An-Najah National University
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The Impact of Social and Environmental Sustainability Disclosure on Banking Financial Performance: Analysis of the Banking Sector in Palestine and Jordan

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Dedication

To my beloved husband Samer

To my children Basim and Zaid

To my parents, brothers and sisters

Without whom this degree never been achieved

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Manar Basim M. Balout

الاقرار

أنا الموقعة أدناه مقدمة الرسالة التي تحت عنوان:

أثر الإفصاح عن المسؤولية الاجتماعية والاستدامة البيئية على الأداء المالي المصرفي :دراسة تحليلية على القطاع المصرفي في فلسطين والأردن

The Impact of Social and Environmental Sustainability Disclosure on Banking Financial Performance: Analysis of the banking Sector in Palestine and Jordan

أقر بأن ما اشتملت عليه الرسالة انما هو نتاج جهدي الخاص باستثناء ما تمت الاشارة اليه حيثما ورد وأن هذه الرسالة ككل أو أي جزء منها لم يقدم من قبل لنيل أي درجة علمية أو بحث علمي لدى أي مؤسسة تعليمية أو بحثية أخرى.

Declaration

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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Abbreviations

CSR	Corporate Social Responsipility
CSRD	Corporate Social Responsipility Disclosure
FP	Financial Performance
BFP	Banking Financial Performance
ROA	Return on Assets
ROE	Return on Equity
AVVIN	Advertising Intensity
ROS	Return on Sales
NPM	Net Profit Margin
EPS	Earnings Per Share
EMV	Equity Market Value
GRI	Global Reporting Initiative
ASE	Amman Stock Exchange
CD	Community Development
PEX	Palestinian Exchange

The Impact of Social and Environmental Sustainability Disclosure on Banking Financial Performance: Analysis of the banking Sector in Palestine and Jordan

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Abstract

This study aims to investigate the impact of social and environmental sustainability disclosure on the financial performance of Palestinian and Jordanian listed banks during the period 2010-2019. The study applies regression model on a sample includes 60 Palestinian banks observations and 150 Jordanian banks observations. Social and environmental sustainability disclosure is measured using a CSRD Index including 30 items of social responsibility information. On the other hand, financial performance is measured by return on assets (ROA), return on equity (ROE) and Tobin's Q (Q ratio).

The results of the study reveal that, on average, banks listed in the Palestine Exchange disclose 51.08% of the items included in the disclosure index, while banks listed in the Amman Stock Exchange disclose 55.79% of the items. On the other hand, a significant positive relationship exists between CSRD and Tobin's Q (Q ratio) of Jordanian and Palestinian listed banks. In contrast, there is no relationship between CSRD and return on assets (ROA), return on equity (ROE) of Jordanian and Palestinian listed banks.

The study recommended that policy makers and regulators are required to improve the quality of CSR disclosure through extending the minimum regulatory requirements concerning CSR reporting in Palestine and Jordan. Furthermore, policy makers and regulators are encouraged to establish an official Palestinian and Jordanian CSR index that can be used to evaluate and compare CSR practice and disclosure among countries.

Chapter One

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Chapter One

General framework of study

1.1 Introduction

Corporate Social Responsibility (CSR) is one of the most attractive strategy standards for business practices in today's economy. Most firms believe that an adequate consideration of the CSR has a positive impact on the company's reputation, and hence, its profitability since CSR strategies are keys to the success of business (Lichtenstein et al., 2004). However, carrying out of social responsibility is not costless. Waddock and Graves (1997) argue that few economic benefits of socially responsible activities can be obtained compared with numerous costs. Assuming social responsibility by companies seems to be a controversial issue because of the high cost associated with its activities (Shen et *al.*, 2016).

Holder-Webb et. al. (2009) showed that it is not sufficient for businesses to simply involve in CSR activities; it is important disclose information about these activities to stakeholders. Corporate social responsibility disclosure (CSRD) is a process of providing information about interactions between companies with regard to environment, employees, society and consumer issues (Gray et *al*., 2001). CSRD has a special importance in banks which are considered among the most influential entities in society. Banks represent an indicator of countries' wealth and a reflection of the economic growth. In many cases, banks were considered to be accountable for the social consequences of financial crisis. The importance of CSRd has increased considerably after the global financial crisis in 2008 and CSR stratigies has become a highly debated topic especially for financial institutions (De Leeuw, 2017). While societies assume that banks are adequately socially responsible; banks seek to achieve their profit-related objectives. Accordingly, it is important for bankers, regulators and researchers to understand the relationship between the high level of the CSRD required from banks and their financial performance. According to Shen et *al*. (2016), there is limited research on CSRD and its effects on financial performance of banks reflecting inconsistent results.

While several studies suggested a positive relationship between CSRD and banks financial performance (BFP), other studies reported a negative, or even no, association. In Palestine and Jordan, limited studies were conducted in this respect. Barakat et *al*. (2015) discussed the characteristics of corporate CSRD practices in Palestine and Jordan. The study showed that the levels of CSRD in Jordan were higher than Palestine in all analyzed aspects of CSRD (environmental; employees; products; and community involvement). Furthermore, the results showed that CSRD levels in both countries were low if they are compared with developed countries. In these countries, CSRD in annual reports has increased over time in response to a number of factors: legislation increases, activities of pressure groups, ethical investors, awards, media interest, societal awareness (Barakat et *al*., 2015). In turn, Karsh and AL-Deek (2019) tried to identify the association between corporate social responsibility (CSR) practices by Palestinian banks and their profits. The study reported a weak positive correlation between CSR and banks profits. However, a high level of social responsibility commitment was found. The results of the above studies were inconsistent motivating us to further shed the light on the relationship between CSRD and bank performance. The current study addresses the relationship between CSRD and banks financial performance (BFP) in Palestine and Jordan. The idea behind the selection of two different geographical regions was to compare CSRD effects on bank performance in these regions (Barakat et. al., 2015). Accordingly, this study primarily investigates the nature of relationship between CSRD in the annual reports of Palestinian and Jordanian banks listed on Palestine Exchange (PEX) and Amman Stock Exchange (ASE) respectively during the period 2010-2019.

1.2 Statement of research problem and questions

Social and environmental responsibility is one of the most economic practices that affect entities' success on the long-term. Moreover, such practices promote and protect human well-being. In developing countries, there are many obstacles contribute to the trivial CSR’s implementation (Jamali, 2007). Also, there are no similar adequate initiatives about CSR in developing countries aside from the fewer studies addressing CSR in these countries compared with the developed countries. In Palestine and Jordan, as developing countries, we need more studies in order to promote policies and rules related to CSR.

Previous studies considered CSRD-financial performance relationship in different sectors such as the banking, industrial sector, private sector companiesin specific countries. This study focused on the banks listed in the Palestine Exchange and the Amman Stock Exchange since the banking sector is among the largest and most active sectors (Karsh and AL-Deek, 2019). Moreover, the vital role and the economic importance of banks to societies, reasonably lead them to assume Corporate Social Responsibility (CSR), especially in countries like Palestine and Jordan where economic and political instability prevails.

In view of the above discussion, this study examined the relationship between the CSR disclosed by the Jordanian and Palestinian banks Different measurements were used for performance and their performance. Accordingly, the study main question is:

Does the level of the CSR disclosed by the Palestinian and Jordanian banks affect their performance?

Since different measurements were used in this study for performance, three sub-questions were developed as follows:

1. Does the level of the CSR disclosed by the Palestinian and Jordanian banks affect their performance, measured by return on assets (ROA)?

2. Does the level of the CSR disclosed by the Palestinian and Jordanian banks affect their performance, measured by return on equity (ROE)?

3. Does the level of the CSR disclosed by the Palestinian and Jordanian banks affect their performance, measured by market value (Q Ratio–Tobin's Q)?

1.3 Research objectives

The main objective of this study was to compare the effect of CSRD on the performance of the Palestinian listed banks with its counterpart in Jordan during the (2010-2019) period. Doing so requires achieving the following objectives:

1. Investigate the level of CSRD in the annual reports of Palestinian banks listed on the PEX and Jordanian banks listed on the ASE during the period 2010-2019?

2. Examine the impact of the level of CSRD on the financial performance (ROA, ROE, and Q Ratio–Tobin's Q) of Palestinian banks listed on the PEX and Jordanian banks listed on the ASE during the period 2010-2019.

3. Establish an adequate understanding for CSR, its importance, and types.

4. Illustrate the importance of CSRD for firms and the theoretical background addresses all CSRD related issues.

5. Present and discuss the measurement available for performance especially for financial institutions.

4. Compare the reported findings in Palestine with those in Jordan.

1.4 Research importance

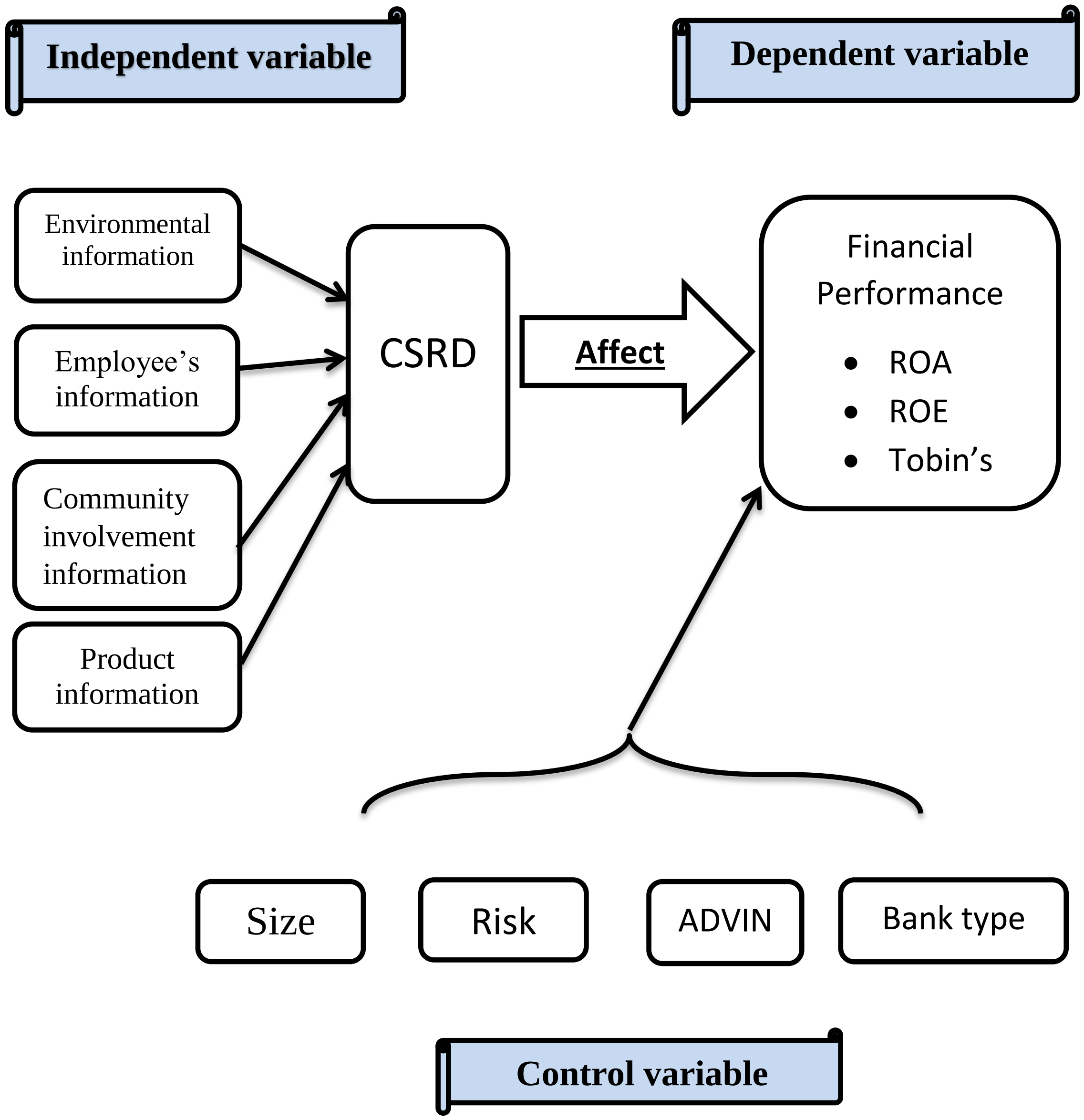
The current study examined and assessed the effect of CSRD on the financial performance of banks listed in Palestine in comparison with those listed in Jordan. The inconsistent results reported by prior studies rationalized addressing such issue with the hope to provide a better understanding on it. Furthermore, most of the existing literature was conducted in developed countries. Palestine and Jordan lack relevant adequate studies targeting the effect of CSRD on banks performance (Barakat et *al.*, 2015). Thus, this study enriches the existing literature in this field.

In 1995, the PEX was established as a private company aimed at promoting investment in Palestine. Its first trading session was held in 1997. Companies listed on the PEX are classified into five sectors including banking, insurance, investment, industry and services. Banking and financial services sector is considered as one of the most important sectors, because of major role of banks in the Palestinian economic structure (Abu Karsh and AL-Deek, 2019). In this respect, six banks are listed on the PEX. In 1977, Amman Financial Market was established, and started operating on 1978. As of its starting, Amman Financial Market had a dual task, the first is be a Securities and Exchange Commission (SEC), and the second is the role of a traditional Stock Exchange. After that, Amman Stock Exchange in (ASE) was established in 1999 as a non-profit independent institution; authorized to function as a regulated market for trading securities in Jordan. In 2017, the ASE was registered as a public shareholding company completely owned by the government under the name "The Amman Stock Exchange Company. Nowadays, 15 banks are listed on the ASE.

In the current study we calculated the level of CSRD for listed Palestinian and Jordanian banks that met the criteria of the study. Comparison of CSRD practices between the two selected regions is important to find out differences which might result given the economic, political, social, and cultural differences that may exist between them (Barakat et *al*., 2015).

1.5 Model of the study

Following the above discussion of the study aspects, the figure below summarizes the study model of the study:



Chapter Two

Theoretical background, literature review and hypotheses development

2.1 Theoretical background

2.2 Literature review and hypothesis development

2.3 Hypotheses development

Chapter Two

Theoretical background, literature review and hypotheses development

2.1 Theoretical background

This chapter presents the theoretical background of CSR, CSRD and financial performance. In more details, it discusses the history and evolution of CSR, the concept of CSR, theories explain CSR practice and disclosure and how CSRD and performance are measured. Furthermore, it shed the light on CSR in the context of developing countries. Finally, this chapter develops the study hypotheses after reviewing the relevant literature.

2.1.1 What is CSR?

CSR is a popular concept without a clear unified definition since most researchers and organizations universally use their own definition (Boeger, 2008). Nevertheless, there is a common ground in almost all definitions. Some definitions try to define carefully the integration of three concepts financial, environmental and social performance into the 'triple bottom line' reporting. Other definitions try to merge sustainability concept into corporate social responsibility concept, stressing out that sustainable companies are those that take account of social and environmental needs as well as financial needs (Griffin, 2008). The definition of Carroll (1979, p. 500) is considered as one of the most popular which is the "social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time”. The European Commission tried to find a unified definition for CSR by introducing a Green Paper in 2001 and 2002 that focus on social and environmental issues in its definition. According to Alhazmi (2017, p.27), the European Commission defined it as “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. Smith (2002, p.42) defined CSR as “the integration of business operations and values whereby the interests of all stakeholders, including customers, employees, investors, and the environment are reflected in the organization’s policies and actions”. On the other hand, many definitions of corporate social responsibility consider environmental and social effects of corporate practices when making decisions (Adams and Zutshi, 2004). Reviewing the literature clearly shows differences between CSR definitions in different societies and cultures across the world and the definitions of CSR also change as societies grow and change (Baker, 2004). Based on the above discussion, this study sees corporate social responsibility as integration of financial performance, environmental performance and social performance.

2.1.2 Corporate social responsibility disclosure (CSRD)

According to Gray et *al.* (1996, p.3), corporate responsibility disclosure is defined as “process of communicating the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large". Others (e. g. Jenkins and Yakovleva, 2006) agreed that the concept of CSR disclosure means the voluntary or obligatory reporting of social information, ethical information and environmental information to all groups of stakeholders.

Disclosure of CSR activities and actions is believed to be essential to businesses, and information about such activates should be released to stakeholders and community (Holder-Webb et *al.,* 2009). CSR disclosure can help stakeholders in deciding whether the firm is socially active or not, which would rationalize its continued existence to stakeholders (Platonova, 2014).

2.1.3 Theories of Corporate Social Responsibility Disclosure

Interest in corporate responsibility has grown significantly over the past few decades and today many theories of CSR exist (Garriga and Mele´, 2004). According to Platonova (2014), Ali and Rizwan (2013) and Deegan (2013), the most dominant theories that have been used to explain companies' social reporting practices were legitimacy, stakeholder and agency theories.

2.1.3.1 Legitimacy theory

Legitimacy theory has a significant role in explaining and identifying social contract since a company is obligated to all society components (Ali and Rizwan, 2013). According to this theory, social contract is an arrangement in which the firms agree to achieve the expectations of societal members in term of objectives and rewards. This action will ultimately guarantee firms continued existence and the firm will be considered as legitimate (Deegan, 2013). Legitimacy theory also examines how corporations are good at integrating social responsibility demands into their activities. Thus, this theory suggests that companies should focus on determining and responding to demand for social activities, and then social legitimacy and company prestige will come as an outcome (Platonova, 2014).This theory asserts that corporations continually seek to ensure that they are perceived as operating within the bounds and ethics of their respective societies. Through this, corporations can ensure that their activities are perceived by society being 'legitimate'. The ethics, bounds and norms of any society are not considered to be stable and change over time, thereby requiring corporations to be responsive to the ethical environment in which they work (Deegan, 2013). Additionally, Ali and Rizwan (2013) argued that only legitimate company has the right to utilize society's natural and human resources. In order to maintain their legitimacy, firms would respond to the changing expectations of the society members (Woodward et *al.,* 1996). Furthermore, this theory suggests that larger firms which have great number of stakeholders act more in response to reporting in order to have a greater influence on social expectations than small companies (Ohidoa et *al.,* 2016). According to Deegan (2013), legitimacy theory is the most commonly used theory by researchers in the social and environmental accounting literature. This was attributed to the fact that a number of the leading researchers in this area embraced legitimacy theory some years back and after that its use simply perpetuated. On other hand, Wilmhurst and Frost (2002) reported that previous studies have not generated results in support of legitimacy theory and the findings of their own work showed that legitimacy theory does not give sufficient justifications for CSRD. Similarly, the results of Campbell et *al.*, (2003) suggested that legitimacy theory is useful in explaining motivations of CSRD in many situations, but not always.

2.1.3.2 Stakeholder theory

Stakeholder theory is an important theory that provides theoretical motivations for corporate social responsibility disclosure (Platonova, 2014). Stakeholder theory presents a positive perspective on how managers see CSRD and confirms that corporation's managers need to concentrate on fulfilling the demands of all companies' stakeholders; e.g. customers, employees, suppliers, local communities and others who have the potential to influence or be influenced by corporations' activities (Freeman, 1948). Based on stakeholder theory, corporations are considered to have responsibilities to society and therefore need to engage in CSR activities in order to survive and to gain support from stakeholders (Nielsen and Thomsen, 2007). Moreover, the theory argues that corporations may use CSR activities as a strategic tool to achieve financial benefits on the long run (Garriga and Mele´, 2004). It was also reported that the best way to understand CSR is through managing the corporations' relationships with stakeholders (Clarkson, 1995). The stakeholder theory states that corporations operate to provide benefits to their stakeholders because the company's existence is strongly influenced by its stakeholders. Therefore, companies must disclose their CSR activities in annual reports for stakeholders to evaluate the performance of the company. The stakeholder theory also explains the importance of CSR disclosure in corporate annual reports (Mukhtaruddin et *al.,* 2014). Disclosure of CSR information by firms mainly focuses on analyzing the consequences of manager's decisions to their stakeholders and investors (Fontaine et *al.,* 2006). The results of this study (Fontaine et *al.,* 2006) showed that the stakeholder theory is very popular in this time, because stakeholders are worried about the sustainability of the economic system. The new globalized companies consider more importance for CSR than states in some cases. Given the huge impact of companies actions on the society in general, people ask these companies to have “ethic” and norms in their activities. If managers act in irresponsible way, with low ethics or norms, this can lead to decreasing the wealth of the first stakeholder, i.e. owner and shareholders (Fontaine et *al.,* 2006). Stakeholder theory is different from legitimacy theory in which, legitimacy theory discusses general society expectations (Ali and Rizwan, 2013), while stakeholder theory focusses on owners concerns towards the environmental performance of the firms, and different stakeholders might have different views on how firms should conduct their operations. Supporting the concepts suggested by this theory, Platonova (2014) found a positive relationship between CSRD and companies financial performance. Similar results were obtained by, Brammer and Millington (2008).

2.1.3.3 Agency theory

Agency conflict exists when managers undertake opportunistic actions, like earnings management, to maximize their own interests. This managerial action can mislead stakeholders about the firm's corporate market value and financial position, and cause investors to make false economic decisions (Sun et *al.*, 2010). From the agency theory point of view, companies' management are motivated to disclose more CSR activities to convince the stakeholders that they are behaving optimally on the stakeholder's behalf, their concern on corporate social responsibility which can reduce agency cost (Harun, 2016). Agency theory discusses the relationship between firms and various economic agents who act within efficient markets. In agency relationships, managers are required to provide periodic reports of the company performance to its principal. In this respect, reporting is used as a means of transparency and accountability of management performance and also for managerial compensation contracts (Reverte, 2009). In general, there is an agreement and belief that social and environmental reporting helps organizations to attract new investors and obtain financing at a minimum cost (Jizi et *al.*, 2014).

Farook et *al.*, (2011) showed consistency and interrelation between agency and stakeholder theory. Thus, it is possible to explain the determinants of CSR disclosure according to these two theories. Agency theory focuses on the relationship between the principal and the agents who are given the authority to manage the principal's interests and make beneficial decisions. Alternatively, society expects from firms to behave in a manner that is beneficial in terms of their social or economic role (Harun, 2016). Brammer and Millington (2008) support the agency theory, since their results show a negative relationship between social activities and companies financial performance. They argued that firms' resources consumption, in order to have positive social performance, would maximize the personal benefits of managers significantly rather than shareholders' financial benefits.

2.1.4 Corporate social responsibility in developing countries

The European Commission announced that European countries should implement CSR from 2005. In the United Kingdom, there is a minister for CSR; a compulsory law has passed in France, where large corporations must report issues concerning their CSR activities. According to Barakat et *al*. (2015), CSR is considered as a Western phenomenon, but there are no similar adequate initiatives about CSR in developing countries aside from the fewer studies addressing CSR in these countries compared with the developed countries.

In this regard, Jamali (2007) claimed that many obstacles might contribute to the trivial CSR’s implementation in developing countries. Mohamed (2015) attributed the weak level of adoption and implementation of environmental accounting in developing countries to the managers' realization to the benefits corporations gained from improving environmental performance. Companies in developing countries are lagging behind their counterparts in developed counties in terms of corporate social responsibility practices. Moreover, there is a lack in terms of quantity and quality in the CSR related studies in the developing countries (Ali and Rizwan, 2013). CSR activities and challenges in developing countries differ from those in developed countries. Most CSR programs in developing countries are oriented to problems such as philanthropy, provide job opportunities and infrastructure development. Jamali and Mirshak (2006) showed that CSR activities in developing countries focus on charity through donations and grants. Meanwhile, CSR activities in developed countries focus on governance, the environment and high labor standards (Visser, 2008).

These differences between developing and developed countries were attributed mainly to cultural differences and governmental roles. Visser (2008) showed that CSR codes, standards, reports and disclosures in developing countries is less formalized or institutionalized and this also contribute to the above mentioned causes of differences. A Jordanian company listed in Amman Stock Exchange seems to give a modest attention to CSRD in their annual reports. According to Abu-Baker and Naser (2000), most disclosed items were related to community involvement activities and human resources. Environmental disclosure activities need much more attention from Jordanian companies. In Palestine, there is a semi-consensus that the CSRD is still below the required level and the concept of CSR is just starting to develop (PFMM, 2008). It is also evident that suitable methodology that deals with this issue is absent. In Palestine, the institutionalization of corporate social responsibility needs to take many steps in order to promote policies and rules related to CSR (PECDAR, 2010).

2.1.5 Measuring CSRD

Many methods were applied to measure the level of disclosure on social responsibility of corporates in financial statements and notes. Among these methods, a method of Kinder, Lydenberg, and Domini called 'KLD Index. This method is still usable today under the name of MSCI ESG research. MSCI is an abbreviation for Morgan Stanley Capital International and ESG is an abbreviation for (Environmental, Social and Governance) Scores. This method evaluates corporations social responsibility (McWilliams and Sigel, 2000; Hagber et *al.*, 2015). Although its widely used method; researchers believe that it is not comprehensive enough and not globally used. It is exclusively used for American Listed Corporations (Peng and Yang, 2014).

The US National Association of Accountants' had set up the committee on accounting for Corporate Social Performance (CSP) in 1972, which set the early foundation on CSR and issued its 1st report defining CSR as "the identification, measurement, monitoring and reporting of the social and economic effects of an organization on society" (NAA, 1974). Another widely used method for this purpose is that published by the National Association of Accountants Committee (NAAC). This method identifies four major items of social responsibility the community development (CD), the Human Resources (HR), the Service and Product Contribution (SPC) and the Physical Resources and Environment Contribution (PREC) (Sinha and Gupta, 2015). This method was applied by Hassanein et *al.*, (2006) who used 60 items; Ghazali (2007) using a checklist containing 22 items; Khasharmeh and Desoky (2013) who used a disclosure index contains 47 items; Barakat et *al.*, (2015) who used 48 items. These different indexes studied many aspects of CSR; however, none of these indices seems to be completely suitable for Palestinian and Jordanian banks.

2.1.6 Measurement of financial performance

Financial performance concept refers to whether and to which degree financial objectives are accomplished. Related accounting literature provides different meanings for financial performance. For example, Kipruto (2014) defined it as willingness and ability of organization to meet long term financial obligations, which is an indicator for an organization's financial health. There is no real agreement also on how to calculate financial performance since many financial performance measures were used. These measures were divided into two types: accounting-based and market-based indicators (Cochran and Wood, 1984). Accounting-based indicators capture only historical aspects of firm financial performance. While market-based indicators are forward looking and emphasize on market performance (Oikonomou, 2011). Each indicator has positive and negative sides. Some of accounting based indicators are available for all stakeholders, it can be reasonably comparable (Galant and Cadez, 2017), and focuses on how company earnings respond to different managerial policies (Cochran and Wood, 1984). On another hand, the most important advantage of market-based indicators is their contemporariness, which means that they reflect changes in financial performance faster than accounting-based indicators (Galant and Cadez, 2017). It is also considered as an objective measure (Oikonomou, 2011).

However, many limitations were associated with accounting-based indicators. First of all, they are based on historical not current data (Al-Tuwaijri et *al.,* 2004). Furthermore, accounting ratios may be biased if the sample includes firms from different industries. Many limitations also related to market-based indicators. Market-based indicators suggest that there is a perfect market (Oikonomou, 2011). Also, they are only available for public listed firms (Galant and Cadez, 2017).

Becchetti et *al.* (2009) used market-based measures and found a positive relation between corporate social responsibility activities and abnormal financial return. In turn, Tsoutsoura (2004) and Lin et *al.* (2009) used the accounting-based measurements of financial performance like (ROA, ROE and ROS), they found a positive relationship between CSR and financial performance. Some studies (e. g. Garcia-Castro et *al.,* 2010; Rodgers et *al.,* 2013; Al-Matari et *al.,* 2014) have combined both types of financial performance measures, accounting based measures and market-based measures, and using Tobin’s Q indicator.

Jo and Harjoto (2011) results indicate that involvement in CSR activities has a positive effect on company value. Notwithstanding, Crisostomo *et. al.*, 2011 found a negative effect between CSR and company value. While Wagner (2010) who used Tobin's Q ratio to measure financial performance found that no moderating role is identified on the link between corporate sustainability and financial performance.

Recently, there has been a tendency to use more than one measure of corporate financial performance. karsh and AL-Deek)2019) investigated the profitability situation of the Palestinian banks during the period 2012-2016 using profitability indicators (ROA, ROE, NP, EPS). In turn, Tsoutsoura (2004) used the return on assets (ROA), return on equity (ROE), and return on sales (ROS) to find the relationship between CSR and financial performance. Hirigoyen and Rehm (2015) used ROA, ROE, Market to book ratio to examine the relationship between corporate social responsibility and financial performance. What distinguish our study is the use of accounting based and market-based measures to calculate banks financial performance.

2.2 Literature review and hypothesis development

The literature presented is in relation to the area of inquiry. Specifically, the extent and level of CSR disclosure and its relationship with financial performance. The hypotheses are derived based on the studies that have been discussed.

2.2.1 Corporate Social Performance and Corporate Ffinancial Performance relationship (CSP-CFP)

Over long period of time, theoretical and quantitative studies have tried to investigate if a relationship exists between corporate social performance (CSP) and corporate financial performance (CFP). Prior studies reported mixed results and accordingly can be classified into three categories. While the first category includes the studies that established a negative relationship between CSP and CFP, the studies of the second category indicate the opposite. However, the remaining studies failed to find any relationship.

2.2.1.1 Negative relationship

Friedman (1970) argued that adopters of social responsibility would produce costs completely superior to profits which cause deterioration in financial situation. Such costs seem to be related to geographic, business areas, additional labor employment and activities that might increase stakeholder's satisfaction. The negative relationship between CSR and CFP is justified by the fact that companies that adopt social responsibly activities are at a competitive disadvantage as they produce costs that they could be avoided. According to this reasoning, socially responsible activities have few economic benefits and increase costs, which is leading to the expectation of a fall in the FP of the company (Friedman, 1970). Nelling and Webb (2009) examined the causal relationship between CSR and financial performance measured by (ROA) and (ROE). Using regression analysis, their results suggest no relationship between corporate social responsibility and financial performance. They came with the conclusion that firms by doing good (CSR) does not mean doing well regarding financial performance (FP). So, CSR practices are not causally related to financial performance. The study reported that strong stock market performance leads to greater firm investment in CSR activities especially to employees, but that CSR activities do not affect firm’s financial performance (Nellingand webb, 2009). Karsh and AL-Deek (2019) examined the relationship between CSR activities and profitability of banks, this study used the descriptive methodology to achieve the study objectives. They used the questionnaires to calculate CSR level from the viewpoint of the directors of banks operating in Palestine. This study involves banking sector in Palestine during 2012-2016 using financial profitability indicators (ROA, ROE, NPM and EPS). Statistical analyses showed a high level of CSR commitment by banks working in Palestine; the highest CSR commitment was market place, followed by the banks responsibility towards the community, employees, and environment, the study reported a weak positive relationship between CSR and profitability performance.

2.2.1.2 Positive relationship

The second category of the previous studies indicated a direct and increasing relationship between corporate social responsibility and CFP. However, their causal relationship looks vague. A company with good financial performance is likely to be good in social performance since high profitable companies, would have more resources to allocate for social responsibility programs (Soana, 2011). Positive perspective of relationship between CSR and CFP proposes that there is a tension between the explicit costs and the implicit costs. In this respect, companies that tries to reduce their implicit costs, like product quality costs or environmental costs, by socially irresponsible acts, (for example, payments to bondholders) and their costs implicit to other agents (for example, product quality costs or environmental costs). So, a company that tries to reduce its implicit costs by means of socially irresponsible acts will incur greater explicit costs (Weshah et *al.,* 2012). Tsoutsoura (2004) used empirical techniques to identify the relation between social responsibility and the financial performance using a sample includes 500 firms over a period of 5 years from 1996 to 2000. In this study, accounting numbers (ROA, ROE and ROS) were used to measure firms' financial performance. Statistical results of this study showed that ROA is more closely related to social responsibility than the (ROE and ROS). The study reported that CSR is positively related to better financial performance and the relationship between the two variables is statistically significant. Such results support the idea that socially responsible activities can be associated with a series of benefits. Shen et *al.* (2016) tried to find whether or not banks should engage in corporate social responsibility (CSR) activities, given the high cost of these activities that make bank managers are hesitant to engage in these activities. The researchers compared two banks that are almost identical, but however, one of them conducted CSR activities and the other did not. Thus, any performance difference between them could be attributed to the CSR effect. The results showed that corporate social responsibility banks overwhelmingly outperform non-CSR banks in terms of return on assets (ROA) and return on equity (ROE). Similar results were obtained by Shen et *al.*, (2013) who investigated the performance of 162 banks in 22 countries from 2003 to 2009 and showed that CSR is positively associated with FP, particularly in terms of ROA, return on equity (ROE).

2.2.1.3 No relationship

According to the results of this category's studies, CSP and CFP were uncorrelated and thus, corporate social responsibility would have no effect on the financial performance of companies (Soana, 2011). This hypothesis was proposed by Ullman (1985) who argued that there is no reason for the existence of any association between CSP and CFP. According to the study, many variables may intervene between the two variables and the relationship between them may result just by chance. Moreover, problems associated with CSP measurement given the lack of a clear metric, may have masked any relationship. Absence of any relationship between CSR and financial performance was reported also by Veld (2010) who examined the effect of corporate social responsibility on the economic performance. The study used the Global Reporting Initiative (GRI) application level as index for CSR, and return on assets (ROA) as an accounting-based measurement to measure firm financial performance. The effect of corporate social responsibility is estimated by regressing firm economic performance on CSR. The control variables of the study were size of firm, risk, industry and research and development intensity. The sample of this study included 93 European firms during the year 2009. In turn, Soana (2011) investigated the possible relationship between corporate social performance, which measured in this study by ethical rating, and corporate financial performance, which is measured based on market and accounting numbers. Three indicators have been used for accounting measures: the return on average equity (ROAE), the return on average assets (ROAA), which are profitability ratios, and the cost to income ratio, which is an efficiency ratio. However, market performance has been approximated by means of three market multiples: the market to book value, the price to book value and the price to earning adjusted. The sample of this study included 21 international banks and 16 Italian banks rated in 2005. Useing correlation methodology, the results suggest no statistically significant link between corporate social performance and corporate financial performance.

2.3 Hypotheses Development

Based on the above discussion of the results of the previous studies. The following main hypothesis was developed. This hypothesis and the subsequent sub-hypotheses are relevant to test the relationship between CSRD and FP in both, Palestine and Jordan.

HP: There is no statistical impact of CSRD on financial performance of Palestinian banks and also, Jordanian banks at a significant level of $P = 0.05$.

Since this study complements previous studies by using both market based and accounting based performance measures, several measurements were used for financial performance. Therefore, the following sub-hypotheses were emerged as follows:

HP1: There is no statistical impact of CSRD on return on assets (ROA) of Palestinian banks and also, Jordanian banks at a significant level of $P = 0.05$.

HP2: There is no statistical impact of CSRD on Return on Equities (ROE) of Palestinian banks and also, Jordanian banks at a significant level of $P = 0.05$.

HP3: There is no statistical impact of CSRD on Tobin's Q ratio of Palestinian banks and also, Jordanian banks at a significant level of $P = 0.05$.

Chapter Three

Methodology and Research Design

3.1 Introduction

3.2 Study methodology

3.3 Study population and sample

3.4 Variables measurement

3.5 Study instrument

Chapter Three

Methodology and research design

3.1 Introduction

This study tried to find if a relationship exists between the corporate social responsibility disclosed by banks and their financial performance. The issue is addressed separately in Jordan and Palestine. Then, the study compared between the reported effects in the two countries. This chapter contains study methodology, study population and sample, variables measurement and study instrument.

3.2 Study Methodology

The study was based on both descriptive and analytical approaches. Historical background concerning social responsibility and financial performance were obtained from published data, previous studies in this field, and the annual reports of the involved banks in both countries. Because of the applicable nature of this study, financial and statistical analytical methods were used for the finding the effect of CSRD on the financial performances of these banks.

Other sub goals were also targeted in this study with the aim to examine the impact of some banks characteristics like; risk ratio, advertising intensity and the bank type (Islamic or conventional bank) on the disclosure of social responsibility and financial performance.

3.3 Study population and sample

The total number of the banks considered in this study was 21 banks. While the Palestinian banks sample includes 6 banks listed on PEX, 15 banks listed on ASE were contained in the sample of the Jordanian banks. Banks were qualified to be included in the samples if they met the following criteria:

A. The bank is listed on its local market, during the period of the study (2010 – 2019).

B. All needed data covering the study period is available.

Table (1) presents all the banks included in the two samples. Totally, 60 observations were used to examine the relationship between CSRD and FP in Palestine. On the other hand, 120 observations were considered with regards to the Jordanian banks.

Table (1): Description of the study's sample

Country	No.	Bank	Symbol
Jordan	1	Jordanian Islamic Bank	JOIB
	2	Jordanian Kuwaiti bank	JOKB
	3	Jordanian Commercial Bank	JCBK
	4	The Housing Bank	THBK
	5	Arabic Jordanian Investment Bank	AJIB
	6	Safwa Islamic Bank	SIBK
	7	United Bank	UBSI
	8	Arab Finance Association Bank	ABCO
	9	Investment Bank	INVB
	10	Finance Jordanian Bank	EXFB
	11	Soseta General Bank – Jordan	SGBJ
	12	Cairo Amman Bank	CABK
	13	Al-Ahli Jordanian Bank	AHLI
	14	Bank of Jordan	BOJX
	15	The Arab Bank	ARBK
Palestine	1	Bank of Palestine	BOP
	2	The Arab Islamic Bank	AIB
	3	Palestinian Islamic Bank	ISBK
	4	The National Bank	TNB
	5	Al-Quds Bank	QUDS
	6	Palestinian Investment Bank	PIBC

3.4 Variable measurement

3.4.1 Independent variable: Disclosure of Social Responsibility

Corporate social responsibility disclosure was measured using a disclosure indexed developed for the purpose. Items of the CSRD index were selected based on the results and arguments of several previous studies (Ghazali, 2007; Khasharmeh and Desoky, 2013; Hassanein et *al.*, 2006; Barakat et *al.*, 2015). These items were adjusted to reflect the existing settings of Palestine and Jordan and the CSRD practices of the anks in general, the index was made to be more appropriate for these countries. Items of the index were categorized into four main groups:

1. Environmental information (6 items).

2. Employee information (8 items).

3. Community involvement and social information (8 items).

4. Products information (8 items).

Totally, the CSRD index contains 30 items. The content analysis was used and the dummy procedure to compute the CSR disclosure score was employed. Content analysis generally uses information about CSR items and codifying this qualitative information to derive quantitative scales that can be used in subsequent statistical analysis methods. Each annual report was scanned to determine the presence or absence of the disclosure items. So, if the bank discloses the item it would receive one, otherwise it would receive zero. Table 2 shows selected items of the current study.

Disclosure scores were computed by dividing the number of items disclosed by bank to the number of items included in the CSRD index. Therefore, the CSRD score for each bank will be determined as a percentage that ranges from 0% if the bank does not disclose any items, to 100% if the bank discloses all the items in the index.

CSRD was computed according to the following formula:

$CSR_{DS} = \sum$ Points of (environment, employee, community and product)/ 30

Table (2): Items selected in the current study

Items of information	
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	**Employee 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

3.4.2 Dependent Variable: Financial Performance

The most common accounting measures for financial performance are return on assets (ROA) and return on equity (ROE). These two indicators explain internal efficiency of firms, and measures firms' financial health respectively. Although, one limitation of ROA, ROE is that they do not reflect external market responses to organizations. Despite this important limitation, Moore and Spence (2006) still find that accounting returns are a better predictor for financial performance than investor returns.

One of the stock market value perceptions of current and future company earnings is Tobin's Q. (Bidhari et *al.*, 2013), which is common in the literature. It is used to proxy for firm value, and is defined as the ratio between market value and accounting value of the company. Accounting based indicators are better to measure short-term financial performance of companies like ROA and ROE, while market-based measurements are a better for measuring long-term financial performance like Tobin's Q. The ideal measurement for future research on the relationship between CSR and CFP would contain both accounting- and market-based measurements, which is distinguishing this research (Al-Matari et *al.*, 2014).

This study uses the above three indications to measure FP. Bellow are the calculations used to find out the ratios that measure financial performance:

ROA = Net Income before Tax / Total Assets

ROE = Net income / Shareholders Equity

Tobin's Q = (EMV + Liabilities) / Total Assets

EMV: Equity Market Value "closing Price of fiscal year end X No. of outstanding shares

3.4.3 Control Variables

McWilliams and Siegel (2000) results shows that it is very important to include control variables when discuss the relationship between CSR and FP. Several control variables can be identified in the existing literature. For example, Waddock and Graves (1997) used risk and size. In turn, studies as Nizam et al, (2019) considered the type of bank (whether it is an Islamic bank or conventional) as an influential factor. Since Palestine and Jordan are islamic countries, and recently the numbers and customers of Islamic banks grows up, so Bank type would be beneficial in for the study analysis Furthermore, other studies like McWilliams and Siegel (2000) used advertising intensity (ADVINT) explain bank performance. So, beside the control variables, bank size, bank risk and bank type, also advertising intensity (ADVINT) of the bank is will used as a control variable in this research.

We will use some control variables to capture other factors that may influence CSR disclosure; as follow:

1- Bank size:

Many researchers argued that the companys size is a significant determinant of its CSRD and financial performance. Since the smaller companies can't afford extensive CSR activities (Waddock et. al., 1997), demands for increased social performance activities are often influenced by the size of the company (Ullmann, 1985). On the other hand, bigger companies can obtain more capital and therefore performs better financial performance.

Size of bank as adopted in our study is measured by total assets.

Where: Total assets: total assets of the bank (i) at the end of the period (t).

2. Bank type:

Following prior studies (e. g. Nizam et *al.*, 2019), this study considered bank type as a control variable. Palestine and Jordan are Islamic countries and the number of Islamic banks customers is increasing by the time. So, we tried to find out if bank type affects the CSR disclosure or not.

If bank is an Islamic bank then it will get 0, if it is a conventional it gets 1.

3. Risk:

Many researchers used risk as control variable (e.g. McWilliams and Siegel, 2000; Tsoutsoura, 2004; Veld, 2010; Soana, 2011; Al-Tuwaijri, 2013). Risk could be checked through financial leverage calculation; as follow: Financial Leverage (Risk) = Total Debt / Total Assets.

4. Advertising Intensity (ADVINT):

Advertising expenses influence interest income and ROA though (Acar and Temiz, 2017). Corporate's social performance affects CFP strongly with high levels of advertising intensity (Wanger, 2010). Advertising intensity is measured as follows:

Advertising intensity = advertising exp. / interest revenues

Finally, the study neglected some of the important variables identified by prior studies. For example, we didn't considered industry because the study focusses only on the banking sector. We also excluded the R&D expenses because there are no R&D expenses in either Jordanian or Palestinian banks.

The study model was developed based on McWilliams and Siegel (2000) model: BFPi = f (CSRDi, RISKi, ADINTi, Bank Type)

Where:

BFPi = economic or financial performance of bank i

CSRDi = a proxy for corporate social responsibility of bank i

RISKi = a proxy for the “risk” of bank i

ADVINTi = advertising intensity of bank i

Bank Type= Type of bank is a dummy variable if the bank is Islamic it gets 0, if it conventional it gets 1.

3.5 Statistical Analyses

The study employed statistical analysis appropriate to reach the study goals.

The statistical procedures used in the study are:

- Frequencies, means, standard deviations and percentages.
- **Stepwise regression test to determine the impact between** the variables, and
- T- test for two independent samples to test the differences between Palestine and Jordan.

Chapter Four

Results and Interpretations

4.1 Introduction

4.2 Statistical equation

4.3. Descriptive Statistics

Chapter Four

Results and Interpretations

4.1 Introduction

This study aimed at finding the impact of social responsibility disclosure on banks financial performance for all banks listed on Palestine Exchange and on Amman Stock Exchange. To achieve the goal of this study, the researcher collected data from annual reports of the study sample over a ten years period (2010 -2019).

The obtained data then analyzed using regression analysis to test the hypotheses.

4.2 Statistical equation

Statistical analysis was used to explain different social and economic phenomena. Linear regression equation is considered as one of the most important statistical methods in explaining the relationship between independent variables and dependent variables. In this study the used equation was:

$$Y_i = a + \beta X_i + \varepsilon_i \qquad {}_i = 1, 2, \ldots, n$$

Where β and α are signs for the equation, and ε is the random error which could be positive or negative, and dependence in explaining results was on the coefficient of determination which express changes happen in the dependent variable because of changes happen in independent variables.

4.3 Descriptive Statistics

The following is a brief description of variable characteristics:

- Independent variable; social responsibility disclosure
- Control variable; Size, bank type, risk, advertising Intensity
- Dependent variable; financial performance, measured by ROA, ROE and Tobin's Q ratio

Table (3): Means and standard deviations of the study variables

Variable	Mean	Std. Deviation
CSRD	0.54448	0.183715
ROA	0.02224	0.064728
Tobin's Q	5.13162	18.807557
ROE	0.21319	0.87111
Size	1,849,880,833	1,743,739,687
Risk	0.82410	0.822364
ADVIN	0.2167	0.36149
Bank Type	0.8095	0.39362

Table (3) shows means and standard deviations of the study variables, for 210 observations. The table illustrates that ROA mean is (0.02224), ROE mean is (0.21319), Tobin's Q mean is 5.13162 and CSRD mean is 0.54448 for banks listed in Palestine and Jordan.

Table (4): Stepwise Regression test to determine the relation between CSRD, risk, bank type and ROA

Model 1

<table>
<tr><th>Dependent Variable</th><th>Independent Variable</th><th>F</th><th>Sig.</th><th>Consonant</th><th>Df</th><th>R^2</th><th>R</th></tr>
<tr><td rowspan="6">ROA</td><td rowspan="3">Risk</td><td rowspan="3">536.38</td><td rowspan="3">0.001*</td><td>−0.009</td><td>1</td><td rowspan="3">0.721</td><td rowspan="3">0.849</td></tr>
<tr><td rowspan="2">0.072</td><td>208</td></tr>
<tr><td>209</td></tr>
<tr><td rowspan="3">Bank Type</td><td rowspan="3">328.194</td><td rowspan="3">0.001*</td><td rowspan="3">-0.034</td><td>2</td><td rowspan="3">.76</td><td rowspan="3">0.872</td></tr>
<tr><td>207</td></tr>
<tr><td>209</td></tr>
</table>

*** The mean difference is significant at the 0.05 level.**

Table (5): Excluded Variables from stepwise regression test Model 1

Dependent Variable	Independent Variable	Sig.
ROA	CSRD	0.761
	Region	0.650
	Size	0.449
	ADVIN	0.829

Table (4) shows that calculated (F) for the two variables (risk and bank type) with their relation to (ROA) are 536.380 and 328.194. Moreover, degree of freedom is 1,209 and 2, 209, respectively. Also, the significant values are (0.001 and 0.0.001) which means that there is significant statistical relationship at (α= 0.05) between risk, bank type and ROA. R^2 values are (0.721 and 0.760) which mean very high interpretation power between the independent variable (Risk and Bank Type) and dependent one (ROA). R values are (849 and 872) respectively). R^2 Values are (0.721 and 760) respectively which means that the items of Risk interpret (72.1%) of the ROA and the items of Bank Type interpret (76.0%) of the ROA. The equation is: (ROA = -0.009 + 0.072 Risk - 0.034 Bank Type).

Table (4) shows that the independent variables (CSRD, region, size and ADVIN) are excluded from the model 1, the significant values are (0.761, 0.650, 0.449 and 0.829) respectively. Which means that there is no significant statistical relationship at (α= 0.05) between CSRD, region, Size, ADVIN and ROA. According to this result there is no difference between Palestinian and Jordanian banks in terms of the impact of CSRD on ROA. This result is in agreement with the hypothesis that says; there is no statistical relationship between the disclosure of social responsibility and (ROA).

Table (6): Stepwise regression test to determine the relation between CSRD, risk and ROE

Model 2

Dependent Variable	Independent Variable	F	Sig.	Consonant	Df	R^2	R
ROE	**Risk**	91.115	0.000*	0.552	1	**0.305**	0.552
				0.560	208		
					209		

*** The mean difference is significant at the 0.05 level.**

Table (7): Excluded Variables from stepwise regression test Model 2

Dependent Variable	Independent Variable	Sig.
ROE	CSRD	0.467
	Region	0.724
	Size	0.295
	ADVIN	0.344
	Bank type	0.264

Table (6) shows that calculated (F) for the independent variable risk with their relation to (ROE) is (91.115). The degree of freedom is (1,209), and the significant value is (0.000). The results mean that there is significant statistical relationship at (α= 0.05) between risk and ROE. R value is (552). R^2 value is (0.305) which mean high interpretation power between the independent variable risk and the dependent one (ROE). Therefore, the items of risk interpret (30.5%) of the ROE. The equation is: (ROE = 552 + 560 Risk).

Table (7) shows that the independent variables (CSRD, region, Size, ADVIN and Bank type) are excluded from the model 2, the significant values are (0.467, 0.724, 0.295, 0.344 and 0.264) respectively. Which means that there is no significant statistical relationship at (α= 0.05) between CSRD, region, Size, ADVIN, Bank type and ROE. According to this result there is no difference in Palestinian and Jordanian banks in the impact of CSRD and ROE. This result is in agreement with the hypothesis that says; there is no statistical relationship between the disclosure of social responsibility and (ROE). This result is in agreement with the hypothesis that says; there is no statistical relationship between the disclosure of social responsibility and (ROE).

The statistical findings are consistent with many previous research findings (e.g. Veld, 2010; Soana, 2011; Nelling, Webb, 2009; Brine *et. al., 2007*; Chih *et. al., 2010*). However, findings of (e.g. Hirigoyen and Rehm, 2015; Platonova, 2014 and Karsh and AL-Deek, 2019) were inconsistent with our findings. Hirigoyen and Rehm (2015) reported a negative relationship between different dimension of social responsibility (human resources, human rights, community commitment, environment, market behavior and corporate governance) and financial performance (ROA, ROE, Market to book ratio). Since corporate social responsibility is multi-faceted, there is a great need to measure all individual dimensions of CSP as they might affect differently corporate FP (Platonova, 2014). The current study did not apply statistical analysis using individual dimensions of corporates because this is not the main object of this study, and this might account for some of the reasons why there is no relation between CSRD and BFP (ROA and ROE).

We find there is no impact between CSRD and banks financial performance, the neutral impact or simply no impact is supported by the argument that the firms are work in a complex environment, so, a simple and direct relationship between corporate social performance and financial performance does not exist (Ullman, 1985). This might be an explanation for our findings in this respect.

Table (8): Stepwise regression test to determine the relation between CSRD, Size, Bank name, and Bank Type and Tobins Q

Model 3

Dependent Variable	Independent Variable	F	Sig.	Consonant	Df	R^2	R
Tobins Q	**CSRD**	27.609	0.000*	0.342	1	**0.117**	0.342
				0.440	208		
					209		
	Size	31.152	0.000*	-0.352	2	**0.231**	0.481
					207		
					209		
	Bank Type	21.874	0.000*	0.139	4	**0.299**	0.547
					205		
					209		

*** The mean difference is significant at the 0.05 level.**

Table (9): Excluded Variables from stepwise regression test Model 3

Dependent Variable	Independent Variable	Sig.
Tobins Q	Region	0.413
	Risk	0.864
	ADVIN	0.248

Table (8) shows that calculated (F) for the four variables (CSRD, Size and Bank type) with their relation to (Tobins Q) are (27.609, 31.152and 21.874) respectively and degree of freedom (1,2, 4 and 2, 209) respectively and the significant values are (0.000, 0.000 and 0.000) respectively which means that there is significant statistical relationship at (α= 0.05) between (CSRD, size and bank type) and Tobins Q. R values are (0.342, 0.481, and 0.547) respectively. R^2 values are (0.117, 0.231 and 0.299) which mean high interpretation power between the independent variables (CSRD, size and bank type) and dependent one (Tobins Q) which means that the items of CSRD interpret (11.7%), the items of size interpret (23.1%) and the items of bank type interpret (29.9%) of the ROE. The equation is: (Tobins Q = 0.342+ 0.440 CSRD -0.352 Size + 0.139 Bank Type).

Table (9) shows that the independent variables (region, risk and ADVIN) are excluded from the model 3, the significant values are (0.413, 0.864 and 0.248) respectively. Which means that there is no significant statistical relationship at (α= 0.05) between region, risk, ADVIN and Tobins Q. In this study, we can't find any effect of mentioned regions (Palestine and Jordan) in the study results. Tow selected countries Jordan and Palestine present many similarities that make their no differences in the

CSRD and BFP. Palestine and Jordan are Islamic countries. Because of Israeli occupation, many Palestinian citizens have immigrated to neighboring countries to Palestine especially Jordan. According to Barakat *et. al.* (2015) nonofficial statistics suggest that 50-60% of Jordan's populations are Palestinians-; also, they have a similar cultural context.

The positive effect of CSP on future financial performance may be due to the positive impact of CSRD on reputation of banks. Consequently, more socially activities may increase customers' loyalty and receive the support of wider range of stakeholders and shareholders and in turn increase the banks financial performance. Also, the positive significant empirical results may indicate that investors concede banks' corporate social responsibility practices. Hence, by being more socially responsible banks can leverage new customers and more deposits, which will positively impact the banks financial performance in the long term.

According to the analysis findings we are reject hypotheses that says; there is no statistical relationship between the disclosure of social responsibility and (Tobin's Q), and aligned with the discussed theoretical framework (Stakeholder theory) that predict a positive link between social and financial performance in the Jordanian banks. Therefore, it can be inferred that the higher the level of CSR disclosure, the better is the bank's financial performance. Platonova (2014) suggests that if companies applying stakeholder management will positively affect its financial performance.

Size, risk and bank type has a statistical effect on the banks financial performance; while ADIN haven't any significant statistical relationship on banks financial performance. This result is inconsistent with Wagner (2010).

Table (10): Independent sample T test Groups (Palestine and Jordan)

Domain	Region	N	Mean	Sig.*
CSRD	Jordan	150	0.5579	0.013
	Palestine	60	0.5108	
ROA	Jordan	150	0.0205	0.062*
	Palestine	60	0.0268	
ROE	Jordan	150	0.1365	0.027
	Palestine	60	0.4072	
Tobins_Q	Jordan	150	6.7961	0.000
	Palestine	60	0.9703	
Risk	Jordan	150	0.8193	0.156*
	Palestine	60	0.8362	
ADVIN	Jordan	150	0.0197	0.908*
	Palestine	60	0.0267	
Bank Type	Jordan	150	.34107	0.000
	Palestine	60	.47538	
Size	Jordan	150	2,136,801,340	.027
	Palestine	60	1,132,579,565	

*** The mean difference is significant at the 0.05 level.**

Table (10) shows that there are no statistical significant differences at (α =0.05) between the means of CSRD, ROE, Tobins_Q, Bank Type and Size attributed to the variables of region (between Palestine and Jordan). The significant values were (0.013, 0.027, 0.000, 0.000and .027) respectively which are less than (0.05). On the other hand, there are statistical significant differences at (α =0.05) between the means of ROA, Risk, and ADVIN attributed to the variables of region (between Palestine and Jordan). The significant values were (0.062, 0.156 and 0.908) respectively which are more than (0.05). The differences are in favor of Palestinian banks in (ROA, risk and ADVIN) because Palestinian mean values are more than Jordanian mean values for the three variables.

The results of table (10) shows that levels of CSRD in Jordan are higher than in Palestine, because the mean of CSRD in Jordan is (0.5579) which more than in Palestine (0.5108),and this result consist with (Barakat et. al., 2015).

Chapter Five

Conclusions, Recommendations,

Limitations & Future Research

5.1 Conclusions

5.2 Study's Recommendations

5.3 Research Limitations

5.4 Suggestions for Future Research

Chapter Five

Conclusions, Recommendations, Limitations & Future Research

5.1 Conclusions

This study investigated the level of CSR disclosed by both the Palestinian banks listed on the PEX and the Jordanian banks listed on the ASE during the period 2010-2019. In addition, it examined the impact of CSRD level on the financial performance of these banks. To achieve these objectives, the annual reports of all listed Palestinian and Jordanian banks during the period 2010-2019 were considered. A disclosure index including 30 items was developed to measure the level of the CSRD. On the other hand, financial performance was measured using ROA, ROE and Tobin's Q.

The study results showed that the mean of CSRD of the Jordanian listed banks (55.79%) is higher than its counterpart of the Palestinian listed banks (51.08%). Jordan’s CSRD level was highest as a result of a state of peace and the wealth of experience of Jordanian banks. Meanwhile, the Israeli occupation and the weakness of the legal system have made CSRD level in Palestine lowest. Although, banking sector in Palestine and Jordan adopts similar corporate responsibility activities. These activities include education, youth, sports, health, environments, employees and humanitarian activities.

According to the results, there is a statistical relationship between CSRD and financial performance (Tobin's Q) in Jordanian and Palestinian listed banks. Notwithstanding, no statistical relationship was identified between CSRD and financial performance (ROA and ROE) in Jordanian and Palestinian listed banks. Consistent results between the two countries can be attributed to the similaritiesin banking system, culture, and traditions.

Size, risk and bank type has a statistical effect on the banks financial performance; while ADVIN, haven't any significant statistical relationship on banks financial performance.

5.2 Study's Recommendations

Based on the findings, the study recommended the following:

1. Policy makers and regulators are required to improve the extent of CSRD through extending the minimum regulatory requirements concerning CSR reporting in Palestine and Jordan.

2. Policy makers and regulators are encouraged to establish an official CSRD index that can be used to evaluate and compare CSR practices and disclosure among Palestinian and Jordanian banks. Establishing such an index can enhance banks' awareness of social responsibility and motivate them to engage more in this area.

3. Banks must move forward in social responsibility activities through voluntary projects related to employees and community such as

infrastructure projects nurseries for working mothers' children which support the social welfare of employees and enhance the community development.

4. The community institutions should identify a comprehensive concept of CSR to suit the social and economic reality of the Palestinian community. Attract Arab and international institutions to carry out their responsibilities towards the Palestinian youth and the need to support social youth programs.

5.3 Research Limitations

The study does have its limitations; therefore, its results should be interpreted cautiously. The limitation comes from the use of an index to measure corporate social responsibility disclosure in the sampled banks. Different disclosure indices have been established and used in previous studies, there is no agreement on the specific nature or quantity of information to be included in the disclosure index. Therefore, the CSRD score given to each bank is valid to the extent to which the applied corporate social responsibility disclosure index is appropriate. So, the over-riding research constraint we faced in conducting this analysis was the lack of a reliable measure of CSR.

5.4 Suggestions for Future Research

Future research may provide qualitative analysis of corporate social responsibility disclosure information to provide more in-depth understanding of CSR activities, and information disclosed in annual financial reports, such research may be oriented toward the accuracy and reliability of social responsibility information presented in banks' annual reports.

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Appendixes

Appendix (1): The websites that have been used to select the historical data of the study

Appendix (2): Stepwise regression test to determine the relation between CSRD, risk and ROA

Appendix (3): Stepwise regression test to determine the relation between CSRD, risk and ROE.

Appendix (4): Stepwise regression test to determine the relation between CSRD, Size, and Bank Type and Tobin's Q

Appendix (5): Independent two sample t test result of region (Palestine and Jordan)

Appendix (1)

The websites that have been used to select the historical data of the study:

1. Palestine Stock Exchange, available at http://www.pex.ps
2. Amman Stock Exchange, available at https://www.ase.com.jo
3. Palestinian National Authority, Palestinian Financial Market magazine (PFMM)2008.SeventhIssue.https://fc.lc/dMFdkTK
4. PECDAR (2010) The Palestinian Economic Council for Development and Construction. https://fc.lc/OzJqb
5. Commission of the European Communities (2002) In its Green paper.https://fc.lc/VLGZ2twe
6. Commission of the European Communities (2002) In its Green paper.https://fc.lc/VLGZ2twe

Appendix (2)

Stepwise Regression test to determine the relation between CSRD, risk, bank type and ROA

Descriptive Statistics			
	Mean	Std. Deviation	N
ROA	0.02224	0.064728	210
CSRD	0.54448	0.183715	210
region	1.2857	0.45283	210
bank_name	11	6.06977	210
Year	5.4571	2.87882	210
Size	1849880833	1743739687	210
Risk	0.8241	0.822364	210
ADVIN	0.02167	0.036149	210
Type	0.8095	0.39362	210

Correlations										
		ROA	CSRD	region	bank_name	Year	Size	Risk	ADIN	Type
Pearson Correlation	ROA	1	-0.023	0.042	-0.027	0.029	-0.052	0.849	0.049	0.077
	CSRD	-0.023	1	-0.116	0.289	0.257	0.278	-0.042	-0.01	-0.122
	region	0.042	-0.116	1	-0.783	0.009	-0.261	0.009	0.088	-0.23
	bank_name	-0.027	0.289	-0.783	1	0.002	0.245	0.051	-0.123	0.441
	Year	0.029	0.257	0.009	0.002	1	0.132	0.038	-0.13	-0.007
	Size	-0.052	0.278	-0.261	0.245	0.132	1	-0.06	-0.098	0.106
	Risk	0.849	-0.042	0.009	0.051	0.038	-0.06	1	0.016	0.313
	ADVIN	0.049	-0.01	0.088	-0.123	-0.13	-0.098	0.016	1	-0.129
	Type	0.077	-0.122	-0.23	0.441	-0.007	0.106	0.313	-0.129	1
Sig. (1-tailed)	ROA	.	0.37	0.274	0.35	0.34	0.228	0	0.241	0.134
	CSRD	0.37	.	0.047	0	0	0	0.272	0.442	0.038
	region	0.274	0.047	.	0	0.446	0	0.447	0.103	0
	bank_name	0.35	0	0	.	0.486	0	0.23	0.038	0
	Year	0.34	0	0.446	0.486	.	0.028	0.292	0.03	0.458
	Size	0.228	0	0	0	0.028	.	0.193	0.079	0.062
	Risk	0	0.272	0.447	0.23	0.292	0.193	.	0.411	0
	ADVIN	0.241	0.442	0.103	0.038	0.03	0.079	0.411	.	0.031
	Type	0.134	0.038	0	0	0.458	0.062	0	0.031	.
N	ROA	210	210	210	210	210	210	210	210	210
	CSRD	210	210	210	210	210	210	210	210	210
	region	210	210	210	210	210	210	210	210	210
	bank_name	210	210	210	210	210	210	210	210	210
	Year	210	210	210	210	210	210	210	210	210
	Size	210	210	210	210	210	210	210	210	210
	Risk	210	210	210	210	210	210	210	210	210
	ADVIN	210	210	210	210	210	210	210	210	210
	Type	210	210	210	210	210	210	210	210	210

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.631	1	0.631	536.38	.000[b]
	Residual	0.245	208	0.001		
	Total	0.876	209			
2	Regression	0.666	2	0.333	328.194	.000[c]
	Residual	0.21	207	0.001		
	Total	0.876	209			

a. Dependent Variable: ROA

b. Predictors: (Constant), Risk

c. Predictors: (Constant), Risk, Type

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.033	0.003		-9.784	0
	Risk	0.067	0.003	0.849	23.16	0
2	(Constant)	-0.009	0.005		-1.796	0.074
	Risk	0.072	0.003	0.915	25.52	0
	Type	-0.034	0.006	-0.21	-5.853	0

a. Dependent Variable: ROA

Excluded Variables[a]						
Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	CSRD	.013[b]	0.343	0.732	0.024	0.998
	region	.034[b]	0.923	0.357	0.064	1
	Size	-.001[b]	-0.018	0.986	-0.001	0.996
	ADVIN	.035[b]	0.965	0.335	0.067	1
	Type	-.210[b]	-5.853	0	-0.377	0.902
2	CSRD	-.010[c]	-0.305	0.761	-0.021	0.985
	region	-.016[c]	-0.455	0.65	-0.032	0.94
	Size	.026[c]	0.759	0.449	0.053	0.979
	ADVIN	.007[c]	0.217	0.829	0.015	0.98

a. Dependent Variable: ROA

b. Predictors in the Model: (Constant), Risk

c. Predictors in the Model: (Constant), Risk, Type

Appendix (3)

Stepwise Regression test to determine the relation between CSRD, risk, bank type and ROE

Descriptive Statistics			
	Mean	Std. Deviation	N
ROE	0.21319	0.877111	210
CSRD	0.54448	0.183715	210
region	1.2857	0.45283	210
bank_name	11	6.06977	210
Year	5.4571	2.87882	210
Size	1849880833	1743739687	210
Risk	0.8241	0.822364	210
ADVIN	0.02167	0.036149	210
Type	0.8095	0.39362	210

Correlations										
		ROE	CSRD	region	bank_name	Year	Size	Risk	ADVIN	Type
Pearson Correlation	ROE	1	-0.028	0.139	-0.126	0.119	-0.014	0.552	0.081	0.053
	CSRD	-0.028	1	-0.116	0.289	0.257	0.278	-0.042	-0.01	-0.122
	region	0.139	-0.116	1	-0.783	0.009	-0.261	0.009	0.088	-0.23
	bank_name	-0.126	0.289	-0.783	1	0.002	0.245	0.051	-0.123	0.441
	Year	0.119	0.257	0.009	0.002	1	0.132	0.038	-0.13	-0.007
	Size	-0.014	0.278	-0.261	0.245	0.132	1	-0.06	-0.098	0.106
	Risk	0.552	-0.042	0.009	0.051	0.038	-0.06	1	0.016	0.313
	ADVIN	0.081	-0.01	0.088	-0.123	-0.13	-0.098	0.016	1	-0.129
	Type	0.053	-0.122	-0.23	0.441	-0.007	0.106	0.313	-0.129	1
Sig. (1-tailed)	ROE	.	0.341	0.022	0.035	0.043	0.422	0	0.12	0.221
	CSRD	0.341	.	0.047	0	0	0	0.272	0.442	0.038
	region	0.022	0.047	.	0	0.446	0	0.447	0.103	0
	bank_name	0.035	0	0	.	0.486	0	0.23	0.038	0
	Year	0.043	0	0.446	0.486	.	0.028	0.292	0.03	0.458
	Size	0.422	0	0	0	0.028	.	0.193	0.079	0.062
	Risk	0	0.272	0.447	0.23	0.292	0.193	.	0.411	0
	ADVIN	0.12	0.442	0.103	0.038	0.03	0.079	0.411	.	0.031
	Type	0.221	0.038	0	0	0.458	0.062	0	0.031	.
N	ROE	210	210	210	210	210	210	210	210	210
	CSRD	210	210	210	210	210	210	210	210	210
	region	210	210	210	210	210	210	210	210	210
	bank_name	210	210	210	210	210	210	210	210	210
	Year	210	210	210	210	210	210	210	210	210
	Size	210	210	210	210	210	210	210	210	210
	Risk	210	210	210	210	210	210	210	210	210
	ADVIN	210	210	210	210	210	210	210	210	210
	Type	210	210	210	210	210	210	210	210	210

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.979	1	48.979	91.115	.000[b]
	Residual	111.81	208	0.538		
	Total	160.789	209			
2	Regression	52.793	2	26.396	50.595	.000[c]
	Residual	107.996	207	0.522		
	Total	160.789	209			

a. **Dependent Variable: ROE**

b. **Predictors: (Constant), Risk**

c. **Predictors: (Constant), Risk, bank name**

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.272	0.072		-3.792	0
	Risk	0.589	0.062	0.552	9.545	0
2	(Constant)	-0.034	0.113		-0.299	0.765
	Risk	0.597	0.061	0.56	9.815	0
	bank_name	-0.022	0.008	-0.154	-2.704	0.007

a. Dependent Variable: ROE

Excluded Variables[a]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	CSRD	-.005[b]	-0.091	0.928	-0.006	0.998
	region	.133[b]	2.331	0.021	0.16	1
	bank_name	-.154[b]	-2.704	0.007	-0.185	0.997
	Year	.098[b]	1.705	0.09	0.118	0.999
	Size	.020[b]	0.337	0.736	0.023	0.996
	ADIN	.073[b]	1.258	0.21	0.087	1
	Type	-.133[b]	-2.199	0.029	-0.151	0.902
2	CSRD	.043[c]	0.728	0.467	0.051	0.913
	region	.033[c]	0.353	0.724	0.025	0.384
	Year	.098[c]	1.733	0.085	0.12	0.999
	Size	.062[c]	1.05	0.295	0.073	0.934
	ADVIN	.054[c]	0.948	0.344	0.066	0.984
	Type	-.075[c]	-1.121	0.264	-0.078	0.721

a. Dependent Variable: ROE

b. Predictors in the Model: (Constant), Risk

c. Predictors in the Model: (Constant), Risk, bank_name

Appendix (4)

Stepwise regression test to determine the relation between CSRD, Size, and Bank Type and Tobin's Q

Descriptive Statistics			
	Mean	Std. Deviation	N
Tobins_Q	5.13162	18.807557	210
CSRD	0.54448	0.183715	210
region	1.2857	0.45283	210
bank_name	11	6.06977	210
Year	5.4571	2.87882	210
Size	1849880833	1743739687	210
Risk	0.8241	0.822364	210
ADVIN	0.02167	0.036149	210
Type	0.8095	0.39362	210

Correlations							
		Tobins_Q	CSRD	region	bank_name	Year	Size
Pearson Correlation	Tobins_Q	1	0.342	-0.14	0.259	-0.021	-0.229
	CSRD	0.342	1	-0.116	0.289	0.257	0.278
	region	-0.14	-0.116	1	-0.783	0.009	-0.261
	bank_name	0.259	0.289	-0.783	1	0.002	0.245
	Year	-0.021	0.257	0.009	0.002	1	0.132
	Size	-0.229	0.278	-0.261	0.245	0.132	1
	Risk	0.05	-0.042	0.009	0.051	0.038	-0.06
	ADIN	-0.071	-0.01	0.088	-0.123	-0.13	-0.098
	Type	0.122	-0.122	-0.23	0.441	-0.007	0.106
Sig. (1-tailed)	Tobins_Q	.	0	0.021	0	0.381	0
	CSRD	0	.	0.047	0	0	0
	region	0.021	0.047	.	0	0.446	0
	bank_name	0	0	0	.	0.486	0
	Year	0.381	0	0.446	0.486	.	0.028
	Size	0	0	0	0	0.028	.
	Risk	0.237	0.272	0.447	0.23	0.292	0.193
	ADIN	0.153	0.442	0.103	0.038	0.03	0.079
	Type	0.039	0.038	0	0	0.458	0.062
N	Tobins_Q	210	210	210	210	210	210
	CSRD	210	210	210	210	210	210
	region	210	210	210	210	210	210

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.342[a]	0.117	0.113	17.713714
.481[b]	0.231	0.224	16.568536
.534[c]	0.285	0.275	16.019343
.547[d]	0.299	0.285	15.898062

a. Predictors: (Constant), CSRD
b. Predictors: (Constant), CSRD, Size
d. Predictors: (Constant), CSRD, Size, bank_name, Type

ANOVA[a]						
Model3		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8663.019	1	8663.019	27.609	.000[b]
	Residual	65265.339	208	313.776		
	Total	73928.357	209			
2	Regression	17103.469	2	8551.734	31.152	.000[c]
	Residual	56824.888	207	274.516		
	Total	73928.357	209			
3	Regression	21064.773	3	7021.591	27.362	.000[d]
	Residual	52863.584	206	256.619		
	Total	73928.357	209			
4	Regression	22114.941	4	5528.735	21.874	.000[e]
	Residual	51813.417	205	252.748		
	Total	73928.357	209			

a. Dependent Variable: Tobins_Q
b. Predictors: (Constant), CSRD
c. Predictors: (Constant), CSRD, Size
d. Predictors: (Constant), CSRD, Size, bank_name
e. Predictors: (Constant), CSRD, Size, bank_name, Type

Coefficients[a]						
Model 3		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-13.949	3.832		-3.641	0
	CSRD	35.044	6.669	0.342	5.254	0
2	(Constant)	-12.387	3.595		-3.446	0.001
	CSRD	45.067	6.495	0.44	6.939	0
	Size	-3.79E-09	0	-0.352	-5.545	0
3	(Constant)	-16.605	3.638		-4.565	0
	CSRD	39.037	6.464	0.381	6.039	0
	Size	-4.27E-09	0	-0.396	-6.347	0
	bank_name	0.762	0.194	0.246	3.929	0

4	(Constant)	-21.627	4.371		-4.948	0
	CSRD	43.118	6.721	0.421	6.416	0
	Size	-4.36E-09	0	-0.404	-6.518	0
	bank_name	0.543	0.22	0.175	2.462	0.015
	Type	6.646	3.26	0.139	2.038	0.043

a. Dependent Variable: Tobins_Q

Excluded Variables[a]

Model3		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	region	-.102[b]	-1.559	0.121	-0.108	0.987
	bank_name	.175[b]	2.6	0.01	0.178	0.916
	Year	-.117[b]	-1.737	0.084	-0.12	0.934
	Size	-.352[b]	-5.545	0	-0.36	0.923
	Risk	.064[b]	0.984	0.326	0.068	0.998
	ADVIN	-.067[b]	-1.036	0.302	-0.072	1
	Type	.166[b]	2.564	0.011	0.175	0.985
2	region	-.195[c]	-3.144	0.002	-0.214	0.93
	bank_name	.246[c]	3.929	0	0.264	0.887
	Year	-.094[c]	-1.493	0.137	-0.103	0.93
	Risk	.047[c]	0.773	0.44	0.054	0.996
	ADVIN	-.102[c]	-1.672	0.096	-0.116	0.99
	Type	.221[c]	3.666	0	0.247	0.964
3	region	-.018[d]	-0.187	0.852	-0.013	0.363
	Year	-.073[d]	-1.188	0.236	-0.083	0.922
	Risk	.030[d]	0.5	0.618	0.035	0.99
	ADVIN	-.077[d]	-1.3	0.195	-0.09	0.978
	Type	.139[d]	2.038	0.043	0.141	0.734
4	region	-.083[e]	-0.819	0.413	-0.057	0.332
	Year	-.082[e]	-1.343	0.181	-0.094	0.918
	Risk	-.011[e]	-0.171	0.864	-0.012	0.884
	ADVIN	-.069[e]	-1.16	0.248	-0.081	0.973

a. Dependent Variable: Tobins_Q
b. Predictors in the Model: (Constant), CSRD
c. Predictors in the Model: (Constant), CSRD, Size
d. Predictors in the Model: (Constant), CSRD, Size, bank_name
e. Predictors in the Model: (Constant), CSRD, Size, bank_name, Type

Appendix (5)

Independent two sample t test result of region (Palestine and Jordan)

Group Statistics					
Region		N	Mean	Std. Deviation	Std. Error Mean
CSRD	Jordan	150	.55793	.197726	.016144
	Palestine	60	.51083	.138617	.017895
ROA	Jordan	150	.02053	.040297	.003290
	Palestine	60	.02650	.103512	.013363
Size	Jordan	150	2136801340.0133	1838937412.29286	150148610.96772
	Palestine	60	1132579565.9833	1224049742.96753	158024142.31476
Risk	Jordan	150	.81927	.665437	.054333
	Palestine	60	.83617	1.130116	.145897
ADVIN	Jordan	150	.01967	.041635	.003399
	Palestine	60	.02667	.014691	.001897
Type	Jordan	150	.8667	.34107	.02785
	Palestine	60	.6667	.47538	.06137
Tobins_Q	Jordan	150	6.79613	22.041614	1.799690
	Palestine	60	.97033	1.198213	.154689
ROE	Jordan	150	.13653	.178596	.014582
	Palestine	60	.40483	1.610089	.207862

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
CSRD	Equal variances assumed	6.308	.013	1.686	208	.093	.047100	.027940	-.007982	.102182
	Equal variances not assumed			1.954	153.783	.052	.047100	.024101	-.000513	.094713
ROA	Equal variances assumed	3.531	.062	-.603	208	.547	-.005967	.009902	-.025489	.013555
	Equal variances not assumed			-.434	66.274	.666	-.005967	.013762	-.033442	.021509
Size	Equal variances assumed	4.989	.027	3.896	208	.000	1004221774.03000	257760960.97458	496062881.95135	1512380666.10865
	Equal variances not assumed			4.607	161.498	.000	1004221774.03000	217982189.47852	573758830.77117	1434684717.28883
Risk	Equal variances assumed	2.023	.156	-.134	208	.893	-.016900	.125914	-.265132	.231332
	Equal variances not assumed			-.109	75.921	.914	-.016900	.155686	-.326981	.293181
ADVIN	Equal variances assumed	.013	.908	-1.270	208	.206	-.007000	.005514	-.017870	.003870
	Equal variances not assumed			-1.798	205.830	.074	-.007000	.003893	-.014675	.000675
Type	Equal variances assumed	37.554	.000	3.410	208	.001	.20000	.05865	.08437	.31563
	Equal variances not assumed			2.968	84.382	.004	.20000	.06739	.06599	.33401
Tobins_Q	Equal variances assumed	18.002	.000	2.043	208	.042	5.825800	2.851328	.204593	11.447007
	Equal variances not assumed			3.225	151.189	.002	5.825800	1.806326	2.256899	9.394701
ROE	Equal variances assumed	17.062	.000	-2.017	208	.045	-.268300	.133008	-.530516	-.006084
	Equal variances not assumed			-1.288	59.582	.203	-.268300	.208373	-.685167	.148567

جامعة النجاح الوطنية

كليّة الدراسات العليا

أثر الإفصاح عن المسؤولية الاجتماعية والاستدامة البيئية على الأداء المالي المصرفي: دراسة تحليلية على القطاع المصرفي في كل من فلسطين والأردن

إعداد

منار باسم مصطفى بلوط

إشراف

أ. د. عبد الناصر نور

د. معز أبو عليا

قدّمت هذه الأطروحة استكمالا لمتطلّبات الحصول على درجة الماجستير في المحاسبة بكليّة الدراسات العليا في جامعة النجاح الوطنية في نابلس، فلسطين.

2021

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الملخص

تهدف هذه الدراسة إلى فحص العلاقة بين الإفصاح عن المسؤولية الاجتماعية على الأداء المالي للبنوك المدرجة في بورصتي فلسطين والأردن، لقد اجريت الدراسة بالتطبيق على البنوك المدرجة في بورصة فلسطين وبورصة الأردن خلال الفترة (2010–2019). تكونت عينة الدراسة من (21) بنك (15 منها في الاردن والباقي في فلسطين). لقد تم تطوير واستخدام مؤشر يتكون من (30) بند لقياس مستوى الإفصاح عن أنشطة المسؤولية الاجتماعية للبنوك المدرجة في سوق فلسطين والأردن. بينما تم قياس الاداء المالي باستخدام كل من معدل العائد على الأصول ومعدل العائد على حقوق الملكية ومؤشر Tobins_Q.

توصلت الدراسة الى أن البنوك المدرجة في بورصة فلسطين تفصح بالمتوسط بنسبة 51% عن أنشطة المسؤولية الاجتماعية التي تقدمها، بينما البنوك المدرجة في بورصة عمان تفصح بالمتوسط بنسبة 55% عن أنشطة المسؤولية الاجتماعية التي تقدمها. كما وتوصلت الدراسة الى عدم وجود تأثير معنوي للإفصاح عن انشطة المسؤولية الاجتماعية على الأداءالمالي مقاسا بمؤشر العائد على الأصول ومؤشر العائد على حقوق الملكية للبنوك المدرجة في بورصتي فلسطين وعمان. في حين أنه يوجد تأثير معنوي ايجابي للإفصاح عن انشطة المسؤولية الاجتماعية على الأداءالمالي مقاسا بمؤشر Tobens Q للبنوك المدرجة في هذين السوقين.

أوصت الدراسة ضرورة أن تعمل الجهات الرقابية على تحسين جودة الافصاح عن أنشطة المسؤولية الاجتماعية من خلال توسيع الحد الأدنى من المتطلبات التنظيمية المتعلقة بإعداد تقارير

المسؤولية الاجتماعية للبنوك في فلسطين والأردن، كما أوصت بتشجيع صانعي السياسات والمنظمين على إنشاء مؤشر لقياس المسؤولية الاجتماعية لكل من البنوك اللفسطينية والأردنية مما يمكن الباحثين من قياس المسؤولية الاجتماعية بطريقة اكثر كفاءة ومقارنة النتائج.