The Effect of Social Responsibility Disclosure Determinants on Company’s Stockholders’ Equity.
“A Case Study on Jordanian Industrial Companies Listed in Amman Stock Exchange”

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Abstract

In this study we investigate the effect of social responsibility disclosure determinants on company’s stockholders’ equity in the Jordanian financial market. Our methodology in this study depends on previous studies and theories. The annual reports of the sample companies were used in order to evaluate the effect of social responsibility disclosure determinants (Company Size, Industry Type, Profitability, Leverage and company age) on company’s stockholders’ equity. The study sample covered the entire industrial sector at Amman financial market, which contains 63 companies as per the year 2017 records. It is found that Corporate Social Responsibility (CSR) affects the stockholders equity of firms in short term scenario negatively, and this negative impact is an extra cost burden on the shoulders of the industrial firms. Thus, CSR does not generate economic benefits for the firms in short-term. The results also showed benefits for CSR applications with respect to long-term stockholders equity. The study recommended that there should be clear standards for the Social Responsibility Disclosure on the long run, because this will have a positive impact on the companies, and community.

Keywords: Corporate Social Responsibility CSR, Annual Reports, Accounting Disclosure.