

## **THE LEVEL OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN JORDAN**

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### **Abstract**

Corporate social responsibility (CSR) has become important and strategic issue for business in many countries. Over the past three decades, companies have shown a growing interest in the practice of CSR activities through disclosure of these practices in the financial reports. In Jordan, the concepts and principles of CSR are still a voluntary mechanism. There are differences in the implementation of CSR activities between Jordan and other developed countries because there are differences in the culture, nature of economic system, and geographical aspects. Thus, the main purpose of this paper is to expand our knowledge about corporate social responsibility disclosure (CSR D) and about the position of the Jordanian companies toward this issue. This paper investigates the level of CSR D in the annual reports of the 164 non-financial companies that were listed on Amman stock exchange representing the services & industrial sectors from 2011 to 2014. This study developed the CSR D index based on Global Reporting Initiatives (GRI) framework. GRI framework covers six main dimensions of CSR activities which are Economic, Environment, Human Rights, product, Labor relations, and Society dimensions. Content Analysis was used to measure the CSR D index. The results indicated that the general level of CSR D for Jordanian listed firms is 34.1%. The economic activities dimension is the most disclosed by the firms while the human rights dimension is the least disclosed.

**Key words:** corporate social responsibility disclosure, content analysis, CSR dimensions, Amman stock exchange, Global Reporting Initiatives.

### **Introduction**

The concept of corporate social responsibility (CSR) has become a crucial issue and grown effectively among companies. Moreover, it has to do with certain factors; namely: employees, ethics, natural environment, and society, to form and compose an important part of the company's responsible behavior, which can change the company reputation to a better level. Additionally, it can improve the confidence of investors, customers, shareholder, and stakeholder as a whole, and it can increase the employee's ability to work and spend more effort and dedication (McWilliams et al., 2006).

In recent days, corporations have started disclosing their economic, environment, employee's relation, community involvement, product, and other CSR related information in annual reports. There is an increasing growth in a number of companies which have disclosed the practice of social responsibility activities (Guthrie & Parker, 1989). According to Setiawan and Janet (2010), CSR D is necessary to be done by the companies which have been engaging in CSR

activities, to show the commitment of corporate duties toward the community and the environment. It represents the means of communication among firms and people. Furthermore, when companies disclose about their engagement in CSR activities, they will gain several benefits including: intensify corporate reputation via getting support and trust by different stakeholders, increase the company's credibility, improve financial performance, increase market share value, attract new investors, and increase the ability to compete (KPMG, 2011). Previous studies use different groups to classify CSR activities. These groups are significantly divided into six major areas: employees, energy, product, community involvement, human rights, and environment protection (Thompson & Zakaria, 2004). Moreover, there are a lot of studies conducted on the CSR disclosure in annual reports using content analysis to measure CSR in various dimensions, sectors, and countries (Hackston & Milne, 1996; Gray et al., 2001; Thompson and Zakaria, 2004; Saleh, 2009; Zakaria & Dewa, 2010; ALNaimi et al., 2011; Hassan et al., 2012). Meanwhile, the application of CSR disclosures in Jordan is still in the primary stage and few of studies were conducted to determine the extent of CSR practice in Jordan (Abu-Baker & Naser, 2000; Khasharmeh & Suwaidan, 2010; Rifai, 2011). This study determines the level of CSR in various dimensions through content analysis for Jordanian listed firms on Amman Stock Exchange (ASE) during the period from 2011 to 2014. This paper is different from previous studies on CSR in Jordan's context that it developed the CSR index based on GRI framework to design CSR activities. GRI index consists from of 79 activities in six dimensions of CSR. Content analysis was used to determine if the company discloses or not under each item of GRI activities.

### **Literature Review**

According to Gray et al (1996), CSR is the process of communicating the social and environmental effects of company's economic actions to particular interest groups within the community. In addition to, the study was conducted by Setiawan & Janet, (2010) explained that CSR is necessary to be done by the companies which have engaged in CSR activities, to show the commitment of corporate duties toward the community and the environment. It represents the means of communication among firms and people.

Hackston and Milne (1996) conducted a research to measure the CSR disclosure level. This research covers human resources, social, and environmental disclosures in New Zealand companies. The finding showed that most disclosures are about human resources, and there is significant attention for environment and community themes. The nature of these disclosures appears positive information. Furthermore the amount of disclosure averaged about three quarters of an annual report.

Abu-Baker and Naser (2000) conducted their study to determine the level of practice of CSR activities for 143 firms cover banks and other financial and manufacturing sectors in Jordan. The study covered six dimensions of CSR: environment, energy, human resources, products, community involvement, and employees. Content analysis was used to measure CSR dimension through used number of words and number of pages. The results mentioned that 90% of the firms disclosed social responsibility information relating to human resources and 80% disclosed information relating to the society. On the other hand, they find a few organizations 13% disclosing social responsibility information relating to environment. Only 3% disclosed information relating to energy, and 25% disclosed information relating to product. Also results indicated that 45% of manufacturing firms adopted a mixture of monetary and non-monetary disclosure. Lastly, banks and financial firms disclosed a weighted number of 0.67 pages, followed by manufacturing firms, which disclosed an average of 0.52 pages.

A study by Hartman et al (2007) was conducted to investigate the CSR activities disclosure for 16 multinational companies in the European Union (EU) and United States (US). This study

used content analysis by focusing on many aspects such corporate accountability, moral commitment, citizenship, and language. The results of this study suggested that the US firms focus on economic terms, while the EU firms focus on sustainability terms and economic terms. Additionally, there is a difference between EU firms and US firms in the expression of CSR activities through different use of words, context and meaning.

The study by Saleh (2009) investigates CSR practices in Malaysia. It uses the annual reports of 200 companies chosen from the highest market capitalization of public listed firms on the Bursa Malaysia for the period from 1999 to 2006 and it uses content analysis to measure four dimensions of CSR practices which are: employee relations; environment; community involvement; and product. The results of the study indicated that the general level of CSR practice is low. Additionally, the most disclosure of the firms toward employee's relations and community involvement dimensions followed product dimension while environmental dimension disclosure is very weak and requires more attention from Malaysian companies. Finally, the CSR activities practice is at an emerging stage for Malaysian public companies.

A study by AlNaimi et al (2011) investigated the extent of CSR reporting in the annual reports for the financial and manufacturing firms listed on the Qatar Exchange. This study used content analysis to measure five areas of CSR reporting including environment, human resources, product development, community involvement, and the employment of disabled people. The results showed that most companies disclosed information related to human resources and product development, followed by society involvement. However, no company reported environmental activities in their annual reports.

A study by Rifai (2011) determined the level of CSR practices disclosure in the annual reports of the sample consisted of 16 Jordanian bank listed on the Amman Stock Exchange. This study designs model of the questionnaire to execute the objectives. The study concluded that the level of banks practice which disclosed relating to the local community is well, while the level of banks practice which disclosed of information relating to the environment is importantly low.

A study by Jitaree (2015) was conducted to investigate the level of CSR disclosure for 323 listed firms in various industries on the stock exchange of Thailand for three years from 2009 to 2011. This study developed the CSR index containing 45 items of CSR activities which covered five CSR dimensions including: employee, community, product, environment, and energy. The study used content analyses to measure CSR index. The results suggested that Thai firms disclosed more for the community and employees dimensions. However, the energy dimension is the least disclosed by firms. Meanwhile the environment and product dimensions are more likely to be disclosed by Thai firms than energy dimension.

### **Methodology of research**

This study will determine the level of CSR disclosure for Jordanian firms listed on ASE during the period from 2011 to 2014. All data used in this research are secondary data taken from annual reports were issued by the firms. Annual report is the most accessible source of information for the listed firms (Wiseman, 1982). All annual reports for the firms are available and were gathered from the ASE website. In addition, this particular period is selected because there are a few studies conducted in Jordan that have determined the level of CSR disclosure during this period. So the main goal of the current study is to reflect the reality of CSR activities practices in recent years.

For the purpose of this study, 164 listed non-financial firms had been chosen. The total number of all listed firms on ASE is 253 firms; this study takes into account all listed firms in the service and industry sectors. However, current study did not select the financial and insurance firms as the regulations for financial reporting for these sectors are different.

### **Measuring of CSRD index**

Content analysis is method of analyzing the level of CSR disclosure by a firm. Content analysis of annual reports is a tool to gather data by organizing the qualitative and quantitative information into various groups. It has been largely used in previous studies to determine the characteristics and pattern of CSR disclosure (Krippendorff, 2004; Guthrie & Farneti, 2008).

Content analysis used different methods to code the data quantitatively such as counting the number of words (Deegan & Gordon, 1996; Haniffa & Cooke, 2002), number of sentences (Tsang, 1998; Deegan et al., 2000; Aras et al., 2010), number of paragraphs and the proportion of page (Gray et al., 1995a; Adams et al., 1998; Unerman, 2000). However, there are many disadvantages when using these methods including: when using proportions of pages, there is a difference in margin width, number and size of photos and graphics in annual reports, and font size. Also the annual reports issued by the companies are in wide quality and format (Hackston & Milne, 1996). Furthermore, the validity of employing the number of words to measure CSR disclosure is doubtful, because without examining sentences, number of words does not express the meaning of context (Milne & Adler, 1999). According to Unerman, (2000) the problem from using sentences measurement might be smaller than that from evaluating by number of words and proportion of pages. Due to these disadvantages of using count of words, sentences, and proportion of pages, this research employed a content analysis using a CSR activities checklist to measure CSR index.

The CSR disclosure index (CSRDI) is used to measure CSR activities, and this index is developed based on Global Reporting Initiatives (GRI) framework. GRI index is most widely used around the world in determining the activities of CSR in various dimensions. This research used content analysis method in order to identify whether firm has disclosed its CSR activities under each GRI category. GRI framework includes six main dimensions which are: economic performance with 9 items, environmental performance with 30 items, human rights performance with 9 items, employees practices performance with 14 items, product performance with 9 items, and society performance with 8 items (G3.1 guidelines) (GRI, 2011). In total, there are 79 items reported under GRI are provided in Appendix.

If a firm disclosed CSR items in its annual report, it will be scored (1), if it didn't disclosed it will be scored (0). Total scores values for CSR disclosures are aggregated from all sub-scores of CSR dimensions. Accordingly, the CSR disclosure index (CSRDI) is calculated as follows.

$$CSRDI_j = \frac{\sum_{i=0}^n x_{ij}}{N_j}$$

where:

CSRDI<sub>j</sub> = Corporate Social Responsibility Disclosure Index from company *j*.

X<sub>ij</sub> = if company disclosed item *i* will be valued 1 or valued 0 if item *i* wasn't disclosed.

N<sub>j</sub> = total items that must be disclosed according to GRI standard (79 items).

### **The main results of the study**

Table 1.1 below shows the descriptive statistical analysis for the level of overall CSR disclosure. In particular, disclosures relating to the six dimensions covered by (GRI) framework which are: Economic, Environment, Human rights, Labor Practices, Product, and Society Dimensions. The companies evaluated were listed on ASE from the period 2011 to 2014.

**Table 1.1: Descriptive Statistics analysis of the Degree of CSRDI**

<b>Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Overall CSRDI</b>
<b>Mean %</b>	32.9	33.9	34.2	35.5	34.1
<b>Median %</b>	32.9	32.9	34.2	34.2	33.5
<b>St. deviation %</b>	12.9	13.5	13.7	14.9	13.7
<b>Max</b>	69.6	73.4	74.7	79.7	74.4
<b>Min</b>	10.1	10.1	11.4	10.1	10.4

*Sources: Jordanian Firms Listed on Amman Stock Exchange ASE (N=164)*

Based on the data in Table 1.1, the overall mean of CSR disclosure in six dimensions for companies listed on ASE through 4 years was 34.1% with standard deviation of 13.7%. This means that companies disclosed mostly 27 items out of 79 items of CSR activities based on GRI framework. Also, the overall max value was 74.4% which means that there are few companies disclosing 59 items out of 79 items and the overall min value was 10.4% which means that there are some companies disclosing 8 items out of 79 items. Moreover, notes in the table above indicate that the level of CSR disclosure increases during the period of the study, reaching 32.9% in 2011 and became 35.5% in 2014. This refers to the extent of awareness of companies to the significant importance of CSR disclosure for stakeholders group. However, in general the level of disclosure for Jordanian firms during a selected period toward CSR activities is low and the practice of CSR is very weak in most dimensions. So the companies must have a significant role towards various stakeholders.

The results of this study on the overall level of CSR disclosure was 34.1% and showed convergent with some of the results of previous studies. For instance, a study by Abo Baker & Naser, (2000) reported 31% of CSR disclosure in Jordan, while, Thompson & Zakaria, (2004) reported 36% of CSR disclosure in Malaysia, whereas, Al-Naimi et al., (2011) reported 32.8% of CSR disclosure in Qatar. In contrast, there are some of previous studies that reported lower level of overall CSR disclosure compared with the result of current study such as study by (Adams, 2002) that reported low level of CSR disclosure based on GRI framework which is around 22.9%, while (Suwaidan et al., 2004) reported 13% of CSR disclosure in Jordan, whereas (Rifai, 2011) reported 28.1% of CSR disclosure in Jordan. However, the study by (Yin, 2012) reported 48.5% of CSR disclosure in China.

Based on previous studies above, it is clear that the results of previous studies reported different levels of CSR disclosure are different. There are several possible justifications for these difference including. Firstly, the difference in the sample size leads to difference in the outcomes. Secondly, the difference in the population of studies causes variance in the results of these studies. Thirdly, the difference in the length period of study caused difference in the results. According to Aras et al., (2010) the length of the study period affects the level of CSR disclosure; the longer duration of the study may lead to the better results. Lastly, the difference of CSR disclosure measurement may cause difference in the outcomes.

The current study employed six dimensions of CSR activities under GRI framework in order to measure CSR disclosure index as shown in Table 1.2. This table represents the descriptive statistics analysis of the overall CSRDI in each dimension. Observed from this table, the mean value for the level of disclosure of CSR dimensions for Jordanian firms listed on ASE between 2011 to 2014 was 76.6% for economic dimension, 20.5% for environment dimension, 7.7% for human rights dimension, 41.8% for labor practices, 47.7% for product dimension, and 38.7%

for society. Meanwhile, the standard deviation is 13.2%, 17.5%, 13.9%, 21.0%, 16.9%, and 17.3% respectively.

**Table 1.2: Descriptive Statistic Analysis of overall CSRDI in each dimension**

<b>Category</b>	<b>Economic</b>	<b>Environment</b>	<b>Human rights</b>	<b>Labor Practices</b>	<b>Product</b>	<b>Society</b>
<b>Mean %</b>	76.6	20.5	7.7	41.8	47.7	38.7
<b>Median %</b>	77.8	18.3	0	41.4	44.4	37.5
<b>St.Deviation %</b>	13.2	17.5	13.9	21.0	16.9	17.3
<b>Max</b>	100	77.0	61.0	92.9	91.7	81.3
<b>Min</b>	41.7	0	0	7.0	11.1	0

*Sources: Jordanian Firms Listed on Amman Stock Exchange ASE (N=164)*

Mean values of CSRDI in each dimension show that the companies disclosed 7 items out of 9 items of economic dimension, 6 items out of 30 items of environment dimension, one item out of 9 items of human rights dimension, 6 items out of 14 items of labor practices dimension, 4 items out of 9 items of product dimension, and 3 items out of 8 items of society dimension. Furthermore, the maximum values in the table are concentrated in three dimensions which are: economic, labor practices, and product. Some companies disclosed 100% of items under economic dimension, 92.9% of items under labor practices dimension, and 91.7% of items under product dimension. On the contrary, minimum values are concentrated in society, environment, and human rights dimensions. Very few companies did not disclose any item related to these dimensions.

These results suggest that Jordanian listed firms are more disclosure of CSR activities which are related to economic activities that reflect revenue, expenses, net income, risks to the company, and the direct and indirect effect of the economic on the main activity of firm. On other hand, the results show less disclosure of CSR activities toward human rights activities which reflect the extent of support of human rights and actions taken against discrimination...etc. Moreover, there is interest from companies to exercise social responsibility activities related to the product and the employees of these companies. That means, it focuses on the practice of CSR activities associated with the main activity of the company in order to gain a reputation and increase competitiveness. On the other hand, there are low levels of disclosure by companies toward the outside community and environment which include support for the outside community through donations, works of charity, and the fight against poverty. In addition, methods were taken to preserve the environment and reduce pollution.

Based on the above, these results are compatible with most of the results of previous studies in this area (e.g., Griffin & Mahon, 1997; Hartman et al., 2007; Nelling & Webb, 2009; Menassa, 2010; Al-Naimi, et al., 2011). There are some justifications that led to these results including the lack of sufficient awareness by companies on the importance of the practice of various CSR activities for various dimensions of CSR. Additionally, it also believed that focusing on some CSR activities especially those related a company itself, avoids additional costs, increase their competitive advantage and therefore keep existing investors and attract new investors.

Additional analysis on the extent of CSR activities disclosure according to the selected sectors namely, the service and industries sectors have been conducted as shown in Table 1.3 it represent Descriptive Statistics analysis of the extent of CSRDI according to sectors. Mean and stander deviation values of the level of CSR disclosure as overall according to the sectors can be obtained from the table.

Based on Table 1.3 below, the industrial sector shows that the overall level of CSR activities disclosure is higher than that of service sector as overall. Here, the level of CSR practice for the industrial sector was 39.1%, while the level of CSR practice for the service sector was 31.2%. This means that, the industrial sector disclosed 31 items out of 79 items of CSR activities listed under GRI framework. Meanwhile, the service sector disclosed 25 items out of 79 items of CSR activities. The results demonstrate that the companies in industrial sector are more interested to exercise CSR activities than companies in service sector. Also, the overall value of St. Deviation for service sector and industrial sector were 13.5%, 12.9% respectively, which refers to small variance compared to the mean.

Moreover, note that the level of CSR disclosure index increased during the period of study from 2011 to 2012, for the industrial sector and the service sector. It was recorded at 29.7% in 2011 and became 32.6% in 2014 for the service sector. On the other hand, it was recorded at 38.2% in 2011 and became 40.2% in 2014 for the industrial sector.

**Table 1.3: Descriptive Statistics analysis of the Extent of Overall CSRDI According to Sectors**

<b>Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Overall CSRDI</b>
			<b>Service</b>		
<b>Mean %</b>	29.7	30.9	31.4	32.6	31.2
<b>Median %</b>	27.2	27.8	27.2	29.1	27.8
<b>St. Deviation %</b>	12.2	13.1	13.6	14.9	13.5
			<b>Industry</b>		
<b>Mean %</b>	38.2	38.8	39.0	40.2	39.1
<b>Median %</b>	36.7	36.7	38.0	39.9	37.8
<b>St. deviation %</b>	12.3	12.7	12.7	13.8	12.9

*Sources: Jordanian Firms Listed on Amman Stock Exchange ASE (N=164)*

Additional analysis on the level of CSR disclosure index in each dimension employed from the current study according to selected sectors namely, services and industries sector is as shown in Table 1.4. It represents Descriptive Statistics analysis of CSRDI in each dimension based on sectors.

Based on Table 1.4 below Jordanian services companies listed on ASE show the highest overall level of CSRDI for economic dimension, where the mean value was 75.3% which indicates the disclosure of 7 items out of 9 items. Meanwhile, the lowest overall level of CSRDI is for human rights dimension with the mean value of 5% which is equivalent to the disclosure of one item out of 9 items. Also the disclosure of CSR activities toward product dimension and labor relation dimension more than the disclosure of CSR activities toward society dimension and environment dimension which are 47.7%, 38.3%, 37.8%, and 15.7% respectively. These overall percentages indicate that Jordanian service companies have focused their practice on CSR activities related to the economic activities first, followed by product activities while the practice of other dimensions was very weak. This suggests that service companies focused on

the practice of CSR activities related to their main activity. Additionally, the general trend for the level of CSRDI index increased during the years of the study from 2011 to 2014 in each dimension except labor relation; it decreased slightly in 2014 compared to 2013. This suggests that realize the importance of CSR practice is increasing over time.

**Table 1.4: Descriptive Statistics analysis of CSRDI in each dimension based on sectors**

<b>Categories</b>	<b>2011 Mean %</b>	<b>2012 Mean %</b>	<b>2013 Mean %</b>	<b>2014 Mean %</b>	<b>Overall Mean %</b>
<b>Service</b>					
Economic	72.9	74.9	75.1	78.2	75.3
Environment	15.0	15.5	15.7	16.4	15.7
Human rights	3.2	4.2	5.4	7.3	5.0
Labor practices	36.9	38.1	39.1	39.0	38.3
Product	45.3	48.0	48.3	49.3	47.7
Society	35.9	37.3	37.6	40.6	37.8
<b>Industry</b>					
Economic	78.1	78.7	79.0	79.2	78.8
Environment	27.8	28.0	28.4	29.4	28.4
Human rights	11.8	13.1	9.7	13.6	12.1
Labor practices	47.1	47.2	47.6	48.2	47.5
Product	45.5	46.4	48.4	50.7	47.8
Society	38.1	40.3	40.5	41.1	40.0

*Sources: Jordanian Firms Listed on Amman Stock Exchange ASE (N=164)*

Meanwhile, Jordanian industries firms listed on ASE show the highest overall level of CSR disclosure index toward economic dimension was 78.8%, followed by product dimension at 47.8%, followed by labor practices dimension at 47.5%, followed by society dimension at 40.0%, followed by environment dimension at 28.4%, and the lowest overall of CSRDI was toward human rights dimension at 12.1%. These percentages indicate that Jordanian industries companies have focused their practice on CSR activities related to the economic, product, and labor practices aspects but the practice for other aspects is very week. In addition to, the general trend for the level of CSRDI increased for industries firms during the period of current study (2011-2014) toward all dimensions except human rights dimension as it decreased in 2013 compared to 2012.

When comparing the industrial firms with services firms, note that the level of CSR activities disclosure of the industries firms toward all dimensions is higher than the level of CSR activities disclosure of the services firms. This refers to the existence of a greater awareness of the importance of social responsibility by the industrial companies more than the service companies. In addition, the main activity of industrial companies is to produce all kinds of goods that must be economically feasible and have positive effects on the company's employees and society as a whole and do not cause damage to the environment. Consequently, industrial companies are keen to exercise social responsibility activities in various dimensions in order to earn a high reputation by the shareholders or stakeholders and increase their competitiveness.



## **Conclusion**

This study has investigated the level of CSR disclosure. The data used in this study involve 164 non-financial firms in services and industrial sectors listed on ASE during the period from 2011 to 2014. This study developed the CSR index based on GRI framework including six main dimensions which are: economic, product, human rights, labor practices, environment, and society and used content analysis to measure CSR index.

The main results indicated that the average level of CSR disclosure by Jordanian listed companies during the period from 2011 to 2014 is low (34.1%). When compared the disclosure level between the years of study found has increased through the period from 2011 to 2014. The economic dimension was the most disclosed in annual reports followed by product, labor practices, society, and environment dimensions respectively. However, the human rights were the least disclosed dimension. Moreover, the trend of disclosure was increasing in each dimension during the 2011-2014. These results showed that six dimensions of CSR disclosure were the most publicly related issues and that the disclosure about economic information was more than other dimensions by Jordanian firms.

A comparison across sectors indicates that the overall CSR disclosure for the industrial sector was more than the overall disclosure of services sector. Furthermore, the results indicated that the economic information were the most disclosed dimension in two sectors, followed by product, labor relations, and society respectively. The reason for this could be to enhance the competitiveness of companies and increase profits. However, the environment, and human rights dimensions were weak disclosed across two sectors. This means, the practice of CSR activities toward the environment and human rights by listed companies are very weak.

These results are compatible with the studies by Deegan (2000) and Islam and Deegan (2008) which supported that the companies will produce information related to the expectations and concerns of stakeholder groups and will use the disclosure as a tool to maintain the support stakeholder groups. The expectations and pressure of specific stakeholder can affect the level of CSR disclosure. Furthermore, the extent of CSR disclosure is connected with expectations of stakeholders (Deegan, 2000). Also the results of this study indicated that economic, product, and labor relations are the most disclosed dimensions in the annual report for Jordanian firms, followed by the society, environment, and human rights dimensions. This information is disclosed by the companies in order to comply with laws and regulations to gain legitimacy (Deegan & Gordon, 1996).

Some limitations of the study and recommendations for future research on how to overcome them are as follows. First, this study uses content analysis in which methods deployed are subject to human error and this should be taken into consideration concerning what has been judged as representing CSR (Thompson & Zakaria, 2004). Hence, this study recommended that future studies could use questionnaire method to determine more precisely the motives and perceptions of managers towards the disclosing of CSR activities. Second, this study focused on the annual report only to collect the data. Future research could use other sources to collect the data in order to determine the level of CSR such as separate CSR reporting, website, newspaper report, digital report, sustainability reporting. All of these sources may show more picture of CSR in Jordan's context. Third, this study was emphasised on 164 Jordanian listed firms in the service and industrial sectors from 2011- 2014. Future research could determine the level of CSR by using long time of period and more industries in order to increase the reliability of the results. Furthermore, Future research could be comparisons study between Jordan and other Middle East countries such Saudi Arabia, Egypt. It is important to determine the level of CSR disclosure in other countries.

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**Appendix 1**

Indicator Protocol Corporate Social Disclosure Based on Global Reporting Initiative Standard version 3.1.

<b>Economic Performance Indicators</b>
Aspect: Economic Performance
EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change.
EC3: Coverage of the organization's defined benefit plan obligations.
EC4: Significant financial assistance received from government.
Aspect: Market Presence
EC5: Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.
EC6: Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
EC7: Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.
Aspect: Indirect Economic Impacts
EC8: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9: Understanding and describing significant indirect economic impacts, including the extent of impacts.
<b>Environment Performance Indicators</b>
Aspect: Materials
EN1: Materials used by weight or volume.
EN2: Percentage of materials used that are recycled input materials.
Aspect: Energy
EN3: Direct energy consumption by primary energy source.
EN4: Indirect energy consumption by primary source.
EN5: Energy saved due to conservation and efficiency improvements.
EN6: Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives
EN7: Initiatives to reduce indirect energy consumption and reductions achieved.
Aspect: Water
EN8: Total water withdrawal by source.
EN9: Water sources significantly affected by withdrawal of water.
EN10: Percentage and total volume of water recycled and reused.
Aspect: Biodiversity
EN11: Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13: Habitats protected or restored.

EN14: Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15: Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
Aspect: Emissions, Effluents, and Waste
EN16: Total direct and indirect greenhouse gas emissions by weight.
EN17: Other relevant indirect greenhouse gas emissions by weight.
EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19: Emissions of ozone-depleting substances by weight.
EN20: NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.
EN21: Total water discharge
EN22: Total weight of waste by type and disposal method.
EN23: Total number and volume of significant spills.
EN24: Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff
Aspect: Products and Services
EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27: Percentage of products sold and their packaging materials that are reclaimed by category.
Aspect: Compliance
EN28: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.
Aspect: Transport
EN29: Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
Aspect: Overall
EN30: Total environmental protection expenditures and investments by type.
<b>Human Rights Performance Indicators</b>
Aspect: Investment and Procurement Practices
HR1: Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.
HR2: Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
HR3: Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
Aspect: Non – discrimination
HR4: Total number of incidents of discrimination and actions taken.
Aspect: Freedom of Association and Collective Bargaining
HR5: Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these

rights.
Aspect: Child Labor
HR6: Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.
Aspect: Forced and Compulsory Labor
HR7: Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.
Aspect: Security Practices
HR8: Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
Aspect: Indigenous Rights
HR9: Total number of incidents of violations involving rights of indigenous people and actions taken.
<b>Labor Practices and Decent Work Performance Indicators</b>
Aspect: Employment
LA1: Total workforce by employment type, employment contract, and region.
LA2: Total number and rate of employee turnover by age group, gender, and region.
LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
Aspect: Labor/Management Relations
LA4: Percentage of employees covered by collective bargaining agreements.
LA5 regarding significant operational changes, including: Minimum notice period(s) Whether it is specified in collective agreements.
Aspect: Occupational Health and Safety
LA6: Percentage of total workforce represented in formal joint management-worker Health and safety committees that help monitor and advice on occupational health and safety programs.
LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.
LA8: Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9: Health and safety topics covered in formal agreements with trade unions.
Aspect: Training and Education
LA10: Average hours of training per year per employee by employee category.
LA11: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12: Percentage of employees receiving regular performance and career development reviews.
Aspect: Diversity and Equal Opportunity
LA13: Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
LA14: Ratio of basic salary of men to women by employee category.
<b>Product Responsibility Performance Indicators</b>
Aspect: Customer Health and Safety
PR1: Life cycle stages in which health and safety impacts of products and services

are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.
Aspect: Product and Service Labeling
PR3: Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.
PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
PR5: Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
Aspect: Marketing Communications
PR6: Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7: Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.
Aspect: Customer Privacy
PR8: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
Aspect: Compliance
PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
<b>Society Performance Indicators</b>
Aspect: Community
SO1: Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.
Aspect: Corruption
SO2: Percentage and total number of business units analyzed for risks related to corruption.
SO3: Percentage of employees trained in organization's anti-corruption policies and procedures.
SO4: Actions taken in response to incidents of corruption.
Aspect: Public Policy
SO5: Public policy positions and participation in public policy development and lobbying.
SO6: Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
Aspect: Anti-Competitive Behavior
SO7: Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.
Aspect: Compliance
SO8: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

Source: GRI (2011) version 3.1