

The Determinants of Corporate Social Responsibility Disclosure Extent and Quality: The Case of Jordan

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Abstract : This study focuses on investigating the determinants of Corporate Social Responsibility Disclosure (CSRSD) extent and quality in Jordan. The study examines factors that influence CSR disclosure extent and quality, such as corporate characteristics (size, gearing, firm's age, and industry type), corporate governance (board size, number of meetings, non-executive directors, female directors in the board, family directors in the board, foreign members, audit committee, type of external auditors, and CEO duality) and ownership structure (government ownership, institutional ownership, and ownership concentration). Legitimacy theory is utilised as the main theory for our theoretical framework. A quantitative approach is adopted for this research and content analysis technique is used to gather CSR disclosure extent and quality from the annual reports. The sample is withdrawn from the annual reports of 118 Jordanian companies over the period of 2010-2015. A CSRSD index is constructed, and includes the disclosures of the following categories; environmental, human resources, product and consumers, and community involvement. A 7 point-scale measurement was developed to examine the quality of disclosure, were 0= No Disclosures, 1= General disclosures, (Non-monetary), 2= General disclosures, (Non-monetary) with pictures, charts, and graphs 3= Descriptive/ qualitative disclosures, specific details (Non-monetary), 4= Descriptive/ qualitative disclosures, specific details with pictures, charts, and graphs, 5= Numeric disclosures, full descriptions with supporting numbers, 6= Numeric disclosures, full descriptions with supporting numbers, pictures, and Charts. This study fills the gap in the literature regarding CSRSD in Jordan, and the fact that all the previous studies have ignored a clear categorisation as a measurement of quality. The result shows that the extent of CSRSD is higher than the quality in Jordan. Regarding the determinants of CSR disclosures, the followings were found to have a significant relationship with both extent and quality of CSRSD except non-executives, were the significant relationship was found just with the extent of CSRSD: board size, non-executive directors, firm's age, foreign members on the board, number of boards meetings, the presence of audit committees, big 4, government ownership, firm's size, industry type.

Keywords : content analysis, corporate governance, corporate social responsibility disclosure, Jordan, quality of disclosure

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