“The reality of social responsibility accounting in commercial banks listed on the Amman Stock Exchange”

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THE REALITY OF SOCIAL RESPONSIBILITY ACCOUNTING IN COMMERCIAL BANKS LISTED ON THE AMMAN STOCK EXCHANGE

Abstract

The modern concept of social responsibility states that in the due course of business, enterprises should pay due attention to social interests of stakeholders as a whole as most of the decisions taken by a company affect all the stakeholders. Through these means, companies are now focusing on informing their stakeholders about their contribution to social responsibility through disclosures made in annual reports. In this direction, this study is being conducted with the aim of examining the social responsibility accounting disclosures (SRA) of the banks listed on the Amman stock market. The study analyzed data from 14 Amman Stock Exchange banks for ten years from 2012 to 2021. Data for the study were gathered from Amman Stock's official website. The results of the study confirm that the extent of disclosures on SRA has been decreasing over the study period, and such a trend has been seen in all the four sub-dimensions (community, environment, employees, and stakeholders) of SRA. The results of the study confirm that social responsibility accounting disclosures differ significantly across the set of business characteristics like firm size, firm age, and equity ratio. The results also confirm a significant negative relationship between bank size and equity ratio with SRA and a significant positive relationship between age and profitability with SRA. The study results suggest that SRA disclosures should be increased both in terms of volume and pattern.

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INTRODUCTION

Initially, the primary goal of any business has typically been to maximize profits. In fact, all the business activities were channelized in such a way that led to maximum profits. However, companies gradually began to understand that, in addition to maximizing profits, social responsibility must also be prioritized if they are to survive in the rapidly changing global environment. By these means, the foundation for the contemporary idea of social accountability was formed (Altaf, 2022). Further, in an early study, Bowen (1978) stressed upon social responsibility of businessmen and laid down the groundwork for managers to take into account social responsibility while making strategic decisions. Additionally, he was the first to widely describe the importance of ethics and social responsibility in the context of a business corporation. Towards this direction, disclosures were made in the annual reports of the companies wherein they mentioned their contribution to society. This part of the disclosure came to be called social responsibility accounting. Many scholars (Walker, 2016; Beesley & Evans, 1978; Gambling, 1974; Linowes, 1968) made early contributions to this thought. They asserted that social responsibility accounting is the process through which business communicates to interested groups and society, their contributions towards society, and the environment.

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Globally, the accounting research community has worked very hard to improve the social responsibility disclosures in the reports of companies. Corporates today make disclosures on a wide variety of social responsibility practices, for instance, employee welfare (Shen & Jiuhua Zhu, 2011; Brammer et al., 2007), building a reputation among the stakeholders and community (Brammer et al., 2007; Sarkar, 2008), protecting the environment (Cortez & Cudia, 2011). In addition, another strand of the literature on social responsibility accounting emerged that relates to the factors that affect social responsibility accounting. Given that this is the recent literature, only a few recent studies are available that explain this phenomenon, including Nguyen et al. (2021) and Hung et al. (2020). It is believed that the business/firm characteristics, like firm size, firm age, and ownership structure are the factors that affect the social responsibility accounting practices of firms (Branco & Rodrigues, 2008). On the other hand, Cho and Patten (2007) assert that political and social pressure force organizations to make disclosures with regard to their contributions to society. The strands of literature on social responsibility accounting mostly emerged from developed countries like the United States, Japan, United Kingdom (Obara & Peattie, 2018; Alvarado-Herrera et al., 2017). However, the literature on social responsibility accounting is missing from developing countries. Prior studies reason out that developing countries lack resources as well as skills for the implementation of social responsibility accounting (Hamidu et al., 2018; Nejati et al., 2017). By these means, the literature concerning this phenomenon did not pick up. Also it was found that only two studies (Shahwan et al., 2022; AL-Hawatmah & Shaban, 2018) were conducted on the social responsibility accounting disclosures in Jordan but these studies were not focused on banks listed on Amman Stock Exchange. The above-mentioned literature makes it clear that the examination of social responsibility accounting disclosures in developing economies is missing and therefore research investigating this phenomenon among the listed banks on Amman Stock exchange is highly relevant.

1. LITERATURE REVIEW AND HYPOTHESES

The early contributions to social responsibility accounting were laid down by many scholars, including Beesley and Evans (1978), Gambling (1974), and Linowes (1968). It was recommended that a socio-economic operational statement should be disclosed along with a company's regular financial statement (Tilt, 2010). Specifically, in this statement, firms must disclose those expenditures that they made voluntarily with an aim to improve the welfare of the employees and/or public, the safety of the product, and/or conditions of the environment (Wildowicz-Giegiel, 2014). By reporting social contributions, the socially conscious business will look better both financially and socially, which is a more equitable and desirable outcome (Gholami et al., 2012). Although the approach is admirable and thorough, it permits unacceptably subjective subjectivity in the definition of determinants, which may render the report useless. This reduces its utility for social reporting on the outside (Gordon & Gelardi, 2005).

The most important way to measure the social responsibility accounting disclosures of a firm has been regarded as content analysis (Turker, 2009). In a recent study, Shahwan et al. (2022) have done a content analysis of the annual reports of firms listed on the Amman Stock Exchange in order to measure the social responsibility accounting disclosures of these firms. Specifically, content analysis revolves around the notion, that is to access the social responsibility accounting disclosures on the basis of the imprints it has made about it in its published reports like annual reports, business responsibility reports, and sustainability reports (Anderson & Frankle, 1980; Ingram, 1978). Prior literature has asserted the four dimensions of social responsibility accounting that is community, environment, employees and stakeholders.

It is regarded that the community is indirectly linked to the firm; however, the operations of the firm have a direct effect on the community where the firm is located. Nowadays, companies are giving society and the community more consideration by means of increased spending on socially responsible initiatives. According to Pedersen (2010), businesses contribute to society by creating jobs and timely paying taxes. With contributions towards the community, corporations engage in more societal activities by funding education

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(Jamali & Sidani, 2012), building infrastructure (Gilberthorpe & Banks, 2012), providing healthcare (Jamali & Sidani, 2012), and supporting the arts, sports, and culture (Walters, 2009). Engaging in such activities would result in sustained community growth based on mutual respect and social fairness (Ismail, 2009). However, delaying community involvement can cost the business more money in the long term, since people will perceive it as a disregard for social commitments (Porter & Kramer, 2006).

Environmental issues have drawn more attention as a result of recent trends in problems like climate change and global warming. These problems are intricate and multifaceted in nature. Therefore, contribution towards the environment entails businesses integrating environmental efforts into their daily operations without significantly sacrificing financial success. Businesses that use this form of management are more concerned with the environmental and social contexts, work to effectively use resources, and reduce waste and pollution (Shrivastava, 1995). Mostly, the environmental contributions of the business involve offering environmentally sustainable products and services, preserving resources, improving environmentally conscious behavior in the workplace, and reducing pollution (Jansson et al., 2010; Pickett-Baker & Ozaki, 2008; Nik Ramli, 2007).

Contribution towards employee welfare is important because when employees are inspired only then does the output increase. Contributions towards employee welfare include providing fairness in the working environment, well-being in terms of job satisfaction, and mental and emotional health, and improving various other desirable outcomes such as employee commitment, decreased absenteeism, and improved job performance (Colquitt et al., 2001). According to Ross (1997), training programs allow workers the enhance and improve their interpersonal and professional abilities. These abilities, in turn, boost employee job satisfaction, which lowers employee turnover and strengthens organizational commitment (Lantos, 2002).

Customers today are more aware than ever before of sustainability. They have a more favorable opinion of companies that are socially responsible. Therefore, businesses should increase their social responsibility in order to increase their base of happy customers, which will ultimately aid in enhancing their financial success (Yam & Ismail, 2009). Modern consumers are also aware of their rights and expect businesses to uphold all of their moral and legal duties, including adhering to quality standards, providing accurate product information, putting an emphasis on product safety, and having a strong dispute-resolution process in place (Carroll & Shabana, 2010). Therefore, the business should strive in the above-mentioned areas in order to create an engaging space among its stakeholders.

Only a few studies have been conducted on determining the factors that affect social responsibility accounting (Nguyen et al., 2021; Hung et al., 2020; Bidari & Djajadikerta, 2020). These studies assert that a set of firm/business characteristics affect the social responsibility accounting practices of firms. These characteristics include firm size, firm age, firm profitability, and ownership structure. These views are also consistent with stakeholder theory. In a study, Menassa (2010) found a significant relationship between bank size and the disclosed amount of social responsibility information among Lebanese banks. In a similar vein, Branco and Rodrigues (2008) found a significant relationship between bank size and the amount of social responsibility disclosures in Malaysian banks. Further, Bayoud et al. (2012) found a significant relationship between firm age and social responsibility disclosures among Libyan firms. In a similar vein, Liu and Anbumozhi (2009) found a significant positive relationship between firm age and social and economic disclosures for Chinese firms. Additionally, it is asserted that firm profitability improves with greater social responsibility disclosures (Carnevale et al., 2012).

The available literature asserts that there is a lack of studies that have analyzed the social responsibility accounting disclosures in developing economies. Therefore, there is a need for a study that will focus on one of the developing economies. This study builds on this stance by using Jordan for accessing the social responsibility accounting disclosures of banks listed on the Amman Stock Exchange. With regard to Jordan, only a few studies on the social responsibility accounting phenomenon could be found (Shahwan et al., 2022; AL-Hawatmah & Shaban, 2018). However, to the best of the researcher's knowledge, there is not a single study analyzing the social responsibility accounting practices among banks listed on Amman Stock Exchange. Accordingly, this study is needed because it would attempt to examine the social responsibility accounting disclosures in the banks listed on the Amman Stock Exchange, which has not been studied before. Second, it is asserted that the literature on social responsibility accounting has mostly focused on analyzing environmental contributions (AL-Hawatmah & Shaban, 2018). Therefore, there is a need for a study that would take all four dimensions of social responsibility accounting (environment, employees, community, and stakeholders) into account. Third, there is a need to examine whether social responsibility accounting disclosures differ across the set of business characteristics like firm size, firm age, profitability, and equity ratio and fourth this type of study is needed to examine whether the above-mentioned business characteristics have an impact on social responsibility accounting disclosures in the banks listed on Amman Stock Exchange. Given this set of needs that this study tries to achieve, the following is the set of hypotheses formulated for the study:

H1: The social responsibility accounting disclosures differ significantly across the set of business characteristics like firm size, firm age, profitability, and equity ratio.

H2: There is a significant impact of firm size, firm age, profitability, and equity ratio on the social responsibility accounting disclosures in the banks listed on the Amman Stock Exchange.

2. RESEARCH METHODOLOGY

The section outlines the methodology used in the study, which covers the sample selection criteria, data sources, and data-gathering techniques. This chapter also explains the data analysis techniques used. The study is sample-based, and the sample consists of banks listed on the Amman Stock Exchange. It is worth noting that 14 banks are listed on the Amman Stock Exchange (see Table 1), and these 14 banks form part of the sample. The data for the study have been collected for 10 years from 2012 to 2021, and the data has been collected from the official website of the Amman Stock Exchange (https://www.ase.com.jo/en). The data for the firm-level variables have been collected from the annual reports of the banks to calculate the data on firm-level variables of the study. With regard to social responsibility accounting disclosure, content analysis of the annual reports has been performed. With this content analysis, the questionnaire (given in the Appendix) was filled with a numeric score of 1, if the particular bank has made a disclosure on the item mentioned in the questionnaire, and 0 otherwise.

Table 1. Banks included in the sample

S. No.	Bank name
1	Jordan Islamic Bank
2	Jordan Kuwait Bank
3	Jordan Commercial Bank
4	The Housing Bank for Trade and Finance
5	Arab Jordan Investment Bank
6	Safwa Islamic Bank
7	Bank Al Etihad
8	Arab Banking Corporation /(Jordan)
9	Invest Bank
10	Capital Bank of Jordan
11	Cairo Amman Bank
12	Bank of Jordan
13	Jordan Ahli Bank
14	Arab Bank

Further, for the purpose of this study, social responsibility accounting disclosures (SRA) have been used as a dependent variable. This variable is measured as the amount of disclosure made by banks on four dimensions, namely community (COM), environment (ENV), employees (EMP), and stakeholders (STK). The data for this variable has been collected from annual reports of the banks by using content analysis. If the particular bank has made a disclosure on the item mentioned in the instrument, a score of 1 is assigned, and 0 otherwise. The final score for SRA is arrived at by taking the average of scores across the four sub-dimensions. To know about the amount of disclosure made by banks on an annualized basis, the SRA is calculated in percentage terms, which is calculated as (No. of SRA items adopted by a Company/ Total No. of items in the SRA Measurement instrument) × 100. It is worth noting that for the community

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sub-dimension, a total of 7 statements were used in the instrument, similarly, for the environment dimension, 4 statements have been used, for the employee dimension, 6 statements have been used, and finally, for the stakeholder dimension, 5 statements are put in the instrument. By these means, the final instrument contains 22 statements across four sub-dimensions. Further, firm size (Size) is measured as the logarithm of total assets, firm age (AGE) is measured as the difference in the current year and the year of registration, profitability (PROF) is measured as the ratio of net profit to total assets of the bank, equity ratio (EQR) measured as the ratio of shareholders' equity to total assets are used as independent variables.

To examine the social responsibility accounting disclosures, the mean and percentage analysis has been used. Secondly, to examine whether social responsibility accounting disclosures differ across the set of business characteristics the Independent T-test has been used, and lastly, with regard to testing the impact of firm size, firm age, profitability, and equity ratio on the social responsibility accounting, regression analysis was used. Following is the regression model used.

$$SRA_{i,t} = \beta_{0\,i,t} + \beta_1 SIZE_{i,t} + \beta_2 AGE_{i,t} + \\ + \beta_3 PROF_{i,t} + \beta_4 EQR_{i,t} + \varepsilon_{i,t}, \quad (1)$$

where *SRA* is the social responsibility accounting disclosure, *SIZE* is the firm size, *AGE* is the firm age, *PROF* is the profitability is the equity ratio and ε is the error term.

3. RESULTS AND DISCUSSION

The study examines the social responsibility accounting disclosures in banks listed on the Amman Stock Exchange. Also, the study examines whether the social responsibility accounting disclosures differ significantly across the set of business characteristics like firm size, firm age, profitability, and equity ratio. Additionally, the study tries to find out the impact of firm size, firm age, profitability, and equity ratio on the social responsibility accounting disclosures in the banks listed on the Amman Stock Exchange. To this end, four sub-dimensions of social responsibility accounting have been used, including community (COM), environment (ENV), employee (EMP), and stakeholders (STK). In Table 2, the extent of the disclosure (in percentage terms) made by sample firms across 10 years has been presented. From the figures presented in Table 2, it is found that for the COM dimension, banks listed on the Amman Stock Exchange have made their disclosure on approximately 50 percent of the statements presented in the instrument. However, the extent of disclosure on the community dimension has decreased through the sample period, since firms disclosed 61 percent of information on the community dimension in the year 2012, which has been reduced to 48 percent in the year 2021. Further, similar results are found in the case of the ENV dimension, where firms have made the disclosure on 70 percent of the statements in the year 2012, which they have gradually brought down to 46 percent in the year 2020. However, for the year 2021, the disclosure on the environment has increased to 53 percent.

Further, with regard to the EMP dimension, firms have made a remarkable disclosure on 95 percent of the statements as presented in the scale during the year 2012. However, similar to other dimensions, disclosure on this dimension has been reduced across the years. It is worth noting that among all the dimensions, the highest percentage of disclosure is made on employee dimension by the banks listed on the Amman Stock Exchange. A similar sought of trend has been witnessed for the STK dimension, where firms initially made the disclosure on 68 percent of the statements on stakeholder dimension in the year 2012, which has been gradually bought down to 58 percent in the year 2021.

Notably, the results confirm a similar trend for overall SRA, which is true because SRA is the conduit of all four sub-dimensions. From the figures presented in Table 2, it can be said that firms have made the disclosure on 60 percent of the statements out of 22 statements as presented in the instrument. Therefore, the stretch of disclosure is average but can be improved with time. Further, from the figures on the SIZE variable, a gradual increase can be witnessed as we move from 2012 to 2021, meaning that banks have gradually grown in size over the period of time, but the growth in size has not been at a very high rate. With regard

Table 2. Year-wise distribution of variables

Variable	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
COM	61.22	59.18	59.18	56.12	53.06	52.04	48.97	50.00	48.97	48.97
ENV	71.42	66.07	64.28	64.28	57.14	51.78	50.00	48.21	46.42	53.57
EMP	95.23	88.09	90.47	86.90	86.90	85.71	83.33	80.95	83.33	77.38
STK	68.57	62.85	60.00	65.71	64.28	64.28	62.85	58.57	60.00	58.57
SRA	74.02	69.15	68.83	68.18	65.58	63.96	61.68	60.06	60.38	59.74
SIZE	9.28	9.32	9.36	9.38	9.40	9.42	9.44	9.47	9.49	9.53
AGE	42.28	43.28	44.28	45.28	46.28	47.28	48.28	49.28	50.28	51.28
PROF	1.23	1.29	1.38	1.17	1.13	1.04	1.12	0.96	0.50	0.86
EQR	14.87	14.52	14.02	13.77	13.82	13.77	13.11	12.64	12.40	11.88

to the age variable, results witnessed an increase across the years, which are true because as we move from 2012 to 2021, firms would tend to grow older. Interestingly, it is also found that the profitability of the banks has moved in an irregular manner across the years, but firms have remained profitable across all the years and not registered loss in any of the years. Lastly, with regard to the EQR variable, it is witnessed that across the years EQR has remained steady with an average of around 12.

In Table 3, the extent of SRA disclosures (percentage terms) across banks and across years is presented. From the figures in Table 3, it can be witnessed that Cairo Amman Bank has made the highest amount of disclosures on SRA across the time period of the study. The Cairo Amman Bank is followed by Jordan Ahli Bank for the extent of SRA disclosures and then by Arab Bank. These banks have made the disclosure on 80 to 90 percent of the 22 statements presented in the instrument. Further, the rest of the banks have almost made similar disclosures, that is around 50 to 60 percent of the disclosure on 22 statements presented in the instrument. It is worth noting that the extent of disclosure has been reduced by all the banks over the years.

In Table 4, the results of examining whether the social responsibility accounting disclosures differ across the set of business characteristics like firm size, firm age, profitability, and equity ratio are presented. Specifically, an independent sample t-test has been used to determine whether there is a significant difference in social responsibility disclosures across a set of business characteristics. It is worth noting that firms are segregated into two halves by using median values, for instance, in the case of bank size, the median value for each bank, and also the overall median. Banks with median values above the overall median values were categorized as large banks and those having median values less than the overall median were categorized as small banks. A similar approach was followed for other characteristics as well.

Table 3. SRA disclosure by banks across years

Bank Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Jordan Islamic Bank	68.18	63.63	72.72	72.72	72.72	68.18	59.09	63.63	59.09	59.09
Jordan Kuwait Bank	63.63	59.09	63.63	63.63	59.09	54.54	54.54	50.00	50.00	54.54
Jordan Commercial Bank	77.27	72.72	72.72	77.27	81.81	72.72	68.18	68.18	68.18	45.45
The Housing Bank for Trade and Finance	63.63	63.63	63.63	54.54	59.09	59.09	59.09	59.09	59.09	59.09
Arab Jordan Investment Bank	72.72	72.72	68.18	68.18	63.63	63.63	63.63	68.18	63.63	68.18
Safwa Islamic Bank	63.63	63.63	63.63	54.54	54.54	50.00	50.00	54.54	50.00	50.00
Bank al Etihad	72.72	72.72	68.18	72.72	68.18	63.63	59.09	59.09	59.09	59.09
Arab Banking Corporation /(Jordan)	68.18	59.09	50.00	50.00	45.45	45.45	45.45	45.45	45.45	45.45
Invest Bank	63.63	45.45	45.45	72.72	63.63	63.63	63.63	45.45	59.09	68.18
capital bank of Jordan	63.63	59.09	59.09	54.54	50.00	54.54	50.00	45.45	45.45	45.45
Cairo Amman Bank	95.45	90.90	86.36	81.81	81.81	81.81	81.81	81.81	81.81	81.81
Bank of Jordan	77.27	72.72	77.27	68.18	63.63	63.63	63.63	63.63	59.09	59.09
Jordan Ahli Bank	95.45	90.90	90.90	86.36	77.27	77.27	77.27	72.72	72.72	72.72
Arab Bank	90.90	81.81	81.81	77.27	77.27	77.27	68.18	63.63	72.72	68.18

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From the results presented in Table 4, the results confirm the p-values for all the business characteristics, except that profitability is less than a 5 percent level of significance, implying that significant difference exists in the SRA disclosure across banks of different sizes, ages, and EQR but not profitability. These results provide support to the hypothesis that social responsibility accounting disclosures differ significantly across the set of business characteristics like firm size, firm age, and equity ratio. However, the results of this study fail to provide support for the fact that social responsibility accounting disclosures differ significantly across business characteristics like profitability.

Table 4. Difference in SRA across business characteristics

Grouping	Mean	t-value (p-value)
Bank Size grouping		
Large Banks	70.0649	5.293 (0.000)
Small Banks	60.2597	
Bank age grouping		
Old banks	70.2597	5.549 (0.000)
Young banks	60.0649	
Profitability grouping		
High Profitable Banks	63.7662	–1.384 (0.169)
Low Profitable Banks	66.5584	
EQR grouping		
High Equity Ratio Banks	59.6104	–6.173 (0.000)
Low Equity Ratio Banks	70.7143	

In Table 5, the results of factors affecting SRA in the banks listed on the Amman Stock Exchange are presented. Specifically, the impact of firm size, firm age, profitability, and equity ratio on the SRA is tested. The figures presented in Table 5 show that the coefficient on the size variable is negative, and the corresponding p-value is less than 5 percent, implying that a significant negative, or inverse, relationship exists between bank size and SRA disclosures. These results imply that large banks tend to make lesser disclosures in their annual reports. Further, the results confirm a positive coefficient on the AGE variable and the corresponding p-value is less than 5 percent, implying that a significant positive relationship exists between bank age and SRA. These results imply that as banks get older, they tend to make more SRA disclosures.

Further, it is also found that the coefficient on the PROF variable is positive and the p-value corresponding to it is less than a 5 percent level of significance, implying that a significant positive relationship exists between profitability and SRA. These results imply that as bank profitability increase, they tend to make more SRA. Lastly, it is also found that the coefficient on the EQR variable is negative and the corresponding p-value is less than a 5 percent level of significance, meaning that a significant negative relationship exists between EQR and SRA. These results collectively support the hypothesis that there is a significant impact of firm size, firm age, profitability, and equity ratio on the social responsibility accounting disclosures.

Table 5. Factors affecting SRA

Variable	Coefficient	t-value	P-value	VIFs
Constant	6.537	4.450	0.000	
SIZE	–0.396	–2.436	0.016	1.825
AGE	0.027	6.992	0.000	1.779
PROF	0.358	3.553	0.001	1.190
EQR	–0.064	–4.072	0.000	1.152
F	17.394 (0.000)		–	
Adj-R Squared	0.321		–	
Durbin Watson	1.835		–	

From the figures presented in Table 5, it is found that the Adjusted-R Square value is 32 percent, implying that the independent variables are able to explain 32 percent of the variation in the dependent variable. Also it is found that the residuals do not present any particular pattern in Figure 1. Therefore, the results are homoscedasticity and hence the regression model is correctly specified. It is worth noting that the F-value is significant at a 1 percent significance level, implying the fitness of regression models. Additionally, it is found that the Durbin-Watson statistic is within the range of 1.30 to 2.10, implying that autocorrelation is not a problem in these models. Additionally, it is worth mentioning that multicollinearity has been checked by using variance inflation factors (VIFs) that are presented in Table 5. Also it is found that all the VIFs are less than 10, meaning that multicollinearity is unlikely the problem.

The results of the study highlight the importance of the social responsibility accounting disclosures in a sense that it will make firms socially conscious. The results of the study are in conformity with the early contributors (Linowes, 1968; Gambling, 1974; Beesley & Evans, 1978) who also supported the fact that

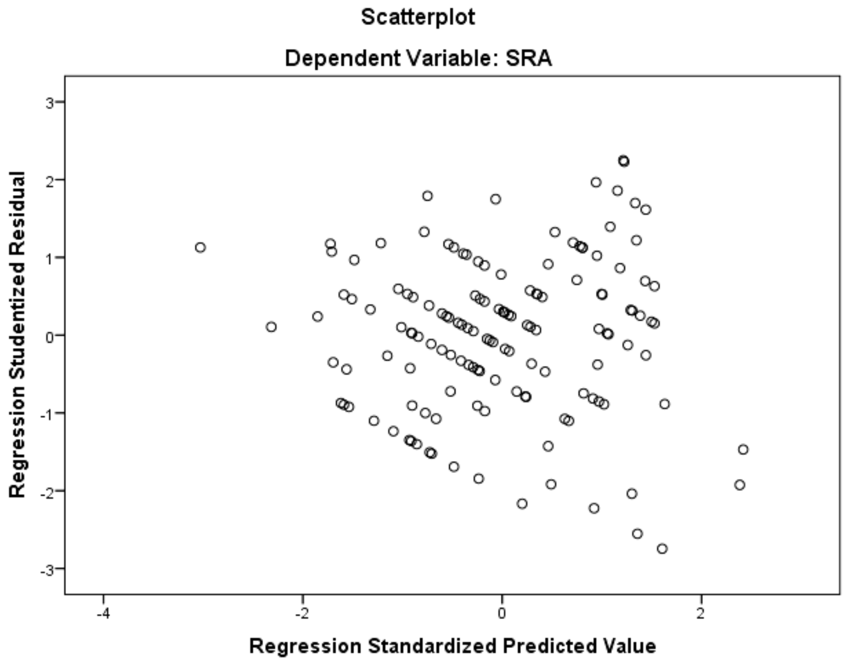

Figure 1. Heteroscedasticity plot

social responsibility disclosures should be made mandatory. However, as found in the prior literature that social responsibility disclosures are yet to pick in developing economies, the results of this study are in support to the fact that social responsibility accounting disclosures have not increased in firms belonging to developing countries. Therefore, the results are in conformity to the results of Shahwan et al. (2022). Further, the results of the study are consistent with those of Nguyen et al. (2021), Hung et al. (2020), and Bidari and Djajadikerta (2020) that assert that the set of firm/business characteristics like firm size, firm age, firm profitability and ownership structure affect the social responsibility accounting practices of firms.

CONCLUSION

The business sector's involvement and engagement in social responsibility initiatives has recently entered into debate and it reflects the motivation for conducting study, particularly one of the first ones to be conducted in Jordan that aimed to examine the social responsibility accounting disclosures in the banks listed on the Amman Stock Exchange. The study used data from 14 listed banks on the Amman Stock Exchange for the 10-year period from 2012 to 2021. The data for the study have been collected from the official website of the Amman Stock Exchange. The results of the study confirm that the extent of disclosures on SRA has been decreasing over the study period and such a trend has been seen in all the four sub-dimensions of SRA. It is also witnessed that Cairo Amman Bank has made the highest number of disclosures on SRA across the time period of the study, followed by Jordan Ahli Bank for the extent of SRA disclosures and then by Arab Bank. However, the extent of disclosure has been reduced by all the banks over the years. It is also found that social responsibility accounting disclosures differ significantly across the set of business characteristics such as firm size, firm age, and equity ratio. It is also found that there was a significant negative relationship between bank size and EQR with SRA and a significant positive relationship between age and PROF with SRA. These results suggest that every bank should constitute a committee that would keep a check on the social responsibility accounting, both in terms of volume and pattern, and ensure sufficient disclosures. Regulators must specify the minimum amount of disclosure required in company reports.

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Although the study has been conducted with much care, some limitations prevail, that include using only the sample of banks listed on Amman Stock exchange. The results of the study would be generalizable mostly to the banking sector of Jordan. By these means future research can be conducted by using sample from other sectors as well. Future research can also be conducted by making a comparison among the sectors in terms of social responsibility disclosures.

AUTHOR CONTRIBUTIONS

Conceptualization: Nahed Habis Alrawashedh.
Data curation: Nahed Habis Alrawashedh.
Formal analysis: Nahed Habis Alrawashedh.
Funding acquisition: Nahed Habis Alrawashedh.
Investigation: Nahed Habis Alrawashedh.
Methodology: Nahed Habis Alrawashedh.
Project administration: Nahed Habis Alrawashedh.
Resources: Nahed Habis Alrawashedh.
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Validation: Nahed Habis Alrawashedh.
Writing – original draft: Nahed Habis Alrawashedh.
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APPENDIX A

Table A1. Questionnaire

Community	Response
Disclosure on contribution towards support for education	
Disclosure on charitable donations and activities	
Disclosure on contribution towards building better connectivity by building roads	
Disclosure on contribution towards healthcare and sanitation	
Disclosure on contribution towards the development of sports, art and culture	
Disclosure on contribution Seminars and conferences	
Disclosure on contribution towards social upliftment programs	
Environment	
Involved in reducing the use of paper	
Contributes towards spreading of environmental awareness	
Environmentally friendly equipment and facilities are in place	
Organizational planning incorporates environmental performance as one of objective.	
Employees	
Conducts training and development programs for employees	
Employee health and safety schemes are in place	
Rights of minority workforce are taken into consideration	
Fair compensation and promotion avenues are available for employees	
Employee grievance redressal mechanism is in place	
Disclosure on number of employees	
Stakeholders	
Interests of investors are considered while making business decisions	
Compiles with legal regulations	
Has an ethical code of conduct in place	
High importance is given to customer satisfaction	
Sound customer grievance redressal mechanism is in place	

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