THE DISCLOSURE OF SUSTAINABILITY REPORTING IN BANKING IN HOFSTEDE'S CULTURAL DIMENSION

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Abstract

The objective of this study is to analyze the relationship between cultural indices in Hofstede's cultural dimensions with the disclosure of sustainability reporting in the banks in 15 developing countries and 18 developed countries in 2016. The disclosure of sustainability reporting is proxied by the Sustainability Reporting Disclosure Index (SRDI) variable. Content analysis is an analytical technique used to identify the contents of sustainability reports and annual reports. Then, a Bivariate Spearman correlation test is conducted to measure the relationship between Hofstede's cultural dimensions and the level of disclosure of sustainability reporting. The results of the study reveal that a high dimension of power distance is associated with the low level of disclosure of sustainability reporting. High uncertainty avoidance and individualism dimensions are found to be related to the high disclosure of sustainability reporting. Meanwhile, masculinity was found to be negatively related to the disclosure of sustainability reporting. This is probably due to the fact that the management in making disclosures is not ambitious, competitive and materialistic. Long-term orientation is found to be unrelated.

Keywords: Sustainability Reporting, Disclosure, Culture, Cultural Dimensions

INTRODUCTION

Information reporting in the sustainability of a corporate is now a new paradigm, The form of information delivery in a sustainability reporting shows that the company's management is committed to run the company's business in the concept of sustainability (Kurniawan, 2017). The economic expansion, the increasing population growth rates and the decreasing natural resources have an impact on the destruction or the degradation of the environmental. This is a driving force for changes in reporting information from the conventional financial method reporting to the disclosure reporting, namely social responsibility (Goyal, 2014). The sustainability reporting by companies continues to increase over time, however this disclosure is still voluntary (Chariri & Nugroho, 2009). According to the data of GRI in the year of 2011 there were 3,838 companies that implemented sustainability reporting that increased to 9,945 in the Year of 2016.

Although the GRI has been adopted by so many companies in various countries, however each country has different rules and commitments related to the sustainability issues. Given the diversity of cultural issues and traditions between and within countries (Witt & Redding, 2013), it is not surprising that sustainability agendas and practices widely differ (Chappleet al,.2014). Some accounting researchers state that national culture can affect corporate reporting policies. Culture is an important factor in the environment, therefore cultural differences can have a significant impact on accounting practices including disclosure practices (Khlif, 2016). Han et al., (2010)in his study explained management behavior and several accounting phenomena. Han et al., (2010) is one of the accounting researchers who attempts to integrate national cross-cultural differences in the socio-cultural values.

The cultural dimensions developed by Hofstede is a way of cultural measurement that is often used by social science researchers (Hofstede, 1983). Gray (1988)proposes a hypothesis that culture is measured by cultural dimensions, and according to Hofstede (1983)culture influences accounting values. Zaman Mir et al., (2009) revealed that the Gray's model made an important contribution to explain the impact of Hofstede's cultural values on the dimensions of measurement and disclosure of accounting systems in many countries.

Previously, the studies on developed countries were more frequently done than those on developing countries. One of the reasons is because the reports published are not in English (Adedeji et al., (2017). Dissanayake et al.,(2016) revealed that the existing literature were mostly limited to a number of developing countries such as Malaysia, Bangladesh, India and China.

Europe as a developed area has a better advantage compared to other regions, because it has a large number of instruments that can be a driver of sustainability reporting

expressed by companies in developed countries which are higher in number and better in (Bartels et al., 2016).

The issue of sustainable financing in the banking sector is an issue that is becoming the world's attention today. International Federation Corporation (IFC) as part of the World Bank Group introduces environmental, social and governance standards as well as risk management to bank loans (IFC, 2012). Maramis (2013) and Chowdhury, et al (2013) stated that green finance and green industry is a policy to improve social welfare and the environment (green economy). Therefore the central bank of the Group of Twenty (G20) countries must introduce a green banking policy similar to the credit policy of The Chinese Green Banking (Weber, 2016).

Based on the aforementioned description, it is known that culture in a country can affect accounting practices, including the practice the disclosure of sustainability reporting. Furthermore, the study was conducted to find out how the Hofstede's cultural index relates to the disclosure of sustainability reporting in banks in developing and developed countries.

Part two of this study presents a literature review of the cultural dimension based on Hofstede's theory. Section three presents the methodology used in this study. Section four presents the results and discussion. Last part of this study presents the conclusions, the limitations of this study, and the recommendations for further study.

LITERATURE REVIEW

Cultural Dimensions Based on Hofstede's Theory

The cultural dimensions based on Hofstede's theory is a picture of the effects of the cultural values of a society that exist in its members, as well as how those values relate to behavior (Hofstede et al., 2010). Hofstede establishes five dimensions as an index for all countries and relates the variables of demographic, geographical, economic and political aspects of a society. Those characteristics can not be adapted by other concepts. The five cultural dimensions based on Hofstede's theory, are as follows:

1. Power Distance (PDI)

Hofstede (1984) describes that the dimension of power distance (PDI) measures the acceptance of society of the differences in power distribution within an organization. In general, the high power distance (PDI) shows the condition of the community which is more readily to accept what is presented in the report so that the demand for information of an institution tends to be lower, and vice versa (Violita *et al.*, 2014). The countries with the higher power distance (PDI) accept the existence of the hierarchies between superiors and subordinates ((Khlif, 2016); Once and Almagtome, 2014)).

2. Uncertainty Avoidance (UAI)

Hofstede et al., (2010)states that the dimension of uncertainty avoidance (UAI) is the level at which people in a culture feel uneasy in unstructured situations, ambiguity or unable to predict the future situations.

3. Individualism (IDV) vs. Collectivism

Hofstede et al., (2010) explains that the dimension of individualism (IDV) vs. collectivismis how individuals define themselves and their relationships with others.

4. Masculinity (MAS) vs. Femininity

Hofstede *et al.*, (2010) suggests that a dimension of masculinity (MAS) regards gender differences in a society. However, in the national culture of masculinity (MAS) is a form of social behavior that prioritizes competition, power, assertiveness, ambition, which tend to seek wealth and materiality. While the attitude of femininity is the act of cooperation, humility, and consensus-oriented society (collective agreement).

5. Long-Term Orientation (LTO) vs. Short-Term Orientation

Hofstede *et al.*, (2010) stated that the long-term orientation (LTO) and the short-term dimensions are the magnitude of the community's ability to reflect the potential they have to analyze a problem, referring to a forward perspective rather than a historical perspective. Future orientation is related to savings and perseverance. The opposite is the short-term orientation which means focusing on social status, improved in the present and the past. This dimension is closely related to the Confucian values.

Table 1 shows that the power distance (PDI) of Asia of 73.6 is higher than that of Europe of 55.78. Asia's uncertainty avoidance (UAI) of 53.2 is lower than that of Europe of 73.17. Asia's Individualism (IDV) is at a low averages of 29.6 compared to that of Europe of 60.17. The Asia's masculinity (MAS) averages 48.73 lower than that of Europe's 50.83. Finally, Asia's long-term orientation (LTO) averages 48.53 lower than that of Europe of 59.61.

The high power distance (PDI) in a country is associated with the lower disclosure given by company management (Orij, 2010); Once & Almagtome (2014)). The high uncertainty avoidance (UAI) and high individualism (IDV) in a country will influence the company's management to provide the higher level of disclosure of information (Priyastiwi, (2016); Once & Almagtome (2014)). Masculine societies have a competitive culture (Hofstede *et al.*,2010), orientation to social and personal rewards (Khlif *et al.*, 2015). Finally, high long-term orientation (LTO) implies that the company maintains relationships the with stakeholders (Khlif ,2016).

Table 1: Value of the Five Dimensional Index of Hofstede's Culture

No	Countries	PDI	UAI	IDV	MAS	LTO
1	Cambodia	70	30	20	40	57
2	Qatar	80	68	38	53	36
3	Israel	13	81	54	47	38
4	Jordan	80	68	38	53	36
5	Thailand	64	64	20	34	32
6	Korea	60	85	18	39	100
7	Philippines	94	44	32	64	27
8	Saudi Arabia	80	68	38	53	36
9	Singapore	74	8	20	48	72
10	Indonesia	78	48	14	46	62
11	United Arab Emirat	80	68	38	53	36
12	Vietnam	70	30	20	40	57
13	India	77	40	48	56	51
14	Malaysia	104	36	26	50	41
15	Bangladesh	80	60	20	55	47
	Averages	73.6	53.2	29.6	48.73	48.53
16	Greece	60	112	35	57	45
17	Netherlands	38	53	80	14	67
18	Poland	68	93	60	64	38
19	Luxembourg	40	70	60	50	64
20	Russia	93	95	39	36	81
21	Finland	33	59	63	26	38
22	Turkey	66	85	37	45	46
23	Germany	35	65	67	66	83
24	Italy	50	75	76	70	61
25	Belgium Fr	67	93	72	60	82
26	Portugal	63	104	27	31	28
27	United Kingdom	35	35	89	66	51
28	Switzerland Fr	70	70	64	58	74
29	Switzerland Gr	26	56	69	72	74
30	Sweden	31	29	71	5	53
31	Spain	57	86	51	42	48
32	Slovakia	104	51	52	110	77
33	France	68	86	71	43	63
	Averages	55.78	73.17	60.17	50.83	59.61

Source : Hofstede et al., (2010).

Previous Studies

The previous studies that review the cultural dimensions based on Hofstede's theory relates to various accounting practices, among others are:

Zaman Mir et al., (2009) state that the practice of disclosure cannot be free of culture and social values are united due to technological developments. Zaman Mir et al., (2009)examined two countries with significant cultural differences. India has a more closed cultural nature than that of New Zealand. However, the results of content analysis show that Indian firms on average provide more information in the company's leadership report.

The study conducted by Vachon (2010) in the manufacturing companies in 55 countries revealed two dimensions of Hofstede's culture that were better expressed by company management. These dimensions are individualism (IDV) and uncertainty avoidance (UAI) that are related to the level of sustainable development. The high level of individualism (IDV) and uncertainty avoidance (UAI) in a country are related to the green corporatism, the environmental innovation, the fair labor practices, and the corporate social involvement. The negative relationship was found to be between the high power distance in a country which is associated with the lower level of sustainable development practices, where people in countries with high power distances usually have a high level of acceptance of poor working conditions and polluted environments.

Orij (2010)conducted a study on corporate social disclosure in 22 countries. The results of the study revealed that power distance (PDI) was negatively correlated. The companies with the low power distance (PDI) tended to provide high social disclosure, compared to the companies that were at the high power distance (PDI).Uncertainty avoidance (UAI) is positively correlated, this is because there is no significant difference between the companies in the high and low uncertainty avoidance (UAI). Individualism (IDV) is positively correlated, the companies that are on high individualism (IDV) provide high corporate social disclosure. Masculinity (MAS) was found to be negatively correlated, the social disclosure of firms in the low masculinity (MAS) tended to provide higher social disclosure than the firms that were in the high masculinity (MAS). Long-term orientation (LTO) is found to be negatively correlated with corporate social disclosure, the average firm in the low long-term orientation (LTO) tends to provide higher social disclosure than the firms in the high long-term orientation (LTO).

The cultural study based on Hofstede's dimension relates to the disclosure of corporate environments in 20 countries carried out by Once & Almagtome (2014). The results of the study revealed that two dimensions of Hofstede's culture were associated with the high level of corporate environmental disclosure, namely Individualism (IDV) and long-term orientation (LTO) which were found to be positively correlated. While one of Hofstede's national cultural

dimensions is related to the low level of corporate environmental disclosure, namely the distance of power (PDI). Masculinity (MAS) is found to be negatively correlated. Uncertainty avoidance (UAI) was found to be positively correlated.

The study on the corporate social and environmental disclosure was carried out by Khlif *et al.*, (2015)with a sample of 42 empirical studies. Khlif *et al.*, (2015) examined the relationship between the company's profitability and social and environmental disclosure by exploring the moderating effects of three cultural dimensions, namely individualism (IDV), masculinity (MAS) and long-term orientation (LTO). The results of the study revealed that there is a positive correlation between social disclosure, environment and profits moderated by masculinity (MAS), individualism (IDV) and long-term orientation (LTO).

Khlif (2016)examines environmental and social disclosure of 35 studies that discuss the policy of reporting, auditing, taxation, and other accounting topics. The results of the study revealed that individualism (IDV) was positively correlated with the company's reporting policies that were associated with low levels of tax avoidance. The high level of masculinity (MAS) is generally associated with low disclosure environments and aggressive accounting manipulations. The findings of long-term orientation (LTO) with respect to environmental and social disclosures support a positive relationship between the two variables.

Priyastiwi (2016) examined the four dimensions of Hofstede's culture. The results of the study revealed that individualism (IDV), masculinity (MAS), and uncertainty avoidance (UAI) would influence companies to reveal a higher level of information. The company discloses differently within a country depending on the level of corporate internationality that is influenced by the culture of the country. Power distance (PDI) did not affect the amount of disclosure of information that must be presented. This shows that there are the cultures that affect accounting practices, but there are also those that do not.

Adedeji *et al.*, (2017) states that sustainability ensures that society will not be left worse off than that has been encountered. So, it is necessary to ensure the integration of the recognition of national culture whose purpose is to assist compliance because of inter-state differences. Adedeji *et al.*, (2017) in his study conducted a literature review to examine the extent to which national culture became as an explanatory variable of corporate disclosure on sustainable development in developed and developing countries.

Based on the aforementioned description, there have been many previous studies examining Hofstede's cultural relations with various accounting practices in various countries. However, the previous studies have not specifically examined Hofstede's cultural relationship with the disclosure of sustainability reporting in two groups of countries directly using the GRI guidelines in the Financial Services sector. Therefore, this study will examine the relationship of

Hofstede's cultural index with the disclosure of sustainability reporting in the banking sector in developing countries and developed countries.

Formulation of Hypotheses

H_1:There is a negative relationship between the power distance (PDI) and the disclosure of sustainability reporting.

H_2: There is a positive relationship between the uncertainty avoidance (UAI) and the disclosure of sustainability reporting.

H_3:There is a positive relationship between individualism (IDV) and the disclosure of sustainability reporting.

H_4:There is a positive relationship between masculinity (MAS) and the disclosure of sustainability reporting.

H_5:There is a positive relationship between the long-term orientation(LTO) and the disclosure of sustainability reporting.

RESEARCH METHODOLOGY

The data analysis in this study used the quantitative method. The subject of the studyis the Financial Services sector, especially banks in the developing and the developed countries registered at GRI on the website of the period of 2016. The sample selection method used was the purposive sampling. This method succeeded in determining as many as 64 banking samples from 33 countries with the criteria: 1) The banks were registered with GRI in 2016. 2) The banks that had annual reports (AR) or sustainability reports (SR) that use the GRI G4 Guidelines in 2016 and could be accessed through the GRI's website. 3) The annual reports (AR) and sustainability reports (SR) of the banks that used English.

This study uses the variable of sustainability reporting. The content analysis by identifying sustainability reporting disclosures and the Sustainability Report Disclosure Index (SRDI) calculation is done by giving a score of "0" if the item is not disclosed, and a score of "1" if the item is disclosed. The measurement of the concept of sustainability reporting disclosure is proxied by the variable of Sustainability Reporting Disclosure Index (SRDI).

$$\text{SRDI} = \frac{\text{Total items disclosed}}{\text{Total disclosed items expected}} \: x \: 100$$

The GRI index component based on the GRI G4 Guidelines specifically for banking sector disclosures, namely the Financial Service Sector Supplement (FSSS) which consists of 27 items in 3 categories, namely economic, environmental and social as shown in tables 2.

Then, this study uses Bivariate correlation model which is used to test the hypothesis. The correlation analysis is used to link the five dimensions of Hofstede's culture and the disclosure of sustainability reporting in banks in developing countries and developed countries.

Table 2: The Components of GRI Index of Financial Services Sector

No	Category	Sub-Categories	Aspects	Disclosures
1	Economic		Economic Performance	G4-DMA
				G4-EC1
2	Environmental		Emissions	G4-EN15
				G4-EN16
				G4-EN17
			Effluents and Waste	G4-EN23
3	Social	Labor Practices and Decent Work	Occupational Health and Safety	G4-LA5
				G4-LA6
				G4-LA7
				G4-LA8
		Human Rights	Investment	G4-HR1
		Society	Local Communities	FS13
				FS14
		Product Responsibility	Product and Service Labeling	FS1
				FS2
				FS3
				FS4
				FS5
				FS6
				FS7
				FS8
			Audit	FS9
			Active Ownership	FS10
				FS11
				FS12
			Product Portfolio	FS15
				FS16

Notes: DMA is disclosures on management approach, EC is economic,

EN is environmental, HR is human righst, LA is labor, FS is financial services.

Source : GRI (2013)

RESULTS AND DISCUSSION

Descriptive Statistics

The descriptive statistical analysis provides an overview of the variable of sustainability reporting disclosure. The results of the descriptive statistical analysis can be seen in table 3 below:

Table 3: Results of Descriptive Statistics

	Developing Countries	Developed Countries
Mean	34,7681	49,6738
Median	29,6300	48,1500
Maximum	77,78	96,30
Minimum	11,11	22,22
St. Dev	15,79105	16,64219

Source: Data processed from bank.

The results of descriptive statistics in table 3 show that the disclosure of sustainability reporting in banks in developing countries has an average value of 34,7681, a median of 29.6300, a maximum value of 77.78, a minimum value of 11.11, and a standard deviation of 15,79105. Whereas that in developed countries has an average value of 49,6738, a median of 48.1500, a maximum value of 96.30, a minimum value of 22.22 and a standard deviation of 16,64219. The average value and the maximum value in the developed countries are higher than those in the developing countries. The reason for this is that there has been already a large number of instruments that encourage the sustainability reporting in the developed countries (Bartels *et al.*, 2016) as compared to that of the developing countries.

Spearman Bivariate Correlation Test

Based on the results of the normality test, this study uses Bivariate Spearman correlation to examine the relationship between the sustainability reporting disclosure and the five dimensions of Hofstede culture in the banks in the developing countries and the developed countries. The correlation tests are carried out jointly in the two groups of countries.

The results of the correlation test can be seen in table 4. The results of the Spearman correlation in table 4 show that the power distance (PDI) of -0.365 is negatively correlated with the disclosure of sustainability reporting in the banking of developing countries and developed countries. The significance of 0.003 is smaller than α = 0.05 (0.003 < 0.05) which indicates that there is a significant relationship between the dimensions of power distance (PDI) and the

disclosure of sustainability reporting in the banks in developing countries and developed countries. This shows that the first hypothesis (H$_1$) is accepted. The high power distance (PDI) in a country means that the disclosure of sustainability reporting provided by company's management will be low. The distance of power also refers to the level of equality and inequality in a country. The high score of power distance (PDI) implies that power inequality applies in that country. The results of this study are consistent with those of Gray's (1988) and Vachon, (2010); Once & Almagtome (2014); Khlif (2016).

Table 4: Correlation Matrix

			Disclosure of SR	PDI	UAI	IDV	MAS	LTO
Spearman's rho	Disclosure of SR	Correlation Coefficient	1,000					
		Sig. (2-tailed)	.					
		N	65					
	PDI	Correlation Coefficient	-,365[**]	1,000				
		Sig. (2-tailed)	,003	.				
		N	65	65				
	UAI	Correlation Coefficient	,321[**]	-,119	1,000			
		Sig. (2-tailed)	,009	,343	.			
		N	65	65	65			
	IDV	Correlation Coefficient	,354[**]	-,620[**]	,145	1,000		
		Sig. (2-tailed)	,004	,000	,250	.		
		N	65	65	65	65		
	MAS	Correlation Coefficient	-,126	,433[**]	,096	-,077	1,000	
		Sig. (2-tailed)	,317	,000	,445	,540	.	
		N	65	65	65	65	65	
	LTO	Correlation Coefficient	,158	-,264[*]	,058	,368[**]	-,077	1,000
		Sig. (2-tailed)	,210	,033	,645	,003	,544	.
		N	65	65	65	65	65	65

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

Source: Data processed from bank.

The uncertainty avoidance (UAI) in table 4 shows the correlation coefficient of 0.321. The significance probability value of 0.009 is smaller than α = 0.05 (0.009 < 0.05) which means that it is significant. This shows a positive and significant relationship between the uncertainty avoidance index (UAI) and the disclosure of sustainability reporting in the banks in developing countries and developed countries. So, the second hypothesis (H$_2$) is accepted. The high uncertainty avoidance (UAI) in a country means that the disclosure of sustainability reporting provided by the company's management will be high and better and vice versa. This is due to the presence of guidelines such as the GRI G4 Guidelines as well as the instruments related with sustainability reporting such as social and environmental reporting in the European Union as a driver of the company to conduct sustainability reporting disclosures. The results of this study are consistent with the results of the study undertaken by Priyastiwi (2016).

Individualism (IDV) in table 4 shows the correlation coefficient of 0.354, the significance value 0.004 which is smaller than α = 0.05 (0.004 <0.05). This indicates the existence of a positive and significant relationship between individualism (IDV) index and the disclosure of sustainability reporting in the banks in developing countries and developed countries. So, the third hypothesis (H$_3$) is accepted. This result implies that the management of the companies in the countries with high individualism (IDV) level will be willing to disclose more or better sustainability reporting than the countries with lower individualism (IDV) indices. Individualism (IDV) tends to be consistent with transparency, paying more attention to the external parties including potential investors and the wider community rather than group interests and individualism (IDV) will influence the company's management to make better disclosures. The results of this study are consistent with those presented by Gray (1988); Priyastiwi (2016); Once & Almagtome (2014).

Masculinity (MAS) in table 4 shows a negative correlation of -0.126 and a significance of 0.317 which is greater than α = 0.05 (0.317> 0.05) which means that it is not significant. This indicates a negative and insignificant relationship between masculinity (MAS) and the disclosure of sustainability reporting in the banks in developing countries and developed countries. So the fourth hypothesis (H$_4$) is not accepted. The companies in the countries that have a high masculinity (MAS) index tend to provide lower disclosure than that of the countries with low masculinity (MAS) index. This is possible for the management of the company in providing sustainability reporting disclosures do not want to compete, do not have ambition to gain power and do not intend to seek wealth. The disclosure of sustainability reporting is carried out as a form of providing financial and non-financial information to the stakeholders in order to maintain the sustainability of the company up to the future. The results of this study are consistent with those of the studies by Once & Almagtome (2014).

The long-term orientation (LTO) in table 4, shows a positive correlation of 0.158 and a significance of 0.210 which is greater than α = 0.05 (0.210 > 0.05) which means that it is insignificant. This suggests a positive but insignificant relationship between the long-term orientation (LTO) and the disclosure of sustainability reporting in banking in developing countries and developed countries. Thus, the fifth hypothesis (H$_5$) is not accepted. This long-term orientation captures one's perspective against decisions regarding time, referring to the facts both in the short and long term, the company's managers want to maintain their good performance. This implies that in a long-term orientation culture, the managers need to establish good relationships with stakeholders, social organizations, the environment and investors. The companies operating in high long-term orientation countries need to be in line with social and environmental norms to maintain their reputation among stakeholders and build long-term and strategic competitive advantages(Orij 2010). In association with the disclosure of sustainability reporting, when corporate's managers realize higher and better disclosures, the corporates have the ability to disclose information about them on sustainability issues whose purpose is to build strong relationships with the stakeholders. However, the insignificant results are possible due to the small number of samples in the study which does not generalize the population. The results of this study are consistent with the results of the studies by Orij (2010) and Khlif *et al.*, (2015).

Some dimensions found were significantly correlated with other dimensions. The strength of the correlation being shown is from the correlation of masculinity (MAS) with power distance (PDI) of 0.433. Some relationships between other dimensions seem insignificant. The lack of significance of inter-dimensional correlations implies that some cultural dimension may affect and some may not affect accounting practices. The correlation between uncertainty avoidance (UAI) and the power distance (PDI), individualism (IDV) and uncertainty avoidance (UAI), masculinity (MAS) and uncertainty avoidance (UAI). This allows uncertainty avoidance (UAI) in relation to the preference for confidentiality of information disclosure restrictions, the results of this study are consistent with the results of the study byOrij (2010). The correlation between masculinity (MAS) and individualism (IDV) is possible because of some individualistic attitudes and low masculinity (MAS). Whereas, the correlation between long-term orientation (LTO) and uncertainty avoidance (UAI), long-term orientation (LTO) and masculinity (MAS) are expected because of the large confusianism influence on long-term orientation (LTO), the results of this study are consistent with the results of the study by Orij (2010).

CONCLUSION

The objective of this study is to prove that the culture in a country can affect accounting practices in that country, including the practice of sustainability reporting disclosures. The results of the study showed a negative relationship between power distance (PDI) and the disclosure of sustainability reporting in the banks in developing countries and developed countries. The high power distance (PDI) in a country relates to the low level of disclosure of sustainability reporting given. The uncertainty avoidance (UAI) and individualism (IDV) are positively related to the sustainability reporting disclosures. The high uncertainty avoidance (UAI) and individualism (IDV) in a country will lead to the better disclosure informed by the management of the company. Whereas masculinity (MAS) was found to be negatively correlated, this implies that the high index of masculinity (MAS) in a country will cause low disclosure of sustainability reporting presented by the management. The last dimension of the long-term orientation (LTO) was found to be positively correlated but could not generalize the population because the results were not significant.

The limitation of this study is that only 1 year of study period is used and only a limited number of banks is studied as samples. One of the factors that inhibits the study is language factor in which there are still many reports which are not written in the international language, English, so it becomes a limitation in sampling and generalizing the results of the study. The future study is expected to increase the time span of the study, so that the results obtained in the study can better describe the actual situation.

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