Author: M. Z. Mir and B. Chatterjee
Author Address: monir.mir@canberra.edu.au
bchatter@csu.edu.au
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An empirical investigation of chairperson's report – A comparison between secretive and transparent value oriented countries

Assoc Prof. Monir Zaman Mir
School of Business & Government
University of Canberra
ACT 2601, Australia
Ph: + 61 2 6201 5841
Fax: + 61 2 6201 5238
Email: monir.mir@canberra.edu.au

Mr. Bikram Chatterjee

(Corresponding author)

School of Accounting and Computer Science
Charles Sturt University
Panorama Avenue
Bathurst, NSW 2795
Australia
Ph: +61 2 6338 4427
Fax: +61 2 6338 4649
Email: **bchatter@csu.edu.au**

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Abstract:

Following Hofstede's (1980, 1991, 2001) and Gray's (1988) propositions on the effects of cultural variables on accounting disclosure practices it is expected that annual reports of a transparent value oriented country would provide more voluntary disclosure compared to a secretive value oriented country. This study investigated the proposition that India having more secretive culture compared to New Zealand, the chairpersons' statements in the annual reports of the Indian companies would disclose less information compared to the chairpersons' statements in the annual reports of the New Zealand companies. However, the evidence as provided in the study on the contrary suggests that Indian companies in fact, provided more voluntary information in their Chairpersons' statement compared to their New Zealand counterparts. The study argues that voluntary disclosure (chairpersons' report itself is voluntary) is a complex phenomenon and cultural variables alone are not capable of predicting voluntary disclosure practices of a country as these practices are also influenced by other organisational antecedents, such as environmental conditions, industry norms and market competition.

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Introduction and background

Annual report acts as the traditional and statutory formal communication medium between a publicly listed corporation and its interested parties (Santema, Hoekert,, van de Rijt and van Oijen, 2005; Stanton, Stanton and Pires, 2004; Stanton and Stanton, 2002). It is perceived by the accounting profession as a device for formal communication between management and shareholders and among other stakeholders (Barlett and Chandler, 1997; Courtis, 1995). Annual reports represent the concerns and interests of corporations in a comprehensive and compact manner (Abeysekera and Guthrie, 2005; Desmond, 2000).

The disclosure pattern of reporting in annual reports by various corporations have been the centre of investigation by accounting researchers together with researchers from other discipline (Beattie and Jones, 2000; Courtis and Hassen, 2002; Abeysekera and Guthrie, 2004). The reason being annual report is the principle medium that a corporation adopts to convey information about its operations to users (Ahmed, 1994). Researchers have investigated readability of annual reports (Clatworthy and Jones, 2001; Courtis, 1998, 1995), annual report for impression management (Stanton et al., 2004), annual reports in the internet (Gowthorpe, 2004), the use of graphs (Beattie and Jones, 2000; 2001 and 2002) and different colours (Courtis, 2004), the pattern of management commentary (Teixeira, 2004), human capital reporting (Abeysekra and Guthrie, 2004), reporting of intellectual capital (Abeysekera and Guthire, 2005) and risk (Linsley and Shrives, 2005) in annual reports. The reasons suggested by scholars behind different patterns of reporting voluntary information by various corporations is to provide a positive impression of the corporation through the use of selective financial graphs (Beattie and Jones, 2000) and disclosing more voluntary information in times of less favourable share yields (Leventis and Weetman, 2004).

As indicated in previous paragraph, corporate annual reports comprise quantitative information, narratives, photographs, tables and graphs and these reports are commonly divided into two sections (Stanton et al., 2004). The statutory required financial statements usually assigned either to a rear section or to a separate volume and the larger up-front section contains mainly voluntary disclosure. Smith and Taffler (2000) labels this up-front section as narrative sections of the annual report that contain discretionary narrative disclosure in the form of chairpersons'/president's statement and management decision and analysis and that provide almost twice the amount of quoted information compared to the basic financial statement. Clatworthy and Jones (2001) argue that since the narrative sections of the annual report are not audited and not governed by the regulations, there is no limit about what and how much corporate information to disclose voluntarily in this section by corporate management either way. It is argued that cultural variables have major impact on the accounting systems/practices of various countries especially the degree of voluntary information disclosure by corporations (Doupnik and Salter, 1995; Mathews and Perera, 1996; Harrison and McKinnon, 1986; Gray, 1988).

Research evidence suggests that among the various discretionary narrative disclosures in the annual reports, the chairpersons' statement contains crucial information about a corporation and this section of annual report has been considered as significant by various user groups of annual reports, such as, financial analysts (Staff, 1992, Barlett and Chandler, 1997, Tiexeira, 2004). Through providing strong empirical evidence, Smith and Taffler (2000) argue that the chairpersons' statement alone is able to classify firms as subsequently bankrupt or non-failed with a very high degree of accuracy, equivalent to that of carefully developed financial ratio-based z-score models. Therefore, the contemporary annual reporting trend is for management to employ more narrative disclosures as part of the overall communication package (Courtis, 1998). However, as indicated in the previous paragraph national cultural differences would influence the extent of discretionary narrative disclosures made in the chairpersons' statements of corporations of different countries. Previous studies have investigated chairperson's statement to explore their readabilities (see for example, Courtis, 1998) and to explore the importance of information provided in the Statement (see for example, Smith and Taffler, 2000). The broad objective of this study is to investigate whether cultural value orientation (such as secrecy versus transparency) affect the voluntary disclosure of information by company chairpersons in their statements provided in the annual report and to explore whether cultural factors alone are able to explain the expected disclosure behaviour of company chairpersons through a comparative analyses of the disclosure behaviour of the chairpersons of a secretive value oriented country and a transparent value oriented country. This research is an addition on to the literature of accounting disclosure behaviour (and also to the literature on international comparative accounting) by providing empirical evidence on the impact of the national cultural difference on discretionary narrative disclosure. The study compares the nature of voluntary information disclosure in chairperson's statements/reports of two countries, that is, India and New Zealand possessing different cultural value orientations.

The paper is organised into six sections. The next section presents prior research-based evidence on the effect of cultural variables in accounting practices and systems. This section is followed by the section on theoretical framework and the development of the research proposition. Then, research method and information analyses as adopted and used in the study are explained followed by the section on content analyses result. The last section on discussion and conclusions reflect the findings provided in the section of the analyses of result.

Prior research – cultural influence on accounting

The issue of 'culture' has been well documented in accounting literature to explain the differences in accounting practices in different countries. One of the seminal papers on the impact of culture on accounting practices was Violet (1983) who claimed that accounting is a social function and social institution, and that accounting system must reflect the postulates of its culture. He also expressed his concern by pointing out that the success of IASC (now IFRS) has been limited by cultural variables. Many studies later substantiated his arguments. For example, Doupnik and Salter (1995) sought wider views through their study on the impact of cultural differences in diversity of accounting practices worldwide and supported the widely held view that a society's institutional structure, including the accounting system, is determined by the cultural norms and values. Zarzeski (1996) explored accounting disclosure practices of seven industrialised countries, namely, France, Germany, Hong Kong, Japan, Norway, the U.K. and the U.S., and concluded that total accounting harmonisation may be difficult since accounting disclosure practices appear to be culture-driven through market forces. Zarzeski's concern was echoed by MacArthur (1996) who investigated the influence of cultural factors on the corporate comment letters sent on the IASC's exposure draft 32, that is, 'Comparability of Financial Statements' and found that cultural factors affect the international accounting preferences of corporate management. A recent study on the applicability of the IASs in a developing country conducted by Mir and Rahaman (2005) also identified cultural differences is one of the factors affecting better implementation of IASs in that country. Ding, Jeanjean and Stolowy (2005) also mounted a spirited defence on impact of cultural differences on the adoption of IASs in different countries and argued that culture matters more than legal origin in explaining divergences from IASs.

Pratt and Behr (1987) did a cross-national comparison on the effect of environmental factors and transaction costs on external reporting and argued that differences in cultural values are reflected in the accepted business practices including the external reporting behaviour of companies. Perera (1989) sought a wider view on the effect of cultural differences on accounting practices and supported the views of differences in accounting practices among developing and developed countries due to cultural differences. Perera’s views were later echoed by Baydoun and Williet (1995) in their study of cultural relevance of Western accounting systems to developing countries. They argued that the charge of irrelevance aimed at an accounting system applied to a developing society was most likely to be substantiated against disclosure rules and the disclosure rules of developing and developed countries varies according the differences in the cultural variables of uniformity, conservatism and secrecy.

Gerhardy (1991) studied the role of culture on the development of accounting principles in the then West Germany and claimed that some German cultural values have significantly contributed in shaping the development of accounting principles in West Germany. Like Gerhardy, Sudarwan and Fogarty (1996) also did a single country based study on the cultural influence on accounting practices and found that cultural characteristic of Indonesian society has impact on the reporting practices of Indonesian firms. Haniffa and Cooke (2002) also did a single-country cultural study and observed that even Malay and non-Malay chairpersons in Malaysia significantly differ in terms of the disclosure of voluntary information due to the differences within their Malay and non-Malay cultures. In a recent single country study, Qu and Leung (2006) claimed that there is a strong relationship between Chinese cultural environment and Chinese voluntary corporate disclosure made in corporate annual reports.

Adams (1997) investigated the motives of voluntary disclosure in the public annual reports of New Zealand-based life insurance companies and argued that voluntary disclosure of these companies were influenced by company culture and tradition. Roxas and Stoneback (1997) investigated the ethical decision-making process across varying cultures and its consequences on the role of accountants and pointed out that various cultures perceive the ethical dilemma differently and also these cultures perceive the role of accountant differently in response to the consequences. Williams and Tower (1998) investigated the differential reporting practices in Singapore and Australia from a small business managers' perspective and argued that disclosure preference of small business enterprise are culturally based. Garcia-Sardo and Baren (1999) studied the impact of national culture on the preference for alternate accounting control between USA and Mexico and provided evidence that certain aspects of national culture do significantly affect the effectiveness of controls. Salter and Sharp (2001) even observed that small cultural differences between the USA and Canada can make a huge difference in the susceptibility of the managers to agency stimuli and being more individualistic than Canadian, American managers were found to be more likely than Canadians to escalate commitment.

Archambault and Archambault (2003) developed and empirically tested a model of cultural, national, and corporate factors that influence the financial disclosure of corporations using a sample of companies in 33 countries and claimed that disclosure is influenced by culture, national systems and corporate systems. Santema et al. (2005) investigated strategy disclosure in annual reports of the companies in five European countries, namely, the UK, the Netherlands, Germany, France and Poland and argued that national differences in culture influences the extent to which companies voluntarily disclose their corporate strategies.

All these studies strongly support culture as a crucial factor to explain international accounting differences. Many of these studies also indicated that national culture is an important contributory factor in shaping accounting practices of a country. While tracing the organisational and social role of accounting, Burchell, Clubb, Hopwood, Hughes and Nahapiet (1980) pointed out that the development of accounting has resulted in the acknowledgement of the formal roles of accounting which can be, and are used to assess the craft of accounting, but their analysis has shown that the actual practice of accounting can be implicated with the persistence of many and very different sets of human and social ends. They further argued that, once implemented, accounting becomes the phenomenon of organisations and society, there to be used for different ends by a range of actors in an organisation. Therefore, cultural and social factors are important phenomena to explain differences in accounting practices in different societies.

Accounting researchers also have been trying to explore non-cultural factors leading to differences in accounting practices. For example, Doupnik and Salter (1995) provided ten variables to explain differences in accounting practices and segregated them into four cultural and six institutional variables. Their cultural variables were based on Gray’s (1988) accounting sub-culture. However, Nobes (1999) argued that since culture is seen as giving rise to institutions, there is a possibility of double counting if we try to segregate non-cultural factors from cultural factors to explain differences in accounting practices.

Theoretical framework

As indicated previously, the broad objective of this study is to investigate whether cultural value orientation affect the voluntary disclosure of information by company chairpersons in their statements provided in the annual report and to explore whether cultural factors alone are able to explain the expected disclosure behaviour of company chairpersons through a comparative analyses of the disclosure behaviour of the chairpersons of a secretive value oriented country and a transparent value oriented country. Therefore, in order to identify specific differences in accounting practices due to cultural value orientations, this paper has adopted cultural dimensions identified by Hofstede (1980, 1984 and 1991) and Gray's (1988) proposed model of accounting subculture as the theoretical lenses. Although Hofstede's cultural dimensions model has been criticised in the literature (see for example, Baskerville, 2003; McSweeney, 2002a. 2002b), it is exclusively used in accounting research and it was Gray who made the major contribution of introducing Hofstede's cultural dimensions into accounting. A number of accounting studies have been carried out utilising Hofstede-Gray framework. (see for example, Pratt and Behr, 1987; Perera, 1989; Gerhardy, 1991; Doupnik and Salter, 1995; Baydoun and Willett, 1995; Sudarwan and Fogarty, 1996; MacArthur, 1996; Zarseski, 1996; Roxas and Stoneback, 1997; Williams and Tower, 1998; Nobes, 1998; Garcia-Sordo and Baren, 1999; Jaggi and Low, 2000; Haniffa and Cooke, 2002; Archambault and Archambault, 2003; Chanchani and Willett, 2004; Santema et al., 2005; Ding et al., 2005, and Qu and Leung, 2006). The following section highlights the cultural frameworks of Hofstede and Gray.

Hofstede's Dimensions of Culture

This section briefly explains the four value dimensions of national cultures proposed by Hofstede (1980, 1991, and 2001). In 1980, Geert Hofstede published his seminal study on "Culture's Consequences: International Differences in Work-Related Values". Its conceptual clarity and statistical strength greatly stimulated activities in international accounting and management research. Hundreds of entries in the Social Science Citation Index (SSCI) during the past decade bear witness to this fact (Hoppe, 1990). Based on the analysis of about 72,000 survey answers from IBM employees from 40 countries, Hofstede proposed four dimensions along which to distinguish countries in regard to the values that the majority of their people hold at work. In a later study, Hofstede (1991) extended his survey to IBM employees of 50 countries and 3 regions and provided the scores and ranks of these countries and regions respectively in regard to four cultural value dimensions[1]. These value dimensions of national cultures are as follows:

(i) Large versus small power distance

'Power distance' refers to the extent to which the members of a society accept that power is dispersed unequally in institutions and organisations. Societies characterised by high power distance accept a hierarchical order in which everybody has a place, which requires no further justification. On the other hand, societies characterised by small power distance thrive for equalisation of power and demand justification for power inequalities (Gray, 1988). Table 1 illustrates the scores and ranks of some countries in regard to 'power distance' as identified by Hofstede (1991, p. 26).

[1] As Gray's (1988) accounting sub-cultural dimensions are based on Hofstede's (1980) work, the theoretical framework of this study would mainly highlight Hofstede (1980). Moreover, the cultural value dimensions of the countries investigated in this study remained same in Hofstede (1991) as they were ranked in Hofstede (1980).

Table 1: Power Distance Index (PDI) values

Score rank	Country or region	PDI score
1	Malaysia	104
2/3	Guatemala	95
10/11	India	77
41	Australia	36
50	New Zealand	22

High 'power distance' is observed in Asian, African as well as in Latin American countries (both Latin European, such as France and Spain, and Latin American). On the other hand, USA and Great Britain together with its former dominions, and the rest of the non-Latin part of Europe scored low in regard to 'power distance' (Hofstede, 1991). The countries of interest for this study, India is characterised by high 'power distance,' whereas in New Zealand 'power distance' is low[2].

(ii) Individualism versus collectivism

Individualistic societies prefer loosely bound social framework wherein individuals are expected to take care of themselves and immediate families only. On the other hand, collectivistic societies are characterised by tightly knit social framework in which individuals can expect their relatives and friends to take care of them in exchange for unquestioning loyalty (Gray, 1988). The scores and ranks of some countries in regard to 'individualism' are given in Table 2 (Hofstede, 1991, p. 53).

Table 2: Individualism Index (IDV) values

Score rank	Country or region	IDV score

[2] Countries having a score of greater than 60 in a cultural value dimension have been considered to possess high position in that value dimension. Countries with scores between 50 to 60 have been considered to possess medium, and those having a score of less than 50 have been considered to possess low positions in that value dimension.

2	Australia	90
6	New Zealand	79
21	India	48
36	Malaysia	26
53	Guatemala	6

Most of the wealthy countries are characterised by high ‘individualism,’ whereas most of the poor countries score low (Hofstede, 1991). India is characterised by low ‘individualism,’ while in New Zealand ‘individualism’ is high.

(iii) Masculinity versus femininity

‘Masculinity’ signifies a preference for achievement, heroism, assertiveness and material success in society. On the other hand, ‘femininity’ symbolises a preference for relationships, modesty, caring for the weak and the quality of life (Gray, 1988). The scores and ranks of some countries regarding ‘masculinity’ are given in Table 3 (Hofstede, 1991, p. 84).

Table 3: Masculinity index (MAS) values

Score rank	Country or region	MAS Score
16	Australia	61
17	New Zealand	58
20/21	India	56
25/26	Malaysia	50
43	Guatemala	37

The most masculine country is Japan, having a rank of 1, and a score of 95. Japan is followed by some continental European countries, such as, Austria, Italy, Switzerland and West Germany together with some Latin American countries. The Republic of Ireland, Jamaica, Australia and New Zealand together with some other Anglo countries are moderately masculine. India is featured by moderate ‘masculinity’ as well.

(iv) Strong versus weak uncertainty avoidance

‘Uncertainty avoidance’ is related to the extent to which the members of a society feel uncomfortable with uncertainty and ambiguity. The principle issue is whether the society tries to control the future or just lets it happen (Gray, 1988). The scores and ranks of some countries concerning ‘uncertainty-avoidance’ are given in Table 4 (Hofstede, 1991, p.113).

Table 4: Uncertainty avoidance index (UAI) values

Score rank	Country or region	UAI Score
3	Guatemala	101
37	Australia	51
39/40	New Zealand	49
45	India	40
46	Malaysia	36

Latin American, Latin European and Mediterranean countries together with Japan and South Korea are characterised by high ‘uncertainty-avoidance,’ whereas all Asian countries except Japan and Korea score medium to low. Austria, Germany (Federal Republic) and Switzerland and some other German-speaking countries are featured by medium ‘uncertainty-avoidance.’ The position of India and New Zealand in this regard is low.

Cultural Influence on Accounting – Gray’s Proposed Accounting Subcultures

Gray (1988) theorised connections between Hofstede’s (1980) cultural values and accounting values. Gray developed a model to explain the association between Hofstede’s cultural dimensions and accounting sub-cultural values, and developed hypotheses on their association. Gray's model made a notable contribution to explain the impact of Hofstede's cultural values on the measurement and disclosure dimensions of accounting systems in different countries. The accounting values used by Gray included professionalism versus statutory control, uniformity versus flexibility, conservatism versus optimism, and secrecy versus transparency. The last value grouping forms the foundation for the current study as information disclosure in chairperson's statement in the annual report may depend upon the level of secrecy in a culture. Gray's proposed accounting sub-cultures are discussed below:

(i) Professionalism versus statutory control

This dimension is related to a preference for exercising professional judgment and the maintenance of professional self-regulation as opposed to compliance with strict legal requirements and statutory control.

(ii) Uniformity versus flexibility

This dimension signifies a preference for the imposition of uniform accounting practices for all companies and for consistent use of such practices over time, rather than allowing flexible practices depending on the perceived circumstances of individual companies.

(iii) Conservatism versus optimism

This dimension is related to a preference for a careful approach to measurement taking the uncertainty of future events into consideration instead of a more optimistic, laissez-faire and risk-taking approach.

(iv) Secrecy versus transparency

This dimension refers to a preference for confidentiality and the restriction of disclosing information about the business only to those who are closely involved with its management and financing as opposed to a more transparent, open and publicly accountable approach.

Gray (1988, p. 11) hypothesises that "the higher the country ranks in terms of uncertainty avoidance and power distance and lower it ranks in terms of individualism and masculinity, the more likely it is to rank highly in terms of secrecy". The relationship proposed by Gray (1988) between cultural and accounting values is summarised in Table 5.

Table 5: Relationship between cultural and accounting values

	Accounting Values (Gray)			
Cultural values (Hofstede)	**Professionalism**	**Uniformity**	**Conservatism**	**Secrecy**
Power distance	-	+	?	+
Uncertainty avoidance	-	+	+	+
Individualism	+	-	-	-
Masculinity	?	?	-	-

Source: Baydoun, N. and Willett, R. (1995)

In table 5, '+' signifies the fact that the relationship is positive between the relevant variables, and '-' refers to a negative relationship. '?' suggests that the relationship is undetermined. According to Gray as presented in Table 6, high power distance and uncertainty avoidance culture oriented countries are expected to be secretive in accounting disclosure practices and low individualistic and masculine culture oriented countries are also expected to be secretive. Perera (1989, p. 47) also argue that the degree of secrecy preferred in an accounting sub-culture would influence the extent of the information disclosed in accounting reports.

According to Gray (1988), high secrecy in accounting values means a preference for confidentiality and the restriction of disclosure of information about the business only to those who are closely involved with its management and financing, as opposed to more transparent, open and publicly accountable approach.

Research Proposition

On the basis of discussion provided in the previous sections, some research propositions are developed. These are as follows:

Proposition 1: Company chairpersons belonging to secretive cultures will disclose less information voluntarily in their statements in annual reports compared to the company chairpersons of transparent value oriented countries.

Proposition 2: Cultural variables alone are not sufficient to predict disclosure behaviours of management in company annual reports.

In order to test the propositions, this study investigates the disclosure of information in chairpersons' statements in annual reports of two countries, that is, India and New Zealand. As explained in the theoretical framework, India having more secretive culture compared to New Zealand, the chairpersons' statements in the annual reports of the Indian companies would provide less information compared to the chairpersons' statements in the annual reports of the New Zealand companies. Depending on the acceptance or rejection of the propositions, the paper would comment on whether Gray's (1988) framework is able to successfully describe the influence on accounting of the cultural dimensions identified by Hofstede (1980). The following section provides a brief analysis of Indian and New Zealand cultural differences in accounting practices highlighting the adopted theoretical framework in the study.

Accounting values underlying India and New Zealand- A comparison

As indicated in the previous sections, it is expected that accounting practice would differ between India and New Zealand due to differences in their cultures[3]. It is significant to note here that New Zealand is a bi-cultural country and has two distinct separate cultures of the indigenous populations and of the European settlers. However, accounting profession is mainly controlled and practiced by the New Zealand population of Anglo-Saxon origin, mainly English people (see for example Nobes, 1998, p. 180). Therefore, in this study, New Zealand culture is represented by this later group of population in New Zealand. With respect to New Zealand's accounting system, Nobes (1998) categorises it as Class A accounting which means accounting for outside shareholders. Being a developed country, average firm disclosure is expected to be higher in New Zealand compared to the firms in emerging market like India (see for example, Slater, 1998). Literally, these mean that the disclosure practices of New Zealand companies in their annual reports are expected to be more transparent.

On the other hand, as Singh (2005) argues that India is one of the oldest civilisations with a kaleidoscopic variety and rich cultural heritage. It has 28 states and 7 union territories with over 1,027 million populations. However, although there are varieties in population demography, Picard and Reis (2002) argue that religion is the central theme of life in India which is tying Indian people together under common cultural values. The role of religion in Indian culture is also pictured by Gannon (2004) who argues that,

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[3]. One of the authors has extensive experiences on both Indian and New Zealand culture.

> In India religious life forms the central theme, the keynote of the whole music of the nation……India's history reflects the cycles of chaos and harmony epitomized by the Dance of Shiva……The Indian perspectives on life tends to differ most sharply from that of Europe and the United States in the value that it accords to the discipline of philosophy…….In India philosophy tends to overlap with religion, and it is regarded as the key to life itself, clarifying its essential meaning and the way to attain spiritual goals……..Elsewhere philosophy and religion pursued distinct and different paths, which may have crossed but never merged…….In India it is not always possible to differentiate between the two.

Therefore, apparently there is little doubt that cultural differences between India and New Zealand exist and as a result differences in accounting practices are expected. On the basis of Gray's (1988) accounting subculture analysis as provided in Table 5, the differences in accounting sub-cultural values between India and New Zealand are analysed in tables 6 to 9.

Table 6: Accounting Values On the Basis of Power Distance

ACCOUNTING VALUES	**INDIA** **PDI Score 77**	**NEW ZEALAND** **PDI Score 22**
Professionalism	Low	High
Uniformity	High	Low
Conservatism	Undecided	Undecided
Secrecy	High	Low

Table 7: Accounting Values On the Basis of Individualism

ACCOUNTING VALUES	**INDIA**	**NEW ZEALAND**

	IDV Score 48	IDV Score 79
Professionalism	Low	High
Uniformity	High	Low
Conservatism	High	Low
Secrecy	High	Low

Table 8: Accounting Values On the Basis of Uncertainty Avoidance

ACCOUNTING VALUES	INDIA UAI Score 40[4]	NEW ZEALAND UAI Score 49
Professionalism	Low	High
Uniformity	High	Low
Conservatism	High	Low
Secrecy	High (?)	Low

Table 9: Accounting Values On the Basis of Masculinity

ACCOUNTING VALUES	INDIA MAS Score 56	NEW ZEALAND MAS Score 58
Professionalism	Undecided	Undecided
Uniformity	Undecided	Undecided
Conservatism	Moderate	Moderate
Secrecy	Moderate	Moderate

Analyses presented in Tables 6 to 8 suggest that Indian accounting profession could be categorised as low in professionalism and high in uniformity, conservatism and

[4] Actually, UAI score of India is debatable. For example, using the metaphor of Hindu God Shiva, Picar and Reis (2002, p. 232) refutes Hofstede's (1991) claim and argue that India should have a culture of high uncertainty avoidance orientation. One of the researchers of this study, having extensive knowledge of Indian culture also agrees with the claim of Picar and Reis. Therefore this study assumes a high secrecy accounting values for India in terms of uncertainty avoidance.

secrecy. On the other hand, New Zealand scored high in professionalism and low in other accounting values. However, the relation between masculinity with conservatism and secrecy in table 9 suggest that both countries are moderate in these two dimensions but New Zealand's accounting values are not that secretive and conservative like India as it scores higher in masculinity (58) compared to India (56). Out of the four Hofstede's cultural dimensions, two dimensions power distance and individualism clearly relates Indian accounting practices as highly secretive compared to the New Zealand ones. Although Hofstede assigned India a low uncertainty score, other literature suggested that uncertainty avoidance score for India should be high which again indicates high secretive accounting culture for India. Hence, it is expected that New Zealand companies will provide more information in their chairperson's statement/report compared to Indian companies.

Research method and information analysis

Research Method

The research method includes an exploration of websites of a sample of Indian and New Zealand companies. Websites of these companies were visited to obtain the annual reports from 2001 to 2005.

Sample Selection

The sample of companies includes 49 top companies in terms of market capitalisation of India and New Zealand respectively. The list of top 49 Indian companies has been obtained from www.indiainfoline.com as on 12th June, 2005. On the other hand, the list of top 49 New Zealand companies has been obtained from The Weekly Diary, published by New Zealand stock exchange, as on 25th November, 2005. 'Market capitalisation' has been used as a measure of firm size in previous studies (Debreceny, Gray and Rahman, 2002; Craven and Marston, 1999). It has been hypothesised that, larger firms will try to provide more information in both of these countries compared to smaller firms, as larger firms possess the resources and expertise necessary for the production and publication of financial statements to meet the diverse requirements of many shareholders and creditors (Ahmed, 1994).

The search engine www.yahoo.com has been used to obtain the websites of Indian companies. On the other hand, the New Zealand stock exchange website has been used to obtain the websites of respective New Zealand companies.

Information Analysis

Content analysis has been used to investigate the details of disclosure under different attributes. 'Content analysis' has been used widely to examine the extent of disclosure in previous studies (Ahmed and Sulaiman, 2004; Cunningham and Gadenne, 2003; Harte and Owen, 1991; Linsley and Shrives, 2005).

Content analysis requires the selection of the recording unit. 'Recording unit' refers to a specific section of the context unit in the written material that is placed in a category. There are several alternatives in determining the recording unit, such as a word, group of words, a sentence, a paragraph, or an entire document (GAO, 1982). This paper uses 'sentences' as a recording unit. This is due to the fact that, there can be a mix of various information items in chairpersons' statements/reports in the same page and same paragraph. Hence, a 'paragraph' is not a suitable recording unit. On the other hand, 'words' do not convey any meaning without sentences (Milne and Adler, 1999) and hence this has been discarded as a recording unit for the purpose of this paper. Graphical diagrams, pictures and captions to pictures of activities were excluded from the analysis, as their inclusion would involve a high level of subjectivity (Ahmed and Sulaiman, 2004).

To conduct the analysis, categories are required to be provided as they provide the structure for grouping recording units (GAO, 1982). For the purpose of the present research, categories have been developed by taking previous literature from a wide range of background, including human resource (Abeysekera and Guthrie, 2004) and literature dealing with environmental reporting (Ahmed and Sulaiman, 2004; Thompson and Cowton, 2004). These categories are as follows:

1. Company Profile
2. Product and/or service information
3. Investor Information
4. Human Resource
    - 4.1 Employee welfare and safety
    - 4.2 Executive compensation plan
    - 4.3 Employee compensation plan
    - 4.4 Efficiency ratios: V.A./expert
    - 4.5 Efficiency ratios: V.A./employee
    - 4.6 Others
5. Social Information (excluding environmental information)
    - 5.1 Monetary
    - 5.2 Non-Monetary
    - 5.3 Good news
    - 5.4 Bad news
    - 5.5 Neutral news
6. Environmental Information
    - 6.1 Monetary
        - 6.1.1 Provision for clean up costs

6.1.2 Contingent liability data

6.1.3 Prospective environmental expenditure

6.1.4 Historical environmental expenditure

6.1.5 Statement of progress on environmental performance against quantified targets

6.1.6 others

6.2 Non-monetary

6.2.1 Statement of assurance from management of compliance with external standards

6.2.2 Summary of results of environmental audits

6.2.3 Corporate environmental policy statement

6.2.4 A statement of intent with regard to environmental audits

6.2.5 Narrative environmental disclosures

6.2.6 Management's responsibilities for monitoring environmental performance

6.3 Good news

6.4 Bad news

6.5 Neutral news

7. Financial Information

8. Corporate Governance

9. Others

Content analyses results

The analysis section is divided into two sub-sections. In the first sub-section content of the annual reports of 2005 only are analysed. In the second sub--section contents of the annual reports for years 2001 to 2005 are analysed in order to establish a disclosure trend that would supplement the analyses provided in the first analytical sub-section.

Content Analyses Results – Annual Reports 2005

Tables 10, 11, 12 and 13 provide a comparison of the nature and extent of information disclosed by Indian and New Zealand companies in their Chairpersons' statement.

Table 10: Disclosure Position of Main information[5]

Nature of information	INDIAN COMPANIES		NEW ZEALAND COMPANIES	
	Total number of sentences	Average	Total number of sentences	Average
Company Profile	129	3.69	168	3.5
Product and/or service	613	17.51	336	7.0
Investor	97	2.77	269	5.60
Human resource	189	5.4	133	2.77
Social	96	2.74	57	1.19
Environment	55	1.57	21	0.44
Financial	487	13.91	278	5.79
Corporate Governance	174	4.97	296	6.17
Others[6]	1638	46.8	597	12.44

[5] Averages have been calculated by taking the number of companies, whose annual reports were available, that is, 35 Indian companies and 48 New Zealand companies. All averages have been approximated to two decimal places.

[6] These sentences are those that could not be categorised into other groups in the table, such as, in regard to future vision of the company, expressing thanks to various stakeholders, information about production at different units of the company, strengths and weaknesses of the company, research and

Total	3478	99.37	2155	44.90

On an average Indian companies significantly discuss more about their products and/or services compared to New Zealand ones, followed by financial information. Indian companies also disclose more information in their Chairpersons' statement as the average number of sentences disclosed by these companies is 99.37 compared to 44.90 sentences disclosed on an average by New Zealand companies.

Table 11: Details of Human Resource Information Disclosure[7]

Nature of information	INDIAN COMPANIES		NEW ZEALAND COMPANIES	
	Total number of sentences	Average (number of sentences)	Total number of sentences	Average (number of sentences)
Employee welfare and safety	33	1.32	6	0.19
Executive compensation plan	0	0	25	0.78
Employee compensation plan	0	0	1	0.03
Efficiency ratios: V.A./employee	0	0	0	0
Efficiency ratios: V.A./employee	0	0	0	0
Others	152	6.08	101	3.16

development, implementation of official languages policy in the company, information about general market condition, implementation of information technology.

[7] Average scores have been calculated by taking the number of sentences which disclose human resource information in their Chairman's report, that is, 25 companies in case of India and 32 companies in case of New Zealand. All averages have been approximated to two decimal places.

On average Indian companies provide more information concerning human resource compared to New Zealand companies. Indian companies also disclose more information concerning employee welfare and safety compared to New Zealand companies. Disclosure of Indian companies in regard to employee welfare and safety mostly included general comments, such as employee welfare is their priority, without specifically mentioning the endeavour taken to achieve this goal. On the other hand, while none of the Indian companies disclosed executive compensation plan, some New Zealand companies disclosed such information.

Table 12: Details of Social Information Disclosure[8]

Nature of Information	INDIAN COMPANIES		NEW ZEALAND COMPANIES	
	Total number of sentences	Average	Total number of sentences	Average
Monetary	15	1.15	7	0.58
Non-monetary	84	6.46	50	4.17
Good News	0	0	38	3.17
Bad News	0	0	3	0.25
Neutral News	99	7.62	16	1.33

On average Indian companies disclosured more non-monetary social information compared to New Zealand companies. However, most of this non-monetary information merely provided general information, such as, donation to various funds without mentioning the amount of such donations.

[8] Averages have been calculated by taking the number of companies which disclose social information in their chairperson's report, that is, 13 companies in the case of India and 12 companies in case of New Zealand. All averages have been approximated to two decimal places.

Indian companies did not disclose any bad news, while only 3 sentences had been disclosed by New Zealand companies. This may be due to the fact that these companies do not have such news to disclose, or they were trying to make a positive public impression, by suppressing such news.

The disclosure of neutral nature of news in regard to involvement with the society was significantly high for Indian companies compared to New Zealand ones. Neutral news does not provide positive/negative outcome of interaction of these companies with the society, and merely provides comments such as expressing thanks to the wider community, donations to different projects without mentioning the exact amount and various other social endeavours taken by the company or by the company's employees.

Table 13: Details of Environmental Information Disclosure[9]

Nature of Information	Indian Companies	New Zealand Companies
	Total number of sentences	Total number of sentences
1. Provision for clean-up costs	0	0
2. Contingent liability data	0	0
3. Prospective environmental expenditure	0	0
4. Historical environmental expenditure	1	0
5. Statement of progress on environmental performance against quantified targets	0	0
6. Others	0	1
7. Statement of assurance from management of	2	2

[9] In the Table, points 1-6 are monetary, points 7-12 are non-monetary and points 13-15 are of mixed nature.

compliance with external standards		
8. Summary of results of environmental audits	0	4
9. Corporate environmental policy statement	2	8
10. A statement of intent with regard to environmental audits	0	2
11. Narrative environmental disclosures	50	3
12. Management's responsibilities for monitoring environmental performance	0	1
13. Good news	7	12
14. Bad news	0	1
15. Neutral news	48	8

The extent of monetary information disclosed by both Indian and New Zealand companies in their chairpersons' statement are insignificant. Most of the Indian companies disclosed non-monetary narrative nature of information in their Chairpersons' statement, to provide a positive public impression that they are concerned about the environment. None of the Indian companies disclosed bad news concerning their involvement with the environment. On the other hand, only one New Zealand company disclosed one sentence reporting a 'bad news.'

The Disclosure Trends – Content Analyses of the Annual Reports 2001 to 2005

This section analyses the trends of disclosure during the years of 2001 to 2005. The analytical tables of this section are provided in Appendix 1.

Tables 14 and 15 (see Appendix 1) provide a comparison of the main category of information disclosed in chairpersons' report of Indian and New Zealand companies respectively during 2001 to 2005. As shown in the tables, the average number of sentences disclosed by Indian companies was more in 2005 (99.37) compared to in

2001 (43.8). The same trend has been observed in regard to New Zealand companies, disclosing 30.05 sentences on an average in 2001 and 44.90 in 2005. On an average Indian companies' disclosed more number of sentences in all of these years compared to New Zealand companies. Indian companies' also disclosed more information in regard to company profile (except in 2002), product/service information and human resource information compared to New Zealand companies. On the other hand, New Zealand companies disclosed more information in regard to investor, social (except in 2005) and corporate governance compared to Indian companies. New Zealand companies disclosed more environmental information compared to Indian ones in 2001, 2002, 2003, but Indian companies disclosed more environmental information in 2004 and 2005. Indian companies disclosed more financial information compared to New Zealand ones in 2001 and 2005, but New Zealand companies disclosed more financial information in 2002, 2003 and 2004.

Tables 16 and 17 (see Appendix 1) provide the nature of human resource information disclosed by Indian and New Zealand companies respectively during 2001 to 2005. On average, Indian companies disclosed more information in regard to employee welfare and safety compared to New Zealand companies from 2001 to 2005. Indian companies also disclosed more information in regard to employee compensation plan from 2001 to 2004 and in regard to executive compensation in 2001 and 2004 compared to New Zealand companies. The average number of sentences disclosed by Indian companies under 'human resource information' category was more than that of New Zealand companies.

Tables 18 and 19 (see Appendix 1) provide the nature of social information disclosed by Indian and New Zealand companies respectively during 2001 to 2005. On an average New Zealand companies disclosed more social information compared to

Indian companies from 2001 to 2004, but taken over by Indian companies in 2005. Indian companies also disclosed more monetary social information in 2004 and 2005 compared to New Zealand companies. New Zealand companies disclosed more non-monetary information compared to Indian ones from 2001 to 2004, but taken over by Indian companies in 2005. Most of the non-monetary social information merely provided general information, such as information that donations have been made to various funds without mentioning the amount of such donations. Indian companies did not disclose any bad news in all these years, while only 3 sentences have been disclosed by New Zealand companies in 2005. This may be due to the fact that they did not have such news to disclose, or they were trying to make a positive public impression, by suppressing such news.

Table 20 and 21 (see Appendix 1) provides the nature of environmental information disclosed by Indian and New Zealand companies respectively during 2001 to 2005. The disclosure of monetary nature of environmental information by both Indian and New Zealand companies have been sparse, with only one sentence observed in 2005 for both New Zealand and Indian companies. Most of the information disclosed by New Zealand and Indian companies in this regard were non-monetary, to portray a positive public impression. None of the Indian companies disclosed bad news concerning their involvement with the environment. On the other hand, only 2 and 1 sentence(s) in 2003 and 2005 respectively have been disclosed by New Zealand companies reflecting bad news.

Discussion and conclusions

On the basis of the content analyses provided in the previous sections, the proposition that India having more secretive culture compared to New Zealand, the Chairpersons' statements in the annual reports of the Indian companies would provide less information compared to the Chairpersons' statements in the annual reports of the New Zealand companies is rejected**.** The evidence as provided in the study, on the contrary suggests that Indian companies provided more information in their chairpersons' statement compared to their New Zealand counterparts. On average, Indian companies provided more information in Chairpersons' statement compared to New Zealand companies, especially in regard to their products, concern for environment and financial performance. An important question then arises, that is, whether cultural values can predict expected disclosure practices of the companies of a country. We argue that voluntary disclosure (chairpersons' report is completely voluntary) is a complex phenomenon and cultural variables alone are not capable of predicting voluntary disclosure practices of a country as these practices are also influenced by other organisational antecedents, such as environmental conditions, industry norms and market competition. As evidenced in the content analyses section, Indian Chairpersons' statements are providing more voluntary disclosure than the voluntary disclosures of their New Zealand counterparts. This is due to the fact that non-cultural factors are influencing Indian chairpersons' disclosure and culture alone is not sufficient to predict the disclosure behaviour of the Indian company chairpersons.

Hedge, Bloom and Fuglister (1997) observed that India, a developing country, is doing innovative work in social and human resource accounting. Their study also provided evidence that India ranked higher compared to its developed counterpart New Zealand in terms voluntary disclosure of social accounts by the chairpersons' of the companies. Quoting Rajamoni (1994), Hedge et al. further argued that Indian companies today is seen not just as an economic organisation but as a social force with duties not only towards its employees and others on whom it subsists, but even towards the society at large. Adopting same cultural framework, Chatterjee and Mir (2006) observed that the environmental reporting status of Indian companies also did not follow the expected secretive behaviour, that is, Indian companies did disclose environmental information voluntarily in their annual reports. Salter (1998) argued that as countries grows richer they disclose more and he also identified that one percent increase in wealth or market capitalisation has roughly equivalent positive impacts on disclosure pattern. Indian economic data shows that India is growing richer (see for example, Crook, 1991) and that also explains the reason behind research proposition of this study holding true. Jaggi and Low (2000) argued that market forces would also have a significant impact on financial disclosures. Archambault and Archambault (2003) argued that the financial disclosure decision for a company is complex and influenced by many national and corporate factors other than culture. Similarly, Roxas and Stoneback (1997) questioned whether cultural dimension model does a better job in explaining differences in accounting practices in different countries and argued that the accounting model adopted by a country can be used as a composite of the cultural, professional and industrial environments. Earlier, while hinting the shortcomings of social science, Klitgaard (1993, p. 53) argued that,

> Many choices of policies, political processes, and management systems probably interact with cultural variables. What have we learned about the positive and negative outcomes of various policies and processes under various cultural and other conditions? Unfortunately, theoretical research on culture rarely touches the practice of economic and political developments.

The arguments presented in the above-mentioned literature might explain the reason behind Indian chairpersons' voluntary disclosure not in conformity with secretive culture. Indian companies are facing greater international and domestic challenges of market forces since the Indian economy was opened up in early 1990s. India is now widely regarded as new growth machine and gradually becoming an indispensable participant in global economy. Chandler (2005) in Fortune Magazine (p.44) commented that,

> The new vigor of India's economy has won New Delhi respect in Washington…..Investors, too, are piling in. Foreign buyers, led by the Japanese, have snapped up shares on India's stock exchanges in recent months, helping to drive the Sensex past the 8,500 mark, a record high. Blue-chip private equity firms such as Warburg Pincus, Blackstone, and Carlyle are pouring billions into Indian ventures.

Haniffa and Cooke (2000) explored Malaysian company chairpersons' disclosure behaviour. They argued that while disclosure practice cannot be culture-free, societal values converge resulting from technological development. Indian emergence as an information society during the past decade or so is an established fact worldwide. Singh (2005) argued that,

> The last few decades have witnessed a visible transition in the industrial landscape of India. Technology has helped society to cut across the traditional boundaries for getting converted into an emerging information society. The existing digital gap is getting reduced day by day as the internet and World Wide Web is helping greatly in bridging the gap between information-rich and information poor.

Doupnik and Salter (1995) argued that as the level of education increases, the number of financial statement users may be expected to increase – as a result the level of corporate disclosure may increase with the level of education. Therefore, Indians are now capable of comparing the disclosure behaviour of their companies with those of others and the companies have no alternatives other than changing their disclosure behaviour. This might be another reason behind cultural secrecy value being unable to explain the disclosure pattern in Indian chairpersons' reports.

Findings of this study imply that further investigation of disclosure determinants requires control of variety of factors in addition to culture and further model development to clarify understanding of the influence of these factors on disclosure. Our findings have a significant implication for investors and prospective investors in Indian companies. Investors are expected to be convinced by the fact that the disclosures by Indian companies do not conform to the secretive value dimension as suggested by Gray (1988) and these companies' disclosure pattern are at par with many Western countries. This is expected to provide international and local investors in Indian companies with further encouragement to invest in these companies.

Limitations and Directions for Future Research

Most of the information disclosed by Indian as well as New Zealand companies in their chairpersons' statements is narrative in nature, which do not provide numerical data/information about any specific event and merely contains general statements, such as, expressing thanks to various stakeholders and containing information concerning the market condition. We suggest further improvement to this aspect.

The findings of this study are based only on the chairperson's statement. Future research is advised by taking the whole annual report into consideration and analysing the content of each section of annual reports. Future research can also consider the nature of information considered as significant by various user groups of annual reports and whether these companies provide such information in easily accessible areas and/or format or in their chairpersons' reports.

Appendix -1

Table 14: Disclosure Position of Main information in Chairpersons' Reports of Indian Companies[10]

	2001		2002		2003		2004		2005	
	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average
Nature of information										
Company Profile	89	8.9	142	8.88	166	8.3	221	9.21	129	3.69
Product and/or service	74	7.4	133	8.31	194	9.7	213	8.88	613	17.51
Investor	19	1.9	34	2.13	30	1.5	73	3.04	97	2.77
Human resource	13	1.3	37	2.31	49	2.45	76	3.17	189	5.4
Social	2	0.2	1	0.06	9	0.45	17	0.71	96	2.74
Environment	1	0.1	6	0.38	9	0.45	26	1.08	55	1.57
Financial	49	4.9	66	4.13	140	7	167	6.96	487	13.91
Corporate Governance	2	0.2	5	0.31	14	0.7	23	0.96	174	4.97
Others[11]	189	18.9	308	19.25	603	30.15	516	21.5	1638	46.8
TOTAL	438	43.8	732	45.75	1214	60.7	1332	55.5	3478	99.37

[10] Averages have been calculated by taking the number of companies, whose annual reports were available, that is, 10 Indian companies in 2001, 16 in 2002, 20 in 2003, 24 in 2004 and 35 in 2005. All averages have been approximated to two decimal places.

[11] These sentences are those that could not be categorised into other groups in the table, such as, in regard to future vision of the company, expressing thanks to various stakeholders in general, information about production at different units of the company, strengths and weaknesses of the company, research and development, implementation of official languages policy in the company, information about general market condition and implementation of information technology.

Table 15: Disclosure Position of Main information in Chairpersons' Reports of New Zealand Companies[12]

	2001		2002		2003		2004		2005	
	No.of sentences	Average	No.of sentences	Average	No.of sentences	Average	No.of sentences	Average	No.of sentences	Average
Nature of information										
Company Profile	326	7.95	378	9.22	150	3.85	138	3.14	168	3.5
Product and/or service	100	2.44	147	3.59	68	1.74	284	6.45	336	7.0
Investor	98	2.39	121	2.95	163	4.18	218	4.95	269	5.60
Human resource	8	0.20	13	0.32	77	1.97	62	1.41	133	2.77
Social	18	0.44	12	0.29	42	1.08	41	0.93	57	1.19
Environment	8	0.20	22	0.54	26	0.67	18	0.41	21	0.44
Financial	145	3.54	210	5.12	372	9.54	510	11.59	278	5.79
Corporate Governance	17	0.41	35	0.85	217	5.56	415	9.43	296	6.17
Others[13]	512	12.44	768	18.73	330	8.46	597	13.57	597	12.44
Total	1232	30.05	1706	41.61	1445	37.05	2283	51.89	2155	44.90

[12] Averages have been calculated by taking the number of companies, whose annual reports were available, that is, 41 New Zealand companies in 2001, 41 in 2002, 39 in 2003, 44 in 2004, 48 in 2005. All averages have been approximated to two decimal places.
[13] These sentences are those that could not be categorised into other groups in the table, such as, in regard to future vision of the company, expressing thanks to various stakeholders in general, information about production at different units of the company, strengths and weaknesses of the company, research and development, implementation of official languages policy in the company, information about general market condition and implementation of information technology.

Table 16: Details of Human Resource Information Disclosure in Chairpersons' Reports of Indian Companies[14]

	2001		2002		2003		2004		2005	
	No. of sentences	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**
Nature of information										
Employee welfare and safety	6	2	12	1.71	18	1.8	21	1.75	33	1.32
Executive compensation plan	1	0.33	0	0	2	0.2	4	0.33	0	0
Employee compensation plan	6	2	15	2.14	20	2	37	3.08	0	0
Efficiency ratios: V.A./employee	0	0	0	0	0	0	0	0	0	0
Efficiency ratios: V.A./employee	0	0	0	0	0	0	0	0	0	0
Others	0	0	10	1.43	9	0.9	14	1.17	152	6.08

[14] Average scores have been calculated by taking the number of companies which disclosed human resource information in their Chairperson's report, that is, 3 Indian companies in 2001, 7 in 2002, 10 in 2003, 12 in 2004 and 25 in 2005. All averages have been approximated to two decimal places.

Table 17: Details of Human Resource Information Disclosure in Chairpersons' Reports of New Zealand Companies[15]

	2001		2002		2003		2004		2005	
	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average
Nature of information										
Employee welfare and safety	2	0.33	4	0.57	20	1.11	7	0.29	6	0.19
Executive compensation plan	1	0.17	1	0.14	20	1.11	4	0.17	25	0.78
Employee compensation plan	4	0.67	4	0.57	0	0	0	0	1	0.03
Efficiency ratios: V.A./employee	0	0	0	0	0	0	0	0	0	0
Efficiency ratios: V.A./employee	0	0	0	0	0	0	0	0	0	0
Others	1	0.17	4	0.57	37	2.06	51	2.13	101	3.16

[15] Average scores have been calculated by taking the number of companies which disclosed human resource information in their Chairperson's report, that's is, 6 New Zealand companies in 2001, 7 in 2002, 18 in 2003, 24 in 2004 and 32 in 2005. All averages have been approximated to two decimal places.

Table 18: Details of Social Information Disclosure in Chairpersons' Report of Indian Companies[16]

	2001		2002		2003		2004		2005	
	No. of sentences	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**	**No. of sentences**	**Average**
Nature of Information										
Monetary	1	1	0	0	1	0.5	1	0.17	15	1.15
Non-monetary	1	1	1	1	8	4	16	2.67	84	6.46
Good News	2	2	1	1	6	3	13	2.17	0	0
Bad News	0	0	0	0	0	0	0	0	0	0
Neutral News	0	0	0	0	3	1.5	3	0.5	99	7.62

[16] Averages have been calculated by taking the number of Indian companies which disclose social information in their Chairman's report, that is, 1 in 2001, 1 in 2002, 2 in 2003, 6 in 2004 and 13 in 2005.

Table 19: Details of Social Information Disclosure in Chairpersons' Report of New Zealand Companies[17]

	2001		2002		2003		2004		2005	
	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average	No. of sentences	Average
Nature of Information										
Monetary	1	0.25	3	1	3	0.5	4	0.5	7	0.58
Non-monetary	17	4.25	9	3	39	6.5	37	4.63	50	4.17
Good News	16	4	12	4	0	0	2	0.25	38	3.17
Bad News	0	0	0	0	0	0	0	0	3	0.25
Neutral News	2	0.5	0	0	42	7	39	4.88	16	1.33

[17] Averages have been calculated by taking the number of New Zealand companies which disclose social information in their Chairman's report that is, 4 in 2001, 3 in 2002, 6 in 2003, 8 in 2004, 12 in 2005. All averages have been approximated to two decimal places.

Table 20: Details of Environmental Information Disclosure in Chairpersons' Reports of Indian Companies[18]

	2001	**2002**	**2003**	**2004**	**2005**
	No. of sentences	**No. of sentences**	**No. of sentences**	**No. of sentences**	**No. of sentences**
Nature of Information					
1. Provision for clean-up costs	0	0	0	0	0
2. Contingent liability data	0	0	0	0	0
3. Prospective environmental expenditure	0	0	0	0	0
4. Historical environmental expenditure	0	0	0	0	1
5. Statement of progress on environmental performance against quantified targets	0	0	0	0	0
6. Others	0	0	0	0	0
7. Statement of assurance from management of compliance	0	1	1	2	2

[18] In the Table, points 1-6 are monetary, points 7-12 are non-monetary and points 13-15 are of mixed nature.

with external standards					
8. Summary of results of environmental audits	0	0	0	0	0
9. Corporate environmental policy statement	0	1	1	4	2
10. A statement of intent with regard to environmental audits	0	0	0	1	0
11. Narrative environmental disclosures	1	4	6	18	50
12. Management's responsibilities for monitoring environmental performance	0	0	1	1	0
13. Good news	1	6	8	0	7
14. Bad news	0	0	0	0	0
15. Neutral news	0	0	1	26	48

Table 21: Details of Environmental Information Disclosure in Chairpersons' Reports of New Zealand Companies[19]

Nature of Information	**2001** **No. of sentences**	**2002** **No. of sentences**	**2003** **No. of sentences**	**2004** **No. of sentences**	**2005** **No. of sentences**
1. Provision for clean-up costs	0	0	0	0	0
2. Contingent liability data	0	0	0	0	0
3. Prospective environmental expenditure	0	0	0	0	0
4. Historical environmental expenditure	0	0	0	0	0
5. Statement of progress on environmental performance against quantified targets	0	0	0	0	0
6. Others	0	0	0	0	1
7. Statement of assurance from management of compliance with external standards	5	5	13	3	2
8. Summary of results of environmental audits	0	0	0	4	4
9. Corporate environmental policy statement	1	5	0	0	8

[19] In the Table, points 1-6 are monetary, points 7-12 are non-monetary and points 13-15 are of mixed nature.

10. A statement of intent with regard to environmental audits	0	0	0	0	2
11. Narrative environmental disclosures	2	7	13	10	3
12. Management's responsibilities for monitoring environmental performance	0	5	0	1	1
13. Good news	7	20	6	5	12
14. Bad news	0	0	2	0	1
15. Neutral news	1	2	18	13	8

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