



An-Najah National University
Faculty of Graduate Studies

**THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY
DISCLOSURE AND ACCOUNTING COMPARABILITY ON
EARNINGS PERSISTENCE OF JORDANIAN AND
PALESTINIAN BANKS FOR THE YEARS 2012-2022**

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Dedication

I dedicate my thesis to

My parents, whose continuous support, encouragement, and belief in my abilities has been the guiding lights throughout this journey.

To all those who have played a part, big or small, in shaping my academic path and personal growth....

Acknowledgment

I would like to extend my greatest and heartfelt appreciation to my special supervisor Prof. Abdalnaser Nour

for his guidance, support and encouragement throughout this project.

I would like to also extend my deepest gratitude to Dr. Sameh Atoot whose door has been always open for any help and feedback

Declaration

I, the undersigned, declare that I submitted the thesis entitled:

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DISCLOSURE AND ACCOUNTING COMPARABILITY ON
EARNINGS PERSISTENCE OF JORDANIAN AND PALESTINIAN
BANKS FOR THE YEARS 2012-2022**

I declare that the work provided in this thesis, unless otherwise referenced, is the researcher's own work, and has not been submitted elsewhere for any other degree or qualification.

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Date: **4/12/2024**

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Abstract

This study aimed to analyze the impact of corporate social responsibility disclosure (CSR) and accounting comparability on earnings persistence in Jordanian and Palestinian banks during the period from 2012 to 2022. A mixed-methods approach was adopted, combining content analysis of CSR reports and quantitative analysis of banks' financial statements, using statistical tools to examine the relationship between these variables and earnings persistence. To achieve this objective, CSR and accounting comparability were studied as independent variables, while debt, cash, and bank size were included as control variables, along with inflation and GDP as independent control variables. The study sample included the entire population, consisting of 7 Palestinian banks and 14 Jordanian banks. A multiple linear regression analysis was conducted using panel data.

The study yielded several important findings. First, it was found that CSR has a negative impact on the ability to predict earnings, reflecting an opportunistic perspective where such disclosures may be used to obscure earnings management practices and enhance reputation unethically. The study also showed that accounting comparability plays a positive role in improving the ability to predict earnings, as comparable financial reports enhance transparency and reduce uncertainty, enabling investors and stakeholders to assess banks' financial performance more accurately and fairly.

Regarding the control variables, the study found that inflation does not significantly impact earnings predictability, as banks demonstrated flexibility in adapting to price changes through their financial policies and interest rates. In contrast, GDP growth had a significant positive impact, reflecting the level of economic activity and the increased demand for banking services, which enhances earnings stability. However, variables

such as capital adequacy, cash liquidity, net interest margin, operational efficiency, and provisioning for loan losses did not show a significant impact on earnings predictability. Additionally, the analysis revealed a negative correlation between debt and profits stability, underscoring the significance of prudent and restrained use of debt financing. The study also shown that bank size, profit yield, and current liquidity all significantly affect profits forecasts.

The research made a number of recommendations in light of these findings with the goal of enhancing earnings predictability and stability. Among these suggestions were the significance of raising the degree of openness in social responsibility disclosure and strengthening accounting comparability through the adoption of international and standardized accounting standards. This study also underlined the significance of prudently managing debt and liquidity as well as creating plans to deal with GDP swings. The study also highlighted the significance of coordinating with central banks to enhance financial and regulatory policies, as well as the necessity of putting the Basel Accords into effect, which support the stability of the banking system by successfully managing risks and highlighting the significance of maintaining adequate capital levels.

Keywords: Corporate Social Responsibility Disclosure (CSR), Accounting Comparability, Earnings Persistence, Jordanian Banks, Palestinian Banks, Financial Stability.

Chapter One

Introduction and Theoretical Background

1.1 Introduction

Companies have begun to see corporate social responsibility disclosure (CSR) as a strategic tool to achieve this goal by aligning their operations with social norms, as maintaining the company's ability to generate profits is the primary means by which they aim to increase shareholder wealth (Crane and Matten, 2021).

According to Hoang, Abeysekera, and Ma (2018), there is a positive correlation between thorough CSR disclosure and long-term profits persistence, demonstrating how moral business practices increase shareholder value.

A company's commitment to ethical behavior is assessed by stakeholders using the volume and type of CSR disclosure as an indicator of a company's ethical behavior (Rezaee, Dou, & Zhang, 2020).

In addition to the role of social responsibility disclosure in improving the continuity of profits, Davoodi (2019) shows that there is a major role for accounting comparison in determining the extent of the continuity of profits in the company. Khuong et al. (2022) shows that both social responsibility disclosure and accounting comparison can improve earnings sustainability, as comparison between companies and accounting standards affects in some way the reported CSR projects, which contributes to enhancing their impact on earnings sustainability. De Franco et al. (2011) notes that the more comparisons there are, the more accurate assessments of a company's financial performance can be made, which over time will impact the consistency and predictability of earnings. It is therefore of utmost importance for stakeholders who rely primarily on financial statements to understand this impact (Hoang et al., 2020).

It is worth noting that emphasizing differences in accounting comparability and the persistence of the impact of CSR disclosures on earnings at the industry level is of a paramount importance (Vo & Arato, 2020). Accordingly, different industries may put different priorities on CSR and those laws of a specific industry may affect reporting requirements, and different industries may place different priorities on CSR (Thuy et al., 2020). Hence, this study examines potential differences between CSR initiatives and

accounting rules in terms of their impact on long-term earnings in various industries. It also attempts to highlight the contextual elements and factors leading to different effects and outcomes on earnings persistence through differences' analysis across industries (Khuong, et al., 2022).

In a comprehensive and broader sense, social responsibility refers to the commitment and dedication of an organization to its various stakeholders (Vitolla et al., 2019). This duty goes beyond making money only, as those duties include the workers, environment and society as a whole, as well as adding social responsibility to the general duty that businesses have to all stakeholders (Vitolla et al., 2019). In other words, the responsibilities of an organization extend beyond what is provided by law to contain the general objectives of social welfare promotion, environment protection, the quality of goods and services improvement, as well as goodwill promotion among employees and training programs establishment (Wirba, 2024). Therefore, these organizations have additional societal and legal obligations towards community (Khanaghah, Sadeghi, & Ghadakforoushan, 2019).

Organizations acknowledge and recognize the significance of openness and transparency concerning their commitment to social and environmental concerns in the context of CSR disclosure (Chiu, 2015). Organizations can efficiently communicate their efforts related to social welfare, product and service quality improvement, environmental sustainability, as well as community engagement, employee development, and product and service quality through comprehensive disclosure practices (Vitolla et al., 2019). Such disclosure can be manifested as a means of demonstrating to stakeholders that the organization is accountable to them, building trust, and enhancing the attitudes of investors, consumers, and society as a whole (Vo & Arato, 2020). In a nutshell, an organization's commitment to comprehensive responsibility largely depends on its CSR disclosure, which aims to align its operations with the interests of society and the environment (Thuy, Khuong, Canh, & Liem, 2021).

Based on the above, this study aims to shed light on the impact of corporate social responsibility disclosure and accounting comparability on earnings sustainability. The study will focus on commercial and Islamic banks in both Palestine and Jordan to achieve a deeper understanding of this relationship.

1.2 Problem Statement

CSR is given more consideration in mature economies than in new ones. Different nations have different effects on CSR awareness and behavior due to differences in their economic and social development. In addition, the way that CSR is viewed varies depending on cultural and traditional customs. Even so, wealthy nations participate heavily in CSR.

According to Dahmash et al. (2023), companies in today's business environment are recognizing the reporting significance their CSR activities in order to fulfill their ethical and social responsibilities. Financial statements are crucial to use when making decisions for stakeholders, mainly analysts and investors. However, there is still much to learn about such underexplored and critical topic in the academic literature when it comes to how accounting comparability and CSR disclosure have an impact on earnings persistence and sustainability. Despite the relationship between social responsibility disclosure and accounting comparability, studies examining their joint impact on earnings sustainability are still limited. While many studies have addressed the impact of each of these two variables on earnings sustainability separately, studying their impact together, especially in the banking sector in Palestine and Jordan, is still insufficient, despite the clear integration between them in enhancing earnings sustainability and financial performance quality. Although the increasing significance of CSR disclosures, it is uncertain how these disclosures affect profitability sustainability and earning persistence. More and further research and data is also needed just to acknowledge and understand how accounting comparability affects the relationship between CSR disclosures and earnings persistence. Stakeholders' understanding of the financial performance of a certain company mainly depends on the consistency of its earnings. This would be an important measure of the quality and reliability of financial reporting (Al-Akayleh & Saaydah, 2022).

1.3 Questions of the Study

The study tries to answer the following questions:

1. How does the extent and nature of Corporate Social Responsibility disclosure influence the persistence of earnings in Jordanian and Palestinian banks?
2. How does accounting comparability influence the persistence of earnings in Jordanian and Palestinian banks?

1.4 Importance of the study

The sustainability of profits may be affected in the long term as a result of the impact of corporate social responsibility disclosure, which in turn affects stakeholders' perceptions of the company's ethics, principles, and even social responsibility practices. Stakeholder confidence can be enhanced and gained through positive disclosures of corporate social responsibility and what companies do to preserve the interests of all parties and protect them from any potential violations.

Also, social responsibility disclosure increases the likelihood of achieving more stable and long-term profits. Therefore, companies must work to understand the relationship between corporate social responsibility disclosure and the sustainability of profits.

On the other hand, standardizing accounting procedures across companies, known as accounting comparability, helps ensure the sustainability of profits. So that when accounting data is more comparable, analysts and investors can evaluate companies' financial performance more clearly and accurately. This enhances investor confidence and market efficiency, because companies that provide consistent accounting data make it easier for others to understand their financial position. Therefore, we emphasize the importance of this study for researchers who seek to understand the relationship between earnings sustainability, social responsibility disclosure, and accounting comparison, and managers who seek to maintain the continuity of earnings in companies and maintain their financial performance. This study contributes to filling the research gap by exploring the relationship between social responsibility disclosure, accounting comparison, and earnings sustainability. It also provides important recommendations for investors, analysts, and decision makers to help them make better decisions based on financial statements.

1.5 Objectives of the study

1. To investigate the influence of the extent and nature of Corporate Social Responsibility disclosure (CSR) on the persistence of earnings in Jordanian and Palestinian banks
2. To investigate the influence of accounting comparability on the persistence of earnings in Jordanian and Palestinian banks.

1.6 Theoretical Framework

1.6.1 Accounting Comparability

Lim (2021) defined comparability as "the degree of standardization of accounting data that enables comparison of the financial accounts of several companies."

Chen & Gong (2019) also defined the property of comparability of information as using the same supporting measurement methods in another institution that practices the same economic activity to enable its users to make a decision after making comparisons with similar institutions, which increases the effectiveness of decision-making.

Davoodi (2019) also defined it as the ability to compare financial statements for a specific financial period with financial statements for a previous financial period or periods for the same institution, or to compare the financial statements of a specific institution with financial statements of other institutions or to compare financial statements with a general standard such as an industry standard, and IAS 01 requires that information be presented in comparison for at least one previous financial period.

From these definitions, we conclude that the property of comparability of information is comparing the financial statements of the institution with itself or with other institutions during different time periods, the basic condition of which is to make accounting information comparable .

1.7 Theories of Accounting Comparability

1.7.1 Positive Accounting Theory

Anagnostopoulou (2024) shows that the positive accounting theory seeks to explain and analyze management's behavior in choosing accounting policies and predicting their effects. Based on this theory, the relationship between corporate social responsibility disclosure (CSR) and accounting comparability on the continuity of profits can be explained from a practical and realistic perspective. Policies that serve management's economic and social interests must be chosen, and social responsibility disclosures are a reaction to stakeholder and societal demand (Hossain & Alam, 2016). Social responsibility disclosure is seen by Kim & Lee (2018) as a tactical instrument to improve openness and foster confidence with clients and investors, both of which help to lower doubts over the company's financial performance. Long-term financial stability and improved profits persistence result from firms' higher credibility and improved image in front of stakeholders when their social and environmental activities are openly disclosed (El-Halaby & Hussainey, 2015).

However, accounting comparability is essential for allowing stakeholders to assess businesses' financial performance impartially (Chen et al., 2018). The positive accounting theory states that management bases its decision about accounting procedures on the financial incentives it hopes to attain. Investors and analysts may evaluate businesses' financial performance more precisely and impartially when consistent and comparable accounting standards are provided (Golmohammadi et al., 2021). Al-Dmour (2018) highlights that this improves a company's capacity to draw in investments and helps raise stability and profits expectations. Comparing businesses shows disparities in disclosure and performance, which motivates management to implement transparency and accounting practices that support long-term financial viability and profitability (Harrison & van der Laan Smith, 2018).

1.7.2 Normative Accounting Theory

According to Collins et al. (2009), normative accounting theory places a strong emphasis on creating accounting standards and guidelines that provide the intended outcomes and offer prescriptive guidance on how accounting should be carried out. Normative theories in accounting provide direction to industry practitioners and

standard-setting corporations and organizations to enhance the comparability of financial reporting (Pelger, 2016). For example, the establishment of comparable accounting standards, standardized reporting formats, and increased transparency requirements are urgently needed. This is to ensure that customers of different categories are making relevant comparisons across different firms (Hamed et al., 2024).

As a result, accounting procedures ought to be designated to support and strengthen the availability of relevant data for the decision-making process, in addition to the societal objectives of accountability and transparency (Patty, Lamawitak, Goo, & Herdi, 2021).

It is important to note that normative theories are being used to highlight the significance of principles-based accounting standards. This would improve and preserve flexibility while maintaining comparability in the quest for accounting comparability (Lundh, 2020). The main goal of these basic standards was to give businesses precise instructions for preparing financial statements, which they may then tailor to their particular set of circumstances. However, under the principles-based approach, normative accounting theory emphasizes the need for specific norms and disclosure requirements to avoid excessive heterogeneity in accounting processes that could hinder comparison (Sanada, 2021).

According to Rogowska (2018), normative accounting theories play a crucial role in establishing the normative foundation of accounting practices by encouraging organizations that develop standards to enact legislation that encourages more consistency and comparability in financial reporting.

1.7.3 Agency Theory

Agency theory, which studies the relationship between principals (like shareholders) and agents (like managers), is essential to understanding the dynamics of accounting comparability. Because the principal grants the agent decision-making authority, information asymmetry becomes a significant problem in an agency relationship. In terms of accounting comparability, principals—investors and other stakeholders—use financial data to evaluate the agent's (management's) performance. Comparability in accounting is essential for resolving the agency problem and for effective monitoring. Comparable financial statements enable principals to assess the financial performance

of several firms, facilitating the review of executive decisions and actions (Zogning, 2022).

According to agency theory, managers could be tempted to influence accounting decisions for their own benefit, which could jeopardize comparability. They may choose to employ selective accounting methods, which reduce performance comparability and make it more difficult to evaluate managerial activities for external stakeholders. However, managers may also act to improve comparability by exhibiting openness and coordinating their goals with those of external stakeholders. Accounting comparability is crucial in the framework of agency theory because it minimizes information asymmetry, balances the interests of principals and agents, and provides a basis for effective supervision and decision-making in agency partnerships (Partyka, 2021).

1.7.4 Disclosure Theory

Accounting comparability and disclosure theory are interconnected notions that shed light on the value of information disclosure in decision-making process. The theory affirms that companies disclose information in a way that is consistent and compatible with regulations, taking into consideration information asymmetry mitigation, in addition to enabling stakeholders to make well-informed decisions. In order to preserve and maintain the openness of financial data and to allow users to compare the financial outcomes of other businesses, disclosure is therefore essential in the context of accounting comparability. When there is comparable and adequate information, the accounting methods and principles used are much better comprehended by users themselves, helping them make more accurate, educated decisions about investments and credit (Al Amosh & Khatib, 2022).

1.7.5 Stewardship Theory

To illustrate this idea, Anh (2021) states that it is the duty of management to protect the long-term value of the company and balance its own interests with those of shareholders. Accordingly, CSR disclosure is a useful governance tool that enhances transparency and accountability. Caputo et al. (2021) argue that companies that disclose their social and environmental activities demonstrate their dedication to adopting responsible management principles and enhance trust between management and shareholders. Therefore, disclosure helps bridge the information gap and demonstrates

management's concern for meeting the needs of stakeholders and society, both of which are beneficial for enhancing long-term profitability and financial performance stability. Kubikova and Jindrichovska (2016) assert that accounting comparability helps ensure the accuracy and consistency of financial statements across companies and time periods.

According to management theory, providing comparable and clear financial statements helps build trust between shareholders and managers, as shareholders can use this information to accurately evaluate management performance and hold management accountable for the decisions taken (Kaawaase et al., 2021). This consistency enhances transparency and credibility and reduces doubts about the quality of earnings generated, contributing to earnings persistence (Rezaee & Tuo, 2019).

1.8 Corporate Social Responsibility Disclosure

Niresh & Silva (2018) stated that "One of the main and key factors that affect a company's value is the degree of responsibility it has to its internal and external stakeholders or clients. Corporate social responsibility and the use of intangible assets such as intellectual capital, is the requirement that a company have reciprocal relationships with its stakeholders and the environment so that they acknowledge the company's existence. The financial success of any corporate, mainly financial and commercial banks has a significant impact on the value of the company. The value of a company's stock may increase if its financial performance improves and it draws in investors. If a company's financial performance signals a bright future, its stocks will be in high demand from investors and have an impact on the market price."

Previous research and evidence on corporate social responsibility and accounting comparability on earnings persistence of Jordanian, Palestinian Islamic and commercial banks that affects company value and financial performance has been conducted in Indonesia and overseas with a variety of findings. It was demonstrated how the disclosure of CSR has an impact on corporate value. The findings of the study by Ammarwaty, Zulpahmi & Sumardi (2020) indicated that disclosure of corporate social responsibility has no effect on corporate value.

Information regarding a company's CSR efforts may be included in its annual sustainability or financial report. The management of stakeholder relationships and

harm reduction to firm operations are thought to be the main goals of CSR disclosure. Corporate social responsibility can be used as a tactic to boost company performance (Li, Gong, Zhang, & Koh, 2018).

1.9 Theories of Corporate Social Responsibility Disclosure

1.9.1 Legitimacy Theory

According to legitimacy theory, there may be a difference between what the public expects of an institution and what it really does. One strategy employed by businesses to bridge this gap is information sharing through financial reports and other communications tools. According to the legitimacy hypothesis, when organizations are asked about their legitimacy, they usually provide more information. A company that operates in an industry that significantly affects the environment may decide to disclose more information about its environmental activities in order to calm concerns about legitimacy (McClymont & Sheppard, 2020).

1.9.2 Stakeholder Theory

Stakeholder theory emphasizes the importance of considering the general interests of all internal and external parties in the company, whether they are employees, owners, managers, investors, financiers, creditors, customers, and other stakeholders (Sobida, Nourkholis, & Mardiaty, 2018). According to this theory, the company deliberately chooses the option of disclosing data related to its environmental, social, and intellectual performance, with the aim of reassuring all stakeholders that the company cares for their interests and is keen to achieve them. Accordingly, a report is sent to stakeholders so that they are informed of the activities in which the organization is engaged. The stakeholder theory states that companies should use CSR disclosure as a key tool to address stakeholder issues, demonstrate their commitment to them, and develop fruitful working relationships.

1.9.3 Signal Theory

Signal idea is an important idea that provides an analytical framework for comprehending disclosures related to Corporate Social Responsibility (CSR). It is used by businesses as a tactical signaling technique. This idea states that various organizations should use CSR disclosure as a way to show their stakeholders how

committed they are to social and environmental responsibility. This theoretical framework also examines the content of sustainability reports, including how companies may utilize signaling to influence stakeholder views, get a competitive advantage, and improve their reputation. Three categories of signals exist: necessity, intentionality, and concealment (AL-sartawi & Reyad, 2018). Besides that, Signal Theory sheds light on the fact that there are several important signals for CSR disclosure; they are structure, timeliness and substance. Those certain information and data to be revealed are carefully considered by businesses, while framing them to meet stakeholder societal norms and interests. The disclosure process itself is manifested to be an acknowledgement of a firm's commitment to the conducted ethical business. In this regard; however, those firms and organizations need to make sure that actual operations and CSR statements are both consistent; as distrust and mistrust might be created through these inconsistencies. In other words, the idea of signaling, which suggests that management may convey information about the company through various components of financial disclosure that investors may interpret as a signal, has been widely applied in accounting and auditing studies. Earnings timing is one such element of disclosure (Komara, Ghozali, & Januarti, 2019).

1.9.4 Voluntary Disclosure Theory

The primary focus of this theory is the voluntary aspect of CSR disclosure. This theory highlights the fact that some businesses shall voluntarily release information of CSR as a crucial, strategic decision. All of which are primarily affected by competitive positioning, management of reputation, as well as the relationships of stakeholders. In addition, this theory highlights that one method of signaling that a company is better than others is through voluntary disclosure, in which it releases more information than is needed by laws and regulations. Within the context and framework of the Corporate Social Responsibility Disclosure, this theory proposes that in order to meet and achieve certain goals strategically, companies can disclose their environmental and social actions voluntarily. Those companies or businesses really acknowledge that further details disclosure of CSR efforts is beneficial for their own relationship with stakeholders, position in the market, as well as for their brand as a whole (Consoni, Colauto, & de Lima, 2017).

1.9.5 Institutional Theory

Institutional theory is one theory of a paramount importance for CSR activities. Based on this theory, CSR actions and activities are to be disclosed by firms or businesses in order to abide by institutional norms, regulations and expectations. Hence, organizations are being legitimate and recognized in their surroundings while they respect such institutional demands. Based on the lens of conformity to institutional demands, the institutional theory is a helping tool for explaining the idea to which certain data and information are being disclosed regarding organizations' societal and environmental activities and actions. Therefore, it might be interpreted that one major driving element behind CSRD is the demand for sustainability, conformity and legitimacy to those accepted expectations and norms in the institutional surrounding in which these businesses operate (Chowdhury, 2021).

In this sense, an organization's response to institutional factors and external demands is Corporate Social Responsibility Disclosure. It is comprehensible from an institutional theory standpoint. According to institutional theory, an organization must abide by institutional norms, expectations, and regulations in order to gain legitimacy and survive in its environment. Institutional forces have a significant impact on businesses' decisions to disclose information about their social and environmental activities under the Corporate Social Responsibility Disclosure (CSRD) framework (Gonçalves & Silva, 2021).

1.10 Introduction to Earning Persistence

Earnings sustainability is one of the most important concepts in accounting, which measures the extent to which a company's current earnings predict its potential future earnings growth (Noureddine and Hamza, 2016). Earnings having this characteristic is essential for assessing the company's long-term stability and the possibility of relying on the company's earnings to predict the company's future earnings. In addition, it provides basic information and data that indicate the stability of the company's performance and the company's position in the long term (Ranasinghe et al., 2019). Earnings sustainability is also essential in decision-making for analysts, investors, stakeholders, and many others. Therefore, understanding the factors that affect earnings sustainability is of utmost importance for stakeholders and interested parties who want

to assess the financial health of a particular company or institution, forecast cash flows, and make decisions based on the historical performance of those companies (Al-Haddad & Al-Ghoul, 2023).

The financial statement analysis discipline is closely related and interconnected with the discipline of earnings persistence (Vichitsarawong & Pornupatham, 2015). There are different approaches to be used by analysts, in order to identify trends in earnings trajectory for a company, including ratio analysis, trend analysis, and forecasting models. The degree of earnings persistence can be affected by various variables, mainly prevailing economic conditions, industry traits, accounting rules, as well as management choices (Dang & Vu, 2022). The complex world of financial markets can be easily navigated by stakeholder through an in-depth understanding of earnings persistence (Jia & Li, 2022). It is considered to be a helping tool to make well-informed investment and strategic decisions and to manage uncertainty and anticipate risks based on the historical performance of the entities they are considering (Liem, 2021).

1.10.1 Financial Statement Analysis and Earnings Persistence

The expectation that a company's reported earnings will continue into the coming quarters is known as earnings persistence in the context of financial statement analysis. Analysts examine income statements to assess the accuracy and sustainability of reported earnings (Pirveli, 2020). Reliable earnings are an indicator of a company's long-term profitability, which impacts investment and valuation decisions. However, irregular or inconsistent earnings can raise doubts in investors' minds about the stability of a company's performance. Finding trends in reported earnings, assessing the quality of earnings, and understanding how accounting rules affect reported earnings are all made easier with the help of financial statement analysis (Oktavia & Susanto, 2022). Understanding earnings persistence can be incorporated into financial statement analysis to help stakeholders be better prepared to forecast future financial success based on historical data (Dang & Vu, 2022).

Hence, analyzing financial statements is essential to determining the performance and financial well-being of a business. Financial statement interpretation is a skill that analysts and investors use to get insights into a company's profitability, liquidity, solvency, and general operational efficiency (Dang & Vu, 2022). A quantitative

foundation for assessing several facets of a company's financial status is provided by common financial measures like leverage, profitability, and liquidity ratios (Ibrahim et al., 2015). Furthermore, the utilization of trend analysis, common-size analysis, and comparative analysis facilitates the comprehension of past performance and the identification of possible areas that require attention or improvement (Ndegwa, 2024). A detailed study of financial statements gives stakeholders a clear image of a company's financial status and performance over time, empowering them to make well-informed decisions about lending, investments, and strategic planning (Amidu & Harvey, 2016)

1.10.2 Factors Affecting Earnings Persistence

The continuity of profits is affected by a variety of internal and external factors. Dang & Van Vu (2022) shows that management practices have a significant impact on the continuity of profits, such that rational practices far from managing profits will help the company maintain the continuity of the company in achieving profits. Otherwise, practices that contribute to achieving profits in the short term, such as creative accounting practices and earnings management, will help the company show profits in the short term, but the company's fate is to incur huge financial losses in the long term, which may eventually lead it to declare bankruptcy and collapse (Oktavia & Susanto, 2022).

Also, Oktavia & Susanto (2022) shows that practicing conservative accounting policies will help the company maintain the continuity of profits, such that the company, through these practices, anticipates the worst-case scenario and thus is sufficiently prepared to face future financial risks. On the other hand, Rajizadeh & Rajizadeh (2014) shows that some industries show more stable financial performance than other sectors. This can be explained by referring to the Corona pandemic incident. Although various economic sectors may have been affected by this pandemic, other sectors have achieved significant financial returns as a result of this pandemic, including the health sector (Suk et al., 2021). In addition, the real estate sector, for example, is one of the most stable sectors and therefore one of the sectors most capable of achieving continuity in generating profits, unlike unstable sectors such as investment funds (Pirveli, 2020).

Kyosev et al. (2020) also shows that profits are divided into low-quality and high-quality profits; the former are less indicative of future performance, while the latter are more likely to continue.

Ibrahim et al. (2015) confirms that the level of financial leverage in the company is one of the most important internal factors affecting the continuity of profits, so that it is expected that companies that use a higher rate of financial leverage should provide higher returns on investment, in line with the rule that the increase in risk must be met with an increase in revenues.

Wisudawati & Achyani (2022) shows that companies facing intense competition and market volatility have more stable and consistent earnings than those with market dominance and strong competitive advantages. In addition, companies facing changes or regulatory scrutiny show increased volatility, while companies that adhere to reporting requirements or regulatory standards may show stable earnings (Kyosev et al., 2020). Ibrahim et al. (2015) shows that investor expectations are among the external factors that may affect the earnings persistence, in addition to the significant impact of both rapid disruptions and technological progress and developments.

1.11 Literature Review and Hypothesis Development

"Researchers and professionals in the fields of accounting and financial management are interested in corporate social responsibility and the comparability of accounting data. Given the efforts to improve corporate transparency and strike a balance between social and economic objectives, social responsibility disclosure is becoming more and more important. Simultaneously, the comparability of accounting data is thought to be a crucial component in aiding the management and investment decision-making process. In order to describe the relationship between social responsibility disclosure and accounting information comparability and their effect on profit continuity, a literature review will be carried out in this section of the study. This will be done by going over earlier research and examining the literature that has been done on the subject from a variety of angles, as well as by pointing out the various contexts that may have an impact on this relationship."

1.11.1 The relationship between CSRD and earnings persistence

Companies are eager to reveal their financial reports in a completely honest and transparent manner since disclosure is one of the fundamental elements for their success and survival (Sukanantasak, 2014). The openness and lucidity of the financial data that businesses give to stakeholders are indicators of social responsibility (Khuong et al., 2022). One of the most crucial pillars of the quality of financial reports, and consequently of the quality of earnings and the company's capacity to maintain profits, is administrative openness and its ethical standards. According to Martínez-Ferrero et al. (2016), there is a positive correlation between social responsibility disclosure and profit continuity. These companies are also less likely to manipulate their operational activities and manage profits resulting from optional entitlements.

Companies with a strong commitment to social responsibility are also better at forecasting future earnings than those with a weaker commitment (Boulhaga et al., 2022). As a result, stakeholders view businesses that engage in social responsibility as trustworthy since they reveal their earnings in an honest and ethical manner, improving their standing in the marketplace (Pham & Tran, 2020). Since financial reports are transparently given in accordance with the ethical perspective of social responsibility, businesses are less likely to manipulate earnings, which validates what is said in that perspective (Peifer et al., 2020).

Contrary to the above, Pham & Tran (2020) believes that the motive of corporate management in practicing social responsibility is to achieve its own interest by concealing the profit management operations practiced by the company with the intention of showing its financial reports in a way that helps improve its reputation. Since companies that practice social responsibility are more likely to practice profit management, that is, there is a negative relationship between social responsibility and earnings persistence (Gaio et al., 2022). Based on the negative relationship between social responsibility and earning persistence, social responsibility is used opportunistically as a means to cover up profit management practices that represent short-term profits followed by huge losses and thus mislead stakeholders (Zulu, 2023). The proponents of the opportunistic perspective rely on the agency theory, which believes that managers use social responsibility for personal benefit away from the interests of the company and stakeholders (Zulu, 2023; Panda & Leepsa, 2017; Afza,

Ehsan, & Nazir, 2015; Lopes, 2016; Farooq, Khan, Kainat, & Mumtaz, 2024; Lahourich & El Amri, 2024). As for the proponents of the ethical perspective, they believe that the stewardship theory came to compensate for the shortcomings of the agency theory, as it believes that the manager has a moral responsibility by nature, that is, he practices profit management less, and seeks to serve the company, stakeholders and society as a whole (Yuliandhari & Fadila, 2024; Jia & Li, 2022; Ehsan et al., 2022; Anagnostopoulou, 2024; Muttakin, Khan, & Azim, 2015). The researcher agrees with the ethical perspective that reflects the positive relationship between disclosure of social responsibility and the continuity of profits, i.e. whenever there is disclosure of social responsibility, this is a reason for the existence of quality in profits and thus a higher possibility of achieving continuity in profits, which shows its effect on investors and the extent of their confidence in the company (Yuliandhari & Fadila, 2024; Jia & Li, 2022; Ehsan et al., 2022; Anagnostopoulou, 2024; Muttakin, Khan, & Azim, 2015).

However, practicing social responsibility and disclosing it for unethical purposes with the intention of manipulating profits and not showing them in their true form works to mislead the facts and deceive stakeholders, and is considered an unethical act intended only for the interest of the company's management without caring about the interest of stakeholders, as the profits mentioned in its financial reports are not real, unlike when the company's management practices social responsibility in an ethical manner with the intention of providing services to society and providing it with welfare, thus its financial statements appear in a more credible and transparent manner, which helps it attract customers and increase its reputation among companies (Zulu, 2023; Panda & Leepsa, 2017; Afza, Ehsan, & Nazir, 2015; Lopes, 2016).

Based on the above, the researcher puts forward the first hypothesis in this study, which he formulates as follows:

H1: There is a positive, significant effect of disclosure of social responsibility on the continuity of profits of Jordanian and Palestinian banks over 2012-2022 period.

1.11.2 The relationship between the comparability of accounting information and the earnings persistence

One of the key tenets that improves the caliber of financial reports and boosts their value to decision makers is the comparability of accounting data (Torabi et al., 2024). It makes it possible for shareholders and investors to fairly and properly assess the performance of other businesses, which helps to increase transparency and decrease uncertainty (Hu et al., 2024). Comparability of accounting data has been linked to increased trust among investors, managers, and shareholders, which in turn reduces market volatility and improves cash flow stability and return continuity (Torabi, Dastgir, & Kiani, 2024; Nguyen, 2024; Lee & Lee, 2024; Jia & Li, 2022; Pirveli, 2020). According to Nguyen (2024), the implementation of International Financial Reporting Standards (IFRS) significantly enhanced the cross-border comparability of data between various businesses. Compared to enterprises that employ local standards, those who embrace these standards have demonstrated better levels of earnings persistence (Lee & Lee, 2024).

This is because investors can analyze the material and it is clear, which increases their trust in the consistency of future returns. According to Torabi et al. (2024), businesses with high comparability in their financial reports are also less susceptible to changes brought on by economic shocks. This is because they are better able to present a stable and transparent picture of their earnings, which raises expectations for returns in the future.

Corona et al. (2024) shows that the comparability of accounting information contributes to improving market efficiency, as it facilitates the process of analyzing companies' financial performance, which helps investors make informed investment decisions. Khuong et al. (2022) study showed that markets characterized by a high level of comparability witness more stable investment flows, which contributes to improving persistency of returns for listed companies. However, these benefits face challenges related to the variation in the interpretation of accounting standards between companies and different regions, as Khuong et al. (2022) indicated that cultural and regulatory factors may weaken the impact of comparability on the earnings persistence in some emerging markets.

Ibrahimi & El Baghdadi (2024) study emphasizes the importance of the comparability of accounting information as a key factor in supporting the persistence of returns by enhancing confidence, reducing volatility, and improving market efficiency. Murtezaj et al. (2024) emphasizes that achieving these benefits requires a sustained commitment to applying accounting standards in a uniform and fair manner.

Based on the above, the researcher puts forward the second hypothesis for this study, which he formulates as follows:

H2: There is a positive impact of accounting comparability on the continuity of profits of Jordanian and Palestinian banks over 2012-2022 period.

1.12 Comments on the Previous Studies

Based on the previous review of previous studies, it is clear to us that there is a great diversity in viewpoints and results related to the impact of both accounting comparability and social responsibility disclosure on the continuity of profits.

With regard to social responsibility disclosure, there is relative agreement among researchers who support the ethical perspective, as a large group of researchers Yuliandhari & Fadila, 2024; Jia & Li, 2022; Ehsan et al., 2022; Anagnostopoulou, 2024; Muttakin, Khan, & Azim, 2015 confirmed that disclosure practiced with integrity and transparency contributes to enhancing the confidence of investors and stakeholders, which is positively reflected in the continuity of profits. On the other hand, there are a number of researchers who adopted the opportunistic perspective, indicating that social responsibility may be used as a tool to manipulate financial results and improve the company's image at the expense of truth and transparency, which leads to short-term results that weaken the continuity of profits in the future (Zulu, 2023; Panda & Leepsa, 2017; Afza, Ehsan, & Nazir, 2015; Lopes, 2016; Farooq, Khan, Kainat, & Mumtaz, 2024; Lahouirich & El Amri, 2024).

As for the comparability of accounting information, most studies have emphasized its importance in improving the quality of financial reports and supporting investors' decisions, which contributes to achieving the continuity of profits (Torabi, Dastgir, & Kiani, 2024; Nguyen, 2024; Lee & Lee, 2024; Jia & Li, 2022; Pirveli, 2020). However, regulatory and cultural challenges have shown a varying impact on achieving the full

benefits of comparability, especially in emerging markets that may face difficulties in applying accounting standards in a uniform and effective manner.

By reviewing these studies, it becomes clear that the impact of social responsibility disclosure and comparability of accounting information depends largely on the organizational and cultural context of companies and markets. Commitment to ethical practices and uniform standards also plays a pivotal role in achieving maximum benefit from these factors. Accordingly, the researcher agrees on the importance of enhancing transparency and unifying the application of accounting standards as two basic pillars to improve the continuity of profits and enhance the confidence of investors and stakeholders. In light of this analysis, the researcher presents the study's two hypotheses based on the positive impact of both social responsibility disclosure and comparability of accounting information on the continuity of profits, while emphasizing the need for supportive ethical and organizational contexts to achieve these goals.

Chapter Two

Methodology

2.1 Introduction.

The current study aims to find out the impact of Corporate Social Responsibility Disclosure and Accounting Comparability (Liquidity Ratios, Profitability Ratios, Leverage Ratios, Activity Ratios) on Earnings Persistence. This chapter provides a description of the research methodology, the study population and its sample, the data collection, the model, the variables, the variable measurement mechanisms, the interpretation of the research model, and finally the statistical analysis methods used.

2.1.1 Study population and sample

The study population consists of all the banks listed on the Palestine Exchange And Amman Exchange; they are (7) Palestinian banks, and (14) Jordanian banks. A set of conditions were set for selecting the sample items as follows:

1. Five years or more have passed since the bank listed on the Palestine Exchange.
2. The bank continues to operate and has not been suspended from trading.

Therefore, the study sample consisted of (7) banks listed on the Palestine Exchange and (14) other banks listed on the Jordanian Exchange. The following tables illustrate this, but Safa Bank and Safwa islamic Bank was excluded due to its recent listing on the Palestine Exchange and Amman exchange:

Table 1

Distribution of banks listed on the Palestine Stock Exchange

Number	Name The Bank
1	Bank of Palestine
2	Al Quds Bank
3	Arab Islamic Bank
4	National Bank
5	Palestine Investment Bank
6	Palestinian Islamic Bank
7	Safa Bank

Table 2
Distribution of banks listed on the Jordanian Stock Exchange

Number	Name The Bank
1	Jordanian Islamic Bank
2	Jordanian Kwait Bank
3	Jordanian Commercial Bank
4	Arab Jordan Investment Bank
5	Safwa Islamic Bank
6	The Housing Bank for Trade and Finance
7	Bank Al Etihad
8	Arab Banking Corporation/ (Jordan)
9	Invest Bank
10	Capital Bank of Jordan
11	Cairo Amman Bank
12	Bank of Jordan
13	Jordan Ahli Bank
14	Arab Bank

2.2 Data Sources

This study relies on the financial reports published by both the Palestine Stock Exchange and the Amman Stock Exchange as a primary source of data. The data for the study variables will be accessed by reviewing the financial reports of the banks included in the study sample for the period 2012-2022.

2.3 Measurement of Variables

2.3.1 Independent Variables

Accounting Comparability: Torabi et al. (2024) define the concept of comparability is interpreted as the ability of accounting information to be comparable between different economic entities within the same industry or across multiple industries, making it an essential tool for making economic decisions by investors, creditors, and regulators. Nguyen (2024) also defines comparability as the ability of financial statements to provide information that can be compared between different companies and across multiple time periods, which helps in evaluating the financial performance of companies fairly and accurately and making informed investment decisions. Temporal comparability, which compares an economic entity's performance over time, spatial comparability, which compares the performance of entities in different geographical locations, and sectoral comparability, which compares the performance of entities across multiple industrial sectors, are some of the key dimensions of this concept that "De Franco and Kothari identified (Lee & Lee, 2024)."

Since this indicator connects the company's performance as represented in net income to its performance in the market, many researchers will use the ratio of net income to market value of equity as a measurement method to assess accounting comparability (Chircop, 2024; Arianpoor & Efazati, 2024; Yang, Ying, & Xu, 2024; Corona, Huang, & Hwang, 2024). Furthermore, Jia & Li (2022) show that this measure is a helpful tool for evaluating how well companies perform in the marketplace and in terms of profitability, allowing for a more accurate comparison between different entities. Additionally, this measure facilitates the comparison of the stability of companies' financial outcomes (Corona et al., 2024).

Chircop (2024) claims that this approach is used to evaluate accounting comparability because it precisely measures how much reported earnings are impacted by differences in accounting methods across companies. This method is the most often used for evaluating accounting comparability because it provides a means of evaluating the consistency of accounting data across different companies (Arianpoor & Efazati, 2024). Moreover, this approach provides flexibility in analyzing temporal implications and changes in accounting standards, which is essential for understanding the continuity of profits, especially in dynamic industries like banking in Jordan and Palestine, as shown by De Franco et al. (2011).

"The AC of firm I in year t is empirically estimated using comparability and the methodology of De Franco and Kothari. First, the following equation is estimated using the data from the preceding 16 quarters:"

"earnings = net income / equity market value at the beginning of the period".

$$\text{Earnings}_{it} = \alpha_i + \beta_i \cdot \text{Return}_{it} + \varepsilon_{it} \quad (1)$$

The following formulas are used to forecast the earnings of enterprises I and J, assuming equal profit performance:

$$E(\text{Earnings})_{iit} = \alpha_i + \beta_i \cdot \text{Return}_{it} \quad (2)$$

$$E(\text{Earnings})_{ijt} = \alpha_j + \beta_j \cdot \text{Return}_{it} \quad (3)$$

The predicted income of firm i in year t is represented by $E(\text{Earnings})_{iit}$, whereas the projected income of firm j adopting firm j 's method of recognizing firm i 's profit in year t is shown by $E(\text{Earnings})_{ijt}$. The return of firm I is used in Equations (2) and (3) to ensure that the same is taken into account.

Next, compute the mean of the absolute deviation between the two anticipated returns produced by firms I and J 's accounting systems. Next, a negative value is assigned to the number, meaning that greater values of COMPACCT_{ijt} signify greater AC between the two firms:

$$\text{COMPACCT}_{ijt} = -1/16 * \sum_{t=15}^t |E(\text{Earnings})_{iit} - E(\text{Earnings})_{ijt}| \quad (4)$$

To give the firm a comparative measure each year, the averages the COMPACCT_{ijt} values for firms i in year t . For the four j firms in year t , COMP4_{it} is the average of the four highest COMPACCT scores. For every company in the same industry as firm i for the year t , COMPIND_{it} is the average of COMPACCT .

CSR D: It is the voluntary transparency initiatives taken by a company to convey its environmental, social, and ethical values. It entails informing relevant parties—investors, customers, staff members, and members of the public—about the company's dedication to moral corporate conduct, sustainability, community involvement, environmental effect, labor standards, and charity (Abdeljawad et al., 2021).

It will be measured using a checklist that has been produced using the requirements standard

This study used a disclosure index with thirty elements to measure CSR D. The objects were divided into four categories, as shown in Table 1 (environment, human, community, and products). Items that were disclosed were coded with a "1," otherwise a "0." The number of items disclosed by a bank divided by the total number of items (30) was used to calculate the disclosure ratings (Nour, Alia & Balout, 2022).

These items were modified to take into account the CSR D policies of the banks in Palestine and Jordan as well as the conditions that exist there.

Table 3
CSR disclosure index

Items of CSR disclosure	
A	Environmental information
1	Bank policy toward the environment
2	Environmental protection programs contribution
3	Natural resources conservation
4	Environmental regulations and requirements compliance
5	Bank financial contributions to organizations operating in environmental protection field
6	Bank support and finances clean and alternative projects (Renewable)
B	human information
1	Break-down of the employees by executive & non-executive
2	Amount spent on training employees
3	Number of employees trained during the year
4	Education facilities
5	Information on employee benefits
6	Health arrangements
7	Safety arrangement
8	Holidays and vacations
C	Community involvement information
1	Donations to arts, sports, etc
2	Sponsoring educational seminars and conferences
3	Sponsoring students educational scholarship
4	Providing job opportunities and helping reducing unemployment rate
5	Conducting projects in poor areas
6	Providing Cash rewards
7	Participating and financing celebration: National/ religious
8	Other communities involvement
D	Products information
1	Glossary/definition of products
2	Involvement in non-permissible activities
3	Providing returns within Shariah principles
4	Responsiveness to customer complaints
5	Provides its banking services through technology and the Internet)
6	Competitive position of the bank
7	Research projects set up by the bank to improve its services
8	Bank liable for Zaka

Note: (Nour, Alia, & Balout, 2022)

The items were divided into four categories, as shown in Table 1 (environment, human, community, and products). The index's items were chosen using the findings and justifications of the following previous studies (Barakat, Pérez & Ariza. (2015); Hassanein et al. (2008) & Alia & Branson (2011)). These were changed to take into account the conditions that exist in Jordan and Palestine as well as the banks' CSRD policies.

2.3.2 Dependent Variable

Persistence: The extent to which a business's profits over time continue to accurately reflect its underlying financial performance. It evaluates the profits stream consistency and predictability of a company. A high degree of earning persistence suggests that a business's profits are less impacted by sporadic or transient events and are mostly stable (Khuong et al., 2022). an EP statistic that can be found in the financial statement and is computed using various components. Upon performing an OLS regression on Equation (*), the coefficient β_1 , signifying the stability of income, is obtained. Earnings $i,t+1$ and Earnings are the earnings per share (EPS) of company i for years $t + 1$ and t , respectively, as calculated using the year t stock price (Yuliandhari & Fadila, 2024; Jia & Li, 2022; Pirveli, 2020).

$$\text{Earnings } i_t = a + B_1 * \text{Earnings } i_{t-1} + \varepsilon (*) \quad (5)$$

2.3.3 Control Variables

1. **Firm Size:** It is the measurement of a company's size or scope, usually based on variables like market capitalization, revenue, total assets, and number of employees. It is a crucial indication that assists in grouping companies according to their operational scope and financial parameters (Khuong, et al., 2022).

It is typically measured by identifying the magnitude of a company's assets through the company's general balance sheet (Ramadan & Aloqda, 2011).

2. **Cash:** cash, expressed in cash and cash equivalents, as a percentage of total assets. Businesses with EP typically have a certain amount of cash on hand, suggesting a positive correlation between cash holdings and EP (Khuong et al., 2022).
3. **Debt:** The debt ratio variable (DEBT), which is used as a control variable because businesses with high debt ratios are more likely to have financial issues that affect

revenue levels, is calculated by dividing total debt by total assets (Khuong et al., 2022).

4. **Dividend Yield:** It is measured by dividing the annual payout by the market value of the shares. In an effort to attract investors, dividend yield responds to EP in a positive way (Khuong et al., 2022).
5. **Net Interest Margin:** It is the difference between the interest income a bank earns from loans and investments, and the costs it pays on deposits and other sources of funding. This indicator is expressed as a percentage of interest-earning assets, and is used to assess the efficiency of a bank in managing its interest-earning assets compared to its liabilities (Lehner et al., 2024; Khuong et al., 2022).
6. **Provisioning for Loan Losses:** It refers to the percentage of the provision for credit facilities impairment from the total credit facilities granted by the bank, and this variable shows the degree of credit risk that the bank bears, in addition to the fact that through this variable we can see the value of potential credit losses resulting from customers' default in repaying loans, and the degree of the bank's protection from credit risks and ensuring its financial stability (Lehner et al., 2024; Khuong et al., 2022).
7. **Liquidity:** It refers to the bank's ability to meet its short-term financial obligations, such as paying off debts or approving client withdrawal requests, using its easily accessible liquid assets, such as cash and securities. This variable will be measured using the ratio of liquid assets to total assets (Lehner et al., 2024; Khuong et al., 2022).
8. **Capital adequacy ratio:** "This ratio measures the bank's capital compared to its risky assets", and is one of the most important ways to assess the bank's commitment to risk mitigation and Basel Accord requirements, as this ratio is used to assess the bank's ability to withstand losses and avoid bankruptcy based on Basel Accord requirements (Lehner et al., 2024; Khuong et al., 2022).
9. **Operational efficiency:** This ratio represents the bank's ability to control its operating costs in order to generate income. This ratio is measured by dividing total operating expenses by revenues, and therefore the lower this ratio is, the better (Lehner et al., 2024; Khuong et al., 2022).

2.3.4 Control variables at the country level

1. Inflation: It is the continuous increase in the general level of prices of goods and services in an economy over a certain period of time, which leads to a decrease in the purchasing power of the currency and its impact on consumption and investment. Inflation is measured using indicators such as the Consumer Price Index (CPI) or the Producer Price Index (PPI), the growth rate in consumer prices will be relied upon to measure inflation. It is considered an important control variable in financial studies because it affects financial and accounting evaluations, including the value of assets, revenues, and costs. Inflation can also affect the sustainability of profits through its effect on production costs and selling prices (Lehner et al., 2024).
2. Gross domestic product (GDP): is the total value of all final goods and services produced within the borders of a given country during a given period of time, and is one of the most important indicators of economic performance because it reflects the volume of economic activity and the level of growth. GDP is used as an indicator of the general state of the economy, which affects the business environment and the earnings persistence. In accounting studies, GDP is used as a control variable to measure the impact of the general economic environment on the relationship between social responsibility disclosure, comparability of accounting information, and earnings persistence (Lehner et al., 2024), this variable would be measured by the growth in GDP.

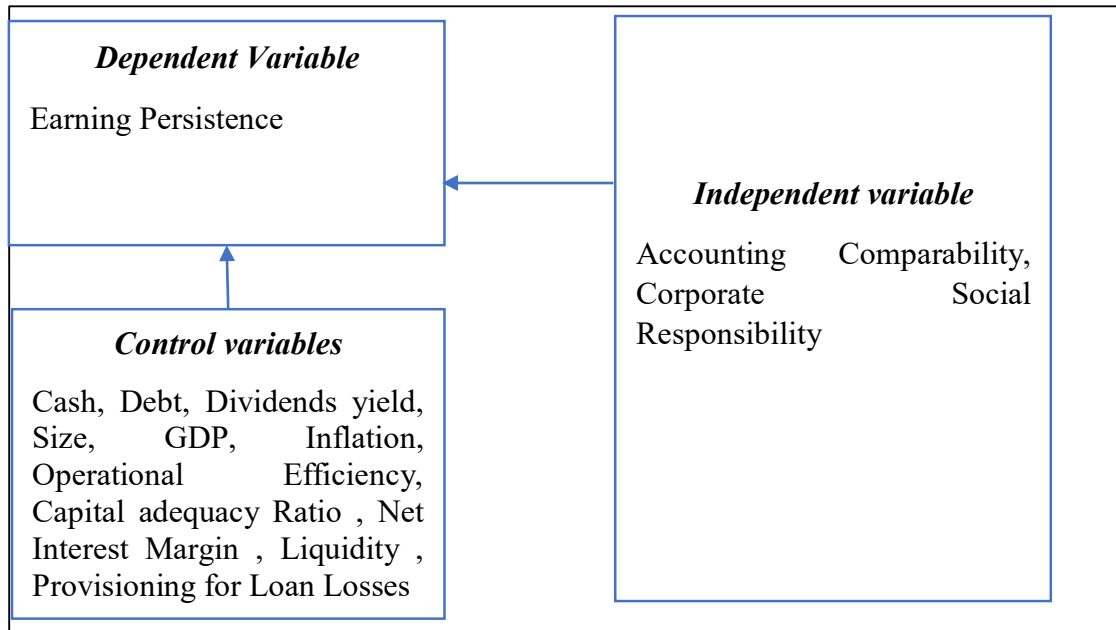
Table 4*Summary table of study variables and methods of measuring them*

Type	Variables	Symbol	Measurement	References
Independent Variable (1)	Corporate Social Responsibility Disclosure	CSR D	In this study, CSRD was measured by a disclosure index contains 30 items. As seen in Table (1), the items were classified into 4 categories (environment, human, community and products). Disclosed items were coded with '1', otherwise with '0'.	(Nour, Alia, & Balout, 2022)
	Accounting Comparability	ACC-C	The approach of De Franco and Kothari will be adopted by measuring the ratio of net income to equity market value at the beginning of the period.	(Chircop, 2024; Arianpoor & Efazati, 2024; Yang, Ying, & Xu, 2024; Corona, Huang, & Hwang, 2024)
Control Variable	Firm Size	SIZE	Size shows the firm's size as defined by the ln of Total Assets.	(Khuong, et al., 2022)
	Cash	CASH	CASH as a percentage of total assets, as measured in cash and cash equivalents	(Lehner et al., 2024; Khuong et al., 2022).
	Debt	DEBT	total debt is divided by total assets, we obtain the debt ratio variable (DEBT).	(Lehner et al., 2024; Khuong et al., 2022).
	Dividend yield	DIVY	DIVY stands for dividend yield, which is calculated as the yearly payout divided by the stock's market value. Dividend yield changes in a good manner in response to EP in order to entice investors.	(Lehner et al., 2024; Khuong et al., 2022).
	Operational Efficiency	CFI	Total Expenses / Total Revenue	(Lehner et al., 2024; Khuong et al., 2022).
	Capital adequacy Ratio	CAR	Capital ÷ Risk Weighted Assets	(Lehner et al., 2024; Khuong et al., 2022).
	Net Interest Margin	NIM	(Interest Income–Interest Expense) / Average Earning Assets	(Lehner et al., 2024; Khuong et al., 2022).
	Liquidity	LAT	Current Assets / Total Assets	(Lehner et al., 2024; Khuong et al., 2022).
Dependent Variable	Provisioning for Loan Losses	NPL	Provision for Credit Facilities Impairment/Total Credit Facilities Granted	(Lehner et al., 2024; Khuong et al., 2022).
	Gross Domestic Product	GDP	GDP will be measured by the world bank indicator growth, (GDP1-GDP0/GDP1)	(Lehner et al., 2024)
	Inflation	INF	inflation will be measured by the world bank indicator, CPI	(Lehner et al., 2024)
	Earning Persistence	Pers	an EP statistic that can be found in the financial statement	(Yuliandhari & Fadila, 2024; Jia & Li, 2022; Pirveli, 2020)

2.4 Research Framework

Figur 1

Research Model



2.5 The research model

Understanding how different operational and financial variables interact to influence persistence outcomes across time is essential when evaluating factors impacting organizational persistence. We use an extensive research model that includes several predictors to address this. This model, as a baseline, has added the persistence lagged value, alongside some significant and crucial factors mainly, size of business, cash holdings, dividend yield, levels of debt, as well as CSR. Through the integration of these factors, the model aims to illustrate the ways in which each element, either alone or in combination, impacted the organizational behaviors longevity. The following equation is given as a way to consider these relationships (Khuong, et al., 2022):

$$\text{Persistence}_{it} = \beta_0 + \beta_1 \text{COMPACCT}_{it-1} + \beta_2 \text{CSR}_{it} + \beta_3 \text{SIZE}_{it} + \beta_4 \text{CASH}_{it} + \beta_5 \text{DIVY}_{it} + \beta_7 \text{DEBT}_{it} + \beta_8 \text{GDP} + \beta_9 \text{INF} + \beta_{10} \text{LAT} + \beta_{11} \text{CFI} + \beta_{12} \text{NIM} + \beta_{13} \text{CAR} + \text{E}_{it}$$

Dependent variable

PERSISTENCE: it is a static that is computed using the elements existed all over the financial statement. The coefficient β_1 is considered to be an income stability sign that is obtained following an OLS regression on Equation (*)

$$\text{“Earnings}_{i,t+1} = \alpha + \beta_1 * \text{Earnings}_{i,t} + \varepsilon (*)\text{”} \quad (6)$$

Independent variables

COMPACCT: Comparability is applied to empirically estimate the AC of firm *i* in year *t*. First, the data from the previous 16 quarters are used to estimate the following equation: earnings = net income / equity market value at the beginning of the period. Equation (1) uses the stock's quarterly return as the return.

1. $\text{“Earnings}_{it} = \alpha_i + \beta_i .\text{Return}_{it} + \varepsilon_{it}\text{”}$

Based on the assumption of equal profit performance, the following formulas are utilized to predict the earnings of firms I and J:

2. $\text{“E(Earnings) }_{iit} = \alpha_i + \beta_i .\text{Return}_{it}\text{”}$

3. $\text{“E(Earnings) }_{ijt} = \alpha_j + \beta_j .\text{Return}_{it}\text{”}$

While E(Earnings) *ijt* indicates the predicted income of company *j* using firm *j*'s technique for recognizing firm *i*'s profit in year *t*, E(Earnings) *iit* represents the expected income of firm *i* in year *t*. To make sure that the return of firm I is considered, it is used in Equations (2) and (3). After that, average the absolute difference between the two projected returns produced by firms I and J's accounting systems. After that, the number is given a negative value, meaning that higher COMPACCT_{ijt} values correspond to greater AC between the two firms:

4. $\text{“COMPACCT}_{ijt} = -1/16 * \sum_{t-15}^t \text{E (Earnings}_{iit}) - \text{E Earnings}_{ijt}\text{”}$

To give a comparison measure for that firm in each year, the averages the COMPACCT_{ijt} values for firms *i* in year *t*. The average of the four highest COMPACCT values for each of the four *j* firms in year *t* is called COMP4_{it}. The average of COMPACCT for all companies in the same industry as company I for the year *t* is called COMPIND_{it}. The social responsibility disclosure score for economic, environmental, and social acts is called CSR: CSR ECONOMIC; CSR ENVIRONMENT; and CSR SOCIAL. The corresponding score is called CSR ALL. The calculation formula is as follows:

5. $\text{“CSR_ECONOMIC}_i = \sum X_i * n_i\text{”}$

6. “CSR_ ENVIRONMENT = $\sum X_i * n_i$ ”
7. “CSR_ SOCIAL = $\sum X_i * n_i$ ”
8. “CSR_ All = $\sum X_i * n_i$ ”

Control Variable

The control variables used in the model include Debt Ratio (DEBT), represented by DEBT, Cash (CASH), represented by CASH, Dividend Yield (DIVY), represented by DIVY, Gross Domestic Product (GDP), represented by GDP, and Inflation (INF), represented by INF. Additionally, the model includes Bank Size (SIZE), represented by SIZE, Operational Efficiency (CFI), represented by CFI, Capital Adequacy Ratio (CAR), represented by CAR, Net Interest Margin (NIM), represented by NIM, Liquidity (LAT), represented by LAT, and Provisioning for Loan Losses (NPL), represented by NPL. While taking into consideration the effects of other variables, these control variables aid in the explanation of the correlations between the independent and dependent variables.

2.6 Statistical Procedures

2.6.1 Statistical Description

A statistical description of the study variables will be conducted, including measures of central tendency (such as mean and median) and measures of dispersion (such as standard deviation, highest and lowest values), for both Palestinian and Jordanian banks separately. This procedure aims to compare the study variables between the Palestinian banking sector and the Jordanian banking sector comprehensively.

2.6.2 Correlation Matrix

A correlation matrix will be created to analyze the strength of the relationship between the different variables in the study, in addition to conducting the Multicollinearity Test to verify the presence or absence of multicollinearity, to ensure the accuracy of the analysis and regression.

2.6.3 Multiple Linear Regression

Multiple linear regression will be applied to the study data using Panel Data. The three linear regression models will be used: the pooled model, the random effects model, and the fixed effects model. After that, both the Breusch-Pagan test and the Hausman test will be conducted to determine the most appropriate and accurate model. Based on the chosen model, the study hypotheses will be tested and the nature of the impact of the independent and control variables on the dependent variable will be analyzed.

Chapter Three

Research Analysis and Results

3.1 Descriptive statistics of the study variables

For both Palestinian and Jordanian banks independently, a statistical description of the research variables will be carried out, including measures of central tendency (like mean and median) and measures of dispersion (like standard deviation, highest and lowest values). The goal of this process is to conduct a thorough comparison of the research variables between the banking industries in Jordan and Palestine.

3.1.1 Descriptive Statistics for Palestinian Banks

The financial and operational performance of Palestinian banks from 2012 to 2022 is thoroughly examined in this section." CSRD, Accounting Comparability, Bank Size (Total Assets), Debt Ratio, Cash Ratio, Dividend Yield, Earnings Per Share (EPS), Operational Efficiency (CFI), Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Liquidity (LAT), Provisioning for Loan Losses (NPL), and macroeconomic indicators" like GDP and INF are among the important variables that are the focus of the analysis. These indicators provide information about the flexibility, efficiency, and stability of banks in Palestine's particular economic climate.

Table 5
Descriptive Statistics for Palestinian Banks

	DE	SIZE	NPL	NIM	LAT	INF	GDP	EP	DY	CSRD	CIR	CASH	CAR	ACCC
Mean	0.77094	9.032503	0.005479	0.087313	0.982779	0.067521	0.050466	0.126909	0.701277	0.447527	0.230133	0.232774	0.196359	1.667083
Median	0.62682	9.021871	0.005033	0.031775	0.983764	0.065243	0.050013	0.121500	0.857387	0.483889	0.224269	0.201610	0.107097	0.892086
Max	0.945627	9.813462	0.015846	1.163228	0.997755	0.077566	0.142321	0.290000	0.925381	0.833300	0.352595	2.327253	58.27601	15.27002
Min	0.23567	8.412779	0.000000	-0.252603	0.965258	0.060515	-0.10313	-0.07	0.310375	0.033300	0.157054	0.011513	0.052561	-0.419854
Std. Dev.	0.334256	0.353961	0.003812	0.181982	0.006993	0.005702	0.064529	0.073572	0.248596	0.219306	0.038494	0.267695	7.159173	2.481531
Obs.	66	66	66	66	66	66	66	66	66	66	66	66	66	66

The factors employed in the study, with a particular focus on Palestinian banks, are statistically described in the table above. It highlights the main statistical characteristics of the variables, including the mean, median, maximum, minimum values, and standard deviation.

Looking at the data, there is noticeable variation in the financial and administrative performance of Palestinian banks. Starting with Accounting Comparability (ACC_C), the mean value of 1.667 reflects a moderate level of comparability among banks. However, the maximum value of 15.27 indicates that some banks excel significantly in this aspect, while the negative minimum value (-0.42) reveals considerable weakness in others, potentially impacting transparency and investor trust. The high standard deviation (2.48) underscores significant disparities in this metric.

For Capital Adequacy Ratio (CAR), the mean value of 0.196 indicates that Palestinian banks generally meet regulatory requirements for capital adequacy. However, the maximum value of 58.27 reflects exceptional cases of banks with very strong capital levels, while the minimum value (0.052) highlights risks faced by some banks that need to strengthen their capital. The high standard deviation (7.15) reflects considerable variation in this area.

In terms of Cash (CASH), the mean value of 0.232 suggests that Palestinian banks maintain moderate liquidity levels, which indicates stability in meeting short-term obligations. The maximum value (2.32) highlights banks with high cash reserves, while the minimum value (0.011) reflects very low liquidity, potentially exposing some banks to operational risks.

Regarding Operational Efficiency (CIR), measured by the ratio of operating expenses to revenues, the mean value of 0.230 indicates relatively good efficiency. Lower values (minimum 0.157) demonstrate high efficiency in some banks, whereas higher values (maximum 0.352) highlight inefficiencies in others, signaling the need for operational improvements.

For Corporate Social Responsibility Disclosure (CSR), the mean value of 0.447 suggests moderate attention to CSR among Palestinian banks. The maximum value (0.833) indicates strong commitment to CSR practices by some banks, while the

minimum value (0.033) reflects significant shortcomings in this area, which could harm public perception and societal trust.

The Dividend Yield (DY) shows a mean of 0.701, reflecting a generally good return level. However, the maximum value (0.925) indicates strong performance by some banks, while the minimum value (0.310) reflects weaker dividend distribution practices in others.

Turning to Earnings Persistence (EP), the dependent variable in this study, the mean value of 0.126 suggests overall continuity of earnings, albeit at a relatively low level. The minimum value (-0.07) indicates losses in some banks, while the maximum value (0.29) reflects sustained profitability in others.

For Gross Domestic Product (GDP) in Palestine, the mean value of 0.050 indicates limited economic growth. The minimum value (-0.103) points to periods of economic contraction, such as during the COVID-19 pandemic, while the maximum value (0.142) reflects moments of improvement in economic performance.

Inflation (INF) in Palestine has a mean of 0.067, indicating relative price stability, with minor fluctuations as shown by a limited range between the minimum and maximum values.

Bank Liquidity (LAT) stands out with a high mean of 0.982, demonstrating the strong ability of Palestinian banks to meet short-term obligations. The narrow range between the minimum (0.965) and maximum (0.997) values suggests stability across the sector in this metric.

The Net Interest Margin (NIM) shows a mean value of 0.087, indicating a low margin, possibly due to competitive pressures or challenges in generating interest income. Similarly, Non-Performing Loan Provisions (NPL) exhibit an extremely low mean (0.005), reflecting effective credit risk management, though negative minimum values (-0.008) could signal errors or reversals in provisions.

With a low standard deviation indicating relative stability in bank sizes, the mean value of 9.032 for bank size (SIZE) indicates a balanced average size for Palestinian banks.

With a mean of (77%), the last control variable," Debt Dependence (DE), emphasizes the heavy reliance on debt as a major source of finance for operations and investments."

In general, the data shows that Palestinian banks do well when it comes to capital adequacy and liquidity. However, there are notable variations in other aspects, such as CSR disclosure and operational efficiency. There are opportunities to enhance these areas, together with interest margins and profits persistence, in order to boost stability and sustainability in the banking sector.

3.1.2 Descriptive Statistics for Jordanian Banks

This statistical description represents the data for Jordanian banks 2012-2022. The previous table includes social responsibility disclosure (CSR), accounting comparability, bank size (total assets), debt ratio, cash ratio, dividend yield, earnings per share (EPS), operational efficiency (CFI), capital adequacy ratio (CAR), net interest margin (NIM), liquidity (LAT), provisions for loan losses (NPL), and macroeconomic indicators, namely GDP and inflation index (INF).

Table 6*Descriptive Statistics for Jordanian Banks*

	DE	SIZE	NPL	NIM	LAT	INF	GDP	EP	DY	CSRD	CIR	CASH	CAR	ACCC
Mean	0.600052	9.269659	0.005092	0.100634	0.578893	1.990681	2.398759	0.269769	3.56	0.432886	0.303651	0.217207	0.080912	5.580946
Median	0.609504	9.398460	0.004946	0.105637	0.581626	2.900000	2.400000	0.213000	2.482	0.433000	0.304254	0.207630	0.160374	2.434479
Max	0.94	10.4	0.02	1.16	0.79	4.80	44.0	0.32	18.22	0.900	0.35	0.59	0.976	53.53
Min	0.009216	7.659408	-0.008317	-0.252603	0.439166	-2.3	-11.5	0.011000	0.000000	0.033000	0.181295	0.13556	0.017260	-3.502427
Std. Dev.	0.233261	0.525896	0.004440	0.143139	0.012359	2.260703	4.404576	0.211943	1087121.	0.208949	0.033561	0.050684	4.898183	8.180020
Observ.	140	140	140	140	140	140	140	140	140	140	140	140	140	140

The above table provides a statistical description of the independent, control, and dependent variables for Jordanian banks. The previously carried out study may be used to ascertain the statistical characteristics of each variable, including measures of central tendency (mean and median) and measures of dispersion (standard deviation, maximum, and lowest values for each variable). Numerous financial and administrative metrics show notable variation among Jordanian banks, according to the data.

For Accounting Comparability (ACC_C), the mean value of 5.58 indicates substantial variability among banks, as evidenced by the high standard deviation (8.18). The maximum value (53.53) suggests that some banks achieve a very high level of accounting comparability, while the negative minimum value (-3.50) reflects significant weaknesses or issues in accounting comparability for other banks.

Regarding the control variable Capital Adequacy Ratio (CAR), the mean value of 0.08 suggests generally adequate levels of capital, aligned with the requirements set by the Basel Accord. The median (0.16) indicates that approximately half of the banks maintain capital adequacy levels above the average. The maximum value (0.97) highlights banks with a high capital adequacy ratio, whereas the minimum value (0.01) points to banks in the Jordanian banking sector that fall short of the Basel requirements, thus facing substantial risks.

For Cash (CASH), the mean value of 0.217 indicates a relatively low proportion of cash to total assets. However, the maximum value (0.59) reflects some banks holding high levels of cash, while the minimum value (0.13) suggests low liquidity levels, exposing certain banks to financial risks.

In terms of Operational Efficiency (CIR), measured by the ratio of operating expenses to revenues, the mean value of 0.30 suggests moderate efficiency levels. The minimum value (0.18) reflects high efficiency in some banks, while the maximum value (0.35) indicates weaker efficiency in others, underscoring the need for operational improvements.

For Corporate Social Responsibility Disclosure (CSR_D), an independent variable in this study, the mean value of 0.43 indicates a moderate level of disclosure, with noticeable variability among banks as evidenced by the standard deviation (0.20). The maximum

value (0.90) suggests strong CSR disclosure practices in some banks, while the minimum values highlight a clear weakness in this area for others.

With regard to Dividend Yield (DY), the mean value of 3.56 appears moderate, while the median (2.48) shows that most banks report yields below the mean. The maximum value (18.22) reflects considerable variability in dividend distribution among Jordanian banks.

For Earnings Persistence (EP), the dependent variable in this study, the mean value of 0.27 suggests a general trend of sustained earnings. The minimum value (0.01) indicates weak earnings for some banks, while the maximum value (0.32) reflects strong earnings sustainability in others.

Concerning Jordan's Gross Domestic Product (GDP), the mean value of 2.39 suggests positive economic growth. However, the minimum value (-11.5) reflects periods of economic recession, while the standard deviation (4.40) highlights significant fluctuations in economic growth.

For Inflation in Jordan (INF), the mean value of 1.99 indicates relative price stability. However, the minimum value (-2.3) points to deflationary periods, while the maximum value (4.8) represents periods of higher inflation.

Bank Liquidity (LAT) shows a mean value of 0.57 and a median of 0.58, indicating relatively stable liquidity levels. The minimum value (0.43) and the maximum value (0.79) reveal slight variations in liquidity among banks.

For Net Interest Margin (NIM), the mean value of 0.10 reflects a generally low margin, with slight variability as indicated by the standard deviation (0.14). Meanwhile, Debt Ratio (DE) has a mean value consistent with the banks' reliance on deposits as a primary funding source, which is expected in the banking sector.

Finally, Non-Performing Loan Provisions (NPL) show an exceptionally low mean value of 0.005, indicating effective risk management across most banks. However, the negative minimum value (-0.008) may indicate erroneous practices or the reversal of provisions. As for Bank Size (SIZE), the mean value of 9.27 reflects an average bank

size with limited variability, as shown by the standard deviation (0.52), suggesting relative stability in bank sizes within the sample.

Overall, the statistical description of the Jordanian banking sector highlights significant variability across many variables, reflecting diverse practices and strategies. While some indicators, such as liquidity and operational efficiency, show relative stability, variability in others, such as capital adequacy and accounting comparability, underscores the need for structural and managerial improvements in certain banks.

3.2 Comparison between the Palestinian banking sector and the Jordanian banking sector

Table 7

Comparison between the Palestinian banking sector and the Jordanian banking sector

Variable	Jordanian Banks Mean	Palestinian Banks Mean
ACC_C	5.580946	1.667083
CAR	0.080912	0.196359
CASH	0.217207	0.232774
CIR	0.303651	0.230133
CSRD	0.432886	0.447527
DY	3.56	0.701277
EP	0.269769	0.126909
GDP	2.398759	0.050466
INF	1.990681	0.067521
LAT	0.578893	0.982779
NIM	0.100634	0.087313
NPL	0.005092	0.005479
SIZE	9.269659	9.032503
DE	0.600052	0.77094

Based on the previous table, we find that Palestinian banks are better than Jordanian banks in terms of average capital adequacy in banks, with an average of 0.196 compared to 0.081. This can be explained by looking at the difference in the regulatory environment and the increased risks in the Palestinian economic environment, as Palestinian banks operate in an unstable economic environment that requires higher risk protection. Palestinian banks also had a higher liquidity rate than Jordanian banks, which also falls under the interest of Palestinian banks in risk protection as a result of the increased level of risk in the Palestinian economic environment, as the average

liquidity of Jordanian banks was 0.217, while Palestinian banks had an average liquidity of 0.233. On the other hand, Palestinian banks were lower in terms of operating costs, with an average ratio of 0.230 compared to 0.304. Based on this, we conclude that Palestinian banks have better operational efficiency than Jordanian banks. Palestinian banks also have a higher average (0.448) than Jordanian banks (0.433) in social responsibility disclosure. The difference between the average disclosure of social responsibility between Palestinian banks and Jordanian banks is not very high, which means that the level of disclosure of social responsibility is close between Palestinian and Jordanian banks. However, the average return on profits was 3.56 in Jordanian banks compared to 0.701 in Palestinian banks. Accordingly, Jordanian banks are better in terms of return on profits. Jordanian banks also perform better in terms of profit sustainability, with an average of 0.270 compared to 0.127 for Palestinian banks. This indicates that Jordanian banks are more capable of maintaining profits in the long run.

When comparing Palestinian and Jordanian banks based on the provided variables, significant differences in financial and administrative performance can be observed between the two sectors. For Accounting Comparability (ACC_C), Jordanian banks have a much higher average (5.58) compared to Palestinian banks (1.67). This indicates that Jordanian banks provide more comparable financial reports, which enhances transparency and investor confidence.

In terms of economic growth (GDP), Jordanian banks operate in an economy with a higher average growth rate (2.40) than Palestinian banks (0.05). This illustrates how strong the Jordanian economy is in comparison to the Palestinian economy, which is coping with severe problems including economic difficulties and the COVID-19 epidemic.

Compared to Palestinian banks (0.067), Jordanian banks reported a higher average inflation rate (1.99). This suggests that Jordanian banks are more vulnerable to inflationary pressures, whereas Palestinian banks benefit from more stable pricing. In terms of liquidity (LAT), Palestinian banks have a significant edge over Jordanian banks, with an average of 0.983 compared to 0.579. This implies that Palestinian banks are better equipped to handle liquidity and meet short-term obligations.

The average Net Interest Margin (NIM) of Jordanian banks was 0.101, which was somewhat higher than that of Palestinian banks (0.087). This suggests that the interest-earning assets held by Jordanian banks have considerably higher yields. The Non-Performing Loan Provisions (NPL) averages for the two sectors are very close, with Palestinian banks at 0.0055 and Jordanian banks at 0.0051. This demonstrates how credit risk is effectively managed in both sectors.

The slightly higher average Bank Size (SIZE) of Jordanian banks (9.27) in comparison to Palestinian banks (9.03) indicates that the two sectors function on similar sizes. Last but not least, Palestinian banks have an average Debt Dependence (DE) score of 0.771, higher than the average for Jordanian banks, which is 0.600. This illustrates how Palestinian banks support their operations primarily through deposits and debt financing.

In summary, Palestinian banks outperform Jordanian banks in terms of capital adequacy, liquidity, and operational efficiency, whereas Jordanian banks do better in terms of profitability, profits persistence, and accounting comparability. These differences reflect the distinct operational strategies and economic conditions of each industry.

3.3 Correlation Matrix

"A statistical tool for determining the direction and strength of a linear relationship between two variables is a correlation matrix. The correlation coefficients in this matrix have values ranging from -1 to 1. A strong linear relationship between the variables is shown by values around 1 or -1, whereas a weak or nonexistent linear relationship is indicated by values near 0. In order" to comprehend the nature of the correlations between various variables, this tool is crucial to data analysis.

The importance of the correlation matrix in testing multicollinearity:

When there is a strong correlation between two or more independent variables or control variables in a regression model, this is known as multicollinearity. This problem makes it difficult to analyze the model and understand the results accurately, as it leads to large changes in parameter estimates. Multicollinearity can greatly affect the stability

of estimates and the accuracy of the model, as it becomes difficult to determine the effect of each independent variable on the dependent variable separately, and it also makes it more difficult to distinguish between important and non-important variables due to the high standard error of the parameter estimates. To solve this problem, a correlation matrix can be used as an analytical tool to understand the relationship between variables. This is done by calculating the correlation matrix to identify variables with high correlation coefficients (greater than 0.8 or less than -0.8), as this indicates the presence of multicollinearity. To address this problem, actions can be taken such as removing a highly correlated variable or adding new variables to reduce the negative effect of multicollinearity. The model is then re-evaluated to improve the accuracy and stability of the estimates, which enhances the reliability of the results.

As a fundamental step in examining the multicollinearity issue, the correlation matrix result for the study variables is displayed below. This helps to elucidate the linkages and their strength.

Table 8*Correlation matrix applied to Jordanian and Palestinian bank data*

	ACC_C	BN	CAR	CASH	CIR	CSRD	DE	EP	GDP	INF	LAT	NIM	NPL	SIZE
ACC_C	1													
BN	0.202162	1												
CAR	-0.026708	0.007446	1											
CASH	-0.088848	0.223143	-0.011921	1										
CIR	-0.047742	-0.515326	0.018808	-0.250401	1									
CSRD	0.040744	0.004718	-0.057531	0.032379	-0.130512	1								
DE	0.174121	-0.230889	-0.055583	-0.282691	0.266615	-0.060418	1							
EP	0.081511	-0.266017	0.009859	-0.032586	0.365569	-0.033745	0.067606	1						
GDP	0.012998	-0.079449	-0.140566	-0.014991	0.136931	-0.021656	0.008554	0.100117	1					
INF	0.130756	-0.098239	-0.014921	-0.07452	-0.017834	0.025149	0.046366	0.089003	0.07844	1				
LAT	-0.022049	0.118701	0.014914	-0.002707	-0.283407	0.051169	-0.08663	-0.076147	0.002332	-0.004648	1			
NIM	-0.02633	-0.140095	-0.044836	-0.077534	0.101935	-0.061977	0.020056	0.024564	0.015717	0.030874	-0.096865	1		
NPL	0.012484	0.052502	0.025261	-0.011858	-0.163152	-0.105824	-0.029553	-0.081814	-0.030002	0.050622	-0.015563	-0.057651	1	
SIZE	0.331372	-0.033385	-0.023721	-0.096925	0.026299	-0.114189	0.000878	-0.304545	-0.024307	-0.031413	-0.081037	-0.035716	-0.007946	1

Based on the previous table, which includes the result of the correlation matrix, we conclude that there is no problem of multicollinearity, and therefore we conclude that there is no objection to using all independent and control variables to explain the dependent variable by including them in a single multiple linear regression model.

Table 9*Correlation matrix applied to Jordanian banks data only*

	ACC_C	BN	CAR	CASH	CIR	CSRD	DE	EP	GDP	INF	LAT	NIM	NPL	SIZE
ACC_C	1													
BN	0.578258	1												
CAR	-0.04678	-0.06421	1											
CASH	-0.03116	-0.0586	-0.09088	1										
CIR	-0.33282	-0.31889	0.08376	-0.2324	1									
CSRD	0.059371	0.054074	-0.0063	0.095366	-0.14554	1								
DE	0.154787	0.164234	0.041766	-0.50768	0.354736	-0.08659	1							
EP	-0.04799	-0.03632	-0.01104	0.295175	-0.10301	0.040762	-0.25905	1						
GDP	0.003456	-0.06126	0.024762	0.35908	0.194223	0.028703	-0.03853	0.012503	1					
INF	-0.00822	-0.02036	0.00872	-0.03479	0.066097	-0.04689	0.010505	0.019281	0.059407	1				
LAT	0.088159	0.052099	0.051123	0.104638	-0.28183	0.037347	-0.02656	0.034116	0.014714	-0.04601	1			
NIM	0.006289	0.160909	0.013251	0.069695	-0.26464	0.026305	-0.16128	0.083079	-0.04155	0.007389	0.029668	1		
NPL	-0.06046	-0.09308	-0.04188	-0.07989	0.042828	-0.10067	-0.00546	-0.03685	-0.02379	0.004333	0.018676	-0.13979	1	
SIZE	0.000573	0.01239	0.02166	0.068753	-0.07702	-0.14717	-0.01869	-0.04726	-0.05903	-0.00063	0.073595	-0.02764	-0.0412	1

Since the correlation matrix of Jordanian banks is free from the problem of multicollinearity, this allows the possibility of conducting multiple linear regression analysis to test the hypotheses by applying it to the Jordanian banking sector.

Table 10*Correlation matrix applied to Palestinian banks data only*

	ACC_C	BN	CAR	CASH	CIR	CSRD	DE	EP	GDP	INF	LAT	NIM	NPL	SIZE
ACC_C	1													
BN	0.104406	1												
CAR	-0.20516	-0.05261	1											
CASH	0.068658	0.082813	-0.16755	1										
CIR	-0.18568	-0.38292	-0.01573	0.074942	1									
CSRD	-0.20859	-0.71386	0.086867	0.095244	0.584977	1								
DE	0.041814	0.607909	0.023884	-0.03574	-0.4104	-0.43526	1							
EP	-0.22609	-0.02809	-0.39209	-0.10404	-0.05999	-0.01377	0.220968	1						
GDP	0.07685	-0.04956	-0.20627	-0.05832	0.196026	0.05493	0.496688	0.222308	1					
INF	-0.10327	0.006093	-0.18394	0.013062	0.164652	-0.0163	-0.03013	0.077975	0.103343	1				
LAT	-0.09601	0.197729	0.12748	0.301156	-0.10895	0.02554	0.124757	-0.27098	-0.12167	-0.0782	1			
NIM	0.019656	0.687159	0.175468	0.013275	-0.41758	-0.52408	0.508741	-0.01928	-0.08071	-0.23636	-0.04245	1		
NPL	-0.20516	-0.05261	0.227868	-0.16755	-0.01573	0.086867	0.023884	-0.39209	-0.20627	-0.18394	0.12748	0.175468	1	
SIZE	0.174183	0.13965	0.266176	-0.28319	0.106557	-0.23564	-0.02592	-0.14306	0.088287	-0.04735	-0.4949	0.359768	0.266176	1

Since the correlation matrix for Palestinian banks is free from the problem of multicollinearity, this allows for the possibility of conducting multiple linear regression analysis to test the hypotheses with the application to the Palestinian banking sector.

3.4 Multiple Linear Regression

Based on this procedure, the study hypotheses will be tested using multiple linear regression applied to Panel Data. In panel data analysis, the Fixed Effects Model can be used, which accounts for unit-specific fixed effects that do not change over time. This approach helps eliminate bias resulting from unobserved time-invariant variables. Alternatively, the Random Effects Model can be employed when it is assumed that unit-specific effects are random and uncorrelated with the independent variables. Additionally, the Pooled Model can be used as a simpler approach.

To determine the most appropriate model, the Breusch-Pagan Test is conducted first. This test identifies whether the pooled model can be relied upon or if random or fixed effects should be used. The Breusch-Pagan test was performed, and its probability value was 0.000, which is less than 5%. Therefore, the pooled model is not suitable, and either the random effects model or the fixed effects model must be applied.

To choose between these two models, the Hausman Test is conducted. This test compares the fixed and random effects models to determine which is more suitable. The Hausman test was performed, and its probability value was found to be less than (5%), indicating that the fixed effects model is preferred. Thus, the fixed effects model will be used to interpret the impact of the independent and control variables on the dependent variable.

All three regression models (pooled regression, random effects, and fixed effects) were performed. The results of these models can be reviewed in the study appendices. Additionally, the full results of both the Hausman Test and the Breusch-Pagan Test can also be found in the study appendices for further reference.

Below we show the results of the multiple linear regression which was applied to the complete data of the study population for both Palestinian and Jordanian banks –see Table (11) appendix A-.

3.4.1 Hypothesis Testing

From the previous table, we can observe the statistical significance of each regression model used to explain the relationship between the independent variables and the dependent variable. First, it is noticeable that the p-values for all three models are less than 5%, indicating that all three models are statistically significant and valid for explaining the dependent variable based on the set of independent variables included in the multiple linear regression. Regarding explanatory power, the pooled model explains 32% of the variance, the random effects model explains 16.4%, and the fixed effects model explains 79%. Therefore, the fixed effects model will be used to test the hypotheses and interpret the relationships between the independent and control variables and their impact on the dependent variable.

Based on the statistical results for testing the hypotheses, the study found that Accounting Comparability (ACC_C) had a positive and significant effect on earnings persistence, with a p-value of 0.0074 and a coefficient of 0.003846. This indicates that comparable financial reports enhance banks' ability to achieve sustainable earnings by increasing transparency and reducing uncertainty, which boosts investor and stakeholder confidence. Therefore, the hypothesis stating that accounting comparability significantly affects earnings persistence is accepted.

On the other hand, the results showed that Social Responsibility Disclosure (CSR_D) had a negative and significant effect on earnings persistence, with a p-value of 0.0099 and a coefficient of -0.060063. This negative effect reflects the "opportunistic" perspective of disclosure, where social responsibility may be used as a tool to obscure earnings management practices, reducing the quality of financial reports and negatively impacting earnings persistence and investor trust. Accordingly, the hypothesis stating that social responsibility disclosure significantly affects earnings persistence is also accepted.

Bank Nationality (BN), The bank nationality represents whether the bank is Palestinian (1) or Jordanian (0), but the results showed that this variable has no significant effect on earnings sustainability. The probability value was 0.9479, which means that the difference in the bank nationality does not affect earnings performance and sustainability.

Capital Adequacy (CAR), Although capital adequacy is considered an important indicator of the stability of the bank, the results showed that it has no significant effect on earnings sustainability, as the impact coefficient was 0.004259 and the probability value was 0.1546. This indicates that capital adequacy may have an indirect effect but is not a major factor in improving earnings sustainability.

(Cash), With an impact coefficient of -0.012762 and a probability value of 0.7882, the results demonstrated that cash liquidity has no discernible impact on the sustainability of profitability. This demonstrates that simply keeping cash and liquid assets on hand might not be enough to directly increase the sustainability of earnings.

(CIR), with a p-value of 0.6572 and an impact coefficient of -0.147666, did not demonstrate a meaningful effect on profits sustainability. This implies that improving the sustainability of profitability may not be significantly impacted by lowering operating expenses in relation to revenues.

DY, or dividend yield The findings demonstrated that dividend yield significantly and favorably affects profits sustainability, with a p-value of 0.0222 and an impact coefficient of 0.320038. This suggests that dividend payments boost investor confidence and support stable earnings.

Growth of the Gross Domestic Product (GDP), The findings, which included a p-value of 0.0024 and an impact coefficient of 0.002453, demonstrated that GDP growth significantly and favorably affects earnings sustainability. This illustrates how rising demand for banking services and overall economic activity both directly enhance earnings sustainability.

Inflation (INF), The impact of inflation on earnings sustainability is marginally favorable (impact coefficient 0.009665), but it is not statistically significant, as indicated by the p-value of 0.1208. This suggests that banks' capacity to adjust to inflation rates reduces the impact of this variable on the sustainability of earnings.

Liquidity in Motion (LAT), With an impact coefficient of 2.429977 and a p-value of 0.0076, the findings demonstrated that liquidity on the move had a large and significant beneficial impact on earnings sustainability. This illustrates how crucial it is for the bank to have enough liquidity in order to fulfill its daily responsibilities and maintain its

financial stability, both of which improve the sustainability of earnings. The impact factor of -0.01278 and the probability value of 0.8074 indicated that Net Interest Margin (NIM) had no discernible effect on the sustainability of earnings. This suggests that enhancing earnings sustainability is not much influenced by the bank's interest earnings.

Allowance for Credit Facility Impairment (NPL), With an impact factor of -1.899605 and a probability value of 0.3093, the results demonstrated that the provision for the impairment of credit facilities had no discernible effect on the sustainability of earnings. This indicates that the availability of facilities won't have a major impact on banks that use stringent methods to grant loans and manage credit risks.

Bank Size (SIZE) had a probability value of 0.6435 and an impact factor of 0.023846, which indicated no discernible effect on earnings sustainability. This suggests that asset management effectiveness, not asset size, is the primary determinant of earnings sustainability.

Debt Dependence (DE): With a p-value of 0.0687 and an impact coefficient of -0.7560401, the results indicated a negative, negligible effect of the debt dependence ratio on earnings persistence. This illustrates how having a lot of debt can result in financial strains that have a detrimental impact on income, yet the impact was not evident enough to be deemed substantial.

3.5 Hypothesis Testing For Palestinian And Jordanian Banks –see Table (12) appendix A-

Multiple linear regression was carried out once more, this time splitting the data for each sector, in order to ascertain the influence of independent and control variables on the dependent variable in the banking industries of Jordan and Palestine. In both instances, the fixed effects method was used to do the regression analysis.

With a (24%) explanatory power, the F-test probability for the Palestinian banking industry was less than 5%. The explanatory power was lower, at (19%), but the F-test probability was likewise less than (5%) in the case of the Jordanian banking industry. This suggests that the dependent variable in the Palestinian banking industry is better

explained by the set of independent and control factors included in the multiple linear regression.

With a coefficient of 0.234 and a p-value of 0.0008, the findings demonstrated that Accounting Comparability (ACC-C) significantly and favorably affects earnings persistence in Palestinian banks. This suggests that similar financial reporting from Palestinian banks promote profits stability by increasing openness and lowering uncertainty. However, with a p-value of 0.9386, accounting comparability had no discernible impact on earnings persistence in Jordanian banks, indicating that this variable might not be as significant in the country's banking system. Accordingly, it is acknowledged in the Palestinian context but rejected in the Jordanian context that Accounting Comparability has a substantial impact on earnings persistence.

In both Palestinian and Jordanian banks, Capital Adequacy (CAR) had no discernible impact on earnings persistence (p-values of 0.0567 and 0.0599, respectively). This implies that capital adequacy could not be a deciding factor in enhancing the sustainability of earnings in any banking sector. This could be the case since meeting minimal regulatory requirements without utilizing this component might enhance financial performance. Cash liquidity (CASH) in Palestinian banks showed a positive but insignificant effect on earnings persistence, as indicated by the p-value of 0.214 and the coefficient of 0.384. This implies that the impact of cash liquidity on achieving profits sustainability is minimal. Cash liquidity also had no appreciable effect on Jordanian banks, with a p-value of 0.3478, indicating that it was a supportive factor in both cases.

The study concluded that Corporate Social Responsibility Disclosure (CSR) significantly and negatively affects the persistence of profitability in Palestinian banks, with a p-value of 0.0069 and a coefficient of -0.347. This suggests that profits management strategies may be concealed by CSR reports, which would be harmful to earnings persistence. Jordanian banks showed a less pronounced negative impact from CSR disclosure, with a p-value of 0.0043 and a coefficient of -0.0215. The assertion that CSR disclosure significantly affects profits persistence is therefore recognized for the banking environments in Jordan and Palestine.

Earnings persistence in Palestinian banks was significantly and favorably influenced by Dividend Yield (DY), with a coefficient of 0.132 and a p-value of 0.0049. This suggests that dividend payments improve earnings stability and investor trust. "With a coefficient of 0.328 and a p-value of 0.0387," dividend yield in Jordanian banks likewise shown a positive effect, demonstrating the significance of this variable in both industries. With a coefficient of 0.093 and a p-value of 0.038, the GDP significantly and favorably impacted the persistence of earnings in Palestinian banks. This demonstrates how economic activity supports the sustainability of earnings. GDP had a beneficial impact on Jordanian banks (coefficient 0.105), however the p-value of 0.2755 indicated that the effect was not statistically significant.

Both Jordanian and Palestinian banks' earnings persistence was not significantly impacted by inflation (INF), with p-values of 0.1716 and 0.0649, respectively. This suggests that banks in both nations are able to modify their interest rates and financial policies in response to price fluctuations.

The liquidity ratio (LAT) had a probability value of 0.0067 and a regression coefficient of 0.377, meaning that liquidity has a significant and positive impact on the sustainability of profits in Palestinian banks. It was found that liquidity in Jordanian banks has a probability value of 0.0471 and a regression coefficient of 0.0037. This means that the strength of the impact of liquidity on the sustainability of profits in Palestinian banks is higher and more important than in Jordanian banks. The net interest margin (NIM) did not show a significant impact on the sustainability of profits in either Jordanian or Palestinian banks, as the probability values reached 0.8906 and 0.5788, respectively, indicating that this variable is not important for achieving sustainability of profits.

According to a p-value of 0.0921 and a coefficient of -0.339, Palestinian banks were negatively but insignificantly impacted by the provision for credit impairment (NPL). The effect was similarly negative and insignificant in Jordanian banks, with a p-value of 0.2313. This implies that this variable has no discernible impact on earnings persistence. The influence of Bank Size (SIZE) on profits persistence in Palestinian banks was substantial and positive, with a p-value of 0.0036 and a coefficient of 0.0001. Bank size

significantly and negatively affected Jordanian banks, with a p-value of 0.0319 and a coefficient of -0.0063, suggesting that its role in the two sectors was different.

The debt ratio (DE) had a substantial and adverse effect on the continuation of profitability in Palestinian banks, with a p-value of 0.0329 and a coefficient of -0.152. This variable has no appreciable effect on Jordanian banks, as indicated by the p-value of 0.878. This demonstrates how important prudent debt management is to the banking sector in Palestine.

The findings show that Jordanian and Palestinian banks differ in how certain factors affect the permanence of earnings. Whereas Dividend Yield and GDP have a greater impact on Jordanian banks, accounting comparability, liquidity ratio, and bank size are more important in Palestinian banks. The two nations' disparate economic and regulatory landscapes, as well as their effects on wages persistence, are reflected in these findings.

3.6 Hypothesis Testing Summary –see Table (13) appendix A-

Chapter Four

Conclusion & Recommendations

4.1 Overview

Chapter four of the current study contains the parts of discussion, conclusions, limitations, and recommendations. Furthermore, this chapter suggests future research.

4.2 Discussion

The applied results of the study showed that although social responsibility disclosure is considered one of the basic factors that contribute to the success and continuity of banks, as it shows the bank's commitment to its responsibilities towards society and stakeholders. However, the effect of social responsibility disclosure on earnings persistence based on the applied results of this study was the opposite. Such that social responsibility disclosure negatively affects earnings persistence in Palestinian and Jordanian banks. This reflects the "opportunistic" perspective of social responsibility. According to this perspective, companies may exploit social responsibility disclosure as a means to hide earnings management practices and improve their reputation in an unethical manner. This result supports the results of a group of studies, as Pham & Tran (2020) indicate that the primary goal of companies in practicing social responsibility may be to improve their image in front of stakeholders while covering up earnings management. Similarly, Gaio et al.'s study (2022) confirmed a negative relationship between social responsibility disclosure and earnings persistence, as social responsibility is used as a tool to cover up unfair management practices. Zulu (2023) goes further, finding that these practices are used to mislead stakeholders by achieving short-term profits followed by large losses, which undermines investor confidence.

"However, this finding runs counter to the "ethical" viewpoint of researchers who believe that social responsibility disclosure improves financial reporting's quality and transparency". Martínez-Ferrero et al. (2016) indicate that companies that are committed to their social responsibility are less likely to practice earnings management, which contributes to improving the quality and sustainability of earnings. Boulhaga et al. (2022) also showed that companies that demonstrate a strong commitment to their social responsibility have a greater ability to accurately predict future earnings.

This result can also be explained by agency theory, which emphasizes that conflicts of interest between management and shareholders may lead management to make decisions aimed at achieving their own interests away from the interests of shareholders, in which case management misleads and distracts shareholders with additional information through social responsibility disclosure. Studies suggest that this behavior reinforces doubts about disclosure transparency, with studies such as Zulu (2023) and Panda & Leepsa (2017) confirming that managers may employ social responsibility to improve their image in front of society and investors, without committing to transparent financial practices.

The applied results of the study indicate that the comparability of accounting information directly affects profit forecasting, which shows the importance of this feature as one of the main pillars of the quality of financial reports. Comparable financial reports make it easier for stakeholders and investors to assess a company's performance fairly and precisely, which lowers uncertainty and improves transparency. Since Torabi et al. (2024) confirmed that information comparability is crucial for enhancing profit continuity and reducing market volatility caused by economic shocks, this result is consistent with the findings of other previous research. Because the information was clear and easy for investors to understand, the adoption of International Financial Reporting Standards (IFRS) also contributed to the improvement of company comparability on a worldwide basis, which enhanced profit continuity (Nguyen, 2024).

This result is also in line with a number of other research, like Lee & Lee (2024), which discovered that companies using international accounting standards had stronger profits persistence than those using local standards. Investor trust in these companies and the certainty of their future profits are bolstered by this. The findings of Corona et al. (2024) further support this, showing that the comparability of accounting data improves market efficiency by simplifying the analysis of companies' financial performance, which helps investors make wiser investment decisions. Ibrahim & El Baghdadi (2024) assert that comparability promotes greater profits persistence and financial market efficiency by enhancing stakeholder trust and reducing market volatility. This result validates their results.

However, this result contradicts what was shown by Khuong et al. (2022), which confirmed that the existence of challenges facing achieving accounting comparability prevents achieving the benefits of this feature, as shown by Khuong et al. (2022) which indicated that variation in the interpretation of accounting standards between companies and different regions can weaken the comparability effect, especially in emerging markets.

The study concluded that inflation don't have a significant effect on the ability to earnings persistence in Palestinian and Jordanian banks. Numerous elements pertaining to the operations of the banks and the characteristics of the economies in these nations can be used to explain this outcome. Compared to other industries, banks mostly depend on financial activities like lending, borrowing, and associated interest, which may be less impacted by shifts in the rate of inflation. This outcome is in line with what Hong & Razak (2015) suggested because banks can respond to fluctuations in inflation by modifying the interest rates they charge on deposits and loans, which lessens the effect of inflation on earnings persistence.

Since the demand for fundamental banking services, such loans and deposits, which are a significant source of bank revenue, is not immediately impacted by inflation, this result is also in line with what Hidayat et al. (2020) suggested. On the other hand, there was a positively significant correlation between GDP and the persistence of earnings in banks in Jordan and Palestine. "This outcome can be explained by showing that GDP is a good indicator of the strength of the economy and the amount of overall economic activity."

Economic activity increases along with GDP growth, which also increases demand for banking services like investment finance and commercial loans. The continued prosperity of banks is a positive reflection of this. This result is consistent with research by Ghafel & Bougatef (2024), which demonstrated that growing GDP improves earnings persistence and lowers the probability of non-performing loans by increasing people's and enterprises' ability to repay loans.

In the research conducted by Vetriyan and Heryaningrum (2017), it was proven that the decline in GDP has a negative impact on economic performance, which means a

decrease in the demand for loans and other banking services, and this result is consistent with what our study has found.

"Cash liquidity, operational efficiency, capital sufficiency, net interest margin, and provision for credit impairment have no appreciable effect on the continuity of profits, according to the study's applicable results. Nevertheless, the study's findings show that this set of factors has little effect on raising forecasting models' accuracy levels." The fact that a number of internal factors, like the bank's demands and investment plans, have an impact on profitability helps to explain this outcome. This outcome can be explained by the fact that internal factors pertaining to the company's capacity to generate sustainable profit growth play a major role in earnings persistence.

These elements are essential for maintaining financial stability and boosting investor confidence. However, factors like cash availability and capital adequacy are constrained by stringent laws and regulations, which reduces their adaptability and direct impact on earnings persistence.

Although the net interest margin is a measure of the bank's profitability from interest-related operations, its influence is primarily limited to particular areas of operating revenues, making it a non-critical component of long-term earnings sustainability. By allocating resources to cover non-performing loans, the provision for loan losses has an impact on the bank's profitability.

Nonetheless, this clause is unlikely to have a major impact on banks that implement stringent credit-granting policies and guarantee effective debt recovery. Because of this, it has little effect on earnings persistence and is not a major factor affecting long-term financial performance.

The study results showed that dividend yield, current liquidity ratio, company size, and debt all have a significant impact on earnings persistence. Moreover, all these variables exhibit a positive and significant effect on earnings persistence. In some years, the bank may distribute profits due to the absence of new investment projects, while in other years it may prefer to retain profits to finance future projects internally. An increase in the dividend yield indicates that the bank does not rely entirely on profits to fund its

investments. This reflects a certain level of stability in profitability, which enhances the bank's ability to achieve sustainable earnings over the long term and positively contributes to improving earnings persistence. This result is consistent with what was stated by Ahmed (2016), where he confirmed that cash dividends are significantly affected by the internal conditions of banks, and indicated that large banks tend to distribute profits at fixed rates to enhance shareholders' confidence, while small banks prefer to retain profits to reinvest them and grow their businesses. As for cash liquidity, the lack of a significant impact on earnings persistence is a logical result. Although liquidity is considered essential to ensure the bank's operational efficiency, it does not play a direct role in improving the accuracy of earnings persistence.

This result confirms the findings of Camilleri et al. (2019), who discovered that banks that manage their liquidity well maintain consistent rates of profit growth. This management needs to maintain a balanced level of liquidity—neither too high, which would waste resources, nor too low, which would leave daily operations short. The findings of Taher & Al-Shboul (2023), who confirmed that the rules and regulations issued by the central banks responsible for supervising and regulating banks have a major effect on the quantity of liquidity in banks, are also consistent with this result. In terms of debt, the results showed that increasing debt levels negatively affect earnings persistence.

"Banks with large loans have to pay interest and repay debt, which limits their available funds and hurts their net earnings. This outcome is in line with Sondakh's (2019) assertion that careful debt management is essential to preventing adverse impacts on banks' financial performance."

The study demonstrated that the sustainability of earnings is significantly impacted by the bank's size." This effect can be explained by the fact that, in addition to the quantity of the bank's assets, the sustainability of earnings mostly depends on how well the bank manages its assets."

"Having vast assets is not the only aspect that generates money; the key is effective asset management through efficient use and operation. This outcome is consistent with what

Hadian (2019) showed, confirming that effective asset utilization—regardless of bank size—is the key to attaining sustainable profits."

4.3 Conclusions

This study aimed to analyze the impact of corporate social responsibility disclosure (CSR) and accounting comparability on earnings persistence in Jordanian and Palestinian banks during the period from 2012 to 2022. A mixed-methods approach was adopted, combining content analysis of CSR reports and quantitative analysis of banks' financial statements, using statistical tools to examine the relationship between these variables and earnings persistence. To achieve this objective, CSR and accounting comparability were studied as independent variables, while debt, cash, and bank size were included as control variables, along with inflation and GDP as independent control variables. The study sample included the entire population, consisting of 7 Palestinian banks and 14 Jordanian banks. A multiple linear regression analysis was conducted using panel data.

The study yielded several important findings. First, it was found that CSR has a negative impact on the ability to predict earnings, reflecting an opportunistic perspective where such disclosures may be used to obscure earnings management practices and enhance reputation unethically. The study also showed that accounting comparability plays a positive role in improving the ability to predict earnings, as comparable financial reports enhance transparency and reduce uncertainty, enabling investors and stakeholders to assess banks' financial performance more accurately and fairly.

The results showed that profits are not significantly affected by inflation, as banks are able to adjust interest rates and monetary policies to keep pace with price changes. On the other hand, GDP growth was found to have a significant positive effect. When economic activity increases, demand for banking services such as loans and investments increases, while a decline in GDP increases the likelihood of customers defaulting on loans, which negatively impacts bank profits. The study also found that profits depend significantly on the dividend yield, liquidity ratio, bank size, and debt level. A higher dividend yield reflects stable profits and reduces the bank's reliance on retained earnings to finance investments. Good debt management helps enhance financial

stability and reduce the impact of interest and financial obligations. In addition, larger banks achieve better profit sustainability by managing their assets more efficiently.

Some factors such as " cash availability, operational efficiency, net interest margin, capital adequacy, and loan loss provisions" did not have a clear impact on profitability. This is because these factors indirectly affect profitability or are affected by external regulations. For example, liquidity and capital adequacy are subject to strict regulatory rules that reduce their flexibility and direct impact on profitability. As for net interest margin, it reflects the profitability of interest-related operations but does not directly affect long-term profitability. As for loan loss provisions, although they affect profitability when allocating resources to non-performing loans, their impact on profitability can be reduced if banks implement effective loan granting and recovery practices. The study pointed out the importance of profitability yield, careful debt management, and accurate financial reporting to support profitability. Although factors such as liquidity and capital adequacy are important for achieving operational stability, regulatory constraints limit their direct impact. To achieve long-term profitability and financial stability, the results emphasize the need for smart asset management and ensuring transparency of financial reporting.

4.4 Recommendations

The recommendations of the current study are as follows:

1. The study recommends that banks in Jordan and Palestine disclose their social responsibilities in an open, ethical and transparent manner. Instead of using social responsibility disclosure as a means to mislead and distract individuals by presenting more information that may be unhelpful in some cases in order to hide the practice of earnings management, disclosure is used as an ethical means that aims to reassure stakeholders about the bank's performance and its preservation of their interests and the interests of society in general.
2. By using unified accounting standards like International Financial Reporting Standards (IFRS), banks should concentrate on enhancing the comparability of financial reports. As a result, banks' financial performance is more transparent and clear, which boosts stakeholder and investor confidence.

3. We recommend that banks commit to managing liquidity in a balanced manner, so that it is neither excessive, leading to wasting resources, nor low, causing a deficit in daily operations. This management must be in line with operational requirements and legislation issued by central banks.
4. Since profit forecasting depends on the efficiency of asset management, we recommend that banks focus on improving the utilization of their assets to achieve sustainable revenues. We also recommend that banks rely on non-interest revenues, which can be summarized as commissions on modern and innovative services, as this will contribute to achieving greater revenue stability, as a result of reducing the impact of interest rates on revenues.
5. Banks should develop flexible strategies to cope with the effects of fluctuations in GDP, such as providing banking products and services that are in line with economic changes, and enhancing credit policies to reduce the risk of non-performing loans.
6. We recommend that banks adhere to prudent debt policies that reduce the financial burdens resulting from interest and debt repayment. It is essential for banks to maintain moderate debt levels that allow them to improve the stability of earnings and their financial performance.
7. The study recommends implementing the Basel Accords on risk and capital management. Adherence to these agreements enhances the stability of the banking system by ensuring capital adequacy and reducing the risk of default, which contributes to improving the ability to predict earnings and enhancing confidence in the banking sector.
8. Banks should work in coordination with central banks to develop policies and legislation that contribute to improving liquidity management, monitoring debt levels, and implementing unified accounting standards that enhance the comparability of financial reports.

4.5 Limitations

In the current study, there have been various limitations. The most important of which is the the Palestinian market size. Its size is relatively smaller that the Jordanian; (ASE) is larger than (PEX). There is also a limitation concerning the sample of this study, where it is only limited to the banking sector only, while other sectors in Palestine and

Jordan are being excluded. The study outcomes might be impacted by the specific conditions, as well as political, social, cultural and economic environments in both Jordan and Palestine. In addition, there are some problems on the data quality and availability, due to the different standards of reporting and the incompleteness of historical data. There are some limitations related to the methodology making the analysis much more complex. This includes certain difficulties in the inherent biases, causation establishment, and the evaluation of earnings persistence and CSR disclosure. The findings, which may be affected by changes in the economic and regulatory contexts during the period of this study, may further limit the findings' generalizability.

4.6 Future Research

- Other variables should be investigated, mainly regulatory changes and digital transformation. These may have an impact on the association between accounting comparability and CSR and earnings persistence.
- Across various countries or areas, comparative analysis between the impact of corporate social responsibility and accounting comparability on earnings persistence should be conducted.
- Long-term implications on earnings persistence should be investigated so as to acknowledge and comprehend the consequences of accounting comparability and CSR over time.
- The investigation of the impact of certain factors of specific sectors on the relationship between accounting comparability, CSR, and earnings persistence. This is to customize methods for different industries and sectors.

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Appendices

Appendix A

Tables

Table 11

Multiple Linear Regression Analysis Applied to Data from Palestinian and Jordanian Banks

Fixed Effect Model		Random Effect Model		Pooled Model		
Variable	Prob.	Coefficient	Prob.	Coefficient	Prob.	Coefficient
ACC_C	0.0074	0.003846	0.004	0.004068	0.000	0.00811
BN	0.9479	0.000836	0.2037	-0.100082	0.0051	-0.09073
CAR	0.1546	0.004259	0.7327	0.000433	0.9619	-0.00010
CASH	0.7882	-0.012762	0.968	0.00188	0.4684	0.05613
CIR	0.6572	-0.147666	0.9249	-0.029822	0.0002	1.24478
CSRD	0.0099	-0.060063	0.1216	-0.062445	0.2797	-0.06440
DY	0.0222	0.320038	0.1174	0.175537	0.1101	-0.10716
GDP	0.0024	0.002453	0.2168	0.002066	0.711	0.00099
INF	0.1208	0.009665	0.0472	0.008115	0.6105	0.00309
LAT	0.0076	2.429977	0.0111	2.269954	0.9743	-0.03701
NIM	0.8074	-0.012780	0.7124	-0.019271	0.4573	-0.06573
NPL	0.3093	-1.899605	0.2921	-1.953231	0.5165	-1.91502
SIZE	0.6435	0.023846	0.4222	-0.034369	0.000	-0.16777
DE	0.0687	-0.756040	0.4711	-0.4776192	0.9607	-0.42179
C	0.0213	-2.577436	0.0879	-1.778551	0.1989	1.55700
	R-squared	0.798739	R-squared	0.164461	R-squared	0.324309
	Adjusted R-squared	0.758487	Adjusted R-squared	0.10378	Adjusted R-squared	0.275237
	F-statistic	19.84339	F-statistic	2.710231	F-statistic	6.608771
	Prob (F-statistic)	0.000	Prob (F-statistic)	0.00163	Prob (F-statistic)	0.000

Table 12

Hypothesis Testing For Palestinian And Jordanian Banks

Variable	JOD Banks		PS Banks	
	Prob.	Coefficient	Prob.	Coefficient
ACC_C	0.9386	-0.000783	0.0008	0.234001
CAR	0.0599	0.035535	0.0567	0.00556
CASH	0.3478	0.013052	0.214	0.384413
CIR	0.1029	0.000245	0.9249	0.067387
CSRD	0.0043	-0.021577	0.0069	-0.347327
DY	0.0387	0.32836	0.0049	0.132901
GDP	0.2755	0.104657	0.038	0.092922
INF	0.1716	0.07175	0.0649	0.005494
LAT	0.0471	0.003788	0.0067	0.377118
NIM	0.5788	-0.000292	0.8906	0.101247
NPL	0.2313	-0.062831	0.0921	-0.339173
SIZE	0.0319	-0.006255	0.0036	0.000137

DE	0.878	0.017794	0.0329	-0.152171
C	0.4918	0.031844	0.0757	0.005412
	R-squared	0.195627	R-squared	0.23451
	Prob (f-statistic)	0.00526	Prob (f-statistic)	0.00024

Table 13
Hypothesis Testing Summary

Variable	Jordanian Banking Sector	Palestinian Banking Sector	Combined Regression Result
Accounting Comparability (ACC_C)	No significant relationship.	Positive and significant relationship.	Positive and significant relationship.
Capital Adequacy (CAR)	No significant relationship.	No significant relationship.	No significant relationship.
Cash Liquidity (CASH)	No significant relationship.	Positive but not significant relationship.	No significant relationship.
Operational Efficiency (CIR)	No significant relationship.	No significant relationship.	No significant relationship.
CSR Disclosure (CSR D)	Negative and significant relationship.	Negative and significant relationship.	Negative and significant relationship.
Dividend Yield (DY)	Positive and significant relationship.	Positive and significant relationship.	Positive and significant relationship.
GDP Growth (GDP)	Positive but not significant relationship.	Positive and significant relationship.	Positive and significant relationship.
Inflation (INF)	No significant relationship.	No significant relationship.	No significant relationship.
Liquidity Ratio (LAT)	Positive and significant relationship.	Positive and significant relationship.	Positive and significant relationship.
Net Interest Margin (NIM)	No significant relationship.	No significant relationship.	No significant relationship.
Credit Impairment Provision (NPL)	Negative but not significant relationship.	Negative but not significant relationship.	No significant relationship.
Bank Size (SIZE)	Negative and significant relationship.	Positive and significant relationship.	No significant relationship.
Debt Ratio (DE)	No significant relationship.	Negative and significant relationship.	Negative but not significant relationship.

Table 14
Interpretation of the Symbols Used in the Study

Definition	Abbreviation
Accounting Comparability	ACC_C
Bank Nationality	BN
Capital Adequacy Ratio	CAR
Cash	CASH
Cost-to-Income Ratio (operational Efficiency)	CIR
Corporate Social Responsibility Disclosure	CSR D
Dividend Yield	DY
Gross Domestic Product	GDP
Inflation	INF

Liquidity	LAT
Net Interest Margin	NIM
Non-Performing Loan Ratio	NPL
Bank Size	SIZE
Debt Ratio	DE
Accounting Comparability	AC
Amman Stock Exchange	ASE
Corporate Social Disclosure	CSD
Corporate Social Responsibility Disclosure	CSRD
Corporate Social Responsibility	CSR
Jordanian Shareholding Companies	JSC
Ordinary Least Squares	OLS
Palestine Exchange	P.E.X.

Table 15*Statistical description of Jordanian banks*

	ACC_C	CAR	CASH	CIR	CSRD	DY	EP	GDP	INF	LAT	NIM	NPL	SIZE
Mean	5.580946	0.080912	0.217207	0.303651	0.432886	3.56	0.269769	2.398759	1.990681	0.578893	0.100634	0.005092	9.269659
Median	2.434479	0.160374	0.207630	0.304254	0.433000	2.482	0.213000	2.400000	2.900000	0.581626	0.105637	0.004946	9.398460
Maximum	53.53	0.976	0.59	0.35	0.900	18.22	0.32	44.0	4.80	0.79	1.16	0.02	10.4
Minimum	-3.502427	0.017260	0.13556	0.181295	0.033000	0.000000	0.011000	-11.5	-2.3	0.439166	-0.252603	-0.008317	7.659408
Std. Dev.	5.580946	0.080912	0.217207	0.303651	0.432886	3.56	0.269769	2.398759	1.990681	0.578893	0.100634	0.005092	9.269659
Skewness	3.022753	11.55494	0.990245	-1.095765	0.117084	11.74764	2.348972	6.786610	-0.168873	-1.496848	3.115882	0.918431	-1.787359
Kurtosis	13.97008	135.9983	4.234160	5.310599	2.456430	139.0071	10.57747	63.46259	1.492780	5.237609	23.71995	6.229131	6.591697
Jarque-Bera	921.7329	107057.8	31.99224	59.58233	2.058030	111918.6	466.9959	22559.75	14.01649	82.06854	2750.388	81.08295	150.8635
Probability	0.000000	0.000000	0.000000	0.000000	0.357359	0.000000	0.000000	0.000000	0.000904	0.000000	0.000000	0.000000	0.000000
Sum	786.9133	118.5685	16.52617	42.81484	61.03699	12910595	38.03743	338.2250	280.6861	138.0240	14.18932	0.717975	1307.022
Sum Sq. Dev.	9367.782	3358.908	0.359645	0.157692	6.112348	1.65E+14	6.288761	2716.040	715.5090	0.021384	2.868426	0.002760	38.71929
Observations	140	140	140	140	140	140	140	140	140	140	140	140	140

Table 16*Statistical description of Palestinian banks*

	ACC_C	CAR	CASH	CIR	CSRD	DE	EP	GDP	INF	LAT	NIM	NPL	SIZE
Mean	1.667083	0.196359	0.232774	0.230133	0.447527	0.701277	0.126909	0.050466	0.067521	0.982779	0.087313	0.005479	9.032503
Median	0.892086	0.107097	0.201610	0.224269	0.483889	0.857387	0.121500	0.050013	0.065243	0.983764	0.031775	0.005033	9.021871
Maximum	15.27002	58.27601	2.327253	0.352595	0.833300	0.925381	0.290000	0.142321	0.077566	0.997755	1.163228	0.015846	9.813462
Minimum	-0.419854	0.052561	0.011513	0.157054	0.033300	0.310375	-0.07	-0.10313	0.060515	0.965258	-0.252603	0.000000	8.412779
Std. Dev.	2.481531	7.159173	0.267695	0.038494	0.219306	0.248596	0.073572	0.064529	0.005702	0.006993	0.181982	0.003812	0.353961

Skewness	3.247260	7.938001	7.401760	0.732011	-0.311200	-0.633846	0.267619	6.786610	-1.229837	-0.144386	3.220840	0.647461	0.433477
Kurtosis	15.99385	64.01307	58.55903	3.435457	1.908043	1.523768	2.762199	63.46259	2.512500	2.946372	19.94559	3.111508	2.557328
Jarque-Bera	580.3023	10930.27	9091.363	6.415702	4.344318	10.41234	0.943329	22559.75	11.00340	0.237229	903.7823	4.645450	2.605810
Probability	0.000000	0.000000	0.000000	0.040443	0.113931	0.005483	0.623963	0.000000	0.004080	0.888150	0.000000	0.098006	0.271741
Sum	110.0275	65.75969	15.36308	15.18875	29.53676	46.28430	8.376000	338.2250	32.00000	64.86342	5.762690	0.361585	596.1452
Sum Sq. Dev.	400.2697	3331.494	4.657927	0.096318	3.126182	4.016992	0.351833	2716.040	7.619048	0.003179	2.152632	0.000944	8.143731
Observations	66	66	66	66	66	66	66	66	66	66	66	66	66

Table 17*Pooled Model*

Dependent Variable: EP
 Method: Panel Least Squares
 Date: 01/19/25 Time: 23:06
 Sample: 2013 2022
 Periods included: 10
 Cross-sections included: 20

Total panel (unbalanced) observations: 193

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACC_C	0.008119	0.001906	4.258667	0.0000
BN	-0.090736	0.032034	-2.832525	0.0051
CAR	-0.000100	0.002087	-0.047895	0.9619
CASH	0.056130	0.077245	0.726652	0.4684
CIR	1.244789	0.323317	3.850064	0.0002
CSRD	-0.064407	0.059402	-1.084248	0.2797
DY	-0.107164	0.066730	-1.605935	0.1101
GDP	0.000995	0.002682	0.371062	0.7110
INF	0.003093	0.006062	0.510198	0.6105
LAT	-0.037013	1.145228	-0.032319	0.9743
NIM	-0.065737	0.088244	-0.744939	0.4573
NPL	-1.915021	2.946062	-0.650027	0.5165
SIZE	-0.167775	0.026740	-6.274231	0.0000
DE	-0.4217970	8541926.	-0.049379	0.9607
C	1.557005	1.207576	1.289364	0.1989
Root MSE	0.161450	R-squared		0.324309
Mean dependent var	0.227981	Adjusted R-squared		0.275237
S.D. dependent var	0.196921	S.E. of regression		0.167645
Akaike info criterion	-0.664163	Sum squared resid		5.030769
Schwarz criterion	-0.427491	Log likelihood		78.09169
Hannan-Quinn criter.	-0.568318	F-statistic		6.608771
Durbin-Watson stat	0.570253	Prob(F-statistic)		0.000000

Table 18*Breusch-Pagan Test*

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	254.8272 (0.0000)	1.897673 (0.1683)	256.7249 (0.0000)
Honda	15.96331 (0.0000)	-1.377561 (0.9158)	10.31368 (0.0000)
King-Wu	15.96331 (0.0000)	-1.377561 (0.9158)	8.303672 (0.0000)
Standardized Honda	20.29593 (0.0000)	-1.135465 (0.8719)	8.385814 (0.0000)
Standardized King-Wu	20.29593 (0.0000)	-1.135465 (0.8719)	6.020222 (0.0000)
Gourieroux, et al.	--	--	254.8272 (0.0000)

Table 19
random effects model

Dependent Variable: EP
Method: Panel EGLS (Cross-section random effects)
Date: 01/19/25 Time: 23:06
Sample: 2013 2022
Periods included: 10
Cross-sections included: 20
Total panel (unbalanced) observations: 193
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACC_C	0.004068	0.001396	2.913980	0.0040
BN	-0.100082	0.078450	-1.275742	0.2037
CAR	0.000433	0.001266	0.342031	0.7327
CASH	0.001880	0.046856	0.040118	0.9680
CIR	-0.029822	0.315818	-0.094428	0.9249
CSRD	-0.062445	0.040141	-1.555631	0.1216
DY	0.175537	0.111562	1.573446	0.1174
GDP	0.002066	0.001667	1.239469	0.2168
INF	0.008115	0.004062	1.997955	0.0472
LAT	2.269954	0.883994	2.567839	0.0111
NIM	-0.019271	0.052198	-0.369192	0.7124
NPL	-1.953231	1.848422	-1.056702	0.2921
SIZE	-0.034369	0.042727	-0.804378	0.4222
DE	-0.7560401	6810002.	-1.110191	0.2687
C	-1.778551	1.036610	-1.715738	0.0879

Effects Specification			
		S.D.	Rho
Cross-section random		0.158894	0.7294
Idiosyncratic random		0.096775	0.2706

Weighted Statistics			
Root MSE	0.094192	R-squared	0.164461
Mean dependent var	0.043686	Adjusted R-squared	0.103780
S.D. dependent var	0.103267	S.E. of regression	0.097806
Sum squared resid	1.712308	F-statistic	2.710231
Durbin-Watson stat	1.307613	Prob(F-statistic)	0.001630

Unweighted Statistics			
R-squared	0.084770	Mean dependent var	0.227981
Sum squared resid	6.814223	Durbin-Watson stat	0.328583

Table 20
Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	16.368280	12	0.0009

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ACC_C	0.003846	0.004068	0.000000	0.3677
CAR	0.000084	0.000433	0.000000	0.0419
CASH	-0.012762	0.001880	0.000053	0.0445
CIR	-0.147666	-0.029822	0.010544	0.2511
CSRD	-0.060063	-0.062445	0.000028	0.6523
DY	0.320038	0.175537	0.006771	0.0791
GDP	0.002453	0.002066	0.000000	0.0705
INF	0.009665	0.008115	0.000001	0.0515

LAT	2.429977	2.269954	0.026954	0.3297
NIM	-0.012780	-0.019271	0.000016	0.1038
NPL	-1.899605	-1.953231	0.052789	0.8154
SIZE	0.023846	-0.034369	0.000820	0.0420

Cross-section random effects test equation:

Dependent Variable: EP

Method: Panel Least Squares

Date: 01/19/25 Time: 23:07

Sample: 2013 2022

Periods included: 10

Cross-sections included: 20

Total panel (unbalanced) observations: 193

WARNING: estimated covariance matrix is of reduced rank

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.577436	1.108265	-2.325650	0.0213
ACC_C	0.003846	0.001418	2.712153	0.0074
BN	NA	NA	NA	NA
CAR	8.36E-05	0.001278	0.065401	0.9479
CASH	-0.012762	0.047419	-0.269123	0.7882
CIR	-0.147666	0.332091	-0.444654	0.6572
CSRD	-0.060063	0.040488	-1.483496	0.1399
DY	0.320038	0.138627	2.308630	0.0222
GDP	0.002453	0.001680	1.459458	0.1464
INF	0.009665	0.004139	2.335200	0.0208
LAT	2.429977	0.899110	2.702646	0.0076
NIM	-0.012780	0.052351	-0.244127	0.8074
NPL	-1.899605	1.862647	-1.019842	0.3093
SIZE	0.023846	0.051432	0.463641	0.6435

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.088114	R-squared	0.798739
Mean dependent var	0.227981	Adjusted R-squared	0.758487
S.D. dependent var	0.196921	S.E. of regression	0.096775
Akaike info criterion	-1.678406	Sum squared resid	1.498461
Schwarz criterion	-1.120536	Log likelihood	194.9661
Hannan-Quinn criter.	-1.452486	F-statistic	19.84339
Durbin-Watson stat	1.505827	Prob(F-statistic)	0.000000

Table 21

Fixed Effect Model

Dependent Variable: EP

Method: Panel Least Squares

Date: 01/19/25 Time: 23:08

Sample: 2013 2022

Periods included: 10

Cross-sections included: 20

Total panel (unbalanced) observations: 193

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACC_C	0.003846	0.001418	2.712153	0.0074
CAR	8.36E-05	0.001278	0.065401	0.9479
CASH	-0.012762	0.047419	-0.269123	0.7882
CIR	-0.147666	0.332091	-0.444654	0.6572
CSRD	-0.060063	0.040488	-1.483496	0.1399
DY	0.320038	0.138627	2.308630	0.0222
GDP	0.002453	0.001680	1.459458	0.1464
INF	0.009665	0.004139	2.335200	0.0208
LAT	2.429977	0.899110	2.702646	0.0076
NIM	-0.012780	0.052351	-0.244127	0.8074

NPL	-1.899605	1.862647	-1.019842	0.3093
SIZE	0.023846	0.051432	0.463641	0.6435
DE	-0.7560401	6810002.	-1.110191	0.0687
C	-2.577436	1.108265	-2.325650	0.0213

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.088114	R-squared	0.798739
Mean dependent var	0.227981	Adjusted R-squared	0.758487
S.D. dependent var	0.196921	S.E. of regression	0.096775
Akaike info criterion	-1.678406	Sum squared resid	1.498461
Schwarz criterion	-1.120536	Log likelihood	194.9661
Hannan-Quinn criter.	-1.452486	F-statistic	19.84339
Durbin-Watson stat	1.505827	Prob(F-statistic)	0.000000

Table 22

MLR For Jordanian banks

Dependent Variable: EP

Method: Panel Least Squares

Date: 01/21/25 Time: 00:24

Sample: 2013 2022

Periods included: 10

Cross-sections included: 14

Total panel (unbalanced) observations: 140

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACC_C	-0.000783	0.001675	2.454777	0.9386
CAR	0.035535	0.002047	0.380605	0.0599
CASH	0.013052	0.356059	-1.438532	0.3478
CIR	0.000245	0.627943	-1.660098	0.1029
CSRD	-0.021577	0.052842	-1.221415	0.0043
DE	0.32836	0.189073	1.553158	0.0387
DY	0.104657	9.25E-09	0.282291	0.2755
GDP	0.07175	0.002323	0.891806	0.1716
INF	0.003788	0.004858	2.014947	0.0471
LAT	-0.000292	1.103754	1.759284	0.5788
NIM	-0.062831	0.068351	-0.618250	0.2313
NPL	-0.006255	2.373952	-0.937720	0.0319
SIZE	0.017794	0.091827	-0.169516	0.878
C	0.031844	1.583920	-0.854109	0.4918

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.098322	R-squared	0.193250
Mean dependent var	0.269769	Adjusted R-squared	0.131460
S.D. dependent var	0.211943	S.E. of regression	0.109831
Akaike info criterion	-1.403966	Sum squared resid	1.363090
Schwarz criterion	-0.818397	Log likelihood	126.9796
Hannan-Quinn criter.	-1.166011	F-statistic	15.12362
Durbin-Watson stat	1.533449	Prob(F-statistic)	0.005267

Table 23

PSB Regression

Dependent Variable: EP

Method: Panel Least Squares

Date: 01/21/25 Time: 00:29

Sample: 2013 2022

Periods included: 10

Cross-sections included: 6

Total panel (balanced) observations: 66

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACC_C	2.34E-01	0.002716	-0.026981	0.0008
CAR	0.00556	0.000841	-1.034993	0.0567
CASH	0.384413	0.022251	0.186548	0.214
CIR	0.067387	0.183569	1.260296	0.9249
CSRD	-0.347327	0.036777	-2.221037	0.0069
DE	1.32E-01	0.201513	-0.789421	0.0049
DY	0.092922	0.007364	0.025023	0.038
GDP	0.005494	0.922560	0.343848	0.0649
INF	0.377118	0.032666	2.243928	0.0067
LAT	0.101247	1.760935	0.598535	0.8906
NIM	-0.339173	0.030372	1.180909	0.0921
NPL	0.000137	0.421275	0.836821	0.0036
SIZE	-0.152171	0.436121	-0.442721	0.0329
C	0.005412	0.969171	-0.439781	0.0757
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	0.036058	R-squared		0.234511
Mean dependent var	0.126909	Adjusted R-squared		0.176466
S.D. dependent var	0.073572	S.E. of regression		0.041848
Akaike info criterion	-3.292241	Sum squared resid		0.085810
Schwarz criterion	-2.728239	Log likelihood		125.6439
Hannan-Quinn criter.	-3.069377	F-statistic		9.494129
Durbin-Watson stat	1.640360	Prob(F-statistic)		0.00024



جامعة النجاح الوطنية
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أثر الإفصاح عن المسؤولية الاجتماعية للشركات والمقارنة المحاسبية
على استمرارية أرباح البنوك الأردنية والفلسطينية للسنوات 2012-2022

إعداد

ثامر أسامة شوكت خليفة

إشراف

أ. د. عبد الناصر نور

د. سامح عطعوط

قدمت هذه الرسالة استكمالاً لمتطلبات الحصول على درجة الماجستير في المحاسبة، من كلية الدراسات العليا،
في جامعة النجاح الوطنية، نابلس - فلسطين.

2024

أثر الإفصاح عن المسؤولية الاجتماعية للشركات والمقارنة المحاسبية على استمرارية أرباح البنوك
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إعداد

ثامر أسامة شوكت خليفة

بشراف

أ. د. عبد الناصر نور

د. سامح عطوط

الملخص

هدفت هذه الدراسة إلى تحليل تأثير الإفصاح عن المسؤولية الاجتماعية والمقارنة المحاسبية على استمرارية الأرباح في البنوك الأردنية والفلسطينية خلال الفترة من 2012 إلى 2022. استخدمت الدراسة نهجًا مختلطًا يجمع بين تحليل محتوى تقارير الإفصاح عن المسؤولية الاجتماعية والتحليل الكمي للقوائم المالية للبنوك، باستخدام أدوات إحصائية لفحص العلاقة بين هذه المتغيرات واستمرارية الأرباح. ولتحقيق هذا الهدف تم دراسة كل من الإفصاح عن المسؤولية الاجتماعية والمقارنة المحاسبية كمتغيرات مستقلة، في حين تمت إضافة كل من الديون والنقد وحجم البنك كمتغيرات ضابطة، والتضخم والنتائج المحلي الإجمالي كمتغيرات ضابطة مستقلة. تألفت عينة هذه الدراسة من كافة وحدات المجتمع، وهي 7 بنوك فلسطينية و14 بنك أردني. تم إجراء تحليل الانحدار الخطي المتعدد للبيانات من نوع Panel Data.

توصلت الدراسة إلى مجموعة من النتائج المهمة. أولاً، تبين أن الإفصاح عن المسؤولية الاجتماعية يؤثر سلباً على القدرة على التنبؤ بالأرباح، مما يعكس منظوراً انتهازيًا قد تُستخدم فيه هذه الإفصاحات للتغطية على ممارسات إدارة الأرباح وتعزيز السمعة بشكل غير أخلاقي. كما أظهرت الدراسة أن المقارنة المحاسبية تلعب دورًا إيجابيًا في تحسين القدرة على التنبؤ بالأرباح. حيث تُساهم التقارير المالية القابلة للمقارنة في زيادة الشفافية وتقليل عدم اليقين، مما يُمكن المستثمرين وأصحاب المصلحة من تقييم الأداء المالي للبنوك بشكل دقيق وعادل. أما عن المتغيرات الضابطة، فقد وجدت الدراسة أن التضخم لا يؤثر

بشكل كبير على القدرة على التنبؤ بالأرباح، حيث أظهرت البنوك مرونة في التكيف مع تغيرات الأسعار من خلال سياساتها المالية وأسعار الفائدة. في المقابل، كان للنتائج المحلي الإجمالي تأثير إيجابي كبير، حيث يعكس النمو في الناتج المحلي الإجمالي مستوى النشاط الاقتصادي وزيادة الطلب على الخدمات المصرفية، مما يُعزز استقرار الأرباح. أما بالنسبة لكفاية رأس المال والسيولة النقدية وصافي هامش الفائدة والكفاءة التشغيلية ومخصص تدني التسهيلات الائتمانية، فلم يظهر لها تأثير كبير على التنبؤ بالأرباح. وقد أظهرت الدراسة أن زيادة مستويات الدين تؤثر سلبًا على استقرار الأرباح بسبب الأعباء المالية المرتبطة بالفوائد وسداد الديون، مما يُبرز أهمية إدارة الديون بحكمة. كما أظهرت الدراسة أن حجم البنك يؤثر بشكل معنوي على التنبؤ بالأرباح، إضافةً إلى كل من السيولة المتداولة وعائد التوزيعات فهما أيضًا يؤثران بشكل معنوي طردي على استمرارية الأرباح.

وبناءً على هذه النتائج، قدمت الدراسة مجموعة من التوصيات لتحسين استقرار الأرباح والتنبؤ بها. شملت هذه التوصيات تعزيز الشفافية في الإفصاح عن المسؤولية الاجتماعية، تحسين قابلية التقارير المالية للمقارنة من خلال تطبيق معايير محاسبية موحدة، تحسين إدارة السيولة والديون، وتطوير استراتيجيات مرنة للتعامل مع تقلبات الناتج المحلي الإجمالي. كما أوصت الدراسة بتطبيق اتفاقيات بازل لتعزيز استقرار النظام المصرفي من خلال إدارة المخاطر وضمان كفاية رأس المال، والعمل بالتنسيق مع البنوك المركزية لتحسين السياسات المالية والتنظيمية.

الكلمات المفتاحية: الإفصاح عن المسؤولية الاجتماعية للشركات (CSR)، قابلية المقارنة المحاسبية، استمرارية الأرباح، البنوك الأردنية، البنوك الفلسطينية، الاستقرار المالي.