

The Effect of Corporate Social Responsibility Disclosure on Financial Performance in Jordanian Commercial Banks

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Abstract

This study aimed to measure the impact of the disclosure of social responsibility on the financial performance of Jordanian commercial banks. The disclosure of social responsibility was measured through its fields of employee performance development, protection environment activities, the bank's interaction with society, and the services quality. The researcher used the quantitative analytical approach, which is the appropriate approach to obtain from the lists and financial reports of Jordanian commercial banks available on the Amman Stock Exchange during the period between 2014-2018 . The study population is formed out of 13 Jordanian commercial banks. The researcher used many atatistics methods in order to analyze the outcomes of the results, such as, the mean and standard deviations, as well as the correlation coefficient and the multiple regression coefficients.

The study reached a set of results, the most important is the impact of the disclosure of social responsibility on the financial performance of Jordanian commercial banks, in an uneven manner between the fields of social responsibility where investment in activities of the quality of services in both aspects (the number of employees and the number of the branches) leads to improving the financial performance of Jordanian commercial banks. Also, the study concluded that there is a positive relationship between social responsibility in the fields of customer interest and the financial performance of banks. And that the disclosure of social responsibility increases the attraction of customers to deal with banks, thereby; increasing their liquidity and raising their financial performance.

The researcher recommended a set of recommendations, the most important of which was that, there should be a law or mandatory legislation for the process of disclosure of the items of social responsibility in Jordanian commercial banks, in addition, the discloure areas of social responsibility should have clear and non-misleading financial value that increases the reliability of disclosure for dealers with banks, and motivating commercial banks to promotes awareness of the concept of social responsibility and increases its disclosure.

Keywords: Social Responsibility Disclosure, Financial Performance, ROA, ROE, Liquidity Ratio, Jordanian Commercial Banks.