



The Influence of Environmental Disclosure on Companies' Competitiveness: Perspectives from Alhlia Cement Company

Ezaddin Abdualadim Bakir

Faculty of Business Sciences, Megatrend University

ezaddin-bakir@live.com

Abulgasem Mahmoud Abusatala

Faculty of Economics and Commerce, Elmergib University

amabustala@elmergib.edu.ly

Abstract

Environmental disclosure is a hot topic in business, and there is a growing demand for reliable environmental disclosure from many stakeholders. This study aims to determine the impact of environmental disclosure as a critical determinant of firms' competitiveness by using three indicators (Profitability, innovation & creativity, and product marketing). To achieve this aim, the researchers designed a questionnaire consisting of (19) items distributed to the population of the study consisting of employees of Alhlia Cement Company, as a case study to obtain such viewpoints is essential. Representative units of analysis were individuals working in the accounting departments (financial managers and accountants), with a distribution of (70) to identify the individuals working in these departments and sections, and the number of questionnaires filled reached (67) questionnaire. The results of this study prove that environmental disclosure has a significant positive effect on all indicators (profitability, innovation and creativity, and product marketing). Based on the study's consequences, it can be concluded that more extensive environmental disclosure can positively affect the company's competitiveness. Therefore, the primary hypothesis is accepted. According to the study results, the authors made a valuable recommendation for Libyan companies to responsibly consider the environmental impacts of their activities and undertake actions that aim at preserving environmental resources to widen competitiveness.

Key Words: Environmental Disclosure, Competitiveness, Profitability, Innovation & Creativity), and Product Marketing.





1. Introduction

In the second half of the twentieth century, the environmental effect of company activities became a rising concern shared by environmental groups, legislators, consumers, local societies, and public authorities. This societal request for a cleaner environment and increasing environmental rules have forced firms to contribute to extensive pollution-prevention programs. These institutional pressures have profoundly influenced the environmental processes of large enterprises and the degree of environmental disclosure in their annual reports (Albertini, 2014). According to Aldrugi & Abdo (2014), significant global attention has been paid to the issue of environmental disclosure. Environmental disclosure is the first cornerstone on which all parties and stakeholders depend, primarily investors, to seek information to support their economic decisions through disclosure (Želazna et al., 2020). Moreover, Environmental disclosure has gained considerable traction, and firms have increasingly been required to comply with worldwide treaties and rules; as an effect, the standards associated with environmental treaties are of growing international significance, and implementation has become increasingly strict, having a massive influence on the business environment (Chuang & Huang, 2018).

Over the period, there was an increase in the number of institutions that have started measuring their environmental influences for a combination of reasons, including building stakeholder confidence, improving their reputation, legitimising their ongoing business activities, responding to stakeholders, decreasing risks and reducing costs (Mahmood et al., 2017). In addition, investors seek to incorporate environmental and social factors into their financial and decision-making processes to achieve the sustainability of environmental investment processes (Yadav et al., 2015). Information disclosure of business innovation assets is essential for investors to evaluate corporate growth and the investment value (Wang et al., 2021).

Lately, management literature emphasises the opinion of win-win environmental policies that investment in environmental plans will profit both environmental and economic performance. The value of environmental information is recognised in financial reports (Solomon & Sanad, 2019). In addition, growing environmental investment is vital for Competitiveness (Yuriivna & Sergiivna, 2015). In this connection, corporate research and growth investment significantly decreases





environmental influences without compromising the company's economic return (Alam, 2019). Similarly, that will improve the corporation's competitiveness (Dechezleprêtre & Sato, 2018). Competitiveness is an essential key to the openness between countries and economic facilities. It is considered the most crucial factor in modern production and marketing thinking, so its management must be incentivised to disclose environmental information, supporting its competitiveness.

2. Study Problem

Companies' challenges have increased environmental awareness at facilities, environmental laws, environmental costs, and the diversity and multiplicity of activities affecting the environment (Abusatala, 2022). However, continuing to overlook the disclosure of environmental information is conducive to a lack of information utility, which may impact the competitive position of companies. These challenges to companies raise a serious question that must be answered. **What is the influence of environmental disclosure on a firm's competitiveness from the perspective of the Alhlia Cement Company?**

3. Study Goals

This article seeks to answer this question by specifying the effect of environmental disclosure on companies' competitiveness. More specifically, this study is intended to investigate the impact of environmental disclosure on three indicators (profitability, innovation and creativity, and product marketing) that act as the competitiveness measurement to understand environmental disclosure better. Second, this study examines how environmental disclosure may increase firms' competitiveness. Similarly, the study aims to bridge the gap in existing CSR literature that is of great relevance and has significant implications for regulators and stakeholders in Libya and provides a timely and necessary review of the environmental disclosure in Libyan context-related literature, which provides a comprehensive picture of what is already known. Furthermore, the current study results will help raise the importance of environmental disclosure in industrial companies.

4. Study Importance

This research draws its importance from the essentiality of the environment and the need that it is preserved and that no damage is done to it through various activities of economic agents, as well as increasing demand for environmental information related





to the environment in its financial reports because this is one of the most recent trends when it comes to preparation of financial statements. It became attractive for users of these reports, whether they were investors, buyers, or other business entities. In that case, this becomes embodied in their future success and strengthens their ability, reputation, and investment decision-making as they try to follow their competitive environment and achieve their strategic goals. The importance of this research also stems from the need for the economic environment in developing countries, specifically Libya, its impact on activation, scientific and research movement in this area, and the conduct of various studies in this area and shed additional light on it.

After introducing the subject, problem, goals and importance, the structure of the other parts of the article is arranged as follows: The next section reviews previous studies on linkages between environmental disclosures and a firm's competitiveness and establishes hypotheses. This study continues to explain the methods used. The following section documents the results and analysis. Finally, the discussion and conclusion are given with limitations and areas for future research.

5. Literature Review & Hypothesis Development

Although scholars have studied CSR for more than half a century, further research has focused on the effect of CSR on financial performance (Zhou et al., 2019). Environmental disclosure indicates the quantitative or qualitative information that measures or counts the environmental impacts of companies (García-Sánchez et al., 2021). The corporation's report provides environmental information in financial or non-financial terms. According to Chariri et al. (2019), environmental disclosure is also considered a part of a company's responsibilities to its stakeholders and reflects how companies deal with the social contract. The scholarly publications underlined the significance of reliable environmental disclosure (Radu & Francoeur, 2017). Existing studies (Cormier & Magnan, 2013) have essentially expounded on the significance of a firm's environmental disclosure in enhancing the quality of analysts' information context, ultimately allowing them to make better forecasts. Moreover, environmental disclosure serves another purpose, influencing how other stakeholders perceive its legitimacy.





Theoretically, the impact of environmental disclosure is investigated on firms' competitiveness through resource-based and system-based theories. According to the resource-based view, the competitiveness of the gap between various firms mainly results from the differences in firms' internal resources. The system-based theory looks at the firm's competitiveness as a system. According to this view, a firm's internal condition is a core element for creating and maintaining competitiveness. At the same time, environmental regulation can improve a firm's internal resources by stimulating innovation and thus promoting competitive advantage (Zhao et al., 2015). However, Albertini (2014) showed that the economic situation significantly influences how environmental issues are addressed, and environmental innovations increase energy efficiency and obtain a competitive advantage in green market products. The environmental management system enforced by proactive companies entitles them to enhance their environmental performance.

According to (Chuang & Huang, 2018), environmental corporate social responsibility has significant positive effects on ecological performance and business competitiveness, and ecological performance positively impacts business competitiveness. In [2016], Harb found a statistically significant influence of accounting disclosure on Jordan's competitive environment in tourism establishments. The positive direction and significant effect of social responsibility orientation of firms on competitive success and the mediating impact on performance and the established set of indicators that define Corporate Social Responsibility provide simple and valuable guidance for responsible actions implementation to upgrade regional competitive success (Gallardo-Vázquez & Sanchez-Hernandez, 2014). The European Commission have confidence that CSR is vital for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy; in line with this reasoning, as applied to a particular CSR domain, some of the elements associated with environmental management are constituent factors of competitive advantage: these factors such as innovation and investment on CSR's affect competitiveness. (Marin, 2017). Marin et al. (2012) show a positive effect of CSR on competitiveness as moderated by the corporation's size and strategy. Madueno et al. (2015) offer evidence that some intangibles, such as relational





capacity, mediate the causal consequence between CSR and competitive performance.

Furthermore, the effect of environmental marketing strategy on competitive advantages is more substantial in the case of intense competitive situations. At the same time, market dynamism has no moderating influence on this association (Leonidou et al., 2013). Firms' environmental management practices significantly positively affect a firm's competitive operational performance. Again, firms' competitive operational performance partially positively affects the overall environmental performance. It was also found that the environmental management practices initiated by a company have a direct positive influence on the overall environmental performance of the corporation (Famiyeh et al., 2018). According to (Cohen, 2018), flexible environmental regulations induce innovation and, over time, increase country-level competitiveness. Environmental disclosure is becoming a global phenomenon to enhance the corporation's competitiveness, and the environmental approaches have interested many financial researchers in taking cognisance of the same and investigating further.

Competitiveness is one of economics' most commonly used concepts. However, it is not precise enough, so there is no commonly accepted definition of competitiveness (Siudek & Zawojka, 2014). For many of us, competitiveness involves a situation where a person, company or nation wins or loses against another. It would be appropriate to say that a competitive person, company or nation strives to develop a comparative advantage in an area that exceeds others (Ciocanel & Pavelescu, 2015). According to Harb (2014), competitiveness is to achieve the goals of profitability, growth, stability, expansion, innovation and renewal. Companies' competitiveness through the above is a presentation of the ability of the foundation to optimise all its resources to compete with other economies through several pillars, the most important of which are productivity, sustainability and inclusiveness.

To the best of our knowledge, no study has investigated the impact of environmental disclosure on (Competitiveness) in the literature on this topic in Libya. This gap is what this study intends to fill. Our paper leverages the environmental phenomenon in exploring the influence of environmental disclosure on the companies' competitiveness using three indicators that act as the competitiveness measurement





to understand environmental disclosure better. Thus, this paper seeks to provide empirical evidence from a developing country's perspective to illustrate whether environmental disclosure positively (or negatively) influences companies' competitiveness. Based on this reasoning, we offer the following Primary hypotheses:

H1: Environmental disclosure can positively influence the companies' competitiveness in Alhlia Cement Company.

The complete or not environmental disclosure will significantly impact the firm's picture in the sense of shareholders. Stakeholders' confidence in firm performance is directly proportionate to environmental disclosure. Via the actions of environmental disclosure done by companies, stakeholders will evaluate the companies as a party that pays awareness to environmental sustainability in its functional activities. Moreover, the activities of environmental disclosure carried out transparently and sustainably will make it more comfortable for the companies to gain the public's confidence. This trust determines the firm's survival, which likewise concerns the accomplishment of profitability at a specific time (Wahyuningrum et al., 2021). Following the signal theory, signals will be provided to stakeholders associated with achieving profitability, which will later affect stakeholders' interest in investing. Environmental disclosure significantly affects profitability (Che-Ahmad & Osazuwa, 2015; Ningtyas & Triyanto, 2019). Hence, our sub-hypothesis is as follows:

H1 (a). Environmental disclosure can positively influence the profitability of Alhlia Cement Company.

Corporate innovation is considered a critical factor that controls the firm's long-term success in today's competitive markets. Firms with high levels of innovation can flexibly adapt to the ever-changing market and maintain stable market competitiveness, so that firm value is continuously improved. Corporate innovation can lead to the differentiation of products or services, such as lower costs and higher quality or enable firms to gain a competitive advantage in the market, ultimately enhancing firm value. Li et al. (2020) argue that corporate innovation is connected to higher firm value (Pedersen et al., 2018). Corporate innovation is widely regarded as a success factor in the tremendously competitive worldwide economy; an innovation viewpoint draws a clear image of future opportunities (Rajapathirana & Hui, 2018). Doran & Ryan (2016) found that corporate innovation is a powerful tool that new





firms can use to undermine established firms and those that need to maintain their competitive position in dynamic markets. Li et al. (2020) suggest a lack of understanding of how CER initiatives may improve firm value through corporate innovation, revealing a clear gap related to the adoption of different methods of studying CSR and what could affect the relationship between CSR and firms' value. Corporate innovation is essential for companies to fulfil CER and improve firm prices. With the development of data technology and the difficulty of user demand, CER requires firms to afford high-quality products and services to consumers, establish cooperation and win-win relationship with suppliers and customers, and produce more environmentally-friendly products through corporate innovation. Hence, our second sub-hypothesis is as follows:

H1 (b). Environmental disclosure can positively influence the Innovation and creativity of Alhlia Cement Company.

In marketing with moderate product market competition, competitors have more financial room to bear costs, and some firms will pursue a CER-based differentiation strategy. In industries with moderate competition, CER is more likely to be a differentiating factor because product differentiation (e.g., recycled products and organic control) produces new demand or commands a premium price for an existing product or service (Meng et al., 2015). In addition, the potential benefits of CER as a differentiation strategy can attract cheaper sources of capital, retain talent, and preempt costly regulatory actions (Fernandez-Kranz & Santalo, 2010). Product market competition is weak when the threat of potential entry is low because of economies of scale and well-established brand identity and when products with enough differentiation cannot easily be substituted because of high switching costs. All of this lowers the competition between competitors and the bargaining power of suppliers and buyers. Markets with weak competition can be either oligopolistic or monopolistic. Firms in such markets lack competitive pressure, and customers and suppliers have few alternatives mean that firms can ask for higher prices or reduce the quality of products without losing too much business Meng et al., (2015). Hence, our third sub-hypothesis is as follows:





H1(c). Environmental disclosure can positively influence the product marketing of Alhlia Cement Company.

Study Model

The conceptual model of this research, that is, predicts the impact of environmental disclosure on a company's competitiveness by using three measurements to measure it.

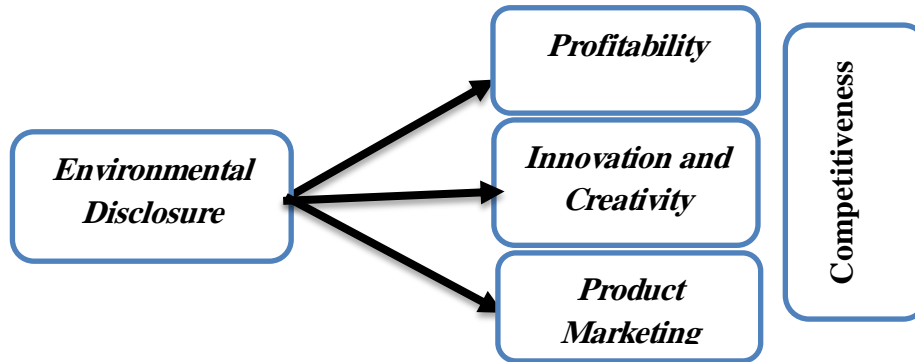


Figure 1 illustrates the conceptual model of this research, that is predicted the impact of environmental disclosure on a company's competitiveness

6. Method

This study used a quantitative approach with a hypothesis-testing study design. This study is collected from a survey of the ALahlia cement firm in Libya. The survey collects information about the perception of environmental disclosure and the relative influence of firms on competitiveness measurements. We distributed the questionnaire to financial managers and accountants in a related firm familiar with environmental disclosure to pre-test our questionnaire to know their perspectives. All (70) questionnaires were distributed, and (67) were returned, with response rates (a 95.71% validity rate). Moreover, (3) were missing with rates (4.29%). All questionnaires were valid, implying that invalid questionnaires have not existed and were deemed valid, were not missing answers or had the same answers to all questions and did not bring a systematic bias into the evaluation.

7. Result & Analysis

Several statistical analyses were carried out in this study, including validity, reliability, and descriptive statistics, to obtain a general description of the data, such as mean and standard deviation values. Meanwhile, this part of the study represents the impact of the independent variable on the dependent variables under the Likert Scale with five dimensions.





7.1. Validity

Construct validity was examined through both content and construct validity. As content validity has been described in the questionnaire design section, the discussion in this section is limited to the statistical analysis undertaken to examine validity. The conclusion is that if the r-counted is higher than the r-table value, this instrument is valid (Baron & Tang, 2011).

Table 1: Validity of Instrument

No	Indicators	statement	Correlation Coefficient	Statistical value
1	The impact of environmental disclosure on profitability	6	**0.752	0.000
2	The impact of environmental disclosure on innovation and creativity	6	**0.684	0.000
3	The impact of environmental disclosure on product marketing	7	**0.768	0.000

The validity for all indicators in table 1 shows (taken from the SPSS output validity test) that all correlation coefficients between the total questionnaire and indicators study are between (0.684) – (0.768) were statistically significant were all values of statistically less than (0.05); therefore, all indicators are valid.

7.2. Reliability

The scale gives the same results after applying it twice in two different times to the same individuals. The stability was calculated using the Cronbach alpha coefficient method, as the alpha coefficient provides us with a reasonable estimate in most situations. This method depends on the consistency of the individual's performance from one paragraph to another (Abusatal, 2022). This study's desired cut-off for Cronbach's alpha is (0.6).

Table 2: Cronbach's alpha

No	Indicators	Statements	Cronbach's alpha
1	The impact of environmental disclosure on profitability	6	0.616
2	The impact of environmental disclosure on innovation and creativity	6	0.614
3	The impact of environmental disclosure on product marketing	7	0.703
	Total	17	0.727





The results output of SPSS in table 2 shows that the value of counted Cronbach alpha for all variables is between (0.616) - (0.703) and total (0.727) higher than (0.6). Therefore, the instrument used to measure all these variables is reliable.

7.3. Hypothesis Test

This study determined environmental disclosure as the independent variable, besides profitability, innovation & creativity, and product marketing as the dependent variables. Furthermore, by using a significance level of 5%, this study determined whether to accept or reject the hypothesis proposed. The research will use a T-test to analyse the impact of independent on dependent variables.

H1 (a). Environmental disclosure can positively impact the profitability of Alhlia Cement Company

The results of the first sub-Hypothesis Test can be pointed out in table 3

Table 3: Result of the impact of environmental disclosure on profitability
Descriptive Statistics and (One-Sample T-Test)

NO	Items	Mean	St division	P-Value
1	Environmental disclosure contributes to increasing the company's profitability in the long term.	4.18	0.601	0.000
2	The disclosure of its environmental information contributes to its access to funding from local and international organisations, which increases its profitability.	4	0.603	0.000
3	The disclosure of its environmental information improves the level of the economic performance of the company.	4.01	0.536	0.000
4	The company constantly strives to increase productivity and satisfy the market's requirements as much as possible.	4.04	0.535	0.000
5	Disclosure of environmental costs and benefits contributes to an increase in net profit on fixed assets	4.19	0.5290	0.000
6	Disclosure of environmental costs and benefits contributes to an increase in total profit on sales in the short term.	4.15	0.609	0.000
Level Impact		4.1	0.225	0.000

Table 3 reports the results of descriptive statistics and the T-test, respectively. The average values of points between (4) - (4.19) indicate that environmental disclosure's impact on a company's profitability is high. Hence, the probability value shows 0.000 at a 5% significance level. Since the *P*-value of 0.000 is less than a 5% significance





level, the study accepts the hypothesis that the environmental disclosure's impact exists on profitability. Based on this result shows that there is a positive influence of environmental disclosure on the company's profitability. Therefore, this proves that the more firms engaged in environmental disclosure, the more likely their profitability to increase (Moshud, 2020).

H1 (b). Environmental disclosure can positively impact the Innovation and creativity of Alhlia Cement Company.

The results of the second sub-Hypothesis Test can be pointed out in table

Table 4: Result of the impact of environmental disclosure on innovation and creativity Descriptive Statistics and (One-Sample T-Test)

NO	Items	Mean	St division	P-Value
1	Environmental disclosure increases a company's ability to improve its products continuously.	4.19	0.584	0.000
2	Corporate environmental disclosure enhances a company's ability to make changes in the physical appearance of its products.	4.07	0.703	0.000
3	Environmental disclosure enhances the company's desire to obtain international certificates in quality.	4.12	0.663	0.000
4	Environmental disclosure to companies reduces production costs to ensure survival and growth	4.18	0.626	0.000
5	Environmental disclosure enhances the company's desire to produce a high-quality commodity.	4.03	0.602	0.000
6	Corporate environmental disclosure reinforces a company's desire to own the technology to protect the environment.	4.25	0.56	0.000
Level Impact		4.14	0.252	0.000

Table 4 shows the results of descriptive statistics and the T-test, respectively. The average values of the impact of environmental disclosure on innovation and creativity are, on average, between (4.03) - (4.25), indicating that environmental disclosure's impact on a company's innovation and creativity is high. Hence, the possible value shows 0.000 at a 5% significance level. Since the *P*-value of 0.000 is less than a 5% significance level, the study supports the hypothesis that environmental disclosure's impact on innovation and creativity was observed. Based on this consequence shows that there is a positive influence of environmental disclosure on the company's profitability. This proves that the more firms engaged in





environmental disclosure, the more likely to show their environmental technology and strategies (García-Sánchez et al., 2021).

H1(c). Environmental disclosure can positively impact the product marketing of Alhlia Cement Company.

The results of the third sub-Hypothesis Test can be pointed out in table 5

Table 5: Result of the impact of environmental disclosure on product marketing
Descriptive Statistics and (One-Sample T-Test)

NO	Items	Mean	St division	P-Value
1	The company's environmental disclosure expands its ability to market its products.	4.01	0.408	0.000
2	The company's disclosure of its costs and environmental benefits contributes to a significant increase in annual sales.	4.03	0.425	0.000
3	Corporate environmental disclosure enhances the company's image and reputation within society.	4.1	0.554	0.000
4	The company's disclosure of its costs and environmental benefits contributes to developing its marketing policies to achieve a competitive advantage in the market.	4.13	0.575	0.000
5	The company's disclosure of its environmental costs and benefits contributes to establishing its market reputation and attracting more investors.	4.31	0.608	0.000
6	The company's disclosure of its costs and environmental benefits contributes to increasing its exports and establishing its feet in the foreign market.	3.96	0.589	0.000
7	Promotes environmental disclosure in the expansion of competitive markets in cement companies.	4.09	0.543	0.000
Level Impact		4.09	0.219	0.000

Table 5 indicates the results of descriptive statistics and the T-test, respectively. The average values of the impact of environmental disclosure on product marketing are between (3.96) - (4.31), representing that environmental disclosure's impact on a product marketing company is high. Therefore, the probability value shows 0.000 at a 5% significance level. Since the *P*-value of 0.000 is less than a 5% significance level, the third sub-hypothesis is accepted. Based on this, it shows a positive influence of environmental disclosure on the company's product marketing. This proves that the more firms engage in environmental disclosure, the more likely to show their product quality to the customers. It can be used as a tool for product differentiation (Bardos et al., 2020).





H1: Environmental disclosure can positively impact the companies' competitiveness in Alhlia Cement Company.

The results of the primary hypothesis Test can be pointed out in table 6

Table 6: Result of the impact of environmental disclosure on companies' competitiveness

Descriptive Statistics and (One-Sample T-Test)

Items	Mean	St division	P-Value
The impact of environmental disclosure on companies' competitiveness	4.11	0.408	0.000

Table 6 points out the results of descriptive statistics and the T-test, respectively. The average values of the impact of environmental disclosure on companies' competitiveness are, on average (4.11), showing that the environmental disclosure's impact on companies' competitiveness is high. Therefore, the probability value shows 0.000 at a 5% significance level. Since the *P*-value of 0.000 is less than a 5% significance level, the primary hypothesis is thus supported. This proves that the more firms engage in environmental disclosure, the more likely their country-level competitiveness to increase (Cohen, 2018).

8. Discussion & Conclusion

Environmental disclosure has become one of the significant factors affecting profitability (Wahyuningrum et al., 2021). The research examined the impact of environmental disclosure on firms' competitiveness from the Allhlia cement company perspective. The test results that were carried out indicate that environmental disclosure significantly affects the first indicator, which is profitability positively. Therefore, the first sub-hypothesis is accepted, proving that a more comprehensive environmental disclosure increases firms' profitability. The extent of environmental disclosure will raise stakeholder confidence in the company's performance. The stakeholders will see the companies as a party responsible for environmental sustainability in their operating activities, which will indirectly increase the purchasing power of customers on an ongoing basis for the company's products. The increase in sales certainly affects increasing the company's profitability.

Under the signal theory, this will positively affect giving signals to stakeholders that through that period, the company's profitability is high and triggers the interest of stakeholders to invest. This study is in line with the prior research conducted by Ningtyas & Triyanto (2019), Che-Ahmad & Osazuwa (2015), Wahyuningrum et al.





(2021), and Moshud (2020), which shows that there is a significant favourable influence of environmental disclosure on profitability.

The finding of the second sub-hypothesis showed a significant impact of environmental disclosure on innovation and creativity from the Allhlia cement company perspective. The most innovative companies from the environmental point of view are interested in providing integrated environmental information to show their environmental technologies, their strategies and the results obtained (García-Sánchez et al. 2021). Therefore, the hypothesis is accepted; according to (Baron, 2011), innovation is often critical in achieving rapid growth in the environmental area. Overall, the link between creativity and innovation will be more vital in highly dynamic than stable environments because the environmentally-generated pressures to use the ideas generated by creative thought will be more assertive in dynamic environments. This consequence is in a streak by García-Sánchez et al. (2021) and Yin & Wang (2017), which show the positive influence of environmental disclosure on the second indicator (innovation and creativity).

However, the third sub-hypothesis showed a significant positive impact of environmental disclosure on product marketing from the Allhlia cement company perspective. The benefit of corporate environmental disclosure might be higher than costs in moderately competitive industries; If firms use CER as a strategy for product differentiation in a market, then we should see a positive link between product market competition and the average CER levels in the industry (Meng et a. 2015). CSR may improve customer satisfaction and enhance product market perception (Bardos et al., 2020), (Flammer, 2015). Bardose et al. (2020) and Declerck et al. (2012) are the most closely related papers.

Finally, our research observed that the effect of environmental disclosure on firms' competitiveness is more substantial for environmental disclosure strengths. Environmental disclosure is crucial for firms to achieve competitiveness and face market fluctuations. The consistency in results demonstrated the workers' concern for the environment regardless of the industry. Concerning our results, this study extends valuable environmental disclosure. A recommendation that can be given under the findings of this study is for Libyan companies to responsibly consider the environmental impacts of their activities and undertake actions aimed at preserving environmental resources to widen competitiveness. We also recommend that the Libyan government should come up with an incentive as a way of motivating firms to disclose environmental information. Our study makes essential contributions to the





current literature examining the influence of firm behaviour in the link between environmental disclosure and competitiveness advantage. Furthermore, we seek to determine the Libyan Context's competitiveness, where Alhlia Company plays a dominant role in crucial Cement industries. Hopefully, this study will help better understand how companies improve their competitiveness under environmental regulation and recommend strengthening government regulations in environmental management for economies.

Although our research findings are limited to three indicators to measure the competitiveness from the perspective of enterprises operating in one region and non-disclosure of environmental information in the company, we believe that the research findings gave us an accurate picture of the situation in the analysed area. In future studies, it is worthwhile to analyse socially responsible activities toward the environment undertaken by businesses in other regions of the country that discloses their environmental information and then compare them with the studies carried out in other countries.

Reference:

- Abustala, A. (2022). Environmental disclosure in the light of environmental legislation and its impact on the quality of financial statements. An applied study on the companies of the Libyan cement industry. *Āfāqiqtiṣādiyyat Journal*. 8,(15). P 170-209.
- Alam, M. S., Atif, M., Chien-Chi, C., & Soytaş, U. (2019). Does corporate R&D investment affect firm environmental performance? Evidence from G-6 countries. *Energy Economics*, 78, 401-411.
- Albertini, E. (2014). A descriptive analysis of environmental disclosure: A longitudinal study of French companies. *Journal of Business Ethics*, 121(2), 233-254.
- Aldrugi, A., & Abdo, H. (2014). Determining the motives or reasons that make companies disclose environmental information. *Journal of Economics, Business and Management*, 2(2), 117-121.
- Bardos, K. S., Ertugrul, M., & Gao, L. S. (2020). Corporate social responsibility, product market perception, and firm value. *Journal of Corporate Finance*, 62, 1-18.





- Baron, R. A., & Tang, J. (2011). The role of entrepreneurs in firm-level innovation: Joint effects of positive affect, creativity, and environmental dynamism. *Journal of Business Venturing*, 26(1), 49-60.
- Chariri, A., Nasir, M., Januarti, I., & Daljono, D. (2019). Determinants and consequences of environmental investment: An empirical study of Indonesian firms. *Journal of Asia Business Studies*, VOL. 13 NO. 3 2019, pp. 433-449.
- Che-Ahmad, A., and Osazuwa, N. P. 2015. Environmental Accounting and Firm Profitability in Nigeria: Do firm-specific effects matter? *The IUP Journal of Accounting Research & Audit Practices*, Vol. XIV No. 1. Pages 43– 54.
- Chuang, S. P., & Huang, S. J. (2018). The effect of environmental corporate social responsibility on environmental performance and business competitiveness: The mediation of green information technology capital. *Journal of business ethics*, 150(4), 991-1009.
- Ciocanel, A. B., & Pavelescu, F. M. (2015). Innovation and competitiveness in European Context. *Procedia Economics and Finance*, 32, 728-737.
- Cohen, M. A., & Tubb, A. (2018). The impact of environmental regulation on firm and country competitiveness: A meta-analysis of the porter hypothesis. *Journal of the Association of Environmental and Resource Economists*, 5(2), 1-60.
- Cormier, D., & Magnan, M. (2013). The Economic Relevance of Environmental Disclosure and its Impact on Corporate Legitimacy: *An Empirical Investigation. Business Strategy and the Environment*, 24(6), 431–450.
- Dechezleprêtre, A., Sato, M., (2018). Green policies and firms' competitiveness. Green Growth and Sustainable Development Forum & Green Growth Knowledge Platform 6th Annual Conference. P1-29.
- Declerck, Marion Dupire, and Bouchra M'Zali. "Product market competition and corporate social responsibility." Work. Pap 14 (2012).
- Doran, J., & Ryan, G. (2014). The Importance of the Diverse Drivers and Types of Environmental Innovation for Firm Performance. *Business Strategy and the Environment*, 25(2), 102–119.
- Famiyeh, S., Adaku, E., Amoako-Gyampah, K., Asante-Darko, D., & Amoatey, C. T. (2018). Environmental management practices, operational competitiveness





- and environmental performance. *Journal of Manufacturing Technology Management*, 29(3), 588–607.
- Fernandez-Kranz, D., & Santalo, J. 2010. When necessity becomes a virtue: The effect of product market competition on corporate social responsibility. *Journal of Economics and Management Strategy*, 19(2): 453–487.
- Flammer, C. (2015). Does product market competition foster corporate social responsibility? Evidence from trade liberalisation. *Strategic Management Journal*, 36(10), 1469-1485.
- Gallardo-Vázquez, D., & Sanchez-Hernandez, M. I. (2014). Measuring Corporate Social Responsibility for competitive success at a regional level. *Journal of Cleaner Production*, 72, 14-22.
- García-Sánchez, I. M., Raimo, N., & Vitolla, F. (2021). Are environmentally innovative companies inclined towards integrated environmental disclosure policies? *Administrative Sciences*, 11(1), 29.
- García-Sánchez, I. M., Raimo, N., & Vitolla, F. (2021). Are environmentally innovative companies inclined towards integrated environmental disclosure policies? *Administrative Sciences*, 11(1), 29.
- Harb, Ayman Saleh Mustafa. (2016). The impact of accounting disclosure on new investors and the competitive environment on tourism companies in Jordan. *Arab Journal of Science and Research Publishing*, 17(3999), 1-19.
- Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A., & Zeriti, A. (2013). Resources and capabilities as drivers of hotel environmental marketing strategy: Implications for competitive advantage and performance. *Tourism Management*, 35, 94-110.
- Li, Z., Liao, G., & Albitar, K. (2020). Does corporate environmental responsibility engagement affect firm value? The mediating role of corporate innovation. *Business Strategy and the Environment*, 29(3), 1045-1055.
- Madueno, J. H., Jorge, M. L., Conesa, I. M., & Martínez-Martínez, D. (2016). Relationship between corporate social responsibility and competitive performance in Spanish SMEs: Empirical evidence from a stakeholders' perspective. *BRQ Business Research Quarterly*, 19(1), 1-18.





- Mahmood, Z., Ahmad, Z., Ali, W., & Ejaz, A. (2017). Does environmental disclosure relate to environmental performance? Reconciling legitimacy theory and voluntary disclosure theory. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 11(3), 1134-1152.
- Marin, L., Martín, P. J., & Rubio, A. (2017). Doing good and different! The mediation effect of innovation and investment on the influence of CSR on competitiveness. *Corporate social responsibility and environmental management*, 24(2), 159-171.
- Marín, L., Rubio, A., & de Maya, S. R. (2012). Competitiveness as a strategic outcome of corporate social responsibility. *Corporate social responsibility and environmental management*, 19(6), 364-376.
- Meng, X. H., Zeng, S. X., Xie, X. M., & Qi, G. Y. (2015). The impact of product market competition on corporate environmental responsibility. *Asia Pacific Journal of Management*, 33(1), 267-291.
- MOSHUD, N. M. (2020). The Impact of Profitability on Environmental Disclosure of Quoted Firms in Nigeria. *The Eurasia Proceedings of Educational and Social Sciences*, 17, 39-49.
- Ningtyas, A. A., & Triyanto, D. N. (2019). Pengaruh Kinerja Lingkungan Dan Pengungkapan Lingkungan Terhadap Profitabilitas Perusahaan. *JASa (Jurnal Akuntansi, Audit Dan Sistem Informasi Akuntansi)*, 3(1), 14-26.
- Pedersen, E. R. G., Gwozdz, W., & Hvass, K. K. (2018). Exploring the relationship between business model innovation, corporate sustainability, and organisational values within the fashion industry. *Journal of Business Ethics*.
- Radu, C., & Francoeur, C. (2017). Does Innovation Drive Environmental Disclosure? A New Insight into Sustainable Development. *Business Strategy and the Environment*, 26(7), 893-911.
- Rajapathirana, R. J., & Hui, Y. (2018). Relationship between innovation capability, innovation type, and firm performance. *Journal of Innovation & Knowledge*, 3(1), 44-55.
- Siudek, T., & Zawojcka, A. (2014). Competitiveness in the economic concepts, theories and empirical research. *Acta Scientiarum Polonorum. Oeconomia*, 13(1). P91-108.





Solomon & Sanad. (2019). The Impact of Voluntary Disclosure of Environmental Accounting Information in Support of Competitiveness in Industrial Establishments. A field study on the plant engineer Buhayat). *Journal of Graduate Studies. Vol 54. (1). P 106- 131.*

Wahyuningrum, I. F. S., Amal, M. I., & Sularsih, S. (2021). The Effect of Environmental Disclosure and Performance on Profitability in the Companies Listed at Stock Exchange of Thailand (SET). *Jurnal Ilmu Lingkungan, 19(1), 66-72.*

Wang, Y., Li, C., Khan, M. A., Li, N., & Yuan, R. (2021). Firm information disclosure environment and R&D investment: Evidence from Internet penetration. *PloS one, 16(3), 1- 20.*

Yadav, P. L., Han, S. H., & Rho, J. J. (2015). Impact of environmental performance on firm value for sustainable investment: Evidence from large US firms. *Business strategy and the environment, 25(6), 402-420.*

Yin, J., & Wang, S. (2017). The effects of corporate environmental disclosure on environmental innovation from stakeholder perspectives. *Applied Economics, 50(8), 905–919.*

Yuriiivna, C. O., & Sergiivna, K. V. (2015). Theoretical and applied aspects of the development of environmental investment in Ukraine. *Marketing and management of innovations,(3), 226-234.*

Żelazna, A., Bojar, M., & Bojar, E. (2020). Corporate Social Responsibility towards the Environment in Lublin Region, Poland: A comparative study of 2009 and 2019. *Sustainability, 12(11), 1-13.*

Zhao, X., Zhao, Y., Zeng, S., & Zhang, S. (2015). *Corporate behaviour and competitiveness: impact of environmental regulation on Chinese firms. Journal of Cleaner Production, 86, 311–322.*

Zhou, G., Zhang, L., & Zhang, L. (2019). *Corporate Social Responsibility, the Atmospheric Environment, and Technological Innovation Investment. Sustainability, 11(2), p1-13.*





أثر الإفصاح البيئي على تنافسية الشركات من وجهة نظر الشركة الأهلية للاسمنت

المستخلص

يعد الإفصاح البيئي موضوعًا ساخنًا في مجال الأعمال ، بالإضافة إلى الطلب المتزايد على الإفصاح البيئي الموثوق به من مجموعة واسعة من أصحاب المصلحة. تهدف هذه الدراسة لمعرفة تأثير الإفصاح البيئي كعامل حاسم على القدرة التنافسية للشركات باستخدام ثلاث مؤشرات وهي (الربحية، الابداع والابتكار، وتسويق المنتج). ولتحقيق هذا الهدف تم تصميم استبانة مكون من (19) فقرة موزعة على مجتمع الدراسة (الشركة الأهلية للأسمنت كدراسة حالة للحصول على وجهات النظر). حيث تم توزيع (70) استمارة على المدراء الماليين والمحاسبين بالشركة ، وتم استلام (67) استبانة. وتوصلت هذه الدراسة ألى عدة نتائج أهمها: أن الإفصاح البيئي له تأثير إيجابي كبير على كل من (الربحية، الابداع والابتكار، تسويق المنتج). ، كما أن الإفصاح البيئي يؤثر على القدرة التنافسية للشركات. توصي الدراسة الشركات اللبينة للنظر بشكل مسؤول في الآثار البيئية لأنشطتها واتخاذ إجراءات تهدف إلى الحفاظ على الموارد البيئية لتوسيع قدراتها التنافسية .

الكلمات الدالة: الإفصاح البيئي، التنافسية، الربحية، الابداع والابتكار، تسويق المنتج.

