



The Impact of Organizational Culture on Voluntary Disclosure (Evidence from Tehran Stock Exchange)

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ABSTRACT

Many organizational and environmental factors affect the information disclosure and the quality of its presentation; organizational culture is the most important factor among these factors. The organizational culture that is based on transparency will provide the information environment dynamism and it will also lead to the improvement of the quality of information disclosure by the business units. This effect is more prominent especially in the countries such as Iran which has a variety of tribes and population groups with different cultures. In this regard, the aim of this study is to evaluate the impact of organizational culture on the voluntary disclosure in Iranian firms. The study of organizational culture of Iranian firms and its impact on the voluntary disclosure in 2015 has shown that the organizational culture that is based on involvement and consistency has a positive and significant impact on the voluntary disclosure of information. Also, the organizational culture based on a mission has an adverse impact on the voluntary disclosure. These results could be useful for the policies of the senior managers of Iranian firms in the field of organizational culture and they will also lead to the improvement of the implementation of accountability procedures. Also, by identifying and modifying the types of company's organizational culture, we can lead to the enhancement of the voluntary disclosure.

Keywords:

Organizational Culture, Voluntary Disclosure, Legitimacy, Information Economy.



1. Introduction

The word culture is defined by many researchers as a general concept, and most of them believe that culture reflects a particular lifestyle of people (Lestari and Yadiati, 2014; Haniffa and Cooke, 2002; Hofstede, 1980; Inkeles and Levinson, 1969). Therefore, organizational culture refers to the people's lifestyle in an organization. Despite the several definitions of the concept of culture, many researchers from years ago have studied this concept, and they have been mostly faced with difficulty to detect and measure the factors of culture. For example, we can mention the study of Jaggi in 1975 that has examined the impact of culture on accounting and financial reporting. He found that the disclosure of financial information has a lower reliability in the developing countries. After him, Greet Hofstede by studying the culture of 40 countries for the first time in the beginning of 1980 has introduced the 4 dimensions of culture that include: 1. Individualism versus collectivism; 2. Power distance; 3. Uncertainty avoidance; 4. Masculinity and femininity. In fact, Hofstede's cultural framework can be considered as the starting point for the environmental accounting researches with an emphasis on the role of culture which has been used to develop several accounting theories and financial reports (Chanchani and Willett, 2004; Zarzeski, 1996; Gray and Vint, 1995; Gray, 1988). Also, Hofstede (1980) believes that culture as one of the most important environmental factors is effective on the financial reporting system that the information disclosure is a part of it. In addition to Hofstede, also Gary in 1988 has introduced the two dimensions of culture that are secrecy and transparency. He believed that by accepting that fact that accounting is an open information system, we can expect it to be affected by these dimensions; because in the societies that people follow the culture of secrecy in order to maintain their power, more limited information will be reported and vice versa. He also stated that by creating a relationship between social values and accounting system, we can assess the impact of culture; because the increase of secrecy is along with the reduction of public disclosure. These findings explain the relationship between culture and disclosure, and they also indicate the impact of environmental factors on the level of corporate disclosure. In this regard, Haniffa and Cooke (2002) and Wallace and Gernon (1991) have discovered a

variety of factors influencing on disclosure; some of them are as follows: economy, capital markets, accounting and legal framework, enforcement mechanisms, and culture and issues that are related to the environment. According to opinion of Lestari and Yadiati (2014), Qu and Leung (2006) and Haniffa and Cooke (2002), culture is the most important factor among these factors; because, adjusting the organizational culture can lead to the improvement of the company's accountability to the stakeholders; this would greatly increase the confidence of the foreign investors and ultimately encourage them to have foreign direct investments (Qu and Leung, 2006; Bushman and Smith, 2001).

Although, several studies have been conducted on the factors affecting on disclosure of information, the impact of organizational culture as one of the most important environmental factors that affect the financial reporting and voluntary disclosure has not been studied in particular. So still this question is remained unanswered: what is impact of the types of company's organizational culture on the voluntary disclosure? In this regard, the present study attempts to examine the impact of organizational culture of Iranian firms on the voluntary disclosure based on legitimacy theory, information economy theory and the stakeholder theory, so it could take a step in order to answer this question properly. Answering this question will enrich the accounting literature, and it will help to understand the relationship between organizational culture and voluntary disclosure, and also it develops the theoretical foundations of information disclosure.

According to the study objective, and in order to answer the above question, after presenting the scientific application of research, the status of information disclosure in Iranian firms will be explained. After wards, the theoretical and empirical research literature will be reviewed, and the conceptual model and research hypotheses will be presented, and then the research methodology will be explained. Finally, after analyzing the data, some recommendations that are derived from the empirical results will be presented.

1.1. Potential Contributions of Study

One of the main contributions of this study is the development of literature of the factors affecting the information disclosure; because, explaining the impact of organizational culture on the information disclosure

can be a very important step in order to explore the influence of environmental factors on financial reporting and voluntary disclosure as a part of the accounting system. In addition, the results of this research by increasing the level of voluntary disclosure will help the investors in order to create trust and transparency; it also will lead to the optimal allocation of resources. Also, the corporate managers by understanding their organizational culture and by adjusting and improving that organizational culture can lead to the transparency of enterprise information environment, so they can improve the attraction of micro and macro investing in the organization. The results of this study are useful not only for Iran, but also for other developing countries that are seeking to increase transparency in their business environment.

1.2. Disclosure of information in Iranian firms

Today the disclosure of the information is considered as the most important factor that influences the investors' decisions; because the users of the disclosed information by relying on the informative content of that information will make decisions to invest on the business units. As a result, trying to improve the quality of information disclosure can lead to the optimal allocation of resources among the business units and finally the improvement of the economic conditions of the whole society. In Iran like other countries, many efforts have been made to improve the quality of information disclosure by companies; some of the most important measures in this regard are as follows: corporate governance law in 2007, obligating the stock exchange companies to provide the internal control report in 2012, and obligating to form the Audit Committee in 2012. One of the other important measures to improve the quality of information disclosure in Iran is ranking the Iranian firms based on the quality of the information disclosure. In this regard, the Tehran Stock Exchange in 2003 has decided to rank and score the companies listed on the Stock Exchange in terms of the quality of their information disclosure and proper information based on the timely information disclosure and reliability of the data. Therefore, the companies could have been more aware of their place in terms of the information disclosure and tried to improve it.

Despite the made efforts to improve the quality of information disclosure, there is still weaknesses in the transparency of information (Khodadadi and Nagashdezfali, 2013; Setayesh and Kazemnezad, 2012; Noruzipour *et al*, 2011). Therefore, explaining the impact of organizational culture on voluntary disclosure of corporate information can be an effective step to improve the quality of information disclosure, especially in countries with weak corporate governance and emerging economies and cultural diversity with different ethnicities such as Iran. Therefore, conducting this study to determine the factors affecting the information disclosure seems to be necessary.

2. Literature Review

In general, the culture is defined as a complex whole that includes: knowledge, belief, art, morals, law, customs and other capabilities and habits that are acquired by the person who is a part of the community (Inkeles and Levinson, 1969). Edgar Schein introduces culture as a pattern of basic assumptions that will be created, discovered or developed by specified people by passing through the outer compatibility problems and inner integrity (Edgar Schein, quoted by Iranzade and Mahmoodi, 2010). Also Hofstede (1980) believes that culture is a set of social values that determine the performance of the institutions. He also states that the organizational culture is one of the factors that distinguish an organization from other organizations. In this regard, Morris (1992) and Robbins and Judge (1993) have considered the organizational culture as a set of common meanings and public perceptions that is maintained by the members of the organization.

The above definitions explain the role of culture in the organization, and they also state the fact that organizational culture is derived from the shared values of the members of organization that will form the inner behavior of the organization. In other words, the lifestyle of any organization is the culture of that organization which affects the performance of organization's human resources as the main source of the organization (Ziyae *et al*, 2011; Hajikarimi, 2004). There are plenty of evidences that reflect the influence of organizational culture on the performance of the people in the organization and ultimately the performance of the entire organization (Lestari and Yadiati, 2014; Qu and Leung, 2006; Haniffa and Cooke, 2002; Cooke and Wallace, 1990). An example

of the impact of organizational culture on organizational performance can be mentioned in the cultural classification of Gray. According to idea of Gray (1988) in the organizations that the organizational culture of secrecy is followed, the disclosure of information occurs at a low and more limited level. This idea shows that disclosure¹ is affected by the organizational culture; in the accounting system, disclosure means there flections of the entity's financial information in the form of financial reporting (Hendrickson and Van Breda quoted by Khodadadi and Nagashdezfuli, 2013).

According to the theory of legitimacy that is derived from the concept of organizational legitimacy, the organizational management seeks to meet the expectations of the society and earn the organizational legitimacy (Deegan, 2002). The existence of discrepancies between the firm and society can determine fines and obligations by the society and the government that will restrict the activities of the firm (Mehrani *et al*, 2016; O'Donovan, 2002). As a result, the organization management should always be familiar with the issues of legality and the strategies to gain legitimacy in order to protect the organizations from these limitations. One of the tools that organizations can use to maintain or gain legitimacy is the disclosure of information (O'Donovan, 2002). The organizations can make the society and legislative authorities aware of the changes in the organization and the major changes of the society by disclosing the additional information of the organization through the voluntary disclosure. Also, since the voluntary disclosure of information includes some information about the social and environmental activities, according to theory of political economy the accounting systems operate as mechanisms for creating, distributing and my stifying the power. In this framework, the accounting reports are used as a tool to legitimize the economic and political mechanisms of institutions and ideological concepts. So the theory of political economy has a similar view with the theory of legitimacy about the role of the annual reporting and the reason of the firm for the disclosure of information (Mehrani *et al*, 2016).

On the other hand, according to the stakeholders' theory, due to the contradiction between their interests and the owners' interests and also the information asymmetry; the managers try to reduce the information asymmetry between managers and owners through the

disclosure of information (Qu and Leung, 2006). Also, the owners of the organization can evaluate the performance of the managers through the disclosed information. Therefore, the disclosure of information is considered as an important tool to improve the accountability of managers and evaluation of management performance. Also, Gray *et al* (1995) believe that improvement and modification of organizational culture and focusing on its dimensions is one of the other tools that would lead to a better accountability and more appropriate and complete disclosure.

Generally, the analysis of reporting procedures by using the framework of legitimacy theory and political economy requires greater emphasis on the mutual effect of information between the firm and the outer organizational groups; it means to have more emphasis on the fact that who are the main recipients of information and what kind of information is disclosed by the firms (Mehrani *et al*, 2016). Also, the stakeholder theory can explain the effectiveness of information disclosure on information asymmetry and improvement of management accountability. Therefore, the evaluation of the relationship between organizational culture and information disclosure of firms can be used based on the economic and political legitimacy theories to explain the reason of making efforts to increase the disclosure and also to explain the methods of information disclosure based on the stakeholder theory. Therefore, the aim of this study is to investigate the impact of organizational culture on the voluntary disclosure of Iranian companies. According to the above theoretical principles, the empirical literature review would be useful in order to develop the research design that will be studied in the following.

2.1. The empirical research literature

Studying the conducted researches in the field of information disclosure and voluntary disclosure as a kind of information disclosure has shown that several factors such as financial leverage, liquidity, profitability, firm size, competition and...have an impact on the disclosure of information (Bourveau and Schoenfeld, 2015; Setayesh and Kazemnezad, 2012; Jiang *et al*, 2011; Noruzipour *et al*, 2011). But among these studies, the influence of organizational culture on the voluntary disclosure has not been investigated directly. However, in order to have knowledge about

the researches of information disclosure, the researches on this issue will be studied in the following:

One of the most important studies in this area is the study of Haniffa and Cooke in 2002. By studying the impact of culture on information disclosure and corporate governance, they have concluded that culture is the one of the most important affecting factors on information disclosure that could have a significant impact on the corporate governance as well. After them, Kumar and Sankaran (2007) have studied the impact of national culture on the culture of applying the accounting procedures. They have shown that, in the societies that the level of power distance and uncertainty is low and the level of collectivism is high, there is a proper context for quality management and its implementation.

Also in 2009, Etemadi *et al* have studied the impact of culture on managers' performance. They have found that the presented cultures in Hofstede's cultural model can affect the performance of the managers. As a result, the output of managers' performance (the disclosure of company information) can be affected by the culture. A few years later, Wahid EIKelish, and Kamal Hassan in 2014 in a research have studied the impact of organizational culture on the risk disclosure of large companies. The results of their studies have shown the impact of the hierarchical organizational culture on the risk disclosure of large companies in the United Arab Emirates.

Finally, reviewing more up to date researches such as the study of Hooghiemstra *et al* in 2015 has shown the direct impact of national culture of each country on the disclosure of the results of internal control. In addition, the national culture indirectly by influencing the investment holdings will affect the disclosure of the results of the internal control. Also, Ax and Greve in 2016 have found that organizational culture is compatible with the acceptance of management accounting innovations, and it will lead to have a more accurate understanding of the management accounting innovations.

Also, several studies have been conducted in Iran in the field of detecting the affecting factors on the disclosure of information, but none of these researches have directly studied the impact of organizational culture on the voluntary disclosure. Also, some researches have been conducted on the impact of

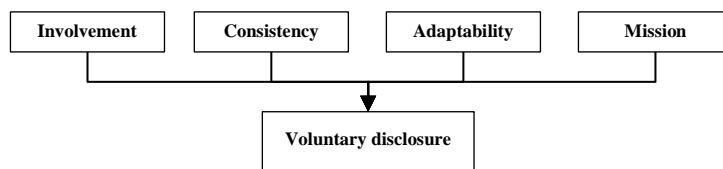
organizational culture on the components of accounting system; all of these researches have shown the impact of organizational culture on the accounting system and its output which is the disclosure of information. For example, Diyanatideylami and Tayebi (2011) by using the data of 85 Iranian companies have studied the impact of organizational culture on the earnings quality. Also, Ziyae *et al* in a study in 2011 have concluded that the organizational culture can significantly affect the employees' commitment. The result is that, the type of organizational culture is effective on the managers' commitment which is the disclosure of information.

In another study, Mollanazari *et al* (2016) by studying the impact of organizational culture on the corporate tax compliance have shown that organizational culture can have a significant impact on the corporate tax compliance. They believe that, we can evaluate the corporate tax compliance in the companies that the level of uncertainty avoidance and power distance is low and in the companies that the level of masculinity is high.

In general, the review of researches has suggested that no research has directly examined the impact of organizational culture on the voluntary disclosure. Since, the organizational culture is affected by the personal culture, and given to the ethnical groups in Iran, it is expected that this feature would affect the organizational culture and lead to the different organizational cultures. Due to the importance of this issue, especially in our country and the shortage of researches in this field, it is necessary to pay attention to this issue and conduct researches in this regard. Therefore, it is expected that by reviewing and explaining the impact of organizational culture on the voluntary disclosure, and by adjusting the organizational culture, we would be able to increase the level of voluntary disclosure which improves the usefulness of information in decision making and finally leads to making optimal decisions by using the information.

3. Methodology

On the basis of the above theoretical issues and the review of previous studies, the research conceptual model is developed as follows:



According to theoretical basics and conceptual model, in order to achieve the research objective, the research hypotheses are developed as follows:

- 1) The organizational culture based on involvement is effective on voluntary disclosure.
- 2) The organizational culture based on consistency is effective on voluntary disclosure.
- 3) The organizational culture based on adaptability is effective on voluntary disclosure.
- 4) The organizational culture based on mission is effective on voluntary disclosure.

Independent Variables

According to the research hypotheses and in order to test these hypotheses, the independent variables of this research include the types of organizational cultures of companies. In order to evaluate the organizational culture, the Standard questionnaire of Denison (2000) has been used. One of the reasons for choosing this questionnaire is that it is a complete model in terms of the measuring indicators and the evaluation of organizational culture types. In order to obtain the useful information about organizational culture, after having discussions with various levels of management (such as CEO, managing director, financial director, human resources director and technical director) in the organization; the present questionnaire has been answered by the most knowledgeable directors of the organizational culture that their average work experience shows the level of the knowledge of these directors about their organization; because, the governing culture of the organization affects the performance of all the employees. Also, the graphical chart of this model clearly shows the features of organizational culture in

both internal and external focuses and the level of flexibility with 12 indicators. Daniel Denison has conducted some researches on organizational culture and changes in organizations. In his model, he considers the types of organizational culture in four major categories and each of these organizational cultures are measured with three indicators. These organizational cultures include:

1-Involvement (INV): The main emphasis of this type of culture is on involving and engaging the people in work based on the changing expectations and the accelerating changes of the outer environment. The effective organizations by empowering employees will lead to the creation of work teams in the organization, they also develop the human resource capabilities at all the levels. Therefore, commitment will be increased among the people in the organization, and the employees will feel that they are a part of the organization and also they will feel that they are involved in the decision-makings of the organization. This feature is measured by the three indicators of empowerment, team-building and development of capabilities.

2-Consistency (CON): The organization with such a culture emphasizes on the intra-organizational affairs and it tries to consider itself stable in the environment and also it tries to adopt a kind of consistency in terms of its behavior. Such an organization has a culture in which the ways of fulfilling tasks is emphasized. High effectiveness of the organizations will lead to have enough stability and integration. In this situation, the employees' behavior will be derived from the fundamental values, and also the organizational activities will be coordinated and persistent. Measuring parameters are fundamental values, concord and harmony and cohesion.

3-Adaptability (ADA): One of the features of this type of culture is that it emphasizes on flexibility, and

it strategically focuses on the external environment and tries to meet the customer needs. In general, coherent organizations hardly change; so internal integration and external adaptability can be considered as the advantage and superiority of the organization. Compatible organizations are guided by the customers and they are risk-taker. These organizations will learn from their mistakes and they create the ability to make changes in themselves. Measurement indicators: making change, customer orientation and organizational learning.

4-Mission (MIS): We can say that, the most important feature of organizational culture is mission. The organization that has such a culture always tries to meet the needs of the external environment, but it does not see it essential to be changed quickly. Successful organizations have clear objectives, and they define the organizational objectives and strategic goals and they have organizational vision. Changes in the organization's mission will lead to the changes in its strategy, structure, culture and behavior. In this condition, the organization managers set the organizational vision and by creating a culture, they will support this vision. Measurement indicators: strategic orientations, goals and objectives and vision.

Denison organizational culture questionnaire is set based on the Likert scale and it ranges from the five options (very low, 1; low, 2; moderate, 3; much, 4 and too much, 5). This questionnaire has 60 items which is scored with regard to the points of 1 to 5. Also, the items of 1-15 are set to measure the organizational culture based on involvement; the items of 16-30 are set to measure the organizational culture based on consistency; the items of 31-45 are set to measure the organizational culture based on adaptability, and the items of 46-60 are set to measure the organizational culture based on mission. The ratio of the total scores of each questionnaire to the total appointing scores is considered as the indicator of organizational culture.

According to the research hypotheses, the dependent variable is the voluntary disclosure of information (VDI). In order to measure the level of the voluntary disclosure of firms, the proposed indicators of Botosan (1997) that have been localized by Kashanipour *et al* in 2009 were used in the researches of Kashanipour *et al* (2014) and Khajavi and Alizadeh (2014). This checklist has six main sections (71 indicators) including: 1.Information background; 2.Summary of historical performance; 3.Section

information; 4.Main non-financial information; 5.Prediction information; 6.Management discussion and analysis. Each section has its own indicators. The ratio of the total scores of each of the six sections (71 indicators) to the appointing total scores (134) is considered as the indicator of the voluntary disclosure of the firms.

Control variables

The review of some of the researches (Setayesh and Kazemnezad, 2012; Echave and Bhati, 2010 and *et al*) has shown that the factors such as firm size, firm age, efficiency and.... will affect the disclosure of corporate information. Therefore, some of these factors have been considered as the control variable as follows:

LNSIZE: The natural logarithm of firm size (firm's market value at the end of the year) that is obtained by multiplying the total number of the shares by the market price of each share.

ROA: the output of assets that is the ratio of the earnings before the unusual items to the total assets.

LEV: Financial leverage that is the ratio of the debts to the total assets of the firm.

LOGAGE: Logarithm of firm age, the logarithm of the number of years that the company has been a member of the Stock Exchange.

Research methodology

By considering the research objectives, the present study is the type of applied researches. The research method is descriptive-correlational and in terms of the method it is a deductive-inductive study. Also, due to the fact that the studied data belong to a specific time period, so the data analysis method is cross-sectional. In general, the process of data analysis has been conducted by using the path analysis method; because, in terms of the methodology the path analysis method is comprehensive, and also in terms of the data analysis it is a very flexible method. Since, the path analysis uses the multiple regression based methods, it can be considered as a kind of structural equation model.

The study population is consisted of all the companies that are listed on the Tehran Stock Exchange. In this study, for sampling, at first all the firms in 2015 have been selected, then among the existing selected firms, the corporations that did not

have any of the following conditions have been excluded from the sample: 1.They should be listed on the Tehran Stock Exchange before 2015; 2.They should not be a part of the investment and financial intermediation firms; 3.Their data should be available; 4.Their shares should be traded during 2015; 5.These companies should not change their financial year.

By considering the above limitations, according to the table 1, 205 firms have been selected as the initial available random sample.

As can be seen in Table 2, the distribution of the questionnaire of organizational culture has been conducted in three stages: In the first stage, the mentioned questionnaire has been sent to the all of the firms of the sample by e-mail. Then, due to the low number of answered questionnaires (only three questionnaires), we had to refer to the companies or their central offices, but because of the limitation of the acceptance of the face to face visit and the lack of central offices or factories in the geographical area of Tehran, Alborz and Qazvin, only 147 companies have

agreed to accept the in-person survey that are presented in Table 2 in detail. Finally, 87 questionnaires of the companies that are listed on Tehran Stock Exchange have been selected as the final sample for analysis.

Also, in order to analyze the data, the cases that are related to the independent variable (organizational culture) have been entered into the Excel spreadsheet software, and by using the data of this variable the score of the organizational culture of each company has been determined, and also it has been used for final assessment. The Cronbach's alpha coefficient (calculated by the SPSS software) has been used in order to evaluate the reliability of the assessment tool (questionnaire for measuring the organizational culture). The Cronbach's alpha coefficient has been obtained 0.92 which is greater than 0.70, so it is acceptable. Finally, the data analysis and hypothesis test have been conducted with the methodology of structural equation modeling by using the 8/50 LISREL software.

Table 1: Determine the sample size

All listed companies on Tehran Stock Exchange now	435
Listed companies after years 2015	-66
Investment and financial intermediation companies	-55
Companies that data is not available	-87
Companies that are not traded in 2015	-12
Companies that changed your fiscal year	-10
The sample size that questionnaire was sent to them	205

Table 2: Distribution of the questionnaires

Stages distributing questionnaires	Number	Percent
The first stage distributing questionnaires	205	100%
Answered questionnaires in the first stage	3	1.4%
The second stage distributing questionnaires	147	72%
Answered questionnaires in the second stage	48	23%
The third stage distributing questionnaires	99	48%
Answered questionnaires in the third stage	48	23%
Total answered questionnaires	99	48%
Remove unusable questionnaires	-12	-6%
The final sample	87	42%

4. Results

4.1. Research demography

In order to learn about the characteristics of the studied population, the data of research demographics are presented in Table 3. According to the data of this table, it can be concluded that about 77% of respondent managers were male and 23% were female, according to the table 3, the age range of the responsive population is 36 to 40 years old. Also, we can say that, the female respondents have less work experience than the male respondents. In addition, the majority of respondents are M.A graduated.

Table 3: Demography of Research

Title	Male	Female	Total
The average of age	36-40	31-35	36-40
Ratio of gender	78%	22%	100%
The average of work experience	16-20	6-10	11-15
The average of education level	Bachelor	Masters	Masters

4.2. Descriptive Statistics

In order to have the preliminary evaluation and analysis of the data, the descriptive statistics of

research variables are presented in Table 4. The mean of the voluntary disclosure with the median of 0.2230 shows the low level of voluntary disclosure among the sample firms, also the maximum score of this indicator shows the same issue. Also, due to the great distance between the maximum and minimum scores of the voluntary disclosure that are respectively 0.4254 and 0.1045, we can conclude that the level of voluntary disclosure among the firms has a high dispersion that its low standard deviation (0.0699) represents the normal distribution of this dispersion among the firms. Also, according to the fact that the lowest rating of the types of organizational culture belongs to the organizational culture based on adaptability with the value of 0.2857, we can conclude that the sample firms have a low adaptability; also the low mean of this type of organizational culture represents the same thing. On the other hand, according to Table 5, the highest score of the organizational culture types has shown that the dominant organizational culture type in the sample firms is the organizational culture based on mission. A summary of the dominant organizational cultures in companies based on the type of industries is presented in.

Table 4: Descriptive statistics

Variables	Symbol	Average	Middle	Max	Min	Standard deviation	Skewness
Voluntary disclosure index	VDI	0.2230	0.2313	0.4254	0.1045	0.0699	0.2524
Involvement	INV	0.6075	0.6267	0.8267	0.32	0.1184	-0.3464
Consistency	CON	0.6243	0.64	0.8533	0.3467	0.1174	-0.2452
Adaptability	ADA	0.5867	0.6133	0.7867	0.2857	0.1114	-0.5177
Mission	MIS	0.6366	0.64	0.9467	0.3067	0.13	-0.2849
Company size	SIZE	14.180	14.274	18.214	11.449	1.3959	0.2235
Return on assets	ROA	0.1415	0.1180	0.5521	-0.1085	0.1412	0.7844
Financial Leverage	LEV	0.5796	0.5552	1.4657	0.0127	0.2358	0.6415
Company Age	AGE	1.2144	1.2553	1.6721	0.3010	0.2733	-1.3037

Table 5: Review organizational culture based on industry

Industry	Number	Average organizational culture species				Dominant culture
		INV	CON	ADA	MIS	
Automobile	14	0.5533	0.5837	0.5658	0.5825	Consistency
Pharma	10	0.6023	0.6360	0.6200	0.6310	Consistency
Chemical products	10	0.6034	0.6387	0.5330	0.6360	Consistency
Basic metals	9	0.5998	0.6028	0.5777	0.6067	Mission
Cement, lime and	7	0.6838	0.6529	0.6076	0.6743	Involvement

Industry	Number	Average organizational culture species				Dominant culture
		INV	CON	ADA	MIS	
plaster						
Food & Beverage	6	0.5467	0.6044	0.5276	0.6563	Mission
Sugar	5	0.6507	0.7040	0.6385	0.7120	Mission
Other Industries	26	0.6132	0.6219	0.6147	0.6463	Mission
Total Companies	87	0.6075	0.6243	0.5867	0.6366	Mission

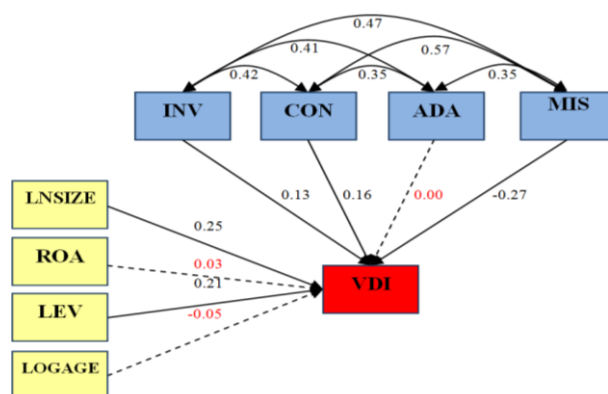
4.3. Inferential statistics

The results of the fitting of the path analysis model of data are presented in Figures 1 and 2. Like the regression models, in the data path analysis before analyzing the results of the hypothesis test, at first the fitting and reliability indicators should be evaluated. For this purpose, according to the *RMSEA* statistic of the fitted model with the value of 0.000 that is lower than 0.08 and the *P* statistic that is greater than 0.05 (the level of error), we can be confident about that the model fitting and also we can consider this model as an appropriate model.

Based on the figure 2, according to the *T*-value of the relationship between the organizational culture based on involvement and voluntary disclosure that is 3.13 which is greater 1.96 (acceptance level), so the first hypothesis is accepted. As a result, the organizational culture based on involvement has a significant impact on the voluntary disclosure. According to coefficient of this relationship in Figure 1, we can conclude that for each one unit increase in the proportion of the indicator of the organizational culture based on involvement, the level of voluntary disclosure will be increased for 0.13 of unit.

Also, the second hypothesis of the research is accepted according to its *T*-value that is greater than the acceptance level. The value of the coefficient of this effect in Figure 1 is equal to 0.16. As a result, for each one unit increase in the proportion of the indicator of the organizational culture based on consistency, the level of voluntary disclosure will be increased for 0.16 of unit. Despite the confirmation of the first and second research hypotheses, the third hypothesis according to its *T*-value (1.96>0.11) is rejected. The result is that organizational culture based on adaptability does not affect the voluntary disclosure.

According to the *T*-value of the impact of organizational culture based on mission on the voluntary disclosure that is more than 1.96, we can accept the fourth research hypothesis which indicates the significant impact of organizational culture based on mission on the voluntary disclosure. According to coefficient of this effect, it is concluded that by increasing the level of commitment to mission in the organization, the level of voluntary disclosure will be reduced.



Chi-Square=2.21, df=33, P-value=0.97452, RMSEA=0.000

Figure 1: The path coefficient of Variables

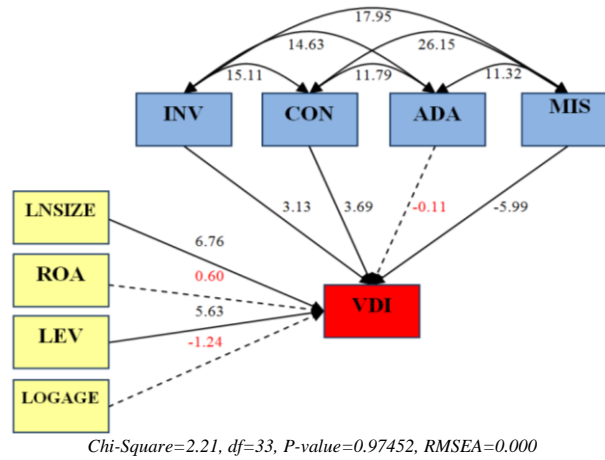


Figure 2: The T-value of Variables

5. Discussion and Conclusions

In general, the experimental results of this study have shown the impact of some of the organizational culture types on voluntary disclosure. Involvement as one of the organizational culture types has a positive and significant impact on the voluntary disclosure. So that, by involving the employees of the organization in the firms' activities, the human resource capabilities will be developed at all of the organizational levels and ultimately it will lead to the creation of employees' commitment. In this condition, the employees will consider themselves as a part of the organization, and they will feel their role in the organization decision-makings. As a result, in order to fulfill their commitment, they will clarify the results of their decisions and actions. Also consistency in the organization as the other type of organizational culture has a significant effect on voluntary disclosure. In the organization that has a high effectiveness, the employees will behave in a way that the organization activities would be coordinated and persistent. In these organizations because of the high coordination between the staff and activities, the level of information will be widely disclosed in the organization. This wide range of information will be transmitted outside the organization through disclosure.

Despite the effectiveness of this type of organizational culture on the voluntary disclosure, the empirical evidences do not confirm the significant impact of the organizational culture based on

adaptability on the voluntary disclosure. But, commission as one of the other types of organizational culture has a significant and negative impact on the voluntary disclosure of information. Perhaps, the reason of the negative impact of this type of organizational culture on voluntary disclosure is the opinion of the organization about not disclosing the mission of the organization to the people outside the organization.

The above results are in accordance with the research literature regarding the disclosure of information in order to gain legitimacy and reduce information asymmetry between managers and owners; these results are also consistent with the studies of (Lestari and Yadiati, 2014; Zarzeski, 1996 and Gray, 1988) that all of them have shown the impact of organizational culture on accounting and financial reporting systems that the information disclosure is also a part of them. Also, the results of the analysis of the data indicate that the level of voluntary disclosure in Iran has not a proper status (low mean of voluntary disclosure that is equal to 22%). Also, by separating the company's organizational culture types based on the industry, we have come to the conclusion that the organizational culture based on mission is the most common industry's organizational culture in Iran; this result might be the reason for the low level of voluntary disclosure.

According to the above results and the acquisition of knowledge about the impact of organizational

culture on the voluntary disclosure; all of the managers of the listed companies on Tehran Stock Exchange are recommended to identify the types of organizational cultures, so they could strengthen their organizational culture; because, by improving the type of organizational culture we can enhance the level of voluntary disclosure of information and information transparency that are today the most important needs of the internal and external investors. They also will lead to the attraction of micro investments and optimal allocation of country resources. Also, due to the low level of voluntary disclosure, in order to meet the information needs of investors and creditors, it is recommended to all of the authorities of the stock exchange information section and researchers to enhance the level of voluntary disclosure that by disclosing the more detailed information that the organizations can voluntarily disclose.

Eventually, the remarkable thing in relation to the questionnaire-based researches is the issue of the inherent limitations of such studies; one of them is the low number of answered questions by the firms' directors. Also according to the fact that the data of the one fiscal year have been studied in this research; therefore, other researchers should be cautious in generalizing the results to other companies. At the end, in order to make the research results more applicable, this research can be conducted in different industries.

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Note

¹ . In general, the disclosure of information has two forms including: 1-Mandatory disclosure that is based on the minimum determined information which is in accordance with standards and guidelines; 2- Voluntary disclosure that in addition to the minimum legal information, it includes a series of required financial and non-financial information that are needed by the users (Jiang et al, 2011; Kashanipour et al, 2014). In general, the voluntary disclosure includes more information than mandatory disclosure that is carried out through various means such as annual reports, midterm reports, and published interviews.