The Relationship Between Firm Characteristics And Level of Corporate Social Responsibility Disclosure in Libyan Banks

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A thesis submitted to Othman Yeop Abdullah Graduate School of Business in partial fulfillment of the requirement for the degree of Master of Science International accounting

2013

DECLARATION

I hereby declare that this thesis is my original work except for quotations and citations which have been duly acknowledged and that it has not been previously or concurrently submitted for any other degree at University Utara Malaysia.

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ABSTRACT

The purpose of the study is to examine the relationship between bank characteristics which include bank size, ownership and profitability and level of corporate social responsibility disclosure in Libyan banks. This study employs the quantitative approach to examine the relationship between bank characteristics and the level of CSR disclosure in Libyan banks.

This study found that firm's characteristics influence the level of CSR disclosure information. Bank size, ownership and profitability were found to be positively significant associated with the corporate social responsibility (CSR) disclosure. This study provides crucial information for the understanding the benefit of CSR disclosure in the annual report in Libyan banks and extends the knowledge derived from previous studies in developing countries, especially Libya.

ACKNOWLEDGEMENT

In the Name of Allah, the Most Gracious and the Most Merciful, I give thanks to my creator, the able and powerful Almighty Allah for his help in seeing me through my master program. It would not have been an easy achievement if not for His love and mercy on me. Peace is upon our Prophet Mohammed S.A.W, who has given light to mankind.

Firstly and foremost, I am grateful to Allah the Almighty for everything He has granted me, the Most Merciful who has granted me the ability and willing to start and complete this study. I do pray for His Greatness to inspire and enable me to finish this dissertation at the required time. Without his permission, for sure I cannot make it possible.

Secondly, from the inception to the completion of this research, my sincere appreciation and innumerable thank you goes to my supervisor - Dr.Che Zuriana Muhammad Jamil, she has generously found time out of her busy schedule to meet me and give me guidance and advices on different stages of my work. I am really very grateful for her effort, and time spent in sailing me through this research.

My sincere appreciation also goes to my father, mother, brothers and my wife. Their words of encouragement, advice, love, and moral support brought me to where I am today. I really appreciate their love and effort. I pray God gives them long life and sound health.

I would like to express my high appreciation to my all lecturers of College of Business, especially, lecturers of the Financial Modeling. I am grateful to my hardworking and diligent lecturers, who have academically grounded me, and impacted their previous knowledge and experience on me.

Lastly, I am thankful to my dignified university utara Malaysia for giving me the opportunity to carry out this research in a very conducive environment. Thanks a lot.

Ragab. F. Werfalli

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

Corporate social responsibility (CSR) has variously been described as a 'motherhood issue' (Ryan 2002) 'the hot business issue of the naughtiest' (Blyth, 2005) and 'the talk of the town in corporate circles these days' (Mees & Bonham, 2004). There are to be an infinite number of definitions of CSR, ranging from the simplistic to the complex, and a range of associated terms and ideas including 'corporate sustainability, corporate citizenship, corporate social investment, the triple bottom line, socially responsible investment, business sustainability and corporate governance' (Prime Minister's Community Business Partnership, 2007). There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition, without deception or fraud. (Friedman & Turner 2006).

In July 2001, a Green Paper Promoting a European Framework for Corporate Social responsibility presented by the Commission of the European Communities provides a wider definition of CSR as a concept whereby companies integrate social and environmental concerns in their business operation and in their interaction with their stakeholders on a voluntary base as they are increasingly aware that responsible behavior leads to sustainable business success.

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