The Role of Transparency and Leadership in the governance of UAE Organisations

دور الشفافية والقيادة في حوكمة المؤسسات في الإمارات

by

SHAMSA ALMARRI

Dissertation submitted in fulfilment

of the requirements for the degree of

MSc PROJECT MANAGEMENT

at

The British University in Dubai

April 2012

DECLARATION

I warrant that the content of this research is the direct result of my own work and that any use made in it of published or unpublished copyright material falls within the limits permitted by international copyright conventions.

I understand that a copy of my research will be deposited in the University Library for permanent retention.

I hereby agree that the material mentioned above for which I am author and copyright holder may be copied and distributed by The British University in Dubai for the purposes of research, private study or education and that The British University in Dubai may recover from purchasers the costs incurred in such copying and distribution, where appropriate.

I understand that The British University in Dubai may make a digital copy available in the institutional repository.

I understand that I may apply to the University to retain the right to withhold or to restrict access to my thesis for a period which shall not normally exceed four calendar years from the congregation at which the degree is conferred, the length of the period to be specified in the application, together with the precise reasons for making that application.

____

Signature of the student

Abstract

The dissertation seeks to determine the extent to which transparency and good governance has been advanced in the organizations of the United Arab Emirates. In the past, the Middle East and North African countries had rated low in international surveys, compared to other countries in terms of transparency and corporate governance. The incidents involving Dubai Ports World (DP World) and the federation's largest holding company, Dubai World, fuelled the general perception that UAE corporate culture is generally opaque.

The financial crisis and ensuing global economic recession had also taken its toll on the UAE as it had with both developed and developing countries alike. The global crisis underscored the importance of transparency and good governance particularly in the area of global investing. Mindful that the UAE will need to attract foreign direct investments to recover quickly from the crisis, the UAE leadership embarked upon a mandatory program for transparency and good governance for all organizations within the federation.

This study surveyed 150 managers in UAE profit, non-profit, and business organizations, and measured their perceptions as to their transparency in ten data disclosure categories, across seven disclosure criteria. Recall data was collected in the form of the respondents' perception of transparency before and after the good governance decree was implemented. An interview was likewise conducted on aspects of the transparency of DP World in particular and UAE organizations in general. The study showed that significant improvements have been noted for all three types of organizations, but the improvement was more substantial for government organizations and more formal or technical for business organizations, with much room for improvement for the latter. Economic effects of transparency are inconclusive at this point

تجريد

تسعى هذه الأطروحة لتحديد مدى التقدم الذي أحرز في مجال الشفافية والحوكمة في مؤسسات دولة الإمارات العربية المتحدة. في الماضي كانت دول الشرق الأوسط وشمال أفريقيا قد حققت نتائج متدنية في الدراسات العالمية مقارنة بدول أخرى من حيث الشفافية وحوكمة الشركات. كما شاركت الحوادث التي تورطت فيها شركة موانئ دبي العالمية، والتي تعتبر واحدة من أمبر الشركات قابضة في الدولة، بالتصور العام بأن ثقافة الشفافية في الشركات العالمية مبهمة بشكل عام.

كما أثرت الأزمة الاقتصادية العالمية وما تلاها من ركود اقتصادي على دولة الإمارات العربية المتحدة، كما كان الحال مع الدول المتقدمة والنامية على حد سواء وأكد على أهمية الشفافية والحوكمة، لا سيما في مجال الاستثمار العالمي. وخاصة بأن دولة الإمارات تحتاج إلى جذب الإستثمارات الخارجية المباشرة للتعافي بسرعة من الأزمة. شرعت القيادة في دولة الإمارات برنامج إلزامي لتفيذ الشفافية والحوكمة في جميع المؤسسات الحكومية.

شملت هذه الدراسة 150 مديراً من المؤسسات الربحية وغير الربحية والتجارية في الإمارات العربية المتحدة، وقاست تصورهم حول شفافية مؤسساتهم في عشر فئات للإفصاح عن البيانات، عبر سبع معايير للإفصاح.

وجمعت بيانات الإستدعاء تصور المشاركين عن الشفافية قبل تنفيذ مرسوم الحوكمة وبعده. كما أجريت مقابلة حول الشفافية في موانئ دبي العالمية بشكل خاص، ومؤسسات أخرى في دولة الإمارات بشكل عام.

وأظهرت الدراسات تحسن كبير في في أنواع المؤسسات الثلاث، ربحية وغير ربحية وتجارية، ولكن التطور كان أكبر في المؤسسات الحكومية. وأكثر رسمية للمؤسسات التجارية مع مجال كبير للتحسن. وأظهرت الدراسات بأن الآثار الإقتصادية للشفافية غير واضحة حتى الآن.

Acknowledgements

Thank you Allah for giving me the strength to write this paper.

First of all, I would like to thank my family for their continuous encouragement especially my mother who without her I would not have done this. Also, I would also like to thank Latifa for her constant support and help and my sister Alyazia as well as my husband.

I would also like to thank Dr. Paul who gave me his guidance when I mostly needed it and encouraged me whenever I thought I cannot work on this paper anymore.

Finally, my appreciation goes to all of those who had faith in me.

Table of Contents

List of Figures:

List of Tables

Chapter 1: The Problem and Its Background

1.1 Chapter overview

The first chapter provides the context of the research problem and the perspective from which the problem is to be addressed. The research aim and objectives are articulated to provide focus to the dissertation, and the sub-questions supporting the research problem are indicated to specify the intermediate steps by which the general problem is eventually resolved. The study's significance is thereafter explained. At the conclusion of this chapter, a fundamental understanding of the context of the research problem and the manner in which this is intended to be resolved should be evident.

1.2 Background of the problem

The recent financial crisis that began with the subprime mortgage market in the United States has done more than correct an asset price bubble (which is typical of inefficiencies in market-based systems). It has drawn attention to factors that had exacerbated the adverse effects of such inefficiencies, in particular the poor banking regulatory regimes, and the lack of transparency and lamentable state of corporate governance in many regions across the globe.

The adverse effects of the crisis were not confined to the borders of the United States, but quickly spread by means of the contagion effect throughout the interlinked financial centres of the world. Even economies that did not have an active derivatives market were affected due to the weakness in the US dollar – the principal international currency for global trade and against which several currencies are pegged. To stabilize the extremely volatile financial markets, massive bailout packages and debt restructuring efforts were urgently put together as quickly as possible. This stop-gap measure proved effective, but only in the short term. To ensure continued and full recovery, longer-term structural reform became the imperative, most important of which was the promotion of transparency. It was primarily because of concealment and fraud that many questionable financial transactions had evaded early detection, and accumulated to the point of that they could no longer be defused or contained by regulation.

Mindful of the fact that the world's national economies are inextricably linked and therefore the weakness of one is the weakness of all, global financial and economic alliances and unions called for greater transparency and regulatory compliance from all regional unions. The Middle East and North African (MENA) region is among the region's most cited for lack of transparency, with Somalia and Iraq identified as two of the worst-ranked countries in Transparency International's Corruption Perception Index. While the UAE is far removed from either of these two, it nevertheless is bound by many commonalities including regional economic, political, and trade agreements.

Furthermore, the UAE has been one of the nations which had attracted public attention precisely on this issue. Dubai, more than the other emirates, has been under tighter scrutiny because of the Dubai World debt restructuring and the significant slow-down in development projects, even before the US subprime market crisis hit (Afridi & Angell, 2010). The stigma of corruption and lack of transparency is a mark a country could not afford to obtain if it wishes to attract trade and investment from outside its borders.

1.3 Statement of aim and objectives

The principal aim of this dissertation is to assess the degree to which transparency and good governance have been advanced by organizational leadership in the United Arab Emirates, as they impact upon the management of projects within the federation. In particular, the study seeks to fulfil the following objectives:

(1) To trace the historical context of the UAE’s imperative for transparency and governance;

(2) To understand the measures that have been instituted and are currently in place to enhance transparency and good governance in the UAE;

(3) To determine how effective these measures are perceived to be by the managers and contractors of projects being undertaken in the area and how they perceive these may be enhanced.

(4) To compare and contrast transparency between the UAE and MENA region.

(5) To find the effects of the financial crisis on transparency and governance.

The dissertation seeks to answer this main question: since when has transparency and good governance been enhanced in the institutional infrastructure and private corporate environment in the United Arab Emirates?

1.4 Related sub-questions

In order for the main question to be addressed, the study will seek answers to the following research questions:

(1) What is the history of the UAE regarding its record in transparency and governance?

(2) What measures have been instituted by the political leaders in the UAE to enhance transparency and corporate governance, and how effective have they been?

(3) What are the perceptions of managers and staff in the various organizations in the UAE concerning the general state of transparency and good governance in the UAE?

(4) How far has the UAE economy advanced as a result of the enhancement of transparency within its jurisdiction?

(5) What recommended measures are proposed by the respondents to improve the transparency and governance situation in the UAE?

1.5 Significance of the study

The study is particularly significant because of the high priority accorded by the UAE leadership on transparency and corporate governance, in light of the recent pronouncements stated in the UAE's government strategy 2011-2013 Sheikh Mohammed bin Rashid, vice president of the UAE, ordered to enhance transparency and accountable governance mechanisms throughout the Federal Entities in the first section of the strategy implying to the importance of transparency. Other than this, there is a need for the ascertainment that transparency is actually improving, because of the imperatives of globalization and the need for assurances to be extended to international investors. Insights to be gathered by this study are intended to be useful to both government and business policy makers, and will provide a useful addition to the body of academic literature in light of the improvement in rank of the UAE in international transparency ratings as the finding will be available for researchers in the British University's library.

1.6 Chapter summary

The first chapter introduced the problem and provided the background and setting in which the problem is situated. The aims and objectives have been stated for clarity, and from these the specific research questions have been developed. The findings shall be guided by the research questions, at the culmination of which such findings are expected to lead to a conclusion that squarely and substantially addresses the research problem. This paper shall establish a contextual link and progression between the findings to be arrived at by this dissertation, and the earlier theories contained in the existing body of academic literature on transparency. The next succeeding chapter provides a review of this existing literature.

Chapter 2: Review of Academic Literature

2.1 Chapter overview

Before the main research problem may be addressed, there is a need to conduct a review of the existing scholarly investigations on the overlapping spheres of leadership, transparency and corporate governance. For this study to constitute a meaningful addition to the theoretical development of these fields, it is vital that it be appropriately situated within the present body of academic literature. This chapter provides the theoretical grounding for the succeeding discussions, and from the synthesis of this review a conceptual framework shall be arrived at to create continuity between this present study and other studies that have preceded it.

2.2 Transparency defined

Literally defined, *transparency* means "capable of being seen through; without guile or concealment; open, frank, candid." In its broader connotations, *transparency* encompasses "candor, integrity, honesty, ethics, clarity, full disclosure, legal compliance, and all that enables us to deal fairly with each other" (Bennis, 2008, p. 19). Transparency is an important issue in politics, business, professions, culture, religion and society, and because of this broad context, the connotations of transparency could not be contained by a single definition. Striewe (2008, p. 3) provides a sampling of the varied meanings and implications of transparency.

Striewes definition of transparency is that in its most general application, transparency means "letting the truth be available for others to see if they so choose, or perhaps think to look, or have the time, means, and skills to look. Where on the other hand international research makes the assumption that low transparency is necessarily linked to corruption.

The World Trade Organization (WTO) specified three core requirements for transparency, namely: (1) the availability of information on laws, regulations and other policies to the public; (2) the notification of parties about changes in laws, regulations and policies; and (3) the enforcement of laws, regulations and policies in a way that is uniform, objective and reasonable.

The OECD added another definition of transparency in terms of information symmetry, that is, that agents have relevant information about their environment and that the costs of gaining access to this information is low.

Vishwanath and Kaufmann (1999, p.3) equates transparency to more than the mere amount of information published. In this study, transparency is defined as "the increased flow of timely and reliable economic, social and political information." It thus requires that the information be of a specific scope, to be timely and accurate. Conversely, there is a lack of transformation when information is intentionally withheld, misrepresented, not relevant, or not qualitative (p.4). and Islam (2003) states simply that transparency is commensurate to the frequency with which economic data is published in a country (pp.6-7)

When transparency is the focus of discussion, it is unavoidable to likewise discuss the concept of concealment. This is because the very concept of transparency is drawn from the absence of concealment. According to Kerfoot (2004), concealment is at the heart of any dysfunctional relationship between the staff, its customers principally, and its other stakeholders. Concealment breeds distrust and the lack of trust compromises the success of any attempt at a productive relationship (p. 34). This can be a particularly disadvantageous relationship, particularly in industries where the organization works in close contact with the customer, such as health care services and hospital concerns. For the organization to discharge its function well, it cannot afford a situation wherein customers can find reason not to repose their full trust and reliance upon the firm. The avoidance of concealment, even the very appearance of it, is therefore to be avoided by a show of full disclosure and the conduct of an open enterprise (p. 35).

The various and divergent views on transparency is expected to be reflected in the specific application of transparency programmes within the different companies; likewise, the understanding of transparency within the cultural context of the UAE is also expected to differ from that of other countries. This material difference should be taken into consideration during the analysis of qualitative data to be undertaken in this dissertation, so that false conclusions may be avoided by careful qualification.

2.3 The need for transparency

Between a policy of concealment and one of transparency, many organizations choose the former. This is because an environment defined by competition and the race for market share breeds a culture of blame-fixing, finger-pointing, fear of possible litigation and fear of conspiracy that industrial or trade secrets may be stolen. An atmosphere of distrust is fostered among policy-makers that is conveyed throughout the organization. As a result, concealment becomes the norm, not only outwards towards competitors but also inwards between management and employees in an effort to maintain confidentiality of vital company secrets.

It is not surprising that policies on concealment are more resorted to, because it is easier to formulate and apply policies that specify what acts are forbidden, rather than compel compliance with positive transparency measures. The latter can be vague and ambiguous, difficult to describe, almost impossible to monitor consistently, and which is subject to varying interpretations. On the other hand, violation concealment policies are easy to define and detect because they are specific acts encompassing betrayal of trust, and the consequences are evidently harmful to the organization.

“Concealment is at the heart of an organization’s dysfunctional relationship” with their customers (Kerfoot, 2004, p. 33). A policy of transparency is, under any circumstance, more desirable because it enables an organization to forge meaningful ties with its stakeholders while at the same time allow for growth and innovation within the organization. On the other hand, “secrecy paralyzes learning and we cannot improve performance without full disclosure that is open to learning and improving” (Berwick, 2004 in Kerfoot, p. 34).

An organization that embraces a culture of candour and allows for the free flow of information is known as an “open enterprise,” a phrase first used by Tapscott and Ticoll (2003). Extolling such emphatic phrases as, “Corporations should undress for success” (p. 77) and “knowledge liberation is about making the unknown known to both executives and employees” (p. 101), the authors emphasize that while an organization may be actively transparent, this does not mean that the organization should indiscriminately divulge everything with abandon. Discretion should be exercised so that the company continues to manage its critically competitive information with care. Transparency implies honesty and good faith on the part of management in dealing with its stakeholders, in order to engender trust (Kerfoot, 2004, p. 34).

The same opinion is expressed by Studer (2009), who believes that management shares information with employees for two fundamental reasons – that it is the right thing to do, and that it is good for business. There are more specific reasons for observing a policy of transparency:

The first reason is that silence from the leadership invites speculation that the worst is about to happen, which in turn creates fear and resentment. Even if the news is bad, management should still be open to employees about it so that they may plan and act accordingly.

Also, transparency allows employees a better understanding of the reasons behind the decisions their leaders make. Having a grasp of the rationale supporting these decisions addresses employees' perceptions that they were ill-advised or unfair. Knowing and understanding why a change is required or their compliance is mandated creates acceptance that makes change easier and more effective.

Another reason of transparency is that it helps employees gain a broader perspective of the environment the company functions in. Oftentimes, the jobs employees perform do not provide them a view of how the company is affected by new laws, changing market situations, industry innovations and competitive pressures, for which reason open lines of communication from management become necessary to convey these developments.

In addition, transparency allows for consistent messaging across the organization and eliminates distortions that may be introduced by the company grapevine. Despite efforts of the company at concealment, important matters will eventually leak through the organization, compromising its effective operation. Harm is created by gossip and innuendos from different sources that, in the absence of direct communication, assume the form of facts. By creating a communication system that provides for direct messages, the company ensures that the proper message reaches employees and minimizes harm that may be done by stray and incomplete bits of information.

The final reason of transparency is that it enhances organizational consistency, efficiency, and speed of execution. Where good channels of communication are forged, organizational elements are better aligned and interdepartmental, as well as interpersonal, collaboration is enhanced. It is easier to muster a concerted effort if everybody is guided by the same perspective and understanding, from which synergistic results can be obtained that are greater than the sum of the individual inputs (Studer, 2009; *The Enterprise*, 2010).

Clearly, therefore, even while from a practical point of view transparency is less tenable to apply consistently throughout the organisation; it however reaps much greater positive benefits for the pfirm than a policy based solely on concealment, which is aimed at avoiding harm.

Studer further observes that transparency eliminates what he calls “Park Ranger Leadership”. This is described as the need to be led by someone else, such as one who is repeatedly lost in the woods and constantly requires a park ranger to show up and lead one to safety. Such a mentality prevents the development of survival skills that would enable one to find his/her own way out of the woods. By adopting a policy of transparency, people gain the information they need to think for themselves and thereby exercise elements of leadership within the sphere of their competence, so that they themselves function as “park rangers.” (*The Enterprise*, 2010, p. 2).

The need for transparency is provided a further justification by Bennis (2008), who pointed out that the modern digital communication networks are capable of causing irreparable damage to the reputation of an organization with the click of a mouse. To survive any such negative publicity, the firm must be able to project a higher level of trustworthiness than that of the source of the denunciation. “Trust and transparency are always linked” (Bennis, 2008, p. 19) and one cannot exist without the other. This equates transparency with survival.

2.4 How transparency is established

In order to create trust between employees and management, Lopez (2009, p.17) recommends five transparency rules:

The first rule is to *repeat your strategy for growth, and repeat it often*. Explaining the company's strategy the first time builds understanding and confidence. Repeating the strategy validates this initial confidence, particularly when it is repeated at times or during situations when doubt appears justified. For instance, when an economic crisis takes place or new laws affecting the company take effect, then a reiteration of the strategy, in the context of the new developments, provides assurance to the stakeholders that management is competent in addressing the situation.

Then Lopez recommended *Listening to your team's [organization's] concerns.* It is important for management not only to communicate to employees, but to allow employees to communicate back. An understanding of the perceived barriers and problems from the perspective of the employees may enlighten management on an aspect of their operations which they have been unaware of. At the onset, a transparent manager holds back criticisms and judgments about employees' concerns until he/she has been fully informed about them. It is important, not only for their sake but the organization's welfare as well, that managers listen to and assimilate the inputs from their employees who, after all, are at the forefront of company operations.

The third transparency rule is to *isolate individual needs and concerns that may impact the team.* Aside from those concerns that are principally about the organization, it is possible that employees have their personal and individual concerns that impact upon the way they perform on the job. "You don't know what may be taking up energy in their lives – perhaps a spouse has lost a job, or an elderly parent is putting additional financial pressure on the family. Listening and caring, without solving, is usually all that is needed to get someone back on track more energized than before" (Lopez, 2009, p. 18).

In addition Lopez advised to *separate facts from fiction or hearsay*. During times of intense pressure and uncertainty, worried employees will, without intention or bad faith, tend to speculate, building on their worst fears. It is sometimes impossible for the narrators to avoid introducing conjecture into their stories, but the effect upon the organization or its reputation may be harmful nevertheless. A transparent organization is able to catch these stories early enough to nip potential problems before any real damage is done.

The final transparency rule is to *own up to the bad news.* It is important that the company treats employees with candour and respect. If there is bad news to report, then as soon as the firm has ascertained this as inevitable, then management must frankly apprise their employees of the situation. It is important to let people know of the facts, providing as much information as possible, and giving out periodic updates as the need may arise. (Lopez, 2009).

As may be observed, the foregoing rules are not really rules, but rather general statements of outlook and behaviour that are difficult to observe objectively. For instance, the first rule – to repeat the strategy for growth – will only be effective if the strategy has been well planned and formulated from the start; however, where a shortcoming becomes evident, then the strategy should not be repeated, but revised. The second calls for listening and the postponement of judgment; however, judgment will eventually be rendered, and in many cases it calls for a balancing of concerns of the employees against those of the company. Listening is but the first step; it should be followed by an innovative and effective resolution of these concerns.

The shortcoming of the third runs along the same line, that isolation of individual vs. team concerns must be followed through by a creating solution that will seek to address both as far as practicable, and where not practicable, to tactfully convey the unfavourable decision to the employee. The fourth, separating fact from fiction, should be followed by a solid plan that incorporates the facts, but the transparent leader should also explain that which he has determined to be fiction, to those among the team who still consider it fact, a matter which involves not a small amount of diplomacy. Finally, the fifth rule calls for owning up to the bad news; but there is a wide continuum of varying degrees of culpability, and in many cases eagerness to portray transparency renders the disclosure of the bad news as worse than it really is, creating unnecessary anxiety and disrupting the smooth flow of work. At times, where the "bad news" is not significant or is temporary, the company's choice not to disclose it should not constitute a lack of transparency but a prudent managerial option.

2.5 Leadership transparency as a tool for engagement

In its simplest construct, transparency means honesty. From the point of view of management, it will entail an attitude of frankness with the employees about matters pertaining to their work and the organization they serve. From the point of view of employees, however, transparency is an invitation to participate as integral and vital members of the organization. This builds a sense of equity, of being part owner in the company and partner in its stewardship. When employees feel that the organization is part of them as they are part of it, then engagement takes place. Transparency builds employee engagement, and this in turn increases productivity (*Ethics & Workplace Survey*, 2008, p. 191).

Ethics and Workplace survey conducted in 2008 has also shown that there is a stronger link between greater openness and transparency fostered by management, and ethical behaviour of people at their work. A high percentage of respondents polled (84%) relate openness to ethical workplace culture, and nearly 70% perceive transparency building a more values-based organization. Part of the more conducive work atmosphere comes from a feeling among employees that the organization accords them respect as individuals, and that a more relevant work-life approach becomes possible. "Many of today's employees are working hard to fit their work into their lives and their lives into their work," according to Sharon L. Allen, Chairman of the Board of Deloitte LLP. One way for this to be accomplished is for customized work arrangements to be formulated. Survey shows that more than eight out of ten employees feel they would be more productive if there were greater flexibility in their work schedules, and seven of these are men. Productivity is therefore seen to increase with increasing openness in the organization (*Ethics & Workplace Survey*, 2008, p. 191).

The present acceptance of a responsibility towards greater transparency has not always been a popular choice. As recently as the 1980s, for instance, the executives at Philip Morris had fought feverishly to discredit growing evidence that smoking causes lung cancer, and argued that people smoked because they exercised free will in making a choice to smoke. There was an exposure that the company sponsored a series of tests on smoking addiction a decade before, and due to the results of the study being adverse to company interests, the firm's executives decided to suppress the studies, which nevertheless was made public ten years after. This attitude is a far cry from the present attitude of corporate leaders, who eagerly meet scientific discoveries about health risks of their product and institute changes to reduce or eliminate such risks, even at the expense of reformulating or redesigning their product. This was the case with Kraft, Nabisco, and Nestle (Meyer & Kirby, 2010, p.39).

Not a few authors of note have decried the lack of leadership as a source of the present-day ills, particularly pertaining to the economic crisis. Former Chrysler CEO Lee Iacocca, Southern California business professor Warren Bennis, and Medtronic CEO Bill George, have on separate occasions stated as much, according to USA today (2008). However, part of the problem has been attributed to the intense scrutiny placed upon leaders today, to which outstanding leaders in the past were not subjected to. This is evident in the number of CEO departures during the period of the crisis, numbering nearly 2,000 per year. Leaders today are more heavily exposed than those of the previous generations with their every decision "sliced and diced" (Kearny, in USA Today, 2008). In truth, the article observes, many of today's leaders are stepping up to make the hard, unpopular decisions, but are judged too soon and too prematurely. By comparison, those personalities who are now typically acknowledged to be monumental leaders were, during their own tenures, unpopular, such as Winston Churchill, Abraham Lincoln, and even President Kennedy who at the time of his assassination had a low approval rating (USA Today, 2008).

2.6 Leadership Culture

In order to more effectively reap the benefits of a transparent organization, managers must be able to personally inspire their employees and "create a safe place for ideas to grow and develop with an open forum for input" Riefenstahl (2009). Several indicators of a healthy leadership culture have been identified:

The first indication is *Passion.* In aspiring for a leadership position, compensation is a strong motivator; however, once attained, a leader's actions should find motivation in more than the higher pay check. A leader must believe in the objectives he is leading his team to attain. Team members better understand the mission they are aiming for if their leader is able to convey to them a concrete visualization of this mission. A leader could not hope to inspire his subordinates if he himself is not inspired by what it is he hopes his team to achieve.

Accountability. According to Riefenstahl (2009), accountability is that ability of leaders to convey to those around them "the reason, courage, and purpose to change for the better… Inner accountability is the force that creates a sense of integrity. External accountability is the force that makes everyone work with integrity" (p. 24). Riefenstahl's unique definition is consistent with the common understanding of accountability, which is being answerable for one's actions, to be able to justify why they were done and to accept the necessary consequences of these actions. Accountability is, of course, the indispensable corollary to the prerogative of a leader to make decisions. Effective leaders decide and act to address situations that come to fore; the power to decide and act, however, comes with the responsibility to answer for these actions.

Also *Consistency* is an indicator of a healthy leadership. The consistency with which a leader acts inspires trust in his members. By consistency is meant the reliability and predictability with which the leader performs in addressing the same situations. There is an underlying confidence among team members that their leader abides by a foundation of solid, well considered principles which give rise to coherent and stable courses of action. Not only will consistency engage employees, this attribute also minimizes the debilitating repercussions of office politics, but it also prevents accusations of favouritism, since the latter rings inconsistent with past actions (Riefenstahl, 2009, p. 24).

In addition *Transparency* always shows a good leadership. Transparency here pertains not only to the organization, as discussed in the other subsections of this dissertation. On the contrary, transparency here is a personal trait that must be possessed by individuals occupying a position of leadership. Leaders who are transparent and who are perceived to be so inspire their followers to likewise conduct themselves with openness and honesty. This trait in a leader invites open feedback and requests for instructions from members; mistakes are allowed to openly happen, and corrections administered without reproach, fear of recrimination or of offending the feelings of others. Failure is welcomed as an opportunity to learn and, therefore, to grow (Riefenstahl, 2009, p. 24).

Stability. Finally, stability in an organization is anchored upon the stalwartness of its leaders. When stability is present, team members may rely upon the continuance of the organizational framework within which they are expected to perform. This indicates to the team members that the vision remains unchanged and constant (Riefenstahl, 2009, p. 24). A stable goal, together with its attendant rewards and consequences, encourages employees to invest more of themselves – greater effort, time, and hope in its attainment since they are confident that it will not change too quickly or too often.

Aside from personal attributes, effective leaders in a transparent organization are required to possess the necessary skills to stand the closer scrutiny of their team members. Since transparency precludes the concealment of credentials or the detachment of the leader from the activities of his team, the leader, to remain credible, must convincingly display the technical and management skills to earn his team's trust and respect.

Uppermost would be *interpersonal skills*, which is not really important in an organization that functions one-way, top-down. A transparent organization requires free collaboration and communication throughout the various levels of the organization, for which reason the skills of empathy and listening are paramount. The emphasis lies not so much in delivering a message, but on taking responsibility to verify if and how the messages were received, that such were consistent with the understanding the original message wished to convey (May, 2005, p. 23).

Management skills must also be necessarily possessed by leaders who seek to be effective in a transparent organization. They need to be "skilled at reading the cues, moods, and tenor of individuals and of the organization" (May, 2005, p. 23). These allow the leaders to understand the perspectives of others within and relating to the organization, which enables them to help prevent or avoid conflict, among other things. Such leaders are capable of conveying negative messages in a direct manner, and are able to provide higher management as well as employees honest feedback consistently and readily. Finally, leaders who will flourish in a transparent organization must have self-confidence, emotional flexibility and adaptability, are capable of forgiveness and are open to learning (May, 2005).

2.7 Corporate governance framework

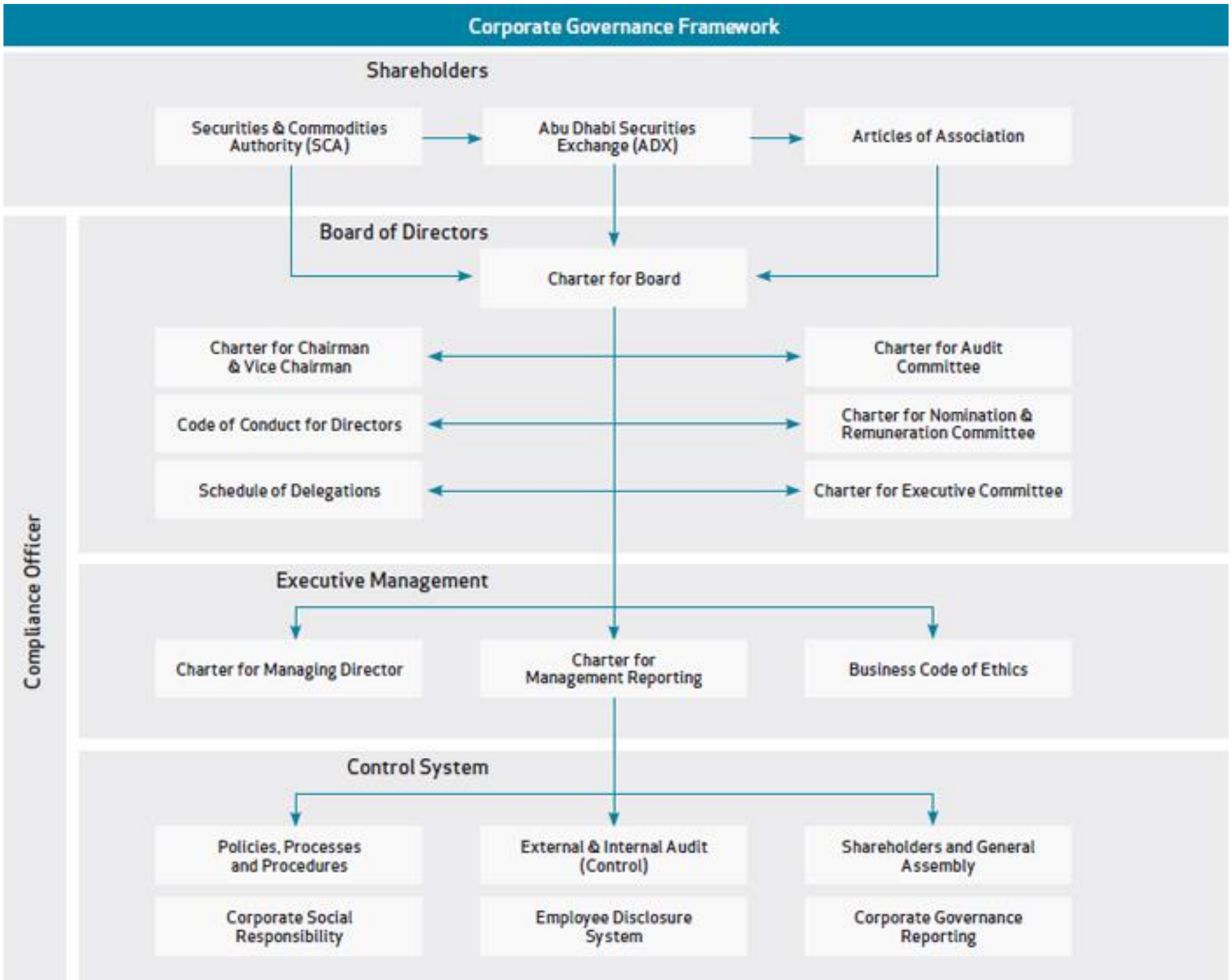


Figure 1: Sorouh corporate governance framework

Source: Sorouh Corporate Governance Framework, Sorouh.com

Transparency, as previously mentioned, may refer to many different situations and pertaining to different contexts. Within the business setting and in an organizational framework, transparency is institutionalized through a systematic approach to corporate governance. The corporate governance framework refers to the totality of institutional laws, regulations and business practices that shape and influence the interactions between corporations and their equity investors. The existence of an institutional framework enables the equitable distribution of rights and responsibilities among the different participants to the corporation.

An example of such a framework is that of the Sorouh Real Estate PJSC, one of the largest real estate developers in the UAE and the Middle East, as shown in the preceding diagram. At its best, however, the governance framework is an expression of good intentions, but does not always yield the intended results. The effectiveness of its adoption still relies heavily upon the internal corporate culture as well as the broader social milieu in which the firm operates. In a region where transparency has been called into question in the past, and a worrisome level of corruption or concealment has been alleged in international rankings and indices (Pound, 2007; Transparency International, 2007), the transformation to an economic environment where disclosure and good governance is the rule could not realistically be expected within a short span of time – not because of refusal to comply, but because of the gradual shift necessary in profound cultural reform (OECD, 2008).

2.8 The UAE's history of governance and transparency

The figure below provides a visual guide to the events preceding and leading to the adoption of XXX. Later, in 2009, the initiative was followed by the enhanced corporate governance rules and discipline standards (Ministerial Resolution 518 of 2009) for UAE Public Joint Stock Companies (for PJSC listed on either the Abu Dhabi Securities Exchange or the Dubai Financial Market), which is aimed at increasing local as well as foreign investors' confidence in the capital markets of the UAE (Afridi & Angell, 2010).

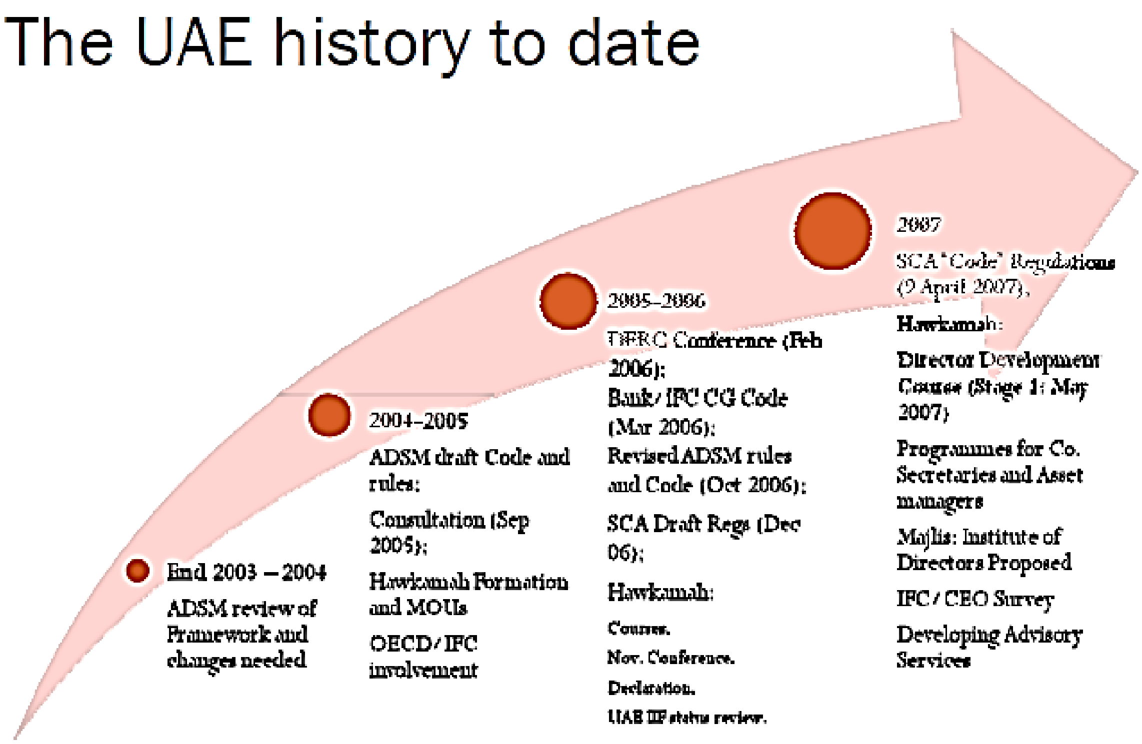


Figure 2: the UAE history to date

Source: Foster, 2007, p. 2

The issue of transparency has become a topic of particular interest towards the second half of the past decade, because of perceived condonation of corruption and unfair competition by the ruling elite. Much of this perception has to do with the situation relating to Dubai World, the premier holding company of that emirate. Dubai World was established by decree that was ratified on 2 March 2006 by Sheikh Mohammed bin Rashid Al Maktoum, the Ruler of Dubai and concurrently the Vice President and Prime Minister of the UAE. The Sheikh is also the majority shareholder of Dubai World. Four months after its ratification, the new holding company had a worldwide representation, with more than 50,000 employees in more than 100 cities internationally. It had invested extensively in real estate located in the U.S., the U.K, and in South Africa.

Controversy escalated concerning Dubai World in early 2008 when the European Union attempted to institute "a set of principles for transparency, predictability and accountability" for sovereign wealth funds (O'Grady, 2008). This was not well taken by Dubai World chairman, Sultan Ahmed bin Sulayman, who threatened to liquidate and withdraw its investments in Europe (Prosser, 2008). On 26 November 2009, partly in reaction to the economic crisis,

On 26 September 2007, Transparency International released to the public its annual Corruption Perceptions Index where it ranks countries worldwide according to perceived levels of corruption. Since 1995, the CPI is annually published with a list of more than 150 countries rated by expert assessments and opinion surveys. Ranked at the top of the list are New Zealand, Denmark and Finland as the "cleanest" countries, and Iraq, Somalia and Myanmar as the most corrupt countries. Sadly, it is reported that eight out of the twenty-one Arab countries rated were among the worst 60 failed states, with almost all of them registering increasing levels of corruption from the previous year, based on the index. Among these are Somalia (179th), Iraq (178th), Sudan (ranked 172nd), Syria (142nd), Yemen (131st), Mauritania (128th), Egypt (110th), and Lebanon (101st). Faring better in the rankings, though far from the leaders, are Qatar (32nd), UAE (36th), Bahrain (48th), Oman (53rd), Kuwait (60th), and Saudi Arabia (83rd) (Pound, 2007).

It is about this time that the ruler of Dubai, who is also UAE Vice President and Prime Minister, Sheikh Mohammed bin Rashid Al Maktoum, proclaimed on 25 September 2007 that UAE journalists are no longer going to be jailed because of their published writings. The declaration was made only a few days after two Dubai journalists were condemned for libel and sentenced to prison. The decriminalization of the UAE media law was welcomed enthusiastically by the journalists in that country, even with the exhortations by the government that journalists should not abuse their freedoms but commit to report with "objectivity and transparency" (Pound, 2007).

On September 10, 2010, Dubai World entered into a restructuring deal with 99 percent of its creditors. This is the official pronouncement of the World Bank, crediting the Dubai World's move, together with Abu Dhabi's large-scale fiscal spending, as a strong positive factor in the likely recovery and resumption of UAE's growth after the global economic crisis. There are concerns, however, as to whether or not the private sector will be able to sustain such growth if and when the effects of the stimulus packages of UAE and Saudi Arabia. If the debt restructuring deal is any indicator, however, the transparency that was enhanced by it has brought a much welcome assessment to other UAE prospects. The strong recovery of the UAE and the GCC economy in general is seen as being the key to the recovery of the entire MENA region (Abbas, 2010)

In furtherance of continued development in this area is the promulgation of UAE's governance and transparency decree. The pronouncement was made by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, with the aim of tightening the regulation and constitution of profit and non-profit organizations' boards and directors, as well as those corporations owned by the federal government (Business Intelligence Middle East, 2011). This means that DP world had to be transparent.

In the present regulatory system aimed at enhancing transparency, six key people oversee corporate governance and risk management in the UAE. As of January 2011, these are:

Khalid Deeb, director general of the Abu Dhabi Centre for Corporate Governance,

Lara Arab, programme manager of the Hawkamah Institute for Corporate Governance, Tania Fabiani, head of the anti-fraud programme, Abu Dhabi Accountability Authority (ADAA), Bryan Stirewalt, managing director of supervision, Dubai Financial Services Authority (DFSA), Nasser Saidi, executive director of the Hawkamah Institute for Corporate Governance and Jahangir Khan, director of risk and compliance, Dubai International Financial Centre Authority (DIFCA)

Each of these individuals are highly qualified not only because of the positions they presently occupy, but because of their long and distinguished experience in corporate sector reform, fiscal regulation and compliance, and good corporate governance in the region (MEED, 2011).

While it is too soon to tell whether UAE's efforts are achieving their desired effect, international indicators appear optimistic. The annual Transparency International Corruption Perception Index as of 26 October 2010 ranked UAE in the 28th spot out of 178 countries. It is up two places from the 30th spot in 2009, and the eight places up from its 36th rank in 2007 as earlier mentioned. In the MENA region, this makes UAE only second place after Qatar which ranked 19th place overall (*United Arab Emirates*, 2011).

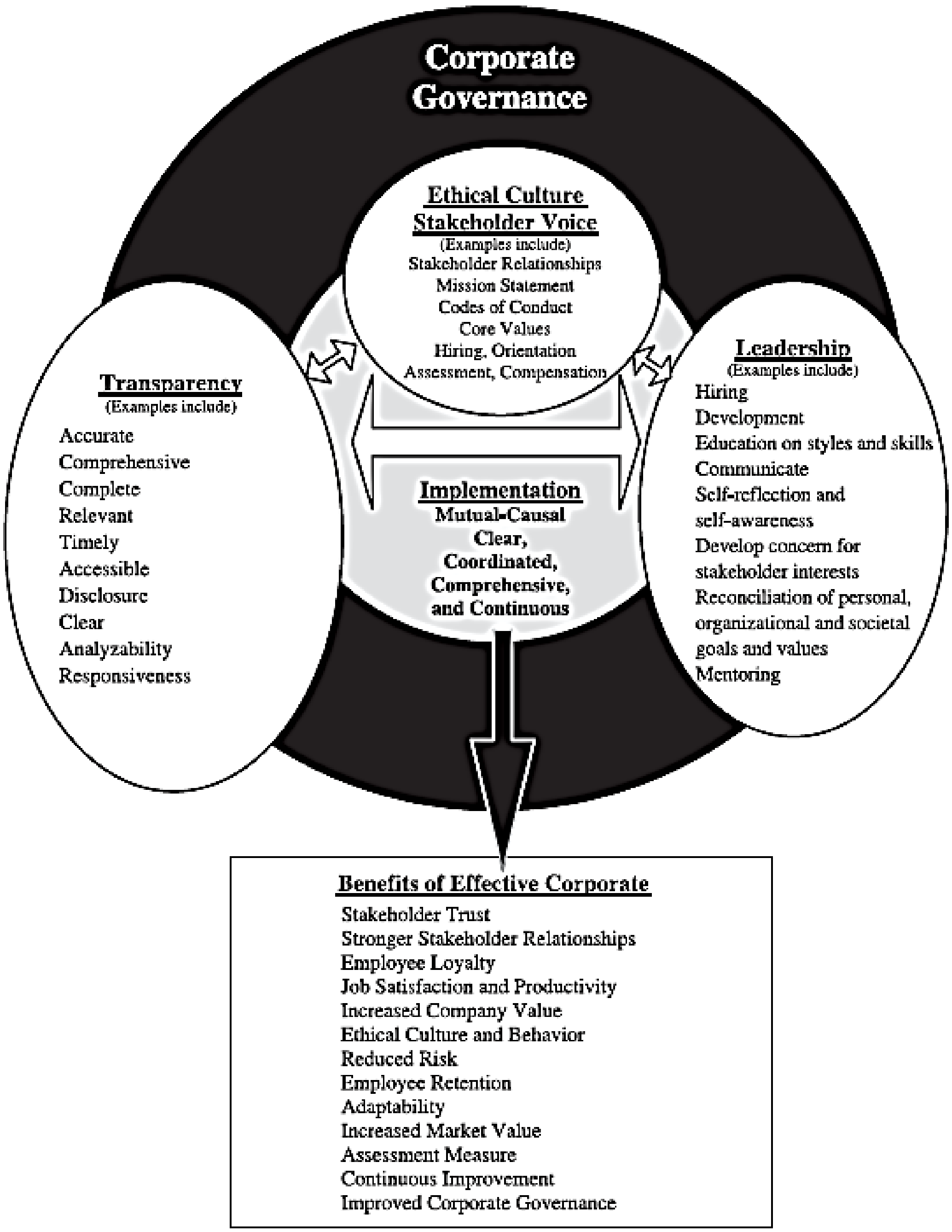
Furthermore, according to the Doing Business Report 2011 published by the World Bank and International Finance Corporation, the UAE was ranked 37th place up form 40th place in the year before, as the place to do business in a field of 183 countries. Comparatively, Saudi Arabia ranked 11th overall, up from 12th, for the same category (top 5 positions are still retained by

Singapore, Hong Kong, New Zealand, UK, and the USA in that order). The UAE also continued to improve in the "Trading Across Borders" category, from 13th place in 2009 to 5th place in 2010, and now to 3rd place in 2011. The high rank was partly attributed to the logistics development in Dubai Trade, which is part of Dubai World (*United Arab Emirates,* 2011) .

2.9 Mutual causal dynamics of corporate governance, transparency, and leadership

This study cast emphasis upon the interrelated nature of corporate governance, leadership and transparency. This is best summed in the framework devised by Bandsuch, Pate & Thies (2008), which identified the Mutual-Causal Dynamics among Corporate Governance, Leadership and Transparency. The central position of Bandsuch, et al. was that a dynamic relationship existed among the company's leadership, its governance programs, and the transparency of its communication with other stakeholders. This quality of this relationship is determined by the management process which acts as "catalyst for reinforcing the ethical commitment of the leadership, strengthening the governance process, and driving greater transparency into the communication of both" (Bandsuch, Pate & Thies, 2008, p. 111-112). The mutuality and causality refer to an interlocking pattern of encouragement and facilitation among the three elements so that deeper levels of each are attained. Mutually sustaining as they are, it is transparency that is the key bridge between leadership and ethical governance, and the primary catalyst of their mutual causality. This is because transparency is an outward and public expression that builds trust, and it likewise acts as a self-correcting mechanism to management decisions which stakeholders may find questionable (p. 112). For those reasons, in this research there will be more focus on transparency rather than governance as well as time and scope.

Mutual-Causal Dynamics among Corporate Governance, Leadership and Transparency



Source: Bandsuch, Pate & Thies, 2008, p. 105

Figure 3: Mutual-Casual Dynamics

2.10 Chapter summary

This chapter provides the theoretical background from which the present dissertation proceeds in its empirical investigation. The nature of transparency, its definition, theoretical underpinnings, and practices as documented in academic studies, professional articles, international conferences and news reports have been discussed from both a general point of view and from within the UAE experience. The theoretical framework of Bandsuch et al (2008) provides the most recent and relevant springboard which to draw the measures of transparency upon which this dissertation is to be based. This study, however, seeks to extend the investigation from transparency implications within the organisation, to the impact of multiple organisations' centralised and regulated transparency efforts on the general economy of UAE. The study seeks to achieve this through the methodology described in the following chapter.

Chapter 3: Methodology

3.1 Chapter overview

The chapter on methodology provides the reader with solid information concerning how the study expects to accomplish its research objectives. The research strategy describes whether the study is inductive or deductive, and the research philosophy that guided the inquiry. Variables, in terms of the transparency metrics and the data disclosure categories are enumerated and defined, and the data types and collection techniques described. Limitations of the chosen methodology are also discussed.

3.2 Research philosophy and approach

The research philosophy combines both positivist and interpretivist strategies (Bryman & Bell, 2007, p. 12). The position of the positivist is consistent with the disciplines built around the natural sciences and, when applied to social research, is anchored on the theory that allowing that the social world exists objectively and externally. Positivism assumes that the dynamics of organisations can be conceptualised through "categorisation and scientific measurement of the behaviour of people and systems" (Flowers, 2009, p. 3). The positivist philosophy is exemplified as the measurement of general sentiment from a large number of respondents, rendering respondents' behaviour and perception about organisations in the form of quantitative data, and subjecting this data into statistical modelling and analysis.

On the other hand, the interpretivist or constructivist philosophy is founded on the idea that individuals and groups of people tend to make sense of, or interpret, the meaning of their surroundings, based on past experiences, memories, and expectation. The meaning or significance of a phenomenon is therefore constructed and reconstructed over an extended period of time, creating a variety of interpretations which define the social reality in which peoples' actions are contextualised (Flowers, 2009, p.3). In this dissertation, the interpretivist philosophy is evident in the gathering of indepth insights and comments from interviewees of known authority and competency in the subject matter. These insights will provide the contextual background against which the quantitative analysis will be interpreted.

The research approach shall be deductive, commencing from an established body of theory and applying the particulars of this theory to the specific conditions bearing upon the United Arab Emirates.

3.3 Research strategy and design

In the choice of a research strategy, it is important to determine both the nature of the issue being investigated, as well as the type of data which would best yield the desired results (Craighead & Nemeroff, 2002, p. 1460). There are three fundamental types of research designs, namely qualitative, quantitative and mixed methods (Creswell, 2009, p. 3). Despite this classification, it is not easy to separate one from the others, particularly since each type is not contradictory but complementary to the others. In this dissertation, a combination of the qualitative and quantitative methods – i.e., mixed methods – would prove highly advantageous, whereas only either qualitative or quantitative alone will be insufficient to provide a satisfactory response to the research problem as stated.

The issue this dissertation aims to resolve is to determine the extent transparency and good governance have been enhanced in the United Arab Emirates, and how much it has impacted upon the UAE's economic progress. The scope of the study is broad, because it seeks a generalization about the UAE, thus the data it must obtain must be sufficiently representative of the prevailing conditions in that geographic area. In order to validly arrive at such a conclusion, data from a large population is required to be gathered, collated and analysed. For this purpose, quantitative data provides the most efficient means of obtaining information from a large population and a wide area coverage, such as through a survey or poll where answers are quantified or close-ended (Muijs, 2004). However, the quantitative method focuses on only one or a very few attributes, and the depth of analysis is seldom adequate because the quantitative test usually detects the significance between a selected set of parameters, to the exclusion of others the importance of which could not be established (Rubin & Babbie, 2010).

On the other hand, the topic of transparency is a generally accepted concept; however, the particulars of its application come in many guises, and its definition varies in the minds of different individuals and even institutions depending in part on the differences in cultural needs and expectations (Comfort & Franklin, 2011; Bollingtoft, Donaldson & Huber, 2012). Because of this lack of clarity in the transparency-opacity concept, it is important to discern and interpret how it is viewed by the subjects under study, and to seek to derive a description of the phenomenon at some depth. To serve this need a qualitative approach is indicated, which provides "a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem" (Creswell, 2009, p. 4). There are also disadvantages, however. The qualitative method is generally slower, and is less direct or efficient than the quantitative method. Because the scope or coverage is much less than that of the quantitative method, the findings arrived at are seldom supportive of a generalization, or are seldom conclusive over a wide population.

By electing to use the mixed methods strategy, the study is strengthened because it associates the information gathered quantitatively and qualitatively to produce a more multi-dimensional set of findings. Each method fills in for the shortcomings of the other, and the two complement and corroborate each other in delivering a well-rounded conclusion.

3.4 Description of variables used in the study

The instrument used for the gathering of data shall be patterned after the Transparency Measurement Tool (or TMT) developed by Bandsuch, Pate and Thies (2008), which is discussed in greater detail, in the subsection below on the data collection method. There are seven measures of transparency which are applied across nine data disclosure categories, which are operationally described as follows:

Measurements of Transparency

(1) Accuracy, referring to the correctness of the disclosure;

(2) Comprehensiveness, pertaining to the breadth of coverage of the disclosure and the completeness of all facts and pertinent aspects;

(3) Relevancy, meaning the significance of the disclosure to the firm's operations;

(4) Timeliness, indicating that the disclosure is current and new;

(5) Accessibility, meaning that the disclosure is provided in a way that may be easily reached or accessed by stakeholders of the organization;

(6) Clarity, or the absence of ambiguity and vagueness in the disclosure, such that the meaning intended to be conveyed are received as such; and

(7) Responsiveness, referring to the appropriateness and necessity of the disclosure to the informational needs of the stakeholder.

Data disclosure categories (Bandsuch, Pate & Thies, 2008, p. 118) has ten categories concerning the firm's disclosures in many aspects which are discussed bellow, *Risk management* category concerns the firm's disclosures about risks to which the company is exposed to, including but not limited to political, economic, social, technological, and legislative developments that pose threats to the company within the context of its business environment, as well as the measures adopted by the firm in avoiding, minimizing or mitigating these perceived risks.

OSHA (Occupational Safety and Health) category assesses the accuracy and accessibility of information about the company's workplace accidents, safety policies and procedures, lost workdays, worker's compensation expenses and types and uses of hazardous and/or unsafe materials.

Stakeholder voice category rates the degree to which the firm allows for stakeholder feedback concerning its actions, and making this feedback known to other stakeholders, to regulators, and to the public.

Financial data category assesses company disclosures about the finances of the company, its sources and uses of funds, the cost of financing, the company's amount of leverage, its risk exposure, its asset investments and the forecasted revenues and expenses of its operations, among other financial information.

Ownership and BOD structure category concerns how well the company reveals the concentration and forms of ownership, the relative power of minority shareholders, external holdings of large stockholders, the size, composition and independence of the board of directors, board leadership and committees, CEO and chair arrangement, election and succession process, related party transactions, and compensation packages.

Industry standards category concerns dissemination of information about the standards observed in the industry in which the firm operates, and the relative performance of the firm in comparison with these standards and with other competitors within the industry.

Environmental impact concern of these disclosures pertain to the carbon footprint of the organization, its activities that give risk to emissions, pollutants, and other similar substances released into the environment, the amount of such substances released over a period of time, and the measures the organization is undertaking in order to minimize its footprint and to comply with mandatory standards.

Company values category refers to the sufficiency of disclosure by the firm of its core norms and values, its code of ethical behaviour which it expects its employees and suppliers to observe, and the principles by which it is guided in arriving at crucial decisions that impact heavily upon its stakeholders and its environment.

Human rights category pertains to the firm's articulation of its stand on human rights and the positive action it has taken in order to substantiate this stand. The organization is expected to explicitly report on its programs and management decisions that have advanced its avowed stance on human rights.

In addition to the foregoing, the study shall necessarily include the economic indicators that are most commonly used to describe the economic progress and growth of the country, or lack thereof. The economic development since the commencement of the transparency programmes of the government and the private sector forms part of the research objectives stated in the introductory chapter of this dissertation. These economic indicators will include the gross domestic product (GDP), the consumer price index (CPI), and the foreign direct investment (FDI) flow and stock.

Economic indicators

Gross domestic product (GDP) this is the commonly used measure of economic growth. The GDP is the market value of all final goods and services produced in the economy of a country for specific time duration (Mankiw, 2012, p. 494). The four components that make up the GDP include consumption, investment, government expenditure, and net exports (p. 496).

Consumer price index (CPI) this indicator is "the principal measure of trends in consumer prices and inflation" (Kingsbury, 2000, p. 1) It is used to track changes in the cost of living at different point in time, and is considered a better gauge of inflation than other alternative measures, because it more closely reflects the goods and services bought by consumers (Mankiw, 2012, p. 514).

Foreign direct investment (FDI) this is defined by the International Monetary Fund (IMF) as "a category of international investment that reflects the objective of a resident in one economy (the direct investor) obtaining a lasting interest in an enterprise resident in another economy (the direct investment enterprise)". A direct investment does not necessarily mean control over the enterprise, as the requisite is that the investor owns only at least ten per cent of the business (Patterson, et al., 2004, p. 2).

3.5 Conceptual Framework

The structure of the dissertation is graphically presented in the following conceptual framework, which outlines the relationship of variables and concepts thought to be tested, and would guide the findings of this study. It proceeds from the theoretical foundations earlier elucidated, and links the relevant literature with the present empirical investigation.

The following figure posits a causal relationship that the actualization of transparency policies exerts upon organisational performance, thereby in turn yielding an improved level of productivity in UAE’s business establishments in general, and eventually forging economic progress. While this process is reasonably expected of all transparency efforts individually undertaken by firms of their own volition, the presence of a centralised mechanism for mandatorily regulating and enhancing transparency on a nationwide basis should accelerate the process and magnify the effects, or at least such is the expectation which this study seeks to confirm.

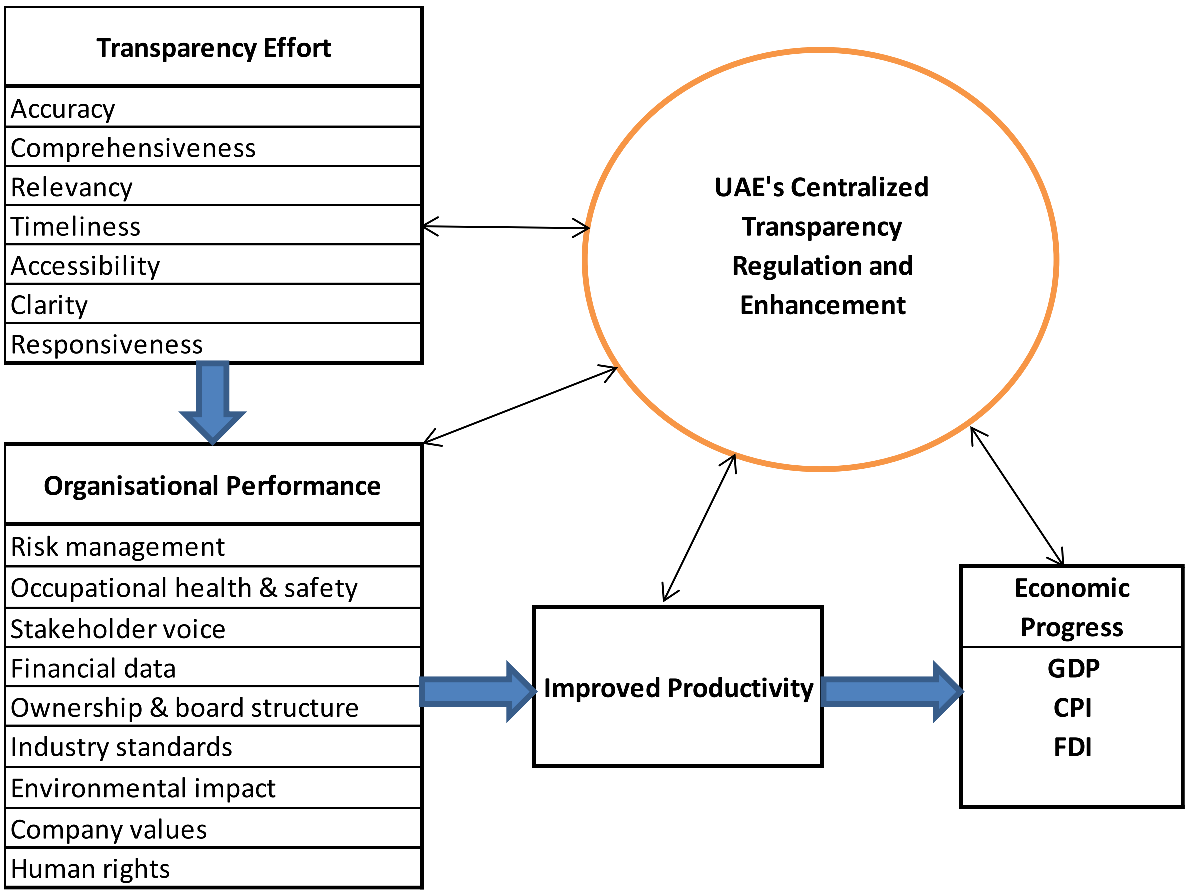


Figure 4: UAE's Centralized Transparency Regulation and Enhancement

3.6 Data collection method

To assure reliability of acquired data, triangulation shall be observed by specifying three techniques for data gathering. The study will rely on data that will be quantitative and qualitative, and shall be gathered from both primary and secondary sources, in order to enhance the reliability of the findings (Coleman & Briggs, 2007). The details of the data gathering procedure are presented in the succeeding subsections.

Primary quantitative data will be gathered from survey questionnaires to be disseminated among two groups of respondents in different organizations, namely the managerial level and the staff (rank and file) level. Three different types of organizations shall be represented, namely for-profit corporations, not-for-profit private organizations, and government organizations. Responses shall be in the form of numerical ratings according to the scale in the Transparency Measurement Tool shown below:

Transparency Measurement Tool (developed by Bandsuch, Pate & Thies)

SCORING: 1 (UNACCEPTABLE) 2 (INADEQUATE) 3 (MINIMUM) 4 (GOOD) 5 (OUTSTANDING)	RISK MANAGEMENT	OSHA	STAKEHOLDER VOICE	FINANCIAL DATA	MANAGEMENT STRUCTURE	OWNERSHIP & BOD STRUCTURE	INDUSTRY STANDARDS	ENVIRONEMNTAL IMPACT	COMPANY VALUES	HUMAN RIGHTS
Accuracy										
Comprehensiveness										
Relevancy										
Timeliness										
Accessibility										
Clarity										
Responsiveness										
Total Points										

Source: Bandsuch, Pate & Thies, 2008, p. 117

Figure 5: Transparency Measurement Tool

The Transparency Measurement Tool (TMT) was designed pursuant to the Mutual-Causal Dynamics Theory developed by Bandsuch, et al. (2008), the conceptual framework for the dissertation which has been elucidated in the review of related literature. The TMT was developed for the purpose of providing a quantitative assessment of the level of transparency of an organization. It employs a five-point Likert scale, included in the boxed form shown above, with 1 indicating unacceptability to 5 indicating outstanding, and the midpoint indicating minimum acceptability. Two sets of scores shall be obtained: the first set shall be recall data to the period prior to the implementation of transparency measures in the firm, while the second set shall be current perception data on the same measures. The trend implied per company within this duration shall be related to the trend in the economic data for the same period, from the time transparency was adopted as a programme

The scores for each of the categories are going to be summed and the totals interpreted according to the following ratings: Opaque (10-24), Translucent (25-39) and Transparent (40-50). From these category ratings, the company may be adjudged opaque, translucent and transparent by summing up the total ratings and dividing this cumulative score by the number of categories to arrive at the average. A CG transparency rating of opaque means that the company does not sufficiently provide accurate and accessible information about itself, so as to enable a stakeholder to make a reasonably informed decision concerning it. The translucent company supplies a relatively sufficient amount of accurate and accessible information for decisions, but the stakeholder is still required to make assumptions and inferences to fill in the shortcomings. Finally, a rating of transparency indicates that the company complies with the standards of providing complete, timely, and sufficient to enable the stakeholder to arrive at the most informed decision possible (Bandsuch, Pate & Thies, 2008, p. 117).

3.7 Face-to-face interview

To support the data acquired through survey questionnaire, primary qualitative data shall be obtained by interview of regulatory authorities who are charged with the oversight and enforcement of transparency measures and standards within the UAE. The following guide questions and matters related to them were asked of the company representative in the legal department, the summary transcript of which is given in the appendix. (The questions are framed to enable interviewees from the legal department to target specific issues, thus their preference for direct terms and statements.) (Cassell & Symon, 2004; King & Horrocks, 2010).

Interview guide questions:

- What are the risks firms face which are disclosed to the public? Are there risks which are known to the managers but which are not disclosed to the public?
- How does one distinguish between what matters should be kept confidential and what should be disclosed? Who makes the decision about whether a threat should be disclosed or kept confidential? What matters may be lawfully kept confidential and not disclosed?
- Are organizations completely forthright to their employees and consumers about their failure to meet OSHA standards? For serious infractions, what sanctions may be imposed by federal regulators or the emirates themselves on the violators?
- Has there truly been a transformation in the outlook of organizations on the matter of transparency, given the past corporate cultures that favoured secretiveness? If yes, what factors have contributed to this? If not, what factors hinder the transformation?
- In the disclosures on financial information, has the UAE adopted the financial reporting standards developed by the International Accounting Standards Board? What factors have aided or hampered its adoption?
- Have the structures of management and the board of directors undergone the necessary changes in order to support a greater transparency and corporate governance among business organizations? In what ways have the transitions been done? How about non-profit organizations? Public sector organizations?

- Has there been a material change in the ownership composition of the large business organizations? Has the presence (or absence) of a radical change in composition been advantageous or disadvantageous to the transparency initiative?
- What measures are mandatorily enforced on business organizations in the UAE to address environmental issues such as greenhouse gas emissions, desalination processes, and other aspects of operations that impact upon the environment? Is the UAE committed to comply with international multilateral agreements on global warming?
- Do organizations, particularly the small and medium scale local businesses, give serious attention to the observance of human rights as defined by the United Nations? What problems may be encountered in this area?
- What is your overall assessment of the impact of transparency programs within the individual emirates in the UAE, and how effectively do they contribute to the advancement of the economy of the federation?

3.8 Document search

Secondary data will provide important inputs to qualify the primary data that shall be gathered. The primary data will pertain to present sentiments and perceptions which may not necessarily be accurate or impartial. On the other hand, documents from reliable and reputable sources shall provide vital objective data that will balance the perceptual data in order to support a more indepth analysis. Databases that shall be used in the research include those of the IMF, the World Bank, and UAE, as may be needed, in order obtain the economic indicators for the years 2000-2011, the period under study. The documents to be searched include compliance reports to the government and company disclosures issued to stakeholders where available, as well as news reports and feature articles that are available in the public domain. Data contained in academic studies and articles drawn from professional journals are likewise included in the document search.

3.9 Sampling method and sampling size

The population which this study may reasonably target is comprised of the managers and staff employees of organizations in both the private and public sector, with private sector organizations categorized as to profit and non-profit oriented. The sampling size will be tentatively set at 20 for the managerial level and 40 for the staff employees and it is not certain that this number of people will participate, since not everyone is willing to talk about such topic. It is noticed that transparency is a sensitive case in this part of the world; therefore, the quantity of respondents may be low.

These respondents shall be distributed among ten organizations – three from the public sector, two from the non-profit private organizations, and five from medium and large-scale business corporations. Before sending out the surveys, permissions were taken from the organisations where they welcomed such study. Thus, from each organization, ten respondents shall be sourced from management and ten respondents from the rank and file (staff) employees. Random sampling method shall be employed.

Respondents shall be qualified as to tenure, that is, the respondents should have served in the organization for at least one year at the time of the survey. This is to ensure familiarity with the organization's operations, policies and programs. Other than that, respondents within each group (management or staff) shall be randomly selected without qualification as to gender, faith, age, education, physical disability, or similar personal attributes which have no bearing on the survey.

3.10 Limitation of the methodology

The methodology chosen essentially relies on the perception of the respondents, and therefore to an extent influenced by the subjectivity of the respondents. The method of capture of this type of information by quantitative approximation may lack uniformity on the basis of different personal outlooks across and among the different respondents, such that the quality referred to by one respondent as minimum acceptable would be the same quality which a more amiable respondent refer to as good (Cassell & Symon, 2004; Groves, Fowler & Couper, 2011). There may also possibly be differences on the basis of past experience or experience in other countries which may colour the personal assessments of the respondents, and the questionnaire simply quantifies this without benefit of qualitative elaboration or explanation as to what "good" or "minimum" may mean. Hopefully, this limitation may be addressed by the primary and secondary qualitative data to be obtained by interview and document search.

Another limitation to the chosen conceptual framework is that the data collected deals not with the actual performance of the firm, but on the fact that disclosures were made and such disclosures were accurate, complete, relevant, timely, clear, and so forth. The effectiveness of transparency measures on performance will hopefully be captured by the interview and document search, and will therefore be discussed in this tangential context rather than directly.

3.11 Chapter summary

The methodology chapter provides the details of the procedure by which this dissertation intends to address the research objectives and, ultimately, resolve the issue under study. Explained in this chapter are the research philosophy that guides it, the strategy and approach by which this philosophy is to be actualised, a description of the exact data which the researcher intends to gather and the manner by which the data is to be analysed in order to yield the findings relevant to the conclusion. The dissertation is to employ both qualitative and quantitative approaches thought the conduct of face-to-face interviews for contextual information, and deployment of survey questionnaires for broad-based data.

Chapter 4: Discussion of Findings

4.1 Chapter overview

The fourth chapter presents the data collected according to the methodology described in the preceding chapter, and discusses their significance and implications with respect to the adoption of corporate governance initiatives in the UAE. The results gathered through the survey questionnaire patterned after the Transparency Measurement Tool (TMT) developed by Bandsuch, et al. (2008) (see Chapter 2 section 2.9, and Chapter 3 subsection 3.5.1) are summarized. The scores given by the respondents are averaged for each of the ten data disclosure categories and according to each of the seven measures of transparency. Two sets of data are given, pursuant to the method described in Chapter 3 subsection 3.5.1. Statistical findings and information gathered through interviews provide the basis for discussion.

4.2 Survey results

The following tables shall discuss the ten data disclosure categories as identified by Bandsuch, et al. (2008), as they are assessed by the 150 managers according to the measurements of transparency (see section 3.3). The respondents are divided into three groups depending upon the nature of their organisation: profit, not-for-profit, and government. The objectives which the organisation sets out to fulfil greatly influence its motivation to comply with transparency requisites.

4.2.1 Assessment for Risk management data disclosure

The following table presents the assessment of the respondents when asked to rate their organisation's data disclosure in so far as its risk management is concerned. This means that when a firm is rated a score of 5 by its manager, then the firm is seen to be outstanding in disclosing its risk management activities and thus has high points for transparency in this category. On the other hand, a score of 1 is considered unacceptable (see legend below table). As described in the methodology, two sets of data corresponding to two times contexts is provided, the first ("Prior") referring to recall data before the transparency initiative had been officially adopted, and the second ("Subsequent") is the perception data pertaining to conditions after the transparency policies have been adopted. The table therefore becomes a concise instrument by which changes may be detected through the 7 transparency measures identified in section 3.3 in Chapter 3.

Table 1: Risk management data disclosure assessment

Risk Management	**Type of Organization**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.700	Minimum	2.820	Minimum	3.240	Minimum
Comprehensiveness	2.820	Minimum	2.760	Minimum	3.220	Minimum
Relevancy	2.380	Inadequate	2.580	Minimum	3.180	Minimum
Timeliness	2.660	Minimum	2.780	Minimum	2.980	Minimum
Accessibility	3.060	Minimum	3.120	Minimum	3.000	Minimum
Clarity	2.940	Minimum	3.160	Minimum	2.980	Minimum
Responsiveness	2.900	Minimum	3.160	Minimum	3.300	Minimum
Subsequent to adoption of transparency measures						
Accuracy	2.720	Minimum	3.060	Minimum	3.380	Minimum
Comprehensiveness	2.700	Minimum	2.800	Minimum	3.540	Good
Relevancy	2.540	Minimum	3.000	Minimum	3.420	Minimum
Timeliness	3.300	Minimum	3.500	Minimum	3.620	Good
Accessibility	3.080	Minimum	3.560	Good	3.480	Minimum
Clarity	3.100	Minimum	3.200	Minimum	3.080	Minimum
Responsiveness	3.080	Minimum	3.260	Minimum	3.440	Minimum

1.00 - 1.50	Unacceptable		P-value
1.51 - 2.50	Inadequate	Profit	0.1472
2.51 - 3.50	Minimum	Non-profit	0.024845
3.51 - 4.50	Good	Govt	0.008274
4.51 - 5.00	Outstanding		

The table shows that before the adoption of transparency policies, profit companies are shown to garner relatively lower scores (lowest in 5 out of 7 measures) than both non-profit and government organisations. It is particularly evident that the relevance in risk management data disclosure is perceived as inadequate at this stage, whereas the other measures and those measures referring to the non-profit and government organisations are perceived to be at minimally acceptable levels. When the scores prior to adoption of transparency are compared to scores subsequent thereto, there are material improvements in accessibility for non-profit entities, and in comprehensiveness and timeliness in government entities. Comparing scores, there is a general increase in the mean scores after the adoption of transparency guidelines.

An analysis of the results shows evident improvement for all three types of organisations as a result of the adoption of transparency efforts, in so far as the disclosure of risk management data is concerned. For profit companies are seen to be marginally adequate in reporting their risk management positions with accuracy, comprehensiveness, timeliness, accessibility, clarity and responsiveness; however, the inadequacy in the relevance of the information disclosed is telling, that top management of for profit companies may have been reluctant to release truly relevant or vital information on the risks their companies were facing until they were compelled by the transparency mandate. For not-for-profit organisations, the data on risk management became significantly more accessible after transparency was adopted; for government organisations, risk management information became significantly more comprehensive and timely. Thus faced with the imperative of informing interested parties about their risk management and profiles, non-profit organisations made their data more accessible, while the government ensured better updated data more timely released that covers wider, more comprehensive areas of concern. The p-values shown below the tables are the result of the paired sample T-test conducted on the mean scores between scores prior and scores subsequent for each type of organisation. These shall be discussed later in this chapter.

4.2.2 Assessment for Occupational Safety and Health Administration (OSHA) data disclosure

The next table provides the same comparison for perceptions of organisational health and safety data disclosure. In much the same way as the preceding table, profit organisations were found to be inadequate, this time in comprehensiveness and relevancy. It appeared that prior to adoption of transparency compliance measures, business firms were viewed as not disclosing the full scope and the more relevant OSHA compliance information, a matter which was improved on after transparency initiatives.

Table 2: OSHA data disclosure assessment

OSHA	Type of Organization					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.980	Minimum	3.000	Minimum	3.200	Minimum
Comprehensiveness	2.220	Inadequate	2.540	Minimum	3.160	Minimum
Relevancy	2.500	Inadequate	2.600	Minimum	3.200	Minimum
Timeliness	2.980	Minimum	3.140	Minimum	2.780	Minimum
Accessibility	2.960	Minimum	3.300	Minimum	3.200	Minimum
Clarity	3.040	Minimum	2.840	Minimum	2.540	Minimum
Responsiveness	3.140	Minimum	3.160	Minimum	3.140	Minimum
Subsequent to adoption of transparency measures						
Accuracy	3.040	Minimum	3.220	Minimum	3.500	Minimum
Comprehensiveness	2.720	Minimum	2.840	Minimum	3.480	Minimum
Relevancy	3.020	Minimum	3.000	Minimum	3.700	Good
Timeliness	3.580	Good	3.700	Good	3.680	Good
Accessibility	3.420	Minimum	3.680	Good	3.460	Minimum

Clarity	3.200	Minimum	3.220	Minimum	3.580	Good
Responsiveness	3.300	Minimum	3.380	Minimum	3.500	Minimum

	P-value
Profit	0.005167
Non-profit	0.000229
Govt	0.004514

Unlike risk management, OSHA data disclosure improved for all three types of corporations. Across the board, timeliness of disclosure improved from "minimum" to "good," indicating that at least in the prompt release of OSHA data, organisations have become more conscious and compliant. Not-for-profit organisations have also improved in providing increased accessibility to data about its compliance with health and safety guidelines. It is government organisations which registered the most improvement, particularly in relevancy and clarity in addition to timeliness.

4.2.3 Assessment for Stakeholder voice data disclosure

Table 3: Stakeholder voice data disclosure assessment

Stakeholder Voice	**Type of Organization**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.560	Minimum	2.920	Minimum	3.160	Minimum
Comprehensiveness	2.900	Minimum	2.800	Minimum	2.840	Minimum
Relevancy	3.040	Minimum	2.980	Minimum	3.460	Minimum
Timeliness	2.740	Minimum	2.940	Minimum	2.860	Minimum
Accessibility	2.740	Minimum	2.880	Minimum	3.480	Minimum
Clarity	2.560	Minimum	3.020	Minimum	3.360	Minimum
Responsiveness	2.580	Minimum	3.040	Minimum	3.320	Minimum
Subsequent to adoption of transparency measures						
Accuracy	3.000	Minimum	3.380	Minimum	3.060	Minimum
Comprehensiveness	3.360	Minimum	3.580	Good	3.520	Good
Relevancy	3.520	Good	3.780	Good	3.620	Good

Timeliness	3.120	Minimum	3.720	Good	3.760	Good
Accessibility	3.200	Minimum	3.420	Minimum	3.480	Minimum
Clarity	2.880	Minimum	3.720	Good	3.540	Good
Responsiveness	2.640	Minimum	3.180	Minimum	3.720	Good

	P-value
Profit	0.000568
Non-profit	0.000593
Govt	0.060834

The perception of respondents on the disclosure of data on stakeholder voice is shown in the preceding table. "Stakeholder" here is taken to refer to those persons or groups who have a valid interest in the organisation's performance. For profit organisations, this pertains not only to shareholders, but also employees, customers, suppliers, the community in general, and so forth. For non-profit organisations, this refers to the beneficiaries and their families, workers and volunteers, financiers and philanthropists, and the wider society. For the government, stakeholder voice encompasses practically the entirety of its constituents together with the government employees. Prior to transparency policy implementation, all organisations were barely complying with the minimum acceptable levels of disclosure in all measures. There was marked improvement after implementation, with government improving the most (in all measures except accuracy and accessibility), followed by not-for-profit organisations (in the same measures as the government except for the additional measure of responsiveness), and finally for profit organisations (which improved in terms of relevancy). It is not surprising that the government should chart the greatest improvement, beholden as it is to the people to be accountable to them in the spirit of democracy, and to be committed to forward the interest and serve the welfare of the people. The lack of improvement in accuracy and accessibility are understandable because these are areas that involve a significant amount of logistics on the part of the organisation, and because the government serves the largest stakeholder population among all the organisations. In any case, all three organisations saw moderate improvements in this area but not significant enough to manifest a perceived material change.

4.2.4 Assessment for Financial data disclosure

Table 4: Financial data disclosure assessment

Financial Data	**Type of Organization**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	3.240	Minimum	3.320	Minimum	3.380	Minimum
Comprehensiveness	3.020	Minimum	3.300	Minimum	3.220	Minimum
Relevancy	3.120	Minimum	3.360	Minimum	3.120	Minimum
Timeliness	3.080	Minimum	3.400	Minimum	2.900	Minimum
Accessibility	3.500	Minimum	3.120	Minimum	3.180	Minimum
Clarity	2.800	Minimum	2.960	Minimum	3.040	Minimum
Responsiveness	2.840	Minimum	3.320	Minimum	3.320	Minimum
Subsequent						
Accuracy	3.320	Minimum	3.480	Minimum	3.840	Good
Comprehensiveness	3.260	Minimum	3.320	Minimum	3.940	Good
Relevancy	3.580	Good	3.840	Good	4.160	Good
Timeliness	3.220	Minimum	4.140	Good	4.180	Good
Accessibility	3.580	Good	3.360	Minimum	3.680	Good
Clarity	3.020	Minimum	3.460	Minimum	3.700	Good
Responsiveness	2.920	Minimum	3.480	Minimum	4.020	Good

	P-value
Profit	0.0120784
Non-profit	0.0136733
Govt	0.0004678

The preceding table shows a similar comparison for financial data disclosure. Across the board, the interpretations of mean scores for all types of organisations and for all criteria shows the disclosure of data to be perceived as minimally complying with the requirements for transparency. In comparison, there are significant improvements post-adoption of transparency mandates for the three types of organisations, but most significantly for government organisations. For all three organisations, the financial data disclosed was perceived to improve in relevancy, most likely because of the emphasis placed by regulating authorities as to what organisations are required to disclose and pursuant to which reporting standards. Profit organisations are perceived to have made these data more accessible, while non-profit organisations have made their release more timely. Government organisations, however, are perceived to have improved in transparency in the disclosure of financial data. For some, this is just to be expected, because the government is accountable to the people, but the government's efforts actually being perceived enhances the effectiveness of the government's bid to encourage business organisations and not-for-profit organisations to follow its example.

4.2.5 Assessment for Management structure data disclosure

Table 5: Management structure data disclosure assessment

Management Structure	**Type of Organizations**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	3.100	Minimum	3.180	Minimum	3.540	Good
Comprehensiveness	3.080	Minimum	2.920	Minimum	3.240	Minimum
Relevancy	3.280	Minimum	2.860	Minimum	3.220	Minimum
Timeliness	3.480	Minimum	3.220	Minimum	3.140	Minimum
Accessibility	3.340	Minimum	2.760	Minimum	2.620	Minimum
Clarity	3.040	Minimum	3.140	Minimum	3.260	Minimum
Responsiveness	2.880	Minimum	3.180	Minimum	3.340	Minimum
Subsequent to adoption of transparency measures						
Accuracy	3.320	Minimum	3.860	Good	4.180	Good
Comprehensiveness	3.420	Minimum	3.880	Good	3.900	Good
Relevancy	3.460	Minimum	3.600	Good	4.020	Good
Timeliness	3.360	Minimum	3.740	Good	3.980	Good

Accessibility	3.220	Minimum	3.620	Good	4.180	Good
Clarity	3.340	Minimum	3.740	Good	3.940	Good
Responsiveness	3.600	Good	3.480	Minimum	4.200	Good

	P-value
Profit	0.094612
Non-profit	0.000201
Govt	0.000383

The foregoing table provides the summary of mean scores for the data disclosure on management structure. In this category, the significant improvements are perceived in both the government and the not-for-profit organisations. For profit-oriented organisations, despite the similarity in the interpretation of the assessments, the mean scores showed marked improvement for five out of the seven measures.

The fact that business organisations would have a measure of opaqueness, although not entirely excusable, is understandable, as there is the element of competition between corporations which prompts their tendency to assume a degree of secrecy. Still, corporations will have to come to terms with allowing for transparency to govern even information concerning their management structure and promotion policies. While strategic advantage may be conveyed in the management structure of a firm, this is certainly not the sole or deciding rationale that would justify secrecy, particularly on the matter of management structure which is of vital importance to stakeholder interests (UNECE, 2008). Much better competitiveness would be attained by a perception of good governance than may be served by covertness.

4.2.6 Assessment for Ownership and Board of Directors (BOD) data disclosure

As much may be said also for the data disclosure on ownership and board of directors structure (more properly, “board of directors” would translate to “board of trustees” for some not-for-profit organisations, and for organisations this would refer to the policy-making level of that particular agency, instrumentality, department, or government owned or controlled corporation). The next succeeding table gives the mean scores yielded by respondents. At this point there was some measure of uncertainty concerning the term "ownership" in the case of government organisations, so the respondents for this group were directed not to include this term in their assessment, but to consider "policy formulating board" as the subject of assessment. This may be the crucial factor why a cursory inspection of the table shows that government organisations are clear on the data disclosures concerning their policy-determining "board". This is because the government hierarchy within specific offices or agencies are clear and a matter of public knowledge, therefore they would score high in transparency.

Table 6: Ownership and BOD data disclosure assessment

Ownership & BOD Structure	**Type of Organizations**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.940	Minimum	3.380	Minimum	4.420	Good
Comprehensiveness	3.120	Minimum	3.460	Minimum	4.140	Good
Relevancy	3.160	Minimum	3.400	Minimum	3.760	Good
Timeliness	3.200	Minimum	3.360	Minimum	4.200	Good
Accessibility	3.020	Minimum	3.280	Minimum	4.160	Good
Clarity	3.060	Minimum	3.640	Good	4.240	Good
Responsiveness	3.300	Minimum	3.520	Good	4.320	Good
Subsequent to adoption of transparency measures						
Accuracy	3.360	Minimum	4.180	Good	4.500	Good
Comprehensiveness	3.520	Good	4.060	Good	4.260	Good
Relevancy	3.440	Minimum	3.700	Good	4.060	Good
Timeliness	3.460	Minimum	3.720	Good	4.280	Good
Accessibility	3.620	Good	3.640	Good	4.300	Good
Clarity	3.420	Minimum	4.020	Good	4.380	Good
Responsiveness	3.780	Good	3.920	Good	4.440	Good

	P-value
Profit	0.0001033
Non-profit	0.0005019
Govt	0.0025786

As for private organisations, both profit and non-profit, there were major areas of improvement as far as data disclosure of ownership and board structure is concerned, prior to the adoption of good governance measures. Profit-oriented corporations were perceived to be minimally compliant in this category through all the measures, while not-for-profit organisations were adjudged minimally compliant in the accuracy, comprehensiveness, relevancy, timeliness, and accessibility of their data disclosures. They were, however, perceived to have above satisfactory (”Good”) compliance as in the clarity and responsiveness of these disclosures. After the initiatives were adopted, performance of non-profit firms were all “Good”, while profit organisations improved in three measures (comprehensiveness, accessibility and responsiveness). The mean scores have all improved, although not sufficiently to materially change perception.

4.2.7 Assessment for Industry standards data disclosure

Table 7: Industry standards data disclosure assessment

Industry Standards	**Type of organizations**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.540	Minimum	3.260	Minimum	3.240	Minimum
Comprehensiveness	2.880	Minimum	3.160	Minimum	3.440	Minimum
Relevancy	2.880	Minimum	3.080	Minimum	3.360	Minimum
Timeliness	2.800	Minimum	3.100	Minimum	3.140	Minimum
Accessibility	2.660	Minimum	3.040	Minimum	2.760	Minimum
Clarity	2.840	Minimum	3.260	Minimum	3.440	Minimum
Responsiveness	2.660	Minimum	3.440	Minimum	3.160	Minimum
Subsequent to adoption of						

transparency measures						
Accuracy	3.220	Minimum	3.620	Good	3.140	Minimum
Comprehensiveness	3.140	Minimum	3.420	Minimum	3.920	Good
Relevancy	3.280	Minimum	3.400	Minimum	4.320	Good
Timeliness	3.200	Minimum	3.720	Good	3.200	Good
Accessibility	3.200	Minimum	3.580	Good	3.980	Good
Clarity	3.180	Minimum	3.420	Minimum	3.160	Minimum
Responsiveness	3.100	Minimum	3.620	Good	4.240	Good

	P-value
Profit	0.0001528
Non-profit	0.0018662
Govt	0.0781407

The table above shows the mean scores gathered pertaining to respondents' perception of how transparently organisations disclosed data on industry standards. Prior to adoption of good governance measures, all types of organisations were perceived to observe only borderline compliance with data disclosure of industry standards. Spot interview with respondents indicate that the organisations at the time did not particularly impress upon their line managers the urgency of emphasising industry standards, and some were not even aware of the standards pertaining to their industry. Comparatively, however, partly due to their foundations in legislature, government and non-profit organisations scored higher than profit organisations. As for profit organisations, some managers expressed that they were aware of the international standards of their industry, but prior to the good governance mandate, there was not much motivation to prompt the disclosure of these data to the firm's stakeholders.

From the mean scores garnered subsequent to the adoption of transparency initiatives, there had been a marked improvement in the mean scores, although for profit companies the new scores for data disclosure of industry standards still fell within the "minimum" range. There had been a substantial change in the perception of non-profit and government organisations, however, with five out of the seven measures rating "Good" for government entities and four out of the seven for non-profit corporations. From responses in the spot interview, the higher level of data disclosure appears to be associated with the stronger link of the industry standard with public expectation and accountability. Other than those industry standards which are technical in nature, the public expects non-profit and government institutions and organisations to pursue activities that ultimately contribute to the betterment of society, either in particular social segments in the case of non-profit organisations, or the broader cross-section in the case of government organisations. Otherwise, non-profit organisations shall lose their reason for being and risk losing their license to operate, while leaders of government institutions shall lose their credibility and risk being replaced after their term.

It also bears observing that government improvements have been in the substantial measures (i.e., comprehensiveness and relevancy of disclosures), while non-profit organisations improved in the formal or technical measures (timeliness, accessibility and responsiveness). This has to do with the greater mandate upon the government and its instrumentalities and agencies to observe good governance, which the government itself had institutionalised in the UAE.

4.2.8 Assessment for Environmental impact data disclosure

The next succeeding table details the mean scores for respondents' perception of environmental impact data disclosure by their respective organisations.

Table 8: Environmental impact data disclosure assessment

Environmental Impact	Type of organization					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.680	Minimum	2.700	Minimum	2.900	Minimum
Comprehensiveness	2.480	Inadequate	2.920	Minimum	2.860	Minimum

Relevancy	3.380	Minimum	3.140	Minimum	3.320	Minimum
Timeliness	3.300	Minimum	3.080	Minimum	3.520	Good
Accessibility	2.280	Inadequate	2.940	Minimum	3.040	Minimum
Clarity	2.420	Inadequate	3.220	Minimum	3.800	Good
Responsiveness	3.480	Minimum	3.880	Good	3.940	Good
Subsequent to adoption of transparency measures						
Accuracy	3.460	Minimum	3.620	Good	4.280	Good
Comprehensiveness	3.180	Minimum	3.200	Minimum	3.980	Good
Relevancy	3.040	Minimum	3.080	Minimum	4.220	Good
Timeliness	3.140	Minimum	3.240	Minimum	3.660	Good
Accessibility	4.040	Good	3.840	Good	4.180	Good
Clarity	3.560	Good	3.920	Good	4.440	Good
Responsiveness	4.120	Good	4.180	Good	4.320	Good

	P-value
Profit	0.0558111
Non-profit	0.0196615
Govt	0.0029514

The above data shows that where environmental impact data disclosure is concerned, profit organisations were perceived to have inadequately complied in terms of comprehensiveness, accessibility and clarity. They only minimally comply for the other four measures. Data suggests that while business organisations disclose accurate and relevant environmental impact data, they are perceived to not disclose everything, even intentionally withhold those information which may redound negatively to the business organisation. Profit-oriented corporations are also perceived to underperform in terms of the clarity and accessibility of data disclosure, the impression being that business companies may either resort to confusing the issues about their companies' environmental impact, or to restrict accessibility by the public to their disclosures. In any of these cases, profit corporations were seen to prioritise the interest of their business over the duty to disclose the complete environmental impact data of their company in a prompt and accessible manner.

Comparatively, non-profit and government organisations are seen to perform better than satisfactory in responsiveness, and for the government also in timeliness and clarity, even before guidelines ensuring corporate governance were enforced. These assessments improved after guidelines were enforced, with non-profit organisations rating “Good” likewise in accuracy, accessibility and clarity, and government perceived as “Good” in all measures. As for profit-oriented corporations, there was also marked improvement in responsiveness, and particularly in accessibility and clarity which were formerly rated “Inadequate”. Improvement was also noted in comprehensiveness, where business corporations were perceived to at least comply with minimum requirements after transparency guidelines were implemented. Despite the “Good” scores in the formal measures, the ratings were still “Minimum” for the substantial measures of transparency.

4.2.9 Assessment for Company values data disclosure

In the next table, the mean scores are summarised for respondents’ perceptions of their organisation’s disclosure of data on company values. Prior to the enforcement of governance guidelines, the government performed well in three measures (accuracy, relevancy and responsiveness) and non-profit organisations in one (responsiveness). For-profit organisations achieved minimal compliance in all measures.

Table 9: Company values data disclosure assessment

Company Values	Type of organization					
Prior to adoption of transparency measures	Profit		Non-profit		Government	
Accuracy	3.440	Minimum	3.320	Minimum	3.520	Good
Comprehensiveness	3.080	Minimum	2.920	Minimum	3.480	Minimum
Relevancy	3.200	Minimum	3.020	Minimum	3.580	Good
Timeliness	3.240	Minimum	3.260	Minimum	3.360	Minimum
Accessibility	3.060	Minimum	3.380	Minimum	3.240	Minimum
Clarity	3.140	Minimum	2.680	Minimum	3.260	Minimum
Responsiveness	3.480	Minimum	3.620	Good	3.560	Good
Subsequent to adoption of transparency measures						
Accuracy	3.520	Good	3.780	Good	4.000	Good
Comprehensiveness	3.940	Good	3.880	Good	3.520	Good
Relevancy	3.780	Good	4.040	Good	3.900	Good
Timeliness	3.620	Good	3.520	Good	4.080	Good
Accessibility	3.140	Minimum	3.860	Good	4.220	Good
Clarity	3.340	Minimum	2.980	Minimum	4.120	Good
Responsiveness	3.380	Minimum	3.460	Minimum	3.980	Good

	P-value
Profit	0.056192
Non-profit	0.0223799
Govt	0.0045434

Subsequent to the issuance of the transparency mandate, profit oriented companies rated “Good” in the disclosure of their company values in terms of accuracy, comprehensiveness, relevancy, and timeliness. Not-for-profit organisations improved in the same areas as well as in accessibility, while government organisations rated “Good” in all measures.

The willingness to substantially disclose the data on company values appears to be embraced by business organisations in a manner unlike the earlier disclosure categories, and for good reason. It is apparent that the articulation of well-crafted mission, vision and values enhances the profit motive rather than diminishes from it, since the statement of company values is not a declaration of fact or performance. This category therefore represents the least threat to company profits.

4.2.10 Assessment for Human rights data disclosure

The next table corresponds to the tenth and last data disclosure category identified by the TMT developed by Bandsuch, Pate and Thies (2008). It pertains to the data disclosure of organisations with respect to human rights observance. Again, perceptions of respondents for all three types of organisations show considerable improvement from the time prior to the adoption of good governance measures, and subsequent to it. Non-profit organisations show the greatest improvement in their disclosures, from across the board minimal compliance to good compliance. Profit organisations were perceived to have improved in accuracy, timeliness and responsiveness, while government organisations have improved in all measures except accuracy.

Table 10: Human rights data disclosure assessment

Human Rights	**Type of organization**					
Prior to adoption of transparency measures	**Profit**		**Non-profit**		**Government**	
Accuracy	2.960	Minimum	3.100	Minimum	3.480	Minimum
Comprehensiveness	3.620	Good	3.380	Minimum	3.660	Good
Relevancy	3.580	Good	3.400	Minimum	3.440	Minimum
Timeliness	3.360	Minimum	3.240	Minimum	3.480	Minimum
Accessibility	3.120	Minimum	3.440	Minimum	3.320	Minimum
Clarity	3.620	Good	3.280	Minimum	3.480	Minimum
Responsiveness	3.300	Minimum	3.240	Minimum	3.440	Minimum
Subsequent to adoption of transparency measures						
Accuracy	3.520	Good	4.060	Good	3.280	Minimum
Comprehensiveness	3.760	Good	3.780	Good	3.900	Good
Relevancy	3.940	Good	3.800	Good	3.540	Good
Timeliness	3.520	Good	3.520	Good	3.620	Good
Accessibility	3.460	Minimum	3.560	Good	4.040	Good

Clarity	3.880	Good	3.840	Good	3.920	Good
Responsiveness	3.580	Good	3.700	Good	3.960	Good

	P-value
Profit	0.0013651
Non-profit	0.0038093
Govt	0.051642

The fact that profit-making organisations improved their data disclosure on human rights compliance is again in line with the enhancement of profits and dispelling of concern that human rights are being violated. The violation of human rights, unlike the discrepancies in financial decisions or the assessment of risks, are matters that cannot be hidden from good investigative journalists or militant labour organisations even in other countries. One need only recall the case of the attachment of the Nike brand to Asian sweatshops and child labour to understand the need for business organisations to be perceived as meticulously compliant with the tenets of human rights.

It is also apparent that government organisations, despite an improvement in the measure, appears to have greater difficulty (than either profit or non-profit organisations) in the accuracy of its data disclosures on human rights. One may view this as the differences in the scope of operations between private firms and government instrumentalities. Public administration encompasses the citizenry within a certain jurisdiction – that is, all the citizens and residents within a geographical area. On the other hand, the scope of control exercised by private organisations involves the employees or volunteers working for them. Because this is a much smaller number compared to government constituents, data gathering about how employees and volunteer workers are treated by the company is easier execute, monitor and more accurately report. On the other hand, the multitudes under government agencies' regulatory authority are more difficult to advise and mandate, to monitor, and to report. It is thus more difficult to ascertain the accuracy of the data gathered in this case, and the government unit (particularly the smaller local units) may not have the reach and accuracy of sophisticated data communication systems to gather data from a wide area and concerning so many possible situations.

4.2.11 Overall assessment based on mean scores by data disclosure categories

Following next is a summary of the average scores that had been obtained for each of the disclosure categories, across the seven transparency measures. The interpretation relies on the same ranges as specified in the legends of the preceding tables. This table provides a means of comparing the overall perceptions for each group for each of the categories, and the over-all mean per group to give a general idea whether transparency efforts was even marginally successful.

Table 11: Summary of mean scores for each data disclosure category

	Profit		Non-profit		Government	
Mean Prior	**Score**	**Interpret**	**Score**	**Interpret**	**Score**	**Interpret**
Risk Management	2.780	Minimum	2.911	Minimum	3.129	Minimum
OSHA	2.831	Minimum	2.940	Minimum	3.031	Minimum
Stakeholder Voice	2.731	Minimum	2.940	Minimum	3.211	Minimum
Financial data	3.086	Minimum	3.254	Minimum	3.166	Minimum
Management Structure	3.171	Minimum	3.037	Minimum	3.194	Good
Ownership & BOD	3.114	Minimum	3.434	Minimum	4.177	Good
Industry Standards	2.751	Minimum	3.191	Minimum	3.220	Minimum
Environmental Impact	2.860	Minimum	3.126	Minimum	3.340	Minimum
Company Values	3.234	Minimum	3.171	Minimum	3.429	Minimum
Human Rights	3.366	Minimum	3.297	Minimum	3.471	Minimum
Mean	**2.993**		**3.130**		**3.337**	
	Profit		**Non-profit**		**Government**	
Mean subsequent	**Score**	**Interpret**	**Score**	**Interpret**	**Score**	**Interpret**
Risk Management	2.931	Minimum	3.197	Minimum	3.423	Minimum
OSHA	3.183	Minimum	3.291	Minimum	3.557	Good
Stakeholder Voice	3.103	Minimum	3.540	Good	3.529	Good

Financial data	3.271	Minimum	3.583	Good	3.931	Good
Management Structure	3.380	Good	3.645	Good	3.279	Good
Ownership & BOD	3.514	Good	3.891	Good	4.317	Good
Industry Standards	3.189	Minimum	3.540	Good	3.709	Good
Environmental Impact	3.506	Good	3.583	Good	4.154	Good
Company Values	3.531	Good	3.646	Good	3.974	Good
Human Rights	3.666	Good	3.751	Good	3.751	Good
Mean	**3.327**		**3.567**		**3.762**	
Change	**11.19%**		**13.94%**		**12.75%**	

It is noticeable from the preceding table that while the mean score interpretations for both profit and non-profit private organizations fall within the "Minimum" range, the non-profit organizations garnered collectively higher overall mean scores than profit organizations (i.e., 3.130 for non-profit as against 2.993 for profit companies). This indicates that generally, non-profit firms are perceived as being more transparent than profit organizations. This is more likely attributable to the nature of the financing of the organization. Transparency in this dissertation is equated with the degree of disclosure in different categories of information dealing with the organization's operations. A firm which works for charitable and humanitarian causes would be dependent upon philanthropical sources of financing, to which they are required to report the disposition of the donated funds. On the other hand, business firms are primarily answerable to its shareholders since this latter provides the financing for the purpose of gaining profit. Non-profit groups are naturally more pre-disposed to divulging their information: firstly, it is their duty to their many donors and sponsors; and secondly, the non-profit groups do not have to guard against divulging information to benefit any competitors, something which for-profit organizations must guard against. These may be the same reasons behind the higher percentage improvement in mean scores from the period prior to the period subsequent to the adoption of transparency measures (i.e., 11.2% for business organizations, 13.9% for non-profit organizations).

Before good governance measures had been officially adopted, companies were generally seen to be compliant to barely satisfactory levels in data disclosure, except in government organisations which were particularly transparent already in management and policy-making (i.e., “BOD”) structure, which by their nature should be a matter of public knowledge, given the public nature of government service. After the implementation of transparency and good governance guidelines, the measure where all three types of companies lacked in results is Risk management disclosure, where compliance remained at minimum levels. The same is true for OSHA data disclosure in so far as profit-oriented and not-for-profit organisations are concerned. For the rest of the measures, the data disclosure levels were considered “Good” although profit organisations were seen to perform only minimally for data disclosure requirements in Stakeholder voice, financial data, and Industry standards. What is evident is that overall; there is a net positive change in the perception of transparency in all organisations, by about 11 per cent for profit organisations, 14 per cent for non-profit organisations, and 13 per cent for government organisations.

The foregoing procedure taken by this study, in investigating the changes in perception on data disclosure by data categories, is not part of the original TMT framework delivered by Bandsuch, et al., but it does provide a basis for assessing in what areas organisations are perceived to have improved in, and in what areas they have not. The nature of the data sought to be disclosed is specified in the data categories, and the manner by which these excel or lag in is specified by the transparency measure rated. The TMT method places emphasis on the assessment of improvement in the transparency measures, as shown in the following table. The mean scores are taken across the categories according to the 7 transparency measures, and are interpreted according to the legend specified by Bandsuch, et al. (2008) which is provided at the end of the table.

4.2.12 Transparency Measurement Tool (TMT) Framework application

Pursuant to the TMT framework, the mean scores garnered for each group in each measure are totalled rather than averaged, then based on the total (maximum of 50) the degree of transparency is assessed. The legend given above is specified by the Bandsuch, et al. (2008) study, which is apparently skewed to be more stringent at the top and loose at the bottom. Any score from nil until just below half (24 and below, accounting for 50 per cent) of the maximum score is considered opaque; the next 15 points (30 per cent) is considered translucent, and finally the top 10 points (20 per cent) is adjudged transparent.

Table 12: Sum of prior and subsequent mean scores across the ten categories (Based on TMT)

	Profit		**Non-profit**		**Government**	
Sum Prior	**Score**	**Interpret**	**Score**	**Interpret**	**Score**	**Interpret**
Accuracy	29.140	Translucent	31.000	Translucent	34.080	Translucent
Comprehensiveness	29.220	Translucent	30.160	Translucent	33.260	Translucent
Relevancy	30.520	Translucent	30.420	Translucent	33.640	Translucent
Timeliness	30.840	Translucent	31.520	Translucent	32.360	Translucent
Accessibility	29.740	Translucent	31.260	Translucent	32.000	Translucent
Clarity	29.460	Translucent	31.200	Translucent	33.400	Translucent
Responsiveness	30.560	Translucent	33.560	Translucent	34.840	Translucent
	Profit		**Non-profit**		**Government**	
Sum Subsequent	**Score**	**Interpret**	**Score**	**Interpret**	**Score**	**Interpret**
Accuracy	32.480	Translucent	36.260	Translucent	37.160	Translucent
Comprehensiveness	33.000	Translucent	34.760	Translucent	37.960	Translucent
Relevancy	33.600	Translucent	35.240	Translucent	38.960	Translucent
Timeliness	33.520	Translucent	36.520	Translucent	38.060	Translucent

Accessibility	33.960	Translucent	36.120	Translucent	39.000	Translucent
Clarity	32.920	Translucent	35.520	Translucent	37.860	Translucent
Responsiveness	33.500	Translucent	35.660	Translucent	39.820	Translucent

Legend:

10 to 24	Opaque
25 to 39	Translucent
40 to 50	Transparent

The interpretations specified in the legend, as already earlier mentioned, were given by Bandsuch, et al. (2008) and provide for only three ranges of classifications whereas the measures used in the measurement tool were five. This is because the measurement tool is based on a continuum that seeks to interpret degree of observation. The five measures are therefore distributed evenly from minimum to maximum using a Likert scale.

On the other hand, the legend, which is applied to the mean scores, is based on the presumption that the mean score of numerous respondents would provide a substantial rating and therefore should be interpreted according to the standards applied to corporations. In this case, if a corporation is found to be up to 50% compliant, by ethical standards this is only half the measure, and there is as much intention to conceal as there is to disclose. In short, the firm hides as much as it reveals; this is unacceptable conduct for what should be a socially responsible corporation. Another consideration is that a firm tends to reveal what is favourable to its image and hide what is unfavourable. If a firm tends to hide information concerning it half of the time, then there are as much unfavourable data about it as there are favourable, and this does not bode well for the organization.

The interpretations are thus established. A firm is considered opaque if it conceals as much as it reveals (0 to 24, or up to about 50%), and may be considered transparent if it conceals only 80% of the information about itself. (Strictly speaking, a truly transparent organization is one that discloses all material information about itself, save its industrial secrets that give it a competitive edge over its rivals.) The gap between those considered opaque and those considered transparent are in the interim range which in this case is described as translucent (Bandsuch, et al., 2008). Further distinguishing additional categories is neither useful nor important.

The assessment of respondents should therefore be extraordinarily high for a measure to be seen as transparent, which is an appropriate and ideal standard before a firm is found truly transparent. It shows that for an organisation to be deemed transparent, its operations and procedures must hew as closely as possible to full and candid data disclosure as possible. According to these standards, the companies under scrutiny are seen as being translucent, although to a degree closer to transparency after the initiatives have been adopted compared to before they were adopted.

According to Table 12, all the three types of organizations were perceived to be "Translucent" – that is, while they are not entirely opaque, they are not fully transparent yet according to the standards imposed by the measure. Despite this, it cannot be ignored that the scores did rise noticeably after the adoption of transparency measures. This means that during the short period of time from adoption in 2010 until the time of this dissertation, there has been progress which, in due time, may bring organizations to full compliance with the transparency standard. A more sensitive statistical tool for determining significant change from one score to the next may be provided by the probability values of the paired samples T-test which will be interpreted in the next subsection of this chapter.

4.2.13 Analysis of paired samples T-test result comparing prior and subsequent scores

In the next table, the probability valued corresponding to the T-test statistic for paired samples conducted between prior and subsequent mean scores per category are provided. These may be seen at the bottom of each of tables **1 to 10** which showed the mean scores for each data disclosure category. They are tabulated here to facilitate comparative analysis.

Table 13: P-values for paired samples T-test

Categories	Prof	Non-profit	Govt
Risk management	0.1472	0.0248	0.0083
OSHA	0.0052	0.0002	0.0045
Stakeholder Voice	0.0006	0.0006	0.0608
Financial data	0.0121	0.0137	0.0005
Management Structure	0.0946	0.0002	0.0004
Ownership & BOD	0.0001	0.0005	0.0026
Industry Standards	0.0002	0.0019	0.0781
Environmental Impact	0.0558	0.0197	0.0030
Company Values	0.0562	0.0224	0.0045
Human Rights	0.0014	0.0038	0.0516

The paired sample T-Test derives the differences for each set of paired cases from each of two samples, and assesses whether the mean of the differences between the paired samples so derived is not significantly different from zero. If the corresponding p-value, which was computed by the use of Excel spreadsheet functions, is less than the significance value p = 0.05, then the mean of the differences is not significantly different from zero, and the two samples are therefore considered statistically the same (since zero difference exists between them). However, where the p-value exceeds p = 0.05, then there exists a significant difference between the prior scores and the subsequent scores for that type of organisation. These instances are highlighted in the preceding table. This means that because of the adoption of good governance policies and practices as mandated by the Royal decree, then statistically verifiable improvement has been realized in the profit organisations and government entities. For profit-oriented corporations, improvement in transparency is perceived in data disclosures on risk management, management structure, environmental impact, and company values. For government organisations, the improvement is verified in data disclosures for stakeholder voice, industry standards and human rights. It will be noted that these are not the same improvements noted in Tables **1-10** in so far as descriptive interpretations are concerned. For instance, risk management data disclosures did not descriptively change for profit organisations, or human rights data disclosure in the case of government organisations. However, significant change in scores has been identified, from which it may be statistically inferred that the incremental increases in scores across the individual transparency measures has a net cumulative effect on the perception of overall transparency for the category.

4.2.14 Correlation with economic indicators of progress

The next table presents the data gathered from the World Bank database with the intention of comparing correlating changes in the selected indicators (GDP, FDI and CPI or inflation growth) with the changes in transparency. From cursory inspection, however, it is apparent that this will not be reliable or feasible. The transparency decree was implemented in 2009, therefore the relevant duration for a correlation study would have been prior to and after this data. A look at these data in the table, however, shows that economic indicators for these years are strongly influenced by the economic shocks relating to the global financial crisis that began in the United States. Because of the volatility of this external factor, the systemic shocks on the financial and economic system in the UAE may not be realistically related solely or even remotely to the transparency efforts in the organisations. Eventually, a study may be made to relate recovery efforts to transparency initiatives; however, there is not sufficient time or evidence to enter into such a discussion at this point in time when recovery is not yet confirmed.

Table 14: UAE Economic Indicators (World Bank Database, 2012)

Calendar Year	GDP Growth (annual %)	FDI net inflows (% of GDP)	Inflation (annual %)
2000	10.853	(0.485)	11.460
2001	1.399	1.146	(2.349)
2002	2.433	0.087	3.771
2003	8.801	3.423	4.072
2004	9.566	6.767	8.501
2005	4.855	6.035	16.526
2006	9.906	5.766	11.887
2007	3.213	5.495	12.610
2008	3.295	4.359	18.072
2009	(1.609)	1.481	(12.733)
2010	1.432	1.326	8.549
2011	Not yet available		

Source: World Bank Database, 2012

4.3 Document Search: DP World Backgrounder

In Chapter 2 of this study, information was gathered from past literature and opinion articles concerning the financial restructuring of Dubai Port World and how it seeks to modify its image as an organisation that lacks transparency. How this came to be the prevailing perception of DP World, however, has not been explained. The new information provided here concern accounts of events that have cast DP World in specific notoriety; the data is more specific and factual and are gleaned from official documents, news reports of major and professional publications.

Dubai Port World is Dubai's largest company terminal operations and development company. It operates in six continents managing more than 60 terminals, as of January 2012. Its principal business is container handling from which it earns 80 per cent of its revenue. Currently, the company has 11 new developments underway, as well as major expansions in 10 countries. In 2011 alone, DP World handled nearly 55 million TEU (twenty-foot equivalent container units) throughout its operations from the Americas to Asia, and with strong growth in India, China and the Middle East, capacity is expected to increase to 100 million TEU by 2020 (DP World Website, 2012).

In February 2006, DP World became embroiled in a controversy which had international repercussions, and prompted a U.S. Congressional inquiry. The central issue was the purchase by UAE state-owned DP World of six major U.S. seaports. The proposed takeover was applied for by the Company with the Committee on Foreign Investment in the United States (CFIUS) in October 2005; by December of that year, intelligence officials from the Coast Guard expressed concerns that the sale would entail significant security risks, in so far as it concerns the management of U.S. port operations (FindLaw, 2006). Even prior to DP World's takeover, the contract has already owned by a foreign entity, British firm Peninsular and Oriental Steam Navigation Company (P&O), which itself was taken over by DP World also in 2006. The executive branch of the U.S. Government approved the sale, but this did not preclude other U.S. officials and politicians from protesting that the takeover necessarily endangers American port security and, consequently, the safety and integrity of the U.S. economy. Legislation was introduced in order to prevent or delay the transfer (Magnet, 2006), although President Bush argued resoundingly for the approval of the sale. After three weeks of intense debate and adverse public opinion however, DP World decided to relinquish its stake in P&O and its bid to manage the U.S. seaports (Shaw & Davis, 2006).

The takeover attempt sparked numerous other related issues, which cut across the seam of U.S. politics with accusations of conflicts of interest and motivation of personal gain. In the ensuing Congressional investigation, it appeared that the events leading to the DP World purchase involved then Treasury Secretary John Snow who, with President Bush himself, had vested interest in the deal. In 2002 as CEO of transportation conglomerate CSX, Snow sold a shipping line to the Carlyle Group, a U.S. equity firm that had long-standing relations with the Bush family (Wheelhouse Weekly, 2002). It happened that George H.W. Bush was advisor to CSX until 2003, and remained one of its stockholders even after that (Doward, 2003). The shipping line benefitted by as much as $100 million in federal contracts as subsidiary under Carlyle. After a year, Carlyle sold the subsidiary to Castle Harlan for a price twice which it paid CSX. Castle Harlan is likewise connected to the younger George W. Bush who sat as a member of its board of directors. CSX, on the other hand, consistently remained one of the top GOP campaign donors in the transportation industry; in 2002 alone, it donated more than $1 million to Republican candidates (National Corruption Index, 2008).

In 2005, CSX sold its port holdings to DP World. CSX VP for shipping David Sanborn joined DP World, and not long after Dubai invested $100 million in Carlyle. On the matter of the deal, Bush pleaded ignorance and stated that he know nothing about it until it had already been approved; subsequently, however, he showed strong partiality in roundly and publicly endorsing the sale, against the clamor of Congress and the public, and even threatened to veto contrary legislation in order to push the $6.8 billion deal (BBC News, 2006). Additionally, former CSX

CEO Snow, who later became Bush's Treasury Secretary (Wheelhouse Weekly, 2002) was also head of CFIUS, the federal cross-agency panel which had approved the DP World deal. Furthermore, Bush nominated DP World VP (the former CSX VP who joined DP World) David Sanborn as Maritime Administrator. It was only due to the Congressional vote that the sale was blocked and DP World was prevented from taking over the six U.S. shipping ports (MSNBC, 2006).

4.4 Results of Interview

An interview was conducted with a subject who has requested that his identity be kept confidential, and consistent with the ethical standards of research, he shall herein be referred to as A.O. from the Legal Department of DP World, which information he allows to be used. The details of the interview are contained in the appendix of this study, in transcript form. The subject was chosen for is connections to DP World, a company which has been linked to issues of poor governance and lack of transparency, which was one of the reasons that the Transparency Decree was issued.

The interview was conducted face-to-face, and in some instances the interviewee asked that the topic be off the record since his/her anonymity may be compromised by such disclosure. Overall, the interviewee weighed his/her answers carefully, and sought to provide honest and fair answers to the questions.

The interviewee admitted that not all risks faced by the company is formally disclosed to the public, but this is not due to any desire to mislead anybody. The interviewee observes that it is impossible for any company to fully assess the risks it faces, and therefore has to make a choice as to which risk should be disclosed, because some of the early indications may turn out to be unimportant. Furthermore, the stock market usually reflects most of the risk that face not only particular companies but the industry or economy in general, so specific disclosures are not necessary to be issued by the company. The interviewee provided the example that from business reports worldwide, it is expected that the shipping and ports industry will be suffering huge losses, which was likewise the case expected for DP World. Therefore, even without the company announcing a huge loss, the investing public has learned to anticipate such risks based on other sources of information. In the company, the decision whether to disclose or not is made jointly by the PR and the chairman (Answers 1 and 2).

The interviewee mentioned that the management was not forthcoming with the employees, although it is implied that they may be relying on the informal network (that is, by word of mouth or through the grapevine) to send the message to the employees. When the management does send its employees information, it is by official email. As far the organizational framework sis concerned, financial issues are reported at the top, by the CEO, to the authorities; internally, a new department which oversees anti-corruption programs has been established. The interviewee mentioned that where the issue casts the company in a positive light, then the company is quick to disclose and transparent in the information. However, where the issue is negative for the company, then the company culture is to hide the information (Answers 3 to 5).

The interviewee believes that the company is at least making an effort towards instituting the necessary reforms towards transparency, because Sheikh Mohammed has himself commanded that these be followed. Of all the issues in the transparency and governance initiative, the UAE is most concerned with the environmental impact and compliance with greenhouse gas emission limits. Enforced by municipality, the environmental sustainability effort is motivated by the fact that the UAE is aware that it has a large carbon footprint (Answers 6 to 8).

Finally, the interviewee's overall assessment is that despite its shortcomings, the UAE is making a sincere effort to reform from its former culture, and to improve transparency. He/she sees it as a necessary imperative "whether we like it or not;" this is taken to mean that the international impetus is to abide by transparency and good governance principles, otherwise UAE loses its competitiveness. As a consequence of radical change that companies have adopted, many of the corporate procedures have been amended and modified, thereby improving transparency, to the benefit of the government and the public at large (Answers 8 and 9).

4.5 Discussion and chapter summary

The results of the survey and interview clearly point to the beginning of meaningful and fundamental change among UAE organizations. Admittedly, the interviewee states that UAE has not had a good record in transparency and good governance in the past, because the practices that prevent this are ingrained in the corporate culture of these organizations in general. The DP World issue, which apparently involved active participation and culpability of high-level U.S. political officials, is one such incident of high-profile lack of transparency and poor governance.

The survey shows that of the three types of organizations, the most profound changes have been seen among for-profit (business) organizations, and government organizations. Profit organizations have improved in their disclosure of information on risk management, management structure, environmental impact and company values. The improvement on environmental impact disclosure is confirmed by the interview which corroborated that UAE companies have admitted their previous shortcomings in this aspect, are exerting a sincere effort in this category. Government organizations have improved in their disclosure on stakeholder voice, industry standards and human rights, the last in particular because of the former image of

Arab and African countries in this aspect. There has been improvement in other areas and among non-profit organizations, although to a lower degree.

Chapter 5: Conclusions and recommendation

5.1 Chapter overview

The final chapter integrates the discussion of the earlier chapters, provides an answer to the research questions that fulfil the objectives, and ultimately articulates the conclusion to the research problem. Recommendations for future research that may be related to the findings of this study are made at the end of the chapter.

5.2 Conclusion

As a result of the research conducted in the course of this dissertation, the following conclusions were made in response to the research questions presented in the introductory chapter.

5.2.1 History of the UAE in transparency and governance

UAE corporate culture, consistent with most emerging economies, has been traditionally tended towards secrecy and concealment (interview results). Transparency in the UAE became an issue of interest fairly recently, at about the mid-2000s. The initiative sprang from the Abu Dhabi Stock Market (ADSM) in reaction to the dismal rating of 21 Arab countries, UAE included, in the Corporation Perceptions Index released by Transparency International. While UAE fared better than the other Arab states, the UAE leadership felt that substantial improvement must be made in order to enhance UAE's competitiveness as destination of choice for global investors. The urgency of reform became evident particularly in response to the global financial crisis, in order to attain economic recovery more quickly. Together with the Dubai World debt restructuring deal and the World Bank's endorsement, the UAE launched an intensified widespread transparency initiative with the proclamation of His Highness Sheikh Mohammad Bin Rashid Al Maktoum. The decree mandated the tightening of regulation and composition of profit, non-profit, and federal-owned organizations. As a result, UAE ranking in the Corruption Perception Index considerably improved in 2010, up eight places from its rank just three years earlier (Section 2.8).

5.2.2 Measures instituted in UAE to enhance transparency and corporate governance

Beginning with the regulations and code of conduct promulgated by the SCA, several measures have been mandatorily adopted in order to ensure that transparency and corporate governance are observed, in a manner consistent with the government's intentions. The structure of the board of directors is specified, with the requirement that one-third of the board be comprised of independent directors, and majority of the board be non-executive. An audit committee is required, comprised of non-executive members and majority of which should be independent, and their duties specified. Likewise should there be a remunerations committee to oversee the compensation packages and pay-outs of the company's top executives as well as other similar matters. A method is also specified for directors' remuneration, as well as internal control systems. Most importantly, a system of reports and disclosures should be complied with.

5.2.3 Perceptions of managers in UAE organizations concerning the general state of transparency and good governance

The transparency and good governance measures are imposed on all organizations, although as implied by Business Intelligence Middle East (2011; see Section 2.8), the same effort may prompt different responses from different types of organizations. Perceptions of managers were obtained for profit organizations, non-profit organizations, and government organizations. Overall, improvements in various criteria of data disclosure have been noted for all types of corporations, but there has been notable success in some disclosure categories more than others.

Profit organizations have improved significantly in more categories (i.e. risk management, management structure, and environmental impact and company values) than the other types of organizations (Subsection 4.2.13).

Interview data helped explain these survey results. Profit corporations by definition are focused on the attainment of profit for which higher sales and lower costs are targeted. Given the traditional corporate culture of secrecy and concealment, data disclosures are less enthusiastically pursued for those governance measures that may lower profits. For instance good governance measures on the structure of ownership and board of directors tend to reduce the concentration of power and control on individuals with strong vested interests. The same is true for disclosures on stakeholder (i.e., beyond only shareholder) voice. Another motive is behind lack of significant improvement in OSHA and industry standards disclosures. These are areas which, if significantly complied with by non-compliant firms, would entail substantial costs and would tend to reduce profits. Finally, as to human rights, failure to comply is certainly not a matter that business would want to divulge because, other than the obvious embarrassment it could cause, negative perception by the market may translate into brand boycotts that lower sales and therefore reduced revenues.

Profit corporations have shown improvements in disclosures in risk management, management structure, environmental impact and their company values. This appears due to the favourable impression such would create on the public image of the company. From almost nil risk management and environmental impact disclosures, even moderate attempts at compliance with standards in these areas will have a strong impact on how they are perceived. Profit companies did improve in disclosing information about their management structures as well as company values, because such matters do not sensitively impact on costs and revenues, and may enhance sales by improving customer understanding of the formal aspects of the organization.

In the case of government organizations, it should be noted that even before adoption of transparency measures, perception of government disclosures gained comparatively higher scores than those of either profit or non-profit organizations. This is not surprising because the government has an inherent accountability to the people and therefore must be fully disclosure compliant. Disclosure, however, has significantly improved in the categories of stakeholder voice, industry standards and human rights, which are imbued with vital public interest and therefore must be fully disclosed to the public as a matter of political accountability.

5.2.4 Developments in UAE economy due to enhancement of transparency

On the matter of economic effects of transparency, this dissertation is unable to arrive at significant conclusions because of two reasons: the absence of a competent baseline prior to transparency because of destabilization caused by the global economic crisis; and the insufficiency of the time duration since the adoption of reforms in 2010 (see Subsection 4.2.14). There is testimony from the interview and survey respondents that there is a perceived improvement in the possibilities of economic recovery because of greater transparency and good governance. This is borne largely by the presumption that investors will be willing to risk their capital only in an environment of transparency and full disclosure. The effect of the adoption of transparency and good governance measures because of the time lag between cause and effect in the broad economy, thus such a study would be best undertaken after a few years when trends will be discernible.

This dissertation aimed to assess the degree to which transparency and good governance have impacted upon the organizations in the UAE. The findings presented in the foregoing section show that there have been definite and perceivable improvements in the manner organizations are managed in the federation, with regard to the adoption of transparency and good governance measures. Government organizations have set the pace in the implementation of the transparency and governance decree, and a greater effort has to be exerted in the case of business organizations which, despite discernible progress made, still have much room for improvement. Presently, the effect of these efforts on the economy is still inconclusive.

5.3 Recommendations to improve transparency and governance in UAE

There are indications provided by the findings of this dissertation that suggest possible courses of action. The aim is to enhance the effects of transparency and good governance initiatives in the UAE. The positive indications seen are that the government has taken the lead in not only promoting but in implementing the transparency decree, by providing the regulatory framework, by significantly adopting the measures themselves, and by making it apparent that sincere efforts will be taken in enforcing the mandates set for all other organizations. The negative indications are that the traditional excuses of maximizing profits and defending against the competition in order to avoid compliance with transparency still obstructs efforts towards establishing a regime of good governance conducive to the investment climate.

From the findings, it is apparent that business (for-profit) organizations must be the focus of transparency and governance efforts. To support the officially designated regulatory body, industry committees or associations may be set up from among the industry participants themselves. The purpose in this suggestion is to engage the help and volition of companies within each industry to arrive at proposed standards and programs relevant and meaningful to their industry which they are willing to commit to, subject to the approval of the oversight body. The purpose is therefore threefold: (1) to identify relevant compliance standards or programs to be proposed to the regulators; (2) to commit to the standards and programs which shall be agreed upon; and (3) to undertake to enforce these standards and programs among their co-participants in the industry, subject to sanctions which they may impose upon themselves.

A further recommendation is to collaborate with similar counterpart organizations in other countries that are convened to improve transparency and good governance in their own countries, and to comply with the international standards they had set. The enforcement of a sustainability report consistent with that required in other countries may be a start to improving international compliance, which may engender more foreign direct investments to come pouring into the UAE.

5.4 Directions for future research

It is still too soon to see whether the economy will recover faster or accelerate in its progress sooner as a result of the greater transparency and better corporate governance. This will be the topic of future research, when sufficient time has passed to record corporate performance over the long term. It will be necessary to establish a trend after the governance and transparency adoption that may be compared with the performance prior to the onset of the global financial crisis. The volatility of the financial markets during the economic recession disrupted the regular trend in the economy, which creates problems in comparing economic performance before and after transparency measures. Researchers may therefore consider comparing not only longitudinally through time, but cross-sectionally between UAE and other emerging economies, and between UAE and developed economies. Transparency may be posited to contribute to faster recovery post-crisis, therefore growth rates in the macroeconomic indicators or advancement in the corruption index may be used as parameters of comparison. Finally, causality was not determined for this dissertation since the indicators were not deemed reliable due to disruption caused by the crisis. Under conditions of normality, causality might be measured through the use of more sensitive econometric tools such as vector autoregressive techniques.

References

Abbas, W 2010 "DW deal brings transparency to UAE prospects: WB" *Emirates 24/7* Accessed 22 December 2011 from http://www.emirates247.com/business/economy-finance/dw-deal-brings-transparency-to-uae-prospects-wb-2010-09-27-1.295942

Afridi & Angell 2010 "UAE's transparent vision for 2021" *International Briefings, IFLR*. Nov 2010. Accessed 20 December 2011 from http://www.afridi-angell.com/publications/vision2021.pdf

Associated Press 2006 "Dubai to give up control of U.S. ports." *MSNBC.com*. 9 March 2006. Accessed 12 March 2012 from http://www.msnbc.msn.com/id/11741617/ns/us_news-security/t/dubai-give-control-us-ports/#.T26Vq9l4l30

Bandsuch, M; Pate, L; & Thies, J 2008 "Rebuilding Stakeholder Trust in Business: An Examination of Principle-Centred Leadership and Organizational Transparency in Corporate Governance." *Business and Society Review*, vol. 113, issue 1, pp. 99-127

BBC News 2006 "Bush threatens veto in ports row." *BBC News*, 22 February 2006. Accessed 12 March 2012 from http://news.bbc.co.uk/2/hi/americas/4737940.stm

UAE Cabinet. (2011). *GOVERNMENT STRATEGY.* Available: http://www.uaepm.ae/pdf/PMO%20StrategyDocEngFinV2.pdf. Last accessed 28th Feb 2012.

Bennis, W; Goleman, D; & O'Toole, J 2008 "Transparent Leaders." *Leadership Excellence*, Jul 2008, Vol. 25 Issue 7, p19

Bollingtoft, A; Donaldson, L; Huber, G P; Hakonsson,D D & Snow, C C 2012 *Collaborative Communities of Firms: Purpose, Process, and Design*. Springer

Bryman, A & Bell, E 2007 *Business Research Methods*. Oxford University Press.

Burney, S M A 2008 Inductive and Deductive Research Approach. Accessed 30 January 2012, http://www.drburney.net/INDUCTIVE%20&%20DEDUCTIVE%20RESEARCH%20APPROACH%2006032008.pdf

Business Intelligence Middle East (BI-ME) Staff 2011 "ACCA welcomes UAE corporate governance and transparency decree" *business Intelligence Middle East*, 3 Nov 2011. Accessed 20 December 2011 from http://www.bi-me.com/main.php?c=3&cg=4&t=1&id=55142

Cassell, C & Symon, G 2004 *Essential Guide to Qualitative Methods in Organizational Research*. SAGE Publications, London

Coleman, M & Briggs, A R J 2007 *Research Methods in Educational Leadership and Management,2nd edition*. SAGE Publications, Ltd., London

Comfort, J & Franklin, P 2011 *The Mindful International Manager: How to Work Effectively Across Cultures.* Kogan Page Publishers

Craighead, W E & Nemeroff, C B 2002 *The Corsini Encyclopedia of Psychology and Behavioral Science, Third edition.* John Wiley & Sons, New York, NY

Creswell, 2009 *Research Design: Qualitative, Quantitative and Mixed Method, Third Edition*. Sage Publications

Doward, J 2003 "'Ex-presidents club' gets fat on conflict" *The Guardian/ The Observer*. 23 March 2003. Accessed 12 March 2012 from http://www.guardian.co.uk/business/2003/mar/23/iraq.theobserver

Dubai World 2009 "Statement from Dubai World" Press Release. 30 Nov 2009. Accessed 20 December 2011 from http://www.nasdaqdubai.com/resources/2009/12/1/9111f99a-888f-4a5d-924a-71ffcc8c79ff/Dubai%20World%20Statement.pdf

Dubaifaqs.com 2012 "The United Arab Emirates" *Information Guide*. Accessed 5 January 2012 from http://www.dubaifaqs.com/united-arab-emirates.php

"Ethics & Workplace Survey Finds Transparency by Leadership Makes a Positive Impact on Employee Productivity." *Souvenirs, Gifts, & Novelties*, Jun/Jul 2008, Vol. 47 Issue 5, p191

FindLaw 2006 "U.S. Coast Guard Intelligence Concerns Over How DP World's Proposed Purchase of P&O Could Affect U.S. Port Security." *Special Coverage: War on Terror.* Unclassified Document Released February 27, 2006. Accessed 12 March 2012 from http://news.findlaw.com/wp/docs/terrorism/coastguardintelstmnt.html

Foster, W 2007 "Strengthening Corporate Governance: The UAE Experience Continued." *Casablanca IFC/GCCF 3rd Workshop*, 7-8 June 2007. Accessed 20 December 2011 from http://www.ifc.org/ifcext/cgf.nsf/AttachmentsByTitle/LL+from+UAE/$FILE/Lessons+learned+from+UAE.pdf

Flynn, S E 2006 "The DP World Controversy and the Ongoing Vulnerability of U.S. Seaports [Prepared Remarks]." *Council on Foreign Relations.* Accessed 12 March 2012 from http://www.cfr.org/port-security/dp-world-controversy-ongoing-vulnerability-us-seaports-prepared-remarks/p9998

Groves, R M; Fowler, F J Jr.; Couper, M P 2011 *Survey Methodology, 2nd edition*. John Wiley & Sons, Hoboken, NJ

Johnson, B & Christensen, L B 2012 *Educational Research: Quantitative, Qualitative and Mixed Approaches, Fourth Edition*. Sage Publications, Inc.

Islam, R 2003 “Do More Transparent Governments Govern Better?” *Policy Research Working Paper*, The World Bank Institute. Accessed 10 January 2012 from http://library1.nida.ac.th/worldbankf/fulltext/wps03077.pdf

Jones, D   2008 “Leadership crisis blamed for some of nation's problems”. *USA Today*, 11/05/2008

Kerfoot, K 2004 “The Transparent Organization: Leadership in an Open Organization.” *Nursing Economics*, Jan/Feb 2004, Vol. 22 Issue 1, p33-34

King, N & Horrocks, C 2010 *Interviews in Qualitative Research*. SAGE Publications, London.

Kingsbury, N R 2000 *Consumer Price Index: Update of Boskin Commission’s Estimate of Bias*. US General Accounting Office (GAO), Washington D.C.

Lopez, L 2009 “Change Agents.” *Leadership Excellence*, Mar 2009, Vol. 26 Issue 3, p17-18

Magnet, A 2006 “Dubai Ports World Agrees to Security Review.” *The New York Sun*. 27 February 2006. Accessed 12 March 2012 from http://www.nysun.com/national/dubai-ports-world-agrees-to-security-review/28193/

Mankiw, N G 2012 *Principles of Economics, 6th edition*. South-Western Cengage Learning, Mason OH

May, E L 2005 “Recruiting the Right Management Team for Organizational Transparency.” *Healthcare Executive*, Jul/Aug 2005, Vol. 20 Issue 4, p22-26

Meyer, C & Kirby, J 2010 “Leadership in the Age of Transparency.” *Harvard Business Review*, Apr 2010, Vol. 88 Issue 4, p38-46

Middle East Economic Digest (MEED) 2011 “UAE Corporate Governence” *Middle East Economic Digest*. 1/21/2011, vol. 55, issue 3

Muijs, D 2004 *Doing Quantitative Research in Education with SPSS*. Sage Publishing.

National Corruption Index.org 2008 “CSX Corporation” *National Corruption Index*, 14 October 2008. Accessed 12 March 2012 from http://www.nationalcorruptionindex.org/pages/profile.php?category=cat&selectcats=6&catidorcorp=Corporation&checkview=1&profile_id=319

O’Grady, S 2008 “EU to agree code of principles for sovereign wealth funds.” *The Independent*. 26 February 2008. Accessed 20 December 2011 from http://www.independent.co.uk/news/business/news/eu-to-agree-code-of-principles-for-sovereign-wealth-funds-787357.html

Organisation for Economic Co-operation and Development 2006 *Policy Framework for Investment: A Review of Good Practices*. OECD Publishing, Paris

Organisation for Economic Co-operation and Development 2008 *APEC-OECD Co-operative Initiative on Regulatory Reform: Proceedings of the High Level Conference and the Third Workshop, Jeju, Korea, October 2002*. OECD Publishing.

Patterson, N K; Montanjees, M; Motala, J; & Cardillo, C 2004 *Foreign Direct Investment: Trends, Data Availability, Concepts and Recording Practices*. International Monetary Fund, Washington D.C.

Pound, G 2007 "UAE's Record on Corruption and the Quest for Transparency," *Experiencing the Emirates*. 3 Oct 2007. Accessed 20 December 2011 from http://experiencingtheemirates.blogspot.com/2007/10/uaes-record-on-corruption-and-quest-for.html

Prosser, D 2008 "Head of Dubai World threatens to take his money out of Europe." *The Independent.* 1 March 2008. Accessed 20 December 2011 from http://www.independent.co.uk/news/business/news/head-of-dubai-world-threatens-to-take-his-money-out-of-europe-790076.html

Riefenstahl, E 2009 "The value in developing a company's leadership culture." *Fort Worth Business Press*, 10/26/2009, Vol. 25 Issue 39, p24

Rubin, A & Babbie, E R 2010 *Research Methods for Social Work*. Cengage Learning/

Shaw, G K & Davis, J H 2006 "Dubai firm gives up on ports deal." *The Chicago Tribune*, 10 March 2006. Accessed 12 March 2012 from http://articles.chicagotribune.com/2006-03-10/news/0603100182_1_dp-world-ports-deal-dubai-ports-world

Sorouh Real Estate PJSC company website, 2011. Accessed 20 December 2011 from http://www.sorouh.com/en/media/get/20110726_corporate-governance-framework-li.jpg

Studer, Q 2009 *Straight A Leadership: Alignment, Action, Accountability*. Fire Starter Publishing, Gulf Breeze, Florida

Striewe, N 2008 *Elaboration and Critical Analysis of Approaches for Measuring Transparency on Real Estate Markets, and the Development of a Summarizing Concept and its Applications on Selected European Markets and the USA.* Druck und Bindung: Books on Demand GmbH, Norderstedt, Germany

Tapscott, D & Ticoll, D 2003 *The Naked Corporation*. Free Press, New York

The Enterprise staff 2010 "Author advises keeping no secrets from employees." Enterprise/Salt Lake City, 3/22/2010, Vol. 39 Issue 41, p1-2

United Nations Economic Commission for Europe 2008 *Guidebook on Promoting Good Governance in Public-Private Partnerships.* United Nations.

Wheelhouse Weekly 2002 "MM&P-Contracted CSX Lines Purchased by the Carlyle Group." *The Masters, Mates & Pilots' Wheelhouse Weekly*, Vol. 6, No. 51, 19 December 2002. Accessed 12 March 2012 from http://www.bridgedeck.org/mmp_news_archive/2002/mmp_news021219.html

Vishwanath, T & Kaufmann, D 1999 "Towards Transparency in Finance and Governance." *The World Bank*, (Draft), 6 Sept 1999. Accessed 10 January 2012 from http://info.worldbank.org/etools/docs/library/18291/tarawish.pdf

Appendix

Transcript of the Interview

Interviewee: A.O., Legal Department, DP World

Q1: What are the risks firms face which are disclosed to the public? Are there risks which are known to the managers but which are not disclosed to the public?

A1: Not all risks were published but people could tell if theres any problem in the company from its stocks prices. We do publish some news especially in the economical crisis, people knew that time that there are problems, its normal to face some.

Of course, that's the case in any company, for example, again in the economical crisis the high risks of the big drop in the business worldwide which directly affected the ports we are controlling and the income gained out of the damrage and the documentation needed for it will show the huge loss comparing to last 3-5 years

Q2: How does one distinguish between what matters should be kept confidential and what should be disclosed? Who makes the decision about whether a threat should be disclosed or kept confidential? What matters may be lawfully kept confidential and not disclosed?

A2: The this is sadly its between the PR and the chairman.

Q3: Are organizations completely forthright to their employees and consumers about their failure to meet OSHA standards? For serious infractions, what sanctions may be imposed by federal regulators or the emirates themselves on the violators?

A3: Not always, but we do know about some issues, sometimes by word of mouth or official emails.

Q4: Has there truly been a transformation in the outlook of organizations on the matter of transparency, given the past corporate cultures that favoured secretiveness? If yes, what factors have contributed to this? If not, what factors hinder the transformation?

A4: Yes, a new department has been created under the name of anti-corruption department. To be honest we are transparent in the positive issues only but hide the negatives, that's the culture.

Q5: In the disclosures on financial information, has the UAE adopted the financial reporting standards developed by the International Accounting Standards Board? What factors have aided or hampered its adoption?

A5: The financial issues are handled by the CEO who reports to the concerned authorities.

Q6: Have the structures of management and the board of directors undergone the necessary changes in order to support a greater transparency and corporate governance among business organizations? In what ways have the transitions been done? How about non-profit organizations? Public sector organizations?

A6: Yes, because this was required by sheikh Mohammed himself.

Q7: Has there been a material change in the ownership composition of the large business organizations? Has the presence (or absence) of a radical change in composition been advantageous or disadvantageous to the transparency initiative?

A7: Yes, it was the custom known before but then it was official. There were a lot of advantages especially legally to the government.

Q8: What measures are mandatorily enforced on business organizations in the UAE to address environmental issues such as greenhouse gas emissions, desalination processes, and other aspects of operations that impact upon the environment? Is the UAE committed to comply with international multilateral agreements on global warming?

A8: This was enforced by municipality. The UAE is very concerned with this issue as it has a large print and wants to reduce it.

Q9: Do organizations, particularly the small and medium scale local businesses, give serious attention to the observance of human rights as defined by the United Nations? What problems may be encountered in this area?

A9: Yes, this actually is connected to transparency as we are always monitored whether we like it or not.

Q10: What is your overall assessment of the impact of transparency programs within the individual emirates in the UAE, and how effectively do they contribute to the advancement of the economy of the federation?

A10: Changed radically because the procedures has been emended and modified for the sake of the government and public thanks to transparency