

The Effect of Accounting Information on the Credit Risk Management in the Jordanian Commercial Banks

Abstract

This study aims at testing the impact of accounting information on the management of credit risk in the Jordanian commercial banks. This study has adopted the descriptive analytical method in order to collect and analyze data and test hypotheses. The study population has comprised all Jordanian commercial banks; independent and dependent variables of the study have been measured through a questionnaire designed for this purpose. The sample has included 100 workers in the field of accounting information in the study population, Jordanian commercial banks. The study has found out that workers in the Jordanian commercial banks have positive attitudes towards accounting information of liquidity, profitability, debt and cash flows of Jordanian commercial banks. The study has also concluded that the accounting information plays an important role in the management of credit risk in commercial banks, through providing accounting data and displaying them in a scientific way to help decision makers in the commercial banks to take appropriate decisions. The results have rejected the main study hypothesis which states: There is impact for the accounting information on the management of credit risk in the Jordanian commercial banks. The study has recommended several recommendations, including: commercial banks should use accounting systems specialized in credit risk management process, helping to ensure the efficient credit risk management in commercial banks and ensure accuracy in the indicators; the study has also recommended to design training programs for workers in the banks to build the functional capabilities in the field of credit risk management depending on accounting information.