BOARD OF DIRECTORS' PERFORMANCE AND THE EXTENT OF CORPORATE SOCIAL RESPONSIBILITY REPORTING

Amer Al Fadli *

* Department of Business and Management, Rochester Institute of Technology of Dubai (RIT Dubai), Dubai, UAE
Contact details: Department of Business and Management, RIT Dubai, P. O. Box 341055, Dubai Silicon Oasis, Dubai, UAE

OPEN ACCESS

How to cite this paper: Al Fadli, A. (2024). Board of directors' performance and the extent of corporate social responsibility reporting. *Reporting and Accountability Review, 1*(1), 25–36. https://doi.org/10.22495/rarv1i1p3

Received: 02.07.2024
Accepted: 04.11.2024

JEL Classification: G30, G34, G48
DOI: 10.22495/rarv1i1p3

Abstract

This study examined the impact of board size, presence of an audit committee, and chief executive officer (CEO) duality on the level of corporate social responsibility (CSR) reporting in Jordan. The population of the research included all non-financial companies in the industrial and service sectors listed on the Amman Stock Exchange (ASE) for the period 2006–2015. The study covered the impact before and after the issuance of the Jordanian Corporate Governance Code (JCGC) (Jordan Securities Commission [JSC], 2009). The study results suggest that the level of CSR reporting has significantly improved among Jordanian public listed companies since issuing the corporate governance code in 2009. This finding suggests that these companies may have adopted CSR reporting as a legitimation strategy to influence the external perception of their performance and convince the public of their legitimacy.

Keywords: Corporate Governance, CSR, Reporting, Board of Directors, Performance

Authors' individual contribution: The Author is responsible for all the contributions to the paper according to CRediT (Contributor Roles Taxonomy) standards.

Declaration of conflicting interests: The Author declares that there is no conflict of interest.

1. INTRODUCTION

The internal and external aspects of the corporate social responsibility (CSR) framework are based on "ethics", that companies can adopt to create a positive perception in the community, legitimise their activities and attract new investors (Alrousan et al., 2015). A wider range of stakeholder groups have the right to be informed about a company's activities in community engagement, the workplace, the environment, the market, and even society at large (Abu-Baker & Naser, 2000). Corporate social reporting is one of the strategies that companies can use to communicate with stakeholder groups and the public affected by their operations. This provision of information in the annual reports is generally categorised as voluntary disclosure (Jizi et al., 2014; Liao et al., 2016).

Companies with an effective and active board of directors (BoD) should disclose more information about their CSR activities to meet the expectations of a group of stakeholders including the society at large (Isa & Muhammad, 2016). An active corporate BoD can act as a representative of stakeholders in implementing effective corporate governance mechanisms to enhance accountability, monitoring and transparency in companies. Therefore, the effectiveness of corporate governance practices depends on the activity of the BoD in companies (Esa & Zahari, 2016). The corporate board also dominates the disclosure policies to ensure the effective control mechanism of reporting in the companies. Hence, corporate board characteristics are important internal control mechanisms that influence effective corporate governance practices and CSR reporting level (Said et al., 2009; Khan et al., 2013; Barakat et al., 2015; Majeed et al., 2015; Isa & Muhammad, 2016; Fuente et al., 2017).

Previous studies have mainly focused on developed countries such as the USA, the UK, Canada, Australia, and Western Europe (Sparkes & Cowton, 2004; Li et al., 2008; Jo & Harjoto, 2012; Paek et al., 2013; Zhang et al., 2013; Fernandez-Feijoo et al., 2014; Ducassy & Montandrau, 2015;

Oh et al., 2016; Rao & Tilt, 2016b; Galbreath, 2017). The existing literature suggests that there is a significant gap in such research in developing countries and further research is needed (Velte, 2017; Abu Qa'dan & Suwaidan, 2019). This is because political, social, and economic environments have different impacts on board composition and CSR reporting levels (Khan et al., 2013; Habbash, 2016; Velte, 2017). Jordan provides a rich setting for this study for several reasons. First, Jordan is a developing country and the Jordanian culture, economic, and business environment are different from developed countries (Barakat et al., 2015; Ibrahim & Hanefah, 2016). Second, the legal context in Jordan is well organized with a stable political situation compared to the surrounding Arab countries in the Middle East (Naser et al., 2002; Ismail & Ibrahim, 2008; Barakat et al., 2015). The Jordanian Corporate Governance Code (JCGC) was implemented in January 2009 for public companies listed on the Amman Stock Exchange (ASE) (Shanikat & Abbadi, 2011; Jordan Securities Commission [JSC], 2009). This code is predicted to provide an indication of the relationship between corporate governance practices and the level of CSR reporting in the context of developing countries (Rashid & Lodh, 2008; Habbash, 2016).

Previous studies have not provided conclusive evidence regarding the level of influence of corporate governance practices on CSR reporting in developing countries. A diverse range of results were obtained, at least in part due to differences in theoretical perspectives, sample size, period, and research methodologies, which provide a rationale for further research (Jain & Jamali, 2016; Rao & Tilt, 2016a; Abu Qa'dan & Suwaidan, 2019). This study used longitudinal data (panel data) to provide a clearer explanation of the influence of corporate governance on CSR reporting over a long period of time (Berg & Lune, 2017). This paper analyzed balanced panel data of all non-financial companies using a quantitative method to test hypotheses within the framework of legitimacy theory to explain the relationship between corporate governance practices and the level of CSR reporting.

The remainder of the paper is structured as follows. Section 2 provides an overview of the relevant literature. Section 3 describes the methodology models and data. Section 4 presents the analysis and discussions, and finally, Section 5 presents the conclusions, limitations, and suggestions for future research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Theoretical background

The BoD is one of the most important corporate governance mechanisms that monitor the actions of the management and the reporting process in companies. A large number of directors sitting on the board can increase the level of disclosures in the company's annual reports (Sartawi et al., 2014). A large number of directors on the board can improve the transparency of the information in the companies to satisfy stakeholder group demands for more CSR reporting (Barakat et al., 2015). Some of the previous studies in developing countries have found that the large board size affects the increase in the level of CSR reporting (Esa & Mohd Ghazali, 2012; Ahmed Haji, 2013; Majeed et al., 2015; Isa & Muhammad, 2016; Ahmad et al., 2017c). Ahmed Haji (2013), using the case of Malaysia, shows that after the revision of the corporate governance code, a positive and significant relationship emerged between the size of the BoD and the level and quality of CSR disclosure. Ahmad et al. (2017c) suggest that companies with large boards tend to improve involvement in CSR activities and increase reporting.

The presence of an audit committee is considered as one of the important corporate governance mechanisms to improve the reporting and disclosure process. This committee increases monitoring and control of the managers' decisions in the interest of all stakeholder groups (Khan et al., 2013). Hence, an effective audit committee can improve the quality of disclosures including CSR reporting (Khan et al., 2013). Some of the previous studies suggest that there is a positive relationship between the presence of an audit committee and the level of CSR reporting (Said et al., 2009; Khan et al., 2013). In contrast, other studies found an insignificant negative relationship between the presence of an audit committee and the level of CSR reporting in developing countries (Habbash, 2016).

The leadership structure is an important corporate governance mechanism that controls and monitors company operations. The duality of the chief executive officer (CEO) and chairman roles increases management power and may impair the power of monitoring in the companies including reporting policies and decreases investment in CSR activities and reporting (Habbash, 2016; Oh et al., 2016; Ahmad et al., 2017c). Some of the prior studies have examined the relationship between CEO duality and CSR reporting (Said et al., 2009; Khan et al., 2013; Muttakin & Subramaniam, 2015; Habbash, 2016; Ahmad et al., 2017c). These limited previous studies have shown mixed results in the context of developing countries. The impact of CEO duality has been found to be significantly negative (Muttakin & Subramaniam, 2015; Abu Qa'dan & Suwaidan, 2019), insignificant positive (Said et al., 2009; Khan et al., 2013; Habbash, 2016) and insignificant negative on the level of CSR reporting (Ahmad et al., 2017c).

In the context of Jordan, the impact of board size and audit committee presence on the level of CSR reporting has been understudied (Barakat et al., 2015; Abu Qa'dan & Suwaidan, 2019). The study conducted by Barakat et al. (2015) used a small sample size (55 companies) of Jordanian service, industrial, and financial companies in one year (2011). This study found that there is a positive and significant association between board size, audit committee presence, and CSR reporting level.

Abu Qa'dan and Suwaidan (2019) suggest that there is a significant negative relationship between CEO duality and the level of CSR reporting. This study examined companies in the industrial sectors during the period 2013–2015 and ignored the service sector. Therefore, this study does not include the years before JCGC 2009 nor all the years after JCGC 2009. Overall, there is a significant gap in the literature of such studies and there is no consensus in the findings (mixed results) of previous studies in developing countries.

2.2. Corporate board practices and CSR reporting in Jordan: A legislative framework

Chapter 2 of the JCGC explains that the members of the BoD must be qualified, experienced and elected by a cumulative voting system at a general meeting to represent all stakeholders (JSC, 2009, pp. 7–11). The number of these board members must be no less than five and no more than thirteen for a maximum term of four years. The board meeting must be held once every two months, requested by at least the chairman or a quarter of the board members. This board should ensure adequate experience and qualifications held by the executive management members. In addition, the role of duality is not accepted and board members in the company are not allowed to hold the same position or represent other companies with the same business activities (JSC, 2009).

According to the JCGC, the audit committee should be elected from the BoD of at least three non-executive members two of them independent. All members of the audit committee must have experience in finance and accounting, and at least one of them must have an academic qualification or professional certificate in this field. This committee must meet at least four times a year and once with the external auditor without the presence of the executive management members. The audit committee must also monitor the company's activities in accordance with applicable rules and laws. In addition, the audit committee has the power to require the presence of the external auditor, make a recommendation to the BoD on the appointment of the external auditor for election by the general meeting, and appoint an internal auditor for the company (JSC, 2009).

CSR activities and reporting have received a great deal of attention from the Jordanian government through the enactment of legislation and regulations:

1. The Environmental Protection Code (Law No. 12 of 1995) and the Securities Commission Law of 1998 were enacted to ensure the compliance of companies with its environmental control standards and to mandate companies to disclose information about social and environmental issues in their annual reports (Al-Khadash, 2004; Suwaidan et al., 2004).
2. In 2004, the JSC issued instructions and guides for preparing annual reports, issuing the company's disclosures, accounting, and auditing standards (JSC, 2004, n.d.). These guidelines and instructions require companies to report all services that companies provide to the local community and to disclose the company's role in protecting the environment. Companies that do not contribute to the community should state that clearly in their annual report (Ibrahim & Hanefah, 2016).
3. In 2006, the Jordanian government amended the environmental protection law by enacting Law No. 52 of 2006 on Protection of the Environment to improve the compliance of companies to protect the environment from their activities and comply with applicable regulations (Haddad et al., 2017).
4. In 2009, the JCGC was issued and required ASE-listed companies to disclose information on the local community and the environment in their annual reports. This was clearly stated in Chapter 5 (Disclosure and Transparency) as follows: "The company shall disclose its policy regarding the local community and the environment" (JSC, 2009, p. 15).

The above-mentioned government regulations oblige companies to disclose social and environmental information in their annual reports. This is designed to ensure the quality and reliability of the annual report and to attract local and foreign investment (Ibrahim & Hanefah, 2016). In fact, the approach of either "comply or explain" is adapted to achieve full compliance gradually. Despite this, the JCGC does not provide guidelines for disclosing the structure of CSR activities in annual reports. Therefore, CSR reporting is not fully regulated and is still a voluntary action in Jordan.

2.3. Empirical review and research hypotheses

A stakeholder group is defined as a group that supports the decisions and actions of companies so that they exist, continue and survive. This group can be comprised of shareholders, creditors, customers, employees, and society. Companies without the support of this type of group may cease to exist (Freeman & Reed, 1983). Hence, companies should build and maintain good and trusting relationships with various stakeholder groups that may affect or be affected by their activities (Freeman, 1984; Stovall et al., 2004). In this regard, Roberts (1992) pointed out that companies can use CSR activities and reporting as a strategy to respond to stakeholder demands and expectations.

Legitimacy theory tends to provide an additional perspective and in-depth understanding of the influence of corporate governance factors on the level of CSR reporting. Legitimacy theory promotes a focus on the expectations of society in general (Deegan et al., 2002). According to Suchman (1995), the definition of legitimacy is "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 574). Therefore, companies seeking legitimacy may adopt a strategy to influence external perceptions of their operations and increase public acceptance of their legitimacy (Lindblom, 1994). CSR reporting can be seen as one of the strategies that companies can adopt to create a positive image of their operations (Gray et al., 1996; Deegan et al., 2002).

Corporate board members play an important role in the companies through controlling or monitoring management actions (Barakat et al., 2015). These board members are expected to improve controlling mechanisms and reporting policies in the companies to protect the interest of the stakeholder group (Jizi et al., 2014). A high proportion of directors (a large number of directors) on the board may also help improve the company's disclosure policies and increase transparency (Sartawi et al., 2014). A board with a high proportion of directors can act as a representative of different stakeholder groups, including society. This type of board can emphasize its CSR strategy and report additional information to reduce the legitimacy gap. This discussion leads to the following hypothesis:

H1: A high proportion of directors (board size) on the board of directors is positively associated with the level of corporate social responsibility reporting.

The audit committee plays an important role in enhancing the level of disclosure by overseeing the reporting process in companies (Said et al., 2009). Existing literature suggests that the effectiveness of the audit committee depends on the number of independent members on the board, the number of experts on the board, and the frequency of meetings (Xie et al., 2003; Madawaki & Amran, 2013; Soliman & Ragab, 2014). An effective audit committee has an impact on increasing the quantity and quality of reporting by controlling and monitoring the decision-making of companies (Said et al., 2009; Khan et al., 2013). Companies with an audit committee on their BoD appear to report more CSR information to inform public opinion about their legitimacy. This discussion leads to the following hypothesis:

H2: The presence of an audit committee on the board is positively associated with the level of corporate social responsibility reporting.

The duality of the roles of the CEO and the chairman should be separated from the corporate board (Cadbury Committee, 1992; JSC, 2009). This duality of director roles may decrease corporate mechanism control and the efficiency of corporate disclosure policy (Abdel-Fattah, 2008) because the power is dominated by a CEO who also acts as chairman of the board. This authority may disregard investing in social activities and hide some information at a board meeting to achieve their personal interest (Jizi et al., 2014; Liao et al., 2016). Liao et al. (2016) suggest that the segregation of the roles of CEO and chairman on the board is positively associated with CSR assurance decisions, quality of CSR information, and stakeholder confidence in the company. This powerful management may interpret CSR reporting as a harmful activity that may reduce their wealth and benefit the company (Jizi et al., 2014).

According to legitimacy theory, companies may attempt to repair the perceived loss of legitimacy if a legitimacy gap occurs. However, companies with the role of CEO and chairman on the BoD may devote less attention to reporting information than mandatory requirements because the perceived threat is minimal. Therefore, these companies are likely to make lower levels of voluntary CSR disclosures. This discussion leads to the following hypothesis:

H3: The presence of chief executive officer duality on the board is negatively associated with the level of corporate social responsibility reporting.

3. RESEARCH METHODOLOGY

3.1. Data

This study adopted a quantitative method with a deductive exploratory approach to explain the relationship between corporate governance practices and the level of CSR reporting in Jordan. The study population included all non-financial publicly listed companies in the ASE industrial and service sectors for the period from 2006 to 2015. Table 1 shows a total of 80 companies, resulting in a balanced panel data of 800 observations as of December 31, 2015.

Table 1. Companies of non-financial sectors summary

Sectors	*Number of companies*	*Observation*	
		Per period	*Percentage (%)*
Services	35	350	43.75
Industrial	45	450	56.25
Total	**80**	**800**	**100.00**

Financial companies include different types of industries such as insurance, banks, diversified financial services, and real estate. This study excluded these companies due to significant differences in the application of accounting policies as well as a different set of instructions and rules of disclosure requirements compared to non-financial companies (Haniffa & Cooke, 2005; Goodwin-Stewart & Kent, 2006; Mohd Ghazali, 2007; Abed et al., 2012; Ahmed Haji, 2013; Ho & Taylor, 2013; Esa & Zahari, 2016; Habbash, 2016). Unlisted and suspended companies on the total period of the study were also omitted from the list. Companies that did not have available annual reports were excluded. The following table identifies and shows the total number of 80 companies.

Table 2. Study dataset

Study population summary	*No. of ASE-listed companies*
Total number of ASE-listed companies as of December 31, 2015	228
Less: Financial companies	111
Less: Companies that were not listed during the entire survey period	23
Less: Companies with the unavailability of annual reports	11
Less: Suspended companies during the study period	3
Total number of non-financial companies in this study	80

The data source for the study is annual reports of public companies listed on the ASE for the period 2006–2015. This study started in 2006 because of the unavailability of annual reports prior to 2006 on the ASE website and ended in 2015 because it is the most recent year for which data are available.

3.2. Variables

3.2.1. Dependent variable

The CSR reporting index (*CSRRI*) is the dependent variable in this study. Different areas of disclosures in the annual reports of companies such as community involvement information, workplace information, marketplace information, and environmental information are observed to build the CSR reporting index. Other types of disclosure made in the company have not been considered. Accordingly, the use of content analysis to analyze the annual reports is empirically appropriate in the areas of CSR reporting (Guthrie & Parker, 1990). The content analysis method is used to codify the selected contents of the annual reports into different categories (Guthrie & Abeysekera, 2006). Based on the methodology of previous studies (Rashid & Lodh, 2008; Barakat et al., 2015; Rashid, 2015; Isa & Muhammad, 2016; Omar et al., 2016), this study uses an index that considers selected aspects of information that companies disclose CSR in their reports.

The checklist has 48 items based on previous studies (Mohd Ghazali, 2007; Rashid & Lodh, 2008; Rouf, 2011; Barakat et al., 2015; Rashid, 2015). In this study, a pilot test was conducted on 35 companies to test the validity of the proposed checklist. Hence, the study modified the items in the checklist to confirm its relevance to Jordanian non-financial sectors (see Appendix). In addition, to ensure reliability, two independent research fellows were asked to perform the coding procedure according to Khan (2010). The CSR score is constructed based on an unweighted method which indicates that all information, regardless of its importance or relevance to any particular user group, is of equal value (Mohd Ghazali, 2007; Omar & Simon, 2011; Ahmed Haji, 2013; Barakat et al., 2015). A value of "1" was assigned if the item in the checklist was disclosed by the company, otherwise a value of "0" was assigned. In this study, the total score of the binary variables awarded to each company for the maximum number of checklist items is calculated to obtain the CSR reporting index ratio used by Sharif and Rashid (2014) as shown below:

$$CSRRI = \sum d_i^{48}/n_j \qquad (1)$$

where, *CSRRI* = CSR reporting index; n_j = total number of items for j^{th} companies, $n_j \leq 48$; d_i = equals 1, if items are included in the checklist, and 0 if otherwise.

3.2.2. Independent variables

The independent variables in this study are board size (*BDSIZE*), the presence of an audit committee on the BoD (*AC*), and CEO duality (*CEOD*). According to previous studies, board size is determined by the total number of board members (Ahmed Haji, 2013; Barakat et al., 2015). The presence of an audit committee is a dichotomous variable equal to "1" if an audit committee exists (Khan et al., 2013; Barakat et al., 2015). According to Khan et al. (2013), Habbash (2016), and Liao et al. (2016), CEO duality is a dummy variable equal to "1" if there is CEO duality and "0" otherwise.

This study examines company characteristics as control variables that may affect the level of CSR disclosure, such as company size, company age, and liquidity. This is consistent with previous studies on corporate governance and CSR reporting (Rashid & Lodh, 2008; Oh et al., 2011; Ahmed Haji, 2013; Barakat et al., 2015; Rashid, 2015; Habbash, 2016; Ibrahim & Hanefah, 2016). According to Khan et al. (2013), Barakat et al. (2015), and Habbash (2016), company size is measured as the natural logarithm of total assets. Larger companies are more in the public eye than smaller companies. Such companies seek to satisfy stakeholder interests by disclosing more CSR information (Khan et al., 2013; Barakat et al., 2015).

Companies that have been in business for a long time may disclose more CSR reports to maintain the trust and confidence of stakeholder groups and the general public than new companies (Habbash, 2016). The age of a company is measured by the total number of years since its establishment (Rashid & Lodh, 2008; Oh et al., 2011). Companies with high liquidity have a fund to invest in CSR activities and disclose more information in annual reports to respond to stakeholder demands and expectations (Rashid, 2015). This study measures liquidity as the ratio of current assets to current liabilities of a company (Rashid, 2015).

3.2.3. Model

We use longitudinal (panel) data to examine the impact of corporate governance factors on the level of CSR reporting. This study used a multiple regression model as part of the analysis.

$$CSRRI = \beta_0 + \beta_1 BDSIZE + \beta_2 AC + \beta_3 CEOD + \beta_4 SIZE + \beta_5 AGE + \beta_6 LIQ + \varepsilon \qquad (2)$$

where, *CSRRI* is a CSR reporting index; *BDSIZE* is a board size; *AC* is an audit committee presence; *CEOD* is a CEO duality; *SIZE* is a company size; *AGE* is a company age; *LIQ* is company liquidity; β is a beta coefficient; ε is an error term.

Special attention was paid to the compliance of the given regression equation with the criteria (assumptions) of statistical analysis such as normality, linearity, and homoscedasticity (Khan et al., 2013; Rashid, 2015; Habbash, 2016; Rao & Tilt, 2016b). The normality assumption means that the observational data in the study should be normally distributed. Pallant (2007) argued that if the study has large observations and more than 30, this assumption is relatively irrelevant. However, in this study, the residuals/histogram normality test was used to check the "bell shape" of the data. The result indicates that a bell-shaped curve shape meets the assumption of normality.

To test the correlation coefficients between sets of variables, correlation statistical analysis such as the variance inflation factor (VIF) test was performed to diagnose the problem of multicollinearity (Weisberg, 2005). When a significant correlation is found between the independent variables, it indicates a multicollinearity problem. If the VIF value is greater than 10, it indicates a multicollinearity problem (Gujarati, 2003). Therefore, highly correlated variables should be removed from the analysis. However, in this study, the highest VIF value of the independent variables is 1.45. Thus, this result confirms that multicollinearity is not a problem and is consistent with the assumption of no collinearity.

Scatter plots of residuals versus predicted value, chi-square, Breusch-Pagan and corresponding *p*-values were used to test the heteroscedasticity assumption. The heteroscedasticity assumption means that the error term represents the variance between the independent variable values. The results indicate that heteroscedasticity is present in the data. The standard error of White's (1980) method was used to correct for the heteroscedasticity problem and, therefore, met the homoscedasticity assumption.

4. RESULTS AND DISCUSSION

4.1. Descriptive statistics

Table 3 shows descriptive statistics The level of CSR reporting in Jordanian public companies is 39.1% on average. This result indicates that the level of CSR reporting has increased compared to previous studies of Jordanian companies (Suwaidan et al., 2004; Ismail & Ibrahim, 2008; Al-Hamadeen & Badran, 2014; Ibrahim & Hanefah, 2016).

The findings revealed that the minimum and maximum number of directors on the BoD ranged from 3 to 13 members, and the average was 8.4%. This suggests that the number of members on the board is in the range of corporate governance requirements. This study finds that 34.2% of the companies do not have an audit committee on the BoD. The presence of an audit committee among non-financial Jordanian public listed companies is a reasonable average of 65.8%. This average indicates good compliance with the corporate governance practices in these companies.

The role of CEO duality on the BoD in Jordanian public listed companies is found with an average of 21.1%. This average generally is low as compared to the previous studies such as 24% in Bangladesh (Khan et al., 2013) and 80% in Saudi Arabia (Habbash, 2016). This finding may indicate awareness of the Jordanian companies toward corporate governance requirements. In general, company size, company age, and company liquidity are found with an average of 16.9%, 22.3%, and 3.85%, respectively.

Table 3. Descriptive statistics

Variables	*N*	*Mean*	*Median*	*Std. deviation*	*Minimum*	*Maximum*
Independent variable						
CSRRI	800	0.391	0.396	0.177	0.875	1.000
Dependent variables						
BDSIZE	800	8.430	9.000	2.245	3.000	13.000
AC	800	0.658	1.000	0.475	0.000	1.000
CEOD	800	0.211	0.000	0.408	0.000	1.000
Control variables						
SIZE	800	16.970	17.000	1.298	13.000	21.000
AGE	800	22.325	18.000	14.770	1.000	64.000
LIQ	800	3.854	1.625	35.072	0.000	990.120

4.2. Correlation analysis

Table 4 reports the correlations between the independent variables used in the study. The result suggests that there are no significant problems of collinearity in the data as mentioned earlier. In addition, the correlation coefficients between the independent variables range from -0.04 to 0.392. In this respect, the correlation does not exceed 0.80 and is still below the level normally deemed excessive (Gujarati, 2003).

Table 4. Correlation matrix

	Variables	*1*	*2*	*3*	*4*	*5*	*6*	*VIF*
1	*BDSIZE*	1.00						1.06
2	*AC*	0.03	1.00					1.34
3	*CEOD*	0.04	-0.078*	1.00				1.11
4	*SIZE*	0.392**	0.06	0.02	1.00			1.45
5	*AGE*	0.099**	0.01	-0.090*	0.162**	1.00		1.03
6	*LIQ*	-0.02	0.02	-0.089*	-0.135**	-0.04	1.00	1.04

*Note: ** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).*

4.3. Additional descriptive test on pre- and post-2009 data

The study data is divided into two groups, such as before and after the issuance of JCGC in 2009, to assess the impact of the code practice on the level of CSR reporting. JCGC was introduced in 2009 and required companies to report social and environmental information in their annual reports according to the "comply or explain" approach.

The average CSR reporting index before and after 2009 is shown in Table 5. The CSR reporting rate among Jordanian public-listed companies averages 37% before 2009. This percentage improved to 40% after 2009. The t-test of the mean differences between before and after 2009 is also shown in Table 5. The t-test result shows that the mean differences of *CSRRI* are statistically significant. This finding may suggest that ASE-listed companies tend to satisfy society and stakeholder group expectations to legitimatize their action. These companies may have adopted CSR reporting as a legitimation strategy to influence the external perception of their operations and to reassure the public of their legitimacy.

Table 5. Means differences between the before and after 2009 data

Dependent variable	*Pre-2009 mean*	*Post-2009 mean*	*t-test for equality of means*		
			t	*Mean difference*	*Std. error difference*
CSRRI	0.370	0.400	2.299**	0.03	0.013
Observations	240	560			

*Note: The t-test is presented in the parentheses. ** $p < 0.05$.*

4.4. Model analysis

The regression coefficient of the relationship between board independence and CSR reporting is shown in Table 6 of Model 1. The adjusted R-squared value shows that 31% of the variation in the level of CSR reporting can be explained by the corporate governance variables.

The regression coefficient indicates that the board size is significantly positively related to the level of CSR reporting. This suggests that companies with a large board tend to reduce the legitimacy gap and balance the interest of stakeholder groups, including the public at large. This finding is consistent with the results of previous studies on CSR reporting and supports the research hypothesis *H1* (Ahmed Haji, 2013; Barakat et al., 2015; Majeed et al., 2015).

The presence of an audit committee on the BoD has a significant positive effect on the level of CSR reporting. This result indicates that Jordanian companies are aware of the need to communicate their legitimacy to the public. This finding is consistent with the results of previous studies on CSR reporting and supports the research hypothesis *H2* (Said et al., 2009; Khan et al., 2013; Barakat et al., 2015). CEO duality was found to be negatively related to the level of CSR reporting with CEO duality on the board not paying much attention to the level of CSR reporting and stakeholder group expectations (Said et al., 2009; Khan et al., 2013). This type of directors can also easily access information and hence are less concerned about providing more CSR information since the perceived threat is minimal. However, this relationship is not significant, so hypothesis *H3* is not supported. This finding is consistent with the results of Said et al. (2009), Khan et al. (2013), and Ahmad et al. (2017c), who did not find a significant association.

Examining the control variables, the study notes that company size, age, and company liquidity are significantly positive with a level of CSR reporting. In general, larger companies tend to align the interests of stakeholder groups and disclose more CSR information than smaller companies (Dissanayake et al., 2019). This finding is consistent with Oh et al. (2011), Ahmed Haji (2013), Barakat et al. (2015), and Habbash (2016). Companies that have been in business for a long time disclose more CSR reporting. This type of company tends to balance the interests of the stakeholder group and satisfy their expectation more than less established companies (Habbash, 2016). Companies with high liquidity tend to satisfy stakeholder groups in general (Rashid, 2015).

Table 6. Regression analysis

Variables	*OLS Model 1 (Before controlling for industry type)*	*OLS Model 2 (After controlling for industry type)*	*2SLS Model 3 (After controlling for industry type)*
Intercept	-0.425 (-6.688)***	-0.479 (-7.700)***	-0.498 (-8.139)***
Independent variables			
BDSIZE	0.011 (4.575)***	0.012 (4.970)***	0.011 (4.750)***
AC	0.066 (6.275)***	0.064 (6.019)***	0.051 (4.764)***
CEOD	-0.018 (-1.481)	-0.011 (-0.923)	-0.016 (-1.363)
Control variables			
SIZE	0.034 (8.051)***	0.040 (9.111)***	0.043 (9.946)***
AGE	0.004 (11.677)***	0.003 (8.173)***	0.003 (8.024)***
LIQ	0.000 (0.630)	0.000 (0.688)	0.000 (0.452)
Industry dummy	No	Yes	Yes
F-statistic	61.78	67.59	64.09
Adjusted R-squared	0.313	0.368	0.356
Observations	800	800	720

*Note: The t-test is presented in the parentheses. *** p < 0.001.*

4.5. Robustness tests

Ahmad et al. (2017a) argue that industrial types may have different impacts on the level of CSR reporting. Block and Wagner (2014) also argue that CSR reporting is an industrial-specific variable. Therefore, the study included an industry-type dummy variable equal to “1” for service sectors and “0” for manufacturing sectors as a control variable. The result reveals that there is no significant change as shown in Table 6 of Model 2.

The results of the study are robust in the sense that balanced panel data is used, hence there is no unobserved heterogeneity. However, this study used a lagged structure to test the endogeneity issue. This was done by lagging the independent variables as instrumental variables for one year in a two-stage least square (2SLS) model. The results in Table 6 of Model 3 indicate that there is no endogenous relationship between the level of CSR reporting and the independent variables, hence supporting the findings of Model 1.

4.6. Regression analysis on pre- and post-2009 data

This study has regressed the model equation again by using pre-2009 (2006–2008) and post-2009 (2009–2015) data as shown in Table 7. The results indicate that the effect of board size on CSR reporting level was marginally positive before 2009, and this relationship became significant and positive after 2009. The effect of the audit committee on CSR reporting level changed from significant at 5% before 2009 to significant at 1% after 2009. This finding suggests that board members' effectiveness, roles, and awareness on the board have improved CSR reporting to enhance company legitimacy since 2009. Another possible explanation is that these board members, by seeking to motivate and encourage management to promote more CSR information, effectively seek to legitimise their role and effectiveness as board members. The results of the study also indicate that there is no significant change in the relationship between CEO duality and CSR reporting, which confirms the result of Model 1.

Table 7. Regression analysis of pre- and post-2009

Variables	***OLS Model 4 (Pre-2009)***	***OLS Model 5 (Post-2009)***
Intercept	-0.261 (-2.256)**	-0.557 (-7.806) ***
Independent variables		
BDSIZE	0.004 (1.063)	0.015 (5.384)***
AC	0.041 (2.107)**	0.080 (6.244)***
CEOD	0.017 (0.829)	-0.021 (-1.394)
Control variables		
SIZE	0.031 (3.828)***	0.043 (8.283)***
AGE	0.002 (3.908)***	0.003 (7.017)***
LIQ	0.003 (1.465)	-0.000 (-0.440)
Industry dummy	Yes	Yes
F-statistic	13.527	56.87
Adjusted R-squared	0.268	0.411
Observations	240	560

*Note: The t-test is presented in the parentheses. ** $p < 0.05$, *** $p < 0.001$.*

5. CONCLUSION

This study examined the impact of board size, audit committee presence, and CEO duality on the level of CSR reporting in Jordan. In general, large boards may increase the board's power to encourage management to report on CSR to enhance the legitimacy of the company. The presence of an audit committee on the board influences decision-making by monitoring and tracking the disclosure process in companies (Khan et al., 2013). The role of CEO duality has less attention to CSR reporting levels. This suggests that the chairman and CEO may consider investing in CSR activities that reduce their personal interest (Khan et al., 2013; Liao et al., 2016). Therefore, due to the concentration of power of this duality, they can easily access the information and then be less concerned about additional CSR reporting beyond the mandatory requirements (Ahmad et al., 2017c).

In addition, the study has captured the effect before and after the issuance of the corporate governance code in 2009. The study results suggest that the level of CSR reporting has significantly improved among Jordanian public companies since issuing the corporate governance code in 2009. This finding suggests that these companies may have adopted CSR reporting as a legitimation strategy to influence the external perception of their operations and to reassure the public of their legitimacy.

This study makes several important contributions to the existing literature on corporate governance and CSR reporting in several ways:

- First, the results indicate that board size and the presence of an audit committee are important corporate governance factors that influence the level of CSR reporting.
- Second, this study has provided an evaluation of the JCGC from a CSR reporting perspective.
- Third, the study findings contribute to the literature on CSR governance and reporting in the Middle East and developing countries by using a legitimacy theory approach.
- Fourth, this study can be considered as one of the few empirical studies that assessed the level of CSR reporting before and after the issuance of a corporate governance code in developing countries.
- Fifth, this study provides significant information for policymakers to continue to improve corporate governance best practices in the companies and develop greater awareness of companies CSR reporting biases associated with CEO duality.

Finally, establishing guidelines for a CSR reporting framework to be disclosed in the annual reports or other channels of reporting may help companies legitimise their action and attract new investors.

This study has limitations and provides suggestions for new research on corporate governance and CSR reporting. First, this study examined limited factors that affect the level of CSR reporting. Corporate governance has many elements such as ownership structure, board independence and board diversity that may affect the level of CSR reporting and further studies may try to explore this. Second, CSR data were measured in this study based on the disclosures in the company's annual reports. Further studies may seek other channels of reporting such as stand-alone reports, company websites, or any publicly available information. Finally, this study examined the corporate governance factors of non-financial sectors. Further research may explore the corporate governance factors of financial companies that may have a different impact on the level of CSR reporting.

REFERENCES

Abdel-Fattah, T. M. H. (2008). *Voluntary disclosure practices in emerging capital markets: The case of Egypt* [Doctoral thesis, Durham University]. Durham E-Theses Online. http://etheses.dur.ac.uk/1342/
Abed, S., Al-Attar, A., & Suwaidan, M. (2012). Corporate governance and earnings management: Jordanian evidence. *International Business Research, 5*(1), 216–225. https://doi.org/10.5539/ibr.v5n1p216
Abu Qa'dan, M. B., & Suwaidan, M. S. (2019). Board composition, ownership structure and corporate social responsibility disclosure: The case of Jordan. *Social Responsibility Journal, 15*(1), 28–46. https://doi.org/10.1108/SRJ-11-2017-0225
Abu-Baker, N., & Naser, K. (2000). Empirical evidence on corporate social disclosure (CSD) practices in Jordan. *International Journal of Commerce and Management, 10*(3/4), 18–34. https://doi.org/10.1108/eb047406
Ahmad, N. B. J., Rashid, A., & Gow, J. (2017a). Board independence and corporate social responsibility (CSR) reporting in Malaysia. *Australasian Accounting Business & Finance Journal, 11*(2), 62–79. https://doi.org/10.14453/aabfj.v11i2.5
Ahmad, N. B. J., Rashid, A., & Gow, J. (2017b). Board meeting frequency and corporate social responsibility (CSR) reporting: Evidence from Malaysia. *Corporate Board: Role, Duties and Composition, 13*(1–1), 87–99. https://doi.org/10.22495/cbv13i1c1art3
Ahmad, N. B. J., Rashid, A., & Gow, J. (2017c). CEO duality and corporate social responsibility reporting: Evidence from Malaysia. *Corporate Ownership and Control, 14*(2), 70–81. https://doi.org/10.22495/cocv14i2art7
Ahmed Haji, A. (2013). Corporate social responsibility disclosures over time: Evidence from Malaysia. *Managerial Auditing Journal, 28*(7), 647–676. https://doi.org/10.1108/MAJ-07-2012-0729
Al-Fadli, A., Sands, J., Jones, G., Beattie, C., & Pensiero, D. (2019). Board gender diversity and CSR reporting: Evidence from Jordan. *Australasian Accounting, Business and Finance Journal, 13*(3), 29–52. https://doi.org/10.14453/aabfj.v13i3.3
Al-Hamadeen, R., & Badran, S. (2014). Nature and determinants of CSR disclosure: Experience of the Jordanian public shareholding companies. *European Journal of Business and Management, 6*(13), 18–34. https://iiste.org/Journals/index.php/EJBM/article/view/12672
Al-Khadash, H. A. (2004). The accounting disclosure of social and environmental activities: A comparative study for the industrial Jordanian shareholding companies. *Abhath Al-Yarmouk Journal: Humanities and Social Sciences, 20*(1B), 21–39. https://ssrn.com/abstract=572821
Alrousan, R. M., Bader, M. A., & Abuamoud, I. (2015). Stakeholders approach in influencing corporate social responsibility: A case study at two hotels in Jordan. *International Journal of Tourism Policy, 6*(1), 17–28. https://doi.org/10.1504/IJTP.2015.075135
Barakat, F. S., López Pérez, M. V., & Rodríguez Ariza, L. R. (2015). Corporate social responsibility disclosure (CSRD) determinants of listed companies in Palestine (PXE) and Jordan (ASE). *Review of Managerial Science, 9*(4), 681–702. https://doi.org/10.1007/s11846-014-0133-9
Bayoud, N. S., Kavanagh, M., & Slaughter, G. (2012). Factors influencing levels of corporate social responsibility disclosure by Libyan firms: A mixed study. *International Journal of Economics and Finance, 4*(4), 13–29. https://doi.org/10.5539/ijef.v4n4p13
Berg, B. L., & Lune, H. (2017). *Qualitative research methods for the social sciences* (9th ed.). Pearson.
Block, J. H., & Wagner, M. (2014). The effect of family ownership on different dimensions of corporate social responsibility: Evidence from large US firms. *Business Strategy and the Environment, 23*(7), 475–492. https://doi.org/10.1002/bse.1798
Cadbury Committee. (1992). *The financial aspects of corporate governance: The code of best practice* [The report]. Burgess Science Press. https://www.ecgi.global/sites/default/files/codes/documents/cadbury.pdf
Deegan, C., Rankin, M., & Tobin, J. (2002). An examination of the corporate social and environmental disclosures of BHP from 1983–1997: A test of legitimacy theory. *Accounting, Auditing & Accountability Journal, 15*(3), 312–343. https://doi.org/10.1108/09513570210435861
Dissanayake, D., Tilt, C., & Qian, W. (2019). Factors influencing sustainability reporting by Sri Lankan companies. *Pacific Accounting Review, 31*(1), 84–109. https://doi.org/10.1108/PAR-10-2017-0085
Ducassy, I., & Montandrau, S. (2015). Corporate social performance, ownership structure, and corporate governance in France. *Research in International Business and Finance, 34*, 383–396. https://doi.org/10.1016/j.ribaf.2015.02.002
Esa, E., & Mohd Ghazali, N. A. (2012). Corporate social responsibility and corporate governance in Malaysian government-linked companies. *Corporate Governance, 12*(3), 292–305. https://doi.org/10.1108/14720701211234564
Esa, E., & Zahari, A. R. (2016). Corporate social responsibility: Ownership structures, board characteristics & the mediating role of board compensation. *Procedia Economics and Finance, 35*, 35–43. https://doi.org/10.1016/S2212-5671(16)00007-1
Fernandez-Feijoo, B., Romero, S., & Ruiz-Blanco, S. (2014). Women on boards: Do they affect sustainability reporting? *Corporate Social Responsibility and Environmental Management, 21*(6), 351–364. https://doi.org/10.1002/csr.1329
Freeman, R. (1984). *Strategic management: A stakeholder approach*. Pitman.
Freeman, R. E., & Reed, D. L. (1983). Stockholders and stakeholders: A new perspective on corporate governance. *California Management Review, 25*(3), 88–106. https://doi.org/10.2307/41165018
Fuente, J. A., García-Sanchez, I. M., & Lozano, M. B. (2017). The role of the board of directors in the adoption of GRI guidelines for the disclosure of CSR information. *Journal of Cleaner Production, 141*, 737–750. https://doi.org/10.1016/j.jclepro.2016.09.155
Galbreath, J. (2017). The impact of board structure on corporate social responsibility: A temporal view. *Business Strategy and the Environment, 26*(3), 358–370. https://doi.org/10.1002/bse.1922
Goodwin-Stewart, J., & Kent, P. (2006). Relation between external audit fees, audit committee characteristics and internal audit. *Accounting & Finance, 46*(3), 387–404. https://doi.org/10.1111/j.1467-629X.2006.00174.x

Gray, R., Owen, D., & Adams, C. (1996). *Accounting & accountability: Changes and challenges in corporate social and environmental reporting.* Prentice Hall.

Gujarati, D. (2003). *Basic econometrics* (4th ed.). McGraw Hil.

Guthrie, J., & Abeysekera, I. (2006). Content analysis of social, environmental reporting: What is new? *Journal of Human Resource Costing & Accounting, 10*(2), 114–126. https://doi.org/10.1108/14013380610703120

Guthrie, J., & Parker, L. D. (1990). Corporate social disclosure practice: A comparative international analysis. *Advances in Public Interest Accounting, 3*, 159–175.

Habbash, M. (2016). Corporate governance and corporate social responsibility disclosure: Evidence from Saudi Arabia. *Social Responsibility Journal, 12*(4), 740–754. https://doi.org/10.1108/SRJ-07-2015-0088

Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management, 59*(1), 147–176. https://doi.org/10.1108/IJLMA-07-2016-0064

Haniffa, R. M., & Cooke, T. E. (2005). The impact of culture and governance on corporate social reporting. *Journal of Accounting and Public Policy, 24*(5), 391–430. https://doi.org/10.1016/j.jaccpubpol.2005.06.001

Ho, P.-L., & Taylor, G. (2013). Corporate governance and different types of voluntary disclosure: Evidence from Malaysian listed firms. *Pacific Accounting Review, 25*(1), 4–29. https://doi.org/10.1108/01140581311318940

Ibrahim, A. H., & Hanefah, M. M. (2016). Board diversity and corporate social responsibility in Jordan. *Journal of Financial Reporting and Accounting, 14*(2), 279–298. https://doi.org/10.1108/JFRA-06-2015-0065

Isa, M. A., & Muhammad, S. (2016). The impact of board characteristics on corporate social responsibility disclosure: Evidence from Nigerian food product firm. *International Journal of Management Science and Business Administration, 1*(12), 34–45. https://doi.org/10.18775/ijmsba.1849-5664-5419.2014.112.1004

Ismail, K., & Ibrahim, A. H. (2008). Social and environmental disclosure in the annual reports of Jordanian companies. *Issues in Social and Environmental Accounting, 2(*2), 198–210. https://iiste.org/Journals/index.php/ISEA/article/view/920

Jain, T., & Jamali, D. (2016). Looking inside the black box: The effect of corporate governance on corporate social responsibility. *Corporate Governance: An International Review, 24*(3), 253-273. https://doi.org/10.1111/corg.12154

Jizi, M. I., Salama, A., Dixon, R., & Stratling, R. (2014). Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector. *Journal of Business Ethics, 125*(4), 601–615. https://doi.org/10.1007/s10551-013-1929-2

Jo, H., & Harjoto, M. A. (2012). The causal effect of corporate governance on corporate social responsibility. *Journal of Business Ethics, 106*(1), 53–72. https://doi.org/10.1007/s10551-011-1052-1

Jordan Securities Commission (JSC). (2004). *Instructions of issuing companies disclosure, accounting and auditing standards.* https://www.jsc.gov.jo/Uploads/Files/636301103446648607.pdf

Jordan Securities Commission (JSC). (2009). *Corporate Governance Code for shareholding companies listed on the Amman Stock Exchange.* European Corporate Governance Institute (ECGI). https://ecgi.global/sites/default/files/codes/documents/jordan_2008_en.pdf

Jordan Securities Commission (JSC). (n.d.). *Guide for the preparation of annual reports by issuing companies.* https://www.jsc.gov.jo/Uploads/Files/633911808112732500.pdf

Khan, A., Muttakin, M. B., & Siddiqui, J. (2013). Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy. *Journal of Business Ethics, 114*(2), 207–223. https://doi.org/10.1007/s10551-012-1336-0

Khan, H.-U.-Z. (2010). The effect of corporate governance elements on corporate social responsibility (CSR) reporting: Empirical evidence from private commercial banks of Bangladesh. *International Journal of Law and Management, 52*(2), 82–109. https://doi.org/10.1108/17542431011029406

Li, J., Pike, R., & Haniffa, R. (2008). Intellectual capital disclosure and corporate governance structure in UK firms. *Accounting and Business Research, 38*(2), 137–159. https://doi.org/10.1080/00014788.2008.9663326

Liao, L., Lin, T. P., & Zhang, Y. (2016). Corporate board and corporate social responsibility assurance: Evidence from China. *Journal of Business Ethics, 10*(7), 1–15. https://doi.org/10.1007/s10551-016-3176-9

Lindblom, C. K. (1994). *The implications of organizational legitimacy for corporate social performance and disclosure* [Paper presentation]. Critical Perspectives on Accounting Conference, New York, USA.

Madawaki, A., & Amran, N. A. (2013). Audit committees: How they affect financial reporting in Nigerian companies. *Journal of Modern Accounting and Auditing, 9*(8), 1070–1080. https://www.davidpublisher.com/index.php/Home/Article/index?id=1468.html

Majeed, S., Aziz, T., & Saleem, S. (2015). The effect of corporate governance elements on corporate social responsibility (CSR) disclosure: An empirical evidence from listed companies at KSE Pakistan. *International Journal of Financial Studies, 3*(4), 530–556. https://doi.org/10.3390/ijfs3040530

Milne, M. J., & Adler, R. W. (1999). Exploring the reliability of social and environmental disclosures content analysis. *Accounting, Auditing & Accountability Journal, 12*(2), 237–256. https://doi.org/10.1108/09513579910270138

Mohd Ghazali, N. A. (2007). Ownership structure and corporate social responsibility disclosure: Some Malaysian evidence. *Corporate Governance, 7*(3), 251–266. https://doi.org/10.1108/14720700710756535

Muttakin, M. B., & Subramaniam, N. (2015). Firm ownership and board characteristics: Do they matter for corporate social responsibility disclosure of Indian companies? *Sustainability Accounting, Management and Policy Journal, 6*(2), 138–165. https://doi.org/10.1108/SAMPJ-10-2013-0042

Naser, K., Al-Khatib, K., & Karbhari, Y. (2002). Empirical evidence on the depth of corporate information disclosure in developing countries: The case of Jordan. *International Journal of Commerce and Management, 12*(3/4), 122–155. https://doi.org/10.1108/eb047456

Neu, D., Warsame, H., & Pedwell, K. (1998). Managing public impressions: Environmental disclosures in annual reports. *Accounting, Organizations and Society, 23*(3), 265–282. https://doi.org/10.1016/S0361-3682(97)00008-1

Oh, W. Y., Chang, Y. K., & Kim, T.-Y. (2016). Complementary or substitutive effects? Corporate governance mechanisms and corporate social responsibility. *Journal of Management, 10*(7), 1–24. https://doi.org/10.5465/ambpp.2016.14068abstract

Oh, W. Y., Chang, Y. K., & Martynov, A. (2011). The effect of ownership structure on corporate social responsibility: Empirical evidence from Korea. *Journal of Business Ethics, 104*(2), 283–297. https://doi.org/10.1007/s10551-011-0912-z

Omar, B. F., Zallom, N. O., Zain, M. M., & Johari, R. (2016). Corporate social responsibility and market value: Evidence from Jordan. *Journal of Financial Reporting and Accounting, 14*(1), 2–29. https://doi.org/10.1108/JFRA-11-2014-0084

Omar, B., & Simon, J. (2011). Corporate aggregate disclosure practices in Jordan. *Advances in Accounting, 27*(1), 166–186. https://doi.org/10.1016/j.adiac.2011.05.002

Paek, S., Xiao, Q., Lee, S., & Song, H. (2013). Does managerial ownership affect different corporate social responsibility dimensions? An empirical examination of US publicly traded hospitality firms. *International Journal of Hospitality Management, 34*, 423–433. https://doi.org/10.1016/j.ijhm.2012.12.004

Pallant, J. (2007). *SPSS survival manual: A step-by-step guide to data analysis using SPSS for windows* (3rd ed.). Open University Press.

Rao, K., & Tilt, C. (2016a). Board composition and corporate social responsibility: The role of diversity, gender, strategy and decision making. *Journal of Business Ethics, 138*(2), 327–347. https://doi.org/10.1007/s10551-015-2613-5

Rao, K., & Tilt, C. (2016b). Board diversity and CSR reporting: An Australian study. *Meditari Accountancy Research, 24*(2), 182–210. https://doi.org/10.1108/MEDAR-08-2015-0052

Rashid, A. (2015). The influence of stakeholder power on corporate social responsibility: Evidence from a relationship-based economy. *Social Responsibility Journal, 11*(2), 270–289. https://doi.org/10.1108/SRJ-09-2013-0109

Rashid, A., & Lodh, S. C. (2008). The influence of ownership structures and board practices on corporate social disclosures in Bangladesh. *Research in Accounting in Emerging Economies, 8*(1), 211–237. https://doi.org/10.1016/S1479-3563(08)08008-0

Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society, 17*(6), 595–612. https://doi.org/10.1016/0361-3682(92)90015-K

Rouf, M. (2011). The corporate social responsibility disclosure: A study of listed companies in Bangladesh. *Business and Economics Research Journal, 2*(3), 19–32. https://www.berjournal.com/wp-content/plugins/downloads-manager/upload/BERJ%202(3)11%20Article%202%20pp.19-32.pdf

Said, R., Hj Zainuddin, Y., & Haron, H. (2009). The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed companies. *Social Responsibility Journal, 5*(2), 212–226. https://doi.org/10.1108/17471110910964496

Sartawi, I. I. M., Hindawi, R. M., Bsoul, R., & Ali, A. J. (2014). Board composition, firm characteristics, and voluntary disclosure: The case of Jordanian firms listed on the Amman Stock Exchange. *International Business Research, 7*(6), 67–82. https://doi.org/10.5539/ibr.v7n6p67

Shanikat, M., & Abbadi, S. S. (2011). Assessment of corporate governance in Jordan: An empirical study. *Australasian Accounting Business & Finance Journal, 5*(3), 93-106. https://ro.uow.edu.au/aabfj/vol5/iss3/7/

Sharif, M., & Rashid, K. (2014). Corporate governance and corporate social responsibility (CSR) reporting: An empirical evidence from commercial banks (CB) of Pakistan. *Quality & Quantity, 48*(5), 2501–2521. https://doi.org/10.1007/s11135-013-9903-8

Soliman, M. M., & Ragab, A. A. (2014). Audit committee effectiveness, audit quality and earnings management: An empirical study of the listed companies in Egypt. *Research Journal of Finance and Accounting, 5*(2), 155–166. https://www.iiste.org/Journals/index.php/RJFA/article/view/10690

Sparkes, R., & Cowton, C. J. (2004). The maturing of socially responsible investment: A review of the developing link with corporate social responsibility. *Journal of Business Ethics, 52*(1), 45–57. https://doi.org/10.1023/B:BUSI.0000033106.43260.99

Stovall, O. S., Neill, J. D., & Perkins, D. (2004). Corporate governance, internal decision making, and the invisible hand. *Journal of Business Ethics, 51*(2), 221–227. https://doi.org/10.1023/B:BUSI.0000033615.22269.e3

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review, 20*(3), 571–610. https://doi.org/10.2307/258788

Suwaidan, M. S., Al-Omari, A. M. D., & Haddad, R. H. (2004). Social responsibility disclosure and corporate characteristics: The case of Jordanian industrial companies. *International Journal of Accounting, Auditing and Performance Evaluation, 1*(4), 432–447. https://doi.org/10.1504/IJAAPE.2004.006355

Velte, P. (2017). Does board composition have an impact on CSR reporting? *Problems and Perspectives in Management, 15*(2), 19–35.

Weisberg, S. (2005). *Applied linear regression.* John Wiley & Sons. https://doi.org/10.1002/0471704091

White, H. (1980). A heteroskedasticity-consistent covariance matrix estimator and a direct test for heteroskedasticity. *Econometrica: Journal of the Econometric Society, 48*(4), 817–838. https://doi.org/10.2307/1912934

Xie, B., Davidson, W. N., & DaDalt, P. J. (2003). Earnings management and corporate governance: The role of the board and the audit committee. *Journal of Corporate Finance, 9*(3), 295–316. https://doi.org/10.1016/S0929-1199(02)00006-8

Zhang, J. Q., Zhu, H., & Ding, H.-B. (2013). Board composition and corporate social responsibility: An empirical investigation in the post Sarbanes-Oxley era. *Journal of Business Ethics, 114*(3), 381–392. https://doi.org/10.1007/s10551-012-1352-0

APPENDIX. CSR DISCLOSURES CHECKLIST

Community involvement reporting
Information on charitable donations for the public
Information on support for public education
Information on support for public health
Information on support for the culture
Information on sponsoring recreational activities
Information on donations to the public for making gardens
Information on support to the local population
Information on the establishment of educational institutions
Information on support for the social welfare system
Information on the establishment of the medical centre
Information on supporting or conducting educational conferences
Environmental reporting
Information on environmental controlling system
Information on the company's policies for the environment
Information on the protection of natural resources
Information on the effluent treatment system
Information on preventing waste
Information on the water discharge of the company's operations
Information on the air emission control of the company's operations
Information on observation of pollution in the process of business operations
Information on solid waste disposal of the company's operations
ISO/26000/9001/22000/14001
Information on anti-litter campaign
Information on making the country green (e.g. planting of trees)
Information on initiatives to reduce carbon or green gas emissions
Providing environmental management services to other company's projects
Support the public or private action designed to protect the environment
Participation in environmental institutions (e.g. industry committees)
Marketplace reporting
Information on the quality of the product
Information on the safety of the product
Information on the development of the product
Information on research plans to develop its product
Information on disclosing safety practices to consumer
Information on customer service improvement
Information on complaints and consumer satisfaction
Workplace reporting
Information on the number of employees
Information on health care for employees
Information on employee training
Information on employees' welfare
Information on employees' salary
Information on employee appreciation such as the pensions programme
Information on the relationship between employee management and employee satisfaction
Information on hazards in the work environment
Information on compliance with safety and health standards in the workplace
Information on the percentage or number of minorities in the workforce such as female directors
Information on employee morale
Information on sponsoring educational conferences
Information on the company's future
Information on job opportunities

Note: Adopted from Haniffa and Cooke (2005), Mohd Ghazali (2007), Rashid and Lodh (2008), Rouf (2011), Bayoud et al. (2012), Rashid (2015), Barakat et al. (2015), Ibrahim and Hanefah (2016), and Ahmad et al. (2017a).