



International Journal of Research in Finance and Management

P-ISSN: 2617-5754
E-ISSN: 2617-5762
IJRFM 2024; 7(2): 78-95
www.allfinancejournal.com
Received: 25-04-2024
Accepted: 27-05-2024

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The effect of organizational culture on voluntary disclosure: An empirical study on companies listed on the Iraq stock exchange

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DOI: <https://doi.org/10.33545/26175754.2024.v7.i2a.349>

Abstract

The objective of the research was to investigate and evaluate the impact of organizational culture on voluntary disclosure in firms that are listed on the Iraq Stock Exchange. This was done by analyzing the organizational culture model developed by Cameron and Quinn in 1999, which has four dimensions: Clan, Adhocracy, Market, and Hierarchy. The study utilized content analysis of annual financial reports to assess the disclosure index of a sample of 92 firms across different economic sectors listed on the Iraqi Stock Exchange for the fiscal year 2021. The study employed statistical techniques such as Pearson correlation coefficient, simple linear regression, and multiple regression analysis to investigate the association and influence of the research variables. The findings indicated a noteworthy inverse relationship between the Clan, Market, and Hierarchy dimensions and voluntary disclosure. However, no significant link was seen between the Adhocracy component and voluntary disclosure. Furthermore, the dimensions of Clan, Market, and Hierarchy had a notable impact on voluntary disclosure, however the Adhocracy dimension did not have a significant influence on voluntary disclosure. Moreover, the organizational culture dimensions had a notable impact on the control variables (debt ratio, industry type, firm size) in relation to voluntary disclosure.

Keywords: Organizational culture, voluntary disclosure

Introduction

Previous literature has predominantly and significantly focused on studying the impact of national culture on accounting practices and applications by examining model of national culture and testing (Gray, 1988) [24] model. Most studies have examined and tested the effects of national culture on accounting but have not addressed how organizational culture influences voluntary disclosure. Therefore, this research aims to investigate and test the impact of organizational culture (As part of national culture) on voluntary disclosure, considering it as one of the affected accounting practices and applications.

Hofstede realized that corporate culture is intertwined with organizational theory, and theories related to organizations are equally intertwined with culture. Organizations represent specific groups of individuals whose activities are coordinated and controlled to achieve specific goals. The focus here is on the social and cultural traits that develop within the organization, as organizations are situated within a broader cultural context that influences organizational characteristics. This concept of culture can be illustrated through a framework that expresses the patterns of interrelationships to explain corporate disclosure because organizations are connected to their environment, which provides the foundation for the behaviors managers engage in their institutions and subsequently contribute to their overall balance and effectiveness. Violet argued that accounting practices cannot be devoid of culture because accounting is a social and technical activity involving interaction between both human and non-human resources (Nalikka, 2008, 9) [31]. Perera emphasizes that disclosure is "an accounting activity that involves both human and non-human resources or technologies as well as the interaction between the two," (Haniffa & Cooke, 2005: 392) [25] as found by (Elkelish & Hassan, 2014: 282) [21] The level of voluntary disclosure is influenced by the presence of a robust professional accounting subculture, which is derived from fundamental aspects of corporate culture.

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(Nyahas *et al.*, 2018) ^[32] revealed that corporate disclosure is a managerial process guided by established norms inside the firm (Nyahas *et al.*, 2018:51) ^[32]. The outcome is influenced by both external and internal factors, such as market circumstances, firm features, and organizational culture, which are considered internal antecedent conditions (Gibbins *et al.*, 1990) ^[22]. Furthermore, the notion of organizational culture offers a framework for examining how organizations handle disclosure matters internally (Nyahas *et al.*, 2017) ^[33].

This research investigates the correlation and influence of organizational culture on voluntary disclosure in Iraqi enterprises. The research consists of four sections: the first section focuses on the research methodology and previous studies, the second section presents the theoretical framework of the research, the third section discusses the results and hypotheses testing, and the fourth section provides the main conclusions and recommendations made by the researchers.

Chapter one: Previous Studies and Research Methodology

First: Previous Studies

There are several studies that have addressed the research topic. Here are some of them:

1. The study by (Abdul Razzaq *et al.*, 2019), titled "Organizational Culture and Its Impact on Determining the Strategic Orientation of the Organization (An Applied Study in the Iraqi Ministry of Higher Education and Scientific Research)

The aim of the research was to clarify the impact of organizational culture elements, represented by organizational values, beliefs, expectations, and norms, in determining the strategic orientation with its elements of proactive, defensive, analytical, and responsive strategies in the Directorate of the Ministry of Higher Education and Scientific Research. The study used statistical methods such as mean, standard deviation, and Spearman correlation coefficient to measure the nature of the relationship between the research variables and the linear regression coefficient to measure the impact relationships based on a questionnaire as a measurement tool completed by 46 senior administrative leaders. The research concluded the existence of a positive correlation and a significant impact between organizational culture and strategic orientation. The study recommended the necessity for the ministry to conduct a comprehensive survey of the continuous needs of universities and affiliated institutions and directed the attention of senior management in the Ministry of Higher Education and Scientific Research to the importance of embedding the concept of organizational culture, especially expectations and organizational values, due to their significant importance in determining the ministry's strategic orientation.

2. Study by (Nalikka, 2008) ^[31], titled Corporate Disclosure Practices by Business Firms: A Corporate Cultural Approach

This study examined the relationship between corporate culture and corporate disclosure in the annual reports of companies listed on the Helsinki Stock Exchange. The aim

was to examine and test the impact of corporate culture for sample companies and other company characteristics such as size, age, liquidity, leverage, and profitability on corporate disclosure in annual reports.

The study's results showed that corporate culture which emphasized on the values of flexibility and company characteristics (Profitability, size, and multinational companies) had the positive correlation with disclosure. On the other hand, the opposite was the case as the association between control and disclosure values were positively correlated. Moreover, the study has shown that other company parameters (Age, liquidity, leverage, shareholders, and industry type) had a less impact on corporate disclosure.

3. Study by (Elkelish & Hassan, 2014) ^[21], titled: "Organizational culture and corporate risk disclosure: The Empirical study of the publicly quoted securities within the United Arab Emirates

The primary objective of the research endeavor was to examine the correlation between culture and corporate risk disclosure for the firms listed in the United Arab Emirates. This was achieved by examining the organizational culture model developed by Cameron & Quinn (1999) ^[38], which has four dimensions: Clan, Adhocracy, Market, and Hierarchy. An analysis was conducted on the company's annual financial reports that were submitted to the UAE stock market during the fiscal year of 2005. The study use multiple regression analysis to test the hypotheses.

The study results showed that the Hierarchy dimension of organizational culture has high positive impact on corporate risk disclosure in the Emirati corporate setting. This study also established that companies listed UAE are more receptive to official regulation for risk reporting and are a complete opposite of the practice of self-regulation in some Western countries.

4. Study of (Nyahas *et al.*, 2017) ^[33], titled Isomorphic influences and voluntary disclosure: The mediating role of organizational culture

This research aims to assess and analyze the impact of organizational culture in mediating the relationship between isomorphic effects (Coercive, mimetic, and normative) and voluntary disclosure among businesses listed on the Nigerian Stock Exchange. The analysis utilized the financial reports of the businesses that were publicly released for the fiscal year 2015. The data was collected by a questionnaire that included the independent factors (Coercive, mimetic, and normative isomorphic effects) and the mediating variables (Organizational culture). The dependent variable, voluntary disclosure, and the control variables were obtained using the content analysis approach. This method involved analyzing the financial reports of 92 firms and applying Partial Least Squares Structural Equation Modeling (PLS-SEM) for analysis.

Voluntary disclosure was found to be positively related to the extent to which coercive and normative isomorphic mechanisms were employed, while the extent to which firms used a mimetic mechanism did not show any association with voluntary disclosure. Cultural dimensions of the organization could also be the intermediary effects of isomorphic pressures and voluntary disclosure exercises for the public listed companies in Nigeria.

5. Study by (Nyahas *et al.*, 2018) ^[32] titled **Organizational Culture and Voluntary Disclosure Practices of Listed Firms in Nigeria**

The objective of the study was to examine the relationship between organizational culture and voluntary disclosure in listed firms in Nigeria. The study employed the framework proposed by Gibbins *et al.* (1990) ^[22] to establish the relationship between company culture and voluntary disclosure. The questionnaire was utilized as a means to gather data on the organizational atmosphere. Conversely, the accounting data for the voluntary disclosure were sourced from the financial statements of the 92 businesses listed on the Nigerian Stock Exchange. The primary study assumptions were tested using a Structural Equation Modeling (SEM) model and its sub-model, Partial Least Squares Structural Equation Modeling (PLS-SEM). Empirical evidence has demonstrated that the coercive and mimetic aspects of corporate culture strongly influence the decision to engage in voluntary disclosure. Therefore, it stresses the firms which demonstrate readiness and flexibility to environmental requirements are desirable likely to their voluntary disclosure in their annual reports. Moreover, the research concluded that leeway in policies was accompanied by strict compliance to the measurements, provisions and standards with regard to the reveal of disclosure items.

This research that is being conducted now is different from the previous ones mainly because it is addressing the organizational culture and its influence on the degree of voluntary disclosure in the Iraqi region. This is attained through analysis of the sample of companies listed on the Iraqi Stock Exchange during the fiscal year 2021 irrespective of sectors.

Secondly: Research Methodology

1. Research Problem

Organization culture is a significant idea when it comes to understanding the way organizations operate because it is one of the basic elements that contribute to the success and growth of organizations. It is the broader model of organization which depicts the functioning of the organization in a distinctive way. It comprises elements, activities, and ways of doing things that are deeply ingrained over time, and thus shape the ways people think, act, and do things, and making decisions. Additionally, organizational culture is one of the internal environmental factors that influence accounting systems, practices, and applications within organizations, including voluntary disclosure. The extent of disclosure (The quantity of additional information disclosed) in financial reports is influenced in one way or another by several factors both within and outside the organization. Consequently, organizational culture can directly impact voluntary disclosure in financial reports in Iraqi companies.

Based on this, the research problem can be formulated in the following main question

To what extent does organizational culture affect voluntary disclosure in Iraqi companies?

2. Research Objectives

The main purpose of the research is to understand the effect

of organizational culture on voluntary disclosure in the financial reports of Iraqi companies. From this main goal, the following sub-goals are derived:

1. To understand the concept of organizational culture, its types, and dimensions according to the model proposed by (Cameron & Quinn, 1999) ^[38].
2. To examine the general impact of organizational culture on voluntary disclosure in Iraqi companies.
3. To identify the level of organizational culture in its four dimensions (Clan, adhocracy, market, hierarchy) in the sample of Iraqi companies.
4. To study the relationship (Correlation and influence) between the four dimensions of organizational culture and voluntary disclosure in the sample of Iraqi companies.

3. Research Hypotheses

Within the framework of the major question addressing the research problem, the following main hypotheses can be formulated:

Primary Hypothesis 1: There is a significant correlation between the dimensions of organizational culture and voluntary disclosure. From this hypothesis, the following sub-hypotheses stem:

1. There is a significant correlation between the clan dimension and voluntary disclosure.
2. There is a significant correlation between the adhocracy dimension and voluntary disclosure.
3. There is a significant correlation between the market dimension and voluntary disclosure.
4. There is a significant correlation between the hierarchy dimension and voluntary disclosure.

Primary Hypothesis 2: The dimensions of organizational culture have a significant effect on voluntary disclosure. From this primary hypothesis, the following sub-hypotheses arise:

1. There is a significant effect of the clan dimension on voluntary disclosure.
2. There is a significant effect of the adhocracy dimension on voluntary disclosure.
3. There is a significant effect of the market dimension on voluntary disclosure.
4. There is a significant effect of the hierarchy dimension on voluntary disclosure.

Primary Hypothesis 3: The overall dimensions of organizational culture have a significant effect on voluntary disclosure, considering governing variables (such as debt ratio, industry type, company size) in Iraqi companies within the research sample.

4. The Importance of the Research

The significance of the research lies in the following aspects:

1. Assisting researchers and scholars in identifying and diagnosing the level of organizational culture and voluntary disclosure in Iraqi companies, and testing the relationships of correlation and impact between them.
2. Contributing to enriching the Iraqi library with research related to organizational culture and voluntary

disclosure, as the Iraqi environment lacks this type of research. Previously, there has been no exploration of these variables to the best of the researchers' knowledge.

3. Directing the attention of organizations in general, and those operating in the Iraqi environment in particular, to the importance of organizational culture and its impact on determining the quantity of voluntarily disclosed information (The extent of disclosure) in the financial reports of Iraqi companies.

5. Research Methodology

The researchers relied on two fundamental methodologies of scientific research:

1. **Deductive Methodology:** The researchers employed deductive methodology in the theoretical aspect by surveying scientific sources for the research. This involved reviewing various accounting research, including books, journals, scientific articles, university theses, and online sources.
2. **Inductive Methodology:** As for the practical aspect, the researchers adopted the inductive methodology. This involved collecting data and information from financial reports and testing them in companies listed on the Iraq Stock Exchange as a sample for the research to reach conclusions.

Chapter two: The theoretical framework of the research

This section will address various aspects of organizational culture and voluntary disclosure as follows:

Firstly: The concept of organizational culture

The 1980s marked the period when the basic rules for the concept of organizational culture were established, with the publication of "Corporate Culture" by (Terrence Deal & Llan Kennedy in 1982) (Abdelhameed, 2022: 56) ^[10]. This led to the emergence of numerous studies, resulting in different definitions of organizational culture proposed by various researchers over the years. However, there hasn't been a unified and widely accepted definition of organizational culture in general (Al-Samaraie, 2022: 34) ^[11]. The definitions that have addressed its concept varied; it has been defined as "the system of values, beliefs, and customs that guide individuals' behaviors within the organization" (Khan *et al.*, 2020: 6) ^[29]. Additionally, (Hofstede *et al.*, 2010: 520) ^[10] described it as "the collective programming of the mind that distinguishes members of one organization from another" (Mohammed, 2019: 298) ^[13] perceives organizational culture as a distinctive characteristic of the organization rather than individuals. He refers to it as the deep structure derived from the values, beliefs, and assumptions held by individuals within the organization, describing it as "a model of shared values that explains how to control attitudes and behaviors, and establishes what is important to the organization's members." Shared values are the foundation for the organization to perform its functions, as they maintain the organization as a cohesive unit and give it its identity that distinguishes it from other organizations. Perhaps the most common definition is what Schein mentioned, as he sees the best description of organizational culture as "a set of solutions to internal and external problems that have been consistently successful for a group,

and that are taught to new members as the correct way to perceive, think, and feel about those problems" (Owens & Steinhoff, 1989: 11) ^[36].

Kurt Lewin defined organizational culture as "a set of assumptions, beliefs, values, rules, and standards shared by members of the organization" (Abdul Razzaq *et al.*, 2019: 157) ^[14]. Rules (standards) and assumptions are essential components of organizational culture, where rules represent "behavioral rules accepted as legitimate collective standards by group members", and underneath these behavioral standards lie the "assumptions" representing the fundamental beliefs upon which the standards and all other aspects of culture are built (Owens & Steinhoff, 1989: 10-11) ^[36].

Organizational culture depends on the organization's approach and can be shaped through major corporate events such as mergers and acquisitions (Li *et al.*, 2020: 2) ^[30]. It serves four functions: providing a sense of identity to members, enhancing commitment, reinforcing organizational values, and shaping behavior through control mechanisms (Ahmed & Shafiq, 2014: 23) ^[15]. It is the key characteristic of successful companies like Toyota and General Electric, and researchers generally agree that organizational culture has a strong long-term impact on organizational performance (Arditi, 2017: 139) ^[17].

Secondly: Types of Organizational Culture

Scientists and researchers have varied perspectives on defining the types of organizational culture, stemming from various human, social, and economic factors, as well as the differing levels of civilization development from one society to another. Some have classified them according to the type of organization (Service-oriented, economic, religious, social, etc.), while others categorized them based on their approach to information (Professional, developmental, hierarchical, etc.). Our current study reviews the types of organizational culture in terms of their strength, considering them to be the most comprehensive and specific types. This classification emerged as a result of studies conducted by Deal & Kennedy on the most successful American companies. Organizational culture is classified into the following types:

1. Strong Culture: This exists when there is a strong adherence among the majority of organization members to prevailing values and beliefs. The strength of this culture can be judged by evaluating the stability of values and beliefs and the degree of their consistency with each other, as well as their long-term continuity.

2. Weak Culture: In contrast, this exists when there is less adherence among organization members to shared values and beliefs. It is described as weak when it is not strongly embraced by them or when it lacks widespread acceptance. This type of organizational culture has a negative impact on the organization's performance and effectiveness (Abdul Hamid, 2022: 62) ^[10].

Thirdly: Dimensions of Organizational Culture

Several studies have used different dimensions and characteristics to define organizational culture.

The present research will leverage the study conducted by Cameron and Quinn in 1999 to evaluate organizational

culture due to the significant overlap seen across the characteristics of organizational culture in previous studies. Firstly, this model utilizes the measurement of real work practices to investigate the underlying organizational culture, which is a more dependable method in contrast to other models that rely on evaluating personal judgments. Furthermore, it offers a comprehensive structure for culture that incorporates several elements suggested by prior research and displays them in four clearly comprehensible dimensions, so simplifying the complexity of the culture

notion. In addition, it offers explanations for the fundamental concepts of each cultural component, which substantially aids in choosing appropriate and quantifiable alternative factors. Multiple investigations have consistently demonstrated the accuracy and appropriateness of this paradigm for experimental study (Elkelish & Hassan, 2014: 283) [21]. The table below presents a compilation of several research examining the dimensions of organizational culture.

Table 1: Various Studies on Organizational Culture Dimensions

Studies	Dimensions of Organizational Culture							
	Innovation	Attention to Detail	Results Orientation	Aggressive/Supportive	Stability	Focus on Rewards	Team Orientation	Decisiveness
(O'Reilly <i>et al.</i> ,1991) [35] (Gordon & DiTomaso,1992) [23]	Clarity of strategy/Common goals	Decision Making Methodology	Integration/Communication	Innovation / Risk-taking	Accountability	Action oriented	Fairness of Rewards	Internal Development/Promotion
(Denison & Mishra,1995) [19]	Involvement	Consistency	Adaptability	Mission				
(Cameron & Quinn, 1999) [38]	Clan	Adhocracy	Market	Hierarchy				
(Van den Berg & Wilderom, 2004) [37]	Autonomy	External Orientation	Interdepartmental coordination	Human Resource Orientation	Improvement orientation			
(Hofstede, 2011) [39]	Process Orientation/Results Orientation	Job-oriented /Employee Orientation	Professional direction/Parochial direction	Open Systems/Closed Systems	Tight/loose control	Pragmatic / normative		

Source: The table was prepared by the researchers.

The researchers here will explain the dimensions of organizational culture according to the study by (Cameron & Quinn, 1999) [38]. This model consists of four organizational cultural dimensions, which can be elucidated as follows:

1. Hierarchy Culture: This organizational culture is defined by a formal and regulated work environment, where people's behaviors are governed by processes. Competent leaders adeptly synchronize and structure tasks with efficiency, while prioritizing the maintenance of a streamlined and pleasant organizational system. The organization's primary objectives in the long term are to achieve stability, predictability, efficiency, and seamless operations. Formal rules and procedures act as the link that binds the organization together. Organizations with a hierarchical culture tend to emphasize more control measures and focus on internal business activities. Hierarchy culture generally dominates both large and small organizations and government agencies. For example, in the United States, it prevails in small organizations (Such as McDonald's restaurant), large conglomerates (Such as Ford Motor Company), and government agencies (Such as the Department of Justice). This is evident through the large number of standardized procedures, emphasis on rule reinforcement, and multiple hierarchical levels. For instance, Ford Motor Company has seventeen levels of management. (Cameron & Quinn, 1999:37-38) [38]

2- Market Culture: The market culture is a performance-driven work atmosphere that prioritizes the external environment over internal matters. It mostly focuses on transactions with external entities, including as suppliers,

consumers, contractors, unions, and regulators. Leaders in this culture are distinguished by their productivity, competitiveness, diligence, toughness, decisiveness, and hard work. Thus, the organization is united by a bond that is centered on achieving success. The primary emphasis is on strategic activities that give a company a competitive advantage, accomplishing long-term goals, and attaining a dominant position in the market. In contrast to the hierarchical culture, the market culture predominantly functions by utilizing economic market processes, particularly currency transactions. The primary objective of market activities is to engage in transactions (Such as exchanges, sales, and contracts) with other organizations in order to establish a competitive advantage. The organization's core aims include achieving profitability, attaining ultimate outcomes, establishing market strength, capturing desired market share, and securing client bases. Organizations that have a market culture prioritize competitiveness and productivity as their primary values. General Electric is an example of a company that adopts a market culture. It competes with firms such as Philips. It is important to clarify that in this context, the term "market" does not pertain to marketing strategies or customers in the market. Instead, it refers to a certain sort of organization that functions as a market in itself. (Cameron & Quinn, 1999:39-40) [38].

3. Clan Culture: The clan's organizational culture prioritizes the internal atmosphere, adaptability, and consideration for individuals. The concept is defined by a collective identity, common principles, unified goals, collaboration, active involvement, and unity. It is a collaborative workspace where individuals might have

several commonalities. The cohesion between the organization's sections is established via loyalty and a strong dedication. Control within clan groups is contingent upon adherence to objectives and customs, without explicit mechanisms for monitoring and assessing performance. The primary focus is on the long-term advantages for personal growth and motivation (ElKelish & Hassan, 2014:283) [21]. According to Hofstede *et al.* (2010) [40], clan organizations resemble family organizations in that they exhibit a strong central authority, a lower degree of formalization in their activities, and a greater acceptance of ambiguity in their structure and processes.

The clan organizational culture provides a strong and highly flexible link, making strict bureaucratic controls unnecessary in a highly coordinated cooperative social system. Additionally, in organizations characterized by such cohesive culture, individuals' personal commitment easily integrates with the organization's values and mission. The organization's values and goals merge with theirs, and they expect long-term employment within the organization. Ouchi describes these organizations as clans, where clan-like characteristics strongly influence individuals' behavior, rendering top-down bureaucratic control unnecessary for discipline and coordination. Japanese companies serve as examples of such organizations.

4. The Adhocracy Culture: The shift from the industrial period to the information age gave rise to a fourth type of organization. This type of organization is highly responsive and well-suited to the fast-paced and unpredictable conditions of the twenty-first century. A new set of assumptions was devised for organizations that differ from the previous three kinds, due to the fast decline in the lifespan of product and service advantages. The dynamic culture is defined by a workplace that is dynamic, entrepreneurial, and creative. In this environment, individuals are willing to take risks, and good leadership is characterized by wisdom, innovation, and a focus on taking risks. The internal link inside the firm is established by a strong dedication to experimentation and innovation, with a specific emphasis on staying updated with cognitive and scientific breakthroughs and generating novel goods and services. The organization's emphasis on quick expansion and gaining new resources necessitates a key preparedness for change and the ability to face new problems. The key to achieving success is to create distinctive and groundbreaking goods and services. The main objective of management is to foster entrepreneurship, innovation, and productivity. Dynamic companies are commonly found in industries such as aviation, software development, think tanks, consultancy firms, and the film industry. These businesses have substantial obstacles in creating novel goods and services and swiftly adjusting to new possibilities.

Fourthly: Voluntary Disclosure

Voluntary disclosure serves as an extension or complement to mandatory disclosure by providing additional financial and non-financial information about the economic and social status of the economic entity. Its purpose is to reduce information asymmetry and facilitate stakeholders' oversight of the management's achievement of the board's objectives,

plans, and future expectations. Voluntary disclosure can be transformed into mandatory or vice versa depending on the laws and regulations applied in each country. These two types of disclosure may differ in terms of timing and content (Ahmed, 2020: 14) [2].

Voluntary disclosure is defined as "expanding the disclosure of financial and non-financial information beyond the requirements of accounting standards, to assist stakeholders in making informed economic decisions" (Al-Asdawi & Mohammed, 2020: 595) [3]. It is also defined as "any information disclosed beyond the mandatory disclosure, which may include recommended disclosures from an organization or official body" (Hassan & Marston, 2010: 7) [27]. It is further defined as "disclosure beyond mandatory disclosure, which represents voluntary disclosure options by economic unit management to provide users with accounting information and any decision-making-related information. It is also expressed as information disclosed voluntarily as an appendix or supplement to disclosures according to accounting standards and disclosure-regulating laws".

The distinguishing feature of voluntary disclosure from mandatory disclosure is the absence of legal regulations mandating voluntary disclosure, and determining the quantity and quality of information to be disclosed. Because it is non-mandatory and unregulated, voluntary disclosure enhances the quality of disclosure and provides appropriate information to aid in sound decision-making (Abdullah & Akhras, 2020: 325) [11].

Additionally, voluntary disclosure of additional information clarifies what has been disclosed mandatorily. Both types of disclosure are effective means of disseminating information to stakeholders (Al-Hasnawi & Jawad, 2018: 358) [7].

The optional disclosure is divided into voluntary disclosure and required optional disclosure. The former refers to disclosure provided voluntarily by management in the financial reports of economic units, without any obligation from regulatory authorities, and without any request from any class of primary stakeholders in the unit. However, the unit undertakes it to demonstrate the legitimacy of its activities and its compliance with environmental, ethical, and general value requirements. As for the latter, it refers to disclosure provided by management in the financial reports of units without any legal obligation, but requested by various groups of primary stakeholders in the unit. These groups exert pressure on management to provide it to enable them to use it in making decisions related to their relationships with the unit. Therefore, management provides it in response to their inquiries about the performance of that unit (Bakheet, 2018: 16) [4].

Fifthly: Objectives of Optional Disclosure

The objectives of optional disclosure aim to achieve the following

1. Describing items that have not been recognized in the financial statements and reports and proposing an appropriate measure for them (Al-Amri & Al-Rubai, 2018: 205) [9].
2. Increasing the comparability of information for the company itself or its comparison with other companies.
3. Reducing the asymmetry of information between the company's management and financial report users (Jabr

- & Hadi, 2020: 79) ^[6].
4. Providing a clear picture of non-quantitative data in financial reports (Abdullah & Akhras, 2020: 325) ^[11].

Sixthly: Explanatory Theories of Voluntary Disclosure

According to a study by (Gibbins *et al.*, 1990) ^[22], organizational culture is one of the internal motivators, characteristics, and factors that contribute to influencing corporate disclosure. Some previous experimental studies, such as (ElKelish & Hassan, 2014) ^[21], (Hassan, 2009) ^[26], and (Oliveira *et al.*, 2011) ^[34], have used different theories to clarify the relationship between company characteristics and the level of voluntary disclosure. Among these theories are the following:

1. Agency Theory: Agency theory defines it as "a set of legal relationships governing the parties to an agency contract (Principal/agent relationship), and based on the contract concluded between them, the agent undertakes to represent and safeguard the interests of the principal." Units can be viewed as a coalition of several bilateral relationships, such as the relationship between management and shareholders, the relationship between management and employees, and the relationship between shareholders and external auditors. Agency theory emerged as an attempt to solve the problem of conflicting interests and goals between shareholders and boards of directors in units, by viewing the economic unit as a series of optional contracts based on the legal contract between the various parties in the unit, which aims to limit management behavior by favoring its personal interests over the interests of other parties (Hasso and Rasheed, 2019: 724) ^[8]. Therefore, the agency problem arises when the agent makes decisions that do not align with the principal's interests, and for this reason, units bear those additional costs. Thus, disclosure plays an active role in reducing those costs, as voluntary disclosure has an effective impact in reducing agency costs by expanding the dissemination of financial and non-financial information that contributes to reducing the asymmetry of information between the agent and the principal (Jabr & Hadi, 2020: 79) ^[6].

2. Legitimacy Theory: This theory is based on the assumption that economic units aim to recognize the society in which they operate and try not to violate general standards and rules. The desire to legitimize the unit's operations is one of the potential motives for its disclosure (Dagiliene & Nedzinskiene, 2018: 5) ^[18]. This theory assumes that there is a social contract between the economic unit and the society in which it operates, and that the unit

derives its legitimacy from society's understanding of its nature and operations (Al-Asdawi & Mohammed, 2020: 598) ^[3]. The project cannot proceed without a proper analysis of the community needs and an ability to adapt to the changing conditions of the community. Thus, it aims to fulfill the community's demand for knowledge that facilitates in the realization of educated decisions. It also seeks to disclose information through both mandatory and voluntary disclosure, including information that clarifies the unit's participation in social and environmental responsibility (Metwally, 2021:683) ^[12]. This theory suggests that optional information disclosure is part of a legitimization process and is used as a tool by economic units to demonstrate that their activities align with the boundaries and standards of each society (Al-Asdawi & Mohammed, 2020: 599) ^[3].

3. Institutional Theory: Institutional theory attempts to explain the effect of the socio-economic environment and external factors on the economic unit by studying them. It lets us see how the unit's behavior is linked with the overarching social environment in which it operates. The social behavior of the team is said to be affected by the environment in which it works, so it has to interact in a particular way to be able to meet general expectations as well as succeed. Institutional theory is applicable in the area of disclosure of social and environmental information by organizations in response to the institutional pressures, and also helps in understanding the ways in which units perceive and react to a change in social and institutional pressures and expectations (Dagiliene & Nedzinskiene, 2018: 5-6) ^[18].

Chapter Three: Results Discussion and Hypothesis Testing

This chapter focuses on testing the research hypotheses based on the data collected and analyzed using a set of appropriate statistical methods.

Firstly: Research Population and Sample

The research field encompasses all sectors in the Iraqi environment, while the research population consists of companies listed on the Iraq Stock Exchange across all sectors. The number of listed companies from all sectors is 148. As for the research sample, it was a cross-sectional sample for only one year, which is 2021. The number of companies in the research sample was 92, as illustrated in Table (2). The sample was determined based on the condition of the continuity of disclosure for these companies, In addition, the presence of essential data to quantify the research variables is also important.

Table 2: Research sample companies

S	Company	S	Company	S	Company	S	Company	S	Company
1	Middle East Innovation	20	Iraqi Dates Company	39	National Furniture Company	58	Erbil Bank	77	Holding Bank
2	Asiacell Telecommunications	21	Iraqi Carton Company	40	National Investments Company	59	Asia Bank	78	Zain Bank
3	Al-Ameen for Investment	22	Iraqi Engineering Company	41	National Minerals Company	60	Assyria Bank	79	Sumer Bank
4	Baghdad Beverages	23	Iraqi Carpet Company	42	Ready-made Clothing	61	Credit Bank	80	Through-Iraq Bank
5	Al-Ameen Investments	24	Fallujah Construction	43	Babil Animal Production	62	Union Bank	81	Kurdistan Bank

			Company						
6	Al-Ameen Insurance	25	Canadian Vaccines Company	44	Baghdad Iraq Transport	63	Investment Bank	82	Noor Iraq Bank
7	Al-Ahlia for Production	26	Tourist City in Mosul Dam	45	Baghdad Packaging Materials	64	Economy Bank	83	Qurtas Bank
8	Al-Ahlia Insurance	27	Al-Ahli Bank	46	Between the Two Rivers	65	Regional Bank	84	Al-Mustashar Bank
9	Al-Hamra Insurance	28	Commercial Bank	47	Dar Al-Salam Insurance	66	Ansari Bank	85	Al-Mashriq Bank
10	Al-Khatim Telecommunications	29	International Bank	48	Rahab Karbala	67	Trust Bank	86	Al-Mansour Bank
11	Gulf Insurance	30	Iraqi Bank	49	Al-Ribas Poultry	68	International Development Bank	87	Mosul Bank
12	Modern Tailoring	31	United Bank	50	Khazir Road	69	Southern Bank	88	Ameen Bank
13	Middle East Fisheries	32	National Bank	51	Mansour Hotels	70	Rajeh Bank	89	Ilaaf Bank
14	Al-Zawraa Investment	33	Al-Maamora Investments	52	Uruk Hotels	71	Middle East Bank	90	Babylon Bank
15	National Industries	34	Elite Contracting Company	53	Assur Hotel	72	Northern Bank	91	Baghdad Bank
16	Chemical Industries	35	Mansour Pharmaceuticals	54	Al-Sadeer Hotel	73	Al-Tayf Bank	92	Jihan Bank
17	Iraqi Seeds	36	Mosul Cities for Games	55	Babylon Hotel	74	World Bank		
18	Iraqi Meat	37	Crescent Industrial Company	56	Baghdad Hotel	75	Arab Bank		
19	Iraqi Agriculture	38	Al-Waam Investment Company	57	Al-Karkh Games City	76	Al-Ataa Bank		

Source: The table was prepared by the researchers.

Secondly: Measurement of variables

This research includes three kinds of variables as follows:

1. Independent Variable (Organizational Culture):

The independent variable is represented by organizational culture and is measured according to the study by (El-Kelish & Hassan, 2014) ^[21] based on the following dimensions:

Table 3: Measurement of organizational culture

Variable measurement	Code variable	Organizational Culture
Clan Dimension	CL	It is measured by extracting the total compensation paid to employees as a percentage of operating expenses.
Adhocracy Dimension	LnAD	It is measured using the natural logarithm of fluctuations in operating income, and it is used as an alternative variable for this dimension.
Market Dimension	ROA	It is measured by extracting the return on assets value.
Hierarchy Dimension	TC	It is measured by extracting the total transaction costs to net income.

Source: The table was prepared by the researchers.

2. The dependent variable (Optional Disclosure)

Represented as (CRD), it stands for the dependent optional disclosure variable and is measured using the content analysis method of the disclosure index in the study by

(Nyahas *et al.*, 2017) ^[33] and (Nyahas *et al.*, 2018) ^[32]. Table (4) presents the checklist model for voluntary disclosure indicators.

Table 4: Checklist for optional disclosure index

Information	Number
A. Strategic Information	10
1. Company Mission Statement	1
Brief Company History	1
Organizational Structure/Chart	1
Description of Major Products/Services Produced	1
Potential Impact of Business Strategy on Current Performance	1
Review of Current Financial Results and Discussion of Key Factors Underlying Performance	1
Educational Qualifications/Academic Level of the Board of Directors	1
Information about Board of Directors' Remuneration	1
Information about Board of Directors' Attendance and Meeting Frequency	1
Date of Stock Capitalization	1
B. Forward-Looking Information	5
11. Factors That May Affect Future Performance	1
Manager's Expectations for Future Performance	1
Planned Research and Development	1

Information Related to General Economic Outlook and Its Potential Impact on Future Performance	1
Disclosure Related to Industry Competition and Its Impact on Future Performance	1
C. Social and Ethical Disclosure	5
16. Disclosure of Anti-Corruption Policy	1
List of Actual Corruption Cases Dealt with During the Year	1
Report on Company's Relationship with the Community	1
Statement about Company's Relationship with Key Stakeholders	1
Relationship with Customers	1
D. Environmental Information	5
21. Report on Environmental Policy	1
Information about Employee Safety in the Workplace	1
Social Responsibility	1
Statement about Environmental Risk Management	1
Overview of How Business Operations Impact the Environment	1
Final Total	25

Source: The table was compiled by the researchers based on the study by (Nyahas *et al.*, 2018) [32].

The percentage of voluntary disclosure was calculated by dividing the disclosed items by the total disclosure.

3. Controlling Variables: These include the following:

A. Debt to Equity Ratio: Represented as (CO₁) and calculated using the following equation:

$$\text{Debt to Equity Ratio} = \text{Debt/Equity}$$

B. Industry Type: Represented as (CO₂) and calculated by assigning sequential numbers to sectors, where (1)

represents the Banking sector, (2) represents the Insurance sector, (3) represents the Investment sector, (4) represents the Services sector, (5) represents the Industrial sector, (6) represents the Hospitality and Tourism sector, (7) represents the Agriculture sector, and (8) represents the Telecommunications sector.

C. Company Size: Represented as (CO₃), calculated using the natural logarithm of total assets.

Thirdly: Descriptive Analysis of Variables

Table 5: Shows the level of research variables in the sample companies for the year 2021.

S	Companies	(CL)	(LnAD)	(ROA)	(TC)	(CRD)	(CO1)	(CO2)	(CO3)
1	Abdaa Al Sharq Al Awsat	0.795	7.594	0.007	0.176	0.520	0.174	4	9.744
2	Asiacell Telecommunications	0.106	11.594	0.126	0.232	0.120	0.686	8	12.422
3	Al Ameen Investment	0.567	7.730	0.003	0.338	0.480	0.530	3	9.766
4	Baghdad Beverages	0.177	10.762	0.095	0.188	0.760	0.104	5	11.747
5	Al Ameen Investments	0.520	8.182	0.011	0.348	0.320	0.133	4	10.235
6	Al Ameen Insurance	0.295	8.476	0.068	0.313	0.480	0.032	2	9.681
7	Al Ahlia for Production	0.288	7.257	0.045	0.814	0.120	0.128	7	8.602
8	Al Ahlia Insurance	0.230	8.667	0.050	0.116	0.520	0.181	2	9.931
9	Al Hamraa Insurance	0.139	9.107	0.045	0.325	0.520	0.829	2	10.298
10	Al Khateeb Telecommunications	0.141	10.876	0.013	0.567	0.520	0.329	8	12.660
11	Al Khaleej Insurance	0.309	7.687	0.004	0.690	0.760	0.037	2	9.914
12	Al Khayata Al Haditha	0.753	8.412	0.062	0.922	0.120	0.132	5	9.606
13	Middle East Fisheries	0.615	8.221	0.021	0.144	0.760	0.721	7	9.085
14	Al Zawraa Investment	0.695	7.463	0.043	0.128	0.760	0.054	3	9.025
15	National Industries	0.625	8.533	0.068	0.423	0.280	0.187	5	10.141
16	Chemical Industries	0.193	7.787	0.013	0.296	0.520	0.027	5	9.691
17	Iraqi Seeds	0.018	10.554	0.071	0.687	0.520	0.621	7	11.696
18	Iraqi Meat	0.561	8.963	0.102	0.348	0.120	0.231	7	10.085
19	Iraqi Agriculture	0.491	8.514	0.096	0.283	0.520	0.148	7	9.502
20	Iraqi Dates	0.031	9.311	0.085	0.122	0.760	0.276	5	10.386
21	Iraqi Carton	0.503	7.829	0.032	0.146	0.760	0.303	5	9.335
22	Iraqi Engineering	0.128	7.977	0.034	0.529	0.280	0.027	5	9.006
23	Iraqi Carpets	0.274	8.647	0.197	0.434	0.120	0.316	5	9.578
24	Fallujah Construction	0.819	7.075	0.039	0.758	0.120	0.172	5	9.619
25	Canadian Vaccines	0.408	7.731	0.002	0.020	0.520	0.037	5	9.869
26	Tourism in Mosul Dam	0.359	8.319	0.186	0.149	0.120	0.136	6	9.072
27	Al Ahli Bank	0.242	10.510	0.014	0.578	0.280	0.465	1	12.260
28	Commercial Bank	0.221	10.052	0.025	0.311	0.600	0.629	1	11.710
29	International Bank	0.181	9.444	0.004	0.270	0.720	0.103	1	11.727
30	Iraqi Bank	0.184	9.976	0.007	0.373	0.720	0.228	1	11.962
31	United Bank	0.276	9.368	0.002	0.308	0.400	0.170	1	11.918
32	National Bank	0.333	8.998	0.001	0.194	0.520	0.065	1	11.687
33	Al Ma'mura Investments	0.110	9.083	0.055	0.331	0.360	0.028	4	10.411

34	Elite Contracting	0.686	6.784	0.002	0.221	0.320	0.016	4	9.422
35	Mansour Pharmaceuticals	0.243	8.553	0.035	0.320	0.320	0.072	5	10.043
36	Mosul Cities Games	0.340	8.403	0.034	0.156	0.360	0.565	4	9.525
37	Crescent Industrial	0.852	8.633	0.216	0.240	0.120	0.117	5	9.132
38	Al Waeam Investments	0.546	7.590	0.012	0.421	0.280	0.025	3	9.454
39	National Furniture	0.350	8.187	0.080	0.108	0.760	0.295	5	9.436
40	National Investments	0.488	9.317	0.117	0.444	0.280	0.035	6	10.267
41	National Minerals	0.514	8.916	0.122	0.453	0.120	0.159	5	9.249
42	Ready-made Clothing	0.190	8.397	0.054	0.556	0.400	0.529	5	9.561
43	Babil Animal Production	0.456	7.726	0.029	0.846	0.520	0.679	7	9.452
44	Baghdad Iraq Transport	0.526	9.307	0.253	0.352	0.120	0.566	4	9.858
45	Baghdad Packaging Materials	0.728	7.019	0.008	0.108	0.760	0.018	5	9.033
46	Between the Rivers	0.234	6.575	0.002	0.118	0.240	0.731	3	8.963
47	Dar Al Salam Insurance	0.256	8.577	0.014	0.437	0.280	0.110	2	9.945
48	Rahab Karbala	0.634	7.841	0.002	0.292	0.280	0.048	6	9.916
49	Al Ribas Poultry	0.110	8.803	0.005	0.005	0.760	0.110	7	10.756
50	Khazer Road	0.259	8.347	0.117	0.173	0.520	0.259	5	9.387
51	Mansour Hotels	0.470	8.597	0.127	0.239	0.120	0.459	6	9.639
52	Ashur Hotels	0.591	9.344	0.031	0.532	0.280	0.337	6	10.611
53	Assur Hotel	0.583	6.715	0.018	0.166	0.320	0.383	6	8.255
54	Sadir Hotel	0.584	7.922	0.096	0.254	0.280	0.171	6	9.145
55	Babylon Hotel	0.322	9.678	0.259	0.126	0.760	0.757	6	10.262
56	Baghdad Hotel	0.230	9.348	0.217	0.199	0.120	0.110	6	9.987
57	Al Karkh Games City	0.311	7.173	0.026	0.324	0.520	0.019	4	9.212
58	Erbil Bank	0.219	9.949	0.019	0.280	0.560	0.732	1	11.672
59	Asia Bank	0.175	9.031	0.043	0.620	0.520	0.356	1	10.392
60	Ashur Bank	0.403	10.013	0.012	0.121	0.680	0.102	1	11.788
61	Credit Bank	0.344	9.694	0.011	0.130	0.520	0.605	1	11.669
62	Union Bank	0.386	9.092	0.002	0.169	0.520	0.840	1	11.692
63	Investment Bank	0.184	9.253	0.001	0.102	0.760	0.017	1	11.814
64	Economy Bank	0.316	7.917	0.001	0.083	0.760	0.766	1	11.669
65	Regional Bank	0.130	10.069	0.011	0.127	0.520	0.161	1	11.907
66	Ansari Bank	0.394	9.077	0.002	0.326	0.440	0.402	1	11.407
67	Trust Bank	0.290	8.670	0.001	0.092	0.640	0.717	1	11.643
68	International Development Bank	0.347	10.308	0.115	0.531	0.120	0.004	1	11.178
69	Southern Bank	0.258	9.771	0.008	0.419	0.640	0.146	1	11.801
70	Al Rajeh Bank	0.262	9.333	0.004	0.132	0.520	0.359	1	11.511
71	Middle East Bank	0.501	8.659	0.000	0.019	0.760	0.140	1	11.807
72	Northern Bank	0.559	9.780	0.018	0.174	0.440	0.631	1	11.625
73	Spectra Bank	0.226	8.934	0.001	0.044	0.760	0.199	1	11.617
74	Al Alam Bank	0.169	9.012	0.003	0.464	0.280	0.252	1	11.522
75	Arab Bank	0.229	9.440	0.011	0.271	0.680	0.085	1	11.428
76	Al Attah Bank	0.353	9.335	0.003	0.467	0.600	0.103	1	11.698
77	Holding Bank	0.331	8.223	0.001	0.328	0.760	0.212	1	11.474
78	Zain Bank	0.327	9.355	0.003	0.197	0.360	0.648	1	11.609
79	Sumer Bank	0.492	9.795	0.003	0.270	0.640	0.409	1	11.571
80	Across Iraq Bank	0.286	9.240	0.006	0.407	0.560	0.412	1	11.575
81	Kurdistan Bank	0.181	10.047	0.004	0.664	0.280	0.104	1	12.151
82	Noor Al Iraq Bank	0.335	7.981	0.005	0.886	0.120	0.136	1	11.453
83	Qartas Bank	0.280	8.954	0.002	0.664	0.400	0.409	1	11.501
84	Consultant Bank	0.142	8.285	0.001	0.061	0.760	0.260	1	11.424
85	Mashreq Bank	0.319	8.816	0.002	0.213	0.440	0.244	1	11.406
86	Mansour Bank	0.602	9.963	0.012	0.141	0.560	0.372	1	11.844
87	Mosul Bank	0.367	9.660	0.001	0.321	0.360	0.697	1	11.888
88	Ameen Bank	0.334	8.942	0.001	0.100	0.760	0.295	1	11.337
89	Elaf Bank	0.593	8.913	0.002	0.174	0.440	0.494	1	11.588
90	Babel Bank	0.278	9.665	0.011	0.550	0.440	0.679	1	11.638
91	Baghdad Bank	0.547	10.756	0.019	0.119	0.640	0.411	1	12.187
92	Jehan Bank	0.259	10.025	0.007	0.756	0.520	0.601	1	12.101

Source: The table was compiled by the researchers.

The table (5) reveals, according to organizational culture and its four dimensions (Clan dimension, adhocracy dimension, market dimension, and hierarchy dimension), that the clan dimension was most prevalent in Crescent Industrial Company, while it was least prevalent in Iraqi

Seed Company. In terms of the adhocracy dimension, it was most prevalent in Asiacelel Telecommunications, and least prevalent in Elite Contracting Company. Regarding the market dimension, it was highest in Babylon Hotel Company and lowest in Middle East Bank. As for the

hierarchical sequence dimension, it was highest in Modern Tailoring Company and lowest in Al Ribas Poultry Company. In terms of voluntary disclosure, several companies participated at the highest level (for example, Ameen Bank, Consultant Bank), and the lowest level of

disclosure (For example, Noor Al Iraq Bank, International Development Bank).

As for the overall sample level, Table (6) illustrates the overall level of research variables

Table 6: Level of variables for total sample

Variables	Symbol	Arithmetic Mean	Standard Deviation	Minimum Value	Maximum Value	Variance
Clan Dimension	(CL)	0.364	0.188	0.018	0.852	51.74%
Adhocracy Dimension	(lnAD)	8.852	1.010	6.575	11.594	11.40%
Market Dimension	(ROA)	0.042	0.060	0.000	0.259	142.63%
Hierarchical Sequence Dimension	(TC)	0.319	0.215	0.005	0.922	67.32%
Voluntary Disclosure	(CRD)	0.463	0.214	0.120	0.760	46.29%
Debt Ratio	(CO1)	0.302	0.242	0.004	0.840	80.11%
Industry Type	(CO2)	3.207	2.304	1.000	8.000	71.85%
Company Size	(CO3)	10.646	1.125	8.255	12.660	10.57%

Source: The table was prepared by the researchers using the statistical software (SPSS).

From Table (6) at the overall sample level, there is a low level of clan dimension. However, the high standard deviation value and the variance coefficient exceeding the assumed value of 50% indicate that there is dispersion among the observations (Companies), which weakens the reliability of the arithmetic mean to represent the entire sample. Additionally, there is a decrease in the level of market dimension indicated by the return on assets, with an average return of approximately 4.2%, which is very low. However, this arithmetic mean cannot be representative of the sample as a whole due to the dispersion in observations indicated by the standard deviation and variance coefficient. Moreover, a decrease in the hierarchy dimension is noted. As for voluntary disclosure, there is an average level of approximately 46.3% for the sample as a whole, and the representation of this level for the sample is supported by the decrease in dispersion among observations. Evidenced by the reduction in the standard deviation and variance coefficient.

Fourthly: Testing the Normal Distribution of Data

The skewness coefficient was utilized to ascertain if the statistical procedures should be parametric, which necessitates normally distributed data, or non-parametric, which does not require such distribution. Data is said to follow a normal distribution if its value lies within the range of +1 to -1. Table (7) demonstrates that the computed skewness coefficient lies within the specified range, suggesting that the data is approaching a normal distribution. Thus, it is possible to utilize parametric statistical approaches for testing the study hypotheses.

Table 7: Normal Distribution Test for Data

Variables	Symbol	Skewness coefficient
Clan Dimension	(CL)	0.608
Adhocracy Dimension	(lnAD)	0.025
Market Dimension	(ROA)	0.029
Hierarchy Dimension	(TC)	0.940
Voluntary Disclosure	(CRD)	-0.146

Source: This table was prepared by researchers based on statistical software (SPSS).

Fifthly: Relationship Hypothesis Test

The paragraph included one main hypothesis as follows:

(H1) The first main hypothesis: There is a significant correlation between dimensions of organizational culture and voluntary disclosure.

From this main hypothesis, the following sub-hypotheses branch out:

(H1.1) The first sub-hypothesis: There is a significant correlation between the clan dimension and voluntary disclosure.

In order to examine this hypothesis, the Pearson correlation coefficient was utilized to assess the statistical significance, magnitude, and direction of the association between the clan dimension and voluntary disclosure. The correlation coefficient value is displayed in Table 8.

Table 8: Correlation relationship between the clan dimension and voluntary disclosure

Dimensions and Variables		Voluntary Disclosure
Clan Dimension	Pearson Coefficient	-0.222*
	Significance (Sig.)	0.033

(*) Significant at the 5% significance level.

(**) Significant at the 1% significance level.

Source: This table was prepared by researchers based on statistical software (SPSS).

Table (8) shows a clear and substantial negative association between the clan component and voluntary disclosure. This implies that as the availability of the clan dimension increases, there will be a corresponding drop in the extent to which volunteer information is disclosed. This finding is consistent with the results of the (Elkelish & Hassan, 2014)^[21] study, which showed a negative correlation between disclosure and this particular dimension. Therefore, the first sub-hypothesis has been verified as accurate.

(H1. 2): The second sub-hypothesis: The positive relationship between the adhocracy dimension and the voluntary disclosure is more than evident.

In order to verify this hypothesis, it was decided to compute the Pearson correlation coefficient in order to determine, the magnitude, the direction and the significance of the relationship between the adhocracy dimension and the disclosure of information. The table (9) presents the correlation coefficient value.

Table 9: Correlation relationship between the adhocracy dimension and voluntary disclosure

Dimensions and Variables		Voluntary Disclosure
Adhocracy Dimension	Pearson Coefficient	0.091
	Significance (Sig)	0.388

Source: This table was prepared by researchers using the statistical software (SPSS).

In the light of Table (9), the null hypothesis of adhocracy dimension not being related to voluntary disclosure is confirmed. The fact that the dynamic factor fluctuating in proportion to the rest of the factors is why disclosure will be neither decreased nor increased by the availability of the dynamism dimension. The contrast with (ElKelish & Hassan, 2014) [21] that was of a negative correlation between the adhocracy dimension and disclosure can be seen. Consequently, proposition II is declared untrue.

(H1. 3) The third sub-hypothesis: A link exists among the market dimension and voluntary disclosure in that there is a positive correlation between the two.

To verify the theory, the Pearson correlation coefficient was used to infer the relation under the context of its significance, strength, and direction of the market dimension as well as corporate voluntary disclosure. Table (10) displays the magnitude of correlation coefficient.

Table 10: Correlation Relationship between the Market Dimension and Voluntary Disclosure

Dimensions and Variables		Voluntary Disclosure
Market Dimension	Pearson Coefficient	-0.408**
	Significance (Sig.)	0.000

Source: This table was prepared by researchers using the statistical software (SPSS).

According to the data in (10), there is an evident negative (Inverse) relationship between the market size and the extent of voluntary disclosure. Meaning that an increase in the level of availability of the market dimension will be accompanied by a decrease in the level of voluntary disclosure. There is this discrepancy in the finding between (ElKelish and Hassan, 2014) [21], thus the third alternative hypothesis is accepted.

(H1. 4) The fourth sub-hypothesis: To a certain level there is a connection between the level of hierarchy and voluntary disclosure that defines the nature of the hierarchical sequence dimension.

In order to confirm this hypothesis, Pearson’s correlation coefficient was chosen to examine the impact size, direction, and significance of the correlation between the hierarchy dimension and the voluntary disclosure. Table (11) reveals the magnitude of the correlation coefficient.

Table 11: Correlation Relationship between the Hierarchical Sequence Dimension and Voluntary Disclosure

Dimensions and Variables		Voluntary Disclosure
Hierarchical Sequence Dimension	Pearson Coefficient	-0.452**
	Significance (Sig.)	0.000

Source: This table was prepared by researchers based on statistical software (SPSS).

From Table (11), as one tends to observe a strong negative

association (Inverse relationship) between the sequential dimension and voluntary disclosure. This will happen in the following way: as the availability of the hierarchical space multiplies, the level of voluntary disclosure will be reduced. This outcome is different from the findings of studies (ElKelish & Hassan, 2014) [21] and (Nyahas *et al.*, 2018) [32], which detected a statistically significant positive correlation between this dimension and disclosure. Hence, the fourth sub-thesis should be accepted as well. Basically, the (Nalikka, 2008) [31] hypothesis seems to be mirrored in most of the evidence as it shows a strong connection between corporate disclosure and organizational culture. However, the findings of (Nyahas *et al.*, 2017) [33], and (Gibbins *et al.*, 1990) [22] are not supported as they do not show any positive association between voluntary disclosure and organizational, Utilizing the findings from the subsequent sub-hypotheses, the initial assumption has been confirmed.

Sixthly: Impact hypothesis test

The paragraph included two main hypotheses, as follows

(H2) The second main hypothesis: There is a significant effect of organizational culture dimensions on voluntary disclosure.

From this main hypothesis, the following sub-hypotheses branch out:

(H2.1) The first sub-hypothesis: There is a significant effect of the clan dimension on voluntary disclosure.

To test this hypothesis, a simple linear regression equation was prepared to estimate voluntary disclosure through the clan dimension, in order to determine the extent of the clan dimension's effect on voluntary disclosure. Table (12) shows the impact results.

Table 12: Results of the clan dimension effect on voluntary disclosure

Dimensions and variables	(R ²)	(R2) Mean	The value of (F)	(Sig).
	0.049	0.039	4.686	0.033
	(0β)	(1β)	The value of (T)	(Sig.)
Clan Dimension	0.555	-0.253	-2.165	0.033

Source: This table was prepared by researchers based on the statistical program (SPSS).

It is observed from Table (12) the stability of the validity of the regression equation model indicated by the value of (F) which is (4.686) at a significance level of 5%, which means the possibility of estimating voluntary disclosure through the clan dimension as one of the dimensions of organizational culture. The value of (T), which is (-2.165) at a significance level of 5%, also indicates a significant effect. Additionally, the negative beta regression coefficient (β) value of (-0.253) indicates that the availability of the clan dimension within the organizational culture of the companies in the study sample will reduce the level of voluntary disclosure in those companies. The determination coefficient (R2) value of (0.049) indicates that this dimension explains 4.9% of the variations that occur in the level of voluntary disclosure, thus accepting the first sub-hypothesis (H2.1).

(H2.2) Sub-hypothesis 2: There is a significant impact of

the adhocracy dimension on voluntary disclosure. To test this hypothesis, a simple linear regression equation was prepared to estimate voluntary disclosure through the

dynamic dimension, to determine the extent of the effect of the dynamic dimension on voluntary disclosure. Table (13) shows the results of the impact.

Table 13: Results of the effect of the dynamic dimension on voluntary disclosure

Dimensions and Variables	(R ²)	Mean (R ²)	Value of (F)	(Sig.)
	0.008	-0.003	0.753	0.388
	(0β)	(1β)	Value of (T)	(Sig.)
Dynamic Dimension	0.292	0.019	0.868	0.388

Source: This table was prepared by researchers based on the statistical software (SPSS).

Table (13) shows that the regression equation model lacks stability in terms of validity. This is indicated by the value of (F), which is (0.753), and is not significant at a level greater than 5%. This means that we are unable to estimate voluntary disclosure through the dynamic dimension as one of the dimensions of organizational culture. Furthermore, the value of (T), specifically (0.868), at a significance level exceeding 5%, suggests that there is no statistically significant influence. Thus, the second sub-hypothesis

(H2.2) is invalidated.

(H2.3) Sub-hypothesis 3: There is a significant effect of the market dimension on voluntary disclosure.

In order to examine this hypothesis, a basic linear regression equation was created to predict the level of voluntary disclosure based on the market dimension, to determine the extent of the impact of the market dimension on voluntary disclosure. Table (14) shows the results of the effect.

Table 14: Results of the effect of market dimension on voluntary disclosure

Dimensions and Variables	(R ²)	Mean (R ²)	Value of (F)	(Sig.)
	0.167	0.158	18.021	0.000
	(0β)	(1β)	Value of (T)	(Sig.)
Market Dimension	0.524	-1.467	-4.245	0.000

Source: This table was prepared by researchers based on the statistical program (SPSS).

It is observed from Table (14) the stability of the validity of the regression equation model indicated by the value of (F) which is (18.021) at a significance level of 5%, meaning the possibility of estimating voluntary disclosure through the market dimension as one of the dimensions of organizational culture. Additionally, the value of (T), which is (-4.245) at a significance level of 5%, indicates a significant effect. Furthermore, the negative beta regression coefficient (β) value of (-1.467) suggests that the availability of the market dimension within the organizational culture of the companies in the study sample will reduce the level of voluntary disclosure in those companies. The mean determination coefficient (R²) value

of (0.167) indicates that the market dimension explains 16.7% of the variations that occur in the level of voluntary disclosure, thus accepting the third sub-hypothesis (H2.3).

(H2.4) Sub-hypothesis 4: There is a significant effect of the hierarchical sequence dimension on voluntary disclosure.

To test this hypothesis, a simple linear regression equation was prepared to estimate voluntary disclosure through the hierarchical sequence dimension, to determine the extent of the effect of the hierarchical sequence dimension on voluntary disclosure. Table (15) shows the results of the effect.

Table 15: Results of the impact of hierarchical sequence dimension on voluntary disclosure

Dimensions and Variables	(R ²)	Mean (R ²)	Value of (F)	(Sig.)
	0.204	0.195	23.058	0.000
	(0β)	(1β)	Value of (T)	(Sig.)
Hierarchical Sequence Dimension	0.607	-0.450	-4.802	0.000

Source: This table was prepared by the researchers based on the statistical program (SPSS).

The stability of the validity of the regression equation model can be observed from Table (15), as indicated by the value of (F) which is (23.058) at a significance level of 5%. This suggests that it is possible to estimate voluntary disclosure through the hierarchical sequence dimension, which is one of the dimensions of organizational culture. Furthermore, the significance level of 5% confirms that the value of (T), which is (-4.802), has a substantial impact. Moreover, the negative beta regression coefficient (β) of (-0.450) indicates that the presence of the hierarchical sequence dimension in the organizational culture of the firms in the research sample will decrease the extent of voluntary disclosure in such

organizations. The calculated determination coefficient (R²) value of 0.204 suggests that the hierarchical sequence dimension accounts for 20.4% of the differences seen in the amount of voluntary disclosure. Therefore, the fourth sub-hypothesis is accepted. Based on the findings from the four sub-hypotheses, it may be inferred that the second primary hypothesis is supported.

(H3) Main Hypothesis 3: There is a significant effect of the organizational culture as a whole on voluntary disclosure with the presence of governing variables.

To test this hypothesis, a multiple linear regression equation

was prepared to estimate voluntary disclosure through the four dimensions of organizational culture (Clan dimension, dynamic dimension, market dimension, hierarchical sequence dimension) along with three of the governing

variables (Debt ratio, industry type, company size), to determine the extent of the effect of the four dimensions of organizational culture on voluntary disclosure. Table (16) shows the results of the effect.

Table 16: Results of the effect of the four dimensions of organizational culture on voluntary disclosure

Dimensions and Variables	(R2)	Mean (R2)	Value of (F)	(Sig.)
	0.417	0.369	8.600	0.000
	(0β)	(1β)	Value of (T)	(Sig.)
Clan Dimension	0.546	-0.189	-1.783	0.078
Dynamic Dimension		0.001	0.017	0.987
Market Dimension		-1.310	-2.857	0.005
Hierarchical Sequence Dimension		-0.453	-5.388	0.000
Debt Ratio		0.008	0.108	0.915
Industry Type		0.000	0.035	0.972
Company Size		0.017	0.376	0.708

Source: This table was prepared by researchers using the statistical program (SPSS).

It is noted from Table (16) the stability of the validity of the regression equation model indicated by the value of (F) which is (8.600) at a significance level of 5%, meaning the possibility of estimating voluntary disclosure through the four dimensions of organizational culture. Additionally, the value of (T) for both (Market Dimension, Hierarchical Sequence Dimension) of the organizational culture dimensions at a significance level of 5% indicates a significant effect. Furthermore, the negative beta regression coefficient (β) values of (-2.857) for the Market Dimension and (-5.388) for the Hierarchical Sequence Dimension suggest that the availability of these dimensions within the organizational culture of the companies in the study sample will reduce the level of voluntary disclosure in those companies. The mean determination coefficient (R2) value of (0.369) indicates that the four dimensions of organizational culture (Clan Dimension, Dynamic Dimension, Market Dimension, Hierarchical Sequence Dimension) explain 36.9% of the variations that occur in the level of voluntary disclosure, thus accepting the third main hypothesis.

The above analysis indicates a negative association between organizational culture and voluntary disclosure in companies listed on the Iraqi stock exchange, attributed to external environmental factors, most notably national culture and the legal system (Archambault & Archambault, 2003: 179) [16] (Jaggi & Low, 2000: 500) [28]. The national culture of Iraq is distinguished by a significant power gap and a strong inclination towards uncertainty avoidance (Al-Samarrai, 2022: 114) [1]. According to Gray, "the higher a country's ranking in uncertainty avoidance and power distance, and the lower its ranking in individualism and masculinity, the more likely it is to occupy a high rank of secrecy" (Gray, 1988: 11) [24]. This preference for secrecy is consistent with a strong inclination to avoid uncertainty, as it involves limiting the sharing of information with external parties in order to prevent conflict, competition, and ensure security. This preference also corresponds to the concept of power distance, as societies with high power distance tend to restrict information in order to uphold existing power imbalances (Dounnik & Riccio, 2006: 241) [20].

Regarding the legal system, Iraqi companies disclose their financial reports according to the requirements of Iraqi Companies Law No. (21) of 1997 as amended, and other

relevant legislation, and according to the rules and accounting practices adopted in the field of corporate disclosure in Iraq. The Companies Law specifies the maximum and minimum amount of information required to be disclosed in companies' financial reports. Mandatory disclosure items specified by law enhance attention to mandatory disclosure items and disregard for voluntary disclosure items, as evidenced by the results of this research.

Chapter four Conclusion

1. Organizational culture is one of the institutional factors, motivators, and internal conditions that affect the extent of voluntary disclosure in the financial reports of companies listed on the Iraqi stock exchange.
2. Several models have studied the concept of organizational culture, including the study by (Cameron & Quinn, 1999) [38].
3. There is a significant correlation between dimensions of organizational culture and voluntary disclosure. The results revealed a significant negative (Inverse) correlation between Clan Dimension, Market Dimension, Hierarchical Sequence Dimension, and voluntary disclosure, while there was no significant correlation among the Dynamic Dimension and voluntary disclosure.
4. The characteristics of corporate culture have a notable impact on voluntary disclosure. The study revealed a noteworthy impact of Clan Dimension, Market Dimension, and Hierarchical Sequence Dimension on voluntary disclosure. However, no substantial impact of the Dynamic Dimension on voluntary disclosure was seen.
5. There is a significant effect of organizational culture as a whole, with its four dimensions, on voluntary disclosure in the presence of governing variables. The study found a significant effect of (Clan Dimension, Adhocracy Dimension, Market Dimension, and Hierarchical Sequence Dimension), along with three governing variables (debt ratio, industry type, company size), on voluntary disclosure.
6. Organizational culture negatively impacts voluntary disclosure as it reflects its potential response to external environmental factors such as national culture and the legal system.

7. The research recommends conducting further studies on organizational culture as one of the institutional factors to understand its role and impact on the work environment, accounting systems, and practices. Additionally, more studies on organizational culture in different environments and countries are suggested.

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**Appendix
Descriptive analysis**

Statistics									
		CL	lnAD	ROA	TC	CRD	CO1	CO2	CO3
N	Valid	92	92	92	92	92	92	92	92
	Missing	0	0	0	0	0	0	0	0
Mean		.36422	8.85226	.04183	.31927	.46304	.30227	3.20652	10.64639
Std. Deviation		.188431	1.009550	.059658	.214921	.214321	.242162	2.304024	1.124906
Minimum		.018	6.575	.000	.005	.120	.004	1.000	8.255
Maximum		.852	11.594	.259	.922	.760	.840	8.000	12.660

Normal Distribution Test

Statistics						
		CL	lnAD	ROA	TC	CRD
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0
Skewness		.608	.025	.029	.940	-.146-
Std. Error of Skewness		.251	.251	.251	.251	.251

Correlation Relationship

Correlations						
		CL	lnAD	ROA	TC	CRD
CL	Pearson Correlation	1	-.425-**	.087	-.027-	-.222-*
	Sig. (2-tailed)		.000	.412	.796	.033
	N	92	92	92	92	92
lnAD	Pearson Correlation	-.425-**	1	.110	.025	.091
	Sig. (2-tailed)	.000		.296	.812	.388
	N	92	92	92	92	92

ROA	Pearson Correlation	.087	.110	1	-.002-	-.408-**
	Sig. (2-tailed)	.412	.296		.985	.000
	N	92	92	92	92	92
TC	Pearson Correlation	-.027-	.025	-.002-	1	-.452-**
	Sig. (2-tailed)	.796	.812	.985		.000
	N	92	92	92	92	92
CRD	Pearson Correlation	-.222-*	.091	-.408-**	-.452-**	1
	Sig. (2-tailed)	.033	.388	.000	.000	
	N	92	92	92	92	92
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Impact Test

(H2.1) The first sub-hypothesis: There is a significant effect of the clan dimension on voluntary disclosure

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222 ^a	0.049	0.039	.210108
a. Predictors: (Constant), CL				

ANOVA ^a						
Model	Sum of Squares	DF	Mean Square	F	Sig.	
1	Regression	.207	1	.207	4.686	.033 ^b
	Residual	3.973	90	.044		
	Total	4.180	91			
a. Dependent Variable: CRD						
b. Predictors: (Constant), CL						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.555	.048		11.596	.000
	CL	-.0253-	.117	-.222-	-2.165-	0.033
a. Dependent Variable: CRD						

(H2.2) Sub-hypothesis 2: There is a significant effect of the Adhocracy Dimension adhocracy dimension on voluntary disclosure

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.091 ^a	0.008	-0.003-	.214612
a. Predictors: (Constant), lnAD				

ANOVA ^a						
Model	Sum of Squares	DF	Mean Square	F	Sig.	
1	Regression	.035	1	.035	0.753	.388 ^b
	Residual	4.145	90	.046		
	Total	4.180	91			
a. Dependent Variable: CRD						
b. Predictors: (Constant), lnAD						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.292	.199		1.470	.145
	lnAD	0.019	.022	.091	0.868	0.388
a. Dependent Variable: CRD						

(H2.3) Sub-hypothesis 3: There is a significant effect of the market dimension on voluntary disclosure.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408 ^a	0.167	0.158	.196713
a. Predictors: (Constant), ROA				

ANOVA ^a						
Model	Sum of Squares	DF	Mean Square	F	Sig.	
1	Regression	.697	1	.697	18.021	.000 ^b
	Residual	3.483	90	.039		
	Total	4.180	91			
a. Dependent Variable: CRD						
b. Predictors: (Constant), ROA						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.524	.025		20.899	.000
	ROA	-1.467-	.346	-.408-	-4.245-	0.000
a. Dependent Variable: CRD						

(H2.4) Sub-hypothesis 4: There is a significant effect of the hierarchy dimension on voluntary disclosure.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.452 ^a	0.204	0.195	.192280
a. Predictors: (Constant), TC				

ANOVA ^a						
Model	Sum of Squares	DF	Mean Square	F	Sig.	
1	Regression	.852	1	.852	23.058	.000 ^b
	Residual	3.327	90	.037		
	Total	4.180	91			
a. Dependent Variable: CRD						
b. Predictors: (Constant), TC						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.607	.036		16.840	.000
	TC	-0.450-	.094	-.452-	-4.802-	0.000
a. Dependent Variable: CRD						

(H3) Main Hypothesis 3

There is a significant effect of organizational culture as a

whole on voluntary disclosure with the presence of controlling variables.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.646 ^a	0.417	0.369	.170256
a. Predictors: (Constant), CO3, TC, CO1, ROA, CL, CO2, lnAD				

ANOVA ^a						
Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	1.745	7	.249	8.600	0.000 ^b
	Residual	2.435	84	.029		
	Total	4.180	91			
a. Dependent Variable: CRD						
b. Predictors: (Constant), CO3, TC, CO1, ROA, CL, CO2, lnAD						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.546	.277		1.968	.052
	CL	-.189-	.106	-.166-	-1.783-	.078
	lnAD	.001	.042	.003	.017	.987
	ROA	-1.310-	.459	-.365-	-2.857-	.005
	TC	-.453-	.084	-.454-	-5.388-	.000
	CO1	.008	.077	.009	.108	.915
	CO2	.000	.011	.004	.035	.972
	CO3	.017	.044	.087	.376	.708
a. Dependent Variable: CRD						