

# The Extent to Which Jordanian Industrial Companies Disclose Some Items of Social Responsibility in Their Financial Reports

Dr. Saleh Al – Sayed  
Isra University, , P.O Box 22, code 11622,Amman – Jordan

## Abstract

This study aims at identifying the extent to which Jordanian industrial companies disclose some social responsibility items in their financial reports. The study community consists of all the (85) Jordanian industrial companies. The sample of the study consisted of (384) respondents in financial departments , Financial auditors, financial analysts) working in these companies. The study found a number of results, the most prominent of which are: Jordanian industrial companies disclose social responsibility in their financial reports regarding the protection of the environment. The level of this disclosure was high. It also revealed that it discloses social responsibility in its financial reports regarding the regulations and laws of the protection of the general environment, The level of disclosure was high. In light of these results, the researcher presented a number of recommendations, the most important of which are the following: The Jordanian industrial companies continue to disclose bonuses and incentives for employees who are distinguished in environmental activities, and to disclose the laws and regulations related to pollution control, reduction or disposal and disclosure of cost. ,

**Keywords:** Accounting Disclosure, Social Responsibility, Jordanian Industrial Companies.

## Introduction

The social role of companies has become increasingly important in recent times, especially after governments have given up some of their roles in society. Private sector companies have become central to development. Companies have realized that they are not isolated from society. The productive activities, such as the concerns of society, the environment, education and health, are now not only economic entities but also entities connected to the society in which they operate. They operate in a social and economic environment that is intertwined with society. T work in a better environment.

In recent times, corporate social responsibility has grown to the environment and society around it, and the outlook has shifted from a purely economic perspective represented in maximizing profits to a socio-economic perspective.

The collapse of Enron has been the main focus of attention to corporate social responsibility reports in the United States. This is also evident in England, where more and more companies are publishing environmental and social reports through their websites. For example, the KPMG study in 2000 indicated that about 49% of the 100 English companies listed in FTSE published these reports and now account for more than 80%, reflecting the increasing trend towards CSR and sustainable development. Development (Owen, 2005, pp. 395-404)

It should be noted that it has become increasingly urgent - especially in a world characterized by globalization and economic crises - companies must be aware of and keep pace with their impact in society and the surrounding environment, where the evaluation of these companies is no longer based solely on their profitability, and they no longer rely on building their reputation on Financial institutions have emerged, but modern concepts have emerged to help create a working environment capable of dealing with rapid economic, technological and administrative developments. The most prominent of these concepts is the concept of corporate social responsibility (CSR.)

## Research problem

Social pressures have increased on companies and it has become necessary to carry out their responsibilities towards the environment and society in which they live. It is inconceivable that the company plans to achieve the maximum possible profits while ignoring the social responsibilities imposed upon it. In the environment and surrounding society.

The company's responsibility for social responsibility and the need to develop accounting standards and procedures through which to restrict the social activities provided by companies to meet these responsibilities and measurement and report on all information that reflects the social role that is done to serve all parties, both inside and outside the company.

It was necessary not only to demand that all information reflecting the results of social activities provided by companies should be disclosed, but that scientific and professional efforts should be made to examine and attempt to develop the framework for how to verify, assess and judge companies' responsiveness to their social responsibility in objective and impartial ways to ensure safety Disclosure of data and information.

There has also been a growing interest in corporate social responsibility, and the talk of social responsibility has recently become the subject of conferences, seminars, research and research by individuals, research centers

and international organizations, and increased attention by both government and companies. Business companies to interact with the community and the surrounding environment. Therefore, this research raises the following questions:

Question 1: To what extent are Jordanian industrial companies reporting on social responsibility in their financial reports regarding environmental protection?

Question 2: To what extent are Jordanian industrial companies reporting on social responsibility in their financial reports regarding the application of environmental protection laws and regulations?

### **Search goal**

This research aims at identifying the extent to which Jordanian industrial companies disclose their social responsibility in their financial reports regarding the protection of the environment from the point of view of the employees of the financial departments (accountants, financial auditors, financial analysts) working in these companies.

### **Research importance**

The importance of research is illustrated by the following:

1. The Hashemite Kingdom of Jordan's concern for the environmental and social issues and the growing voices within the Jordanian society, calling for the private sector to shoulder its responsibilities towards the environment and society.
- 2 - The growing importance of social responsibility, where the social return of companies ahead of their financial return, in addition to the efficiency of the accounting system is measured by the extent of contain a subsystem that provides access to information on the social performance of the company and its impact on society.
3. Since this topic - the disclosure of social responsibility - a relatively recent subject in the Hashemite Kingdom of Jordan, the importance of this research appears by trying to determine the extent of awareness of Jordanian industrial companies to their social responsibility through disclosure of social information in the lists and financial reports.

### **Research assumes**

HO1 The Jordanian industrial companies do not disclose social responsibility in their financial reports regarding environmental protection.

HO2 Jordanian companies do not disclose social responsibility in their financial reports regarding the application of environmental protection laws and regulations.

### **Research Methodology**

This research is an exploratory research because it investigates the extent to which Jordanian industrial companies disclose some social responsibility items in their financial reports. To achieve this objective, the descriptive and analytical approach was followed.

### **Search community and eye**

The research community includes all the industrial companies listed on the Amman Stock Exchange (85) according to the Annual Report of the Amman Stock Exchange for 2016. It is based on the intention of controlling the employees of the financial departments (accountants, financial auditors, (384) respondents were selected according to their response to the researcher in answering the study questions.

### **Sources of data collection**

The researcher relied on two types of information sources: secondary sources, such as accounting books, scientific materials, periodicals and specialized periodicals, which examined the subject of accounting disclosure and social responsibility. He also relied on the primary sources through the development of a questionnaire. The Kronbach Alpha coefficient of internal consistency was reached (84.9% .

### **Data collection tool**

The researcher designed a questionnaire that included all the variables of the study. The researcher presented them to the experienced and competent experts and the arbitrators of experts in management science and accounting to judge their validity as a data collection tool. After their retrieval, the researcher made the proposed amendments from the expert arbitrators and the competent professors before distributing them to the sample . The researcher used a five-dimensional Likert scale, (very OK 5 marks, OK 4 marks, neutral 3 marks, not OK markings, not very OK one sign).

### **Statistical methods used in the study**

The Statistical Package for Social Sciences (SPSS) was used to analyze the data. The researcher used the arithmetic averages and the standard deviations to identify the respondents' evaluations of the question. The t-test (one sample t- test) was also used in the test of the study hypotheses.

### **Previous studies**

Riham et al. (2008) aimed to analyze the environmental and social reports of Egyptian companies through a sample of 60 reports per year in 2002 in nine sectors. It found that government companies disclose more information about employees than private companies, while private companies outperform government companies in disclosing the three areas Other: Customer, Environment, and Community.

Khan et al. (2009) measured the level of social disclosure in the annual reports of banks listed on the Dhaka Stock Exchange in Bangladesh and the extent to which users of annual reports of social disclosure are aware. The study found that the banks in Bangladesh disclose their social performance but the disclosure rate was low because disclosure is optional. Banks do not specify a detailed place for disclosure of environmental and social performance, but fall under the Board's report.

(Lies et al., 2011) conducted a study of corporate social responsibility reports by examining the annual reports of 108 companies listed on the Belgian Stock Exchange in 2005. The study concluded that Belgian companies were more interested in disclosing and reporting on appropriate work practices and environmental issues than disclosing information on product responsibility, human rights, and society.

The Sangeetha & Pria (2011) study aimed at identifying the factors influencing CSR initiatives in Oman from the perspective of stakeholders and concluded that there are three main factors affecting the social responsibility activities of banks: the availability of non-governmental organizations and organizations Improving the application of the corporate governance system, and the diversity of the labor force.

The study (Abdul Malik and Al-Maharafi, 2012) aimed to identify the extent to which the Saudi environment needs a standard for accounting for social responsibility and a case study of a Saudi company that discloses social responsibility. Despite the large size of the private sector in Saudi Arabia, however, the wheel or movement of social responsibility for this sector is still slow and does not keep pace with the growth of its activity and profits, as the efforts of this sector efforts individually and lack of organization, and found that some of the Saudi business organizations to submit a descriptive report Non-financial responsibility for social responsibility.

The study (Abdullah, 2016) analyzed the methods of measurement and disclosure of the index of corporate social responsibility in Egypt, and the role of the Central Auditing Organization in the verification and report on the index of social responsibility of public sector companies. The study concluded that the principles of social responsibility are applied within the company and then go outside to make decisions and policies in the business community in terms of full compliance with existing legal requirements, respect for others and protection of the environment. It was found that determining the means of measuring and evaluating the social performance of companies needs to activate the role of accounting information in measuring and evaluating the level of social performance.

### **Comment on previous studies**

After reviewing the previous studies, the research concluded the following:

- 1 - The importance of increasing attention to social responsibility, because of its many benefits and advantages, and the stability of the market comes through the integration of the role of the private sector and the government to address issues of social responsibility.
2. There is a discrepancy in the disclosure of social responsibility data, and the CSR framework is not well defined.
3. There is a consensus on the importance of disclosure and reporting on corporate social responsibility.
4. Corporate disclosure of CSR is focused on the human resource component in terms of human resource development, recruitment, training and attention to manpower.
- 5 - that the disclosure of companies was in the part of the report of the Board of Directors in the financial reports of companies, and the disclosure was descriptive in the first place and in limited cases quantitatively.

### **Theoretical framework**

#### **Social responsibility (concept, importance, advantages, and pillars of success)**

Corporate social responsibility has become a reality that is difficult to ignore, but there is no general and specific agreement on the concept of corporate social responsibility. This is illustrated by a review of the following definitions:

Corporate Social Responsibility (CSR) is defined as the company's commitment to use its resources to benefit the community, through effective participation as a member of society, and to improve the welfare of

society as a whole regardless of the direct benefits of the company.

The environmental and social responsibility of companies is a moral or legal obligation by companies within the community to assume their environmental and social responsibility by spending part of their profits to protect the environment, conserve natural resources and provide services to society (Imagination and Conjecture, 2013, p. 256).

Corporate Social Responsibility (CSR) is the company's commitment to respect the rights of individuals and to promote human well-being in its operations. Companies not only have the economic responsibility of making profits and have a legal responsibility to follow the laws and basic rules that guide their capacity. (Arash & Mohamed, 2007, p: 754) Towards achieving their economic objectives. But has a moral responsibility that includes a set of social norms.

The researcher defines corporate social responsibility (CSR) as: a set of activities undertaken by the company either mandatory or optional, whether direct economic returns are generated or not, and whether the group that will benefit from these activities within the company (shareholders and employees) or outside (customers, suppliers, Environment, society as a whole), in order to fulfill their social responsibility towards the development and well-being of society and the surrounding environment.

In light of the increasing importance of corporate social responsibility, the question arises as to why companies are encouraged to comply with this responsibility, especially in the light of the financial and material burdens. International experience indicates that the advantages of companies are as follows: (Moir, 2001, p. 16) and (Elasrag, 2011, p: 12) and (Mohsen et al., 2016, p. 52)

1. Improve the reputation of companies based on efficiency in performance, success in service delivery, mutual trust between companies and stakeholders, level of transparency of these companies, their sensitivity to environmental considerations and their interest in human investment, and corporate commitment to their social responsibility contributes significantly to improving their reputation. .
- 2 - Facilitating access to bank credit especially in the light of the introduction of some indicators that affect the credit decision of banks. These indicators include the Dow Jones Sustainability Index (DJSI), launched in 1999, concerned with the ranking of global companies according to their degree of sensitivity to social dimensions and to environmental considerations in the exercise of their economic activity.
3. Improve financial performance and reduce operating costs.
4. Increase productivity and quality, and raise the ability of companies to learn and innovate.
- 5 - Attracting the most efficient human elements, as the commitment of companies to their responsibility towards the community in which it is an attractive element of human excellence, and this reduces the costs of recruitment and training.
- 6 - Build strong relations with governments, which helps in solving the problems or legal disputes that may be exposed to companies during the exercise of economic activity.
7. Good management of the social risks of corporate economic activity, especially in the context of globalization. These risks include environmental compliance, respect for labor laws and application of standards, which are challenging for companies, especially small and medium enterprises.

In order for companies to succeed in applying social responsibility to them, there are a number of key pillars for their success, which must be prepared and organized before the launch of these programs and in the forefront of these pillars: (Archie, 1999, p: 405) and (collective and Abdulaziz, 2012) , P. 10)

- 1 - the need for the company's belief in the issue of social responsibility towards society, and be convinced and trusted by each official from the owners of the company, through its executives, and the staff on the importance of this role, and it is a duty of each company towards the community in which you live, It is not something that the company is proud of, but proud of And it is a duty on them.
- 2 - The company should identify a clear vision of the social role that it wants to adopt and the main issue that will concern the work on the industrial in the treatment and the initiative to be submitted to society rather than criticism and complaint of the existing disadvantages.
- 3 - This activity becomes a major part of the activities of companies is followed by the Chairman of the Board of Directors of the company, and follow-up business, and set the plans to be achieved just as sales plans and other business activities are developed.
- 3 - The company should assign full-time official fully to this activity, and set the goals and plans required, and directly follow the senior management and grant the necessary powers, and have a key role and effective at the company level.
- 4 - Not to announce the social programs only after the launch, many of the social programs announced is not sustainable for the inability of those responsible for implementation according to what has been announced, and this may contribute to the suspension of the program in the future.
- 5 - To ensure that these programs offer strong performance and high quality, as if these programs are a commercial product that should be paid attention and care to provide it in a distinctive way that actually contributes to the service of society and achieve its objectives.

6 - The start must be through the objectives of small and limited increase over the days to achieve large projects and programs.

### **Accounting for Social Responsibility (Concept, Domains)**

Social Responsibility Accounting is the latest stage in the development of accounting as it emerged as a reaction to the need to pay attention to the social role played by companies as a result of changes in the environment surrounding companies, as it is not only necessary to identify the comparative efficiency of different management methods of corporate management but stand Also on the impact of those companies on the society in which you live, and this means to stand on the non-financial effects of the aspects of the company's activity (Khashrama, 2007, p. 98).

(Lutfi, 2015, p. 73-74) as "a method for measuring and communicating the information of the administration's social responsibility to various beneficiary communities within the society in such a way as to assess the social performance of the company."

The researcher believes that accounting of social responsibility is an accounting information system that includes a set of activities that are concerned with measuring, analyzing and communicating the information that results from the company's social responsibility towards different social groups both inside and outside the company in order to provide information that enables them to make decisions and evaluate the social performance of those Companies.

In the areas of corporate social responsibility, most organizations and organizations concerned with the organization of the accounting and auditing profession such as the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), the National Association of Accountants in America (NAA), and the writings and research that the areas of corporate social responsibility agree that there are four (Gray, 2002, pp. 299) and (Mahmoudi, 2015, p. 65)

1 - **The field of workers:** This area includes the impact of the activities of the company on people working as human resources that contribute effectively to achieve the objectives of the company, and thus include activities that concern the interests of workers, including: safety in the work environment, improving working conditions, To assist financially and financially in the performance of religious rituals such as Umrah and Hajj, providing suitable accommodation for workers, providing adequate transportation, and providing training programs for workers.

2 - **Environment:** includes a group of social activities aimed at reducing the negative effects resulting from the company's practice of its activity, which affects the environment, in order to maintain the safety of the environment surrounding the company and conservation of natural resources, including: compliance with the laws of environmental conservation, waste disposal In a way that minimizes pollution, optimizes the use of energy resources and natural resources.

3 - **Customer field or consumer protection:** includes activities aimed at achieving customer satisfaction, and maintain this satisfaction such as responding to customer complaints, and attention to increase the safety of the product, honesty in dealing with customers and not to deceive, honesty in advertising, and provide the necessary data on the product in terms of Use, limits and risks associated with them and the period of validity of use, provision of after sales service and commitment to the warranty date.

4- **Community:** includes a range of activities related to the development and improvement of the quality of life and benefit the society as a whole, including: support of charities, employment of minorities, employment of the disabled and the disabled, establishment of a nursery for children in the region, contribution to health care, Financing of exhibitions, seminars and conferences, assistance in the case of natural and social disasters.

### **Accounting disclosure on social performance (concept, reasons and justifications)**

The disclosure principle is the primary means and effective tool for delivering business results to users in supporting their decisions, especially in relation to investment fields. The principle of disclosure determines that financial reports should contain all information to give their users a clear and correct picture of the company by communicating the environmental and social impacts of the company's economic activities to stakeholders or Of society as a whole (Manuel & Lucia, 2008, p: 165)

He points out that social performance disclosure is the way society can inform the different communities about its various activities with social implications.

The researcher believes that social disclosure is a report and information about the company's relationship with the community and the surrounding environment. This is done through the inclusion of reports and financial statements on the social performance of the company.

### **The reasons and justifications for disclosing corporate social performance are as follows:**

1. **Reasons for improving the financial reporting level:** The report on social performance is of great importance to companies today, as it reflects the commitment of these companies to fulfilling their social

responsibility. There are also views calling for the process of reporting social performance The main objectives of the financial reports. Others, such as the National Association of Accountants in America, stress the need to have an independent accounting system whose primary task is to measure and disclose corporate social performance (Mahmudi, 2015, p. 184).

**2 - Reasons for the responsibility of the accountant and accounting profession:** As the data on social activities of a quantitative and financial nature, and affect the assets of the company and its expenses and obligations, this is at the core of the work of the accountant, and therefore it is necessary that the accountant role not in determining the goals and objectives of society, The scope of determining the practical measures that express these objectives and the disclosure of these standards periodically, so that the information provided both quantitative and non-quantitative (descriptive) basis to assess and rationalize the social performance of the company. Thus, the accountant's attitude towards the company's impact will be reflected in companies that fail to fulfill their social responsibilities in a better way than companies that make a positive contribution to increasing the well-being of the society (Jerobo, 2007, p. 267).

**3- Reasons for the shift in corporate objectives and the application of corporate governance:** The Jordanian Capital Market Law and the Executive Regulations of the Capital Market Authority of Jordan require transparency and disclosure of all financial and material information of listed companies in a complete, accurate and timely manner without discrimination. Where it is the rights of the investor to identify the true picture of the performance of companies, and to see all the information that may affect the price of its shares (Mahmoudi, 2015, p. 185).

#### Data analysis and hypothesis testing

The following table shows the arithmetical averages and standard deviations of the study variables:

**Table (1): arithmetical averages and standard deviations (environmental protection)**

T	Phrases	SMA	Standard deviation	Relative importance	ranking
1	The company will disclose bonuses and incentives for employees who are distinguished in environmental activities	3.66	.672	Medium	11
2	The company discloses the costs it pays for waste and waste treatment and for the protection of biodiversity	3.82	.735	High	6
3	The company discloses the costs of its participation in environmental protection programs	3.75	.613	High	7
4	The company id disclosing its initiative in addressing the environmental pollution caused by its production activities	3.69	.672	Medium	8
5	The company is making efforts to reduce energy consumption	3.85	.613	High	4
6	.The company maintains an information system that shows the costs of environmental damage	4.26	.760	High	1
7	The company has clear policies to rationalize water use	4.14	.735	High	3
8	The company is keen to reduce environmental risks in the environment in which it operates	3.84	.663	High	5
9	The company links environmental disease to its mission	4.15.	.616	High	2
10	The company discloses the costs of machinery used to reduce environmental pollution	3.68.	.617	Medium	9
11	The company has ethical codes for the environment	3.67	.705	Medium	10
12	The company discloses the costs of publishing periodic environmental reports	3.64	.760	Medium	12
13	The company is keen to disclose the cost of beautification and landscaping of the surrounding area to preserve the environment	3.60	.735	Medium	13
	<b>Environment protection</b>	3.94	.510	High	

Table (1) shows the statistical averages and standard deviations of the extent of the disclosure of social responsibility by the Jordanian industrial companies in their financial reports regarding the protection of the environment through the answers of the sample of the study to the questions assigned in the questionnaire. This

variable was addressed in 13 terms with a general accounting deviation of (3.94) with a general standard deviation of (510). As the general arithmetic average is greater than (3), the level of disclosure by Jordanian industrial companies on social responsibility in their financial reports The protection of the environment was high. It is noted from the table that companies maintain an information system that shows the costs of environmental damage came first, achieving an average of (4.26) and a standard deviation (613.), followed by the company linking environmental performance with its message with a mean (4.15) and a standard deviation (663). ). (4.14) and standard deviation (760.). The company then made efforts to reduce energy consumption in fourth place with an average of 3.85 and a standard deviation of 672. ). In fifth place, the company is keen to reduce environmental risks in the environment in which it operates with an average of 3.84 and a standard deviation of (.735). The previous table shows the rest of the results in relation to the arithmetic averages reached. The responses of the sample of the study were positive on all terms. This finding confirms the validity of the alternative hypothesis and thus accepts this hypothesis, which indicates that the Jordanian industrial companies disclose social responsibility in their financial reports regarding the protection of the environment.

**Table (2): arithmetical averages and standard deviations (environmental protection systems and laws)**

T	Phrases	SMA	Standard deviation	Relative importance	ranking
14	The company is keen to disclose the costs it pays for the work of reasonable accounting estimates	3.65.	.801	Medium	10
15	Compliance with laws imposing obligation for environment pollution arising from past accidents	4.11	.719	High	1
16	The company is keen to disclose the costs of applying the standards set out in the international standard on environmental expertise	3.77	.792	High	6
17	The company disclosure the cost of social licensing, which define its operating conditions from and environment point of view	3/96	.779	High	3
18	The company 's operations conform to the applicable social laws and regulations	.3.68	.824	Medium	9
19	The company is committed to the costs arising from social or legislative requirements .	3.76	.789	High	7
20	The company discloses the rules and regulations related to control	3.69	.785	Medium	
	On pollution , reduction or disposal and disclosure of its coast				8
21	The company discloses the financial allocation under the social laws for its violations of these regulations	. 3.88	.794	Medium	5
22	Obligation under the laws to pay for any social damages that occur to natural resources or to others .	. 3.99	.721	High	2
23	Be careful to disclose the costs that are paid for the interpretation of vague and difficult social laws	3.89	.730	High	4
	<b>General environmental protection systems and laws</b>	3.83	.701	High	

Table 2 shows the statistical averages and standard deviations of the sample responses to the questions assigned to this variable in the questionnaire on the Jordanian companies' disclosure of social responsibility in their financial reports regarding the application of environmental protection laws and regulations. This variable was addressed in 10 terms that achieved a general mean (3.83) with a general standard deviation (701). Since the general arithmetic average is greater than (3), the level of disclosure by the Jordanian industrial companies on social responsibility in their financial reports regarding the systems Environmental protection laws were high. It is noted from the table that the company complies with the laws that impose liability for environmental pollution arising from previous incidents which came in first place, achieving an average of 4.11 and a standard deviation (719), followed by the company is obliged by law to pay for any social damages Speak to natural sources or to others with a mean (3.99) and a standard deviation (721.). (3.96) and a standard deviation (779.), and then the company was careful to disclose the costs it pays to interpret the mysterious social laws. The difficulty is in the fourth place with a mean (3.89) and a standard deviation (730.). In fifth place, the company discloses financial allocations under social laws for the possibility of violating these regulations with an average of 3.88 and a standard deviation of (794). The previous table shows the rest of the results in relation to the arithmetic averages reached.

These results show that the responses of the sample of the study were positive in all terms. This finding

confirms the validity of the alternative hypothesis and thus accepts this hypothesis which indicates that Jordanian industrial companies disclose social responsibility in their financial reports in relation to the regulations and laws of the protection of the general environment.

The two hypotheses were tested using t-test. Test The following table (3) shows the results obtained when testing hypotheses:

**Table (3)**  
**Test results t. Test for the first and second hypothesis**

Variable	Calculated value	The value Of the tabular	Moral value	Statistical Resolution
Environment protection	15.68	1.671	0.000	Rejection of nihilism
Environmental protection systems And laws	11.74	1.671	0.000	Rejection of nihilism

Is evident from the data contained in the table above (3) the following:

1. The value of t calculated is (15.68) and Tabulated value (1.671) and by comparing the value of t calculated the value of t Tabulated shows that the calculated value is greater than the tabular value, and this is confirmed by the value of the significance of Sig. Morale is zero and is statistically significant, so it is rejected the hypothesis of nihilism and acceptance of alternative hypothesis, which states that "the Jordanian industrial companies disclose social responsibility in their financial reports with regard to the protection of the environment.
2. The calculated t value is (11.74) and its tabular value (1.671). Comparing the t value calculated by the tabular t value, the calculated value is greater than the tabular value, which is confirmed by the value of Sig. And the acceptance of the alternative hypothesis that "Jordanian industrial companies disclose social responsibility in their financial reports in respect of the regulations and laws of the protection of the general environment.

## Results

The researcher presented the most important results as follows:

1. The results of the study indicate that Jordanian industrial companies disclose social responsibility in their financial reports regarding environmental protection. This commitment was high. The results showed that companies maintain an information system that shows the costs of environmental damage, Clear policies to rationalize the use of water, and the results show that companies are making efforts to reduce energy consumption and is keen to reduce environmental risks in the environment in which it operates, and this indicates rejection of the first hypothesis and thus accept the alternative hypothesis that this is Companies disclose social responsibility in their financial reports with regard to the protection of the environment.
2. The results of the study indicate that the Jordanian industrial companies disclose the social responsibility in their financial reports regarding the regulations and laws of the protection of the general environment, and this commitment was very high, as it proved that the company is complying with the laws that impose liability for environmental pollution resulting from past accidents , which is committed by law to pay the costs of any social damage occurring to natural sources or to others, it turns out that the company discloses social licenses that determine the conditions of operation from the standpoint of environmental costs, and is keen to disclose the costs paid in exchange for the interpretation tossed As well as the company discloses financial allocations under social laws for its possible violation of these regulations. This suggests rejection of the second hypothesis and thus acceptance of the alternative hypothesis that these companies disclose social responsibility in their financial reports in respect of environmental protection regulations and laws.

## Recommendations

First: The Jordanian industrial companies continue to disclose social responsibility in their financial reports regarding the protection of the environment through the following mechanisms:

- A - The Jordanian industrial companies shall disclose the rewards and incentives of employees who are distinguished in environmental activities.
- B) Disclosing the initiatives of the Jordanian industrial companies related to the treatment of environmental pollution resulting from the exercise of their activities and productive work.
- C - the need to work to create and activate codes of ethics for the environment and commitment by everyone.
- D- The Jordanian industrial companies shall disclose the costs of publishing the environmental reports periodically to ascertain their commitment to preserving and protecting the environment and informing the users of this commitment and making the correct decisions accordingly and thus increasing the satisfaction and general acceptance of the nature of the work of these companies.
- (E) The Jordanian industrial companies shall disclose the costs of beautification and landscaping of the surrounding area to preserve the environment

Second: The Jordanian industrial companies continue to disclose social responsibility in their financial reports regarding the laws and regulations of the general environmental protection through the following mechanisms:

- (A) Disclosure by Jordanian industrial companies of the legislative regulations related to pollution control, reduction or disposal, and disclosure of costs, with specific financial allocations for emergency social matters.
- B. Emphasize that Jordanian industrial companies should disclose the costs of applying the standards stipulated in the international standard for benefiting from the environmental work of experts.
- C) The Jordanian industrial companies shall disclose the costs they pay for work to reasonable accounting estimates, and ensure that they conform to modern accounting systems that can interpret mysterious social laws and make reasonable estimates for them.
- D) The commitment of Jordanian industrial companies to the costs arising from the social, legislative or contractual requirements.
- E) The necessity of agreeing the operations of Jordanian industrial companies with the concerns imposed by the laws and social regulations applied locally and globally.

### List of References

- 1 - Oman Financial Market annual report for 2016 .
- 2 - Jarboa, Yousef Mahmoud 2007 , the extent of application of measurement and disclosure in the accounting of social responsibility in the financial statements of corporation in Gaza ( an exploratory study of financial managers departments of industrial corporation in Gaza/ Palestine ) (vol.15) first issue .
- 3 - Collective ,Omkathom , Abdel Azeez , Samir (2012 ) the cornerstones of success of social responsibility , the third international conference on business organizations and social responsibility faculty of economic and commercial sciences and management sciences Bashar university , 14-15 February .
- 4 - Khashrama , Hussein Ali (2007) , analysis of the level of disclosure of the Accounting of social responsibility of Jordanian companies, analytical study , the Egyptian journal of business studies , faculty of commerce , Masoura university , volume (11) second issue .
- 5 - Alkhaya, Tafiq , Abdel Almihsin, Mufti , Mahamad Hasan Ali, the importance of disclosure of environmental and social responsibility in the financial reports published in the Hashemite Kingdom of Jordan , journal of thought accounting , department of accounting , faculty of commerce , Ain Shams university , year 7 , No. 2 .
- 6 - Abdallah , Mohamed Ismail (2016) analysis of measurement methods and disclosure of CSR index in Egypt and expect role of the central auditing organization journal of commercial studies and research , faculty of commerce , Banha university (30 ) second issue , volume 1 .
- 7- Abdul Malik , Ahmed Rajab , Al-Marhafi , Abdul Rahman Ahmad (2012 ) Towards accounting standard for organizing the publication of corporate Social reports in the Saudi market ( social responsibility entrance ) journal Of accounting faculty of commerce , Ain Shams university , (16) first Issue , April .
- 8 - Lotfi , Amian Alsaid Ahmad (2015 ) accounting and Auditing on Sustainable development , university house , Alexandria .
- 9- Mohsen , Tahir , Algalebi , Mansour , Amiri , Saleh Madi Mohsen ( 2106) Social responsibility and business ethics , Dar Wael , Amman – Jordan
- 10- Al- Mahmoudi , Nour Alddin Abdullah (2015) towards the theory of Environmental and social accounting , the academic for printing , editing Translation and publishing , Tripoli .

### Second: References in English

1. Arash, S., & Z. Mohamed, (2007) "Corporate Governance as A Critical Element for Driving Excellent in Corporate Social Responsibility", **International Journal for Quality & Reliability Management**, vol. 24, No. 7.
2. Archie, Carroll, (1999), "The Pyramid of Corporate Social Responsibility toward the Moral Management of Organizational Stakeholders", **Business- Horizons**, July- August.
3. Elasrag, Hussein (2011), "**Corporate Social Responsibility: Challenges and Prospects for Development in Arab Countries**", Munich personal Repec Archive. Available at: <http://mpra.ub.uni-muenchen.de/32380/>
4. Gray, Rob, (2002), "The Social Accounting project and Accounting Organizations and Society, Privileging Engagement, Imaginings, New Accountings and Pragmatism over Critique?", **Accounting Organizations and Society**, vol. 27, Issue 7, PP. 293- 331.
5. Khan, M. H., A.K. Halabi and M. Samy, (2009), Corporate Social Responsibility (CSR) Reporting: A study of Selected Banking Companies in Bangladesh", **Social Responsibility Journal**, vol. 5, No.3.
6. Lies, B., E. Patricia, V. L. Luc, D. M., Lieven and C. Johan (2011), "Corporate Social Responsibility Reporting: A Comprehensive picture?", **Accounting Forum**, vol. 35.
7. Manuel, C.B., & L.R. Lucia, (2008), "Social Responsibility Disclosure: A Study of Proxies for the Public

- Visibility of Portuguese Banks", **The British Accounting Review**, vol. 40.
8. Moir, Lance, (2001), "What do we Mean by Corporate Social Responsibility?", **Corporate Governance**, vol. 1, ISS. 2.
  9. Owen, David, (2005), "CSR after Enron: A role for Academic Accounting Profession?", **European Accounting Review**, vol. 14, No.2.
  10. Peter, K., V.D. Ton, W.M. Richard and B. Alan, (2001), "A corporate Social Responsibility Audit within A Quality Management Framework", **Journal of Business Ethics**, vol. 31. No. 1.
  11. Riham, R., D. Robert, and W. Anne, (2008), "Corporate Social and Environmental Reporting: A Survey of Disclosure Practices in Egypt", **Social Responsibility Journal**, vol. 4, No. 3.
  12. Sangeetha, K., & S. Pria, (2011), "Factors Influencing CSR Initiatives of the Banks in Oman: A Study based on Stakeholders' Perspective", **Journal of Management Research**, vol.3, No.2.