.00	2.1500	1.03898
Consensus	40	1.00	5.00	2.1375	1.20887
Collective	40	1.00	5.00	2.1500	1.03898
Equality	40	1.00	3.60	1.6100	.68530
Zakat	40	1.00	4.50	1.6250	.69568
Valid N (listwise)	40				

Reliability Statistic of Corporate Social Accountability (N=40)

Items	Cronbach's Alpha
CSA1	0.936
CSA2	0.928
CSA3	0.927
CSA4	0.930
CSA5	0.932
CSA6	0.930
CSA7	0.926
CSA8	0.930
CSA9	0.927
CSA10	0.935
Corporate Social Accountability	0.937

Reliability Statistic of Collectivism (Brotherhood Relationship) (N=40)

Item	Cronbach's Alpha
Bro1	0.923
Bro2	0.913
Bro3	0.918
Bro4	0.914
Bro5	0.908
Bro6	0.912
Bro7	0.908
Brotherhood	0.925

Reliability Statistic of Collectivism (Group Management) (N=40)

Item	Cronbach's Alpha
Gm1	0.927
Gm2	0.919
Gm3	0.928
Gm4	0.930
Gm5	0.922
Gm6	0.927
Gm7	0.919
Group Management	0.936

Reliability Statistic of Collectivism (Collective Interest) (N=40)

Item	Cronbach's Alpha
CI1	0.901
CI2	0.742
CI3	0.731
CI4	0.781
CI5	0.753
CI6	0.758
CI7	0.798
Collective Interest	0.811

Reliability Statistic of Collectivism (Consensus in Decision Making) (N=40)

Item	Cronbach's Alpha
Con1	0.915
Con2	0.913
Con3	0.910
Con4	0.917
Con5	0.914
Con6	0.909
Con7	0.926
Consensus in Decision Making	0.926

Reliability Statistic of Collectivism (The Role of Government) (N=40)

Item	Cronbach's Alpha
Rol1	0.835
Rol2	0.834
Rol3	0.745
Rol4	0.724
Rol5	0.835
Rol6	0.834
Rol7	0.745
The Role of Government	0.835

Reliability Statistic of Power Distance (Absolute Obedient to Allah) (N=40)

Item	Cronbach's Alpha
Ab1	0.919
Ab2	0.906
Ab3	0.909
Ab4	0.908
Ab5	0.913
Ab6	0.910
Ab7	0.905
Absolute Obedient to Allah	0.922

Reliability Statistic of Power Distance (The Concept of Equality) (N=40)

Item	Cronbach's Alpha
Eq1	0.679
Eq2	0.686
Eq3	0.721
Eq4	0.558
Eq5	0.613
Eq6	0.618
Eq7	0.585
Equality	0.679

Reliability Statistic of Power Distance (Zakat) (N=40)

Item	Cronbach's Alpha
Za1	0.918
Za2	0.930
Za3	0.930
Za4	0.924
Za5	0.922
Za6	0.925
Za7	0.927
Zakat	0.935

Correlations

		Account ability	Brother hood	Group	Government	Consensus	Collective	Absolute	Equality
Accountability	Pearson Correlation	1	-.086	-.068	-.062	.074	-.062	-.053	.720(**)
	Sig. (2-tailed)	.	.597	.679	.705	.649	.705	.744	.000
	N	40	40	40	40	40	40	40	40
Brotherhood	Pearson Correlation	-.086	1	.743(**)	.816(**)	.713(**)	.816(**)	.721(*)	.188
	Sig. (2-tailed)	.597	.	.000	.000	.000	.000	.000	.244
	N	40	40	40	40	40	40	40	40
Group	Pearson Correlation	-.068	.743(**)	1	.788(**)	.857(**)	.788(**)	.876(*)	.117
	Sig. (2-tailed)	.679	.000	.	.000	.000	.000	.000	.473
	N	40	40	40	40	40	40	40	40
Government	Pearson Correlation	-.062	.816(**)	.788(**)	1	.764(**)	1.000(**)	.768(*)	.185
	Sig. (2-tailed)	.705	.000	.000	.	.000	.	.000	.253
	N	40	40	40	40	40	40	40	40
Consensus	Pearson Correlation	.074	.713(**)	.857(**)	.764(**)	1	.764(**)	.772(*)	.162
	Sig. (2-tailed)	.649	.000	.000	.000	.	.000	.000	.317
	N	40	40	40	40	40	40	40	40
Collective	Pearson Correlation	-.062	.816(**)	.788(**)	1.000(**)	.764(**)	1	.768(*)	.185
	Sig. (2-tailed)	.705	.000	.000	.	.000	.	.000	.253
	N	40	40	40	40	40	40	40	40
Absolute	Pearson Correlation	-.053	.721(**)	.876(**)	.768(**)	.772(**)	.768(**)	1	.203
	Sig. (2-tailed)	.744	.000	.000	.000	.000	.000	.	.209
	N	40	40	40	40	40	40	40	40
Equality	Pearson Correlation	.720(**)	.188	.117	.185	.162	.185	.203	1
	Sig. (2-tailed)	.000	.244	.473	.253	.317	.253	.209	.
	N	40	40	40	40	40	40	40	40
Zakat	Pearson Correlation	.667(**)	-.232	-.328(*)	-.239	-.189	-.239	-.262	.788(**)
	Sig. (2-tailed)	.000	.150	.039	.137	.244	.137	.103	.000
	N	40	40	40	40	40	40	40	40

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.030 ^a	.001	-.025	.71180	.001	.035	1	38	.853

a. Predictors: (Constant), Collectivism

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.018	1	.018	.035	.853 ^a
	Residual	19.253	38	.507		
	Total	19.271	39			

a. Predictors: (Constant), Collectivism

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.781	.272		6.540	.000					
	Collectivism	-.021	.114	-.030	-.187	.853	-.030	-.030	-.030	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.086 ^a	.007	-.019	.70948	.007	.284	1	38	.597

a. Predictors: (Constant), Brotherhood

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.143	1	.143	.284	.597 ^a
	Residual	19.128	38	.503		
	Total	19.271	39			

a. Predictors: (Constant), Brotherhood

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.853	.248		7.461	.000					
	Brotherhood	-.056	.105	-.086	-.533	.597	-.086	-.086	-.086	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.068 ^a	.005	-.022	.71050	.005	.174	1	38	.679

a. Predictors: (Constant), Group

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.088	1	.088	.174	.679 ^a
	Residual	19.183	38	.505		
	Total	19.271	39			

a. Predictors: (Constant), Group

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.834	.262		6.989	.000					
	Group	-.043	.104	-.068	-.418	.679	-.068	-.068	-.068	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.062 ^a	.004	-.022	.71077	.004	.146	1	38	.705

a. Predictors: (Constant), Collective

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.074	1	.074	.146	.705 ^a
	Residual	19.197	38	.505		
	Total	19.271	39			

a. Predictors: (Constant), Collective

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
		1	(Constant)	1.825			.261		6.993	.000	
	Collective	-.042	.110	-.062	-.382	.705	-.062	-.062	-.062	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.074 ^a	.005	-.021	.71017	.005	.210	1	38	.649

a. Predictors: (Constant), Consensus

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.106	1	.106	.210	.649 ^a
	Residual	19.165	38	.504		
	Total	19.271	39			

a. Predictors: (Constant), Consensus

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.643	.230		7.133	.000					
	Consensus	.043	.094	.074	.458	.649	.074	.074	.074	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.062 ^a	.004	-.022	.71077	.004	.146	1	38	.705

a. Predictors: (Constant), Government

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.074	1	.074	.146	.705 ^a
	Residual	19.197	38	.505		
	Total	19.271	39			

a. Predictors: (Constant), Government

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.825	.261		6.993	.000					
	Government	-.042	.110	-.062	-.382	.705	-.062	-.062	-.062	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.557 ^a	.310	.292	.59161	.310	17.059	1	38	.000

a. Predictors: (Constant), Distance

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.971	1	5.971	17.059	.000 ^a
	Residual	13.300	38	.350		
	Total	19.271	39			

a. Predictors: (Constant), Distance

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.530	.306		1.728	.092					
	Distance	.675	.164	.557	4.130	.000	.557	.557	.557	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.053 ^a	.003	-.023	.71112	.003	.108	1	38	.744

a. Predictors: (Constant), Absolute

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.055	1	.055	.108	.744 ^a
	Residual	19.216	38	.506		
	Total	19.271	39			

a. Predictors: (Constant), Absolute

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.811	.259		7.004	.000					
	Absolute	-.035	.107	-.053	-.328	.744	-.053	-.053	-.053	1.000	1.000

a. Dependent Variable: Accountability

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.546	.202		2.707	.010					
	Equality	.738	.115	.720	6.395	.000	.720	.720	.720	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.667 ^a	.445	.431	.53045	.445	30.489	1	38	.000

a. Predictors: (Constant), Zakat

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.579	1	8.579	30.489	.000 ^a
	Residual	10.692	38	.281		
	Total	19.271	39			

a. Predictors: (Constant), Zakat

b. Dependent Variable: Accountability

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.639	.215		2.969	.005					
	Zakat	.674	.122	.667	5.522	.000	.667	.667	.667	1.000	1.000

a. Dependent Variable: Accountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796(a)	.634	.553	.46972

a Predictors: (Constant), Zakat, Consensus, Brotherhood, Absolute, Collective, Equality, Group

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.211	7	1.744	7.906	.000(a)
	Residual	7.060	32	.221		
	Total	19.271	39			

a Predictors: (Constant), Zakat, Consensus, Brotherhood, Absolute, Collective, Equality, Group

b Dependent Variable: Acoountability

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.959	.345		2.775	.009
	Brotherhood	-.157	.128	-.242	-1.226	.229
	Group	-.062	.188	-.097	-.330	.743
	Collective	-.095	.148	-.141	-.643	.525
	Consensus	.275	.132	.473	2.091	.045
	Absolute	-.173	.159	-.262	-1.088	.285
	Equality	.902	.262	.879	3.444	.002
	Zakat	-.128	.268	-.126	-.478	.636

a Dependent Variable: Acoountability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663(a)	.439	.409	.54032

a Predictors: (Constant), Distance, Collectivism

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.469	2	4.235	14.505	.000(a)
	Residual	10.802	37	.292		
	Total	19.271	39			

a Predictors: (Constant), Distance, Collectivism

b Dependent Variable: Acoountability

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.712	.287		2.483	.018
	Collectivism	-.293	.100	-.417	-2.925	.006
	Distance	.930	.173	.767	5.380	.000

a. Dependent Variable: Acoountability