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Eyad Abdel-Halym Mahmoud Hyasat **VOLUNTARY DISCLOSURE AND STAKEHOLDERS' PERCEPTION IN JORDAN**

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Julho de 2018

University of Minho
School of Economics and Management

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Ph. D. Thesis in Accounting

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University of Minho

July, 2018

Statement of Integrity

I hereby declare having conducted my Thesis with integrity. I confirm that I have not used plagiarism or any form of falsification of results in the process of the Thesis elaboration. I further declare that I have fully acknowledged the Code of Ethical Conduct of the University of Minho.

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Acknowledgement

I thank the Almighty Allah (God) for giving me the grace and making everything possible!

Special thanks go to my supervisors Professor Dr. Delfina Gomes and Professor Dr. Lidia Oliveira for their valuable guidance and assistance throughout the process. Their astute advice, insightful criticisms and patient encouragement aided the writing. They were definitely crucial and inspiring to accomplish this success of this project in innumerable ways.

Thanks for the European Union for supporting my research through the Erasmus Mundus project. Special thanks go to University of Santiago de Compostela, Spain, and SRI office in University of Minho, Portugal, Braga, and to my University in Jordan, AL-Balqa Applied University those supporting my research to all entities.

I cannot find words to express my gratitude to my family, my mother, my wife, my daughters and my sisters and brothers whose encouragement, support, patience and understanding enabled me to complete my studies.

I would like to thank the Professors, management, administrative staff, fellow students and lectures at the University of Minho, especially the School of Economic and Management; Special thanks to Mrs. Estela Vieira and Mr. Seyed Mahmoud HosseinniaKani may the Allah bless you in abundance.

I would also like to thank the interviewees who have participated, those who have given me their time, efforts, knowledge and experience. They have really contributed to enriching this work.

Finally, I would also thank the reviewers and the jury for their insightful constructive comments yielding a high quality thesis and better understanding of the subject.

Resumo

Este estudo tem como objetivo analisar a divulgação voluntária na Jordânia, tendo por base as perceções dos stakeholders. Especificamente, este estudo pretende: analisar a evolução do contexto de divulgação voluntária na Jordânia; avaliar o tipo de informação voluntária divulgada pelas empresas cotadas na Bolsa de Valores de Aman (ASE) e como a mesma é divulgada; analisar as motivações dos gestores para divulgar voluntariamente informação relativa às empresas cotadas; e, finalmente, analisar a qualidade percebida da informação voluntária divulgada na Jordânia.

O estudo adota uma abordagem qualitativa, a qual se insere no paradigma interpretativo. A "Aplicação Zoom" disponível na internet facilitou a recolha de dados primários em duas fases, por um lado com grupos de focos e, por outro, entrevistas individuais. Foram selecionadas pessoas especializadas, com interesse e conhecimento na divulgação de informação por parte das empresas, através de uma abordagem direta e por amostragem. O total dos entrevistados de ambas as fases é de vinte e cinco indivíduos. Desenvolveu-se um guião para o grupo de foco e entrevistas em consonância com o método de Gioia e também foi utilizado o software NVivo para analisar os dados.

Os resultados indicam que o relato voluntário efetuado pelas empresas jordanas, em termos de tipo de informação, é desenvolvido em consonância com o relato dos países desenvolvidos neste domínio. No entanto, e em geral, as empresas jordanas não elaboram relatórios de sustentabilidade. Por outro lado, quanto ao conteúdo, e de acordo com a perceção dos participantes neste estudo, a qualidade da informação é ainda pobre. Além disso, as empresas jordanas procuram atingir os seus interesses, e também os interesses dos grandes grupos de stakeholders (investidores e legisladores), não atribuindo relevância aos interesses dos outros grupos. Tendo por base a perceção dos participantes, o estudo efetua também algumas recomendações para melhorar a qualidade do relato voluntário, beneficiando stakeholders, empresas e reguladores.

Palavras-chave: Divulgação empresarial, informação financeira e não financeira, divulgação voluntária, Jordânia

Abstract

Based on stakeholders' perceptions, this study aims to analyse voluntary disclosure in Jordan. Specifically, it seeks to: Analyse the evolution of the voluntary disclosure context in Jordan; Evaluate the type of voluntary information disclosed by Jordanian listed companies in the Amman Stock Exchange (ASE) and how it is disclosed; Analyse the managers' motivations for voluntary information of Jordanian listed companies; And finally, analyse the perceived quality of voluntary disclosure in Jordan.

We resorted to the use of the qualitative approach based on the interpretive paradigm. Using the internet "Zoom application" the data was collected in two stages, focus group and individual interviews, both stages were considered as a primary source for collecting data. We selected specialised persons who have interest and knowledge in corporate reporting through judgment and direct targeting or purposive and criterion sampling, the total of respondents of both stages is twenty-five individuals. We developed a focus group guide in line with Gioia method, also we used NVivo software as a computer-assisted to analyse the data.

Our results indicate that voluntary reporting of Jordanian companies in terms of information types is aligned with the reporting of developed countries in this field. However, in general, Jordanian companies do not apply sustainability reporting. In contrast, as far as content is concerned, according to stakeholders' perception, the quality of the information is still poor. In addition, the Jordanian companies seek to achieve their interests, as well as the interests of the major groups of stakeholders (investors and legislators) and are not concerned with the interests of other groups. Based on stakeholders' perception, the study also materialise some recommendations to improve the quality of voluntary reporting, which benefits stakeholders, companies and regulators.
Keyword: Corporate Reporting, Financial and Non-financial Information, Voluntary Disclosure, Jordan

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Acronyms

AICPA: American Institute of Certified Public Accountants

ASE: Amman Stock Exchange

CBJ: Central Bank of Jordan

CEO: Chief Executive Officer

CSED: Corporate Social and Environmental Disclosure

CSR: Corporate Social Responsibility

DOS: Department of Statistics

EU: European Union

FTA: Free Trade Agreement

GAAP: Generally Accepted Accounting Principles

GAFTA: Greater Arab Free Trade Area

GRI: Global Reporting Initiative

IASB: International Accounting Standards Board

IC: Intellectual Capital

IFRS: International Financial Reporting Standard

IIRC: International Integrated Reporting Committee

IMF: International Monetary Fund

IOSCO: International Organization of Securities Commissions

IR: Integrated Reporting

JACPA: Jordanian Association of Certified Public Accountants

JSC: Jordan Securities Commission

SR: Sustainability Reporting

TFR: Traditional Financial Reporting

WTO: World Trade Organization

CHAPTER ONE

I: INTRODUCTION

1.1. Background of the Study

Companies' reporting consisted only of financial statements (traditional financial reports), as the corporate reporting were limit to presenting the financial statements and complementary footnotes. Moreover, corporate reporting were primarily directed to investors and shareholders. Over the past few decades, capital markets have seen tremendous progress in various areas. Thereby, corporate reporting became insufficient to make decisions for these categories, it has also not being able to meet the objectives of companies, in addition to the demand which raised by other categories of stakeholders to meet their needs of information. In this light, the laws and regulations also have seen developments regarding disclosure requirements. In fact, corporate reporting became more than financial statements, corporate reporting become involve a various topics and information, companies also become relied on non-financial information as well as financial data and information to achieve their goals. We are referring to contents, reporting tools, target audience, report types, design and so on.

The new developments in the corporate reporting domain stem from the developments in a business environment. Corporate reporting became include information on both mandatory and voluntary disclosure. The mandatory disclosure required by law, regulations. The most important role of corporate reporting is to provide relevant, useful, reliable and comparable financial information to investors, shareholders and other interested people (stakeholder) about the financial position and performance of the business as well as its future prospects to help users in decision making (KPMG, 2015). The financial information must be relevant and accurate to be useful. Moreover, the usefulness of financial reports can be enhanced for decision-making, if the information is comparable, verifiable, timely and understandable (IASB, 2010a, 2010b, IASB, 2013).

With the tremendous development and opening up of global capital markets, the need to consolidate corporate reports worldwide has emerged. The main advantage of mandatory reporting was the creation of standardised and comparable measures that enable benchmarking and best practices (Kaya, 2016). The IASB has created common accounting principles, understandable and enforceable globally in order to improve the quality of the mandatory information provided by companies in the capital markets (Ball, 2006; Barth, Landsman, & Lang, 2008). Although decisions have been made regarding legislation, laws and voluntary initiatives to regulate the work of companies, especially corporate reports, such as international financial reporting standards (IFRS), the legal rules and the quality of their enforcement vary across countries. In addition, they do not seem to be sufficient to meet the demands of all parties, including firms. From this perspective, financial reporting and mandatory reporting alone seem insufficient to achieve this. Thereby, the importance of voluntary reports has emerged over the past decades.

Voluntary disclosure rests upon management's judgments (Shehata, 2014). These developments have fostered the change of the types and content of reporting from traditional information that related to earning profitability to the need to comply with other issues in order to render it ever more reliable, relevant, and useful, to meet the demand of users, and also, to achieve objectives of companies, which includes a number of new different elements. These developments have led to more transparency, responsibility and accountability. In addition, they have fostered the improvement of corporate reporting through the disclosure of financial and non-financial results and, mandatory and voluntary reporting of a companies for the different stakeholders' categories.

Regarding the content of reports, in response to the direction of the world around a rapid globalisation, the impact of social and environment issues on corporate activities and performance and the information needs of a broader range of stakeholders did stimulate the companies to include information about environment, society and governance. This shift from predominantly voluntary information provision to demand of information can be seen as a natural consequence of the increasing pressures on corporations, for instance, to be 'socially responsible', particularly in light of intensified world-wide attention on unethical corporate behaviour and corporate collapse (Laan, 2009). Thereby, companies seeks to address the demand among investors and other stakeholders for more information on the broader non-financial contributions of corporations to society (UN, 2008).

It is interesting to pinpoint that voluntary disclosure has evolved and expanded significantly in terms of quantity and quality. At the same time, investors and other stakeholders have begun to require a greater value to non-financial information, which among other things includes information about a company's governance, information about the management quality, the company's innovation capacity, brand, reputation and customer satisfaction. These factors help stakeholders to illustrate the company's overall value and help them to see the bigger picture of a company's value creation potential over the short, medium and long term (AICPA, 2014). Such as unrecognised intangible assets, additional data about those assets would be beneficial because of the importance of intangibles to a company's value. Intangibles become not only those assets resulting from research and development but also human resources, customer relationships, innovations, inter alia. Disclosures are most useful if they report on previously disclosed plans and goals and the results achieved in meeting those plans and goals. Furthermore, disclosures of the management's view of the company are the "critical success factors" and trends surrounding those factors (FASB, 2001).

On the other hand, corporations use various channels to disclose information for the audience, for instance, according to Botosan (1997) annual reports as published by companies are one of the most important sources of information to outsiders. It is the major reporting document and every other financial report is in some respect subsidiary or supplementary to it (Knutson, 1992). Healy and Palepu (2001) refer that the information disclosure in annual reports is a strategic tool, which can enhance the company's ability in raising capital at the lowest possible cost. Indeed, the corporate annual report considered as a means by which organisations seek to establish an image in the public sphere through voluntarily reporting (Gray, Kouhy & Lavers, 1995).

In the same context, Bolivar (2009) mentioned that the paper-based reporting became less timely and less useful; companies became to use channels other than paper-based reporting, such as the internet to communicate the financial and non-financial information to the audience. Indeed, voluntary disclosure can take from other different sources: press financial releases, industry experts and analyst reports, conference calls, monthly newsletters, and field visits (Graham, Harvey & Rajgopal, 2005). For instance, nowadays, companies are using their websites to disclose financial and nonfinancial information. Companies' website plays a pivotal role as a key driver in companies' development (Adams & frost, 2004). Suttipun and Stanton (2012b) have mentioned that companies use websites to manage their reputations. In addition, website reporting can present real-time information to the multiple distant stakeholders at very low cost (Suttipun & Stanton, 2012a). Although, there is some disadvantages (Campbell & Beck, 2004). However, companies are increasingly using their websites to reveal information about their actions and activities (Adams & Frost, 2004). Indeed, the most important role of company's website is being the easiest way to find the information about the company, the website usually includes the annual reports for the company.

The regulatory requirements for corporate reporting allows companies to have a greater deal of freedom over their reporting policies (Suwaidan, Al-omari and Haddad, 2004). Since compulsory disclosure is the minimum, companies are inclined to disclose accounting information voluntarily in order to provide assurance for the market participants that their accounting policies are consistent with the accounting regulation and meet the information needs of their stakeholders (Iatridis, 2008). Therefore, companies seek to present their performance in the most favourable way by disclosing more information than required by these regulations, allowing for the making decisions in favour of or against the disclosure of certain informative items (Myburgh, 2001). Previous studies have shown that the level and content of voluntary disclosure vary according to the different laws and regulations of countries. For example, the adoption of IFRSs is one of the most important factors that have contributed to the development and improvement of corporate reporting, including voluntary reporting. In addition, the policy of opening up of financial markets in some countries toward the outside world in general, and to external investors in particular.

On the other hand, corporate reports have become subject to tricky and complex considerations, there is a significant impact on the decision to disclose information voluntarily according to a set of factors and motives of companies themselves and their users. Thereby, level and content of corporate reporting differs amongst entities, these factors may be related to the internal and external situations of companies, there are also factors related to the internal and external conditions of countries. In addition, according to Iatridis (2008) firms tend to provide extensive accounting disclosures in order to achieve their motives.

For example, managers acknowledge that career concerns such as competition and external reputation are important drivers of the need to disclose information voluntarily, so, companies disclose high quality information in order to improve their image and reputation and create value by using the information. Moreover, Voluntary disclosures are pre-emptive steps to mitigate adverse regulatory or legislative pressures in the future (Brammer & Pavelin, 2004), in addition to maintain competitive advantage. The company’s performance also plays critical role on voluntary disclosure (Graham et al., 2005; Healy & Palepu, 2001). Also, regarding to effect of managers characteristics, managers are diverse from each other in terms of qualifications, experience, skills and other hidden talents (Graham et al., 2005; Trueman, 1986). In the same context, there is view that managers have incentives to make self-serving voluntary disclosures (Healy & Palepu 2001).

With regard to the relationship between companies and stakeholders, stakeholder want broader information that goes beyond pure financial data, useful voluntary disclosures relate to important aspects of the business, management’s strategies and plans, metrics comparing actual performance and competitive disadvantage (FASB, 2001). While, companies need to understand and respond to the demand of the information that would bring benefits (IIRC, 2015; PCW, 2007). Generally, managers use voluntary reporting in order to deliver a complete picture of firm performance and value (Eccles & Krzus, 2015; IIRC, 2015). The provision of accounting information through voluntary disclosures gives stakeholders a better picture of the companies' financial performance and capacity and enables them to issue superior and more reliable forecasts (Bhushan, 1989a, 1989b; IIRC, 2015). However, managers are reluctant to engage in voluntary disclosures to avoid unwanted attention from stakeholders (Graham et al., 2005). In addition, managers may use voluntary reporting as a tool for influencing the perceptions of stakeholders (Brammer & Pavelin, 2004). Indeed, voluntary disclosure is a matter depends on the decisions of the managers, therefore, managers choose it to publish or keep it confidential (Core, 2001; Einhorn & Ziv, 2012).

In addition, there is evidence that the level and quality of voluntary disclosure are related to many factors, including that related to the company, and its environment. For instance, empirical researches on voluntary disclosure has a long history documenting the impact of companies' characteristics on information disclosure, such as size, industry, leverage, managerial ownership and government ownership, inter alia, in addition to corporate governance (see, AbuGhazaleh & Nobanee, 2015; Al-Akra & Hutchinson, 2013; Al-Janadi, Rahman & Omar, 2013; Barros, Boubaker & Hamrouni, 2013; Branco & Rodrigues, 2008; Brüggen, Vergauwen & Dao, 2009; Cheng & Courtenay, 2006; Depoers, 2000; Eng & Mak, 2003; García-meca, Parra, Larrán & Martínez, 2005; Hidalgo, García-Meca & Martínez, 2011; Ho & Wong, 2001; Li, Pike & Haniffa, 2008; Naser, 1998; Naser, Al-Khatib & Karbhari, 2002; Oliveira, Rodrigues & Craig, 2010; Oliveira, Rodrigues & Craig, 2013). In addition, with regard to ownership structure (see, Al-Akra, Eddie & Ali, 2010; Boubakri, Cosset & Guedhami, 2005; Depoers, 2000; Earle & Telegdy, 2004; Naser et al., 2002).

Regarding to the sources of data, depending on the reviewing literature, regarding investigated of voluntary disclosure, the majority of previous studies used one or more of companies' reporting. Most of the academic researchers have focused on annual reports of companies (see, Al-Akra et al., 2010; Al-hamadeen & Suwaidan, 2014; Al shattarat, Haddad & Al-hares, 2010; Al-Razeen & Karbhari, 2004; Chan, Watson & Woodliff, 2014; Chow, 2007; Lim, Matolcsy & Pedrini, 2007; Sartawi, Hindawi, Bsoul & Ali, 2014). On the other hand, researchers also used other channels in literature to investigate corporate reporting, based on other communication channels companies use to communicate information to stakeholders such as stand-alone reports, interim reports (half yearly), and companies' websites, et cetera (for instance, Albawwat, basah & Khairi, 2015a, b; Branco & Rodrigues, 2006a; 2008; Oliveira et al., 2010).

In terms of the quality of reporting and stakeholders, in the last decades of the twentieth century, the business context has undergone a change in the purpose of the reporting, from traditional financial reporting (TFR) to a comprehensive business reporting (AICPA, 1994). The focus moved from corporate information related to earning profitability to the need to comply with other issues than just financial information (AICPA, 1994; Gray et al., 1995). This indicates, besides financial reporting, that non-financial reporting is a highly important source of information for all stakeholders. Actually, sustainability reporting (SR) and integrated reporting (IR) have drawn much attention throughout the last decades. Therefore, non-financial information is important not only to stakeholders, especially investors but also to the companies themselves (AICPA, 1994). Nonetheless, the disclosure of content needs to be more useful. In this case, the users of financial statements would have access to disclosures containing more useful and insightful information (EY, 2014. P,3).

The International Integrated Reporting Committee (IIRC) has set guidelines to explain how to disclose economic, environmental, social, governance, ethical and risk performance. This report should be comprehensive in order to meet the minimum needs and requirements of stakeholders. According to Global Reporting Initiative (GRI) sustainability report conveys sustainability-related information in a way that is comparable with financial reporting. In addition, a company, which aims to provide a sustainability report, should follow a number of principles, including completeness, balance, transparency, clarity, reliability, stakeholder inclusiveness and sustainability context (GRI, 2002).

However, IIRC (2015) pointed out that corporate reporting still have some shortcomings. In order to addressed the shortcomings of corporate reporting, the IIRC has set an international framework which basically includes some guidance principles for companies and other organizations that aim to provide IR based on: consistency and comparability; strategic focus and future orientation; connectivity of information; materiality; conciseness; reliability and completeness and stakeholder relationships.

Although voluntary reports have been extensively researched, as literature has grown in this area over the past few decades extensively, they are still fertile ground for further research, where knowledge is still scattered, and research results are fragmented, which need to be studied inclusive integrative, in line with the holistic approach recently put forward by the UN "IR" Initiative to achieve the desired quality through the implementation of SR.

Based on this perspective, unlike previous studies which we referred to some of them above, for example, many previous studies have focused on studying one type or more of the corporate reporting. This study aims to analyse corporate voluntary reporting through a comprehensive approach. This study deals with many aspects, including but not limited to the development of corporate reports, internal and external factors that affect voluntary reports, the motives for voluntary disclosure and its consequences, channels and forms of disclosure, and the quality of voluntary reports.

Moreover, with respect to data sources, through literature review, we found that the vast majority of previous studies relied on one type of report as a source of data, such as annual reports, interim reports, or internet sites of companies. This study relied on the analysis of the views of multiple stakeholder groups directly regarding the corporate reporting based on group interviews and focus group interviews.

In contrast to previous studies, the vast majority of which focused on investors and shareholders, this study aims at analysing the needs of all categories of stakeholders, analysing the importance of the types of information they need, and highlighting information that is not generally available in reports of companies to meet the requirements of different types of stakeholders.

Recently, non-financial information became an important element for companies' communication with the capital markets for complementing the financial statements (IASB, 2010). In fact, managers do not always act in the best interest of stakeholders (Hill & Jones, 2010). However, managers disclose information more than required in order to satisfy the needs of various stakeholders (IIRC, 2015; Meek, Roberts & Gray, 1995). In addition, companies tend to provide voluntary disclosures in order to influence/enhance stakeholders' perceptions (Healy & Palepu, 1993, 1995). Therefore, a variety of economic and managerial theories may provide an in-depth explanation of corporate reporting. Those theories focus on different aspects of corporate behaviour (Beattie & Smith, 2012). Based on this perspective, this study employ stakeholder theory and impression management theory to explain the voluntary reporting.

Moreover, to the best of our knowledge, no empirical study has yet addressed corporate reporting as understood in this study. In this respect, it is essential to analyse stakeholders' perception about voluntary reporting in Jordan to assist companies in order to understand and meet the stakeholders' needs of information, in addition to assist policy makers in designing policies regarding corporate reporting. So, next section present the study aims.

1.2. Objective and Research Question

The main purpose of this study is to analyse stakeholders' perceptions about voluntary disclosure in Jordan. Specifically, based on stakeholders' perceptions, it seeks to: Analyse the evolution of the voluntary disclosure context in Jordan; Evaluate the type of voluntary information disclosed by Jordanian listed companies in the ASE and how it is disclosed; Analyse the managers' motivations for voluntary reporting of Jordanian listed companies; Analyse the perceived quality of voluntary disclosure in Jordan.

Regarding the main objective of this research, this study aims to answer the following research question:

What is the stakeholders' perceptions on voluntary disclosure of Jordanian listed companies?

This research question is divided into the following subsidiary questions based on the stakeholders' perceptions:

1. How has voluntary disclosure developed in Jordan?
2. What is the type of voluntary information disclosed by Jordanian listed companies in the ASE and how is it disclosed?
3. Which are the motivations and consequences of voluntary disclosure of Jordanian listed companies in the ASE?
4. What is the perceived quality of voluntary disclosure of Jordanian listed companies in the ASE?

1.3. Methodology

The methodology for this research was designed mainly on the concepts of the interpretive paradigm. So, inductive approach considered the appropriate methodology in order to achieve the objectives of this study. Having reviewed the relevant literature, the focus group method is applied in this study, in addition to individual interviews, both of two stages considered as a primary source for collecting data. The Zoom application was used to collect data from focus groups and other interviews, we selected specialized persons who have a direct relation with our subject, through judgment and direct targeting or purposive and criterion sampling. In other words, the sample selection plan included a dimension related to the topics discussed, and therefore, we were keen to be as wide- ranging as possible regarding the participation of all stakeholder groups, the total of respondents of both two stages is nineteen members. We developed a focus group guide in line with Gioia method, also we used NVivo software as a computer-assisted to analyse the data.

1.4. Expected Contribution

Through this study, based on an analysis the stakeholder perceptions, we seek to provide an integrated perspective on the voluntary reports of Jordanian companies listed on the ASE. This study is expected to reveal the most important information required by the various categories of stakeholders, whether they have been disclosed or that have been blocked by companies. This study sheds light on the strengths and weaknesses of voluntary disclosure, in terms of types of information, channels of disclosure, content and constituents of reports, and their consequences. In addition, we expected to provide recommendations to stakeholders, legislators and companies to improve the quality of voluntary reports to achieve the objectives of all groups.

1.5. Structure of the Study

Following the current chapter, Chapter Two reviews the literature that relates to corporate reporting, describes the holistic view of the evolution of corporate reporting ranging from traditional financial information to IR and types of information in corporate reporting, including motivations, advantages and disadvantages of voluntary disclosure. Chapter Three discusses the theoretical background of theories which are used to explain voluntary reporting. In addition, the chapter reviews the empirical studies in the concerned area to understand the relationship between theories and corporate reporting. It also helps to describe how companies manage information voluntary disclosure using stakeholder theory and impression management theory.

Chapter Four addresses the ontological, epistemological and methodological assumptions underlying this study, data sources and procedures used in data collection and the interview design, and presents an overview of the procedures adopted in the data analysis. Subsequently, in Chapter Five we summarise the path of corporate reporting in Jordan and analyse how Jordan's organisational, political, economic, legal and social environment influenced the development of corporate reporting. Thus, the documental analysis was used based on legal documents and previous studies. In line with the main objective and sub-objectives of this study, Chapter Six presents the results and discussions based on the Jordanian stakeholders' perception regarding voluntary disclosure of the Jordanian listed companies.

Finally, IN Chapter Seven we highlight and discuss the main conclusions of this study by comparing and integrating the results in the context of the existing literature for a broader and clearer overview of our conclusions and contributions. We, consequently, attempt to gradually answer the main research question of this study. At last, we conclude with the recommendations, the contributions and the limitations of the study thus unveiling future possibilities of research in this area.

CHAPTER TWO

II: LITERATURE REVIEW

2.1. Introduction

The new developments in the corporate reporting domain stem from the developments in a business environment. These developments have fostered the change of the types and content of reporting from traditional information that related to earning profitability to the need to comply with other issues in order to render it ever more reliable, relevant, and useful, to meet the demand of users, and also, to achieve objectives of companies. In this light, corporate reporting became more than financial statements, which includes a number of new different elements.

Companies can achieve several goals by disclosing additional information, whose high quality relates to internal and external issues of the company. However, there are some challenges managers have to tackle when they make a voluntary disclosure. Managers were not aware of the need to determine if the disclosure of more voluntary information was in line with the company's interest. Hence, managers should have a general idea of the consequences of disclosure. In this sense, voluntary disclosure will remain a matter of biased information selected by managers (Core, 2001).

This chapter seeks to contribute to the main objective and sub-objectives of this study. It aims to review the literature that relates to corporate reporting, such as the evolution of the corporate reporting context, types of information that are included in corporate reporting, and motivations, advantages and disadvantages of voluntary disclosure.

This chapter consists of six sections. The section number two describes the holistic view of the evolution of corporate reporting, ranging from traditional financial information to IR. The section three aims to present the effect of mandatory requirements on voluntary reporting. Then, in section four, we address the issue relate to the motivation of managers about their voluntary reporting. In section five, we shed light on the advantage and disadvantage of voluntary disclosure. The evolution of voluntary disclosure and academic research is handled in section six. Finally, the last chapter offers a summary.

2.2. The Evolution of Corporate Reporting: From Traditional Financial Information to Integrated Reporting

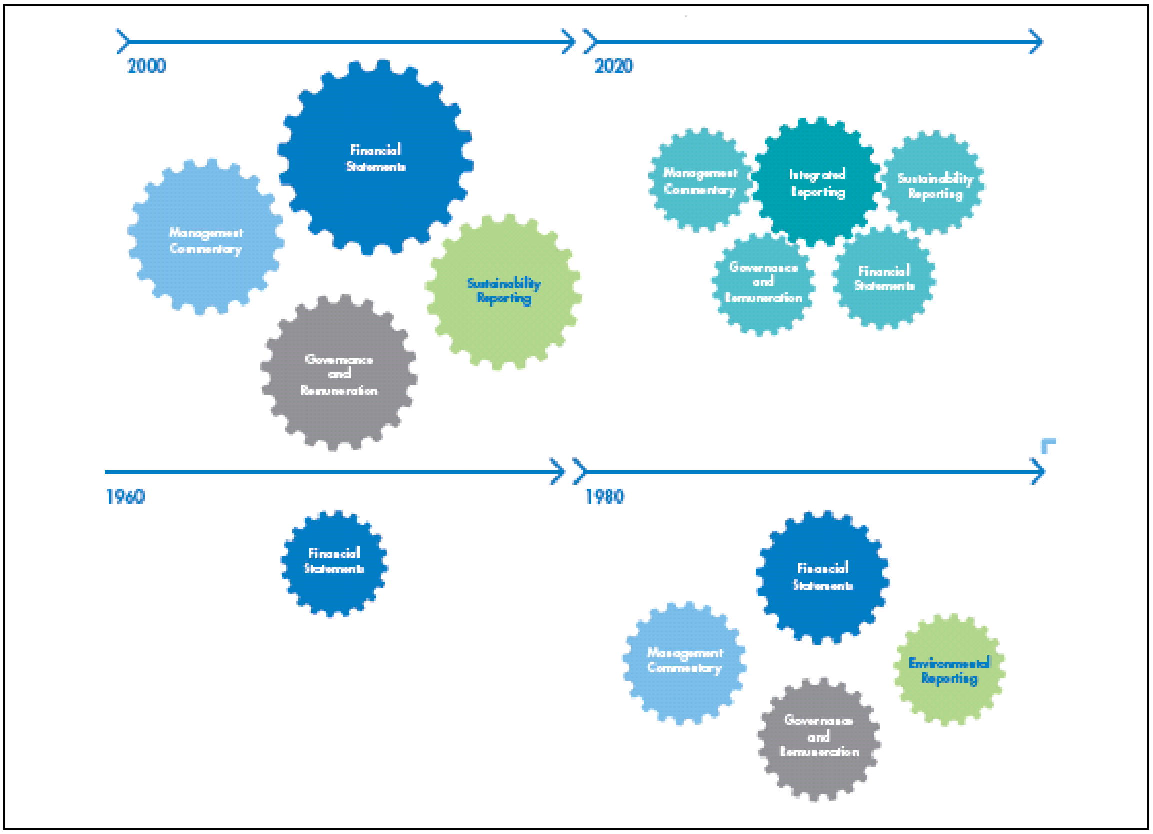
2.2.1. Background

Until the 1980s, corporate reporting TFR used to consist of only financial data, where corporate reporting was covering the presentation of financial information and their complementary footnotes. Moreover, this information addressed mainly the investors. Several factors have played an important role in the developement of corporate reporting such as regulations, the demands of investors and other users of corporate reporting for more information and companies themselves. Furthermore, in the last two decades, corporate collapse scandals and privatisation programmes have steered some regulatory steps by regulatory bodies and companies themselves in order to restore the confidence of the users of financial reports.

These regulations have led to more transparency, responsibility and accountability. In addition, they have fostered the improvement of corporate reporting through the disclosure of financial and non-financial results of a company to stakeholders periodically. We are referring to contents, reporting tools, target audience, report types, design and so on.

Financial reports alone are not sufficient to meet the information demand of stakeholders, thus there is a need for more information deemed useful for decision-making. Nowadays, corporate reporting has become more comprehensive including non-financial information along with financial data. The next sub three sections seek to spotlight and analyse the new development in the corporate reporting. The IIRC (2011) summarises the evolution of corporate reporting as shown in Figure 1.

Figure 1: The evolution of corporate reporting



Source: IIRC, 2011, pp.6-7.

2.2.2. Financial and Non- Financial Information (Content of Information)

According to the conceptual framework for financial reporting (IASB, 2010a, 2013), the main objective of financial reporting is the provision of financial information about the reporting entity to users for steering decision making processes. Indeed, financial reports concern different aspects like a) the financial position of a reporting entity; and, b) the effects of transactions and any effective event that may change economic resources and claims of the reporting entity. The provisions of information on the reporting entity are useful for users in the process of economic decision-making. The financial information must be relevant and accurate to be useful and relevant. Moreover, the usefulness of financial reports can be enhanced for decision-making (IASB, 2010b) if the information is comparable, verifiable, timely and understandable (IASB, 2010a, 2013). In addition, stakeholders can enhance their perception of financial reports by means of compliance with the criteria likely to affect the information usefulness and its quality.

Since the end of the last century, corporate financial reporting has known extensive development. Corporate reporting has evolved from financial reporting to sustainability and IR (IMA & ACCA, 2016). That evolution reflects the change of the world in the business context. Consequently, according to the IIRC (2011, p.4) reporting "needs to keep pace" but it "is not enough to continue on adding more information – the connections need to be made clear and the clutter needs to be removed".

The government enforces indeed mandatory disclosure, whereas the industry and the market sponsor voluntary disclosure. Many private third-party certifiers also adopt disclosure regimes to satisfy the market demand for quality information (Dranove & Jin, 2010). The non-financial information comprises, for example, social, environmental and intellectual capital (IC) information. In what concerns the environmental terms, the business reactions may influence social and environmental information, defined as financial and non-financial (qualitative and quantitative) information, including all the accounting issues (Mathews, 1997). In addition, the information related to IC does seem to bridge three main elements such as human capital, external capital and internal capital (Guthrie, Petty, Yongvanich & Ricceri, 2004; Guthrie, Petty & Ricceri, 2006).

FASB (2001) classified voluntary disclosures of business information within the following six categories: business data, management's analysis of business data, forward-looking information, information about management and shareholders, background about the company, and, financial statements failed to recognise information about intangible assets. The first five categories are the same that were included in AICPA special committee on financial reporting's comprehensive business reporting model (AICPA, 1994). Annual and autonomous reports may disclose this kind of voluntary information. We are referring to sustainability reports, environmental reports, social reports, and IC reports (see IASB, 2010b; IIRC, 2011).

2.2.2.1 Disclosure Channels

Corporations use various channels to disclose information for the audience, for instance, annual reports. Annual reports include information on both mandatory and voluntary disclosure. The mandatory disclosure required by law, regulations while voluntary disclosure rests upon management's judgments (Shehata, 2014). Barako, Hancock and Izan (2006) have stated that annual reports can be a medium for communicating both quantitative and qualitative corporate information for the shareholders, or other parties.

According to Botosan (1997) annual reports as published by companies are one of the most important sources of information to outsiders. It is the major reporting document and every other financial report is in some respect subsidiary or supplementary to it (Knutson, 1992). The most important role of annual reports is to provide relevant, useful, reliable and comparable financial information to investors, shareholders and other interested people (stakeholder) about the financial position and performance of the business as well as its future prospects to help users in decision-making (KPMG, 2015). Healy and Palepu (2001) refer that the information disclosure in annual reports is a strategic tool, which can enhance the company's ability in raising capital at the lowest possible cost. In addition, Oliveira et al. (2013) have mentioned that the annual reports are an important medium for communicating IC information with stakeholders, such as minority shareholders, employees, consumers and society. Indeed, the corporate annual report considered as a means by which organisations seek to establish an image in the public sphere through voluntarily reporting, also, companies seeking to promote their interests by providing a glance of the mindset of corporate management for users (Gray et al., 1995).

On the other hand, Bolivar (2009) mentioned that the paper-based reporting became less timely and less useful; companies became to use channels other than paper-based reporting, such as the internet to communicate the financial information to decision makers. Therefore, nowadays companies are using their websites to disclose financial and nonfinancial information. Indeed, much of the communication between companies and stakeholders happens via websites. Hence, the on-line disclosure of financial and nonfinancial Information has recently become a common practice for some companies, thereby rendering information more timely and relevant to decision making. Therefore, it is mandatory in some countries. Indeed, the most important role of company's website is actually an easier way to find the information about the company: the website usually includes the annual reports for the company.

The internet has a wide reaching audience. Searching for information on the internet is increasingly popular among stakeholders today because it has lowered the barriers to communication (Abeysekera, 2010). Companies' website plays a pivotal role as a key driver in companies' development as well as to the enhancement of corporate reputation through growth with maintaining control over information dissemination (Adams & frost, 2004). In addition, website reporting can present real-time information to the multiple distant stakeholders at very low cost (Suttipun & Stanton, 2012a). Suttipun and Stanton (2012b) have mentioned that Thai companies use websites to provide good news rather than bad news in order to manage company reputation among stakeholders; to that end, their use of websites to manage their reputations would allow these companies to give a rapid response to any event threatening those reputations. Nonetheless, websites have a disadvantage. According to Campbell and Beck (2004) data captured one day may be removed the next day, rendering the replication problematic. However, companies are increasingly using their websites to reveal environmental information about their actions and activities (Adams & Frost, 2004).

Indeed, voluntary disclosure can take from other different sources: press financial releases, industry experts and analyst reports, conference calls, monthly newsletters, and field visits with existing and potential institutional investors (Graham et al., 2005).

2.2.2.2 Content and Types of Reporting

Regarding the content of reports, for many entities annual reports one already an important element of their communication with the capital markets, for instance, management commentary considered as a formal report that supplement and complement the financial statements. It provides a context within which one may interpret the financial position, financial performance and cash flows of an entity. The form and content of management commentary may vary by entity. Thus, the statement also provides principles to enable entities to adapt the information they provide to the particular circumstances of their business, including the legal and economic circumstances of individual jurisdictions. The management commentary is a narrative report that also provides management with an opportunity to explain its objectives and its strategies for achieving those objectives that relate to financial statements prepared in accordance with IFRSs, but not to other information presented in either the financial statements or the broader financial reports (IASB, 2010b).

In light of this, management commentary will help users to evaluate an entity's prospects and its general risks, as well as the success of management's strategies for achieving its objectives. On the other hand, information in management commentary should possess the fundamental qualitative characteristics of relevance and faithful representation. This flexible approach will generate more disclosure that is meaningful by encouraging entities that choose to present management commentary to discuss those matters that are most relevant to their individual circumstances (IASB, 2010b).

It is also interesting to pinpoint that corporate social disclosures are primarily voluntary in nature. However, increasingly, stakeholders such as non-government organisations (NGOs), regulatory agencies, ethical or socially responsible investment fund managers, rating agencies and other stakeholders are requesting social information from corporations. This shift from predominantly voluntary information provision to demand of information can be seen as a natural consequence of the increasing pressures on corporations to be 'socially responsible', particularly in light of intensified world-wide attention on unethical corporate behaviour and corporate collapse (Laan, 2009).

In response to the direction of the world around a rapid globalisation, the interest in corporate responsibility continues to grow among a broad range of enterprises, investors, civil society actors and other stakeholders. This stakeholders' demand for more non-financial information from enterprises, the call for clear, concise and concrete guidance on corporate responsibility reporting (CRR) has been growing over time. Indeed, a number of new market-driven initiatives have been formed to develop voluntary frameworks for corporate reporting, which can be viewed as complementary to the TFR (see EY, 2014; FEE, 2016; UN, 2008). By leveraging these voluntary frameworks to engage in meaningful totalitarianism, sustainability and IR, companies and their stakeholders can gain better insight into their current value and potential of creation value over time (IIRC, 2015).

The impact of social issues on corporate activities and performance and the information needs of a broader range of stakeholders did stimulate the companies to include environmental, social and governance information. This highlights a change from the limited disclosure of environmental elements to a broader coverage of social and environmental issues. Moreover, the development of voluntary reporting frameworks has rendered disclosure more structured. As a result, disclosure on social, environmental and governance issues now resorts to reporting on material aspects of corporate impacts and activities. Insofar this shift toward materiality is concerned, we may state that SR has certainly improved since its inception, thereby favouring IR to fulfil the information needs for concise and material information about the multifaceted nature of corporate activities and the process through which it creates value (in terms of different capitals) over the long term (IMA & ACCA, 2015).

In the same context, the UN (2008) guidance fosters the preparation of preparers of enterprise reporting in producing concise and comparable corporate responsibility indicators within their annual financial reports. Furthermore, it seeks to address the demand among investors and other stakeholders for more information on the broader non-financial contributions of corporations to society. It provides an overview of the core social and economic indicators and detailed guidance for compiling and reporting these indicators, where the guiding principles discussed and the three key dimensions have evolved on this subject: the development dimension; performance orientation; and a focus on national reporting.

In addition, environmental issues are also an important feature of corporate responsibility, as the UN (2000) report has recommended steering the integration of environmental and financial performance at the enterprise level. This form of reporting provides investors and other stakeholders with a more holistic view of an enterprise's activities and performance as well as the quality of its management. Such corporate transparency facilitates investment decisions, and more broadly, allows governments and other stakeholders to appraise an enterprise's contribution to social and economic development (UN, 2008).

Regarding tangible and intangible assets disclosure, the tangible assets reflect a company's market value in TFR. However, physical and financial assets do not explain the market value of a company, because they are mostly focused on historical performance and do not provide information on the long-term, broader, value-creation potential of a corporation (IMA & ACCA, 2016). It is commonly accepted that financial information does not suffice to support a comprehensive decision making process. Stakeholders are increasingly using the non-financial information to complement financial information, thereby recognising its materiality because of the increasing complexity of business, which has made prominent the gaps in traditional reporting (IIRC, 2011).

The evolution of voluntary disclosures is increasing because of the fast pace of change in the business environment. Such as unrecognised intangible assets, additional data about those assets would be beneficial because of the importance of intangibles to a company's value. Intangibles become not only those assets resulting from research and development but also human resources, customer relationships, innovations, *inter alia*. Disclosures are most useful if they report on previously disclosed plans and goals and the results achieved in meeting those plans and goals. Furthermore, disclosures of the management's view of the company are the "critical success factors" and trends surrounding those factors (FASB, 2001). It is interesting to pinpoint that voluntary disclosure has evolved and expanded significantly in terms of quantity and quality, nonetheless, the disclosure of content needs to be more useful. In this case, the users of financial statements would have access to disclosures containing more useful and insightful information (EY, 2014).

Although corporate reporting evolved broadly in various disciplines, it has also became increasingly complex. Furthermore, it has significantly increased the compliance burden for the growing number of organisations, which makes it difficult to compare the organisations' performance. Connections should also be clearer and well structured. Only the most material information should be included in the Integrated Report. The length and excessive detail can blur critical information rather than favour its understanding (IIRC, 2011). EY (2014) mentioned that the disclosure of documents containing flawed and repetitive information might render it difficult for investors to grasp the core information of the Report. The volume of disclosures has grown as the average number of pages devoted to footnotes and management's discussion and analysis in the annual reports has quadrupled from 1992 to 2011.

Therefore, EY (2014) has designed a framework to disclose more relevant and important information to financial statements' users. In order to both improve the disclosure of content and at the same time reduce the amount of disclosure content, it is mandatory to avoid repetition, tailor the disclosure to focus on material information and eliminate outdated and immaterial information. The reduction of the negative impact on society and determining how they can be part of progress on global challenges, such as climate change and the enforcement of human rights (IMA & ACCA, 2016), does foster the creation of shared value.

The European Federation of Accountants (FEE) made many contributions on the disclosure of non-financial information and diversity, the European Union (EU) Directive on disclosure of non-financial, diversity information, and the role of practitioners in providing assurance. These contributions address issues that could lead to inconsistent application across the EU and make positive suggestions as to how best to achieve consistent, high quality non-financial information reporting across the EU. It also aims to contribute to the development of the non-binding guidelines that the Commission is required to produce (FEE, 2016). This contribution can improve the big EU companies' disclosure of non-financial and diversity information and achieve good quality and consistent reporting (see, FEE, 2016).

In many countries, some type of SR is mandated and every year passes new laws and guidelines to countries throughout the world. Many indicators suggest that mandatory corporate reporting will be the future in both developed and emerging economies, and reporting will be required in the future in both emerging and developed economies (see: EY & Boston College, 2016). For example, the new EU legislation introduces additional non-financial information disclosure requirements for large public interest entities (PIEs). These entities are required to provide information on environmental matters, social and employee-related aspects, respect for human rights and anti-corruption and bribery issues (FEE, 2015). Moreover, Member States should have transposed this Directive into their national laws by 6 December 2016, and companies will need to apply it to their reports from 2017 onwards (see FEE 2015; 2016).

A variety of concerns have prompted the development of ongoing public discourse about the role of business in society and the need for greater transparency, sustainability and responsibility in business (EY & Boston College, 2016). These were attempts to integrate sustainability accounting with financial accounting (IMA & ACCA, 2016). As a result, investors and other stakeholders have begun to require a greater value to non-financial information, which among other things includes information about a company’s governance, environmental and social matters, and information about the management quality, the company’s innovation capacity, brand, reputation and customer satisfaction. These factors help stakeholders to illustrate the company’s overall value and help them to see the bigger picture of a company's value creation potential over the short, medium and long term (AICPA, 2014). Therefore, non-financial information is important not only to stakeholders, especially investors but also to the companies themselves (AICPA, 1994).

In the last decades of the twentieth century, the business context has undergone a change in the purpose of the reporting, from TFR to a comprehensive business reporting (AICPA, 1994). The GRI was founded at the end of the 1990s. Only a few dozen companies applied reports with the GRI in its first few years (EY & Boston College, 2016). The focus moved from corporate information related to earning profitability to the need to comply with other issues than just financial information (AICPA, 1994; Gray et al., 1995). This indicates, besides financial reporting, that non-financial reporting is a highly important source of information for all stakeholders. Actually, SR and IR have drawn much attention throughout the twentieth century. In this light, we should discuss at length this sort of reporting for a better understanding of the underlying issues meant to attract the stakeholder's attention.

2.2.2.3. Sustainability Reporting and Integrated Reporting

In general, non-financial reports are not mandatory yet, therefore, there are different organizations and policy makers providing guidelines to help companies to develop a more comprehensive business reporting (e.g., IASB, 2010b; IIRC, 2011; FASB, 2001; GRI, 2013; UN, 2008; YE, 2014). Consequently, many companies apply GRI guidance in the implementation of sustainability reports. The IIRC has set guidelines to explain how to disclose economic, environmental, social, governance, ethical and risk performance. This report should be comprehensive in order to meet the minimum needs and requirements of stakeholders.

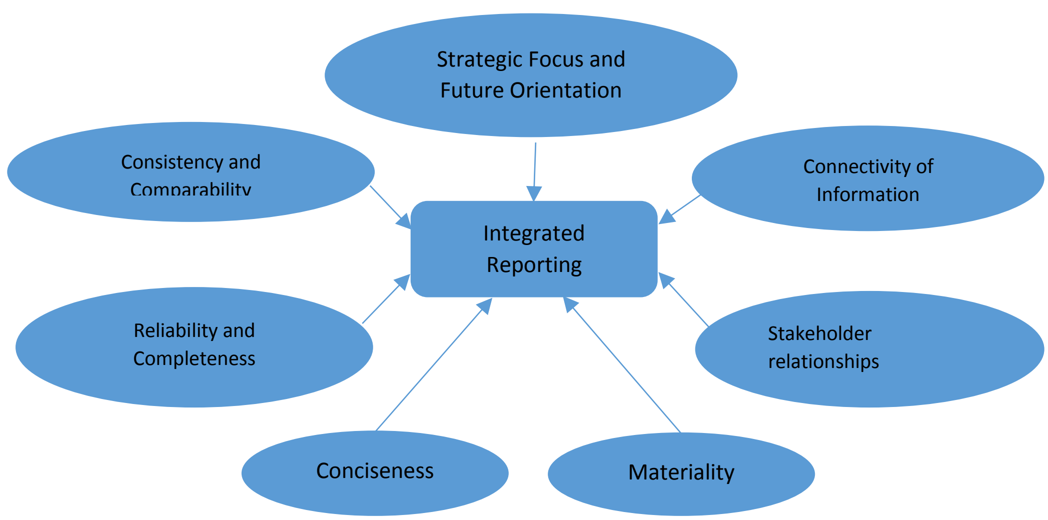
By the mid-2000s, hundreds of companies were voluntarily adopting the GRI framework and producing sustainability reports (EY & Boston College, 2016). GRI (2013, p.85) defined SR as

> "a process that assists organizations in setting goals, measuring performance and managing change towards a sustainable global economy – one that combines long term profitability with social responsibility and environmental care. SR is the key platform to communicate the organisation's economic, environmental, social and governance performance for the purpose of reflecting positive and negative impacts. The aspects that the organisation deems to be material, in response to its stakeholders' expectations and interests, drive SR. Stakeholders can include those who are invested in the organization as well as those who have other relationships with the organisation".

According to GRI sustainability report conveys sustainability-related information in a way that is comparable with financial reporting. In addition, a company, which aims to provide a sustainability report, should follow a number of principles, including completeness, balance, transparency, clarity, reliability, stakeholder inclusiveness and sustainability context (GRI, 2002). We define these principles in general terms. Note, for example, that "balance" is defined as "the report it should reflect positive and negative aspects of the organisation's performance to enable a reasonable assessment of overall performance", and 'stakeholder inclusiveness' is defined as "the reporting organisation should identify its stakeholders and explain in the report how it has responded to their reasonable expectations and interests" (GRI, 2013, pp. 16-17).

Considering the IR importance, the IIRC has set an international framework which basically includes some guidance principles for companies and other organizations that aim to provide IR: consistency and comparability; strategic focus and future orientation; connectivity of information; materiality; conciseness; reliability and completeness and stakeholder relationships (see figure 2).

Figure 2: The principles of the integrated reporting as defined by the IIRC.

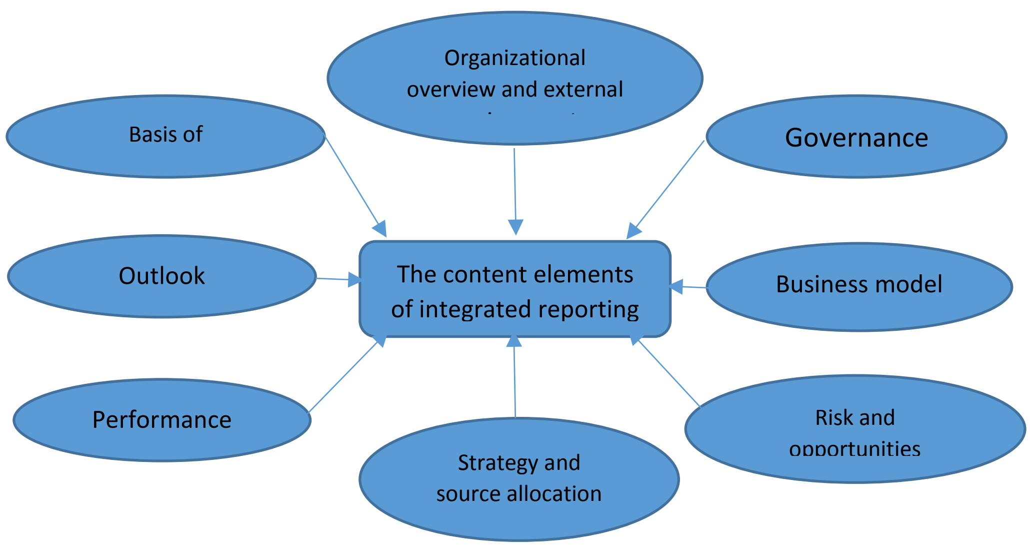


Source: The International Integrated Reporting framework (IIRC, 2013)

The framework contains eight elements, which should be included in the integrated report: organisational overview and external environment, governance, business model, risk and opportunities, strategy and resource allocation, performance, outlook and basis of presentation. Figure 3 illustrates eight content elements of IR according to the IIRC's framework. Hence, the IIRC's

IR framework aims at bringing together financial, environmental, and social and governance information in a clear, brief, consistent and comparable format (IIRC, 2013). They are fundamentally linked to each other and they are not mutually exclusive (IMA & ACCA, 2016). In addition, this will enable those organisations' investors and other stakeholders to appraise the organisation's long-term prospects and to make better short and long-term decisions (IIRC, 2011).

Figure 3: The elements of the integrated reporting introduced by the IIRC's.



Source: The International Integrated Reporting framework (IIRC, 2013)

The third stage (in the 2010s) addresses the shortcomings of corporate reporting. It has featured a new trend of corporate reporting: the integration of financial and nonfinancial concerns into one accounting tool, known as IR (IMA & ACCA, 2016). IIRC (2015) has summarised the shortcomings of corporate reporting as described below: (1) regarding to environmental, social and governance' issues, users of information do not consider wider information in decision making, unclear whether such disclosures are material or have a financial impact, that such information is inconsistent, unavailable, or not verified and the measurements are inconsistent and incomparable to those of other companies; (2) the existence of barriers to the integration of wider information in investments such as the fractured, inconsistent and incomplete data sets presented. The International IR Framework addressed such inadequacies and flaws by including the 'guiding principles' (such as 'materiality', 'connectivity of information' and 'reliability and completeness'), which underpin the preparation of an integrated report; (3) The criticisms of the decision usefulness of sustainability data for investors including the absence of placing the data in the context of the strategy and business model, the lack of materiality assessment of the different sustainability issues, and the lack of a link to financial issues and the credibility of separate sustainability reports. In addition, the higher monitoring costs issue has resulted from information asymmetry between managers and investors.

The International IR Framework has addressed these shortcomings by means of the inclusion of the eight content elements deemed critical to an Integrated Report. Therefore, it is of utmost important to facilitate a greater connectivity between differing sets of information, with an emphasis on materiality (IIRC, 2015). In addition, IR is nowadays more applicable to companies. The main objective of an IR is to provide a more efficient approach to corporate reporting and improve the quality of the information. The IR has been defined by the IIRC (2013, p.7) as "a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term". Indeed, the integrated report can bring integrated thinking to create value on behalf of organisation's ability.

The last decades of the twentieth century have fostered a change in the business context in what regards the purpose of the reporting, from TFR to a comprehensive business reporting (AICPA, 1994). The first version of the GRI standards appeared in 2000, and in January 2011 (EY & Boston College, 2016). The first corporate integrated reports appeared in 2002 but the new trend remained inactive. Since 2010, the IIRC has led the work on building the first IR framework, published in December 2013 (IMA & ACCA, 2016). Table 1 shows the differences between traditional reporting and IR.

Table 1: The difference between traditional reporting and integrated reporting

	Traditional Reports	Integrated Reports
Thinking	Isolated	Reflects, and supports integrated thinking
Stewardship	Financial capital	All forms of capital (manufactured, human, intellectual, natural and social)
Focus	Past financial performance	Past and future, connected, strategic. The ability of an organization to create value in the short, medium and long term.
Timeframe	Short term	Short, medium and long term
Trust	Narrow disclosures	Greater transparency
Adaptive	Rule bound	Responsive to individual circumstances
Concise	Long and complex	Concise and material
Technology enabled	Paper based	Technology enabled
Business Model and Value Creation	By or within the organization alone.	• influenced by external factors (including economic conditions, societal issues and technological change) • co-created through relationships with others (including employees, partners, networks, suppliers and customers), and • Dependent on the availability, affordability, quality and management of various resources, or "capitals" (financial, manufactured, human, intellectual, natural and social).

Source: (IIRC, 2011. p.p.9.10; IIRC, 2013. P.2)

Capitals are the basis of a company's value creation process that needs to be described in the content of an integrated report (IMA & ACCA, 2016). According to the IIRC, businesses depend on six capitals as "stores of value": financial capital; manufacturing capital; human capital; social capital and relationship capital; natural capital, which includes natural resources; and, finally IC includes organisational, knowledge-based intangibles. Companies that prepare their reports based on their understanding of the value of corporate reporting integrate all forms of intangible capital (EY, 2014. P,3).

> "IR brings together the material information about an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how an organisation creates value, now and in the future" (IIRC, 2011. P.6).

It has a combined emphasis on conciseness, strategic focus and future orientation, the connectivity of information and the capitals and their interdependencies, it emphasises the importance of integrated thinking within the organisation, and it provides a clear and concise representation of how an organisation demonstrates stewardship and how it creates and sustains value (IIRC, 2013).

Over the past few decades, there has been a shift from traditional reports to sustainability issues, from the creation of share value to the generation of shared value. (IMA & ACCA, 2016). IR aims to improve the quality of information available to providers of financial capital. Moreover, it enables the provision of a clearer picture of the business's management, business model, strategy, use of resources and all other relevant aspects of the business that affect and drive value creation, for investors to factor into their investment decision-making processes. The International IR Framework encourages greater engagement with report users (IIRC, 2015).

IIRC (2014) aims to enhance the alignment of corporate reporting frameworks and standards in order to support the reduction of the reporting load caused by the multiplications of voluntary disclosure initiatives alongside increased mandatory reporting requirements (IMA & ACCA, 2016). In addition, to serve as the umbrella under which greater coherence, consistency and comparability between corporate reporting frameworks, standards and requirements, and reduce confusion among information users with respect to the differences between the standards and to mitigate the risk of decline in reporting or in reporting quality that could derive from the multiplication of reporting standards.

Management action is important now to provide information to investors and other stakeholders. The way in which it is released has a fundamental impact on decision-making, by rethinking what information is needed to provide a clear, concise picture of performance, impacts and interdependencies (IIRC, 2011). Such a picture must drive innovation, focus on communication and not just compliance, and support resource allocation decisions that are consistent with sustained value creation and with long-term economic stability (IIRC, 2011). It is useful for generating long-term value both for its business and for society as a whole and gearing its success in terms of internal financial returns and external social and economic results (IMA & ACCA, 2016).

Finally, the legal and regulatory factors Internal/national or/and external/international has played a significant role and it has fostered that evolution. The next section sheds light on the relationship between mandatory and voluntary disclosure.

2.3. Mandatory and Voluntary Disclosure

Mandatory and voluntary disclosures are two channels for corporate disclosure, whose information is disseminated within the market (Consoni & Colauto 2016). Regulation is designed to achieve social and public goals, and to gear the development of competitive markets, these goals include enforcement of competition laws and accounting and auditing rules, protection of consumers' rights, workers' and protection of the environment, accounting regulation in line with the legal framework, standards, education, and licensure (Graham & Woods, 2006). Many countries, including developing countries, are seeking to further regulation, in particular, accounting regulation, in order to enhance the confidence in the national economy and create an evidence of the existence of a fair and transparent policy. They also envision protecting investors and traders alike, whilst raising the economy's attractiveness to local and foreign investments and bolstering competitiveness (Porta, Lopez-De-Silanes, Shleifer & Vishny, 1997). According to Akisik (2013) regulations are the rules designed to control human behaviour.

Accounting standards, IFRS and corporate governance codes are considered the major development in accounting regulations. The high quality of each accounting standards, regulation and legal are likely to play a crucial role in improving a better functioning of the capital markets (Suwaidan, Abed & Al-Khoury, 2013). Based on this perspective, the aim of mandatory disclosure is to meet the user's need for information, protect the investments through ensuring the quality of control, laws, and standards' observance. Therefore, compliance with the national legal and normative context affects the reporting process. However, the legal rules and the quality of their enforcement vary across countries.

Until the 1980s, corporate reporting TFR consisted of only financial data, where corporate reporting covered for the presentation of financial information and their complementary footnotes. The IASB has created common accounting principles, understandable and enforceable globally in order to improve the quality of the mandatory information provided by companies in the capital markets (Ball, 2006; Barth et al., 2008). The obligation of adopting the IFRS' mandatory reporting is the largest improvement in the information environment ever (Horton, Serafeim & Serafeim, 2013). The main advantage of mandatory reporting is the creation of standardised and comparable measures that enable benchmarking and best practices (Kaya, 2016).

On the other hand, the voluntary dimension of the disclosure involves a manifestation of free choice of the company and its managers. Therefore, voluntary disclosure arises beyond the scope of mandatory requirements. Indeed, organisations disclose more information to establish their compliance with the social values mirrored on regulations and informal norms (Gibbins, Richardson & Waterhouse, 1990). Nevertheless, the level, content, and quality of voluntary disclosure depend on the manager's decision. Although the aim of mandatory disclosure is to satisfy the user's need for information, it is not enough. Therefore, some countries have adopted non-financial reporting. It is worth mentioning that corporate social responsibility (CSR) and SR do also play an important role in improving the quality of information.

In the last two decades, financial crises and corporate collapse scandals were the engine that geared some regulatory steps by governments, regulatory bodies and companies themselves, in order to restore the confidence of the users of financial reports. Hence, many countries worked continuously on the development of the regulations and laws in response to financial crises. For example the financial crisis and scandals of Enron, WorldCom and others in the USA. In response to these events, for instance, significant actions in corporate governance has become mandatory by means of the enforcement of the Sarbanes-Oxley Act by major of the US stock exchanges (Mitchell, 2003).

In addition, privatisation is one of the measures utilised to develop the role of capital markets in allocating resources. In last decades, in response to globalisation trends, and under pressures of international bodies, many countries have adopted various economic reforms to revitalise their investment environments (Al-Akra et al., 2010). Nevertheless, one of the major aims of privatisation is to improve the efficiency of government-owned companies (Eng & Mak, 2003; Mak & Li, 2001). The efficient protection of shareholders' rights fuels the development of stock markets. This means that an efficient law, legislation and corporate governance system is required for the financial-sector development (Porta et al., 1997). Zhang and Zhang (2014) confirmed that strengthening the supervision and completing the corporate governance structure could improve the quality of voluntary disclosure and facilitate scientific decision-making for investors and other stakeholders, to promote the capital market thereby rendering it healthier and more sustainable.

Indeed, corporate governance can play a significant role in ensuring the quality of the financial reporting process. According to Fung (2014) corporate governance in today's global environment has become more complex and dynamic due to increased regulatory requirements and greater scrutiny, with rigorous governance standards, which easies to cope with increasing demand from investors and other stakeholders for transparency and disclosure. Beekes and Brown (2006) mentioned that companies which are weak in governance lack financial disclosure and transparency, whereas companies with better governance tend to disclose more information (transparency; accountability; and corporate control).

In addition, several third parties have proposed frameworks for non-financial information disclosure worldwide to satisfy stakeholders' information needs. For instance, the United Nations launched Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption in 2000. The UN Global Compact asks companies to embrace, support and enact this set of core values. Moreover, GRI published SR guidelines, in order to codify best reporting practices.

Legislators, such as governments and stock exchanges around the world, tend to impose mandatory reporting requirements. In 2015, eight countries have enforced CRR as mandatory requirements of reporting: India, Indonesia, Malaysia, South Africa, UK, France, Denmark and Norway (Kaya, 2016). However, non-financial reporting so far is voluntary and weak. The International Survey of CRR (2015) by the KPMG shows a small rise in corporate responsibility report from 2013 onwards. This stabilisation suggests that future growth in this reporting is likely to occur in smaller increments unless driven by mandatory reporting legislation. This can be considered as an index toward of need to introduce more regulations on corporate reporting.

Ever since the last decades of the twentieth century, voluntary disclosure has improved by complying with four main frameworks in both academic literature and business market: balance scorecard, triple bottom line, sustainability and integrating reporting. Nonetheless, it depends on their specific national cultures and regulations. The disclosure of non-financial information is at different levels in a set of countries as well as recent different practices in what regards the application of IR and policies as shown in Table 2 (Villiers, Rinaldi & Unerman, 2014).

Table 2: Different practices in the application of integrated reporting and policies in a set of countries

Countries	Recent Development
South Africa	At first, South Africa as a pioneer developer of IR required the listed companies at the Johannesburg Stock Exchange to adopt the South African IR framework, which allowed for greater compliance than IIRC Framework. Recently IRCSA endorsed the IIRC's investor value creation focused on the IR framework.
United Kingdom	In the UK as one of the global leaders in corporate reporting, many organizations are already incorporating the principles of IR into their existing reporting.
Netherlands	The quality of IR is low in the Dutch top 50 companies.
Spain	The analysis showed that the IR practices of the Spanish- and UK-listed companies were broadly similar.
Australia	Interest in non-financial matters among investors was low in Australia.
Singapore	The Singapore Accountancy Commission (SAC) has recently publicly endorsed the IR Framework. The adoption of this framework would have greater transparency of information in line with stakeholders benefit.
Japan	According to the Expert Committee on Desirable Market Economy System of Japan, considered IR as effective in describing the entirety of the company's activities that help companies in the medium and long-term growth.
United States	In the USA, SR has been a much less widely developed practice than in Europe, South Africa or Australia, but the US Environmental Protection Agency commissioned a report to determine value drivers in companies related to natural, social and IC in addition to more traditional financial forms of capital, and to present this information to investors.

Source: Based on Villiers et al. (2014).

Table 2 shows movements in some countries toward IR. In South Africa, the IR practices are mandatory, but they are not mandatory in any other countries. These practices also build upon SR practices that are more widely developed and adopted in some countries than others. To elaborate more on this aspect, the adoption of the South African IR framework led to a greater focus on broader social, environmental and sustainability issues than the IIRC Framework. Furthermore, listed companies are required to issue an integrated report or explain why they have not published such a report. In the UK, many organisations are already incorporating the principles of IR into their existing reporting. In the Netherlands, the quality of their integrated disclosures was low, such as disclosure was still not entirely clear about how they would allocate resources to achieve the stated strategic plans. Finally, in the USA, SR has been a much less widely developed practice than in Europe (Villiers et al., 2014).

In developing countries, a significant number of accounting bodies have adopted the International Accounting Standards. There is considerable literature by academics and researchers investigating the relevance and adequate of standards for such countries (see, Al-Rai, & Dahmash, 1998; Wang & Chang, 2008; Perera, 1989; Sepasi, Kazempour & Mansourlakoraj, 2016; Susela, 1999; Sweiti & Attayah, 2013). Al-Akra et al. (2010) mentioned that the Middle Eastern region witnessed vast reforms to the disclosure and governance regulations. Yet, the region is characterised by a weak regulatory environment, inefficient judicial system and weak shareholders' rights. However, companies tend to comply fully with mandatory disclosure requirements and reveal additional information to the public on a voluntary basis (Al-Akra & Hutchinson, 2013). Nevertheless, there is no single model for corporate reporting; the best approach for enhancing corporate reporting is, to begin with, whatever system is in place and make efforts to improving it. In light of this, every country can learn from the experience of others (Cadbury, 2000; Goergen, Martynova, & Renneboog, 2005).

Regarding previous studies, Consoni and Colauto (2016) stressed that the convergence process in IFRSs affected positively and significantly, voluntary disclosure. It leads to the complementary rationale between mandatory disclosure and voluntary disclosure. Broberg, Tagesson and Collin (2010) explain the relationship between the increased mandatory disclosure and voluntary disclosure content on corporations listed on the Stockholm Stock Exchange. The results revealed, in general, that corporations disclosed more voluntary information after the introduction of the IFRS. Therefore, it seems that regulation to some extent can stimulate voluntary disclosures. This result is consistent with Einhorn (2005) and Holland (2005) who assured that more regulation could stimulate and increase information disclosure by corporations voluntarily.

Moreover, Karthik, Li & Yang (2012) confirmed that companies in countries that adopted the IFRS have increased in both the likelihood and frequency of management earnings forecasts. Consequently, the adoption of the IFRS will have an effect on liquidity when companies issue more management forecasts, and the IFRS will be an indirect mechanism to derive benefits to capital markets through voluntary disclosure. Moreover, Horton et al. (2013) stressed that the change in transparency is proportional to company-specific differences between regulations, such as the adoption of the IFRS is the causal mechanism of the improvement. Barth et al. (2008) provide significant evidence thereby proving that the adoption of the standards of financial reporting enhanced the quality of financial reports.

On the contrary, other studies refer that the high quality of mandatory disclosure requirements are likely to reduce the information disclosed voluntarily (Dye, 1985; Verrecchia, 1983). Walker and Mack (1998) argued that the significance of regulation would be assessed by exploring its requirements and if it led to changes in disclosure practices. However, in general, there is no clear evidence that correlation exists between companies' mandatory and voluntary disclosures. Mandatory disclosures may influence the voluntary disclosure context and may be a determinant or motive for the companies to engage in discretionary disclosure strategies. Based on these, Einhorn (2005) distinguished the association between voluntary disclosure that related to mandatory disclosure and voluntary disclosure unrelated information on mandatory disclosure. The author confirmed that voluntary disclosure related information is positively associated with mandatory disclosure, while voluntary disclosure unrelated information simply patterns for managers, which enables them to develop disclosure policies.

Accounting rules and regulations have evolved through the development of the economic sector and knowledge. The improvements operated in business reporting through the regulators, different local and international bodies in addition to researchers, has enhanced the quality of mandatory and voluntary disclosure (Gibbins et al., 1990). In fact, most of the previous studies have confirmed that these developments have led to more transparency, responsibility, and accountability, which translates into better quality of corporate reporting through disclosing financial and non-financial results of companies to stakeholders periodically. However, mandatory corporate disclosure alone seems insufficient. Alongside this development, corporate reporting showed progress and evolution regarding the voluntary information. Therefore, many studies have addressed different topics of voluntary disclosure in wider and deeper range. In the next section, we will address literature on voluntary disclosure.

2.4. Motivations of Voluntary Disclosure

In recent years dissatisfaction of mandatory financial reporting (quality and effectiveness) has led the investors, financial markets and other key stakeholders to demand companies to provide more comprehensive information about their long-term strategies and performance (Boesso & Kumar, 2007). It is interesting to underpin that the conceptual framework of financial reporting continues to acknowledge the limitation of the general purpose of the financial statement, as those may not provide information that serves all users' need (IASB, 2010a; 2013). According to Suwaidan et al. (2004) the regulatory requirements for corporate reporting allows companies to have a greater deal of freedom over their reporting policies. Therefore, companies seek to present their performance in the most favourable way by disclosing more information than required by these regulations, allowing for the making decisions in favour of or against the disclosure of certain informative items (Myburgh, 2001).

Indeed, the content of corporate reporting differs amongst entities according to the motives of companies themselves and their users. Eccles and Krzus (2015) classified the groups of actors according to their own motives. These groups comprise companies, audience or users, supporting organisations, supporting initiatives, regulators, and service providers. Each group's motives seek to determine if they are mission-driven, profit-driven, or some combination of the two. Indeed, the extent and quality of voluntary information are dependent on the company´s policy. In this section, we will concentrate on motives of companies and managers.

Accountants can be a central player in identifying and compiling information, quantitative information that supports market data, such as performance, opportunities and risks, and governance. For instance, they aim at quantifying and framing the risks linked to sustainability. They also can link past, current, and future performance. Accountants are able to prepare reporting that include the KPIs relating to the value-creation process and the capitals. Furthermore, accountants can be key actors in integrating the performance data of different capitals, unveiling how the company creates value for multiple stakeholders.

Accountants have the opportunity to play a significant role in the development of an integrated report project with their knowledge of multiple accounting tools. Accountants, especially Chief Financial Officer (CEO), can act as the vector of IR into the organisation (IMA & ACCA, 2016). On the other hand, the involvement of CEOs and other board members is essential to reach 'one view' of the business, consensus on one set of material issues and one combined business strategy.

Therefore, it is important that the board of directors support the IR implementation. A committed multidisciplinary team can successfully implement an integrated thinking model (IMA & ACCA, 2016). Accountants can also assist top managers and the board of directors in the development of a strategy based on integrated thinking. However, is also important to nurture skill development to enable accountants to play a positive role on managers' decision.

According to Healy and Palepu (2001) the company's market value depends on the investors' perception of management skills such as responding to future environmental changes. When the manager forecasts are accurate, probably the market value of the company will increase. Management accountants can support decision-making by highlighting and disclose the links between social, environmental, and financial performance from both quantitative and qualitative perspectives. They can help to improve their social and environmental accounting in terms of measurement, controls, and disclosure (IMA & ACCA, 2016).

Regarding the managers' profile (characteristics) managers are diverse from each other in terms of qualifications, experience, skills and other hidden talents. Therefore, there are two distinguished types of management. First, managers with high qualifications and talents and motivated to make a voluntary disclosure as to represent and signal their talents to the stakeholders. Second, managers with poor talents and qualifications, and in this case, they would avoid any voluntary or additional disclosure (Trueman, 1986). However, Graham et al. (2005) indicate that this motive is restricted to the managers of the small or high growth companies as the management requests further explanation. Managers must attempt to perform outstandingly and voluntarily in the form of additional disclosure.

On the other hand, management can use such disclosures to divert investor attention away from the company's poor underlying performance (Choi, 2015). The provision of extensive disclosure permits to hold the corporate control, explain the reasons for poor performance, and reduce the possibility of undervaluing the company's stocks (Healy & Palepu, 2001). This is the case especially when such poor corporate performance is likely to lead to risk job loss in order to avoid misevaluation of their actions and performance and deepen the investors' awareness of their managerial ability

(Morck, Schleifer & Vishny, 1990). Executives focus on personal reputation to deliver earnings and run a stable company and disclose transparent information (Graham et al., 2005).

Managers have incentives to make self-serving voluntary disclosures. It is unclear the extent to which management disclosures are credible (Healy & Palepu 2001). There is another view; managers acknowledge that career concerns and external reputation are important drivers of the need to disclose information voluntarily; however, managers are reluctant to engage in voluntary disclosures to avoid unwanted attention from stakeholders (Graham et al., 2005).

In addition, the stock price is an important indicator of the company's performance and acts as a criterion to evaluate the management's performance. The poor stock and earnings performance result in the risk of job loss, which motivates managers to use voluntary corporate disclosure to reduce the need to explain the poor earnings performance (Graham et al., 2005; Healy & Palepu, 2001). Moreover, Graham et al. (2005) indicate that unprofitable and young companies seem to address more voluntary disclosure than profitable and older companies. As a result, voluntary disclosure would improve corporate performance and managers' corporate picture (Iatridis, 2008).

Iatridis (2008) commented on analysing the companies' financial profile that provides extensive disclosures and assesses the financial impact of their motives. The study showed that firms tend to provide extensive accounting disclosures in order to achieve their motives: raise finance in the capital and debt markets. However, the extent to which voluntary disclosure is effective and contributes to the efficient allocation of resources in the stock market relates itself to the credibility of the disclosed accounting information. In addition, in the capital market transactions under information asymmetry, managers tend to increase disclosure in order to reduce information asymmetry. For example, when companies want to issue new capital through equity or debt, the company's managers tend to disclose more voluntary information in order to decrease the cost of external financing and capital (Graham et al., 2005; Healy & Palepu, 2001).

On the other hand, the relationship between companies and stakeholders is interactive, stakeholder want broader information that goes beyond pure financial data, while, companies need to understand and respond to the demand of the information that would bring benefits (IIRC, 2015; PCW, 2007). These benefits are, for example, an improved relationship between the company and the investor, a greater insight into the organisation's business model, strategy and long-term outlook as well as a greater understanding of the stocks and flows of capital (IIRC, 2015).

Kaplan and Norton (1996) emphasised that a balanced scorecard is an approach to creating and developing intangible measures such as customer relationships, innovative products and services, high quality and responsive operating processes, skills and knowledge of the workforce. Furthermore, providing the stakeholders with proper and expected information supports the relationship that represents the main source of competitive advantage (Boesso & Kumar, 2007). In addition, Al-Azzam, Irtaimeh and Al-Quraan (2016) mentioned the important role of IC in the internal growth strategies, the creation of organisational innovation and building competitive advantage (Al-Fawaeer, 2013). The IC components disclosure can have an effect on the market value and earnings per share (Aledwan, 2014).

Nowadays, IR can provide information to the stakeholder interested in a company's ability to create value over the short, medium and long term, companies using voluntary disclosure to improving their relationship with stakeholders (Boesso & Kumar, 2007). In situations when it includes high levels of stakeholder engagement, increase the overall level of engagement of employees, it might attract higher quality employees or even equally skilled employees for a lower wage. Evidence has shown a strong relationship between engagement and productivity (Eccles & Krzus, 2015). In addition, these aspects will lead to a greater proportion stability of investors (Eccles & Krzus, 2015).

Besides, voluntary disclosure attracts analysts, increases the amount of available information, which increases the number of analysts by the provision of an attractive level of disclosure (Bhushan, 1989b; Lang & Lundholm, 1996). The expanded disclosure is associated with an increase in analysts' forecast accuracy and a decline in the dispersion. The efficiency of the analysis rests on the variety of diversified factors; the most crucial one is the amount, type and consistency of information available for the analysis process. The amount of information available for the analysts depends on the level of disclosure, especially of the voluntary disclosure (Bhushan, 1989b; Lang & Lundholm, 1996). Hence, important information focuses on measurable performance factors such as regulation, cost and risk, it clearly explains the links between wider risks and expected performance, it allows for comparisons amongst companies in the same sector and it sets out a sustainable competitive advantage (IIRC, 2015). Furthermore, voluntary disclosure reduces the cost of information acquisition for analysts and increases the amount of available information (Bhushan, 1989b; Lang & Lundholm, 1996).

Management forecasts are one of the most significant advantages as a voluntary disclosure proxy. They can measure estimates for earnings or revenues rigorously and the timing of the disclosure typically known can comparable with daily or weekly data (Healy & Palepu 2001). However, one disadvantage of management forecasts as a proxy is that outside investors can easily verify their accuracy through actual earnings realisations. Thus, it is possible to be a limitation of voluntary disclosure (Healy & Palepu 2001).

Development and expansion in corporate reports environment and the response to the objectives of the regulators, supporting organisations and initiatives and service providers may be a motive to disclose more information, to raise different members' awareness about the value and the interest earned by companies in order to give a more holistic view of company's performance. Indeed, the swift adoption may occur both directly by shaping the laws and codes of conduct and indirectly by resorting to advice and technology to help them do so (see, FASB, 2001; GRI, 2013; IIRC, 2015; PCW, 2007).

Furthermore, the companies' implementation of IFRSs, while providing extensive disclosures, gives additional evidence and assurance that their actions are consistent with the expectations and interests of investors (Iatridis, 2008). Therefore, companies are inclined to disclose accounting information in order to assure the market participants that their accounting policies are consistent with the accounting regulation and meet the information needs of their stakeholders (Iatridis, 2008).

While providing extensive disclosures, the implementation of IFRSs enhances the quality and the comparability of financial statements and facilitates companies in raising capital internationally (Iatridis, 2008). Nonetheless, the issue of voluntary disclosure is of significance to the global community (Boesso & Kumar, 2007). For example, the demand for more information on corporate responsibility issues is increasingly ambitious. It could also reflect corporate contributions to the economic and social development as well as the need for capacity building. The demand for more information is growing dramatically by various organisations (UN, 2008).

According to the UN report (2008. p.2) the development dimension of CRR "should continue to reflect corporate contributions to the economic and social development of countries". This emphasis on the development dimension of corporate responsibility is complemented by an emphasis on performance-oriented indicators. Moreover, it is worth emphasising that the indictors should focus on national reporting. In addition, one needs to be careful and sensitive about differences in voluntary disclosure practices caused by actions of the government, regulators and other stakeholders due to differences in country contexts. Existing research about voluntary disclosure practices in different national contexts shows a variety of approaches that companies have taken in addressing the information needs of various stakeholder groups (Boesso & Kumar, 2007). Indeed, national reports were more useful for stakeholders interested in specific countries. Moreover, users could aggregate national reports to a regional or global level (UN, 2008) if they chose to. In this sense, corporations aim to the expansion of the information published as a response to the growing demand by many parties.

In the same context, regarding corporate social and environmental disclosure (CSED), social disclosures are pre-emptive steps to mitigate adverse regulatory or legislative pressures in the future (Brammer & Pavelin, 2004). Companies have been motivated to make disclosures of this types that may increase over future investment opportunities (Shane & Spicer 1983; Watts & Zimmermann 1978). This approach interprets social disclosure as a tool for influencing the perceptions and actions of social and political stakeholders (Brammer & Pavelin, 2004).

In addition, the growth in socially responsible investment may be one of the most compelling reasons to engage in reporting, where managers who systematically evaluate and screen for sustainability practices when determining their asset portfolios. In addition, mainstream analysts, institutional shareholders, including some of the world's largest, have been demanding companies for increasing amounts of environmental, social and governance data (EY & Boston College, 2016).

According to the Steering Committee's framework for providing voluntary disclosures, useful voluntary disclosures relate to important aspects of the business, management's strategies and plans, metrics comparing actual performance and competitive disadvantage (FASB, 2001). Beyond it, to help managers deliver a complete picture of firm performance and value (Eccles & Krzus, 2015; IIRC, 2015) can be achieved through the application of sustainability and IR.

The company, which aims to provide an IR, should follow a number of principles that underpin the preparation and presentation of an integrated report in terms of guiding principles and content elements, including strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness and consistency and comparability. For example, "materiality" IR should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term (IIRC, 2011: IIRC, 2013).

According to the Guiding principles, the preparation of an integrated report should be applied to determine the content of an Integrated Report. The key content elements should make the interconnections between them apparent and it should include the organisational overview and the business model, the operating context, including risks and opportunities, the strategic objectives and strategies to achieve those objectives, governance and remuneration, performance and future direction (IIRC, 2011).

The application of IR by companies that focus on aspects that materially affect the ability to create value on the long-term, does also enable them to present their perspective, thereby preventing analysts from making assumptions on their behalf (GRI, 2013; IIRC, 2015). Nonetheless, rating agencies may find an integrated report useful in doing credit analysis for the providers of financial capital who use these ratings to make resource allocation decisions. Credit ratings that are more accurate can result in either a higher or lower cost of capital to the company. Largely based on an economic calculus, employees, customers, and suppliers can use an integrated report to make their own resource allocation decisions, potentially in favour of the company (Eccles & Krzus, 2015).

The rationale for allowing management to voluntary report is to help them to deliver a complete picture of the company performance and value by highlighting the potentially important streams (e.g. sustainable earnings), which have an effect on the company's ability to create value over the short, medium and long term (Eccles & Krzus, 2015, p.104; IIRC, 2015). The aim of IR is to deliver benefits for all stakeholders interested in the organisation’s proneness to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers (IIRC, 2013).

In this light, increasing the companies' awareness for a sustainable relationship with investors, customers and other parties, and voluntary adoption of sustainability and IR can enable them to achieve their goals. In addition, there are general reasons to be drawn for voluntary adoption of these reports, such as drive-increased association amongst different parties of the business, and improve communication with the public. Moreover, it does improve transparency and data accuracy. In addition, that would lead to improve reporting efficiency, improve analysis and valuation, create competitive advantage, and foster cost savings and reductions, *et cetera*. (FASB, 2001; GRI, 2013; IIRC, 2015; PCW, 2007).

A shift to IR is increasing the interest and engagement of senior management in issues around the long-term sustainability of the business. Integrated thinking is a company motivation to produce information, which stems from the belief that is tangible or direct (e.g., better financial performance) and intangible or indirect (e.g., enhanced reputation) benefits will exceed the tangible (e.g., resources) and intangible (e.g., litigation risk) costs. In making this assessment, executives must be aware of important related concepts like integrated thinking and materiality. Integrated thinking is unique to most of the benefits in the sense it helps both companies and stakeholders to gain a more holistic understanding of their organisations. For example, it favours a better understanding of the organisational activities thereby enabling companies to establish a holistic business model. It also facilitates a better identification of ways to measuring the value to stakeholders about the management of organisations and reporting on sustainability issues (Eccles & Krzus, 2015, pp. 99-101).

Companies disclose high quality information in order to improve their image and reputation and create value by using the information. Managers should voluntarily disclose information that would satisfy the need of various stakeholders (IIRC, 2015; Meek et al., 1995). The provision of accounting information through voluntary disclosures gives stakeholders a better picture of the companies' financial performance and capacity and enables them to issue superior and more reliable forecasts (Bhushan, 1989a, 1989b; IIRC, 2015). Core (2001) and Einhorn and Ziv (2012) argued that voluntary disclosure would remain a matter of biased information selected by managers. It allows managers to manage the impression of stakeholders (see chapter three). Therefore, companies are inclined to provide voluntary disclosures in order to give investors (stakeholder) explicit information and influence their perceptions (Healy & Palepu, 1993, 1995).

Therefore, managers should aim at achieving the balance between the managing and controlling the stakeholders' impression and meet the stakeholders' need for information at the same time. Moreover, voluntary disclosure has its advantages and disadvantages and the managers' role is to find a perfect balance and giving the better picture of the company. In the next section, we will discuss the advantages and disadvantages of voluntary disclosure, which are also considered as an incentive for managers to disclose more information and, at the same time, as blockage/inhibitor for them to engage in voluntary disclosure.

2.5. Advantages and Disadvantages of Voluntary Disclosure

The trend toward corporate voluntary disclosure is still in development. We deem financial and non- financial information together with relevant for users to decision making. Thus, a stakeholder is demanding more information, which may have an influence on managers' decisions and drive them into sharing more information. Indeed, managers should disclose information voluntarily to satisfy the need of various stakeholders (Meek et al., 1995). On the same context, companies have incentives to provide voluntary information for the audience but some factors may block voluntary disclosure. Voluntary disclosure, while a double-edged mechanism, may be advantageous or disadvantageous for companies.

From this perspective, many factors may influence managers' decision to disclose more information. In fact, disclose all internal information and private data have advantages and disadvantages because it has consequences on the corporate value, especially competitive advantage, and it has an effect on the stakeholders' perception about the performance of the company (Meek et al., 1995). Managers have a confused view regarding the company's interest in publishing more voluntary information; hence, management should engage in double thinking about the consequences of disclosure. Therefore, Core (2001) mentioned that voluntary disclosure would remain a matter of biased information because managers determine what to disclose.

A diverse and complex set of supply and demand force influences corporate reporting, such as employees, customers and regulatory agencies, in addition to investors demands (Foster, 1986). The existing regulations and the costs associated with disclosure does determine supply. In this case, we are referring to the information collection, agency costs, capital market transactions, corporate control contests, stock compensation, management talent signalling, processing costs, litigation costs, and proprietary costs. Proprietary costs "i.e., competitive disadvantage and political costs", arise when information is revealed that potentially damages the firm (see, Boesso, 2002; Eccles & Krzus, 2015; Foster, 1986; Healy & Palepu, 2001; Jensen & Meckling, 1976; Meek et al., 1995). In addition, setting a disclosure precedent is one of the factors that may be hard to maintain (Graham et al. 2005).

Companies are likely to provide voluntary disclosures when the benefits exceed the direct and indirect costs of doing so (Choi & Levich, 1990; Figge & Hahn, 2004). Thus, companies should derive benefits from disclosing information by keeping balance for instance, between costs of providing and preparing information and the potential effects of disclosure on their competitive status (Choi & Levich, 1990). They should also be able to keep the balance for disclosing good and bad news (Graham et al., 2005; Healy & Palepu, 2001).

According to Figge and Hahn (2004), one way of assessing corporate contributions on sustainability is to subtract the costs (both internal and external costs) from the benefits created by a company. However, there are some challenges managers have to handle when they make a voluntary disclosure: for example, achieving alignment of the SR processes with financial processes, and balancing the demands for transparency against legal risk and other considerations of releasing such information (Eccles & Krzus, 2015).

Managers prefer not to disclose voluntary information that regulators might use against them (Graham et al., 2005). Managers have a concern about litigation, especially if managers face the risk of being penalised against their forecasts, thus, managers may reduce voluntary disclosures, especially the forward-looking information (Graham et al., 2005; Healy & Palepu, 2001). In addition to good news such as income taxes, there are also political costs incurred, which depend heavily on the reported profits, whereby, the higher the reported profits, the more taxes on business profits being paid by a firm (Shehata, 2014). Moreover, legal risk is often cited as a reason against IR. The most difficult challenge against voluntary disclosures is inaccurate or fraudulent disclosures or the failure to disclose material items (Eccles & Krzus, 2015).

In contrast, litigation gears disclosure or blocks disclosure (Francis, Philbrick & Schipper, 1994; Skinner, 1994, 1997). Managers increase voluntary disclosure when they do not expect to be subjected to legal actions against them resulting from untimely or inadequate disclosures. In this case, one may expect that managers will give due care to disclosing more information (Shehata, 2014). In addition, companies try to manage their legitimacy because it helps them to ensure the continued inflow of customers, labour and capital necessary for viability, organisational legitimacy provides managers with a degree of autonomy to decide how and where business will be conducted (Neu, Warsame & Pedwell, 1998).

In fact, the information, which is available to stakeholders, is not the same as the information held inside the company. This leads to agency problem and information asymmetry where the managers have more information than the stakeholders (see Jensen & Meckling, 1976). The demand for financial and nonfinancial information arises from information asymmetry and agency conflicts between managers and outside investors (Healy & Palepu, 2001; Jensen & Meckling, 1976).

Diamond and Verrecchia (1991) and, Kim and Verrecchia (1994) suggest that voluntary disclosure reduces information asymmetry between uninformed and informed investors, and thus increases the liquidity of a company's stock (Graham et al., 2005), thus reducing a high cost of capital (Healy & Palepu, 2001). In such a case, companies use disclosure in order to create value. For example, disclosure can facilitate external financing, investments and growth and it allows companies to raise the equity capital more easily (Farvaque, Refait-Alexandre & Saïdane, 2011). Moreover, companies resort to disclosure to attract investors to the market when investors feel more confident and become more numerous, which favours the fall in the cost of capital (Farvaque et al., 2011). Krishnamurti, Šević & Šević, (2005) stressed that the higher the company's disclosure the higher the overall liquidity of the share.

In addition, companies with proportionally higher debt in their capital structures have higher agency costs (Jensen & Meckling, 1976). Thus, voluntary disclosures might increase (Meek et al., 1995), as well as the quality of companies, the nature of their assets and riskiness of cash flows and their securities (Meek et al., 1995). A poor reputation for delivering transparent and reliable information can increase information risk for a company (Graham et al., 2005). Managers make voluntary disclosures decision to reduce information risk and increase the stock price. The earnings benchmarks build credibility within the market and help to maintain or increase their company's stock price (EY & Boston College, 2016; Graham et al., 2005).

Moreover, the disclosure of more voluntary information enables companies to distinguish themselves from less profitable ones in order to raise capital on the best available terms (Foster, 1986). To assess the timing and uncertainty of current and future cash flows, it allows investors to appraise the company's value and make other investment decisions by investors such as choosing a portfolio of securities (see IASB, 2010b; IIRC, 2011; IIRC, 2013). Thus, companies can meet this demand in part by supplying voluntary accounting information (Meek et al., 1995). According to Brick, Palmon, & Wald, (2006) comprehensive voluntary disclosure can mitigate the agency problem of managerial expropriation. It also allows people from outside the organisation (outsiders) to have access to reliable and timely accounting information (Birjandi, Hakemi & Sadeghi, 2015), thereby limiting the odds of opportunistic perceptions (Healy & Palepu, 2001).

In addition, Chung, Judge, & Li (2015) suggest that comprehensive voluntary disclosure can increase the improvements in corporate governance by means of a better control of the Board's executive management, and ensure better decisions taken by managers, more in line with shareholders' interests (Farvaque et al., 2011). Increased transparency provides both outsiders and shareholders with easy access to information and allows outsiders and shareholders to monitor managers' operating decisions and performance (Duchin, Matsusaka, & Ozbas, 2010). Full disclosure of private information can enhance the credibility of management disclosures (Healy & Palepu, 2001). It also serves the purpose of convincing external users that managers are acting in an optimal way (Watson, Shrives & Marston, 2002). In addition, it supports a broader view of corporate performance, which encompasses society at large (Huang & Watson, 2015). However, one cannot guarantee full disclosure even in the presence of regulations (Al-Razeen & Karbhari, 2004).

Information asymmetry appears to be one of the main culprits of any financial and economic crisis. Voluntary or mandatory disclosure would have the virtue of reducing information asymmetries and of allowing for managers' effective control and of re-establishing good governance (Farvaque et al., 2011). Accounting disclosure is important for stakeholders due to various reasons. It helps them in financial decisions making, make suitable economic reasoning and it gives them the insightful and substantial information to mitigate uncertainty (Alhazaimeh, Palaniappan & Almsafir, 2014). It favours the improvement of the company's financial stability and it helps to relate the valuation of the company to its fundamental value, drawing up standards and reliable accounting practices, improving incentives to disclose information and reducing to the minimum injurious incentives (Farvaque et al., 2011).

There are different variables that have an effect on financial disclosure. However, voluntary disclosure can only be justified from an economic standpoint if the advantages, which are granted, outweigh the disadvantages. Disadvantages are measured in terms of costs. Information is a potential source of risk for the company's disclosure (Depoers, 2000). Moreover, it is difficult to define optimal rules on disclosure because disclosure rules are probably not appropriate for all the companies, which increases their problematic nature as regards fair competition. Therefore, disclosure can create unfair competition (Farvaque et al., 2011). Some disclosed items can be used by competitors and become financially harmful to the company (Depoers, 2000), leading to an erosion of the company's competitive advantage (Farvaque et al., 2011).

The nature of companies is different between industries, proprietary costs vary across industries (Verrecchia, 1983), and research and development are variables that are more relevant for high tech industry companies (Meek et al., 1995), which is why this diversity impacts on the companies' disclosure. Furthermore, the characteristics of companies, such as the size of the company, play a role in influencing the disclosure decision. Indeed, large companies have additional incentives for voluntary disclosures as compared to small companies. Large companies may have lower costs of competitive disadvantage associated with their disclosures and have a wider ownership base than smaller ones (Meek et al., 1995). Larger companies are more sensitive to political costs (Watts & Zimmerman 1990). On the other hand, small companies and young companies, those whose activity is narrower and faces more uncertainty, experience a more negative impact on disclosure. Proportionally, the cost of disclosure falls more heavily on small and medium-sized enterprises, and some sectors of activity bear the costs more heavily especially if the vision is extended to all stakeholders (Farvaque et al., 2011).

In addition, companies cannot ignore the cost of producing and disseminating information, improve the quality and increase the quantity of information led to generate the cost of implementation. Moreover, the regulation may increase these costs. However, the gains are stronger when companies have good governance practices (Farvaque et al., 2011). In contrast, data gathering in the reporting process may help companies to fuel innovation, efficiency and squandering reduction. It can also help a company to develop new means of data collection and to think in new ways about long-held practices. For example, the potential changes in processes and business for cutting-edge companies may employ social and environmental initiatives as opportunities to learning (EY & Boston College, 2016). In addition, the influence of capital markets on financial reporting (see Foster, 1986), the role of the regulators, auditors, standard setters and other capital market intermediaries that will motivate managers to fully disclose their private information, can enhance the credibility of management disclosures (Healy & Palepu, 2001).

Regarding the competitive disadvantage, companies compete with each other in capital markets, and investors demand information to assess and compare the companies (Meek et al., 1995). For example, the disclosure of forward-looking strategies, plans, metrics and other information to the public, and to competitors, would adversely affect the company by aiding its competitor or by creating a bargaining disadvantage with suppliers, customer, or employee (Boesso, 2002; Meek et al., 1995). Managers must analyse carefully the important information in order to favour the company's value creation, and determine whether disclosures would adversely affect companies (see IASB, 2010b; IIRC, 2011; IIRC, 2013). However, if the costs of this practice can be higher than the benefits, a strategic choice should always lead the decisions on public disclosure (AICPA, 1994; FASB, 2001).

However, providing stakeholders proper information can enrich and feed the network of relationships that today in many businesses could represent the main source of competitive advantage (Boesso, 2002). Managers should make disclosure decisions to be useful and relate to matters that are important to the success of individual companies. Companies should focus and disclose their critical success factors (Depoers, 2000; FASB, 2001); for example, intangible assets management has evolved into a success factor. Through an enlarged system of business communications, management seems able to reach all the key stakeholders in building a good reputation (Boesso, 2002).

Furthermore, investors prefer to invest in transparent enterprises because it facilitates the stakeholder trust in the management board, in the accurate analysts forecasting and lower information asymmetry. Companies may be able to convince potential sources of investors that they are competitive and they are a lower-risk investment, which is why reporting may well open the door to new and less costly sources of capital, companies may see their sustainability efforts as important opportunities to positively differentiate themselves, particularly in competitive markets (EY & Boston College, 2016). In the same context, according to Vurro and Perrini (2011) companies disclosing more extensive CSR reporting are abler both to manage their responsible relationships with stakeholders better and to strengthen their image as a socially responsible company among other stakeholders.

In addition, in order to build credibility with the market, both good and bad news needs to be communicated in a timely manner (Graham et al., 2005). Disclosing bad news may enhance faster the companies' reputation for transparent and accurate reporting (Graham et al., 2005). In addition, to reduce the possibility of a lawsuit resulting from failure to disclose timely information to the market (Graham et al., 2005; Skinner, 1994, 1997), it is better that the news comes from the company rather than from outside sources. This enables the company to position the bad news in the best possible manner (Graham et al., 2005). While, from another point of view, the delay in disclosing bad news in order to further study and interpret the information, or in the hope that the company's status will improve before the next required information release (Graham et al., 2005) is not a good company' strategy. In addition, reporting may prove to be a powerful tool for corporations that need to build or restore trust. Increasing transparency is the most important way for businesses to build trust (EY & Boston College, 2016).

Both mandatory disclosure and information supplied voluntarily by the company are beneficial for shareholders if it creates value (see EY, 2014; FEE, 2016). Enhancing information in the financial market allows for improving the quality of expectations. There is a positive link between the quality of financial forecasts and the degree of disclosure of annual reports, and this rests on the accuracy of information in the annual reports (Farvaque et al., 2011). It is evident that the benefits of SR go beyond the benefit that relates to the companies' financial risk and opportunity to perform. Sustainability disclosure can serve as a differentiator in competitive industries and foster the investor's confidence, trust and employee loyalty. Sustainability reports approach new ways to improve performance, protect reputational assets, and win the investor and the stakeholder trust. To achieve this environmental, social and governance objective reporting is the best practice to resort to. A focus on sustainability helps organisations to manage their environmental and social impacts and natural resource management and improve operating efficiency, and it remains a vital component to all of the shareholder, employee, and stakeholder relations (EY & Boston College, 2016).

SR encourages companies to gather new data. This information steers companies to reduce their use of natural resources, increase efficiency, improve their operational performance, and create greater transparency. On the other hand, SR can prepare companies to avoid or mitigate environmental and social risks that might have material financial impacts on their business and financial value creating a virtuous circle, where risk management is one of the three top reasons for sustainability activities (EY & Boston College, 2016). It is important to provide stakeholders with information about the management of sustainability risks, information about company sustainability practice, information regarding the environmental and social matters. Stakeholders are keen on knowing how the company is managing the environmental and social impacts of its operations (EY & Boston College, 2016).

Regarding the benefits of disclosing social information on the company's sustainability commitments leads to a positive differentiation of the company and a better company's performance with stakeholders outside the company (GRI, 2013). It integrates itself with local and global communities and participates in a sort of inclusive discourse that can lead to investments that benefit the company and its operating environment, CSR in highly competitive markets. The companies engaging in sustainability initiatives can simultaneously increase their success, reduce the negative social influence and benefit society at large (EY & Boston College 2016). By means of the development of an integrated report, stakeholders will gain a better understanding of the quality and sustainability of performance through insight into external influences, strategic priorities and the dynamics of the chosen business model (IMA & ACCA, 2016). Therefore, the corporate value system of a company and its culture must include sustainability (IMA & ACCA, 2016).

Moreover, reporting according to the GRI guidelines does widely enhance the credibility of a sustainability report (KPMG, 2011). In terms of material issues relevant to stakeholders, the integrated report is a means to meet broader stakeholder expectations. Broadly engaging the company's stakeholders allows for a more in-depth leverage of holistic thinking. If one emphasises the importance of continuous dialogue between the company and its stakeholders, it ensures responsiveness to the stakeholder's views and interests and it integrates their views in the IR process to consider the company's strategy, risks, and opportunities in light of the stakeholder feedback. In addition, IR offers benefits in terms of enhancing the stakeholder views into their understanding of the value-creation process, and the accountability to stakeholders (IMA & ACCA, 2016). Although it is up to each company to develop its own IR approach, it is of crucial importance to keep in mind the demands of its multiple stakeholders. The target of an integrated report is not only the investors but also all the stakeholders (IMA & ACCA, 2016).

IR gives companies the opportunity to embrace holistic thinking in the long term, by allowing managers to reflect on the company's future challenges that could include qualitative data (see IIRC, 2011, GRI, 2013). This could be done both, outside the company where engaging its stakeholders in the IR process. On the other hand, IR helps investors integrate non-financial concerns into their valuation processes and more deeply exchange with the company about their strategic choices and inside of the company by offering an environment for discussing how it could sustain in the future a company to encourage its employees and stakeholders to shift toward sustainability by offering a forward-looking report (IMA & ACCA, 2016).

On the other hand, a company should expect challenges when implementing an IR project. Some of these challenges within their company itself and other challenges are the external contexts within which the business operates (IMA & ACCA, 2016). Thus, applying IR contributes to an increased uptake of corporate SR (output effectiveness). Based on this, the internal and external company stakeholders will more meaningfully interact with the respective company (outcome effectiveness). These interactions should solve the problems in the areas the company reports on "impact effectiveness" (Barkemeyer, Preuss & Lee, 2015, P.313).

There is strong evidence that transparency offers a number of financial and social advantages that make it more than worth its costs (EY & Boston College, 2016). IR results in a broader explanation of performance than traditional reporting, which leads to a meaningful assessment of the long-term viability of the organisation's business model and strategy, meeting the information needs of investors and other stakeholders. IR allows companies to stimulate holistic thinking within their business, it promotes a multifaceted approach to information collecting and decisions, making those companies beneficial (IMA & ACCA, 2016). IR allows managers to take a complete picture of their business, such as, consider to multiple capitals in the value creation process contributes to broadening the conception of their company and its operations (IMA & ACCA, 2016).

In addition, sometimes managers disclose information with a view to managing the impression of stakeholders, and some other times to meet the needs of stakeholders, which will be addressed and highlighted in detail in chapter four. The following section will deal with previous academic studies concerning topics and contents of the study.

2.6. Evolution of Voluntary Disclosure and Academic Researches

Besides the evolution of corporate reporting by the companies themselves, and the international regulation and policy making, scholarly research on voluntary disclosure and its types have followed several streams of enquiry. Considerable attention was given to the defining and modelling of voluntary disclosure such as social and environmental information, IC and intangibles, in addition to the measurement of financial and non-financial information and its respective components. Much attention focused on reporting of non-financial information in order to achieve multiple goals including factors that relate to voluntary disclosure, meet the needs of stakeholder,

stakeholder impression control, focus on the balance, display of positive aspects and hide the negative aspects that relate to performance in order to create value to the organisation. Indeed, these contributions to academic and scientific research have partnered with regulators, legislators and companies themselves into improving corporate reporting.

In this subsection, we analyse the previous studies in order to obtain a better understanding about the quality of non-compulsory information in corporate reporting. This section addresses the main streams of voluntary disclosure by reviewing international previous academic researches, particularly focused in Jordan, regarding the objectives of the current study by focusing on the empirical evidence on evolution in volume, types, content, goals, consequences and dependencies of corporate reporting.

In fact, companies use different channels to publish their information for the audience, most of the academic accounting researchers have relied on these channels as one of the sources to collect data. Also, the majority of prior accounting research has focused on annual reports of companies when examining corporate reporting, for example, Al-Razeen and Karbhari (2004) investigated the interaction between compulsory and voluntary disclosure in the annual reports of Saudi Arabian companies. Lim et al. (2007) examined the overall level of voluntary disclosure and the components of voluntary disclosure in annual reports of Australian companies. Chan et al. (2014) analysed the annual reports of 222 listed companies on the Australian Stock Exchange in order to investigate the association between CSR and corporate governance. Pedrini (2007) has also realised an empirical investigation that related to IC report and the sustainability report in 20 reports of Danish, Austrian, Indian, Spanish, Swedish, German and English companies. The author refers that some companies drew up separate IC reports while others communicated their IC in a dedicated section in the Annual Report.

In Jordan, Sartawi et al. (2014) have examined the impact of board composition on the level of voluntary disclosure (content analysis) in annual reports of Jordanian listed companies. Al shattarat et al. (2010) have evaluated the extent of voluntary disclosure in the annual reports of non-financial companies listed in ASE for the year of 2006. Al-Akra et al., (2010) have also addressed the influence of accounting disclosure regulation, governance reforms and privatisation on voluntary disclosure, using 243 annual reports of 27 privatised of Jordanian listed companies from 1996 until 2004. Al-hamadeen and Suwaidan (2014) have investigated the IC voluntary disclosures in large industrial Jordanian firms when disclosing information related to IC and to what extent they do report such non-financial information in their annual reports.

On the other hand, researchers also used other channels in literature to investigate corporate reporting, based on other communication channels companies use to communicate information to stakeholders such as stand-alone reports, interim reports (half yearly), and companies' websites, et cetera. For instance, Oliveira et al., (2010) have analysed the involvement of sustainability reports as a medium for IC disclosures in the sustainability reports published by Portuguese firms on Business Council for Sustainable Development (BCSD) Portugal's web site. In addition, Branco and Rodrigues (2006a; 2008) compared the information on social responsibility between different communication media (corporate web pages and annual reports during 2003 and 2004) on Portuguese banks and Portuguese listed companies, respectively. In Jordan, Albawwat et al. (2015a) have examined the relationship between voluntary disclosure and company performances on interim reports in Jordan. Albawwat, basah & Khairi (2015b) have examined the effect of corporate governance and structure of ownership on voluntary disclosure in interim financial reports (half yearly) published by the listed companies in Jordan.

Moreover, there is a wide literature regarding the disclosure on companies' websites (see, for example, Adams & Frost, 2004; Campbell & Beck, 2004; Suttipun & Stanton, 2012a, b). Hannon (2014) found that 143 of Jordanian companies (52%) have active websites [62 websites (43%) have disclosed some financial information, and 81 websites (57%) did not disclose any financial information], 8 companies (3%) are common for different companies belong to the same group, while 124 of the companies (45%) have no website or under-construction website. AbuGhazaleh, Qasim and Haddad (2012) mentioned that the top management support was essential and played a key role in influencing the ways in which companies use their website. Their results have revealed that the management belief that stakeholders, including Jordanian stock market participants, are not yet ready or willing to use the internet to acquire information about the company.

Empirical research on voluntary disclosure has a long history documenting the impact of companies' characteristics on information disclosure, such as size, industry, leverage, managerial ownership and government ownership, *inter alia*, particularly, documenting the effect of the companies' characteristics and corporate governance on the level and volume of voluntary information. But the influence of these factors has received mixed results. For example, Hidalgo et al. (2011) found a negative association between family companies and voluntary disclosure of intangibles, while Al-Janadi et al. (2013) found there is no association between family companies and voluntary disclosure in Saudi Arabia. In Jordan, Al-Akra and Hutchinson (2013) indicated that family companies disclose less voluntary information than non-family ones.

In addition, Cheng and Courtenay (2006) and Eng and Mak (2003) mentioned that there is a significant positive influence of government ownership on corporate disclosure. Cheng and Courtenay (2006) indicated that government controlled companies tend to be more transparent in their disclosure as a result of the government's support of better governance and disclosure policies on the Singapore Stock Exchange, whereas Al-Janadi et al. (2013) found negative impact between government ownership and voluntary disclosure in Saudi Arabia. In Jordan, the study conducted by Haddad, AlShattarat, AbuGhazaleh and Nobanee (2015) has highlighted that the extent of voluntary disclosure is positively associated with government ownership. Hence, the government ownership can help to promote transparency. These results are consistent with Naser and Al-Khatib (2000). However, Naser (1998) and Naser et al. (2002) pointed out that there is no association between government ownership and the depth of disclosure by Jordanian firms.

In the same context, privatisation refers to transfer owned companies from government to the private sector. Privatisation increases private ownership, whereas it decreases government ownership (Boycko, Shleifer & Vishny, 1996). Al-Akra et al., (2010) mentioned that after privatisation, the thought of Jordanian companies has changed and moved through voluntary disclosure of information which is useful in responding to investors and shareholders expectations. In contrast, Naser and Al-Khatib (2000) and Naser et al. (2002) found a negative association between individual ownership and disclosure in Jordanian companies.

On the other hand, Al-Akra et al. (2010) found a positive association between foreign investors and voluntary disclosure in Jordanian companies. Brown, Earle and Telegdy (2004) confirmed that foreign owners have better management skills, ability to finance, knowledge of new technologies and markets. Therefore, foreign investors require higher disclosure standards (Boubakri et al., 2005). Naser et al. (2002) contended that foreign investors are more likely to demand higher disclosure standards, and they have more experience in regional and international markets. Which is why the impact of foreign investors on voluntary disclosure is significant. Finally, Depoers (2000) has shown that managers disclose more information when a foreign activity is important.

Insofar the size of the company is concerned, Eng and Mak (2003) found that larger companies disclose more information. These results are consistent with Barros et al. (2013) and Oliveira et al. (2013) which stressed that voluntary disclosure positively affected the size of the company. Depoers (2000) has shown that managers disclose more information when a company's size is important. Branco and Rodrigues (2008) have also argued that companies' size is positively associated with CSR information disclosure. Moreover, García-meca et al. (2005) and Li et al. (2008) found a positive association between size and IC voluntary disclosure. In addition, Oliveira et al. (2010) found a positive association between company size and IC in terms of SR. In contrast, Ho and Wong (2001) indicated that there is a negative relation between size and voluntary disclosure. Moreover, Brüggen et al. (2009) found a negative association between size and voluntary disclosure of IC information.

In Jordan, Al-Akra and Ali (2012) provided evidence that voluntary disclosure is positively associated with company size. Haddad, AlShattarat and Nobanee (2009) study identified that social disclosure is associated with the corporate size. Naser et al. (2002) confirmed that the depth of disclosure seems to be associated with corporate size.

The results of the Bani-Khalid, Kouhy and Hassan (2017) study revealed that corporate size, type of audit company and financial performance in the manufacturing sector in the ASE are the strongest factors that have affected the Jordanian CSED; while, other factors (firm profitability, age, type of industry and ownership) are not associated with the level of CSED practices.

Warad and Al-Debi'e (2017) refered that the larger Jordanian companies have a higher level of voluntary disclosure because of the cost of external financing for larger companies is lower than smaller ones, therefore, lower cost of information for large companies may provide the manager with an incentive to disclose more information. On the other hand, disseminating and collecting more information is a costly exercise where larger companies are abler to bear the costs of disseminating and collecting more information, while, smaller companies may be hesitant to provide an additional disclosure which might put them at a disadvantageous competition.

In terms of corporate governance, Gisbert and Navallas (2013) addressed the complementarities between information ''voluntary dimension of disclosure'' and governance mechanisms in Spain. They have suggested that the legal framework holds the key to guaranteeing the appointment of genuinely independent directors who can perform their role efficiently: more accountability and transparency of information. Ho and Wong, (2001) used Hong Kong data to analyse the effect of corporate governance mechanism on companies' voluntary information. They have stressed the need implementing corporate governance requirements in order to enhance corporate reporting transparency. Chan et al., (2014) mentioned that CSR and corporate governance are two complimentary mechanisms used by companies to enhance relations with stakeholders.

In Jordan, according to Alhazaimeh et al. (2014) board activity and non-executive directors is significant in influencing voluntary disclosure, thereby implying a significant degree of voluntary disclosure in line with greater corporate governance awareness and implementation. Shanikat and Abbadi (2011) found that disclosure and transparency were observed to a large extent and boards largely fulfilled their responsibilities. Moreover, Albawwat and Basah (2015) showed that a substantial degree of voluntary disclosure is demonstrated in high-level corporate governance awareness and implementation.

Indeed, companies can achieve several goals by disclosing additional high quality information as related to internal and external issues of the company. These objectives can drive companies towards disclosing more voluntary information. Literature provides several reasons to explain why companies provide more information than mandatory. Iatridis (2008) analysed the financial characteristics of UK companies that provide extensive disclosures and assessed the financial impact of their motives. The study unveiled that companies are inclined to disclose accounting information in order to emphasise to the market participants that their accounting policies are consistent with the accounting regulations and meet the stakeholders' information need. In addition, the implementation of IFRSs enhances the quality and the comparability of financial statements; hence, it promotes consistency and reliability in financial reporting and facilitates companies in raising capital internationally. Prior literature provides significant evidence that managers address additional disclosure in order to solve the problems that relate information environment. Guay, Samuels and Taylor (2016) provided evidence that companies with difficult financial statements published extra voluntary information, as a management forecasts, to relieve negative effects on the information environment.

Hussainey and Mouselli (2010) examined the relation between disclosure quality and stock returns during the period 1997 to 2004 in UK firms, their results indicate that high disclosure quality has lower costs of capital, and improve stock returns. Warad and Al-Debi'e (2017) argued for the impact of accounting conservatism and voluntary disclosure on the cost of capital of Jordanian industrial companies during the period (2009-2013). The results revealed that accounting conservatism and voluntary disclosure have significant negative impacts on Jordanians firms' cost of capital, which means that the higher the information disclosure, the lower the firm's cost of capital. In addition, the results show that voluntary disclosure in the high leverage firms has a significant negative impact on the firm's cost of capital. However, high leverage firms seek to reduce their monitoring costs through adopting various types of voluntary disclosure.

In addition, Oliveira et al. (2013) refer that the firms can improve their reputation by influencing stakeholders. Healy and Palepu (1993, 1995) stressed that firms provide voluntary disclosures in order to give investors explicit information in order to influence their perceptions. Particularly, in order to favourably effect on the stakeholders to achieve the firm's plans, provision of extensive disclosure in good periods would, of course, improve managers' corporate picture (McKnight & Tomkins, 1999). Furthermore, Hussainey and Walker (2009) confirmed that disclose of quality information helps users' to improve their expectations about future earnings for long period. While McKnight and Tomkins (1999) mentioned that the provision of extensive disclosure in bad periods would question managers' skills and decision-making. Hence, in periods of uncertainty, managers tend to provide information in order to reassure investors and restore their confidence (Dye, 1998). Depoers (2000) confirmed that the companies hiding information whose disclosure it may compromise the firm's competitive advantage or increase labour pressure. On the other hand, Branco and Rodrigues (2008) mentioned that companies disclose social responsibility information in order to improve their reputation and to create a better corporate image.

Since the mandatory corporate disclosure alone seems insufficient, also its appears that each firm has different factors and motivations that explain why it pays more attention to disclose some information than others, thereby, the disclose of additional information that related to miscellaneous and different issues by companies, such as risk, profitability, social, environmental, IC information and SR, and other issues. Indeed, these issues became to have more attention by stakeholders and companies themselves. Yusoff, Mohamad and Darus (2013) stressed that it is not the volume of disclosure that matters but the variety of items disclosed and concentration to the definitive stakeholders.

In terms of the CSR dimensions in Jordan, Al-Hamadeen and Badran (2014) revealed that economic aspects are on the top of information disclosed, which is consistent with Ismail and Ibrahim (2008). The environment issues are still the weakest and lowest topic being disclosed by listed Jordanian companies. Mazahrih, Katrib and Rfaah (2016) investigated the quality of environmental reporting information by the chemical industry in Jordan. They refer to differences between the two levels with regard to the quality, content and profile disclosure, this could be attributed to the voluntary nature of the environmental disclosure. Abu sabha and Shoubaki (2013) suggested that the Jordanian public shareholding companies, in order to ensure institutional continuity, should disclose their published statements the size, type, quality and mechanics of their social participation in the local community.

In addition, Rahahleh (2011) refered that most of the financial departments of the Jordanian industrial companies have the conviction of the importance of the application of environmental accounting. However, whether it was voluntary or mandatory and legal is yet to be determined. The annual financial statements are lacking numbers or percentages or disclosures of accounting related to the environment. The study recommended raising awareness of accountants and financial managers and corporate departments of the concepts of environmental accounting, and its general framework. He suggested the issuance of accounting standards guidance especially for environmental accounting, in addition to establishing a system of incentives, various tax and governmental exemptions, so as to encourage companies to implement environmental accounting.

In line with the stakeholder theory, Yusoff et al. (2013) found a significant positive relationship between CSR disclosure breadth and subsequent corporate financial performance. When a company is perceived to be proficient in managing their stakeholders' related issues, the level of loyalty among the stakeholders will facilitate the growth in sales, thus leading to higher profitability. A positive relationship between CSR disclosure concentration and corporate financial performance does also increase concentration on definitive stakeholders will lead to a greater financial performance in the subsequent year.

From a managerial perspective, non-financial reporting looks for transparency in communicating with stakeholders (Nielsen & Thomsen, 2007). Cornelissen (2004) posits that a company's future depends on how the key stakeholders perceive the company's behaviour. Thus, SR can be considered as the public expression of corporate behaviour for stakeholders, to show what and how companies are doing. In this context, Greco, Sciulli and D'Onza (2015) mentioned that the Italian companies initially introduced SR for accountability and legitimacy reasons. However, over time became incidental to more sophisticated tools of policy-making and reporting, the results demonstrated that the engagement of stakeholder leads to legitimising the strategies for an arrangement between political programs and the stakeholder's demands. On the other hand, Fernandez-Feijoo, Romero and Ruiz (2014) found that companies in stakeholder-oriented countries (Spain and Portugal) disclose more CSR information and they are also more likely to present assurance of SR than companies in shareholder-oriented countries. This is believed to affect the policy of the country on disclosure. Graafland and Smid (2004) argued that greater communication about social behaviour is necessary to improve the companies' reputation.

Although the GRI guidelines affirm that the quality of SR and materiality of a certain aspect to be reported depend on a balanced reflection of both positive and negative aspects of a company's performance, Figge and Hahn (2004) affirm that companies contribute to sustainability only if the value created exceeds the external damage caused. In contrast, according to Holder-Webb, Cohen, Nath and Wood (2009) most of the information voluntarily disclosed in sustainability reports sheds a positive light on the respective company. Consequentially, many reports are criticised for their self-laudatory, selective, and strategic character. Meanwhile, several scholars refer that voluntary disclosure allows companies to use SR as an impression management tool to improve a company's reputation (e.g., Castelló and Lozano, 2011; Ihlen, 2009; La Cour and Kromann, 2011).

Most recent researches in this area focus on actual disclosure use of a large scale method to analyse corporate reporting. In fact, literature has received mixed results. Albawwat and basah (2015) mentioned that the practices of voluntary disclosure in developed countries are more advanced compared to the practices in their developing counterparts. Monteiro and Aibar-Guzman (2010) mentioned that the environmental disclosure index in Portuguese companies is low average value. Despite the Portuguese companies' environmental reporting practices have improved, their level of environmental disclosure still lags behind those of other European countries. While Fernandez-Feijoo et al. (2014) found that European countries are leading the rankings in CSR information, in particular, Spain and Portugal. In the same context, Suwaidan (1997) stressed that the level of voluntary disclosure in Jordanian corporate annual reports was low. He explained that this could be due to a lack of disclosure requirements. Sartawi et al. (2014) found a moderate level of voluntary disclosure in the annual reports of Jordanian firms. On the other hand, Naser and Al-Khatib (2000) argued that the investment decisions of Jordanian investors are not sophisticated and they exert little influence on disclosure quality. Conversely, Shanikat and Abbadi (2011) found that disclosure and transparency were observed to a large extent in Jordanian companies. In addition, as we mentioned above, empirical researches on voluntary disclosure has mixed results regarding the influence factors.

Based on the abovementioned, it is clear that studies on voluntary disclosures have yielded mixed findings. According to Albawwat and basah (2015) this can be clarified by a number of factors. Firstly, the studies have different voluntary disclosure measurement such as the indexes used in previous studies may employ less and more select items. Studies use different sample sizes and this leads to the occurrence of the variance in the findings. The third factor that influences the results is the diversity within the sample period. In addition, voluntary disclosure practices among companies may change with time. Finally, results may also differ as each country may have different practices of voluntary disclosure. According to Ullmann (1985) one of the main reasons for these inconsistencies is a lack of a comprehensive theory.

In general, the wealth of recent research in corporate reporting also uses the quantitative issues more than qualitative. It can be stated that most of the researchers have considered the amount of voluntary disclosure as a measure of the quality of disclosure. This may raise doubts that whether the higher amount of voluntary disclosure possesses an acceptable level of quality of the disclosure in order to respond to stakeholder expectations. However, the volume of disclosure does not matter but the variety of items disclosed and concentration to the definitive stakeholders does (Yusoff et al., 2013). Hahn and Kühnen (2013) referred to the existence of gaps and underexposed themes in this area such as reporting quality and stakeholder perception, also, often missing the link to theory (especially legitimacy, stakeholder, signalling, and institutional theory). Since corporate reporting considered as a tool for communication between companies and stakeholders, and all users have interest in the organisation.

Kanakriyah (2016) examined the effect of voluntary disclosure on the quality of accounting information in Jordan to illustrate the viewpoints of different users and measure the actual voluntary disclosure level in Jordanian corporations. According to Jordan Securities Commission JSC (2007, p.6), stakeholders are "Persons who have vested interests in the company, including its shareholders, employees, creditors, suppliers, and prospective investors". Haddad, Sbeiti and Qasim (2017) mentioned that the prior studies in Jordan assumed that all users of information have the same interest in disclosure; in fact, different users of information have different interests in disclosure. The authors confirmed that more research is needed to consider user interests into disclosure practices; this could ultimately lead to establishing a disclosure index based on the group’s prospects. The result of Kanakriyah (2016, p.1) indicated the existence of "strong effect of voluntary disclosure on the quality of accounting information which in turn effect on users' decisions, such as investors". Indeed, Kanakriyah (2016) focuses on investigating the perceptions of Jordanian users toward the importance of voluntary disclosure for their decisions when they making investment decisions.

"The conclusion which must be drawn is that for Jordan, where as a developing country there is no strong accounting profession, full and consistent reporting will be achieved only from legislative action" (Buckland, Suwaidan & Thomson, 2000, p.19). According to Suwaidan et al. (2004) the regulatory requirements for corporate social reporting in Jordan allow companies to have a great deal of freedom over their social reporting policies. Thus, social disclosure in Jordan is few and at best expressed in general terms.

Omar, Abdul Rahman, Danbatta and Sulaiman (2014) confirmed that whether managers' practices are a good, bad or ugly, the accounting practice depends on the ethical commitment of the company's management and its managers in using the right technique at the right period without compromising all other stakeholders' interest for their own interest. To smooth bad practices, managers and the management board alike need to improve their disclosure practices to all relevant stakeholders.

Al-Hamadeen and Badran (2014, p.1) exposed the weak engagement of the Jordanian largest businesses with stakeholders, "evidenced by the low attention being given to identifying different groups of stakeholders, identifying their concerns, and presenting real responsiveness to these concerns". Suwaidan et al. (2004) found that there is a poor level of the disclosure of environmental and goods/services to customers in the annual reports of Jordanian industrial companies listed on the ASE. Therefore, there is a significant scope for additional disclosure. Bani-Khalid et al. (2017) refer that there was a relatively low level of CSED practices in Jordanian corporate disclosure. Also they mentioned that despite the importance of CSED, which is considered as the stakeholders' right to disclosed. However, developing countries still suffer from lack of social and environmental awareness among the stakeholders, as well as, there is still a weakness in the government's regulations on CSED practices.

There is considerable literature regarding voluntary disclosure, for instance, IC (see, Abdolmohammadi, 2005; Brüggen et al., 2009; García-meca et al., 2005; Hidalgo et al., 2011), environmental disclosure (see, Halkos & Skouloudis, 2016; Iatridis, 2013; Monteiro & Aibar-Guzman, 2010), corporate social and responsibility disclosure (see, Adams & Zutshi, 2004; Branco & Rodrigues, 2006a.2006b, 2008; Yusoff et al., 2013), in addition to a wide range of studies regarding many aspects of voluntary disclosure. Based on the IR perspective, this study focus on the stakeholders' perception on voluntary reporting from holistic view "integrated thinking", evolution, types, advantages and disadvantages, motivations, and channels. This study draws our attention to the potential of the stakeholders' perception (all stakeholders groups) about corporate reporting as a medium to evaluate and improve information quality content.

2.7. Summary

Corporate reporting is a lot more than financial statements. Indeed, performance evaluation is not only connected with the profitability of shareholders equity but it is also associated with the satisfaction of a wider number of stakeholder, internal and external, that appear interested in the company's outcomes (Boesso, 2002). In addition, recently, corporate reporting includes a number of different elements such as operating data, performance measures, analysis of data, forward-looking information, information about the company, and management of investors and stakeholders, besides different types of information, such as, social and environmental, CSR, IC and intangibles assets information, and sustainability information (AICPA, 1994; FASB, 2001; IIRC, 2011). For instance, according to Adams and Zutshi (2004), companies that demonstrate acts in a socially and environmentally responsible manner can provide a company with four major benefits: improved corporate image and relations with stakeholders, better recruitment and retention of employees, improved internal decision-making and cost-savings and improved financial returns.

Therefore, the evolution of corporate reporting is not only based on increasing of stakeholders' demand of information, requirements of the regulators and markets. But it seems to meet the needs of companies themselves, such managing the competitive advantage, enhance the company's image in order to creating value. In addition to manage the stakeholders' perceptions. From this perspective, managers' decisions to disclose more information are influenced by many factors. In fact, the disclosure of all internal information and private data have advantages and disadvantages because it has consequences on the corporate value, and it impacts on stakeholders' perception about the performance of the company (Meek et al., 1995).

In the next chapter it will be discuss the theoretical background of theories usually used to explain voluntary disclosure.

CHAPTER THREE

III: APPROACH TO VOLUNTARY REPORTING

3.1. Introduction

This chapter aims to discuss the theoretical background of theories usually used to explain voluntary disclosure, both in terms of theories' principles and how they influence voluntary disclosure. From this perspective, available literature provides several theories that explain voluntary disclosure practices. The most popular theories used in the prior researches attempt to explore, explain and analyse corporate voluntary disclosure and their different types, including stakeholder theory, impression management theory.

In addition, this chapter also reviewed the empirical studies in this area to understand the relationship between theories and corporate reporting. It seeks to analyse how theories explain companies' behaviour about information disclosure as well as the relationship between companies and their stakeholders and how companies manage information voluntary disclosure, using stakeholder theory and impression management theory.

In this chapter, we discuss the most prominent theories that explain the disclosure of information voluntarily. In section two, we will explain the impression management theory. In section three, we are to study the theory of stakeholders. Section four will dedicate itself to explain the relationship between the theories (interferences and differences), and the reasons that lead us to employ both the theory of stakeholders and the impression management theory in this study. Finally, this chapter will provide a summary.

3.2. Impression Management Theory

Corporate financial and non-financial disclosure has been a longstanding preoccupation of accounting researchers and policymakers as a crucial input to corporate transparency and accountability. In addition, corporate reporting quality has been a focus of attention for investors, regulators and the broader community. In this sense, the use of corporate disclosure to improve the corporate image is under the attention of the accounting scholars that investigate impression management strategies (see Brennan, Guillamon-Saorin & Pierce, 2009; Merkl-Davies & Brennan, 2007; Merkl-Davies, Brennan & McLeay, 2011).

The original concept of impression management by Goffman (1959) is related to the social psychology. It originally focused on the behaviour of individuals whenever people have an ongoing interest in how others perceive and evaluate them. The impressions people make on others have implications on how others perceive, evaluate, and treat them, as well as for their own views of themselves, people sometimes behave in ways that will create certain impressions in others' eyes (Leary & Kowalski, 1990).

According to previous studies, impression management has different definitions; most of them revolve around behaviour by a person or organisation that has the purpose of controlling or manipulating the impression of others persons. For example, impression management focuses on goal-directed behaviours with the purpose of controlling or manipulating the attributions and impressions that others form (Leary & Kowalski, 1990; Schlenker, 2012; Tedeschi & Reiss, 1981). Impression management is a technique that individuals and organisations adopt as an attempt to control for the impression of others (Goffman, 1959). The concept of impression management has been used in psychology to describe self-promotional behaviours at the individual level, this concept refers to ‘‘behavioural strategies that people use to create desired social images or identities’’ (Tetlock & Manstead, 1985, p.59).

Leary and Kowalski (1990) suggested two processes involving impression management: impression motivation and impression construction. The impression motivation process is associated with the desire to create particular impressions on others' minds, and with the conditions under which people become motivated to manage their public impressions (impression motivation, goal-relevance of impressions, the value of desired goals and discrepancy between desired and current image). While the impression construction rests upon the following elements: self-concept, desired and undesired identity images, role constraints, target's values, current or potential social image (Leary & Kowalski, 1990). In the same context, Brennan (2010) argue that managerial impression management in addition to responses investors and stakeholders to it, consist of two aspects, the nature of the decision-making processes (rationality) and the motivational component explaining the underlying reasons for making the decision (motivation).

The motivations of managerial disclosure strategies include the protection of management interests, such as reputation, remuneration or continued employment. Management can use its unique ability and discretion to maintain its position of relative power and avoid embarrassment, difficult questions, adverse publicity, litigation, bonus challenges and possible termination. Furthermore, managers may be motivated to protect proprietary information such as competitive operating details (Leung, Parker, & Courtis 2015).

Companies tend to present an idealised picture of reality and conceal some negative information when they communicate with their stakeholders by using disclosure and impression management to influence the perceptions of stakeholders (see Bansal & Clelland, 2004; Bansal & Kistruck, 2006; Bolino, Kacmar, Turnley & Gilstrap, 2008; Cho, Roberts & Patten, 2010; Criado-Jiménez, Fernández-Chulián, Larrinaga-González & Husillos-Carqués, 2008; Perks, Farache, Shukla & Berry, 2013; Solomon, Solomon, Joseph & Norton, 2013). According to Merkl-Davies and Brennan (2007) impression management strategies involve two types of behaviour: concealment and attribution. Concealment may be achieved by emphasising positive organisational achievements or by obfuscating negative outcomes; whereas attribution is a contention that the positive organisational outcomes to managerial ability and internal factors, in contrast, attribute negative outcomes to external factors. Organisations facing events or strong social pressures that may compromise their legitimacy tend to use a variety of impression management strategies to influence positively their image (Elsbach & Sutton, 1992).

Leung et al. (2015) argue that minimal narrative disclosure is concealment strategy used for impression management that relates to selectivity in the content of information by withholding or omitting discretionary narrative information and explanations relevant to the evaluation of firm performance and future prospects. In addition, the advantage of diverting investor attention away from the company's weaknesses or negative news. Moreover, Merkl-Davies and Brennan (2007) argue that selectivity as part of an impression management strategy involves 'omitting' or 'including' certain items of information, in other words, selectivity in the presentation of information.

Impression management in the corporate disclosure form has two aspects: impression management in the financial information disclosure and impression management in the non-financial information aspect. Moreover, managers apply impression management by resorting to different forms of information release such as a variety of impression management methods used in corporate reporting (Brennan et al., 2009; Merkl-Davies & Brennan, 2007; Merkl-Davies et al., 2011): thematic manipulation (e.g. the use of positive or negative words and sentences), attribution of organisational outcomes (e.g. the attribution of responsibility for negative outcomes to external circumstances), syntactical manipulation (e.g. the use of complicated language to obfuscate corporate performance), and performance comparisons (e.g. the selection of benchmarks that portray the company's performances as being better than the industry average).

Corporate reporting, for instance, annual reports, involve accounting narratives outside the audited accounts. These are referred to as discretionary accounting narratives and in order to distinguish them from accounting narratives supporting numerical information in audited financial statements these are not subject to external audit. The scope of the auditors' reports in company annual reports is limited to the financial statements and the notes therein. The monitoring of narrative accounting disclosures is realised in order to establish consistency with the financial statements, excluding those in audited financial statements, the notes to the financial statements, which makes it easier for managers to manipulate the information disclosed therein (Brennan & Merkl-Davies, 2013). Clatworthy and Jones (2001), for example, analysed 60 annual reports of UK listed companies. They reported that the managers used readability variability to emphasise good news and obfuscate bad news. In addition, Courtis (1998) suggested that variability in the readability of Hong Kong annual reports could be attributable to managers attempting to obfuscate the transmission of bad news and bury it in the middle of the chairman's narrative.

Accounting scholars have focused on impression management theory and agency theory with the aim of detecting the presence of disclosure biases, introduced by firms in an attempt to manipulate audiences' perceptions of their image (Neu, 1991; Neu et al., 1998). In particular, impression management studies aim to assess the use of ‘‘reporting bias introduced by the opportunistic behaviour of managers who select a style of presentation and choice of content that is beneficial to them’’ (Merkl-Davies & Brennan, 2007, p.126), or ‘‘self-serving biases’’ (Cho et al. 2010., p.431).

In the corporate reporting context, impression management constitutes to opportunistic managerial behaviour arising from information asymmetries between managers and investors. This involves the manipulation of the presentation and disclosure of both verbal and numerical information (Brennan & Merkl-Davies, 2013) to distort the perceptions of the readers about corporate achievements. They display and present narrative information in corporate documents in a manner that is intended to influence their impressions of the company performance and prospects (Aerts, 2005; Courtis, 2004; Godfrey, Mather, & Ramsay, 2003; Merkl-Davies et al., 2011), manipulate the outsiders' perception regarding financial performance and prospects such as divert their attention from financial distress (Tennyson, Ingram & Dugan, 1990). In addition, to benefit from increased compensation, particularly via managerial stock options (Courtis, 2004; Rutherford, 2003). In this light, impression management is perceived as a technique used to purposely control and manipulate the users' impressions of accounting and narrative information (Clatworthy & Jones, 2001). This theory focuses on actions that are developed intentionally to influence the manner in which the organisation is perceived (Bolino et al., 2008).

Research evidence shows that management uses the corporate annual report to provide a self-interested view of corporate performance. Beattie and Jones (2000) for example, investigate two important forms of impression management (selectivity and measurement distortion) in the financial graphs of the corporate annual reports of 300 companies in Australia, France, Germany, the Netherlands, the U.K., and the U.S. They found some evidence of selectivity in graph usage (particularly in the U.S. and Australia) and of measurement distortion (particularly in the U.S. and the Netherlands). They have also mentioned that impression management is greater in countries with strong capital markets.

In addition to manipulating the presentation and content of voluntary disclosure, impression management is considered one of the determinants of voluntary disclosure through the refusal to communicate (minimal disclosure or nondisclosure) in discretionary narrative disclosure (Leung et al., 2015). A narrow approach to impression management focuses on managerial manipulation of shareholders' perceptions of financial performance (see, Clatworthy & Jones, 2003, 2006; Courtis, 2004). By contrast, a wider approach shifts the focus of analysis to managerial manipulation of stakeholders' impressions of social and environmental performance, organisational legitimacy (see, Breton & Côté, 2006; Hooghiemstra, 2000; Linsley & Kajüter, 2008).

Impression management in accounting communication entails the construction of an impression by organisations with the intention to appeal to their audiences, including shareholders, stakeholders, the general public, and the media. If it is successful, it undermines the quality of financial reporting and capital misallocations may occur. Furthermore, wider social and political consequences include unwarranted support by non-financial stakeholders or by society at large (Brennan & Merkl-Davies, 2013). Impression management implies reporting bias, self-serving bias, symbolic management, and ideological bias (Merkl-Davies & Brennan, 2007; Brennan & Merkl-Davies, 2013).

Moreover, prior researches focused on the influence of impression on the stock price in addition to methods that used to investigate the effect of impression management on the prediction of investors (Wang, 2016). However, more recently a wider impression management view has emerged. The sociological perspective related to the corporate social and environmental responsibility image and legitimacy focuses on impression management influencing organisational audiences' perceptions of social and environmental performance and on organisational compliance with social norms and rules. It may result in unwarranted support by stakeholders and the public in general. In addition, the critical perspective related to power focuses on managerial attempts to influence organisational audiences' perceptions of corporate influence and control. It may result in hegemony on the corporate reporting, whereas hegemony refers to the process of influencing the minds of organisational audiences in such a way that they are persuaded to support organisations out of their own free will (Merkl-Davies & Brennan, 2007).

Melloni (2015) mentioned that the positive tone of IC disclosure is significantly associated with declining performance, bigger size and a higher level of intangibles supporting the use of IC disclosure as an impression management strategy. However, the current reporting practices need to improve quantity and scope of disclosures of IC items in financial reports by regulatory efforts (Oliveira et al., 2013).

Regarding the sociological perspective and impression management, it results from structural constraints exerted either by different stakeholder groups or by society. From this perspective, impression management is seen either as a response to concerns of various stakeholder groups or as a response to public pressure and media attention relating to a controversial issue or event or as arising from inconsistencies between organisational and societal norms and values (Brennan & Merkl-Davies, 2013).

On the other hand, impression management may lead to increase voluntary disclosure and transparency of disclosure. Companies seek to reach a wider international readership, their delving increasingly into global markets, by wider spread to the stakeholders and adapting corporate communications to suit those markets, may be seen as an aspect of impression management (Leventisa & Weetman, 2004). Managers are using different tools as part of the process of creating an image to influence external stakeholders (Lee, 1994), such as translating the annual report into a language more familiar to the wider stakeholder group, in a similar vein, the use of graphs or illustrations (Leventisa & Weetman, 2004). Visual images are integral elements of corporate reports (Preston, Wright & Young, 1996). Providing information through these means is also more active and appealing in voluntary reporting by identifying the managerial perception of readership as a significant factor in determining the extent of voluntary disclosure (Leventisa & Weetman, 2004).

Indeed, impression management can play a role in restoring reputation, image, or legitimacy in times of crisis or change and during the adverse financial performance. Indeed, impression management requires constructing an impression of the quality or normative appropriateness of organisational structures, processes, practices, or outcomes (Brennan & Merkl-Davies, 2013), where reputation and image are related to the evaluation of organisations and legitimacy focuses on their acceptability with respect to social norms and rules (Deephouse & Suchman, 2008).

According to Schlenker (1980) and Schlenker, Forsyth, Leary and Miller (1980) impression management is concerned with the behaviours people direct toward others to create and maintain desired perceptions of themselves. Impression management may prove to be useful in clarifying the dimension of leadership. Hence, impression management behaviours may be an important mechanism for leaders in generating support for their actions (Pfeffer, 1981). Many impression management behaviours are conscious and can be controlled for and they may influence both organisational and personal success (Gardner & Martinko, 1988). However, most of the impression management studies are based on managers assumed to exercise judgement in order to mislead some stakeholders about the underlying economic performance of the company (Healy & Wahlen, 1999).

Although the value of the SR process is to ensure organisations they have an impact on these sustainability issues, also, to enable them to be transparent about the risks and opportunities they face, increased transparency leads to better decision making, which helps to build and maintain trust in businesses and with stakeholder. However, Talbot and Boiral (2015) provided qualitative content analysis of the sustainability reports of 21 energy-sector companies that use the GRI and the impression management strategies. They found significant non-compliance with GRI standards. In addition, companies disclose increasingly opaque and blurred information over time, concealing information on the measurement and methodology used. These are employed either to justify certain information by minimising impacts, excuses and commitment, or to conceal it through strategic omissions and manipulation of figures. Therefore, this information is used to justify or conceal negative aspects of their performance.

In addition, according to the IIRC, (2015) 'Integrated Report'' is an innovative report which is expected to offer a complete and balanced representation on how organisations create value. Melloni, Stacchezzini and Lai (2016) refer that there is a new attention to the concept of ''Business model'' (BM), which is a fundamental concept to further understanding how companies operate and create value. It embodies the organisational and financial architecture of a business and explains the way companies convert resources and capabilities into value. Nonetheless, the companies adopt impression management strategies by manipulating the tone of the business model disclosures provided in their reports (Melloni et al., 2016). Although companies that adopt IR are expected to disclose the best reports, but the impression management practices limit them from reaching such an achievement (Melloni et al., 2016).

Finally, impression management involves emphasising the positive organisational outcomes or obfuscating negative organisational outcomes (Brennan & Merkl-Davies, 2013). In addition, impression management relates to presentation management in corporate annual reports and accounting numbers management. Presentation management concerns the manipulation of the content and syntax of accounting narratives or of presentational formats, such as graphs or pictures, while accounting numbers management involves basic manipulation of the measurement and disclosure of accounting numbers. Therefore, arguably, the impression management theory does reflect the negative management practices in order to influence on the stakeholders' perception by voluntary disclosure "reporting bias". In the next section, we will discuss the effect of stakeholder theory and how it explains corporate reporting.

3.3. Stakeholder Theory

For many years and according to the managerial model of firms, managers focused on the role of shareholders, employees, suppliers and customers. More recently, managers' views have moved toward the external environment of the company. In order to achieve the companies' objectives, managers need to develop ways of understanding and addressing these issues. Freeman (1984) proposed a new conceptual model of the company 'stakeholder model' that essentially incorporates the external environment. The stakeholder theory is a new way to organise thinking about the company's responsibilities by suggesting that the needs of shareholders cannot be met without satisfying the needs of other stakeholders (Foster & Jonker, 2005).

According to the stakeholder model, many individuals and groups have an interest in the existence, processes, outcomes and reputation of an organisation in addition to the recognised interest of capital owners. The discussion of purpose necessarily causes a reconsideration of stakeholder models of organisations because it implies a beneficiary. Furthermore, the selection of performance criteria implies a set of assumptions that are related to the relative importance of possible measures of performance in relation to organisational goals and the interests of different stakeholders (Rogers & Wright, 1998).

The original purpose of the stakeholder theory was to encourage managers to engage with the external world in determining a strategic direction and how it could be implemented successfully.

Indeed, successful managers must understand and respond to the needs and aspirations of those groups in this environment (Jonker & Foster, 2002).

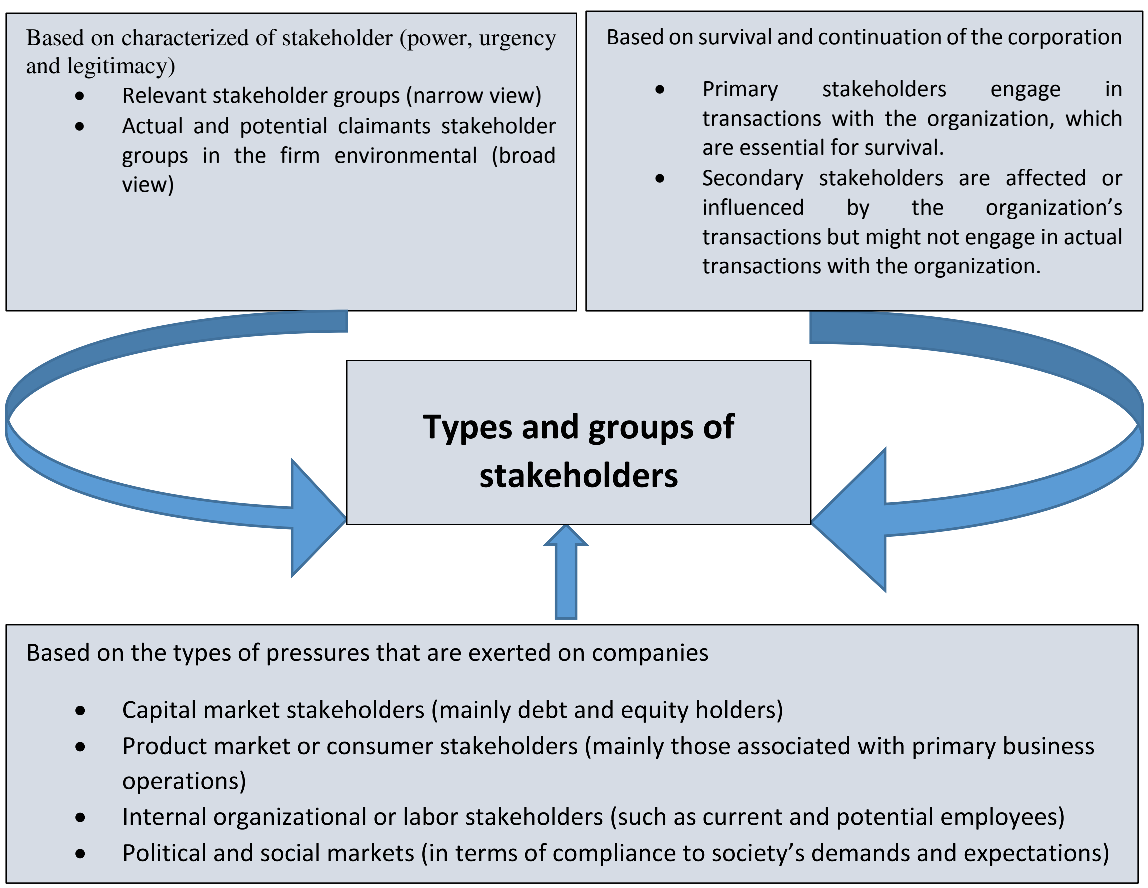
In 1984 Pitman published "A Stakeholder Approach”. According to this approach, the stakeholder concept provides a new way of thinking about strategic management and how a corporation can and should set and implement direction by paying attention to strategic management. A stakeholder is "any group or individual who can affect or is affected by the achievement of an organisation's purpose" (Freeman, 1984, p.53). According to Clarkson (1995, p.106) stakeholders are any “persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective”. Deegan (2013) doe also refers that the ethical branch simply provides that all stakeholders have a right to know about social and environmental implications of an organisation's operations at all time.

In terms of types and groups of stakeholder, there is no clear agreement on the definition and identification of stakeholders (see, Alkhafaji, 1989; Clarkson, 1995; Freeman, 1984; Thompson, Wartick, & Smith 1991). Nonetheless, there is not much disagreement on what kind of entity can be a stakeholder. Persons, groups, neighbourhoods, organisations, institutions, societies, and even the natural environment are generally thought to qualify as an actual or potential stakeholder. Moreover, stakeholder attributes are variable, not steady stated (Mitchell, Agle, & Wood, 1997). Freeman (1984) has mentioned that the stakeholders include employees, customers, suppliers, stockholders, banks, environmentalists, government and other groups who can help or hurt the corporation.

A stakeholder group can comprise a primary stakeholder group. It is a group, which without its continuing participation, the corporation cannot survive. Primary stakeholder groups typically comprise shareholders and investors, employees, customers, and suppliers (Clarkson, 1995). Moreover, the survival and continuing profitability of the corporation depends upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group in order to continue each primary stakeholder group as part of the corporation's stakeholder system. Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system (Clarkson, 1995). From this perspective, a corporation defines itself as “a system of primary stakeholder groups, a complex set of relationships between and among interest groups with different rights, objectives, expectations, and responsibilities" (Clarkson, 1995, p.107).

Secondary stakeholder are "those who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival" (Clarkson, 1995, p.107). For example, the media and a wide range of special interest groups have the capacity to mobilise public opinion in favour of or opposition to the corporation's performance (Clarkson, 1995).

Figure 4: Types of stakeholder groups



Sources: Clarkson, 1995; Based on Freeman (1984); Mitchell, et al. (1997) and Rogers and Wright (1998)

Figure 4 illiterate the stakeholder groups, Jensen and Meckling (1976) highlighted that power plays such an important role in the attention that managers pay to stakeholders. According to the agency problem, principals can control for the behaviour of their agents to achieve their goals rather than the agent's interests. Mitchell et al. (1997) argue that to create different types of stakeholders with different expected behavioural patterns regarding the company requires the identification of the stakeholders and explain the degree of attention paid to them by managers, through the interaction of power and legitimacy. The stakeholder power and legitimacy of the claim are frequently treated as competing explanations of stakeholder status. Consequently, Mitchell et al. (1997) provided identification and typology of stakeholders based on stakeholders possessing one or more of three attributes of relationships: the stakeholder's power to influence the company, the legitimacy of the stakeholder's relationship with the company, and the urgency of the stakeholder's claim on the company.

From this perspective, based on combining these attributes, Mitchell et al. (1997) classify stakeholders groups as follows: latent stakeholders are those possessing only one of the three attributes, these include (dormant, discretionary, and demanding stakeholders); expectant stakeholders are those possessing two attributes, which include (dominant, dependent, and dangerous stakeholders); and, definitive stakeholders are those possessing all three attributes. Finally, individuals or entities possessing none of the aforementioned attributes are non-stakeholders or potential stakeholders.

Organisations define and set their goals and attempt to achieve them. On the other hand, stakeholders have expectations and standards they look for in assessing organisational performance. The framework of Rogers and Wright (1998) refers that the performance information and the market system allow for evaluating organisations and stakeholder assess the organisations through their stated objectives and how well the organisation achieves them.

Rogers and Wright (1998) have identified four stakeholder groups based on the types of pressures exerted on companies through their relationships; 1) capital market stakeholders (mainly debt and equity holders), 2) product market or consumer stakeholders (mainly those associated with primary business operations), 3) internal organisational or labour stakeholders (such as current and potential employees), and, 4) political and social markets (in terms of compliance with society's demands and expectations). In addition, these four groups need a means to evaluate the organisation to make decisions regarding how the organisation's performance fits with and accommodates their interests (Rogers & Wright, 1998). In the same context, Herremans, Nazari and

Mahmoudian (2016) have suggested that the three groups of external stakeholders would use the sustainability report to evaluate the organisation.

Darskuviene and Bendoraitiene (2013) noted there are two main approaches to stakeholder concept: narrow and broad. Broad concept refer to Stakeholders are "any group or individuals who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 1984, p.46), these concepts are widely used by researchers; the broad concept is based on the managerial interpretation. The managerial interpretation takes into account all individuals or groups that can affect or be affecte (Fassin, 2008). Those who can affect the company or be affected by it (Fassin, 2008; Kaler, 2002). On the other hand, the narrow concept of stakeholders are those who have legal rights to the company, the narrow one is based on legal interpretation of the stakeholder concept (Darskuviene & Bendoraitiene, 2013), where stakeholders are selected only by their contractual relationship (Fassin, 2008). Those without whom the organisation could not survive (Fassin, 2008; Kaler, 2002).

Mitchell et al. (1997) has confirmed the distinction between the broad and narrow stakeholder concepts according to their economic value to the company. The narrow view of the stakeholder is defined as relevant groups based on their direct relevance to the company's core economic interests, while the broad view of managerial is to collect knowledge of actual and potential claimants in the company's environment. Moreover, the relationship either it is actual or potential. The potential relationship relates to the broad concept, as the stakeholders do not have a legal right to their claim, although they still can influence (Mitchel et al., 1997).

In addition, the moral view of stakeholder theory based on Freeman (1984), who refers to the moral practice of management, whilst balancing of interests and benefits. Moreover, moral view suggests that those impacted by an organisation's operations have the right to be informed and to demand certain standards of performance (Freeman, 1984; Mitchell et al., 1997), while the strategic view concentrates on underscoring the benefits to the organisation in terms of its ability to fulfil its objectives (Freeman, 1984).

Donaldson and Preston (1995) have argued that the stakeholder theory is "managerial" and recommend the attitudes, structures, and practices that, taken together, constitute a stakeholder management philosophy. This is consistent with the descriptive accuracy of the theory and it presumes the truth of the core normative conception, as well as it presumes that managers and other agents act as if all stakeholders' interests have intrinsic value. From Donaldson and Preston (1995) perspective, the stakeholder theory is fundamentally normative. According to this perspective, managers should acknowledge the validity of diverse stakeholder interests. They should also attempt to respond to them within a mutually supportive framework, which rests upon the moral requirement for the legitimacy of the management function (Donaldson & Preston, 1995).

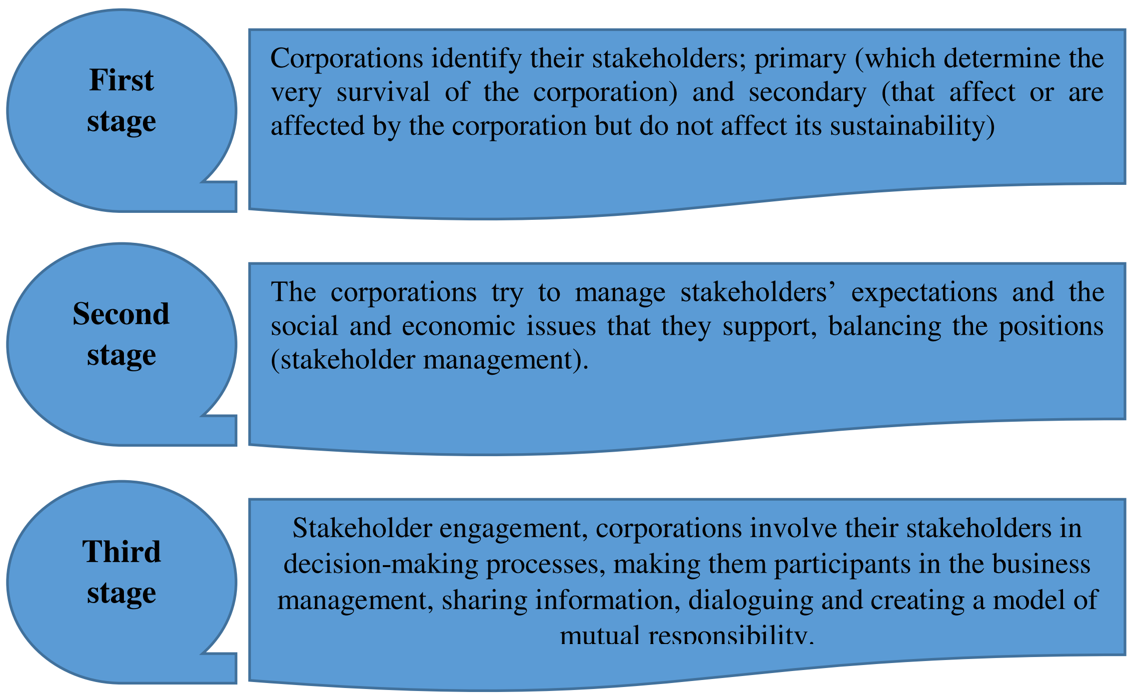
The stakeholder theory adopts that companies/organisation must play an active role in society in which they operate. Organisations are not only accountable to their shareholders but they should also consider the contrasting interest of all other stakeholders that can affect or be affected by the achievement of organisation's objectives (Freeman, 1984). Consequently, Freeman, Wicks and Parmar (2004) assert that corporations should consider the effect of their actions upon stakeholders who have an interest in the corporations. Like shareholders invest their money in enterprises, employees invest their time and IC, customers invest their trust and repeat business and communities provide infrastructure and education for future employees (Graves, Waddock & Kelly, 2001).

Ackermann and Eden (2011) have discussed the practice of the stakeholder management. They have also addressed how the organisations can manage their stakeholders in ways that meet their strategic goals, more precisely, the management of the interface between the many demands of an organisation’s different stakeholders in relation to its strategic goals. The authors suggest that relating with stakeholders effectively requires attending the strategic management of stakeholders if organisations want to ensure the strategy’s robustness, by anticipating and managing stakeholder responses to organisational strategies, actions can be adopted that either capitalise on potential positive responses or reduce or eradicate negative responses. The management members should always have substantial knowledge about stakeholders, which if used in an organised way can serve to develop a successful strategy for their management.

In terms of the theme of stakeholder relationships, and according to Onkila (2011), there are different types of stakeholder relationships: power-based relationships, collaborative relationships, conflicting relationships, and one-sided contribution relationships. Frooman and

Murrell (2005) refer, from the perspective the context within which the company operates, that the relational perspective integrates the degree of dependency of the stakeholder on the company. Onkila (2011) suggested that each type of relationship entails different attributes, actors, and interests. In power-based or one-sided relationships, the relationships with stakeholders rely upon the power of corporations over stakeholders or the power of stakeholders over the corporation. Figure 5 clarifies the relational models between corporations and stakeholders assuming a gradual growth path of the stakeholders'.

Figure 5: Relational models between corporations and stakeholders



Source: Manetti (2011) based on Svendsen (1998), Waddock (2002) and Clarkson (1995).

The ultimate aim of the stakeholder management practices is to concentrate on the company's purposes, economic well-being, damage control, taking advantage of opportunities, "doing in" the competition, attract and co-opt friends and influence public policy and coalition building. This requires a broad knowledge of actual and potential actors and claimants in the firm's environment in order to participate in a fair balancing of various claims and interests within the company's social system (Mitchell et al., 1997). In addition, CSR increases the trustworthiness of a company and so strengthens relationships with important stakeholders, which decreases transaction costs and so leads to financial gain (Barnett, 2007). Clarkson (1995) propose that corporate social performance can be analysed and evaluated more effectively by using a framework based on the management of a corporation's relationships with its stakeholders than by using models and methodologies based on concepts concerning corporate social responsibilities and responsiveness.

One of the main aims of the traditional financial performance of a company is increasing the company's profit and stock value. Nowadays these aims have moved further, such as the movement of companies toward CSR, stakeholders, sustainability in order to create value, which means that companies attempt to achieve stakeholder perspectives and adopt sustainability in order to create value. The building of sustainable values must be achieved via the stakeholder engagement in the company's life (Lorne & Dilling, 2012). Indeed, the concept of sustainability was developed in response to the stakeholder demands to provide transparency disclosure on multiple dimensions commonly known as SR (Lorne & Dilling, 2012).

Building upon this, the stakeholder approach may be considered as a powerful heuristic device to understanding the company's environment, intended to broaden the management's vision of its roles and responsibilities beyond the profit maximisation function to include interests and claims of non-stockholder groups (Mitchell et al., 1997). According to Herremans et al. (2016), to reduce resource dependence uncertainty, it is essential to understand both stakeholders' characteristics and their relationships with a company.

Unlike the first two, featuring the last stage "stakeholder engagement", allows for a mutual commitment to resolving issues that may emerge in the relations between the corporation and its general and specific environment. Stakeholder engagement is, therefore, a process that creates a context of interaction, dialogue and change, not a unilateral management of stakeholders (Andriof, Waddock, Husted & Rahman, 2002). The concept of reciprocity of rights and duties implies overcoming a vision focused on the interests of shareholders, where the stakeholder expectations are managed in an instrumental and strategic manner for the creation of value/wealth in the medium to long term (Jonker & Foster, 2002).

The effectiveness and the intensity engagement of all the categories of stakeholders (internal and external) are crucial for guaranteeing fairness and quality but this does not prevent a corporation from explicitly declaring an order of priority in the engagement between the different categories (Manetti & Toccafondi, 2012). This is consistent with the classification of Mitchell et al. (1997) (power, legitimacy and urgency). In view of the different role and importance of each category in each organisation, it is not compulsory or necessary to consider all the groups at the same level of relevance and importance (Mitchell et al., 1997).

SR is a mechanism to communicate performance with stakeholders (Hess, 2008). The primary approach for organisations to communicate performance through a sustainability report is to change corporate social performance (Hess, 2007). Moreover, Maon, Lindgreen and Swaen (2009) confirmed that sustainability has been developed in response to stakeholder demands in order to overcome credibility and reliability limits of SR. It is, therefore, necessary to reinforce mechanisms of stakeholder engagement, during the SR processes, in order to guarantee the materiality and relevance of information disclosed in the reports and assurance statements (Bebbington, Brown, Frame & Thomson, 2007). The stakeholder engagement is a fundamental step of the reporting process because of its role in defining materiality and relevance of the information communicated (Manetti, 2011).

Furthermore, SR can be used to influence the decision of those stakeholders that exert control over resources as well as the relational characteristics of the company's stakeholders influence the engagement strategy, and thus the characteristics of the reporting. In fact, the stakeholder uses the disclosures to evaluate if the relationship should continue (Herremans et al., 2016).

In order to work toward corporate sustainability, public relations strategy and activity in organisations should be sustainable in creating and maintaining good stakeholder relationships. The corporation is an instrument for clearinghouse and satisfying the interests of stakeholders. The entrepreneur or the CEO of a large firm must put together a great deal of effort so that customers, suppliers, employees, communities and financiers (shareholders, owners, banks and others) win over time. The CEO's job is to strategies in order to meet the stakeholder interests to move in the same direction. In order to build a sustainable enterprise, each of these stakeholder groups must be able to satisfy their interests (Andriof et al., 2002).

Manetti (2011) has investigated the quality of the stakeholder engagement in SR. The author refers that the stakeholders had only an advisory role to get the information needed for the reporting and to get their opinions on the reliability, materiality, and relevance of those data. In addition, the stakeholder engagement objectives, in the majority of cases, were to promote a positive company image that comprised stakeholder consultation and the possibility of bi-directional communication. However, the principal aim was to involve stakeholders in company management in order to placate or mitigate their requests.

According to Gray (2000), the principle of relevance and materiality in the context of SR foresees that stakeholder engagement will determine which information and data should be included in the report. The stakeholder engagement is a fundamental step of the reporting process because of its role in defining materiality and relevance of the information communicated (Manetti, 2011).

Onkila (2011) has indicated the diverse stakeholder relationships in environmental management, and how descriptions of relationships can be used as arguments for the power to define responsibility, to share responsibility among different actors in society, to question environmental interests, and to justify environmental impacts. The results show that business managers should be able to manage the differences in stakeholder relationships, including the actors involved, the attributes of the relationships, and the attributes of stakeholder interests.

More disclosure voluntary information will be more likely to meet stakeholders' needs. For instance, IC and intangible items voluntary disclosure will be more likely to meet stakeholders' needs and be more likely to improve its reputation for transparency, credibility and good stakeholders relations, where voluntary disclosure of IC items in annual reports is considered as a strategic initiative to achieve good communications with stakeholders and to foster the success of a company (Oliveira et al., 2013). The ability to establish and maintain such relationships determines a company's success (Post, Preston & Sachs, 2002). Branco and Rodrigues (2006b) defend that to maintain good relations with stakeholders by improving the level and quality of disclosures to stakeholders will help managers to generate a valuable reputation. Otherwise, the company will be exposed to risk failing to establish and nurture stakeholder relationships (An, Davey & Eggleton, 2011).

In the same vein, consistent with the managerial branch of stakeholder theory, Oliveira et al. (2013) mentioned that the level and pattern of voluntary disclosure of information about IC is strongly influenced by the power of minority stakeholder groups, the intensity of the holding of intangibles in the industry in which a company is located, and managerial board ownership.

Based on the stakeholder theory perspective, companies that have strong relationships with stakeholders groups may achieve their goals than otherwise. The company can target its voluntary disclosures toward those stakeholders it wants to manage to achieve the desired relationship with those stakeholders (Bushman & Landsman, 2010). Moreover, the future of business leadership is likely to rest upon a collaborative approach that involves inclusion and cooperation with various stakeholder groups (Wicks, Gilbert & Freeman, 1994). The stakeholder engagement is also a fundamental step toward the materiality and relevance of the information communicated (Manetti, 2011). Indeed, the analysis and organisation of stakeholders can resolve most problems (Post, 1991).

Furthermore, Gibson (2012) has suggested that the language of sustainability serves to clarify the issues at hand. He has also suggested that stakeholder managers should play a leading role in promoting sustainability. To this end, "leaders should take on multiple roles: a steward of values and resources; a good citizen; a servant to others; a visionary who provides inspiration and perspective with respect to a desirable future; and a coach who can bring together people from multiple backgrounds to realize a common vision" (Gibson, 2012. p,24).

3.4. The Relationship between Stakeholder Theory, Impression Management Theory and Other Theories

While the compulsory requirements of disclosure outshine the relationship between companies and regulators, companies disclose more information in order to complement and supplement the disclosures required by accounting and disclosure regulations (Meek et al.,1995), in addition to manage the unregulated communications between companies and their stakeholders (Cotter, Lokman & Najah, 2011). In order to further understand these unregulated communications prior research has been using different theories to explain voluntary corporate disclosure, through using the relevant theory that is consistent with the aim of research and topics covered. However, sometimes it can be used one theory as an alternative to another one for the same purpose.

Indeed, there is an overlap between the theories (Deegan, 2002), and sometimes the theories seem contradictory. This section highlights the relationship between stakeholder theory and impression management theory with other theories. In addition, for the purposes of this study, it seems that a complementary relationship between the stakeholder theory and the impression management theory.

3.4.1. Agency Theory

Agency issues are one of the factors that reduced voluntary disclosure (Graham et al., 2005; Nagar, Nanda & Wysocki, 2003). According to Jensen and Meckling (1976) information asymmetry arises when managers have more information than the stakeholders do, and the information available to stakeholders is not the same as the information held inside the company. The agency problem may arise if agents and principals have different goals and if agents take actions that are not in the best interests of their principals. Unscrupulous agents can take advantage of any information asymmetry to mislead principals and maximise their own interests at the expense of principals (Hill & Jones, 2010). Therefore, managers do not always act as their agent expects them to use that capital in the best interests of stakeholders and they might act illegally (Hill & Jones, 2010). Agency theory refer that corporate reporting involves biased information that remains chosen by managers.

With regard to impression management theory, Leung et al. (2015) argue that minimal narrative disclosure is a concealment strategy used for impression management that relates to selectivity in the content of information, by withholding or omitting discretionary narrative information and explanations relevant to the evaluation of companies' performance and future prospects. In addition, this features the advantage of diverting the investor attention away from the companies' weaknesses or negative news. Moreover, Merkl-Davies and Brennan (2007) argue that selectivity as part of an impression management strategy involves 'omitting' or 'including' certain items of information, in other words, selectivity in the presentation of information in order to control the audience's impression.

The agency theory sought after controlling for the relationship between managers and stockholders, according to Jensen and Meckling (1976) the agency theory refers to a relationship in which the managers should control for the corporation in line with the shareholders' wealth. Indeed, agency theory focus on relationship between managers and shareholders. While stakeholder theory concentrate on the holistic view of all stakeholders categories, the basic principles addressed the relationship with other key stakeholders. According to stakeholder theory, managers should consider the contrasting interest of all other stakeholders that can affect or be affected by the achievement of organisation's objective (Freeman, 1984), and how the organisations can manage their stakeholders in ways that meet their strategic goals, more precisely, management of the interface between many demands of an organisation's different stakeholders in relation to its strategic goals. In the other words, managers should balance between meeting the different stakeholders' needs of information and achieve their goals in relation to the difference importance of stakeholders' groups.

Indeed, the agency theory and stakeholder theory imply that managers should voluntarily disclose information to reduce information asymmetries between managers and outsiders. Thereby, both theories assert that the voluntary disclosure can reduce information asymmetry, and it my fill information gap between managers and different stakeholders' categories.

3.4.2. Legitimacy Theory

According to the legitimacy theory, firms disclose their relevant financial information and non-financial, such as CSR environmental, social and governance sustainability activities to obtain and sustain legitimacy and thereby fulfil the social contract and gain the support of society (Guthrie & Parker, 1989; Tilling, 2004). Thus, non-compliance with social norms and environmental requirements can be detrimental to organisational legitimacy and its financial sustainability. So, social and environmental sustainability initiatives and related performance are desirable by all stakeholders, including customers, society and the environment.

Maignan and Ralston (2002) have defended that the legitimacy of a corporation is dependent on the maintenance of a reciprocal relationship with its stakeholders, given that the corporation has obligations to a broad range of stakeholders and their shareholders including moral obligations (Adams, Hill & Roberts,. 1998). Insofar as compatibility is achieved between the companies' social values or implied by their activities and the norms of acceptable behaviour in the larger social system, in so far as can achievement of organisational legitimacy. In other words, if an actual or potential disparity exists between the two value systems there will exist a threat to organisational legitimacy (Tilling, 2004).

As we mentioned in page (69), from a sociological perspective, impression management results from structural constraints exerted either by different stakeholder groups or by society. From this perspective, impression management is seen either as a response to concerns of various stakeholder groups or as a response to public pressure and media attention relating to a controversial issue or event or as arising from inconsistencies between organisational and societal norms and values (Brennan & Merkl-Davies, 2013). Elsbach and Sutton (1992) stressed that organisations facing events or strong social pressures that may compromise their legitimacy tend to use a variety of impression management strategies to influence their image positively.

Although that the organizations tend to use sustainability reports as a proactive step to demonstrate their commitment and good performance (Bewley & Li, 2000; Clarkson, Li, Richardson & Vasvari, 2008). Voluntary disclosure is primarily a response to external pressures and does not necessarily reflect an organizational commitment to sustainable development (Besio & Prozini, 2014; Cho, Michelon & Patten, 2012; Deegan, 2002). Nevertheless, the institutional pressures encourage companies to adopt approach aimed at influencing stakeholder perceptions rather than improving transparency and performance in the field (Boiral, 2013; Cho et al., 2010; Laufer, 2003).

There is much overlap between the stakeholder theory and the legitimacy theory (Gray et al., 1995). According to Deegan (2002) both theories conceptualise the organisation as part of a broader social system wherein the organisation impacts and is impacted by other groups within society. The legitimacy theory' scope focuses on the expectations of society in general (as encapsulated within the social contract), while, the stakeholder theory provides a more refined resolution by referring to particular groups within society (stakeholder groups). The stakeholder theory considers that the different stakeholder groups will have different views about how an organisation should conduct its operation. There will be various social contracts "negotiated" with different stakeholder groups rather than one contract with society in general. Insofar the theory of legitimacy is concerned, it implicitly refers to the power and influence of stakeholder groups, whereas the theory of stakeholders explicitly refers to issues of stakeholder power, and how a stakeholder's relative power influences his ability to "coerce" the organisation into complying with his expectations (Deegan, 2002; Reverte, 2009, p.354).

The stakeholder theory can be used to provide possible predictions about the impact lobby group activities and concerns in the disclosure policies being implemented by the companies. For example, if it is accepted that the stakeholder group has "power", the companies may feel a need to react to their expectations. Conversely, if the stakeholder group is not deemed as a powerful stakeholder, his concerns may be ignored in favour of the concerns of a more "powerful" one (Deegan & Blomquist, 2006, p.349). Ackermann and Eden (2011) have stressed that the managing and paying attention to a specific set of stakeholders is likely to have a powerful effect on the feasibility of an organisation to achieve its strategic goals and assure its long-term viability.

In light of the above-mentioned, companies use their reports as a proactive step to demonstrate their commitment and good performance or to respond to external pressures in order to avoid a threat to the organisational legitimacy, thereby stimulating an impression management and maintenance of a reciprocal relationship with its stakeholders.

3.4.3. Signalling Theory

The signalling theory is concerned with the reputation management, where companies seek to signal their commitments to create a better corporate image (Branco & Rodrigues, 2006b). Managers in successful companies attempt to control their stakeholder impression by signalling their superiority through greater transparency in their disclosure of information (Merkl-Davies & Brennan 2007). Impression management practices may lead to increase voluntary disclosure and transparency of disclosure. Companies seek to reach a wider international readership, by delving increasingly into global markets, by wider spread to the stakeholders and adapting corporate communications to suit those markets, do characterise impression management (Leventisa & Weetman, 2004).

Organisations use branding as an impression management strategy in order to convey a consistent and repeatable image to external and internal audiences. Carter (2006) refers to a variety of means of communication such as advertising and press releases that allow managers to signal key activities to stakeholders in order to manage their reputation and competitive advantage. Hence, they resort to different tools as part of the process of creating an image to influence external stakeholders (Lee, 1994), like translating the annual report into a language more familiar to the wider stakeholder group, and the use of graphs or illustrations (Leventisa & Weetman, 2004). Such factors render the companies more likely to increase success and take advantage of those situations, in addition, the signalling theory allows to avoid penalties and maximise benefits (Cen & Cai, 2014).

So, voluntary disclosure is considered one of the signalling theory tools, where companies would disclose more information than the mandatory ones required by laws and regulations in order to signal that they are better than others (Campbell, Shrives & Bohmbach-Saager, 2001; Mahoney, 2012; Thorne, Mahoney & Manetti, 2014). Companies seek to signal their commitments to create a better corporate image, successful companies' managers attempt to control their stakeholder impression by means of signalling their superiority through greater transparency in their disclosure of information, which allow managers to signal key activities to the various stakeholders in order to manage their reputations and competitive advantage. Thorne et al. (2014) suggest that quality of disclosure rather than mere quantity has a stronger effect on the creation of environmental reputation amongst investor and stakeholder groups.

Based on above, managers disclose information voluntarily by using signals to manage stakeholders' impression, on the other hand in order to meet the requirements of their stakeholders.

3.4.4. Stakeholder Theory and Impression Management Theory

Previous studies have used several theories "directly" to explain the behaviour of voluntary disclosure; however, a theory can be applied as an alternative to another for the same purpose. In our case, we resorted to the stakeholder theory and the impression management theory as a proxy (indirect) for these theories in order to achieve the same purpose. The stakeholder theory and the impression management one can replace other theories to explain voluntary disclosure. For instance, according to Abeysekera (2010, p.27) "information signalled by companies to stakeholders influences the decision making of those stakeholders". Verrecchia (1983) has also provided evidence that companies may signal certain information of their characteristics in order to show that they are better than others operating in the market. In addition, Carter (2006) has referred to a variety of means of communication that allow managers to signal some key company's activities in order to manage their reputation and competitive advantage. Therefore, companies use the signalling theory in order to manage their stakeholders' impression about their reputation and competitive advantage.

Moreover, the legitimacy theory is the dominant perspective of corporate social reporting analysis, where Abu sabha and Shoubaki (2013) confirmed that the concept of CSR can only be understood and explained through the theory of "social contract". However, companies employing social and environmental disclosure as a response to both public pressure and increased media attention is a strategy to alter the public's perception about the legitimacy of the organisation (Hooghiemstra, 2000), in order to avoid penalties and maximise benefit (Cen & Cai, 2014). Branco and Rodrigues (2008) have stressed that companies disclose voluntary information to influence the external perception in order to legitimise their behaviours. In addition, these practices can serve as a communication and interaction between companies and particular stakeholders if companies disclose it voluntarily.

According to Omran and Ramdhony (2015) the stakeholder theory appears to be more suitable for organisations working in developing countries, where a corporation can manage its stakeholders and the pressure to comply with the existing legislation is less as compared to the developed countries. While legitimacy theory suggests CSR disclosures are part of a process of legitimation, the legitimacy theory seems to be more suitable for organisations working in developed countries.

According to the stakeholder theory, the information disclosed to stakeholders is not the same information held by the company (Jensen & Meckling, 1976). However, Oliveira et al. (2013) concluded that voluntary disclosures of IC information are consistent with the managerial branch of the stakeholder theory of listed Portuguese companies. In the same line, Gisbert and Navallas (2013) stressed that the relevance of the legal and institutional setting in which firms operate can create sufficient incentives to bring the disclosure interests of minority and majority shareholders. Allegrini and Greco (2013) refer that the view on the presence of large controlling by shareholders group reduces the incentive for other. Which suggests that companies have ultimate accountability drive for ensuring the reliability, integrity, and transparency of the company's financial reporting system

(Barros et al., 2013). By contrast, Core (2001) and Einhorn and Ziv (2012) refer that corporate reporting involves biased information that remains chosen by managers. Hence, managers do not always pay attention to the best interests of all stakeholders groups (Hill & Jones, 2010). In the same context, and according to Merkl-Davies and Brennan (2007, p.126) the impression management theory refers to the use of "reporting bias introduced by the opportunistic behaviour of managers who select a style of presentation and choice of content that is beneficial to them''. Therefore, managers' practices relating to disclosure decisions may increase or decrease information asymmetry, nonetheless, from another point of view, these practices mirror the agency theory. In fact, information asymmetry can effect on stakeholders' impression.

Indeed, the impression management theory can take many forms, whereas companies signal to their characteristics to influence stakeholders, or disclose information in order to distract attention away from the legitimacy threatening, that means companies attempt to manage stakeholders' impression. In the context of the agency theory, information asymmetry as a form of impression management can influence on stakeholders' perception, through focusing on disclose some information and hide others.

Under the above-mentioned circumstances, this was one of the reasons to employ impression management theory to interpret stakeholders' perception on voluntary disclosure, especially why managers disclose voluntary information, it was also reasoned to employ stakeholders' theory, which managers can disclose more information in order to meet the demands of all stakeholders groups.

Another reason to adopt the impression management theory and the stakeholder theory in this study is that both theories seems to be contrasting when they are applied, but they can have an effect on corporate reporting, particularly on the quality of information. The impression management theory aims at controlling for and manipulate the users' impressions of accounting and narrative information (Clatworthy and Jones, 2001). Indeed, companies disclose some information and hide other but stakeholders theory refer to the existence of various groups and individuals have interests in organisations, the stakeholder theory focuses ''on how an organization interacts with particular stakeholders'' (Deegan & Blomquist, 2006, p.350). Therefore, according to the ethical branch of the stakeholder theory, all stakeholders have the right to know about, for example, social and environmental implications of an organisation's operations at all time (Deegan, 2013).

The stakeholder theory adopts that business organisations must play an active role in society in which they operate. The stakeholder theory encourages managers to engage with the external world in determining a strategic direction and how it could be implemented successfully, by understanding and responding to the needs and aspirations of those groups in this environment (Jonker & Foster, 2002). The stakeholder theory suggests that companies should voluntarily disclose information over and above mandatory requirements (about their intellectual, social, and environmental performance), which extends beyond their economic or financial performance. The ethical branch argues that all stakeholders have the right to be provided with information on how the organisational activities influence them at all time. It also argues that managers should manage the organisation for the benefit of all stakeholders and thus grant they are treated fairly, even if they cannot directly play a constructive role in the survival of the organisation, and even if they choose not to use the information disclosed (Deegan, 2000). Organisations are not only accountable to their shareholders but they should also consider the contrasting interest of all other stakeholders that can affect or be affected by the achievement of organization's objective (Freeman, 1984).

In addition, Freeman (1984) has referred to the moral practice of management, balancing of interests and benefits. According to this view, those impacted by an organisation's operations have the right to be informed and to demand certain standards of performance (Freeman, 1984; Mitchell et al., 1997). On the other hand, the strategic view concentrates on underscoring the benefits to the organisation in terms of its ability to fulfil its objectives (Freeman, 1984).

However, companies are inclined to provide voluntary disclosures in order to present an idealised picture of reality and conceal some negative information in their communications with stakeholders. Indeed, managers are using disclosure in order to influence the perceptions of stakeholders (Healy & Palepu, 1993, 1995), which may involve information selectivity, thereby withholding or omitting information for misleading the stakeholder. Therefore, impression management refers to behaviour by a person or organisation that has the purpose of controlling for or manipulating the impression of other individuals.

Most management studies underpin the impression that managers have misled some stakeholders about the underlying economic performance of the company (Healy & Wahlen, 1999) by emphasising positive organisational achievements or obfuscating negative outcomes, whereas the positive organisational outcomes are attributed to management ability and to internal factors, in contrast, attributing negative outcomes to external factors (Merkl-Davies & Brennan, 2007). In addition, the organisations that face events or strong social pressures that may compromise their legitimacy tend to use a variety of impression management strategies to influence their image positively (Elsbach & Sutton, 1992).

Contrasting with the stakeholder theory, arguably the impression management theory reflects the negative management practices in order to influence the stakeholders' perception by voluntary disclosure reporting bias. In fact, these theories might seem opposite and contradictory, but from the other perspective, they might be seen as overlapping and complimentary to each other when investigating corporate reporting. From this perspective, it seems that the stakeholder theory and impression management theory can play the main role in the quality of corporate reporting by disclosing higher quality information. In order to create value by using information, companies should disclose high quality information. Managers should pay attention to achieve the balance between the management and control for the stakeholders' impression, and meet the stakeholders' need for information at the same time.

This study will contribute to the scarce literature employing impression management theory to explain voluntary disclosure (Brennan & Merkl-Davies, 2013; Castelló and Lozano, 2011; Godfrey et al., 2003; Ihlen, 2009; La Cour and Kromann, 2011; Leung et al., 2015).

This study aims at employing the stakeholder theory and the impression management theory to explain the voluntary disclosure based on stakeholders' perception, specifically in Jordan.

3.5. Summary

In this chapter, we provided a comprehensive analysis of the theoretical perspectives on voluntary disclosure. Furthermore, we seek to provide empirical evidence on which one of the theories is more useful to explain the company's disclosure practices including the stakeholder theory and the impression management theory, and which one is more appropriate to our study within the scope of our knowledge.

Indeed, the impression management theory may pinpoint the negative management practices in order to influence on the stakeholders' perception by voluntary disclosure reporting bias (see, Brennan & Merkl-Davies, 2013; Courtis, 1998; Gardner & Martinko, 1988), to influence the stakeholders' perception by disclosing voluntary information. On the other hand, the stakeholder theory may reflect the positive management practices, especially the ethical (or normative) branch and managerial (or positive) branch of stakeholder theory, through which one can meet the requirement of all stakeholders' groups of information.

We consider that not all theories applicable to voluntary reporting literature can be used to explain the stakeholder perceptions'. Different types of information are directed toward different users, for instance, financial information is set for investors while non-financial information is the target of investors and other stakeholders. As a result, the theories used will depend on the type of information disclosed. Furthermore, information for all stakeholders is arguably non-financial in nature and cannot be explained by the same theories that focus on financial information.

While the impression management theory and the theory of stakeholders may be contradictory to explain the motivation for voluntary disclosure, but they may both play plausible explain this phenomenon. However, by identifying the two quite distinct styles of voluntary disclosure, as voluntary or induce, the theoretical perspectives offered and commonly critiqued may provide better explanatory power if they were tailored to the type of corporate voluntary disclosure (Laan, 2009).

Next, the methodological options of the study, this are explained through presentation and justification of the research philosophy and methodological assumptions, and the methods and techniques for collecting, analysing and interpreting the data required to the questions investigated.

CHAPTER FOUR

IV: METHODOLOGY

4.1. Introduction

In last two chapters we reviewed the relevant literature and presented the theoretical perspectives that related to our study, based on a single country, Jordan, in order to analyse the stakeholders' perceptions about voluntary disclosure. This chapter addresses the presentation and justification of the ontological, epistemological and methodological assumptions underlying this study, data sources and procedures used in data collection and analysis.

Overall, this chapter is structured as follows: the second section presents the research objectives and the research questions. The third and fourth sections are devoted to the presentation and justification of the ontological, epistemological and methodological assumptions underlying this study; then, the fifth section exposes the tactics that will be adopted (the Gioia approach) during this research study aimed, in addition it will also focus on the method of data collection and its rationale and the interview design; the sixth section presents the characteristics of the sample and the selection procedures; the seventh section provides an overview of the procedures adopted in the data analysis; and the final section presents a summary of the chapter.

4.2. Research Aim, Objectives and Research Questions

The main purpose of this study is to analyse stakeholders' perceptions about voluntary disclosure in Jordan. Specifically, based on stakeholders' perceptions, it seeks to:

1. Analyse the evolution of the voluntary disclosure context in Jordan.

2. Evaluate the type of voluntary information disclosed by Jordanian listed companies in the ASE and how it is disclosed.
3. Analyse the managers' motivations for voluntary reporting of Jordanian listed companies.
4. Analyse the perceived quality of voluntary disclosure in Jordan.

Regarding the main objective of this research, this study aims to answer the following research question:

What is the stakeholders' perceptions on voluntary disclosure of Jordanian listed companies?

This research question is divided into the following subsidiary questions based on the stakeholders' perceptions:

5. How has voluntary disclosure developed in Jordan?
6. What is the type of voluntary information disclosed by Jordanian listed companies in the ASE and how is it disclosed?
7. Which are the motivations and consequences of voluntary disclosure of Jordanian listed companies in the ASE?
8. What is the perceived quality of voluntary disclosure of Jordanian listed companies in the ASE?

4.3. Epistemological Perspective (Research Philosophy)

The selection of the most appropriate research methodology depends on the nature of the phenomenon which will be studied (Burrell & Morgan, 1979; Laughlin, 1995). Overall, the choosing of the research methodology constitutes a critical stage in any investigation (Moll, Major & Zahirul, 2006). There are many different types that can be employed to achieve the aims and objectives of the research, some of which lend themselves more to one paradigm than another. In fact, the subsequent research process, to a greater extent, depends on the researcher's choices, on the methodology that he needs, by determining the ontological and epistemological assumptions underlying the research question (Ryan, Scapens & Theobald, 2002). In other words, it depends on the nature of the study and the research assumptions adopted by the researcher.

Any scientific inquiry is based on a particular paradigm (Slevitch, 2011). According to Kuhn (1962, p.45) the research paradigm is a "set of common beliefs and agreements shared between scientists about how problems should be understood and addressed". Additionally, it is "the entire constellation of beliefs, values, techniques, and so on shared by members of a given [scientific] community" (Kuhn, 1970, p.175).

The issue of ontology and epistemology lies on the fundamental difference between positivism and interpretivism, and between the quantitative and qualitative approaches (Guba, 1987). Regarding to philosophical research, the two main traditional research paradigms or philosophies are the positivism paradigm and the phenomenological paradigm, or social constructionism and interpretivism (Collis & Hussey, 2003). The quantitative approach stems from positivism, the ontological position of the quantitative paradigm holds that objective reality exists independent from human perception (Sal, Lohfeld & Brazil, 2002). It also postulates that the ultimate truth exists and there is only one truth. The positivistic paradigm is "An approach to social research which seeks to apply the natural science model of research to investigations of the social world. It is based on the assumption that there are patterns and regularities, causes and consequences in the social world, just as there are in the natural world" (Denscombe, 2010, p.324).

In fact, the positivism paradigm refers that phenomena have an objective reality, which as quantitative epistemology asserts, the investigator and the investigated are independent entities and, therefore, the investigator can study a phenomenon without affecting it or the outcome of the investigation (Denzin & Lincoln, 1994; Deshpande, 1983; Sale, Lohfeld & Brazil, 2002).

By contrast, the phenomenological paradigm is "a fact or occurrence that appears or is perceived, especially one of which is the cause in question" (Allan & Skinner, 1991, p.893). The qualitative tradition is based on interpretivism and constructivism, both of which stem from the idealist outlook (Deshpande, 1983; Sale et al., 2002). Accordingly, the interpretive paradigm is involved with four main approaches, such as qualitative, subjective, humanist and phenomenological approaches. From the ontological point of view on this paradigm, reality depends on one's mental structure and activity (Guba & Lincoln, 1994), there is no single reality but multiple realities based on one's construction or interpretation of reality (Smith, 1983). In fact, a socially and psychologically constructed reality is continuously recreated by its participants, based on their intersubjective understanding (Hellström, 2008). In addition, the major ontology and epistemological premise refers that there is no access to reality independent of our minds (Sale et al., 2002). Social reality is subjectively created and objectified through human interaction (Chua, 1986). Hopper and Powell (1985) mentioned that people constantly create their social reality by interacting with others. Therefore, the relationship between an investigator and the investigated subjects is interdependent or interactively connected (Guba & Lincoln, 1994) and it is dependent on the perceptions of reality held by the individuals or groups (Guba, 1990).

Moreover, qualitative epistemology is described as subjectivist. Social reality is mind-dependent, based on people's point of views, interests and purposes (Putnam, 1981), therefore, things can be described only as how we perceive or interpret them (Guba, 1990: Guba & Lincoln, 1994). However, absolute objectivity is viewed as unattainable and truth as a matter of socially and historically conditioned agreement (Smith, 1983; Smith & Heshusius, 1986). Therefore, truth can be achieved to the extent that an inquirer's statements correspond to how people out there really interpret or construct their realities. Validity refers to the degree a description is credible or to the level of agreement with one's interpretation (Sale et al., 2002).

Slevitch (2011) stressed on the need to distinguish between methodology and methods, because those terms have different meanings. So that the methodologies determine the methods used, in a sense that the choice of a particular methodology (philosophical position) leads to a preference for a particular research method (tool) on the grounds of its appropriateness within that specific methodological orientation. Smith and Heshusius (1986) pointed out that each methodology, through a particular system of theories, specify assumptions about reality, human nature and society, in addition, to beliefs about what is important to study; and finally, assumptions about what constitutes legitimate knowledge and meaningful data. Accordingly, each methodology uses different methods or a different set of tools, procedures, techniques or strategies to be used in a scientific inquiry (Smith & Heshusius, 1986).

From the ontological and epistemological perspectives on qualitative methodology, the objectivity and generalizability is unachievable, however, qualitative methodology emphasizes "transferability", it means, the use/transfer from one setting to another can be achievable through described experiences of the phenomenon often supplied by case study reports based on the depth and vividness of the descriptions (Guba & Lincoln, 1994; Sale et al., 2002).

In this study, our aim is to analyse the stakeholders' perceptions on voluntary disclosure in Jordan. Additionally, we attempt to capture the meanings that are often unique and that are expected to contribute towards improving disclosure practices, thereby, enhancing the quality of voluntary disclosure, in addition to being the starting point for discussing new topics. In this respect, this study is positioned within the interpretative paradigm, seeking to find new ideas and new insights "inductively derived", since it is considered the appropriate methodology in order to achieve the objectives of this study, so, in the next section we will discuss the methodology of the study.

4.4. Methodological Approach

In order accomplish the objective of this study and to be able to answer the main research question and sub-questions, the current research will be developed within the interpretive paradigm. An interpretivism paradigm is much more common in the social sciences, as business and management involve people as well as things. The interpretive paradigm refers to “the assumption that social reality is in our mind, and is subjective and multiple” (Collis & Hussey, 2009, p.57).

Considering the feature of the interpretive paradigm, it promotes the idea that subjective thoughts and ideas are valid, hence, an interpretivist researcher sees the world through the eyes of the people that are being studied. Therefore, it allows them multiple perspectives of reality (Greener, 2008).

Human behaviour is not as easily measured as phenomena in the natural sciences. Human motivation is shaped by factors that are not always observable. Phenomenological approaches are particularly concerned with understanding behaviour from the participants’ own subjective frames of reference, they are often actors. Therefore, research methods are chosen, in order to describe, explain and interpret events from the perspectives of the people who are the subject of the research (Neville, 2005).

According to Bryman (1988) qualitative scientific investigation seeks to acquire a better understanding of the phenomena. Additionally, one of the main aims of the interpretive studies is to develop theoretical knowledge that provides explanations of the observed phenomena (Ryan et al., 2002), in order to obtain a better understanding of what is communicated and how, interpretive research "theory is used to provide explanations about human intentions. Its adequacy is assessed by its logical consistency, subjective interpretation and according to the actors' common-sense interpretations" (Ryan et al., 2002, p.42). From this perspective, the main emphasis of interpretive research is on the interpretations, processes, contexts (Guba, 1990: Guba & Lincoln, 1994) and meanings that people attach to social phenomena (Lukka & Modell, 2010). In fact, according to interpretive research, understanding the meanings of often unique phenomena is a starting point to discuss new topics (Chua, 1986; Lukka, 2014). Hassard (1991) suggested that applying interpretive paradigm inable the researchers to develop a purely 'objective' social science, through deconstruct the phenomenological processes through which shared realities are created, sustained and changed.

Our study attempts to find new ideas and new insights "inductively derived". Inductive research focuses on specific situations, namely, the organisation, a business problem, an economic issue, etc., and through investigation and the use of various research methods, aims to generate a theory by the research.

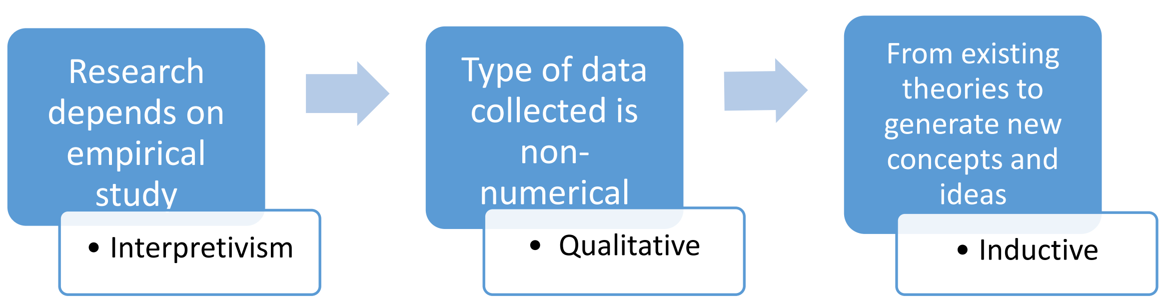
Since qualitative research is more subjective in nature and involves examining and reflecting on the intangible aspects of a research subject, e.g. values, attitudes, perceptions (Neville, 2005), the findings of this type of research can often be difficult to interpret and present; the findings can also be more easily challenged (Neville, 2005). Meanwhile, the interpretive paradigm tends to use small samples, it has a natural location, is involved with generating theories, produces rich, subjective, qualitative data, produces findings with a low reliability but with a high validity and it allows findings to be generalised from one setting to another similar setting (Collis & Hussey, 2009).

According to Ahrens et al. (2008) the polycentrism of interpretive accounting research is an important strength, since it enables interpretive researchers to adapt their theories, methodologies and methods to highly specific research areas and questions. However, interpretive accounting research is not exclusively a qualitative research, in addition there is an exploratory orientation in much of interpretive accounting's research, which would support the credibility of the findings. Therefore, polycentrism is a strength (Ahrens et al., 2008), since it enlarges our repertoire of methods, perspectives, questions and purposes. To strive for a monolithic methodology (like mainstream accounting research) would be a paradox. It opens up a perspective on 'stronger theoretically based conclusions' concerning the preconditions and consequences of accounting practices in use, as well as referring to practices of research on accounting from an interpretative point of view (Ahrens et al., 2008, p.845). Therefore, these perspectives correspond with Gioia's method.

In addition, according to Greener and Martelli (2015, p.42) "An interpretive paradigm uses a qualitative research method such as discourse analysis, unstructured interview, etc, to investigate perceptions and constructions of reality by "actors" in organisations, i.e. employees, managers, shareholders, etc".

This study aim to analyse the stakeholders' perceptions on voluntary disclosure in Jordan. Moreover, we attempt to capture the meanings that are often unique and that are expected to contribute towards improving disclosure practices, thereby, enhancing the quality of voluntary disclosure. In this respect, the methodology for this research was designed mainly on the concepts of the interpretive paradigm. So, inductive approach considered the appropriate methodology in order to achieve the objectives of this study, which seeking to find new ideas and new insights. From this perspective, all processes in this study were exercised rigorously with an attempt to show the validity and reliability aspect in overcoming the explored issues. Following the inductive approach, the philosophical stand of this research was established, which showed the continuum of the research philosophies based on the ontological, epistemological and axiological foundations. The philosophical position of this study moves more towards subjectivism on the ontological continuum, based on the nature of this research which mainly attempts to analyse the perceptions of stakeholders with regard to corporate voluntary reporting. Figure 6 illustrates the philosophical stance of the present study.

Figure 6: The philosophical stance of the present study



On the other hand, although the aspect terms derived from the respondents becomes subjective, unmeasurable in realism, however, it is capable of being evaluation. Based on this perspective, this research adopt subjectivism assumption on the ontological continuum. Considering the epistemological stance, this research is closer to social constructionism or interpretivism than the positivism assumption, as it attempts to understand the situations and explore the complex social issues that occur in related to corporate behaviour. Considering the value of the research, this study inclines towards the value-laden stance due to its focus on persons' perceptions about the provision them of the basic and necessary information. The identified research philosophy guided towards identifying the appropriate research approach. This study considers the inductive approach to gain the information from respondents regarding the issues that arose related to the corporate disclosure. In order to gain the deep insight of the real quality of corporate voluntary reporting, a study of Jordanian case was conducted. This research employs two data collection techniques in addition to gain knowledge from documentary review. Based on the above, the next section highlights the methods adopted in this study.

4.5. Research Method

In terms of the research method, several methods are associated with the interpretive paradigm. In this research, the case of Jordan was considered as being adequate as the main focus of this phenome logical study. Although Theaker (2004) stressed that triangulation is essential to ensure the validity in any research, qualitative research can and should be able to stand on its own (Gioia, Corley & Hamilton, 2013). Thus, in our study, a combination of research methods was adopted, that sought to assess the stakeholders' perceptions, therefore, several qualitative research methods and tools were employed to identify a range of stakeholders' views on the current and the desired image of voluntary disclosure in Jordanian corporate's reporting. The Gioia approach, semi-structured interviews and focus groups, visual audit to collect data using the Zoom application, and finally, the NVivo software to help analyse the data. Additionally, purposive sampling was used to ensure sufficient disclosure for a range of key stakeholder groups.

4.5.1. Gioia Approach

Gioia is considered a systematic approach to develop new concepts and grounded theory articulation that is designed to bring a ‘‘qualitative rigor’’ to the conduct and presentation of inductive research in order to face the claim that the qualitative research is lacking in scholarly rigor. According to Gioia et al. (2013, p.15) this approach can help researchers to imbue an inductive study with ‘‘qualitative rigor’’ while still retaining the creative, revelatory potential for generating new concepts and ideas. Additionally, inductive researchers can apply systematic conceptual and analytical discipline that leads to credible interpretations of data and also helps to convince readers that the conclusions are plausible and defensible. By using the Gioia approach it can develop an approach to inductive research designed not only to surface new concepts, but also to generate persuasive new theories (Gioia & Pitre, 1990). Besides, although the Gioia method is used for qualitative research, qualitative findings can offer good guidance in developing emergent concepts into measureable constructs.

According to Gioia approach the narrative is intellectually compelling, based on transparent evidence, in order to develop some new concepts and theoretical discoveries with the careful presentation of evidence (Gioia et al., 2013). Hence, new concepts, insightful ideas and even grounded theories themselves, in order to have meaning, they should be related with existing ideas or theories. The Gioia methodology aims to develop propositions to guide future research and to extract and emphasize transferable concepts and principles.

The Gioia method assumes that the organizational world is socially constructed, also, that the people constructing their organizational realities are ‘‘knowledgeable agents’’, in other words, they know what they are trying to do and they can explain their thoughts, intentions and actions (Gioia et al., 2013, p.17). From this perspective, we have adopted the Gioia method in this study in order to interpret the stakeholders' perception about voluntary disclosure. On the other words, we are focused on building a comprehensive inductive perception for companies' reporting that is grounded on the data collected, based on the stakeholders' perceptions through interviews the participants of stakeholders, who are professionals. Therefore, our results will not only show how data relates to theoretical aspects, but will also possibly make new concepts visible in addition to affirming existing ones.

According to this approach, the main role of researchers is to give an adequate account of the informants’ experience and interpretation of their perspectives. The Gioia method emphasizes the importance of giving a voice to the informants in the early stages of data gathering and analysis and also to represent their voices prominently in the reporting of the research, by using new concepts rather than focusing on prior constructs or theories. From this perspective, our topics guide for focus group interviews is designed in two directions: in order to better understand the stakeholders' perceptions on the existing voluntary disclosure, the first trend included questions based on literature review and theories, and thus, we used the terminologies accordingly. On the other hand, the Gioia method is basically intended to build a data structure, therefore a key criterion for assessing the analysis takes the form of a guiding mantra: ''No data structure; know nothing'' (Gioia et al., 2013, p.21). Focusing on the literature intimately too early "confirmation bias" puts blinders on and leads to prior hypothesis bias (Gioia et al., 2013, p.21). Alvesson and Kärreman (2007) mentioned "Upon consulting the literature, the research process might be viewed as transitioning from ''inductive'' to a form of ''abductive'' research, in that data and the existing theory are now considered in tandem" (Gioia et al., 2013, p.21), which illuminates the phenomenon leading to the breakdown and subsequently mystery, and allows an abstracted set of ideas and concepts with broader bearing on how to make sense of similar phenomena in other settings (Alvesson & Kärreman, 2007).

In order to be comprehensive, we employ multiple data sources (laws and regulations in Jordan, literature, theories, etc.). Based on that, the interview questions are developed to be quite specific, rather than general, but comprehensive regarding related issues about which we should ask. It is focused on being compatible with the research objectives and question(s), and with being fit to collect data based on engaging the stakeholders' opinions.

On the other hand, according to Gioia et al. (2013, p.19) the fact that the researcher tries to stay so close to the informants' experience has its downsides. A major one is the risk of ''going native,'' namely, being too close and essentially adopting the informant's view, thus losing the higher-level perspective necessary for informed theorizing. For that reason, the existence of a third party to adopt an outsider perspective, whose role is to critique interpretations that might look a little too gullible is necessary. In fact, in our case, the supervisors play this role. However, our analysis seeks to understand the stakeholders' perception through the existing concepts in addition to focusing particular attention on nascent concepts that do not seem to have adequate theoretical referents in the existing literature.

4.5.2. Data Sources and Data Collection Tool

The interpretive paradigm puts the emphasis on the meanings, interpretations, processes, and contexts (Guba & Lincoln, 1994) and the analysis of social realities and the way in which they are socially constructed and negotiated (Hopper & Powell, 1985). Therefore, sample size becomes irrelevant in qualitative methodology, samples are evaluated based on the ability to provide important and rich information, not because they are representative of a larger group (Hellström, 2008; Walsh, 2003). Additionally, due to its interpretative nature, qualitative methodology employs such methods as hermeneutics, ethnography, phenomenology and case studies (Hellström, 2008). Techniques used in qualitative studies include observations, in-depth and focus group interviews, participatory activities in sociocultural phenomena, etc.

Having reviewed the relevant literature, the focus group method is applied in this study, considered as a primary source for collecting data. Focus group is a legitimate method for generating and collecting qualitative data, in addition it can be used in exploratory ways as a means to generate new questions, which could be used to develop new researches or to complement the results. The main argument for using them in this study is their collective nature, it enables us to achieve the aim of this study by taking a diversity of opinions during group interaction where diversity of opinions is stimulated and valued as inherent richness of the data. It can also help us to generate new ideas, to program development or to evaluate an existing program or intervention. Hence, it appears that the use of focus group in this study is an appropriate method to achieve our aims, such as the interpretation of the stakeholders' perception on voluntary disclosure, furthermore, it can contribute to the development of voluntary disclosure of Jordanian companies listed in the ASE. Therefore, the next section will highlight more features on the focus group method, which have led us to choose this method.

4.5.2.1. Focus Group

According to Wilkinson (2004) the original focus group method was used by Emory Bogardus in 1926, who described group interviews in his social psychological research to develop social distance scale. Additionally, Madriz (2003) has adopted the focus group method as a means to allow them to advance their causes and concerns.

Generally, a focus group is an informal discussion among a group of selected individuals about a particular topic (Wilkinson 2004). A focus group is made up of collective conversations (Kamberelis & Dimitriadis 2011), which are arranged to examine a specific set of topics (Kitzinger 2005), within a limited period of time (Caretta & Vacchelli, 2015), involving some kind of collective activity (Kitzinger 2005), reflecting common perspectives or experiences, in order to describe and understand meanings and interpretations of a select group of people, to understand a specific issue from the perspective of the participants of the group (Liamputtong 2009).

In addition, focus group method is sometimes referred to as a focus group interview, a group interview, or a group depth interview (Liamputtong, 2011). It is considered as a legitimate method for generating and collecting qualitative data within the social sciences (Caretta & Vacchelli, 2015). Moreover, Madriz (2003) refers that it can be used in exploratory ways, as a means to generate new questions which could be used to develop new quantitative strategies or to complement the more quantitative results of their research. Focus groups are defined as "carefully planned series of discussions, designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment" (Krueger & Casey, 2000, p.5).

With focus groups there are no right or wrong answers, all ideas and opinions are important. In fact, focus groups do not aim to reach a consensus on the discussed issues (Hennink 2007). The main argument for using them in this context is their collective nature (Liamputtong, 2011), since it enables researchers to take a diversity of opinions during group interaction where diversity of opinions is stimulated and valued as inherent richness of the data (Caretta & Vacchelli, 2015). This may suit people who cannot articulate their thoughts easily and it can provide collective power to marginalised people (Liamputtong, 2011). Focus groups encourage a range of responses which provide a greater understanding of the attitudes, behaviour, opinions or perceptions of participants on the research issues (Hennink, 2007).

Four to twelve subjects is the ideal number for a group at a time. The interviewer asks questions, with follow-up "probes" for clarification if necessary. On the other hand, in terms of size of the group, there is no consensus on a specific number for each group, it can be small or large (Kamberelis & Dimitriadis, 2011). Focus group, as a research method, involves multiple groups for data collection, each group involves more than one participant (Wilkinson, 2004), from 6 to 12 individuals is the ideal group (Kielmann, Cataldo & Seeley, 2012), which come from similar social and cultural backgrounds or who have similar experiences or concerns and they are helped by a moderator, for a period of one to two hours (Liamputtong, 2011). Kielmann et al. (2012) mentioned that it is a good idea to have a diagram of the set-up with the participants numbered in order to keep track of who is speaking.

Although a focus group involves a relatively small number of people, it enables in-depth discussions, the discussion of the topic in greater detail by being focused on a specific area of interest. Focus group interviews are distinguished from the individual in-depth interviews, through their feature "Interaction", since group discussions assist people to explore and clarify their points of view, "the group effect" (Liamputtong, 2011, p.5).

The moderator, who is often also the researcher, plays a major role in obtaining good and accurate information from the focus groups. Additionally, there can be more than one moderator facilitating and moderating in one focus group (Liamputtong, 2011), in many cases, it can also be used as an assistant to facilitate the group's discussion (Kielmann et al., 2012). A moderator introduces the topic and assists the participants in discussing it, encouraging interaction and guiding the conversation (Liamputtong, 2011). A moderator also tries to make sure that the dialogue encourages diversity of opinions, without aiming for a consensus of opinions (Caretta & Vacchelli, 2015). In fact, the moderator or the facilitator should be an active listener, stimulating the discussion but keeping it on track and he can interject when appropriate to verify what is being said and to move on to another question or subject (Kielmann et al., 2012). In our case the researcher alone was the moderator.

To a certain extent, focus groups are criticised. In some focus groups the quality of the data generated will be affected by the characteristics and context of the focus groups. Certain personalities of the participants, such as dominant or aggressive personalities, may influence the group discussion (Hollander 2004; Krueger & Casey, 2014), possibly leading them to simply conform to the dominant ideas present in the group. In other situations, the participants may feel intimidated to speak. In fact, dominant voices might skew the discussion (Caretta & Vacchelli, 2015). Morgan (1997) suggests that such situations can be avoided by making sure of the absence of serious barriers to active and easy interaction. Otherwise, perhaps the researchers need to look for a more suitable method (Liamputtong, 2011).

We have collected our data within two stages, through the focus group and the individual interviews. The total number of respondents of the two stages is twenty-five respondents. Based on the first stage, we have conducted three focus groups. These groups include thirteen participants. In fact, the interviews was smooth, the interaction between the participants was enjoyable and interesting, there were no people who had strong or opposing opinions, there were no extreme views and no one was marginalized. Throughout the interviews we were focused on allowing all the participants to speak and to express their opinions. In addition, no participant interrupted another and there were no unexpected discussions. Additionally, all interviews ended without any differences or divisions within the group. This was probably due to that fact that all participants are professionals and intellectuals, and that most of them are leaders in their workplaces. However, there was an interruption in an online communication during the interviews of two respondents, where they could not share their views on all the topics discussed.

However, interviewing the focus group was not easy and we faced great difficulties. In fact, most of the difficulties we encountered were due to online interviews. Although the use of the Internet is very common in Jordan, the vast majority of those who communicated with us were surprised to be interviewed in this way. Most of them did not know about the application that we used, the "Zoom application". However, the biggest challenge we faced was the unwillingness of people to participate. We felt that they thought that we would raise topics that might not be within their remit, or sometimes that it would be beyond their knowledge or abilities, especially since the interviews were conducted from outside the country.

In addition, many of the people we contacted did not accept the idea of interviews. Many of them asked us to send them our questions via e-mail in the form of a questionnaire to be answered and then returned to us, one of them later joined us in the second focus group. Moreover, because the interviews were conducted in a group setting, this complicated things and it was almost impossible at times, to gather three or four people at the same time. In fact, the data collection process lasted for a period of over five months. After the third interview using the focus group we felt that there was no new information to be added, we came to the full realization that we could not do more focus groups interviews. However, information collected seems rich and we may not found what we could add.

However, regarding the second stage, we re-contacted with some of those we communicated with them but did not share, in addition to other persons (nineteen). We asked them to conduct individual interviews and we received a reply form twelve new respondents, then we interviewed them individually. Then we sent the questions to nine persons, and asked them to reply to them via e-mail and we did not receive any answer. After all this effort, the final number of respondents is twenty-five participants.

4.5.2.2. Focus Group Design

Consistent with the literature and theories that related with our study, we developed a focus group guide with the objective of obtaining a balance between flexibility, openness to new issues, interactive process, in addition, to facilitating data analysis. One of the key motivations for this guide was to organise the interviews of the focus group in order to obtain collective responses to enrich our understanding of the stakeholders' perception and relationships underlying the voluntary disclosure.

Focus group guide involves a set questions, as the designing of the topics guide for the focus group was built based on two main objectives: 1) in order to analyse the stakeholders' perception about the voluntary information involved in Jordanian companies' reporting, such as, the evolution of voluntary reporting, its types and channels, motivations, factors and consequences by taking a diversity of opinions during group interaction; 2) the stakeholders' perceptions about the evaluation of the quality of the information and the attempt to find new concepts and suggestions for developing and improving the quality of reporting. In addition we employ stakeholder theory and impression management theory to explain behaviour of voluntary reporting.

Corporate reporting is an important issue which has been influenced by the changes in the regulations, hence, regulations can enhance the quality of mandatory and voluntary disclosures (Gibbins et al., 1990). It is obvious that voluntary disclosure arises beyond the scope of mandatory requirements. According to Consoni & Colauto (2016) the IFRSs affected voluntary disclosure positively and significantly, leading to the complementary rationale between mandatory disclosure and voluntary disclosure. Broberg et al. (2010) provide evidence that the corporations disclosed more voluntary information after the introduction of the IFRS by companies listed in the Stockholm Stock Exchange. On the other hand, Dye (1985) and Verrecchia (1983) refer that the high quality of mandatory disclosure requirements are likely to lead to a reduction of the information disclosed voluntarily.

Regulation aims in general, to enhance the confidence in the national economy and raise the economy's attractiveness to local and foreign investments and to bolster its competitiveness. However, the legal rules and the quality of their enforcement vary across countries (Porta et al., 1997). In particular, our motivation to include the regulation theme in our set of questions in the discussion of focus groups was done in order to better understand the context of voluntary disclosure in Jordan. Table 3 present the set of questions for focus group that related to analysis the stakeholders' perceptions regarding to evolution of voluntary reporting in Jordan.

Table 3: The set of questions that related to analysis the evolution of voluntary reporting.

Research Theme and Questions	Questions of Focus Group Guide
The first theme: Evolution of Voluntary Disclosure Context in Jordan. How has voluntary disclosure developed in Jordan?	Q1. In your opinion, how do you assess the evolution of corporate reporting in Jordan, particularly in what concerns Jordanian listed companies in ASE? Can you identify a movement from financial statements to voluntary reporting?
	Q2. In your opinion, which were the drivers of that evolution? Were they cultural, legal, political factors? Internal/national or/and external/international?
	Q3. From the other perspective, what is your opinion about the role played by the interests of the companies to the evolution of corporate reporting in Jordan?
	Q4. What is your opinion about the role played by stakeholders' needs to the evolution of corporate reporting in Jordan? Do you think that the development was aligned with the evolution of stakeholders' needs?

The forms (types and channels) and the content of corporate reporting vary between entities according to the companies. Managers, on the other hand, do not disclose all the information which is known to them. Thereby, companies should understand and respond to information that is demand by stakeholders that would bring benefits to them (IIRC, 2015; PCW, 2007). For instance, an improved relationship between the company and its investors in addition to other stakeholders could be achieved, through a greater insight into an organization's business model, strategy and long-term outlook (IIRC, 2015). Based on this, we seek to analyse the stakeholders' perceptions about the types and channels of voluntary disclosure, the importance of voluntary information types. Table 4 presents the set of questions that related to analysis the stakeholders' perceptions regarding to types, channels and format of voluntary reporting.

Table 4: The set of questions that related to analysis the types, channels and format of voluntary reporting.

Research Theme and Questions	Questions of Focus Group Guide
The second theme: Evaluate the Types of Voluntary Information Disclosed by Jordanian Listed Companies and How It Was Disclosed	Q5. What kind of voluntarily reported information began to be and is at the present disclosed by Jordan listed companies? About what issues (such as risks, sustainability, environmental information, IC, intangibles, etc.)? Do you perceive that kind of information as important? Why and to whom?
What is the type of voluntary information disclosed by Jordanian listed companies in the ASE and how is it disclosed?	Q7. In your opinion, what are the channels and formats used by companies to disclose voluntary information? Are they adequate? Do you suggest others?

It is clear that the managers have incentives to make voluntary disclosures. Iatridis (2008) confirmed that the firms tend to provide extensive accounting disclosures in order to achieve their motives. For instance, Graham et al. (2005) and Healy and Palepu (2001) refer that the company's managers tend to disclose more voluntary information in order to decrease the cost of external financing and capital. On the other hand, Graham et al. (2005) and Trueman (1986) indicate that the characteristics of managers such as qualifications, experience, skills and other talents have an effect on the level and quality of voluntary disclosure. Table 5 present the set of questions that related to analysis the stakeholders' perceptions regarding to motivations, factors and its consequences of voluntary reporting.

Table 5: The set of questions that related to analysis the motivation, factors and its consequences of voluntary reporting.

<table>
<tr><th>Research Theme and Questions</th><th>Questions of Focus Group Guide</th></tr>
<tr><td rowspan="3">The third theme:
Motivations, Factors and Consequences of Voluntary Reporting

Which are the motivations and consequences of voluntary disclosure of Jordanian listed companies in the ASE?</td><td>Q8. In your opinion, what are the main corporate determinants/factors (company size, leverage, profitability, corporate governance mechanism, etc.) of voluntary reporting?</td></tr>
<tr><td>Q9. In your opinion, what are the motivations of Jordanian managers to disclose voluntary information? Why? And what are the advantages and disadvantages of Jordanian managers to disclose voluntary information? Why?</td></tr>
<tr><td>Q4. Do you think that voluntary reporting aimed at really meeting the stakeholders' needs or it was used more as an instrument of impression management?</td></tr>
</table>

Managers can support decision making by highlighting and disclosing the links between social, environmental, and financial performance from both quantitative and qualitative perspectives (IMA & ACCA, 2016). Additionally, the usefulness of voluntary disclosures relate to such matters as: the important aspects of the business; the management's strategies and plans; metrics; comparing performance and competitive disadvantage (FASB, 2001). Evidently today, an integrated report can provide information to a stakeholder interested in a company's ability to create value over the long term, a company can use voluntary disclosure to improve the stakeholders' relationship with the firm (Boesso & Kumar, 2007). In fact, the extent and quality of voluntary information is dependent on the company's policy. Managers can be key actors in integrating the performance data of the different capitals, showing how the company creates value for the multiple stakeholders. Table 6 present the set of questions that related to analysis the stakeholders' perceptions regarding to quality of voluntary reporting.

Table 6: The set of questions that related to analysis the quality of voluntary reporting.

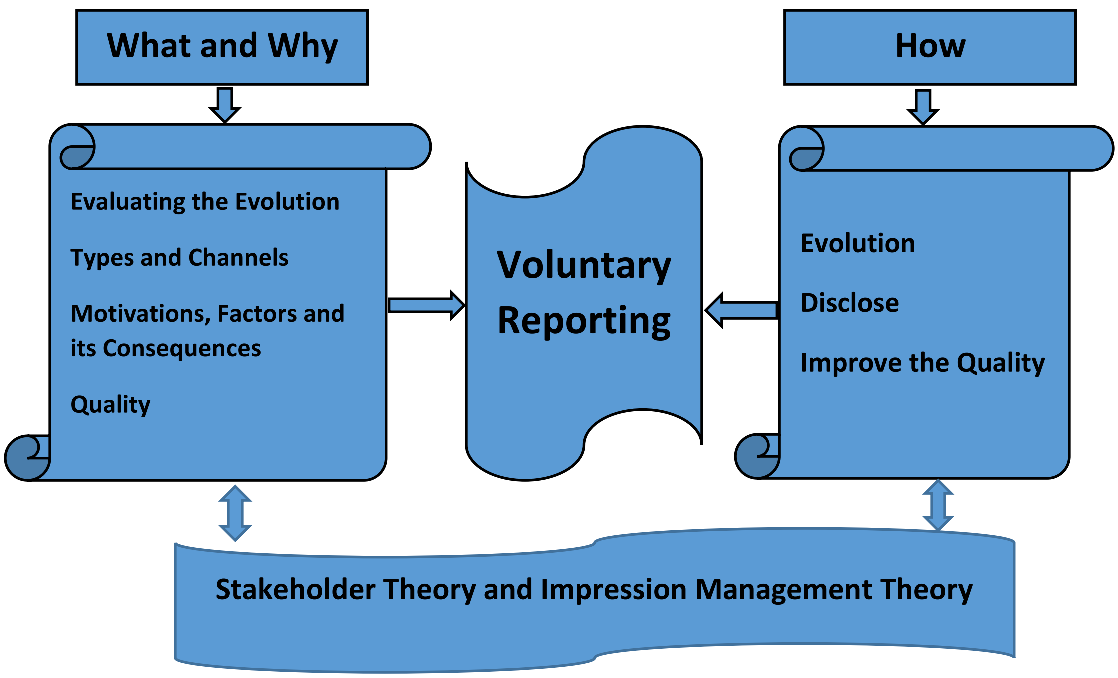
Research Theme and Questions	Questions of Focus Group Guide
The fourth theme: Stakeholders' Perception and Quality of Voluntary Reporting What is the perceived quality of voluntary disclosure of Jordanian listed companies in the ASE?	Q3. Do stakeholders in Jordan need non-financial information to complement the financial one to support the decision process?
	Q6. In your opinion, what are the irrelevant topics of voluntarily disclosed information by Jordanian listed companies? Why?
	Q10. In your opinion, to what extent managers meet the needs of different stakeholders' groups through information voluntarily disclosed?
	Q11. In your opinion, how do you assess the quality of voluntary information disclosed?
	Q12. In your opinion, what are the challenges faced by Jordanian companies listed in the ASE that prevent the application of sustainability reports voluntarily?
	Q13. How can the quality of voluntary disclosure be improved? By guidelines (about the disclosure format/uniform and/or reporting's content), company's adoption of a multi-stakeholder orientation, third party assurance, etc.? Do you think that the existing international guidelines regarding different topics of voluntary disclosure are useful to guarantee the quality of voluntarily disclosed information? How? Do you think that it is important to have a third party performing an assurance guarantee report regarding voluntarily disclosed information? By your experience, are any or some of the companies using this third party services?

One of the main reasons for allowing management to make voluntary reports is to help them deliver a more complete picture of the company's performance and value. Whereas, the provision of accounting information through voluntary disclosures gives stakeholders a better picture of the firms' financial performance and capacity and it enables them to achieve their goals within more reliable forecasts (Bhushan, 1989a, 1989b; Eccles & Krzus, 2015; IIRC, 2015). Additionally, it allows managers to manage the stakeholders' impressions (see chapter three). Where, Core (2001) and Einhorn and Ziv (2012) argued that the managers selecte some information to disclose it voluntarily and avoid other information, firms also attempt to provide voluntary disclosures in order to influence the perceptions of investors and other stakeholders (Healy & Palepu, 1993, 1995). Generally speaking, managers should voluntarily disclose information that would satisfy the needs of various stakeholders (IIRC, 2015; Meek et al., 1995).

In addition, according to Deegan (2013) different researchers can examine the same phenomenon using alternate theoretical perspectives. Indeed, there are differences and similarities between theories. Therefore, the choice of a suitable theory depends on the aim of research and the external parties considered. From these perspectives, our focus group guide concentrate on analysing stakeholders' perception by using stakeholder theory and impression management theory, because of their ability to explain voluntary reporting in line with our goals. Thereby, the stakeholder theory and/or the impression management theory can be used as a proxy (indirect) rather than other theories. In this sense, seemingly that the stakeholder theory and the impression management are adequate theories that are consistent with this study in order to achieve our goals.

Finally, our general reasons for focusing on these subjects, are because these themes have a participatory relationship that can influence the quality of the voluntary information, in addition to their ability to explain the behaviour of voluntary reporting. Figure 7 illustrates the interview's exploration structure.

Figure 7: Structure of focus group interviews



Regarding figure 7 the first group of themes relates to the stakeholders' perception about what and the why. Such as what is your opinion about the role played by stakeholders…? What are the channels and formats used by companies…? What are the motivations of Jordanian managers… and why? What are its consequences? Finally, what are the stakeholders' perceptions about the evaluation of the quality of voluntary reporting? While the second group is related to the "How". For instance, regarding the types and channels of voluntary reporting and how they are disclosed. How do you assess the quality of voluntary information disclosed? How can we improve the quality of voluntary reporting? In the same context, stakeholder theory and impression management theory are overlapping in most of these themes.

In this regard, the questions for the focus group interviews were developed based on these categories, which allowed participants to provide varied responses and in-depth interactions, in addition to stimulating a diversity of opinions, generating new concepts and ideas. Thus, based on diversity of the stakeholders' categories, this enables us to better understand attitudes, behaviour, meanings and interpretations.

4.5.2.3. Data Source

Online focus groups (Virtual Focus Groups) have received increasing popularity in recent years, in many fields such as health, social science and educational research etc. (Liamputtong, 2006; Fielding, Lee & Blank, 2008; Gaiser, 2008). There are several advantages in making use of this new technology through the use of the Internet to carry out focus groups: rapid knowledge gain; the reduction in costs and time of research fieldwork; the availability of a complete record of the discussion without the need for a transcription; and the feasibility of bringing together individuals who are located in geographically dispersed areas (Liamputtong, 2006). It is critically important to record focus groups and the widespread use of tape recorders and the more common use of video recording in interpretive research changed both the level and kind of detail available in raw materials for analysis (Bazeley & Jackson, 2013).

The Zoom application was used to collect data from focus groups and other interviews, video and audio recordings were also adopted during the interviews. Hence, the transcription of the interviews' recordings was done more efficiently. The participants were informed by e-mail that the interviews were being recorded and at the beginning of each interview we confirmed this, meaning that we had the participants' consent. The recordings and the subsequent transcripts were adopted as the initial data source.

The interviews were done by the internet (Zoom application) and in the Arabic language. The data was transcribed and translated into English. In order to ensure the validity of the data, samples of the data were sent to respondents to confirm their validity.

4.6. Population and Sample

4.6.1. Population

There is no clear agreement on the definition and identification of the stakeholders. Nonetheless, there is not much disagreement on what kind of entity can be a stakeholder. Persons, groups, neighbourhoods, organizations, institutions, societies and even the natural environment are generally thought to qualify as actual or potential stakeholders. Hence, the stakeholder's group can be comprised of: a primary stakeholder group, typically comprised of shareholders and investors, employees, customers and suppliers; and a secondary stakeholder group, such as students, researchers, analysts, the media and a wide range of persons and organisations' groups. In addition, stakeholder groups can be identified based on the types of pressures that are exerted on companies through their relationships, capital market stakeholders (mainly debt and equity holders), product market or consumer stakeholders (mainly those associated with primary business operations), internal organizational or labour stakeholders (such as current and potential employees) and political and social markets (in terms of compliance with society's demands and expectations).

This study regards analysis the stakeholders' perceptions about the voluntary disclosure of listed Jordanian companies. Thus, our target population involves any person or group and organization that have an interest or are paying attention to these companies. Based on this perspective, the population of this study consists of employees, customers, suppliers, stockholders and investors, banks, auditors, financial analysts, environmentalists, non-governmental organisations (NGOs), regulators, researchers and anybody and organisations that may have other interests and areas of attention.

4.6.2. Sample

Regarding the sample selection, the selection criteria are usually based on years of experience, gender, sectors, work, etc. However, in our case we selected specialized persons who have a direct relation with our subject, through judgment and direct targeting or purposive and criterion sampling. In other words, the sample selection plan included a dimension related to the topics discussed, and therefore, we were keen to be as wide- ranging as possible regarding the participation of all groups. For example, since our subjects are about laws and legislation, the opinion of lawmakers and supervisors becomes an urgent necessity for completing the scene.

Therefore, members of focus groups were carefully selected, homogeneous samples were selected, which represented all spectrums of the stakeholder as much as possible. We worked hard to have ideal groups, we sent letters to over twenty governmental and nongovernmental organisations in addition to companies and we have communicated directly with more than fifty people who were interested in our subject. In fact, convincing people to participate was the biggest challenge. We sought to establish, at least, five focus groups, and each group consisting of six to eight members. Finally, after all these strenuous efforts, which lasted for more than five months, we were able to interview twenty-five participants. Indeed, our data were collected within two stages, 1) three focus groups with thirteen participants. 2) When we came to the full conviction that we could not do more focus groups, we contacted again most of those that we had communicated with and did not share. We asked them for individual interviews and we received a reply from twelve members, we interviewed them individually. Then we sent the questions to others and asked them to reply via e-mail and we did not receive any answer. After all this effort, the final number of respondents is twenty-five participants, Table 7 shows distribution of respondents based on categories and characteristics.

Table 7: Categories and characteristics of respondents

Type of interview	Stakeholders' Categories	id number	Education	workplace
Focus Group	Financial Manager	FM. R1	MSc Accounting	Financial Controller Pharmaceutical Industry
	Financial Manager	FM. R2	Diploma Accounting	Financial manager in broker company
	Researcher & Professor	R&P. R1	PhD Accounting	Association Professor at University.
	Researcher & Professor	R&P. R2	PhD Accounting	Full Professor Dean of Economic Faculty
	Regulator & Legislator	R&L. R1	MSc Business Administration	Jordan Securities Commission. Manager of Supervision Department.
	Regulator & Legislator	R&L. R2	PhD Philosophy of Public law	Jordan Securities Commission. Legal Researcher, served as Head of the Enforcement Division. Currently serves as Head of Legal Affairs Department.
	Consultant & financial analyst	C&FA. R1	MSc Accounting	Manager of internal audit department, Financial managers, currently Private sector.
	Auditor	AUD. R1	BSc Accounting	External Auditor

Type of interview	Stakeholders' Categories	id number	Education	workplace
Focus Group	Auditor	AUD. R2	BSc Accounting	External Auditor
	Supplier & creditor	S&C. R1	BSc Accounting	Financial Manager in company for provide and supplies accessories and Consulting of chemical and pharmaceutical industries.
	Financier & Banker	F&B. R1	BSc Accounting	Manager of the reporting department in Bank
	Financier & Banker	F&B. R2	BSc Accounting	Preparation of financial reports in Bank
	Investor	INV. R2	BSc Accounting	Investor
Total of focus group participant		**13 respondents (thirteen)**		
Individual Interview	Auditor	AUD. R3	BSc commerce	Finance Director, Financial Controller, Audit Manager (Arthur Anderson)
	Investor	INV. R2	BSc Accounting	Director of the Iraqi market for an international company. Investor.
	Investor	INV. R3	BSc Computer Since	Investor
	Researcher & Professor	R&P.R3	PhD Accounting	Assistant Professor at University.
	Financial Manager	FM.R3	BSc Accounting	Director of Accounts Department
	Researcher & Professor	R&P.R4	PhD Accounting	Full Professor at University.
	Researcher & Professor	R&P.R5	PhD Accounting	Association Professor at University.
	Researcher & Professor	R&P.R6	PhD Accounting	Association Professor at University.
	Researcher & Professor	R&P.R7	PhD Accounting	Full Professor at University.
	Researcher & Professor	R&P.R8	PhD Accounting	Association Professor at University.
	Financial Manager	R&P.R4	BSc Accounting	Account receivable manager. Accounting manager. Financial controller. Budget & Reporting manager (Levant territory)
	Financial Manager	FM.R5	MSc Accounting	Head of Finance Department. Finance manager.
Total of individual interviews participant		**12 respondents (twelve)**		
Grand total of respondents		**25 respondents (twenty-five)**		

As mentioned above, we did all we could to meet more respondents, but only succeed in obtaining twenty-five participants. Although our sample size is small, however, we were attentive to the meanings, interpretations, processes, contexts and the analysis of social realities and the way in which they are socially constructed and negotiated (Guba & Lincoln, 1994; Hopper & Powell, 1985). We collected diverse and comprehensive data, our data has the ability to provide important and rich results, and also it is represents the views of diverse groups of stakeholders. Additionally, we expect that we have collected sufficient data to reflect the views of a wide range of stakeholders. Therefore, although the size of the sample is small, and we were not able to interview all stakeholders' categories, however, we believe that it is sufficient to achieve our goals. On the other hand, apparently the recent interviews (second stage) confirm what was collected from the focus groups (first stage).

4.7. Data Analysis Instrument

There is a widely held perception that the use of software helps to ensure rigour in the analysis process, it ensures a more complete set of data for interpretation than might occur when working manually. In fact, using a computer may ensure that the user is working more methodically, more thoroughly and more attentively. Hence, it can be claimed that the use of a computer for qualitative analysis can contribute to a more rigorous analysis (Bazeley & Jackson, 2013). The selection of an appropriate analysis method depends on appreciation of the kind of data being analysed and of the analytic purchase the researcher wants to obtain on those data (Coffey & Atkinson, 1996).

The qualitative data collection methods included in this study are comprised of focus groups and individual interviews. Data management methods included audio and video-recording through the Zoom application, transcription, transcript checking and we used computer-assisted analysis software (NVivo). The use of computer assisted software packages such as NVivo was a valuable aid in reducing the complexity of the data.

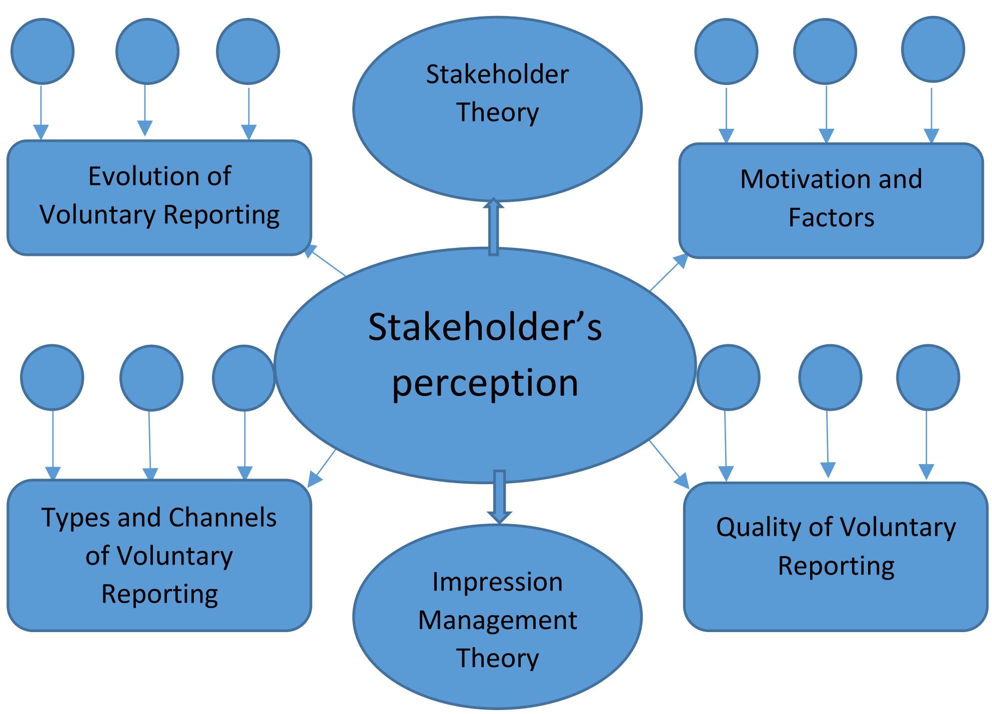
Using NVivo during the analysis of the qualitative data helped us to manage data, and to organize and keep track of the many records, these include raw data files from interviews. In addition, to organizing and providing rapid access to conceptual and theoretical knowledge that is generated in the course of the study, the data that supports it, while at the same time retaining ready access to the context from which that data has come from. Hence, it enabled us to manage ideas (Bazeley & Jackson, 2013).

Computer assistance is merely a tool which facilitates a more effective and efficient analysis (Coffey & Atkinson, 1996), that helped encode data more generously than would have been achieved with ‘paper and pen’ methods. It allowed ideas and issues to emerge more freely without the compulsion to force data into already established categories. The software also allowed for easier reporting and reflection (Buchanan & Jones, 2010).

The data analysis included a two-step process, the first being the preparatory phase through the encoding of data using the NVivo software. This phase helped us to categorize the data in the main and sub-topics that were previously prepared. In fact, qualitative data are text-based, hence, data analysis by NVivo depends on data coding, various cluster and patterns' analysis. We recognize that the most important point of analysing data is the coding process. Miles and Huberman, (1994, p.56) refer that codes are "tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study". Hence, coding involves pursuing related words or phrases mentioned by the interviewees, then, these words or phrases are then combined together in order to realize the connection between them. Initial coding and advanced coding were based on an identified theoretical framework, and node properties and transcripts of participant focus group interviews.

The second stage was to link the words, meanings, phrases and indications derived from the responses of the participants in the interviews. This stage is considered the actual stage of data analysis. Before and during the interviews we have identified the various sub-themes "cluster". Figure 8 illustrates the main themes and sub-themes of data analysis which were used in the NVivo software.

Figure 8: Themes and sub-themes of data analysis.



Designing the topics guide for the focus group was built based on four main themes relating to the stakeholders' perception on voluntary reporting in Jordan: 1) evolution of corporate reporting, 2) types and channels of voluntary reporting, 3) motivations, factors influencing voluntary reporting and its consequences, 4) evaluate the quality of voluntary reporting. In addition, these themes involved dimensions relating to the stakeholder's theory and impression management theory. Based on these themes, we started to create the nodes (sub-themes) for each theme, then we identified an additional sub-theme. In fact, these themes and their sub-themes were the basic stage for the data coding.

4.8. Summary

In order to analyse the stakeholders' perceptions about voluntary disclosure. We were interested in the consistency between the epistemological and ontological commitment and the methodological approach. In this regard, there was a focus in this chapter to explain and justify the articulation/match between our methodological choice and our philosophical assumptions. In order to accomplish the objective of this study, and to be able to answer the research questions, this study was developed within the interpretive paradigm. Interpretive based research is concerned with qualitative phenomenon such as quality, thus, the Gioia method is adopted to achieve our goals.

Unlike quantitative research, there are no strict formulae to develop and write-up a qualitative study and there are no generally accepted guidelines for the assessment of qualitative research. Gioia considered a systematic approach to develop a new concept and grounded theory articulation that is designed to bring ''qualitative rigor'' to the conduct and presentation of inductive research in order to face the claim that qualitative research is lacking in scholarly rigor (Gioia et al., 2013). Based on this perspective, this study followed central canons of the qualitative research based on the Gioia theory approach, such as the development of an interactive process of data collection and analysis.

According to the qualitative method applied in our study, the empirical work involved a two-step process of data collection as well as a two-step process of data analysis. Regarding the data collection, we started to collect data by the focus group method with different stakeholders' groups.

This was the adopted method for collecting data. However, due to the challenges we faced in applying this approach, we had to use other methods. Therefore, we used individual interviews in the subsequent phase.

According to the information stated above a qualitative method was applied in our study. Data analysis involved a two-step process, before starting the data analysis, we employed the NVivo software to help analyse the data collected. All the interviewees were fully recorded and transcribed in Arabic (the mother tongue of the interviewees and the researcher). This procedure facilitated and enhanced the completeness, accuracy and reliability of the collected data, as well the precision and comprehensiveness of its analysis and interpretation. Then, data analysis procedures were carefully followed and finally we drew our conclusions.

In the last two chapters we reviewed the relevant literature and presented the theoretical perspectives that related to our study, based on a single country, Jordan. In order to complete the review of the development of the context of voluntary disclosure in Jordan, the following chapter highlights on legal documents of Jordan’s current accounting practices and what might be its future trends.

CHAPTER FIVE

V: JORDANIAN DISCLOSURE ENVIRONMENT

5.1. Introduction

This chapter aims at analysing the evolution of the disclosure context in Jordan, to achieve this goal, the documental analysis was used based on legal documents and previous studies with a view to deepen awareness of Jordan's current accounting practices and what might be its future trends. In particular, this chapter intends to summarise the path of corporate reporting in Jordan, and analyse how Jordan's organisational, political, economic, legal and social environment influenced the development of corporate reporting, to better understand the voluntary disclosure context in Jordan, both its direct and indirect impact.

The structure of the chapter is as follows. Section 2 describes a holistic view of the Jordan background. Section 3 unveils Jordan's economy environment. Section 4 ascertains to appraise the Jordan business and investment environment and ASE. Section 5 gives a comprehensive gist of the mandatory requirements and voluntary disclosure in Jordan, and finally, the summary of the chapter.

5.2. A Holistic View of the Jordan background

5.2.1. The Hashemite Kingdom of Jordan "Jordan"

The history of Jordan dates back to the ancient civilisations that settled down around the Jordan River: Assyrians, Babylonians, Persians, Seleucids, Nabataeans, the Romans around A.D. 100, and by Arabs. In 622 B.C the Islamic state was established, the rotation of the rule of this region, including Jordan, several Islamic states: the Ommiad, the Abbasid. Jordan was also one of the areas under Ottoman succession, and during the First World War, fell under the British rule. At the same time, the United Nations awarded Palestine (now known as Israel, the West Bank, Gaza, and Jerusalem) to Britain. In 1922, Britain separated Palestine from Jordan, and on the 22nd of May of 1946, Jordan obtained its independence from the British mandate. In 1952, the Jordan promulgated the Constitution of the country (Al-Akra, Ali and Marashdeh, 2009; Helles, 1992). According to the 1952 Constitution, Jordan has become a constitutional monarchy in a parliamentary system (hereditary monarchy). This Constitution includes separation of three powers: the legislative power that comprises the King and the Council of the Nation (the Parliament and Senate); the executive power that includes the Prime Minister and the Council of Ministers; and the judicial power. However, the relations with Britain and the West continued on (Helles, 1992).

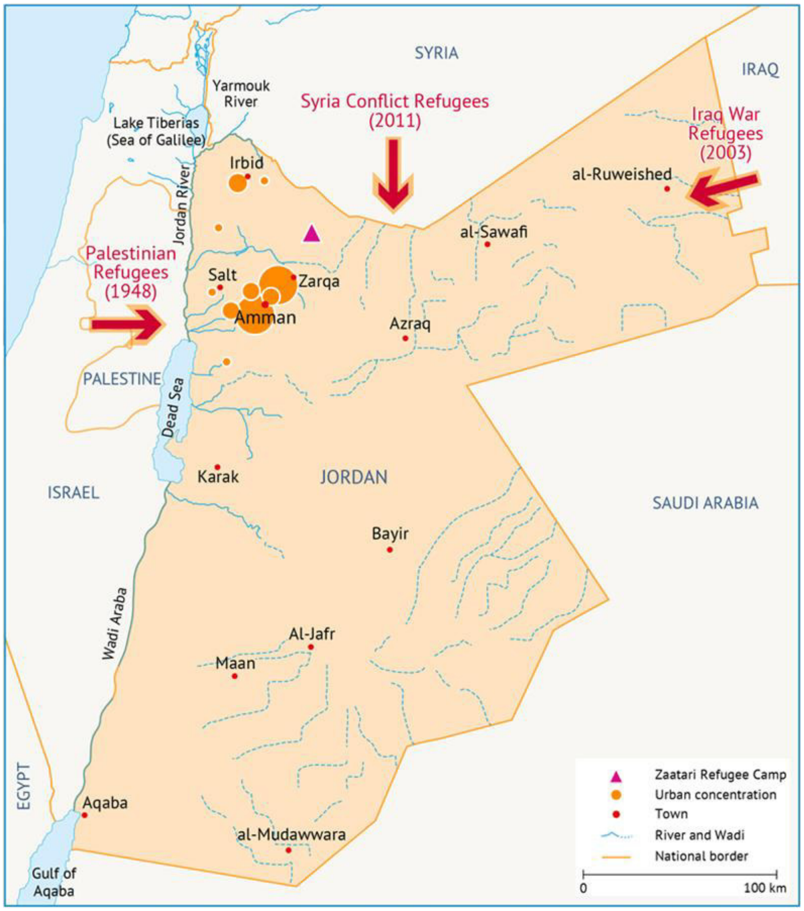
Since the Arab Israel conflicts, Jordan has to handle the Palestinian Refugees' inflow thereby causing political, social and economic unrest. Jordan has received Palestinian refugees in 1948 and in 1967. In 1948, Israel seized on large parts of the Palestinian territories and hundreds of thousands of Palestinians had to flee to Jordan. In 1967, Israel took control of Jerusalem and the West Bank, which has also forced hundreds of thousands of Palestinians to take refuge in Jordan. This exodus has played a key role in the country's politics, economy and society. In 1994, Jordan and Palestinians signed a peace treaty with Israel. In addition, Jordan has also hosted refugees from other countries in the Middle East, such as from Lebanon during the 1975-1991 civil war, Iraq in 1991 and 2003, and Syria in 2011 (Lozi, 2013; Helles, 1992).

Indeed, Jordan is one of the major peace-making players in the Middle East. Jordan lies in both a regional and political strategic location. It can lend support to the economic and political stabilisation of the Middle East, which is beset by political and economic discord and more recently by terrorism. On the other hand, Jordan has to address a lot of internal issues, including high unemployment and poverty, *inter alia*. (Christenson, N/D).

5.2.2. Geography and Location

The Hashemite Kingdom of Jordan (Jordan) has existed as a separate nation ever since its creation in 1921. This area has been part of numerous other nations. Its tribal and Islamic roots have strong family affiliations.

Figure 9: Map of the Hashemite Kingdom of Jordan



Source: Fanak water (2015) of the Middle East & North Africa. http://water.fanack.com/jordan/

Jordan is located at the heart of the Middle East, at the junction of Asia and Africa, situated off the south-eastern shores of the Mediterranean Sea, and it is bordered by Palestine (West Bank and Palestine Occupied Territories by Israel) in the West, Syria in the north, Iraq in the north east and Saudi Arabia in the South East. Thus, Jordan shares the longest border with Palestine and the West Bank, and it has a southern port in Aqaba. Jordan is also the home of the lowest spot in the world, the "Dead Sea".

Jordan is a hilly and arid country with an area of 88,778 km2. Its consists of most of the plateaus between 700 and 1,000 meters high, divided into ridges by valleys and gorges, and a few mountainous areas. The Hashemite Kingdom of Jordan is a barren, resource-poor nation, except the western ribbon of arable land along the banks of the Jordan River, while the east and south are deserts. In addition, Jordan is a resource-poor nation, with limited sources of internal revenue, and extreme population growth.

5.2.3. Jordan Population

The Jordanians' origins date back to Arabic Bedouins and clans, and Jordanians of Palestinian origins who have been displaced by Israel, in addition to small communities of Circassians and Chechens, Armenians, Turkmens, Kurds and Druze. Those groups have full citizenship and enjoy the Jordanian Nationality, and they have important positions in the government. As for the Circassians, they have historically been forced to emigrate from their homeland from the Caucasus "the Czarist Russia" in the 1800s. The Chechens emigrated from Russia "Grozny" in waves during the late nineteenth century. The Druze people came to Jordan from Jabal Druze (their homeland) which is close to Al Azraq, due to the deteriorating situation during the French occupation of Syria and Lebanon. The Turkomans and Baha are those who moved from Iran to escape persecution in 1910 (Zürich & Amman, 2010).

The Jordanian educational system and the development of a healthy communal climate are very influential and supportive to provide a commonly shared living, where citizens of different origins learn the art of living together and of working together towards common and unifying goals. The Jordanian state as a whole with all of its different branches is very influential and supportive to offer a commonly shared living for all the cultural, ethnic, and religious components of Jordanian society (Zürich & Amman, 2010).

Jordan has a long record of providing asylum to persecuted peoples. Throughout the kingdom’s history, Jordan’s response to the embrace of Syrian refugees is a continuation of its historical response to refugee inflows into the country, most notably those of Palestinian and Iraqi refugee populations. In fact, Jordan has historically viewed refugee influxes as a religious, national and humanitarian duty (Francis, 2015).

5.2.4. Religion and Language

Although Islam is the most widespread by the constitution and it is the official religion of the state in Jordan, Jordan is officially a secular state with a constitution in which grants freedom of religion and equality of colour and race. The legal framework in Jordan provides for and promotes tolerance. The constitution allows for the freedom of religion and faith to all Jordanians, regardless the individuals' ethnic or religious origin (Zürich & Amman, 2010).

About 90% of the population is Sunni and 2% is Shia Muslims (from Iraq mostly), while Christians form approximately 7% of the population. Christianity has deep roots in Jordan, where Jesus Christ was baptized. They have seats in Parliament and they occupy high-ranking government positions, including at the ministerial level (Zürich & Amman, 2010).

The Arabic language is the official one, the English language is used widely in government, commerce and among educated people. Arabic and English are mandatory in public and private schools. In addition, French is taught in some public and private schools but is not mandatory (Zürich & Amman, 2010).

5.2.5. The Components of the Jordanian Population

The population of Jordan has grown from 1.5 million in 1961 to about 9.5 million in 2015; the Kingdom's population has doubled more than 10 times in 55 years and it has known the biggest increase over the last decade, especially since 2011. About 35% of the population is under 14 years of age (DOS, 2017). This rapid increase in population is a result of many people emigrated from their countries to Jordan because of political and religious conflicts in countries such as Palestine, Iraq and Syria. Over the last century, a succession of migration took place from various regions added up to the kingdom's population. In addition, a high birth rate and low mortality rate did also contribute to this result (Francis, 2015).

According to Jordanian department of statistics DOS (2017), Jordan population reached (9531712) inhabitants in July 2015, as presented in Table 8.

Table 8: Distribution of Population-by-Population Category, Sex, Nationality in 2015.

Population Category, Sex & National											
Jordanians Abroad			Population Inside Jordan						Total		
			Non-Jordanian			Jordanian					
F	M	Total	F	M	Total	F	M	Total	F	M	Total
8587	26364	34951	1239343	1678782	2918125	3236958	3341678	6578636	4484888	5046824	9531712

Source: DOS (2017).

Table 9 shows the distribution of population where Jordanians constitute (6613587) a percentage 69.4%, while the remaining percentage is non-Jordanians residing within Jordan. On the other hand, Jordanian male constitute (3368042) a percentage 51.2% of Jordanian.

Table 9: Distribution of Population by Population Category, Sex & National and Age Groups in (2015)

	Age	Sex	Jordanians Abroad	Population Inside Jordan		Total
				Non-Jordanian	Jordanian	
Population Category, Sex & National, Age Groups	< 19	Female	2425	602691	1439142	**2044258**
		Male	3707	654619	1519324	**2177650**
		Total	6132	1257310	2958466	**4221908**
	19>45	Female	4578	480996	1205587	**1691161**
		Male	18614	785898	1227429	**2031941**
		Total	23192	1266894	2433016	**3723102**
	45>60	Female	1252	102521	391057	**494830**
		Male	3283	178836	390996	**573115**
		Total	4535	281357	782053	**1067945**
	60<	Female	332	53135	201172	**254639**
		Male	760	59429	203929	**264118**
		Total	1092	112564	405101	**518757**
	Total	Female	8587	1239343	3236958	**4484888**
		Male	26364	1678782	3341678	**5046824**
		Total	**34951**	**2918125**	**6578636**	**9531712**

Source: DOS (2017)

As presented in table 11, the first group (age group under 19 years old) represents 44.3% of the total population of Jordan, and it is most likely (the consumers category) of children as well as those who are students, while the second category (between 19 to 45 years) is 39.8 % of the total population of Jordan (producers category). Where these two categories constitute 84.1% of the total population.

Jordan has a long record of providing asylum to persecuted peoples. Throughout the kingdom's history, Jordan's response to the embrace of Syrian refugees is a continuation of its historical response to refugee inflows into the country, most notably those of Palestinian and Iraqi refugee populations. In fact, Jordan has historically viewed refugee influxes as a religious, national and humanitarian duty (Francis, 2015). Table 10 shows distribution of non-Jordanian living in Jordan by main reason for coming to Jordan.

Table 10: Distribution of Non-Jordanian Living in Jordan by Main Reason for Coming to Jordan

Main Reason for Coming to Jordan	Numbers
Insecurity/ Armed Conflict in Country of Origin	1494779
Work	496966
Study	66326
Accompanying	432416
Tourism	13070
Medication	15028
Others	193219
Unspecified	1188
Total	**2712992**

Source: DOS (2017)

As presented in table 12, the total population in Jordan (non-Jordanians) who are coming to Jordan due to insecurity / armed conflict in the country of origin is (1494779). As well as camps residents (432416).

In 2004, the combined primary secondary and tertiary gross enrolment ratio was 79% (Corm, Hanson-Cooper & Singh 2007), compared with 95% in 2015 (DOS, 2017), the adult literacy rate was 89.9% (Corm et al., 2007), while the illiteracy rate of the Jordanian population in the Kingdom aged 13 years and over was reached 6.7% in 2015 (DOS, 2017), while in 2015, the post-primary education rate was high. Jordan ranked 86 in the Human Development index (Corm et al., 2007). Table 11: distribution of Jordanian population living in Jordan in (2015), and with intermediate diploma and above, by educational attainment, sex.

Table 11: Distribution of Jordanian population living in Jordan in (2015), by educational attainment.

<table>
<tr><td rowspan="18">Educational Attainment & Sex</td><td rowspan="3">PhD</td><td>Female</td><td>3986</td></tr>
<tr><td>Male</td><td>17333</td></tr>
<tr><td>Total</td><td>21319</td></tr>
<tr><td rowspan="3">Master</td><td>Female</td><td>18303</td></tr>
<tr><td>Male</td><td>30674</td></tr>
<tr><td>Total</td><td>48977</td></tr>
<tr><td rowspan="3">Higher Diploma</td><td>Female</td><td>10196</td></tr>
<tr><td>Male</td><td>9279</td></tr>
<tr><td>Total</td><td>19475</td></tr>
<tr><td rowspan="3">Bachelor</td><td>Female</td><td>327788</td></tr>
<tr><td>Male</td><td>316612</td></tr>
<tr><td>Total</td><td>644400</td></tr>
<tr><td rowspan="3">Intermediate Diploma</td><td>Female</td><td>200611</td></tr>
<tr><td>Male</td><td>133718</td></tr>
<tr><td>Total</td><td>334329</td></tr>
<tr><td rowspan="3">Total</td><td>Female</td><td>560884</td></tr>
<tr><td>Male</td><td>507616</td></tr>
<tr><td>Total</td><td>1068500</td></tr>
</table>

Sours: DOS (2017)

As presented in table 13, in 2015, the education rate was high. Jordan ranked 86 in the Human Development index (Corm et al., 2007). While, the Human Development Index ranks Jordan as 77th worldwide while classifying the country in the group of countries with a high human development (WTO, 2015). Jordan has also ranked as the second highest IC index in the Arab state (Bontis & Fitz-enz, 2002). Kuwait and Jordan have the highest level of national IC (Bontis, 2004). Table 11 illustrates the Jordanian Population numbers living in Jordan in (2015), and not enrolled in educational institutions, and who have scientific qualifications "Intermediate Diploma and above".

5.3. Jordanian Economy Environment

For many years, Jordan's economy has experienced a significant period of contraction. However, the Jordanian economy managed to pull out a satisfactory performance in the year of 2008 with foreign direct investment flows, prior to the eruption of the global crisis, by taking steps that aimed at promoting economic activity across the board, which led to the emergence of some principle growth sectors in the economy. For instance, Jordan government has undergone several reforms thus steering and fuelling its economic policies and trade. The government has drafted special legislations of intellectual property rights. It has amended laws and it has taken significant steps to encourage foreign investment in its bid to integrate itself into the global economy since 1998. The investment promotion activities have been consolidated under the Jordan Investment Board (JIB), which provides a "one-stop shop" for investors.

The Jordanian economy has suffered from the global financial crisis of 2008, leading to a significant reduction in foreign direct investment and private capital flows thus hindering back the achievement of goals and results in the national economy (AL Zoubi and AL Zoubi, 2012; Mehyaoui, 2010). The most significant of these problems was the rise in the public debt to record levels that cannot accept the continuation (MOF, 2016). It has depleted Jordan from an important part of the limited financial resources available as well as a modest economic growth, insufficient to improve the living standards of citizens, reduce unemployment rates and stimulate the weak labour market structure (Francis, 2015).

Moreover, Jordan, by virtue of its geographical location, suffers from the negative repercussions of conflicts, tensions and adverse regional conditions prevailing in the region. The Arab uprisings have triggered a regional economic downturn and destabilised several of Jordan's key trading partners: the fluctuations of the regional oil supply and prices and the flow of natural gas from Egypt, restricted exports, fluctuations of global commodity prices and reduced remittances (Francis, 2015).

Consequently, the level of public debt and negative repercussions on financial stability have reached record levels: the total public debt at the end of November 2016 toward 26 billion Dinar was equivalent to approximately 37 billion dollars. The public debt ratio was 94% of the GDP compared to 93.4% at the end of the year 2015 (MOF, 2016). The Jordan's economy suffered a negative impact during this period for its gross domestic product (GDP) growth rate shrank from 7.9 percent in 2008 to 2.3 percent in 2010.

Nowadays, Jordan is still facing substantial constraints and challenges to its resource, economic, and social sectors, with massive water scarcity, climbing youth unemployment, rural marginalisation, and development deficits in sectors like healthcare and education. This becomes even more severe if we consider the direct and indirect financial burdens borne by the public treasury resulting from the influx of Syrian refugees in exchange for limited international support to Jordan to meet these burdens (MOF, 2016).

The crisis refugee asylum, which Jordan has been subjected to throughout history, exacerbates Jordan's negative economic trends. The Arab uprisings or the so-called Arab Spring, and the flow of Syrians refugee triggered a rapid increase of these severe and constraining issues. Recently, the inflow of Syrian refugees led to the extension of public and social services, thereby draining government funds. On the other hand, the increased demand on scarce goods has inflated prices (Francis, 2015), especially of the housing; and increased the competition on jobs in the informal sector, especially the worker's category, in addition to the reduction of the wages. This has worsened the economic and social situation for the poorer population. According to Francis (2015, p.8) "the government is stretched beyond its capacity to deliver essential services like healthcare, education, and waste management in the municipalities most affected by the Syrian refugee crisis".

5.3.1. Economic Activity and Unemployment

According to International Labour Organisation, the unemployment rate among Jordanians grew from 14.5% in March 2011 to 22% in 2014 (Stave and Solveig, 2015). The Jordan's pre-existing structural economic issues are responsible for the rise of the unemployment rate, in addition to the Syrian inflows, along with the regional and international economic crisis. Although the Syrians refugees cannot legally work in Jordan, however, 160,000 Syrians were employed by the informal job sector (Francis, 2015).

While, the official statistics show the unemployment rate is 15.1% in the first three quarters of 2016 as compared to 12.9% during the same period of 2015 (MOF, 2016). It remained at the rate of 18.2% during the first quarter of 2017 (DOS, 2017).

Table 12: Distribution of Jordanian Population Living in Jordan Aged (15 Years and above) by Economic Activity Status.

Economic Activity Stat			
Economically Inactive	Economically Active		Total
	Has no Job & Looking for a Job	Employed	
1782872	324148	1510876	3617896

Source: DOS (2017)

As we mentioned in table 12 "Distribution of Population by Population Category, Sex & National and Age Groups" the first group of population (age group under 19 years old) represents 44.3% of the total population of Jordan, and it is most likely (the consumers category) of children as well as those who are students, while the second category (between 19 to 45 years) is 39.8 % of the total population of Jordan (producers category). Where these two categories constitute 84.1% of the total population. Based on this, and as presented in table 14 the total of unemployment is (324148). The unemployment rate is 18.2% during the first quarter of 2017 (DOS, 2017). So, it is expected that the most of unemployment those are from the categories (between 19 to 45 years, producers' category). This may cause tremendous pressure on the government, the economy and the society.

5.3.2. Currency and Exchange controls

The currency of Jordan is the Jordanian Dinar. The Jordanian dinar also circulates in the territories of Palestinian National Authority. In 1995, Jordan has adopted the pegged exchange rate system to the U.S Dollar at an average price of 709 fills per Dollar (it is fixed at 1 U.S. dollar = 0.709 dinars most of the time. 1 Jordanian Dinar = 1.41044 United States Dollar). Accordingly, the

Jordanian Dinar exchange rate with other currencies is determined by the price of US Dollar in the international financial markets.

The Central Bank of Jordan (CBJ) is the controlling and monitoring body for all issues related to foreign exchange in the kingdom. It is also responsible for maintaining monetary stability and for ensuring the convertibility of the Jordanian Dinar (JOD), overseeing an interest rate structure to provide a sound macroeconomic environment in Jordan. In addition, the CBJ is also responsible to ensure the safety and soundness of the banking system.

The Foreign Exchange Control Law No. 95 of 1966 governs all foreign exchange transactions in Jordan. The Foreign Exchange Control Regulations of 1978 proceeded to enforce the law and it amended in 1979 (CBJ, 2017).

5.3.3. Imports and Exports

Ever since 1995, the economic growth has been rather poor. Expectations of increased trade and tourism, which originated because of Jordan's peace treaty with Israel, have been disappointing. The budget deficit and the public debt have remained high and continue to widen, in addition to the high unemployment rate. The Country’s major imports are Crude oil, wheat, sugar, meat and machinery, while the main exports consist of phosphates, potash, fertilizers, chemicals and pharmaceuticals (EY, 2011). Jordan ranks sixth and seventh in the world in phosphate and potash production, respectively (Al-Akra et al., 2009).

In addition, one of the main resources are those sent by the Jordanians who work abroad. According to DOS figures, around 600,000 Jordanians work abroad, mainly in the Gulf countries, of whom 260,000 work in Saudi Arabia, 250,000 in the United Arab Emirates, 42,000 in Kuwait and 27,000 in Qatar (EY, 2011).

5.3.4. Tax System

Jordan levies both on direct taxes, such as the income tax and the withholding tax, and indirect taxes, such as the general sales tax, stamp duties, and land tax (see, MOF, 2015, Tax Law No. 34 for 2014).

The Jordanian tax law that is currently in effect is the Temporary Income and Sales Tax Law No. 34 of 2014. The primary types of income taxes levied are corporate income tax, individual income tax, and withholding tax. The Jordan's corporate income tax rates are flat rates. It is worth mentioning that the corporate tax rates range from 14% to 35%, depending on the type of activity. Taxation of Individuals, Salaries, wages and other income paid to Jordanian and foreign employees are taxable. Individuals are allowed a JOD 12,000 annual exemption for salaried persons and JOD 24,000 for households, individuals' tax rates range from 7% to 20%. As for the foreign employees working for non-operating foreign companies (regional offices), they are exempt from paying income tax. The tax year for corporations is their accounting (financial) year, whereas, for individuals, it is the calendar year. Regarding the tax returns, they must be filed with the Tax Department on a prescribed form in Arabic within four months after the end of each tax year.

Other taxes include stamp duties at 0.6%, which are payable on the total value of contracts with the government and public shareholding companies and at 0.3% on contracts with other entities. Land tax, sometimes referred to as a registration fee, is payable on the sale and registration of land at a rate of 10% of the appraised amount or value whichever is higher. Goods are subject to an import duty, with the exception of those specifically exempted. The rates of customs' duties range between 5% and 30%, except for certain items such as cigarettes that are taxed at 100%, and liquor that is taxed at 180%. Moreover, the General Sales Tax rate is 16%. Sales tax applies to supply of goods or services in Jordan as well as importation of goods and services. This applies to all goods and services unless specifically exempt. In addition, there are certain goods and services that incur in an additional sales tax according to weight, size, or unit of packing.

In addition, special regulations apply vis-à-vis the Aqaba Special Economic Zone and other development and free zones throughout the kingdom.

5.4. Jordanian Business, Investment Environment and ASE

Nowadays, one cannot ignore the fact that Jordan faces economic challenges, both internally and externally. These are considered as the most complex challenges because they are greatly affected by conditions beyond control, which makes the national economy vulnerable to external shocks. This requires serious and effective effort and work to address the challenges of the financial problems, obstacles and external shocks.

For an in-depth understanding of the reality of corporate reporting of Jordanian listed companies in (ASE), the previous sections reviewed the political, social and economic environment in Jordan. In this section, we will also review the reforms, procedures, and amendments that are related to the evolution and the context of the Jordanian corporate reporting during the past decades. Indeed, the reforms, procedures, and amendments taken by Jordanian government during the past decades can be summarised into the stages we will be underpinning in the next items.

5.4.1. The Preparatory and Foundational Stage (Prior to 1990s)

Jordan is moderately prosperous, with an open economy and free capital market. Until the early 1990s, the legal and regulatory framework for financial reporting in Jordan was very limited in scope and is expressed in loose and general terms. Indeed, there are no clear requirements concerning the form and content of the financial statements beyond a requirement that companies should maintain proper accounting records in accordance with generally accepted accounting principles (GAAP). In addition, the Amman Financial Market until that time issued no requirements relating to the content of corporate reporting (Abu-Nassar & Rutherford, 1996).

Historically, the Jordanian legal system has always been influenced by codes of law instituted by the Ottoman Empire. Between 1849 and 1850 commercial matters in Transjordan was applied by the Ottoman Commercial Code, which was based on the French law. These were supplemented by British laws during the mandate period. It has remained effective until 1964. The first Jordanian Company Law replaced it after the independence in 1966. It applied to both the East and West Banks of Jordan. The Islamic law has also been influential, thereby mirroring some influence of European models (Helles, 1992).

In response to the need of developing the regulations and legislation Jordan has enacted laws and regulations. The first Company Law was Law No. 12 enacted in 1964, administered by the Ministry of Industry and Trade. This law was loosely stated and very limited in scope. In 1966, the first Commercial Law, Trade Law No. 12, was enacted. According to this law, all companies are required to keep an inventory record general journal and a corresponding register.

The company law was amended later in 1989 as the law No. 12 of 1964 that was replaced by Law No. 1 of 1989. This law required Jordanian companies to prepare an annual report with a profit and loss statement, a balance sheet, explanatory notes, and an auditor report, in accordance with GAAP. The first law in Jordan concerning the financial market was passed in 1976. The Amman Financial Market (AFM) Law No.31 for the year 1976 was the basis for the establishment of the AFM in Jordan. The development of the Jordanian stock market will be discussed in-depth later on.

In the same context, in 1961, the professional law to regulate entrance to the profession was enacted and in 1985 this law was amended, so that, this law regulated the professional body and practices of the profession, and regulated the entrance examinations to the profession. In 1987, under Law No. 42/1987, the Association of Jordanian Auditors JACPA was brought into existence, in addition, in October 1992 JACPA became a member of IFAC. However, the role of JACPA in accounting regulation was largely advisory and had no authority to issue accounting or auditing standards.

Moreover, several supplementary laws were enacted. In the 1970s, Jordan witnessed the liberalisation of foreign investment regulations. In 1972, it occurred the enactment of the Encouragement of Investment Law, in 1975 the Registration of Foreign Companies Law, and in 1978, the government passed laws to encourage and fuel many foreign companies to locate their headquarters in Amman: the Control of Foreign Business Activities Defence Regulations.

Overall, this phase was characterised by weak laws, which came into existence without any itemisation or guidelines for measurement and disclosure, starting with the first Company Law, Law No. 12 enacted in 1964 (amended in 1989), and the Commerce Code of 1966. Moreover, the AFM required Jordanian companies to prepare annual reports in accordance with GAAP but did not provide an interpretation of what constitutes GAAP. Hence, the disclosure practices in Jordan were voluntary in nature (Omar, 2015; Al-Akra et al., 2009; Suwaidan, 1997; Solas, 1994).

5.4.2. The Organisation and Regulations Stage (After 1990)

After increasing the financial burdens that weighed heavily upon the Jordanian economy, in the early 1990s, Jordan became unable to repay its commitments. In the aftermath of the Gulf War, Jordan reached an agreement with the International Monetary Fund (IMF) to pursue an economic reform programme. In 1994, Jordan signed a peace treaty with Israel. In 1998, Jordan concluded the peace agreement with Israel and the United States. Therefore, in order to revive the Jordanian economy, the government had to take measures to develop the investment environment (Al-Akra et al., 2009). In fact, the government sought to develop and enact laws and legislations in order to create an appropriate investment climate based on the active involvement of the private sector (ASE, 2016).

The company law was amended later in 1989, and the law No. 12 of 1964 was replaced by the Law No. 1 of 1989. This law required Jordanian companies to prepare an annual report with a profit and loss statement, a balance sheet, explanatory notes, and an auditor report, in accordance with GAAP. In 1997, the Jordanian government enacted the Company Law No. 22.

Among the economic measures, which were designed to solve the economic problems in Jordan, were privatisation, the liberation of trade policies and abolishing price regulations. In order to encourage the private sector to assume its leading role in economic development throughout the sectors, in addition to the burgeoning economic, social, legislative and regulatory responsibilities of the government, the Jordanian government has resorted to privatisation. This measure has stimulated the development of the private sector involvement in the economic life, thereby favouring entrepreneurship amongst many Jordanian businessmen and investors in and out of Jordan (ASE, 2009). Privatisation commenced in 1996 with the help and encouragement of international organisations, such as the World Bank Group, USAID (the U.S. Agency for International Development), and other development partners (ASE, 2009; JSC, 2008).

With the aim of providing an appropriate legislative framework, the government set up a special unit within the Prime Ministry in July 1996, called the Executive Privatization Unit (EPU). In 2000, the government promulgated the Privatization Law No. 25. The government's participation in public shareholding companies was approximately 15% when the privatisation process began, and then it decreased to less than 6%. The descending trend ended up with the government selling its shares in most of the companies (ASE, 2009).

Indeed, privatisation came in order to insufflate self-reliance in the aftermath of the economic crisis that befell the country. Besides, to keep abreast of new economic developments that were taking place at the global scene in terms of globalisation, the rise of competitiveness, lifting of customs and administrative barriers to liberating world economy, capital flows, and the communications and information revolution. Under these circumstances, the government entered into partnership agreements with the EU and established the Qualifying Industrial Zones (QIZs), and in 2000, Jordan has joined the World Trade Organization (WTO). Furthermore, Jordan has also joined a free Arab trade zone and with a view to entering new unconventional markets (ASE, 2009).

In 2003, a new Accountancy Profession Law has been issued, which has led to the establishment of a "High Council for Accounting and Auditing". In 2004, it appeared the Jordanian Association of Certified Public Accountants (JACPA). According to Article (46), the JACPA becomes the legal and real legal successor of the Association of Jordanian Auditors. The Accountancy Profession Law gives new powers to JACPA, where the JACPA plays an important role in facilitating the adoption of IAS/IFRS and providing interpretation of the IAS/IFRS and calling for early adoption.

In 2001, the government converted the Aqaba port and surrounding area into a special economic zone (ASEZ) offering special incentives to investors, with investments reaching $ 8 billion by 2006. Other free trade zones have also been opened at AL-Zarqa, the Sahab industrial estate and Irbid (EY, 2011). In 2000, Jordan has become the 136th member of the WTO, and in the same year, Jordan has entered into a Free Trade Agreement (FTA) with the USA and an Association Agreement with the EU in 2001. In addition, the Kingdom is a member of the Greater Arab Free Trade Area (GAFTA), which consists of 17 Arab countries. On the other hand, the investment rules in the kingdom are based on the Investment Promotion Law of 1995 and its amendments to the regulation No. 54 in 2000. Finally, it was enacted the Regulating of Non - Jordan Investments Regulation No. (77) in the year of 2016. The Kingdom of Jordan is a member of the Paris Convention for the Protection of Industrial Property and a member of the World Intellectual Property Organization. In compliance with the international standards, and with its commitment through joining the WTOs agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), Jordan enacted its new Patent Law No. 32 of 1999.

Furthermore, both civil and tax laws and regulations play an important role in protecting the rights of investors and the capital market (see, MOF, 2001. Corporate Income Tax Law No. 57 of 1985 and its amendments in 1989, 1992, 1995, and 2002).

5.4.3. Jordanian Stock Market

The first law in Jordan concerning the financial market was enacted in 1976. The Amman Financial Market (AFM) Law No.31, 1976, was the basis for the establishment of the AF) in Jordan. According to this law, the AFM is as a public financial institution with legal, administrative and financial autonomy from the state. The operations of AFM started on January 1, 1978. In the beginning, 57 companies were listed in the AFM, the number of companies increased to 120 in 1988, and by 2007, 245 public shareholding companies were registered in the JSC (ASE, 2016). Table 13 illustrates the distribution of the sectors and companies listed in the ASE for the year of 2015 and 2017.

Table 13: Distribution of the sectors and companies listed in (ASE)

Sector	Number of firms 2015	Number of firms 2017	Δ%
Financial			
Banks	15	15	0.00
Insurance	28	23	-0.18
Diversified Financial Services	34	31	-0.09
Real Estate	35	34	-0.03
Total	**112**	**103**	**-0.08**
Services			
Health Care Services	4	4	0.00
Educational Services	6	6	0.00
Hotels and Tourism	14	11	-0.21
Transportation	14	10	-0.29
Technology and Communication	3	2	-0.33
Media	3	1	-0.67
Utilities and Energy	4	3	-0.25
Commercial Services	16	12	-0.25
Total	**64**	**49**	**-0.23**

Sector	Number of firms 2015	Number of firms 2017	Δ%
Industrial			
Pharmaceutical and Medical Industries	7	6	-0.14
Chemical Industries	14	9	-0.36
Paper and Cardboard Industries	5	3	-0.40
Printing and Packaging	2	1	-0.50
Food and Beverages	16	10	-0.38
Tobacco and Cigarettes	3	2	-0.33
Mining and Extraction Industries	16	13	-0.19
Engineering and Construction	12	6	-0.50
Electrical Industries	6	4	-0.33
Textiles, Leathers and Clothing	10	6	-0.40
Total	**91**	**60**	-0.34
Grand total	**267**	**212**	**-0.21**

Source: ASE (2017; 2015)

According to the article No. 17 of the Law No. 31 (1976), the Amman Financial Market (AFM) required the listed companies to provide the public with adequate information on their performance and any material developments in their affairs that might affect the stock prices in order to protect investors and enable them to take the appropriate decisions. The AFM Law of 1976 was amended by the AFM Law No 1 1990.

It also worth mentioning that the Jordanian government enacted the Temporary Securities Law No. 23 in 1997. The enactment of the Temporary Securities Law No.23 for the year 1997 was a landmark. Indeed, it was a qualitative leap and a turning point for the Jordanian capital market. Recently, a new Securities Law number 76 for the year 2002 has been issued. It authorised the setting up of another stock exchanges and allowed for forming an independent investor protection fund, stricter ethical and professional codes, and a more stringent observance of the rule of law (ASE, 2016). Under both laws (Law No. 23. 1997 and Law No.76. 2002), the use of IAS/IFRS has become mandatory by all Jordanian public shareholding companies. In addition, in 1997, Amman Financial Market Joined the International Organization of Securities Commissions (IOSCO) that requires members to follow IAS/IFRS. Prior to 1997, no enforcement mechanism, particularly punitive, existed to ensure compliance with the disclosure requirements of the law, and the process of regulating the accounting practice in Jordan was promulgated by the government (the Ministry of Industry and Trade) with a minor role for the private sector (Al-Akra et al., 2009).

The major purpose of these enactments is to restructure and regulate the Jordanian capital market in line with international standards and to achieve transparency in the market, whilst the promoting investors' confidence in the Jordanian capital market and safe trading in securities.

This restructuring leads to the separation of supervisory and legislative role from the executive role. Indeed, the enactment of the 1997 Temporary Securities Law No.23 has provided for the setting up of three new institutions to replace the AFM, namely: (1) the JSC, which is responsible for setting and enforcing regulations, protecting investors and restoring investors' confidence in the capital market in Jordan; (2) the ASE, which is in charge of many functions, the most important of which are monitoring and regulating the market trading in coordination with the JSC – compliance with rules and regulations, investor protection, attaining a fair market, ensuring the provision of timely and accurate information of issuers to the market, and disseminating market information to the public. And, (3) the Securities Depository Centre (SDC), which is responsible for the safety of the custody of securities ownership, registering and transferring ownership of securities, and settling prices among brokers.

In 2004, the JSC issued "Instructions of Issuing Companies Disclosure, Accounting and Auditing Standards for the Year 2004". These instructions included requirements that should be included in the content of the annual reports of the Jordanian listed companies (JSC, 2004).

According to the article (4): "Instructions of Issuing Companies Disclosure, Accounting and Auditing Standards" The Board of Directors of the issuing Company shall prepare the Company's annual report within three months from the end of the Company's fiscal year. The annual report shall include: (A) The statement of the Board of Directors' Chairman, and (B) The Board of Directors' report, which shall include, for example: item No. (21), the Company's contribution to environmental protection and local community service; and item No. (15), important prospective developments including any new expansions and projects, the Company's proposed plan for at least one upcoming year, and the Board of Directors' forecasts for the outcomes of the Company activities.

5.4.4. Financial Reporting and Audit Requirements

According to the Companies Law 22/1997 and its amendments, companies operating in Jordan are required to maintain annual audited financial statements. This is applicable to all public shareholding companies, general partnerships, limited partnerships, limited liability companies, private shareholding companies and foreign companies. The Companies Law also stipulates that all registered companies should maintain sound accounting records and present annual audited financial statements in accordance with IFRSs (MIT&S, 2017).

In addition, the market regulator, the JSC, requires all listed companies to apply IFRS. Preliminary unaudited financial statements should be filed with JSC within 45 days from fiscal year-end, also, the annual financial statements should be audit by a public accountant (JCPA) and present to JSC within the three months following year-end (MIT&S, 2017).

It is important to mention that regulators have mandated the use of IFRS; however, no national organisation issues guidance on its implementation. Consequently, preparers and auditors implement accounting standards in ways dependent on their level of understanding. The absence of any local requirement on applicable auditing standards and of an auditor's code of ethics has contributed to the appearance of divergent audit practices (EY, 2011).

5.4.5. Non-Jordanian Investors in (ASE)

According to ASE, 2017, non-Jordanian investors' ownership in companies listed in the ASE by the end of May 2017 represented 48% of the total market value, 36% for Arab investors and 12% for non-Arab investors. At the sector level, the non-Jordanian ownership in the financial sector was 53.3%, in the services sector was 21.6%, and in the industrial sector was 51%.

5.4.6. The Amman Stock Exchange Company (ASE Company)

In order to regulate the market of trading securities in Jordan, ASE was established in March 1999 as a non-profit independent institution. On February 20th, 2017, the ASE has been registered as a public shareholding company completely owned by the government under the name "The Amman Stock Exchange Company (ASE Company)". The ASE Company shall be the legal and factual successor to the ASE. According to ASE (2017),

> "The ASE Company aims to operate, manage and develop the operations and activities of securities, commodities, and derivatives markets inside and outside Jordan. The ASE Company seeks to provide a strong and secure environment to ensure the interaction of supply and demand forces for trading in securities in a proper and fair trading practice, and raising of awareness and knowledge of investing in the financial markets and defining the services provided by the ASE Company".

5.4.7. Amman Stock Exchange and Sustainability Reporting

In order to reach a financial market in line with the best international practices, in addition, to introducing the concept of Sustainable Development in the Jordan Capital Market, it is important to draft objectives and design benefits for all parties involved particularly companies and investors. Endeavouring to encourage listed companies to embrace the concept of sustainable development into their operational strategies, the ASE has joined Sustainable Stock Exchange Initiative (SSE) in 2016. Meanwhile, 62 stock exchanges have participated in this initiative, which aims at stimulating cooperation amongst stock exchanges and listed companies in order to raise in-depth awareness about sustainable development objectives related to environmental protection, social responsibility and corporate governance (ASE, 2017).

And following the Issuance of the first brochure on sustainability, the ASE has issued the second brochure on 'Sustainability' in order to increase the listed companies' awareness and all other involved parties of the importance of sustainability and the importance of preparing sustainability reports. This brochure contains the most important information related to sustainability reports such as their importance, their forms, the main principles for their preparation, and the main topics included in them. Furthermore, the brochure displays the standards and guidelines of GRI-G4 (ASE, 2017).

The ASE has declared that it will issue guidance in the future on how listed companies can disclose and report on sustainability performance and prepare reports on sustainability. This guide will include the most important international standards in this field. Moreover, the ASE will take more subsequent steps such as issuing other publications and holding seminars and workshops in this concern (ASE, 2017).

5.4.8. Corporate Governance in Jordan

As stated in the Jordanian company law of 1997 and its mandates of 2002, corporate governance in Jordan can be categorised into six dimensions: a legislative framework and government oversight, a capital market, disclosure and accounting standards, transparency in privatisation, effective supervision of the board of directors, preservation of property rights and protection of minority rights (Shanikat & Abbadi, 2011). Based principally on a set of legislations, mainly the Securities Law and related regulations, the Companies Law, and the international principles established by the Organization of Economic Cooperation and Development (OECD), the Jordanian securities commission issued ''Corporate Governance Code for Shareholding Companies Listed on the ASE '' for the year of 2009.

According to the Jordanian Corporate Governance Code, the rules of corporate governance have become one of the most important factors that reinforce the success of economic and organisational reforms currently undertaken in the context of globalisation. For instance, a tool for enhancing confidence in any national economy and an evidence of the existence of fair and transparent policies for protecting investors and traders alike, moreover, safeguard the rights of all stakeholders through good governance, transparency, and accountability. In addition, in order to encourage managements of shareholding companies listed in the ASE to implement these rules, and that all stakeholders would encourage their implementation in order to build confidence in these companies through enhancing their management performance, and preserving the rights of all stakeholders (JSC, 2008).

Chapter one of the Jordanian Corporate Governance Code ''Definitions'' defined stakeholders as ''Persons who have vested interests in the company, including its shareholders, employees, creditors, suppliers, and prospective investors'' (JSC, 2008. p.6). In addition, Chapter 2, section 1 ''Board of Directors Tasks and Responsibilities'' article 16 Stipulates that ''setting a policy to organize relations with stakeholders in a manner that ensures fulfilment of the company's commitments towards them, safeguards their rights, provides them with adequate information, and maintains good relations with them'' (JSC, 2008. p.9).

In addition, this code includes, for example, Chapter (5) Disclosure and Transparency, article No. (2):

> "The company shall provide shareholders and investors with accurate, clear, timely disclosure information, in accordance with the requirements of the supervisory authorities and the legislations in force, in a manner that would enable them to take their decisions. This includes disclosures related to periodic reports, material information, dealings of insiders and their relatives in securities issued by the company, including members of the board of directors and upper executive management, related party transactions, the privileges of members of the board of directors and upper executive management".

Article No. (3) "The Company shall organize its accounts and keep its books and records in accordance with the IFRSs". According to article No (4) in this chapter, the company shall use its internet website to enhance disclosure and transparency and to provide information. In line with article No (5), the company shall disclose its policy regarding the local community and the environment (JSC, 2008. p.15).

Nonetheless, this code came as a set of general rules, and the details were left to the relevant legislation. For instance, details of the information required in the company's annual report were not specified in the guide. These required details were left for the Instructions for Issuing Companies Disclosure, Accounting and Auditing Standards. Companies must comply with the rules of the guide, and in the case of non-compliance with any of these rules, other than those based on a legal provision that is binding under responsibility, it would be necessary to explain clearly the reason for non-compliance in the company's annual report (JSC, 2008).

Recently, JSC has issued the Corporate Governance Guidelines for listed companies for the year 2017 and shall be effective as of 22/5/2017. The main changes in these guidelines can be summarised as follows: according to the code corporate governance (2009) chapter (1), the board of directors shall form the following permanent committees: a) The Audit Committee, and b) The Nominations and Compensations Committee. While, Corporate Governance Guidelines (2017) The Board of Directors shall form the following permanent Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Risk Management Committee (SDC, 2017).

In addition, the rules did not delve in detail in many of the issues and requirements that they addressed under code (2009), while the guidelines (2009) refer to details of the information required in the company's annual report. For instance, chapter No (17) requires companies to publish their governance report, which was not previously requested, and include it in the annual report of the company. This report includes information on the application of corporate governance rules, names of the current members of the board and who is reassigned during the year, executive or non-executive, dependent or independent as well as the names of the incumbents of executive positions. In addition, this includes the committees emanating from the board and names of the presidents and members of these committees, and their qualifications and experiences, the number/timeline of board meetings and the committees meetings, with statements of the members who presented or absented, and finally, number of the meeting of the audit committee with the external auditor (JSC, 2017).

Finally, while the code (2009) refers that the companies must comply with the rules of the guide, and in the case of non-compliance with any of these rules, other than those based on a legal provision that is binding under responsibility, it would be necessary to explain clearly the reason for non-compliance in the company's annual report (JSC, 2008). However, the guidelines (2017) compels companies to comply fully with these instructions under responsibility.

5.5. Mandatory Requirements and Voluntary Disclosure in Jordan

In general, several factors have influenced the path of corporate reporting, for example, political factors have influenced on Jordan as a country, Jordan's colonial past has influenced the path of corporate reporting in Jordan (Al-Akra et al., 2009). In the same context, the authors refer that Jordan's policy of open door to the world has influenced the path of corporate reporting in Jordan. This result is consistent with Haddad et al. (2017) who have concluded that the globalism economic changes, Jordan's agreements with international organisations like the (WTO) and (IOSCO), in addition to the World Bank, and the IMF, compelled Jordan to improved disclosure practices. Furthermore, the education policy, accountancy profession and auditing, and taxation in Jordan may serve as a driver or incentive to improve the quality of disclosure (Al-Akra et al., 2009).

Furthermore, the effect of the financial crisis was severe within more emerging markets particularly the financial sectors and the stock market; therefore, the impact of this crisis in Jordan is different from other countries (AL Zoubi and AL Zoubi, 2012). According to Mehyaoui (2010) the financial crises, which occurred in 2008 has caused great panic amongst investors, has resulted in a wave of sell-offs. As a result, the Jordanian market has adopted more free market economy policies and openness toward markets, especially Jordan depends on foreign aids to finance its budget deficit. Nonetheless, there were no trends to demand listed companies in (ASE) for more disclosure (AL Zoubi and AL Zoubi, 2012). Hence, the current accounting disclosure requirements may be adequate.

The reforms, procedures and amendments as enforced by the Jordanian government during the past decades can be divided into two periods: the preparatory and foundational stage (prior to 1990s), during which weak laws came into existence without any itemisation or guidelines for measurement and disclosure, starting with the first Company Law was Law No 12 enacted in 1964 (amended in 1989) and the Commerce Code of 1966. Moreover, the Amman Financial Market required Jordanian companies to prepare annual reports in accordance with the GAAP but did not provide an interpretation of what constitutes GAAP and the concepts behind. Hence, disclosure practices in Jordan were voluntary in nature (Al-Akra et al., 2009; Omar, 2015; Solas, 1994; Suwaidan, 1997).

The accounting standards, IFRSs and corporate governance codes are considered as a major development in accounting regulations. The high quality of each accounting standard, regulation and legal are likely to play a crucial role in improving a better functioning the capital markets (Suwaidan et al., 2013). Based on this perspective, the aim of mandatory disclosure is to satisfy the user's need for information, protect the investments through ensuring the quality of control, laws, standards and observance. Therefore, compliantly with the national legal and normative context affect the reporting process, it leads to the complementary rationale between mandatory disclosure and voluntary disclosure. However, the legal rules and the quality of their enforcement vary across countries.

On the other hand, the voluntary dimension of the disclosure involves a manifestation of free choice of the company and its managers. Therefore, voluntary disclosure arises beyond the scope of mandatory requirements. Indeed, organisations disclose more information to establish their compliance with the social values reflected in regulations and informal norms (Gibbins et al., 1990).

However, the level, content, and quality of voluntary disclosure depend on the manager's decision. Although the aim of mandatory disclosure is to satisfy the user's needs for information, it is not enough. Therefore, non-financial reporting adopted by a number of countries recently, such as CSR and SR do also play important role in improving the quality of information. In this regard, Einhorn (2005) and Holland (2005) indicated that more regulation could stimulate and increase voluntary information disclosure by corporations. This result is consistent with Haddad et al. (2017) who have confirmed the improvement in mandatory and voluntary disclosure. CSR and internet disclosure practice over time is attributed to the development of accounting regulations and the dynamic role of the accounting related professions in Jordan. Nonetheless, the voluntary disclosure in Jordan is poor and at best expressed in general terms (Suwaidan et al., 2004). According to Cricelli, Grimaldi, & Hanandi (2015) Jordanian managers do not apply the right evaluation methods and they are not able to hire non-financial information in order create value for business performance as of yet.

Recently, JSC issued the Corporate Governance Guidelines for listed companies for the year of 2017, and the ASE issued the first brochure on sustainability in 2017, and the second brochure in 2018. In addition, the ASE declared it will issue guidance in the future on how listed companies can disclose and report on sustainability performance and prepare reports on sustainability).

In line with adopt IFRS, Jordan issued the disclosure instructions. Recently, JSC issued the Corporate Governance Guidelines for listed companies for the year of 2017. Based on this, the compliance of the governance guidelines became mandatory. In addition, the ASE issued the first brochure on sustainability in 2017, and the second brochure in 2018. In addition, the ASE declared it will issue guidance in the future on how listed companies can disclose and report on sustainability performance and prepare reports on sustainability. However, applying SR is voluntary. Table 14 shows the requirements of disclosure in Jordan security market that related to non-financial information.

Table 14: Disclosure requirements of non-financial items in Jordan

Reference	Context
Instructions Of Issuing Companies Disclosure, Accounting and Auditing Standards. Publish Date (2017) The Board of Directors' report Article (4): B	- A description of the company's main activities and geographic locations, the size of the capital investment, and the number of employees in each.
	- A description of the subsidiaries and the nature of their work and areas of activity.
	- A list of the names of the members of the Board of Directors and the names and ranks of the senior management persons with executive authority and a brief description of each of them.
	- A list of the names of the major shareholders of the issued shares by the company and the number of shares owned by each of them if this property constitutes 5% or more compared to the previous year.
	- The competitive position of the company within its sector of activity, its main markets and its share of the local market, as well as its share of foreign markets if possible.
	- The degree of reliance on specific suppliers and / or major customers (locally and externally) in the event that this constitutes 10% of the total purchases and / or sales or revenues, respectively.
	- A description of any government protection or any concession granted to the Company or to any of its products pursuant to Laws, Regulations or otherwise, with a specification of the effective period thereof; as well as a description of any Patents or Licensing Rights obtained by the Company.
	-A description of any decision by the Government, International Organizations or otherwise with a material effect on the Company's business, products or competitiveness, and a disclosure of the Company's implementation of international quality standards.
	-The issuing Company's organizational chart, the number of its employees and their classes of qualification, and its personnel qualifying and training programs.
	- A description of the Company's risk exposure.
	- The Company's accomplishments supported by quantitative indicators and a description of significant occurrences to the Company during the fiscal year.
	- The financial impact of non-recurrent transactions during the fiscal year, which are not part of the Company's main activities.
	- A chronology of the realized profits or losses, dividends, shareholders' net equity and the prices of securities issued by the Company, for a minimum period of five years or for the period since the establishment of the Company, whichever is less, together with graphic representation thereof where possible.
	- An analysis of the Company's financial status and of the results of its activities for the fiscal year.
	- Important prospective developments including any new expansions and projects; the Company's proposed plan for at least one upcoming year; and the Board of Directors' forecasts for the outcomes of the Company activities.
	- The amount of auditing fees for the Company and its subsidiaries and any other fees received or receivable by the auditor.
	- A statement that indicates the number of securities issued by the Company which are owned by any member of its Board of Directors, any member of its Senior Executive Management or any of their relatives; a list of companies controlled by any of such provided all of the above is benchmarked against the preceding year.
	- The benefits and remunerations of the Chairman, members of the Board of Directors, and Senior Executive Management, during the fiscal year, including payments received by any of them such as fees, salaries, bonuses, and otherwise, and their travel and transport expenses within the Kingdom and abroad.

Reference	Context
	- A statement that indicates the donations and grants made by the Company during the fiscal year.
	- A statement that indicates the issuing Company's contracts, projects and engagements concluded with its Subsidiaries, Sister Companies or Affiliates, as well as those with the Chairman of the Board of Directors, members of the Board of Directors, the CEO or any employee of the Company or relatives thereof.
	- The Company's contribution to environmental protection and local community service.
Instructions Of Issuing Companies Disclosure, Accounting and Auditing Standards. Publish Date (2017) The Board of Directors' report/Article (9):	A. The issuing Company shall provide the Commission with a detailed report about any Material Fact with a copy of the public statement within a week from its occurrence.
	B. The Company shall promptly issue a public statement to confirm, deny or correct any news item about a Material Fact pertaining to the issuing Company, which is published in the media, and shall provide the Commission with a copy of such a statement.
Instructions Of Issuing Companies Disclosure, Accounting and Auditing Standards. Publish Date (2017) The Board of Directors' report/Article (11):	The issuing Company shall notify the Commission in writing of the names, positions and qualifications of appointed or resigning Senior Executive Management within seven days of the appointment or resignation.
Instructions Of Issuing Companies Disclosure, Accounting and Auditing Standards. Publish Date (2017) The Board of Directors' report/Article (14):	The international accounting standards issued by the Board of International Accounting Standards are hereby adopted whereby all the parties subject to the Commission's monitoring shall prepare their financial statements consistently therewith.
Instructions Of Issuing Companies Disclosure, Accounting and Auditing Standards. Publish Date (2017) The Board of Directors' report/Article (22):	A- For the purposes of these Instructions, the term publish shall mean the publishing of the relevant information and data for one time in at least one daily newspaper in Arabic.
	B- For the purposes of these Instructions, the term "declare" means the making of a press release to be published in at least one daily newspaper.
Corporate Governance Code for Shareholding Companies Listed on the Amman Stock Exchange Chapter Five: Disclosure and Transparency	2. The company shall provide shareholders and investors with accurate, clear, timely disclosure information, in accordance with the requirements of the supervisory authorities and the legislations in force, in a manner that would enable them to take their decisions. This includes disclosures related to: - Periodic reports. - Material information. - Dealings of insiders and their relatives in securities issued by the company, including members of the board of directors and upper executive management. - Related parties transactions. - The privileges of members of the board of directors and upper executive management.
	4. The company shall use its internet web-site to enhance disclosure and transparency, and to provide information.
	5. The company shall disclose its policy regarding the local community and the environment.

Table 14 presented some financial and non-financial items that must disclose by companies listed on the ASE. Indeed, all these items are of a voluntary nature, except that they are mandatory, however, there is a disparity in terms of disclosure content required. In most of these items the legislator referred to details of the information required to be disclosed. On the other hand, the freedom to choose the contents of the disclosure of some of the other items leave for companies in accordance with thier situations. For instance, chapter five of corporate governance code, article 5: "The company shall disclose its policy regarding the local community and the environment". This article does not provide details about the content that should be disclosed, meaning that companies are free to provide any kind of the information about the topic. Based on this perception, for the purpose of this study, we can define voluntary disclosure as: financial and non-financial information whose content has a voluntary nature but the topic must be disclose by companies listed on the ASE as a mandatory requirement. Voluntary reporting is a free space that allows managers to highlight important information, in order to achieve goals of companies, responding to the wishes of audience and to strengthen of the mandatory requirements.

5.6. Summary of Chapter

Literature assumes that accounting should be analysed and interpreted within its organisational, political, economic and social contexts (Burchell, Clubb & Hopwood, 1985; Gomes, 2008; Hopwood, 1981, 1983, 1987; Scapens, 2004). Based on this perception, and based on the main research objective and the subsidiary ones in order to have a better understanding of Jordan's present accounting practices, and its future development tendencies, this chapter aimed at analysing the evolution of the voluntary disclosure context in Jordan, documental analysis was used based on legal documents and previous studies to achieve this objective. This chapter summarises the path of corporate reporting in Jordan and analyses how Jordan's organisational, political, economic, legal and social accounting environment influenced the development of corporate reporting in Jordan.

> "Although situated in a difficult and tensed regional environment, the Kingdom has been able to achieve substantial political and social stability during the last decades. It has been able to absorb many militaries, political and social external shocks due both to the Arab-Israeli conflict and the First and Second Gulf War. These two conflicts have resulted in hundreds of thousands of Palestinians and Iraqis taking refuge in the Kingdom" Corm et al., (2007, p.7).

Nowadays, Jordan faces economic challenges, both internally and externally, which is considered the most complex challenges because it is greatly affected by conditions beyond control. This makes the national economy vulnerable to external shocks. This requires serious and effectively work to address the challenges of the financial problems, obstacles and external shocks.

Overall, the financial, economic, political, and other events that took place during the last decades have influenced the Jordanian economic and financial market development alerting the government to the importance of creating efficient regulation and rules to insure stability of the economy. As a result, Jordan government attention has turned toward updated development and regulation of accounting and the corporate governance mechanisms. Since the 1990s, and because of globalisation, the economic and political conditions have led Jordan to take action for the development of regulations and laws, in particular, the adoption of IAS / IFRS. This has also coincided with the privatisation programme, corporate governance, and other laws, which are required both to the enhancement of economic reform programme, to finance the current account deficits and to offset the negative economic impact of the lack of domestic investment (Al-Akra et al., 2009; JSC, 2007).

Recently, Jordan has taken important regulatory procedures. Jordan is also continuing its efforts to improve levels of compliance with accounting standards by drafting new related regulations. For instance, JSC issued the Corporate Governance Guidelines for listed companies for the year 2017, and the ASE issued the first brochure on sustainability in 2017, and the second brochure in 2018. In addition, the ASE declared that it would issue guidance in the future on how listed companies can disclose and report on sustainability performance and prepare reports on sustainability (ASE, 2017).

Based on above, next chapter will analyse voluntary disclosure based on the stakeholders' perceptions in Jordan.

CHAPTER SIX

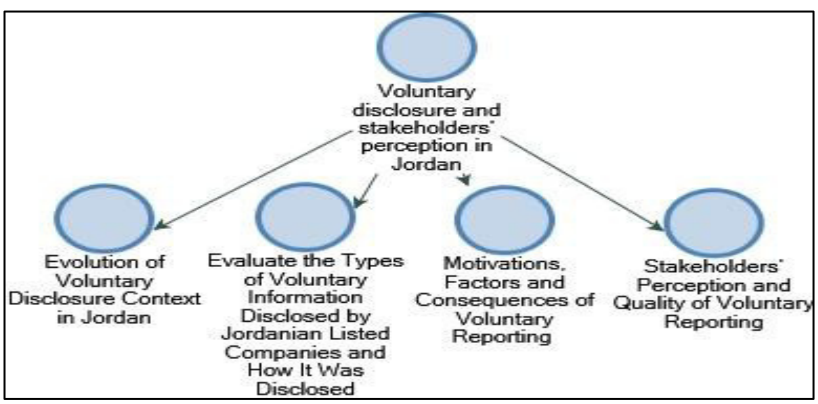
VI: STAKEHOLDERS PERCEPTION

6.1. Introduction

In line with our ontological and epistemological positions in addition to our methodology and methods that adopted in this study, this chapter presents the results and discussion of Jordanian stakeholders' perceptions regarding voluntary disclosure.

As we mentioned in chapter four (methodology), the data analysis included a two-step process, the first being the preparatory phase through the encoding of data using the NVivo software. Initial coding and advanced coding were based on identified theoretical framework, and node properties and transcripts of participant focus group interviews. Before and during the interviews we have identified the various sub-themes "cluster". Regarding the second stage, which is considered the actual stage of data analysis, it was to link the words, meanings, phrases and indications derived from the responses of the participants in the interviews. Figure 5 illustrates the main themes of data analysis which were used in the NVivo software.

Figure 5: The main themes of study.

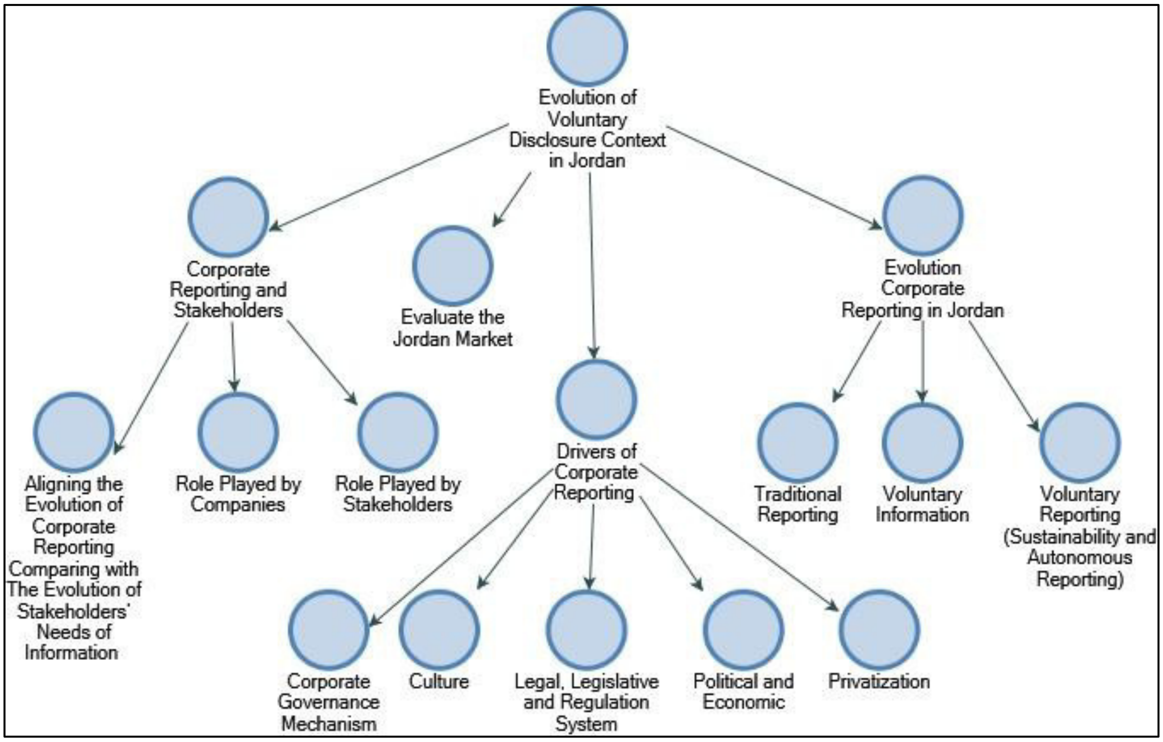


As figure 5 shows, the main themes was designed based on the research questions and objectives, in line with Gioia method, and divided into four main categories in order to analyse stakeholders' perceptions. Therefore, this chapter is structured as follows: In section two, we will analyse the evolution of the context of voluntary disclosure in Jordan. In section three, we are to analyse the type of voluntary information disclosed by Jordanian listed companies and how it was disclosed. Section four will analyse the managers' motivations for voluntary reporting of Jordanian listed companies. Then, analyse the perceived of quality of voluntary disclosure in Jordan. Finally, this chapter will provide a summary.

6.2. Evolution of Voluntary Disclosure Context in Jordan

In order to better understand the stakeholders' perception on voluntary disclosure, firstly we need to understand their perception on the evolution of the voluntary disclosure context in Jordan. Therefore, this was our first theme which we started on the focus groups and interviews. Then, based on the result of using Gioia method and in line literature review, and based on the respondents' answers to the questions, this theme was divided into sub-themes. Figure 6 illustrates the first theme and sub-themes of the evolution of the voluntary disclosure context in Jordan.

Figure 6: Overview on the components of the first theme



The first main theme aims to analyse the stakeholders' perceptions about the evolution of corporate reporting in Jordan. This theme is related to the first sub-objective of this study. This theme involves the following sub-themes: (1) Evolution of corporate reporting in Jordan (To identify the movement of corporate reporting from financial statements to voluntary reporting); (2) The drivers of corporate reporting (cultural, legal, political factors. Internal/national and/or external/international); (3) The evolution of corporate reporting and the stakeholders' need of information (Comparing the alignment of the development of corporate reporting with the evolution of the stakeholders' needs for information; Stakeholders need or do not need more non-financial information). In addition to the sub-themes which were created based on the respondents' answers: (1) Evaluate the Jordanian market.

6.2.1. The evolution of Corporate Reporting in Jordan

6.2.1.1. Traditional Reporting

Global corporate reporting was moving through three stages. The TFR which was sometimes complemented by the addition of social and environmental information. Then, reporting practices changed and began to increasingly consider simultaneously the social and the environmental dimension in a joint report which was often published alongside traditional financial reports. Finally, this evolution led to the development of voluntary standard-setting by the GRI, which became a global standard for SR.

In Jordan the evolution of Jordanian companies' reporting has included only the first two stages. This means that the Jordanian companies' reports in general are not in line with the GRI or what is known as SR. Some interviewed participants provided the following comments that related to the first stage: Respondent FM.R1 refer to that, by saying: "*In the past, the Jordanian companies' reports were limited to the annual report which involves financial statements, the explanatory disclosures and the auditor's report. The explanatory disclosures were very brief and limited to information on the financial statements only*". Respondent R&P.R2 mentioned that the requirements of disclosure instructions were in accordance with the GAAP: *"The reports of Jordanian companies were prepared in accordance with GAAP prior to the adoption of the IFRS. The companies' reports included very little information. The External Auditor's report was only to indicate that the accounts were prepared in accordance with the GAAP".*

Prior to 1997, the regulating of accounting in Jordan was solely promulgated by the government (the Ministry of Industry and Trade), with a minor role for the private sector (Al-Akra et al., 2009), and with no particularly punitive enforcement mechanism to ensure compliance with the disclosure requirements demanded by law. According to Law No. 1 of 1989, Jordanian companies should prepare an annual report with a profit and loss statement, a balance sheet, explanatory notes, and an auditor's report. However, there was no clear requirements concerning the form and content of the financial statements, beyond a requirement that companies should maintain proper accounting records in accordance with GAAP.

In fact, this phase was characterized by a lack of non-financial voluntary reporting. It seem that during this stage all parties (regulators, companies and investors) did not have an interest in disclosing information. This may also indicate that there was no interest by other stakeholders, or that there was no more stakeholder parties. This also appears that during this period there were no motivations by managers to disclose information except the aforementioned compliance.

6.2.1.2. Voluntary Information

Jordan adopted IFRS early. The year 1997 was considered a positive turning point in the reporting of Jordanian companies. JSC enacted the Temporary Securities Law No. 23 in 1997. Under this law the use of IFRS became mandatory for all Jordanian listed companies. Indeed, the enactment of the Temporary Securities Law No.23 for the year 1997 was a landmark, and it was tantamount to announcing a transition to a new stage in the development of Jordanian companies' reporting. After 1997 Jordanian companies began disclosing some non-financial information relating to employees and to social and environmental issues. In this regard some respondents said:

> "*Jordanian companies' reports began to contain information relating to the environment and social responsibility issues and other non-financial information, in addition to a little information outside the scope of the mandatory requirements*" (Respondent S&C.R1).

> "*Together with the adoption of the IFRS, there has been a slight expansion in the reports of Jordanian companies towards the disclosure of new information regarding employees... (...) Additionally, information in the reports includes social and environmental responsibility issues, as well as information on allocations, actual expenses on research and development and other information*" (Respondent R&P.R1).

The 1997's Temporary Securities Law No.23 was a qualitative leap and a turning point for the Jordanian capital market. This is consistent with academic research, as is evidenced in Haddad et al. (2017) who found that the 1997's Temporary Securities Law and its Directives of Disclosure led to an improvement of disclosure practices overtime, and it also improved disclosure quality (Al-Akra et al., 2009). In this regard respondent R&P.R1 said: "*In fact, it can be considered that there is a qualitative transfer in the reports of Jordanian companies, in that companies are seeking to provide additional voluntary disclosures (...), and in turn this helped users to make more rational and correct decisions*".

However, Jordanian companies' reporting did not rise to the levels required in terms of improving the quality and the type of information that is disclosed in efficient markets in the developed countries. Following we have the opinion of some of the respondents in this regard: Respondent R&P.R2 mentions: "*Regulations started requiring companies to disclose new items such as information regarding social responsibility and the environment. Therefore, companies began to include very little information in their reports*". In addition, respondent Aud.R2 asserted that: "Although *Jordanian companies have started to disclose information in their reports in a voluntary manner, they still do not rise to the advanced level of corporate reports in efficient markets*".

In accordance with Law No. 23 of 1997, the JSC issued the Disclosure Instructions and then the Corporate Governance Instructions. Under these instructions, the scope of mandatory disclosure has expanded and has come to include new subjects and various types of information, which up until then, were merely a voluntary dimension by companies. The respondents confirmed the positive reflection of these instructions on the practices of disclosure by the Jordanian companies, where respondent R&L.R1 said:

> "*Since 1997, the instructions of the JSC for disclosure and the corporate governance instructions have become mandatory, and covering all issues of financial and non-financial disclosure. Thereby, making the path of Jordanian corporate reporting more consistent with the IFRSs, and disclosure requirements of corporate governance*".

Respondent C&FA.R1 refers to the change on the types of reporting:

> "*Nowadays, the reports have come to include other aspects such as management discussion and analysis, risk information, future information, social and environmental activities information, IC information (human capital, relational capital, structural capital, in addition to voluntary information on intangible assets) and board information ... However, generally speaking, these disclosures are limited to the main economic activity of the company in addition to compliance with mandatory requirements*".

Based on the respondents' perceptions, the disclosure and corporate governance instructions which were issued by the JSC, cover all topics that can be included in the global companies' reports. This was reflected on the disclosure practices of the Jordanian companies, as their reports began to include all the subjects required by these instructions, which can be considered as comprehensive for all topics that are disclosed according to the global track of corporate reporting.

6.2.1.3. Voluntary Reporting (Sustainability and Autonomous Reporting)

Regarding to third stage, "advanced reporting", such as autonomous reports about environmental performance and social responsibility, and SR, the stakeholders' perception, in general, was that Jordanian companies do not apply advanced reporting such as SR. With some discrepancies in their opinions, some respondents even pointed out there is any implementation of SR by Jordanian companies. Following, there are some examples of the respondents' comments on this subject: Respondent C&FA.R1: "*There is no indication of the application of SR, whether mandatory or voluntary*". Respondent R&L.R2: "*Jordanian companies have not yet reached the level of implementing SR*".

In the same context, some respondents pointed out that very few Jordanian companies might have implemented or partially applied the sustainability reports. Respondent F&M.R3 says: "*Jordanian companies do not issue the sustainability reports. You will find that very few companies refer to very few topics relating to sustainability*". Respondent R&P.R2 confirmed that: "*There may be partial attempts by some companies that may have been affected by the UN initiative to apply sustainability reports to companies*".

Indeed, the majority of respondents refer that most Jordanian companies' reports clearly lack the application of this type of reporting. Respondent F&B.R2 refers that the reporting in the banking sector is more advanced than other sectors: "*Unlike most other sectors, most banks seek to apply sustainability reports, even if partially, and I think some banks have fully implemented sustainability reports*".

Based on these perspectives, we can conclude that there is a weakness on the companies' role to improve their reporting to be more like the Banks. In addition, since the banking sector has special requirements issued by the CBJ, therefore, the regulations are the reason why companies disclose more information and improve their reporting.

6.2.2. Drivers of Corporate Reporting

Indeed, many countries, including developing countries, are seeking to improve their political system, culture and regulations, including accounting regulations, in order to enhance the confidence in their national economy, and create evidence for the existence of fair and transparent policy. Based on this perspective, these elements are considered critical in the capital market evolution and in corporate reporting. Thus, the high quality of the political system, culture, regulations and laws, in addition to the IFRS are likely to play a crucial role in improving the functioning of the capital markets.

6.2.2.1. Legal, Legislative and Regulation System

Since voluntary disclosure goes beyond the scope of mandatory requirements, companies seek to present their performance in the most favourable way by disclosing more information than required by these regulations (Myburgh, 2001). Moreover, organizations disclose more information to establish their compliance with formal requirements and social values reflected in regulations and informal norms (Gibbins et al., 1990).

Based on the respondents' opinions, we found that the legal, legislative and regulatory systems were the most important and influential drivers on the evolution of the Jordanian capital market in general, and on the evolution of corporate reports in particular. This was supported by all the responders. For instance, some respondents mentioned to the positive role of laws and regulations, in addition to the role played by supervision on corporate reporting. Respondent F&B.R2 says:

> "*One of the most important factors contributed on the development of corporate reporting in Jordan is the legislative and regulatory system, which is represented by following up the regulation of disclosure requirements, and following up the supervisory role on the implementation of these legislations. In fact, legislation, supervision and following-up on application are the most important factors, among many others, which have contributed in pushing companies to disclose information*".

Also, respondent FM.R1 said:

> "*In fact, there has been a tremendous development in the reports of Jordanian companies, especially over the last twenty years through the development of legislations governing these reports. I would like to refer to the so-called "Power" or "the effectiveness of law enforcement", which lead to a greater level of disclosure, and thus a more comprehensive disclosure of information*".

Additionally, the respondents focused on the role played by the adoption of the IFRS as a mandatory requirement for preparing companies' reporting in Jordan, as was stated by Inv.R2: "*The adoption of the requirements of the IFRS had the most significant impact on the overall reporting quality*". Moreover, respondent R&P.R3 stated that: "*The development witnessed by the reports of Jordanian companies is only the result of the development of legislation and the development that took place in the ASE and the JSC…(…) We can say that the adoption of IFRS significantly contributed to the development of Jordanian companies' reporting, including the voluntary information segment*".

As for the effect of the legal, legislative and regulatory system on the evolution of corporate reporting, driven by internal/national or external/international factors, the respondents' opinions were mixed. Some respondents focused on the role of internal/national factors. The following respondents confirmed this. Respondent F&B.R1: "*… the adoption of the IFRS's requirements was an internal decision and had a significant impact on the overall report quality*". Respondent R&L.R1 says: "*The development of the Jordanian companies' reports was the result of the development of*

Jordanian legislators' mentality, which is the development of laws, regulations and instructions". While respondent Aud.R1 asserted that this regulation was driven by the users need for information: "*... this legislation was derived from the users need, particularly that of investors, for the information contained in corporate reporting*".

At the same time, other respondents referred the extreme importance of external/international factors in influencing the development of Jordanian companies' reports. They attributed the reasons for this evolution to external causes. Respondent R&P.R1 refers the effects of transitioning from GAAP to IFRS to improve the investment environment in order to attract foreign investors: "*The adoption of the IFRS and the consequent enactment of laws and legislation, resulted from international external pressures. The transition from GAAP to IFRS came to improve the investment environment, attracting foreign investment*". Respondent FM.R1 makes a reference to the IMF's requirements, and other external pressures: "*If we estimate the rate of influence for each of these factors, we find that external pressures, international financial standards and the IMF represent at least 60% of this equation*".

We found that the vast majority of respondents stressed that the legal, legislative and regulatory system has had a clear positive impact on the evolution of the context of Jordanian companies' reports. The results refer that the development of the legal and regulatory system resulted from both internal/national and external/international pressures.

6.2.2.2. Corporate Governance Mechanism

Issuing disclosure instructions and governance requirements reflects the interests of the JSC regarding the necessary and important issues that serve the users' needs. Respondent Aud.R3 says: "*In the 1997's companies' law No. 23, in addition to instructions regarding disclosure and governance, issued there under were the basic rules of institutional work within companies*".

Respondent R&L.R2 reported that disclosure and governance requirements contributed to correct the behaviour of opportunistic managers: "*Managers attempt to avoid disclosing information that conflicts with their interests... Therefore, the adoption of the governance and disclosure* *instructions were to reduce these practices and enhance the institutionalization, to serve both the company's and the public's interests*".

Respondents noted that the instructions of governance together with disclosure instructions, are the most influential factors in the level, types and quality of Jordanian companies' reporting. Respondent Inv.R2 refers: "*Disclosure and governance requirements are the direct and most effective factor in influencing the level and content of corporate reports*". Respondent R&P.R7 says: "*Corporate governance has efficiently contributed in increasing the quantity and quality of information published in general, especially, in what regards effectiveness of the application of corporate governance (level and quality of the application)*". However, respondent R&P.R2 asserts: "*... the level of legislation and the system of control on the credibility of the implementation, significantly affects the quality of the information disclosed*". We believe that a company's management system of the credibility of the implementation is also a critical factor on the quality of reporting.

It is worth mentioning, that recently, in 2017, new corporate governance instructions were issued, in which disclosure of the governance items became mandatory, whereas before it was only recommended. Accordingly, companies must include all governance items in their reports, otherwise they may be legally liable.

6.2.2.3. Political and Economic

We found that the Political and Economic factors also have a positive and important effect on the evolution of corporate reporting in Jordan, through the improvement and enhancement of the legal, legislative and regulatory system. Based on stakeholder' perceptions, the Jordanian legislator developed these systems based on the vision and belief of the Jordanian State that political and economic reform became an urgent necessity, by creating an investment climate in accordance with the international requirements to reach common standards, in order to attract foreign investment and investors. In addition, the respondents stressed that the development of corporate reporting was the result of internal/national pressures. Following, we have some of the respondents' views on this topic:

Respondent R&P.R1 says:

"*The world has become a single village, and today, the Jordanian capital market includes many non-Jordanian investors, and therefore it has become an urgent necessity for companies to present their reports to suit this category. An important factor in the development of Jordanian companies' reports, is the legislation governing the reports' preparation*".

Respondent FM.R1 says:

"*..., the investor needs standards, laws and legislations that meet the international requirements to reach a sense of confidence in investment, especially a foreign investor. Here, I would like to emphasize that the best way to achieve investor confidence is through laws, regulations and disclosure requirements that should be in accordance with the international requirements to reach common standards, which will provide a better and easier way to understand and compare for both internal and external investors. This was one of the important drivers, which prompted the Jordanian legislator to develop the system of laws and legislation*".

Respondent R&L.R1 also confirmed that:

"*In addition, the political and economic reform of the Jordanian state in general, which stems from the view that the Jordanian state should develop all the laws, regulations and legislations, was the reason for the evolution of the corporate reporting, and the result reached by the decision makers that the encouragement of investment is a major axis among other axes of economic and political reform. This also led to the need for legal reforms including the judiciary, laws and regulations, chief investment protection laws, customs and many other laws*".

Some respondents have a diverse view. They believe that the impact of political and economic factors was the result of external/international pressure. Following, we have the comments made by the respondents. Respondent R&P.R5 mentions the pressures: "*I focus here on the requirements of the IMF on the path of economic correction, which came as external pressures not internal*". Respondent Inv.R2 refers the Jordanian economic and political situation in general: "*The development of the Jordanian companies reporting, resulted from external factors to keep abreast of developments in the capital markets and the international securities authorities. It is worth mentioning that Jordan is under severe political and economic international pressure*".

While, respondent R&L.R2 refer competition with external markets:

"*...the element of external competition led to the development of a number of laws and legislation, with the aim of turning to competition to attract investors, especially non-Jordanian investors ...., external competition was one of the direct reasons that led decision makers to pay attention to the development of the Jordanian market and to remedy this gap, especially after the loss of many investors who went to rival markets in search for more secure and stable investment opportunities*".

The results reveal that improving the Jordanian investment climate, in order to attract investment and foreign investors, and the competitiveness with international markets, especially the neighbouring markets, was the biggest concern of Jordanian governments, especially its regulators. Also, we found that the political and economic factors were driven by internal/national and external/international factors.

6.2.2.4. Privatization

None of the respondents mentioned the importance of the economic reforms relating to the privatization program, except for respondent Inv.R1. He mentions that the privatization attracted the attention of stakeholders to follow-up the companies that transferred from the public to the private sector. As he said:

> "*The economic transformation program (privatization) in Jordan that leads to the transferring of companies' ownership from government property to private property, is closely followed by many parties, including the investors, researchers, the Jordanian press and other media. These parties focus on the analysis of the results of these companies' performance and track their news, which leads the administrations of these companies to disclose information extensively and to present proactive analyses which show what they have achieved since they changed into the private sector. In addition, they also do this to distinguish themselves, improve their image and reputation in order to avoid further accountability and criticism*".

This result is consistent with Al-Akra et al. (2009), in which the authors argue that the full adoption of IFRS and privatization led to reforming Jordan's disclosure regulation and the laying down of the corporate-governance policy framework. Additionally, the full adoption of IFRS and privatization has exerted a strong influence, and contributed more to the development of accounting practices than other environmental factors.

6.2.2.5. Culture

Only a few of the respondents referred to the culture factor. The respondent R&P.R3 pointed out that the widespread use of technology among most Jordanian society groups may expose companies to the ease of verifying the credibility of the information that it published, by tracking and comparing the information contained in their reports. He said: "*In general, we can say that the culture of society, specifically the level of use of information technology within the community, opening up to the world, is considered one of the most important factors affecting the improvement of the quality and the level of the companies' information*". He added:

> "*A very important factor is that Jordanian society is generally aware of and interested in ways of using information, analysis and comparison, especially now that IT has made it easy even for non-specialists. It is, therefore, easy for anyone to access the information they want and conduct some simple analysis and compare*

it with historical information from the company and from other companies. More importantly, it is possible to verify the credibility and validity of some of the information, therefore, companies are eager to provide information which enables them to take a positive attitude compared to other companies, on the other hand, they are keen to provide information that is clear, true and trustworthy and that can be supported, at times, by some evidence ".

Although the perceptions of respondents do not highlight the cultural factor, it is although important to consider the widespread use of technology among most Jordanian society groups, which has become an important factor. Anyone can act as an analyst by conducting simple analysis and comparison, especially as information is available to the public and can be easily accessed. Which means that the company is exposed to the risk of accountability and loss of credibility (AbuGhazaleh, Qasim & Roberts, 2012). It is worth mentioning that some Jordanian companies noticed the importance of using technology and began to employ it to serve their interests. Some Jordanian companies have started to use social media. In addition, since the beginning of 2018, Jordanian banks have started asking their customers to provide them with personal data such as: customer email, customer name used in social media such as Facebook, Twitter, etc., (see, for example, Jordan Ahli Bank in Facebook).

6.2.3. Corporate Reporting and Stakeholders

6.2.3.1. Role Played by Companies

Companies can play a significant role on the evolution of their reporting. Based on the theoretical perspective, companies can provide advanced reports that achieve most goals of stakeholder parties, in addition to their own goals. In contrast, from a practical perspective, firms tend to provide financial and non-financial information to achieve their goals (Iatridis, 2008), or they may not do this job properly. Therefore, these practices sometimes may impede the corporate reporting progress.

Regarding stakeholders' perceptions, even if reports of Jordanian companies are described as good reports in terms of the variety of information they contain, we found that all the respondents believe that the Jordanian companies did not play their role in the development of corporate reporting as they should. In other words, the contribution of Jordanian companies has been driven by achieving their objectives such compliance with mandatory reporting requirements. Respondents supported this idea. Respondent Aud.R2 said: "*... the companies' desire to disclose information is limited with* *what conforms to mandatory disclosure requirements .... It can be argued that the development of corporate reports was driven by government parties, but not by the companies themselves*". Respondent FM.R1 asserted that: "*I believe that without regulation, we cannot even reach the current reporting situation. If we leave it to the companies, some companies do not even wish to issue an annual report*". While respondent R&L.R2 refers that the reluctance of managers to disclose information is a problem that worries regulators: "*JSC faces two main problems with two main categories of stakeholders, those are the companies and the investors, whose first problem is in the reluctance of companies' directors to disclose information in general*".

According to the participants the role of Jordanian companies on the evolution of their reports was weak and it may be due to the companies' lack of seriousness in developing their reports, in other words, companies seek to disclose information to achieve their objectives, such as the compliance with mandatory requirements. This is what we will discuss later in the section regarding corporate motivations.

6.2.3.2. Role Played by Stakeholder

This section aims to analyse the stakeholders' role in the evolution of corporate reporting. However, with regard to the stakeholder theory, the responses can also help us to analyse the importance of different stakeholders' groups. In their responses, the participants indicated the positive role of only two categories from all stakeholders' categories in influencing the development of Jordanian companies' reports, namely legislators and investors. Following, we have some of these responses. Respondent Aud.R1 mentioned the role of investors, as he said:

> "*The development of legislation and regulations was the direct reason for the development of corporate reporting, as this legislation was derived from the users' need of information, particularly that of investors. In other words, the needs of the users are one of the main factors, which influence legislators to develop legislation in line with the stakeholders' need for information*".
>
> Moreover, respondent R&L.R2 confirmed that: "*... in response to the pressure and growing demand of investors for information, JSC issued the disclosure legislations. Accordingly, mandatory disclosure requirements in the Jordanian capital market have become wide and comprehensive new items. However, the desire and demand of investors for further information is not over and is still growing*".

In addition, respondents referred to the role of legislators in influencing the development of corporate reporting. Following, are some examples of these responses: Respondent Aud.R2 referred to the legislative role of regulators: "*The role of the relevant authorities (regulators and legislators) was positive in taking the necessary procedures to organize the reports of the Jordanian companies. In my opinion ...there is no influential role by other stakeholder parties regarding the development of reports*". While, respondent F&B.R2 mentioned the controlling role of regulators:

> "*The role of the stakeholders in the evolution of corporate reporting is limited to the supervisory and legislative bodies {Here I am talking about banks}. The progress and development of corporate reporting in Jordan was due to the disclosure of control policies imposed by the supervisory authorities represented by the CBJ, JSC and the Association of Jordanian Banks*".

Mitchell et al. (1997) provided identification and typology of stakeholders based on stakeholders possessing one or more of three attributes of relationships: (1) the stakeholder's power to influence the firm, (2) the legitimacy of the stakeholder's relationship with the firm and, (3) the urgency of the stakeholder's claim on the firm. The definitive stakeholders are those that possess all three attributes, and this includes the dominant, dependent and dangerous stakeholder. Therefore, power plays such an important role in the attention managers give to stakeholders (Jensen & Meckling, 1976).

Based on this perspective, our results refer that the users' needs for information is one of the main factors, which have impacted legislators to develop legislation, through the investors' pressure on the JSC, regulators have used their legislative and supervisory powers to fulfil this requirement. Therefore, based on respondents' answers, the main stakeholder groups who have already positively impacted on corporate reporting in Jordan are regulators (power and legitimacy of the stakeholder) and investors (legitimacy and urgency of the stakeholder). Additionally, we are going to discuss more details regarding investors later.

6.2.3.3. Aligning the Evolution of Corporate Reporting and Comparing it with The Evolution of the Stakeholders' Needs of Information

This sub-theme aims to analyse the stakeholder' perceptions regarding the comparison between aligning the development of Jordanian corporate reporting and the evolution of the stakeholders' needs of information.

In fact, before starting the analysis of our results, we read our responses on the case carefully and focused on the link between the answers and the questions posed to them, in addition to the research questions. In this regard, from our point of view, there was an overlap between themes. From this perspective, we would like to highlight that our results in this section only related to aligning the development of Jordanian corporate reporting with the evolution of stakeholders' needs of information. Later, this will be discussed in two parts: the information available for stakeholders and its adequacy, and the information they need, which is not disclosed by the Jordanian companies.

The results indicate that investors may rely only on financial information to make their decisions. Respondent R&P.R1 stated: "*..., investors often do not rely on nonfinancial information when making an investment decision*". In the same context, the respondents referred that the investors do not use companies' information for the purposes of analysis and forecasting to assess the future of the company, but even if they do that, they lack the knowledge and awareness of how to use this information. Respondent FM.R1 asserted that:

> "*Generally speaking, there is lack of knowledge and awareness of users, especially among investors in the Jordanian market, on how to use corporate information in a manner that is useful to them, such as, using information, particularly non-financial information, for the analysis and forecasting in order to assess the future of the company. It should be noted that regulators have the ability to improve the quality of information, by imposing more mandatory requirements, but they do not have the ability to control the way of thinking and behaviour of investors and dealers*".

Based on the above, we can conclude, in general, that corporate reporting in Jordan is more developed than the knowledge, awareness and skills of stakeholders, especially of investors, in this regard. However, respondent R&P.R2 confirmed that the specialists and professionals are sufficient to analyse and evaluate the reports. He said:

> "*Jordanian companies do not fulfil regular individual's needs for information, in fact, only very few Jordanian market participants read and follow the reports of Jordanian companies. However, the higher the quality of the published information, the better it will be reflected on the market and the company. If, in general, there are no readers of this information, it is enough that it is read and analysed by specialists and professionals*".

Based on these results, we can highlight that the development of corporate reporting is aligning with the evolution of the needs of stakeholders in general.

6.2.4. Evaluate the Jordan Market

The respondents mentioned that the Jordanian market is inefficient. The relationship between the information published by Jordanian companies and the stock prices is almost non-existent, as well as between the profitability of the company and the prices of its shares. Respondent FM.R1 pointed out:

> "*... Amman Financial Market is an inefficient market, and there are no clear criteria and mechanisms for which the market and its customers can be classified accordingly. There is no relationship between the information published by the Jordanian companies or the profitability of the company and the prices of its shares, even if it does exist, the relationship is unsatisfactory... Therefore, any positive information published by a company is expected to positively affect the share price. However, mostly it neither affects the stock price nor the stock trading movement. If there is an effect, it is most likely to be indirect and sometimes very weak and gradual*".

Respondent R&P.R1 asserted that:

> "*..., the markets are usually classified according to specific criteria in terms of efficiency. The Jordanian market – like other markets in developing countries – is classified as an inefficient market, in other words, for example, the share price may not reflect the fair price or book value of the company. We often find that the disclosure of important information may not affect the price of the stock or attract new investors*".

In the same context, other respondents confirmed that the Jordan stock market is a speculative market, since the stock prices and stock trading movements are under the control of a number of senior investors, who have the ability to control and guide the movement of trading and shares' prices. Respondent Inv.R2 mentioned that:

> "*The Jordanian market is considered a speculative market, since the large investors have the ability to control and manipulate the prices of companies' shares. Sometimes we find a company that has made profits, but the stock price is low and vice versa. Therefore, the companies' disclosures in the Jordanian market do not achieve their desired goals*".

The respondent Inv.R3 confirmed that, by saying: "*... the Jordanian market is more like a monopoly market ...*".

Regarding the last section "Aligning the evolution of corporate reporting and comparing it with the evolution of the stakeholders' needs of information", as was noted by the respondents, the Jordanian market is inefficient and the relationship between stock prices and the profitability of a company and the information of companies is almost non-existent. These results correspond with the results of the last section, which is that the knowledge and awareness of investors is insufficient, and they do not analyse companies' information to assess the future of the company. Therefore, the results of each of these topics explain the other.

6.2.5. Discussing the Findings of the First Theme

In order to better understand the stakeholders' perceptions on voluntary disclosure in Jordan, firstly, we need to understand the stakeholders' perception on the evolution of the voluntary disclosure context in Jordan. Consequently, this theme is related to the first sub-objective of this study "The evolution of corporate reporting in Jordan".

This theme was divided into sub-themes based on the literature review and based on the responses of respondents. Therefore, the remainder of this section focuses on the present summary of this theme and discussion of the results. Then, we will gradually attempt to answer the first subsidiary question.

Prior to 1997, this phase was characterized by a lack of voluntary reporting, with a minor role for the private sector (Al-Akra et al., 2009), and with no particularly punitive, enforcement mechanism. In addition, there was no clear requirements concerning the form and content of the financial statements, beyond a requirement that companies should maintain proper accounting records in accordance with the GAAP. Disclosure requirements were limited to preparing an annual report with a profit and loss statement, a balance sheet, explanatory notes and an auditor's report.

This result indicates that in this period all parties may not have been aware of the importance of corporate reporting, whether they were regulators, companies or investors. In fact, this may be due to the lack of regulatory environment systems and stakeholders' rights, except for the compliance with the GAAP. Nevertheless, perhaps there was no interest by other stakeholders, or there were no major stakeholder' parties present. In addition, this also leads us to the fact that during this period there were no motivations and factors influencing the disclosure of information.

In 1997, the Temporary Securities Law No. 23 was tantamount to announcing the transition to a new stage in the development of Jordanian companies' reporting. Under this law the use of IFRS become mandatory by all Jordanian listed companies. This was followed by the issuance of the disclosure and governance instructions, which were considered as a comprehensive guide for disclosing all topics that are in accordance to the global track of corporate reports.

Regarding the drivers of the evolution of corporate reporting, our results reveal that the legal and legislative were the most important and influential drivers in the development of corporate reporting. The adoption of the IFRS was an essential pillar, which contributed to finding a qualitative transfer of corporate reporting. In addition, political and economic factors have an important impact on the evolution of corporate reporting. It seems that the regulation system (legal and legislative, corporate governance mechanism, political and economic and privatization), as a package, was the most important driver of the evolution of the Jordanian capital market in general, and of corporate reporting in particular. In other words, without any one of these factors the evolution will be not complete.

However, the results indicate that there are differences of importance between these drivers. For instance, based on the opinions of respondents, corporate governance is likely to not be an important driver. On the other hand, based on the literature, Gisbert and Navallas (2013) found that the governance mechanisms in Spain are key to guaranteeing more accountability and transparency of information. Ho and Wong (2001) stressed the need to implement corporate governance requirements in order to enhance corporate reporting transparency in Hong Kong. Chan et al. (2014) mentioned that CSR and corporate governance are two complimentary mechanisms used by companies to enhance relations with stakeholders. Beekes and Brown (2006) mentioned that companies which are weak in governance lack financial disclosure and transparency, whereas companies with better governance tend to disclose more information (transparency; accountability; and corporate control).

In Jordan, Shanikat and Abbadi (2011) found that disclosure and transparency were observed to a large extent and boards largely fulfilled their responsibilities. Moreover, Albawwat and Basah (2015) and Alhazaimeh et al. (2014) showed that a substantial degree of voluntary disclosure is demonstrated in high-level corporate governance implementation.

Regarding privatization and culture, it seems that there are no effects or that they may have an impact but it is not important for these factors. However, privatization to have been one of the biggest reasons for pushing the Jordanian government to improve the laws and regulations. One of the major aims of privatization is to improve the efficiency of government-owned firms (Eng & Mak, 2003; Mak & Li, 2001). Al-Akra et al. (2010) mentioned that after privatization, the mentality of Jordanian companies changed and moved towards voluntary disclosure of information, which is useful in responding to the expectations of investors and shareholders. In contrast, Naser et al. (2002) and Naser and Al-Khatib (2000) found a negative association between individual ownership and disclosure in Jordanian companies. On the other hand, we can agree with the respondents' opinions that the culture had no effect or had an impact but that it was not important to the evolution of corporate reporting in the past. However, in the future maybe the situation will be different.

We found that the development of the corporate reporting was the result of both internal/national and external/international pressures. However, according to Al-Akra et al. (2010) in the last decades, in response to globalisation trends, and under pressure from international bodies, many countries have adopted various economic reforms to revitalise their investment environments. Thereby, based on this perspective, it appears that external/international economic and political factors are the real reason which pushed the Jordanian state to develop legal legislation and a regulatory system. In addition, the development of legislation and corporate reporting was primarily to improve the investment climate, and to attract foreign investment and investors. Importantly, the internal/national driver came from the vision and belief of the Jordanian State that a political and economic reform became an urgent necessity, in order to create an investment climate in accordance with the international requirements to reach common standards and attract foreign investment and investors. This means that internal/national factors were driven by external/international factors. This is consistent with Haddad et al. (2017) which concluded that globalism's economic changes have influenced the Jordanian policies. Jordan's agreements with international organizations like the WTO and the IOSCO, the World Bank, and the IMF, compelled Jordan to improve its disclosure practice.

In terms of the role of companies and other stakeholders, from the analysis of the respondents we found that Jordanian companies played a weak role on the evolution of their reporting. It is possible to attribute that to the companies' lack of seriousness regarding the development of their reports and, perhaps they do not perform their duties to the fullest. Or as respondents indicated, companies disclose their information to comply with mandatory requirements. In other words, the contribution of Jordanian companies has been driven by achieving their objectives, such as the compliance with mandatory reporting requirements. This will be discussed later in the section regarding corporate motivations.

The findings related to the stakeholders' role may help us to explore the importance of different stakeholders groups. From our analysis the role of stakeholders is only played by the main stakeholders' groups, who have already positively impacted corporate reporting in Jordan, those are the regulators (power and legitimacy of the stakeholder) and investors (legitimacy and urgency of the stakeholder). Our results in this regard are consistent with the classification of stakeholders by Mitchell et al. (1997).

Regarding the alignment of the development of Jordanian corporate reporting and the evolution of stakeholders' needs of information, from our analysis, apparently that corporate reporting in Jordan is more developed than the knowledge, awareness and skills of stakeholders, especially of investors. In other words, the investors and other users in the Jordanian market lack the knowledge and awareness of how to use the information and they do not use companies' information for the purposes of analysis and forecasting to assess the future of the company. Naser and Al-Khatib (2000) argue that the investment decisions of Jordanian investors are not sophisticated. From our analysis it can be argued that the Jordanian market is an inefficient, it is more like a monopoly market.

Based on the above, we attempt to answer the first subsidiary question of this study: How has voluntary disclosure developed in Jordan?

Accounting regulation in Jordan was in accordance with GAAP. The development of corporate reporting in Jordan was related to the development of the legislations issued during the past two decades. The most prominent one was the Jordanian Companies' Law of 1997, which adopted the IFRS. This law was considered the cornerstone for building a legislation system based on the development of the Jordanian capital market in general and the corporate reporting in particular. Furthermore, it was followed by the Disclosure Instructions and the Corporate Governance Guide issued by the JSC. Based on these requirements, corporate reporting came to include all the subjects of a voluntary nature, as well as mandatory requirements, except for the voluntary standard that was issued by the GRI, which became a global standard for SR. The respondents' perceived that the application of SR is rare among Jordanian companies, in some cases there are only incomplete and partial attempts.

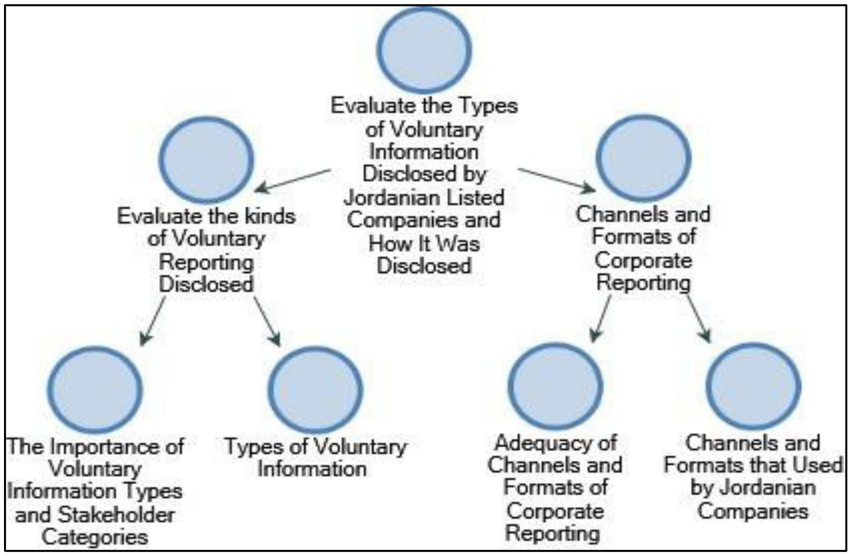
The evolution of corporate reporting was driven by a regulation system (legal and legislative, corporate governance mechanism, political and economic, and privatization). Legal and legislative was the most important influential driver of development. In addition, the regulation system was the result of both internal/national and external/international pressures. On the other hand, it appears that Jordanian companies played a weak role on the evolution of corporate reporting. Nevertheless, the main stakeholders' groups, regulators (power and legitimacy of the stakeholder) and investors (legitimacy and urgency of the stakeholder) played a positive role. However, it also emerges from the analysis that investors and other users in the Jordan market lack the knowledge and awareness of how to use the information.

6.3. Evaluate the Types of Voluntary Information Disclosed by Jordanian Listed Companies and How It Was Disclosed

In order to more fully understanding the current corporate reporting in Jordan, and according to the second sub-objective of this study, this section aims to analyse stakeholders' perception regarding the types of voluntary information disclosed by Jordanian listed companies and how this information was disclosed. More specifically, this theme aims to evaluate the types of voluntary information disclosed by Jordanian listed companies and, the channels and formats that were used by Jordanian corporate reporting.

This theme was divided into sub-themes supporting in the literature review and with line of the using Gioia method. Therefore, the remainder of this section focuses on the present summary of this theme and the discussion of the results of this theme. Then, we will attempt to gradually answer the second subsidiary question. Figure 7 illustrates the second theme and its sub-themes.

Figure 7: The theme and sub-themes of types of voluntary information disclosed by Jordanian Listed Companies and how this information was disclosed.



This theme contains the following sub-themes: (1) evaluate the kinds of voluntary reporting disclosed; (2) channels and formats of corporate reporting.

6.3.1. Evaluate the kinds of Voluntary Reporting Disclosed

6.3.1.1. Types of Voluntary Information

Regarding our results in the first theme, it seems that corporate reporting came to include all the subjects of a voluntary nature, as a mandatory requirement, except for the voluntary standard that was issued by the GRI. This section aims to highlight the types of information disclosed by Jordanian companies.

Respondent R&P.R4 gave us valuable and detailed information about most of the types of reporting disclosed by Jordanian companies, especially in the compulsory reports, such as the annual reports. He said: "*the type of information present in Jordanian companies' reports, which the JSC requires them to disclose are, for example: management's report, CSR, environmental information, corporate governance and information about IC... risk management, future plans and programs*". Respondent R&P.R2 refers to the development of the diversity of types of information:

"*The follower of the Jordanian companies' reports will note a tremendous development between yesterday and today, in terms of the variety of the types of information. For example, there is a development in the information regarding corporate governance that did not exist in the past. Today, Jordanian companies disclose general information about the company: the company's activities and future plans, information about stocks and shareholders, information regarding their board members in great detail, their investments, their affiliations with related parties, competitors and their earnings … Additionally, Jordanian companies are disclosing information on various topics, including quality management, social and environmental responsibility, financial analysis, research and development, information on employees and training, and other detailed information*".

In the same context, respondents have also asserted that the voluntary reporting includes all the information which falls within these types. Following are some examples. Respondent FM.R1 refers the information relating to the board:

"*Jordanian companies have to disclose accurate information regarding senior management, such as information and data on the Board of Directors, its committees, number of meetings held and number of meetings attended by the members, information regarding the performance of the board and its committees. In addition, under the government's instructions, companies should disclose essential items such as the management's performance, future plans and strategies. Most of this information is disclosed through the management's report, which contains a narrative with information that focuses on its achievements during that period*".

Respondent (R&P.R1) mentioned information relating to IC and CSR:

"*Corporate reports also included the company's contribution to the community, the company's contribution with any cash donations. Additionally, it requires the disclosure of information about IC such as: employee data and information about advantages offered to the employees. In addition, it also discloses information related to health and occupational safety. Companies also disclose information about IT systems used by the company*".

It is clear beyond any doubt, through our interviews, that there is a complete consensus by all the respondents that all Jordanian companies listed in the ASE reveal a variety of different types of all the issues and all respondents repeated most of these types in their responses. However, we found that the responses of the professors and financial managers were comprehensive and rich in detail.

The results reveal that the development of the diversity of the types of information reflected on the amount of reports. Respondent FM.R1 pointed out that the size of the annual report these days may be up to triple the size that it had in the past:

"*In the past years, the size of the companies' disclosures has expanded. For more than twenty years, the annual report of the largest Jordanian companies consisted of about 25 pages. These days, it has increased to about three times that figure. For example, the annual report of the company I am working for consisted of 80 pages, of which 25 pages are for the Board of Directors' report, approximately the same amount for the* *financial statements and the rest is for the auditors' report and any additional information, including voluntary disclosures*".

Additionally, respondent F&B.R2 asserted to the huge amount of information disclosed by companies. He pointed out that some annual reports amounted up to 300 pages. He said: "*It is noteworthy that the annual report of the bank where I work now consists of about 300 pages, of which about 70 pages are for mandatory financial information and the rest are non-financial information and voluntary information that includes all kinds of information*".

In fact, this led us to concerns regarding two issues: the different types of reports by sectors, and this huge amount of information may have a positive or negative effect on the quality of information. It appears that this vast disparity in the amount of information is due to the different types of legislation and requirements between sectors. In addition to the willingness and seriousness of the companies to disclose useful and high-quality information, we have also noted that the respondent focused on the annual report of the companies rather than other formats. This means that there is an impression among the stakeholders that annual reports are the most important reports.

In addition, there is also another issue that has received wide attention from all respondents regarding the nature of the information. Whereas the respondents asserted that although all these types and information are mandatory requirements, they are voluntary in nature. Respondent R&P.R2 says:

"*the first part of the annual report (Management's Discussion and Analysis) includes information that is of a voluntary nature with a mandatory and legislation document that requires the disclosure of this information. However, since the level, content and quality of the information is voluntary there is a disparity in the quantity and quality of the information disclosed among Jordanian companies*".

Respondent R&L.R1 said: "*In terms of the types of information disclosed … the Securities Commission covered all the types of financial and non-financial information required by all market participants through the mandatory requirements*".

Moreover, some of the respondents "said frankly", that the mandatory laws and regulations included all the topics and covered all the financial and non-financial information as mandatory requirements. Which means, in terms of types of information there is no voluntary disclosure in Jordan's corporate reporting, only the content is still voluntary in nature. Respondent R&P.R5 stated:

> "*If we want to determine what the Jordanian companies voluntarily disclose, we first have to know what voluntary disclosure is. Voluntary disclosure can be defined as any financial or non-financial information disclosed by companies outside the limits of the mandatory requirements. Based on this definition and from my point of view, in general, Jordanian companies have no information to disclose in a voluntary manner*".

Respondent R&L.R2 confirmed that, and he added that the content of mandatory information types is left to the discretion of the companies:

> "*Jordanian companies disclose all types of information traded in companies' reports in the developed countries. When we talk about the types of information involved in Jordanian companies' reports, we first have to stop at the point of separation between the mandatory requirements and the voluntary information. In fact, the Jordanian legislator has included all types of information in the reports of companies as a mandatory requirement, through the imposed laws and legislation, whether they are of a mandatory or voluntary nature. However, the content of the types of mandatory information is left to the discretion of the companies. For example: … the contents of information relating to risk management and disclosure of information was not addressed by the legislator nor the items that should be included when this information is disclosed, but he left the content of the information to be disclosed voluntarily by companies. Perhaps because of the different types and importance of risk by sector*".

Our results refer that Jordanian companies disclosed a variety of information of a voluntary nature with a mandatory template. For example: corporate governance, future plans and programs, information about stocks and shareholders, information about board members in great detail, their investments, their affiliations with related parties, competitors and their earnings. Additionally, Jordanian companies disclosed various topics, including quality and risk management, social and environmental responsibility, financial analysis, research and development, IC, employees and training and other detailed information.

Based on this perspective we found that voluntary disclosure follows the requirements of disclosure, in addition to what companies have disclosed outside these comprehensive requirements. Since the disclosure requirements and the Jordanian corporate governance code includes all known types of information, the voluntary information in Jordan, although voluntary in nature, is compulsory in manner.

6.3.1.2. The Importance of Voluntary Information Types and Stakeholder Categories

This section aims to analyse the stakeholders' perception about the importance of information that is disclosed by companies and for whom it is disclosed. Based on this objective, with regards to the stakeholder theory, companies may concentrate on specific stakeholders' groups by their disclosures more than others. Therefore, this section will explain the importance of stakeholder categories.

In terms of the importance of information, respondents focused on the information that primarily enhances the confidence of investment, such as the information relating to the company's profits and risk investment. Additionally, the replies of respondents were focused mainly on investors as the most important stakeholder among others. Inv.R3 said:

> *"The most important information is that relating to the profits of companies, especially its annual profit and dividend. In addition, during the year there is information as a sort of index regarding profits and the price of the share. In fact, the information that can affect stock price is very important. I believe that investors are the most important group for companies"*.

Respondent R&P.R1 says: "*The most targeted segment by Jordanian companies are the investors, by focusing on disseminating information that strengthens the confidence of local and foreign investors*".

Respondent FM.R2 confirmed that the investment risk information is considered an important information to make an investment decision for investors, including non- Jordanians. He said: *"...., information about the investment risk..., to ensure that the investor – especially the external investor – is provided with sufficient information to make the investment decision"*.

In the same context, Respondent F&B.R1 refers to the customers as an important segment in addition to the shareholders, as he says: "*In my opinion, Jordanian companies do not take into consideration providing information voluntarily to all stakeholders, but they focus on shareholders and customers. By our reporting [banks] the customers are very important to us*". This opinion leds us to conclude that the sector may play an important role in identifying the importance of the stakeholders' category. In contrast, financial analysts may be important for all companies regardless of the sector to which the company belongs to. Respondent Aud.R2 asserted that:

> "*..., analysts use any financial and non-financial information to evaluate the company, even if this information is repeated for the same period or for different periods, they can use it for analysing purposes, even if the information is repeated, they can use it for the evaluation of the company's growth. Which means financial analysts are important for all companies*".

This opinion, confirmed that the importance of the information, depends on the aim of the user. Therefore, all the information can be important. However, undeniably, the vast majority of respondents stated that the investors are the most important stakeholders' segment. Inv.R2 said:

> "*Certainly all categories are important, but the difference of importance stems from the difference of perspectives. If we exclude companies that are controlled by individual groups, such as family companies, in the other companies, the ones with electoral rules, at the end of each year, we hold them accountable for their performance. From the companies' perspective, the investors have the main priority of their interest*".

Based on this perspective, it is possible to highlight that the ownership structure may also affect the companies' attention into a group of stakeholders.

Based on the above, the importance of the stakeholder stems from the perspective of the company. This opinion is also supported by respondent S&C.R1, as he indicated that managers also target themselves, since managers seek to serve their personal interests by providing some positive information about the performance and the achievements of their company, which benefits them personally. As he said:

> "*Financial performance is considered the most important element for public users, shareholders and managers in particular. In fact, managers disclose financial and non-financial information voluntarily that can bring personal benefits to them, such as an increase in their financial rewards if it is connected with their performance*".

Finally, although the respondents during all the previous sections stressed the importance of regulations and compliance to disclosure requirements, in this sub-theme, except for respondent FM.R1, none of them mentioned the regulations and compliance. FM.R1 said:

> "*Companies attempt to disclose their information as a "window display", to provide proof and to ensure that they have a real interest in their employees, the environment, society, research and development, governance and other issues. However, Shareholders and Investors are the two most important parties. In addition to the governmental and official bodies such as the JSC, Sales & Income Tax, Ministry of the Environment...Etc., they need to provide proof and ensure that their reports are consistent with regulations' requirements and the IFRS. However, companies disclose their information voluntarily if the disclosure will benefit both investors, owners and the managers themselves*".

Based on the above, our results reveal that the financial performance is the most important information. However, the importance of other information depends on the users' purpose. It can be argued that nonfinancial information also reflects the financial performance and efficiency of companies. Therefore, financial and nonfinancial information is important. In addition, respondents consider that the investors are the most important stakeholders' groups.

After reaching this result, we returned and analysed the same issue from another angle, by asking the respondents about the most important information they need from companies' voluntary reporting, based on the practical background from each of them. Our analysis refers that there is a clear difference between their objectives, this also confirms that the importance of information depends on the users' purpose. However, it seems also that the financial information is the most important information.

The results refer that the auditors focused on the financial information. Respondent Aud.R2 confirmed that nonfinancial information is not related to his job and therefore it is not important, like the financial information: "*What I care about, as an auditor, is the financial statements and other financial information. I'm not very interested in other information, but I am interested in reading the annual corporate reports, be they from the companies that I audit or from other companies. I review their developments and their performance for comparison purposes*". While Aud.R1 stressed that the importance of voluntary information lies in information related to financial performance or qualitative information: "*Voluntary information is important if it is accompanied by a good financial performance and vice versa. Non-financial information that is combined with figures, percentages and clarifications, is much more important than if it is presented in the form of general information*".

In the same context, Financiers (Bankers) and Suppliers are interested in the information relating to solvency and liquidity, to ensure that the company has the ability to meet its obligations. Respondent F&B.R2 says:

> "*Financial and non-financial information of companies are very important for banks. For instance, in making a decision to finance companies, the banks make their decisions based on market information, such as, the reputation of the company, in addition to the company's information that is related to its performance and financial and non-financial issues. We use information disclosed by the company, whether it is voluntary or mandatory. It should be noted here that companies can borrow from banks directly without having to apply for a loan or financing, up to a predetermined borrowing ceiling. Therefore, following up the reports of companies that have business dealings with banks and what they disclose is very important to us. Based on this information, a level of confidence and certainty arises about the company, by the financier parties or other relevant parties. The second part is related to the direct funding decision. In this case, companies must apply for a loan or financing, in which a feasibility study of the project is required in order for it to be financed, and it shall be done through a special report or special information that is not published*".

Respondent S&C.R1 asserted that:

"*Regarding the importance of the types of information, we as suppliers usually make the decision to supply the companies based on two issues. The first issue relates to the liquidity and solvency. The availability of liquidity in order to ensure the company's ability to fulfil its obligations financially in a short time. Additionally, solvency to make sure that the company can meet their commitments in the long term. The second issue is the reputation which arises through trust and credibility, such as, the company's relationship and its sustainability with the involved parties (e.g. suppliers), size of company, internal relation with employees, the Company's relationship with the community and the environment, especially the suppliers. Etc. The companies' reports are considered the main source for obtaining this information. Thereby, the financial and non-financial information published by the companies is one of the important indicators for measuring the reliability and credibility of the companies. In fact, companies concentrate on disclosing information that is related to the financial performance, for its importance in improving the company's image. Financial performance is considered the most important thing to the public in general, for the shareholders, the suppliers and the company's administration in particular*".

In addition, Investors are interested in information that can have an effect on the share price and information related to their gain, even if this information is outside the scope of corporate reporting. Respondent Inv.R3 refers to that when he says:

"*The most important information is the company's profit, dividend, book value and tracing of the amount of sales. Additionally, advertising campaigns are at the same level of importance as financial information. Some administrative decisions within the company such as an increase or decrease in the number of employees, the introduction of a strategic partner, the announcement of an agreement, a partnership or deal are also important*".

Respondent Inv.R2 refers to the market's information: "*... the information that investors market and tracking the movement of major shareholders is very important*". This opinion affirms our results in the first theme that the Jordanian stock market is insufficient.

Researchers and analysts consider the use of the information, either financial or nonfinancial to be important for research and analysis purposes. Respondent R&P.R8 says: "*we care about all information disclosed by companies. Academic research is widespread on all types and channels of disclosure issued by companies, both financial and nonfinancial information. However, annual reports are considered the main sources for researches, followed by the companies' websites*". Respondent C&FA.R1 confirmed that: "*Financial and nonfinancial information is important. The analysts use financial and non-financial information to evaluate the company, in addition to other purposes such as market analysis, economic, external and internal trade, etc.,*"

Based on the above, we have found that it is evident that the investors are the common denominator for all respondents, with varying degrees of importance to other stakeholders, depending on the company's characteristics, such as the type of activity of the company and the ownership structure. On the other hand, based on stakeholders' perceptions regarding the importance of information, we have found that the financial information is the most important one for all stakeholders' categories. However, Professors, Researchers and Financial Analysts are also interested in the financial and non-financial, qualitative and quantitative information.

6.3.2. Channels and Formats of Corporate Reporting

6.3.2.1. Channels and Formats that are Used by Jordanian Companies

This sub-theme aims to analyse stakeholders' perceptions about the channels and formats used by Jordanian companies to disclose their reports. As well as, to identify the importance and adequacy of channels and forms of disclosure.

In terms of forms of disclosure used by Jordanian companies, respondent R&L.R1 gave us valuable and detailed information about the forms of reporting that are being used by Jordanian companies, especially in their official and periodic reports, such as the annual reports. He said:

> "*With regard to forms of disclosure, Jordanian laws and regulations issued by the JSC require the publication of three main reports: the annual report which is published in two stages. The first phase is called the initial report. Companies must submit an annual report to the JSC for publication before the 45th day of the beginning of the calendar year of each year. It is not required to be approved by the Board of Directors and the External Auditor. And the second stage or the so-called annual report, the company must also submit it to the JSC before the first day of the fourth month (April) of each year. The second report is the semi-annual report. Finally, the third report is the quarterly report. Additionally, according to the legislation issued in this regard, companies should publish these reports on their website according to this schedule. It should be noted here that Jordanian legislation requires companies to publish essential and material information at the time of their occurrence*".

According to Act No. 18 of 2017 the compulsory reports are divided into: Annual reports, Quarterly reports, Initial data and Material information.

Regarding the channels used by the Jordanian companies, respondent R&L.R2 gave us valuable and detailed information about this and some processes that companies must take to disclose their reports. He said:

> "*These channels consist of two groups: the first is the disclosure channels that companies use in a mandatory manner under laws and regulations, which consists of the JSC and ASE's websites and the company's website. With regards to the JSC and ASE's websites, the companies published their reports on this website through the JSC. The mandatory reports (such as the annual report) are sent by companies to the JSC according to a timetable. As for the publication of corporate information throughout the year, under the Securities Commission Act, companies should disclose the material information in a timely manner. The information is sent by*

> *companies to the JSC, and after an audit by the Commission and after its credibility is ensured, the JSC and ASE publish it on their websites. In addition, the companies can send any information to the JSC for publication at any time. If the JSC considers that the information is worthy of publication and it does not contradict the regulations and instructions, the JSC and ASE will publish it on their websites. The* second *group of disclosure channels used by companies are voluntary channels such as: the media authorized to work through the Jordanian authorities of all kinds, press conferences, conferences, seminars, workshops, social media, etc*".

It is worth noting that the JSC is currently working on developing a modern and sophisticated electronic disclosure system, which enables companies to easily disclose their information through this website, while ensuring the credibility of the information published therein, safeguarding the interests of the stakeholders.

We also added a question to be discussed between respondents relating to why these channels and forms are important. We found that the internet is the most important channel used by the audience and the annual report is the most important report used by stakeholders.

Regarding the channels, the respondents claimed that the internet is the most important channel used by the public. Respondent Inv.R2 mentioned: "*... the internet is the most important media through which the company can deliver their information to the largest possible segment of users, and it is also the easiest way for the users to access the company's information*". This idea was supported by all the respondents.

In the same context, we found that Jordanian companies are using different channels and forms to disclose their reports. Additionally, the importance of the disclosure channel or forms of reporting depends on the aim of the users. Respondent S&C.R1 highlighted the channels and forms used by Jordanian companies to disclose their information. In addition, he pointed out that the importance of the channel or the report stems from the diversity of the user's objectives and the goal that the user seeks to achieve. He said:

> "*In light of the evolution of using information technology, Jordanian companies are currently using many channels to disclose information, such as using the company's website, the JSC's website and other media websites. In addition, companies' are also using paper reports such as the annual report, the various media and other channels of communication. As for the importance of each, the user and his purpose of use is what determines the channel or the most important channel for this disclosure. Generally, the annual reports and paper media such as newspapers, magazines and others have become available on the internet, therefore the user can find any document that the company has published on different electronic websites, such as the company's website, JSC's website and other media's websites*".

We also found that the website of the Jordanian Securities Commission, as well as the companies' websites, have a position of primary importance as a source of information for stakeholders. Following, we will present some of the stakeholders' opinions. Respondent F&B.R2 mentioned that the importance of these channels derived from them being official channels:

> "*In fact, the JSC's website and the companies' websites are official channels on which many stakeholders depend on. Companies have also become dependent on them to widely disclose their information and this information is up to date, for stakeholders. This information is also of easy access to users. This cannot be achieved by using other channels*".

Respondent Inv.R3 refers that the importance of these channels derived from confidence in the audience:

> "*I relied mainly on the JSC website, but regarding the other websites, I do not trust them very much. What interests me in these sites are the corporate announcements, through which I can evaluate the effectiveness of promotional campaigns, and I can estimate how a campaign will reflect on the amount of the company's sales, which will often reflect on the price of the stock*".

Respondent FM.R4 asserted that the companies can benefit from internet channels widespread use, as he said:

> "*Internet is the most important means of accessing information in general and in Jordan in particular. Because it is wide spread among all segments of society, specifically social media...., social media has the most effect and influence on the public opinion in the Jordanian streets. Therefore, through the proper use of form and content they may benefit companies, such as building a strong reputation for the company, improving its image, communicating with the community and building bridges of trust*".

Respondent R&P.R1 refers that the sector also played a role in terms of the importance of channels: "*Jordanian companies can also use other channels for disclosure such as the media. The importance of these other channels depends on the sector to which the company belongs to, however, it is still minor when compared to the annual report*".

Regarding the forms of reporting, our results indicate that the annual reports are the most important ones. All the respondents asserted that the annual report is still the main source of information. Respondent F&B.R1 said: "*the annual report is still the most important one for users; I do not mean the paper report... the information that is included in the annual reports is more important than any other*". Respondent F&B.R1 added:

> "*... and then the use of various media, press conferences. Finally, paper reports, including the company's annual paper report. The use of paper reports have declined significantly in light of the tremendous*

development in the use of technology in the dissemination of information, especially, since the paper reports have become available on the Internet".

Although the time factor may adversely affect the information contained in the annual report, it is still the source of the most vital information in terms of use. Respondent R&P.R5 says: "*... the annual report still has a drawback; it loses its value a bit over time before it is published... However, companies continue to be interested in the annual report as a major means of disclosure of information for all users ...*".

Based on this perspective, respondent R&P.R2 suggested that the constant use of other channels of disclosure, can help to provide solutions with regards to the problem arising from the issue of time, which may contribute to redress this shortcoming. As he said: "*In fact, companies can use many channels during the year, which allow companies to provide up-to-date information to stakeholders and the public, and give signals through which they can bring many different benefits to both the company and the stakeholders*".

Based on the above, respondents highlight that the availability of the Internet, its ease of use and low cost have increased the popularity of its use and widespread among the Jordanian people. Thus, the Internet became the most widely used channel for obtaining companies' information by stakeholders. Respondents also highlight that the stakeholders use the JSC website as a reliable source to obtain corporate information, more than from other websites, followed by the companies' websites.

Our results also refer that since the annual reports are available in the JSC, ASE and companies' websites, they are still the main source of companies' information for the stakeholders, followed by the various media, press conferences and finally, we have the paper reports, including the company's annual paper report.

6.3.2.2. Adequacy of Channels and Formats of Corporate Reporting

This sub-theme aims to analyse the stakeholders' perceptions about the adequacy and competence of channels and formats of corporate reporting. Our results in the last section refer that the wide use of the internet channels can benefit the stakeholders. Given the diversity of these channels, the selection of an appropriate channel to disclose information is a critical element to achieve the desired goal. Respondent R&P.R2 said: "*... the channel or means by which the information is disseminated is an important factor in bringing benefits, such as harm or mitigation of harm*". For instance, based on our previous results the dissemination of material information throughout the year is one of the important advantages of disclosure, which can bring benefits, or mitigate harm.

From this perspective, respondent Inv.R2 suggested that the constant use of different channels of disclosure, can help all stakeholders' parties to easily find the information about companies and bring different benefits to the all-stakeholders' parties. As he said: "*Companies can use many channels to disclose their information, which allow them to widely spread the publication of their information and it enables all stakeholders' parties to use this information more easily. This can also bring other benefits to the company and to all stakeholders' parties*".

In contrast, respondent FM.R1 considers that the mandatory reporting are sufficient to convey information to the public. He justified this by stating that the reports of the published companies were limited according to the mandatory reports, as if indicating that companies did not wish to submit voluntary reports outside the mandatory limits. Following, we have his response: "*Since Jordanian companies rarely disclose reports more than the mandatory reports, such as annual, semi-annual and quarterly reports, these channels can be used for advertising*". The Aud.R1 respondent supported this idea in terms of content despite their difference in form. Respondent Aud.R1 pointed out the advantages of the electronic disclosure project launched by the JSC, which may mainly contribute to improving the level of disclosure. He said:

> "*The JSC has begun applying the electronic detection system empirically, and it will be adopted as an official channel for disclosure. Through this channel companies can disclose their information directly, and within one channel (JSC). This channel will enable the companies and stakeholders to support their goals, and it will become the most popular channel*".

From these point of views it seem that channel will be distinct from their counterparts, as it will push companies and investors to pay more attention to the corporate reporting, including that of other companies' reports, as it enables the user to know the information of all companies, through the use of one website, even if the user aims to search for information on a specific company. On the other hand, companies will seek to raise the level and quality of their reports on this site, because of the increase and ease of comparison and competition. Thus, this channel will be the most important channel in the near future, since it will enable users to immediately and easily see the information of all companies.

Companies' characteristics may also play a role in influencing the use of multiple channels for disclosure. Respondent R&P.R2 refers that *"...., the importance of other channels depends on the sector to which the company belongs to, nevertheless, it is still minor when compared to the annual report*". Finally, in addition to the aforementioned elements, respondent R&L.R1 refers that performance can drive managers to use different media and means of communication. R&L.R1 said: "*Financial performance....., may prompt them to use different media and means of communication that enables the dissemination of information as quickly and as widely as possible. On the contrary, Jordanian companies are reluctant to publish information about their bad performance*".

According to respondents, the Jordanian companies use different channels to publish their reports. The internet channels are more important than others, of which the JSC website is the most important one. Since the compulsory reports are available on the JSC and companies' websites, some respondents believe that this is sufficient to deliver the corporate reporting to the audience. Otherwise, companies can use other channels for advertising purposes. On the other hand, the vast majority of respondents believe that the use of different channels by companies can achieve different goals for the companies and other stakeholders. The results also refer that the sector and performance play a positive role relating to the use of corporate online reporting.

In fact, although the existing channels and format of Jordanian corporate reporting are adequate, apparently they have not been fully exploited.

6.3.3. Discussion regarding the Finding of the Second Theme

We mentioned in chapter five that the disclosure requirements and Jordanian corporate governance code are comprehensive and include all types of information that are known (financial and non-financial information which is voluntary in nature), from our analysis of stakeholders' perceptions in this section also, respondents perceived that the Jordanian companies disclosed diverse information which is a voluntary nature within the obligatory requirements.

In terms of the importance of this information, respondents believe that the information related to financial performance is the most important information for all stakeholders. However, the importance of information depends on the aim of the users, and there is a clear difference between the objectives of the stakeholders. Therefore, among the different stakeholders' groups there are different levels of attention regarding the type of information. Each group is more concerned with a certain type of information that is different from the others. For instance, in general, Auditors are more interested in information relating to risks, such as risk management, market risk, credit risk and liquidity risk. Suppliers and financiers are interested in information relating to the ability of the company to meet its obligations such as, solvency and liquidity information. Professors and Researchers and Financial Analysts have common interests with other categories. Since non-financial information can also reflect the financial performance and efficiency of companies, thereby, they are interested in the financial and non-financial information. However, professors and researchers highlight on the important of future and strategy information.

In addition, these results helped us to explore the importance of stakeholders' categories. We found that the investors, perceived by the respondents as, the most important stakeholders' group, with varying degrees of importance regarding the other stakeholders. In addition, based on the background and experience of each of the respondents' categories, the results refer that the varying degrees of importance of the stakeholders' groups depend on the company's characteristics, such as the type of activity of the company and the ownership structure. Unlike our result in this theme, and based on our results in the previous theme, it appears that the regulators are also an important group for all companies.

Regarding the channels and formats that are used by Jordanian companies, we have found that they are using different channels and formats to deliver their reporting to the public. Al-Htaybat (2011) found that listed Jordanian companies were using corporate online reporting at a significant level in 2010 as the overall average level was of 70 percent. While, Hannon (2014) found that 124 of all Jordanian companies (45%) have no website or have an under-construction website. AbuGhazaleh et al. (2012) revealed the management belief that stakeholders, including Jordanian stock market participants, are not yet ready or willing to use the internet to acquire information about the company.

However, our results are confirming aligned with previous studies that the internet channels are more important than others, and the JSC website is the most important channel. This result is consistent with: Abeysekera (2010); Adams and frost (2004); Suttipun and Stanton (2012a, b); Graham et al. (2005). The mandatory reports in Jordan are annual and quarterly reports, initial data, and material information. Companies must publish these reports on the JSC and company's websites, based on this, some respondents believed that this is sufficient to deliver the corporate reporting to the public. Otherwise, companies can use other channels for advertising purposes. The findings by Campbell and Beck (2004) may explain the importance of formal websites, such the JSC website, as they mentioned that the companies websites have a disadvantage, since data captured one day may be removed the next day. However, companies are increasingly using their websites to reveal environmental information about their actions and activities (Adams and Frost, 2004). On the other hand, the vast majority of respondents believe that by using different channels, companies can achieve different goals for themselves and other stakeholders.

Respondents refer that the existing of channels and formats of the Jordanian corporate reporting are adequate. However, apparently it has not been fully exploited. According to AbuGhazaleh et al. (2012) despite both government initiatives and very high levels of foreign investments in the ASE, many companies are still not using the internet for investor relations' activities. On the other hand, Al-Htaybat (2011) found that corporate online reporting was associated with the performance of listed Jordanian companies. Our results also refer that the sector and performance play a positive role regarding the use of corporate online reporting. This result is consistent with AbuGhazaleh et al. (2012), in that the existence of websites is positively related to the company's size and industry, regarding companies listed in the ASE. In fact, this call the attention of managers that should give more attention to all the options available in all areas, by finding non-traditional and innovative solutions, to develop their tools to face the obstacles, which can enable them to increase the performance efficiency and create value for their organizations.

Annual reports can be a medium for communicating both quantitative and qualitative corporate information to the shareholders, or to other parties (Barko et al., 2006). In addition, annual reports of Jordanian companies are available in the JSC, ASE and companies' websites. Therefore, respondents consider that the annual report is still the most important source of companies' information to outsiders, which is consistent with the results obtained by Botosan (1997). There are also other reports which are disclosed by the various media, such as press conferences. Finally, there are the paper reports, including the company's annual paper report. Bolivar (2009) asserted that paper-based reporting became less timely and less useful, as companies became more used to the internet to communicate financial information to decision makers.

Finally, regarding to the second subsidiary question of this study, in this theme, we have attempted to answer the following question: What is the type of voluntary information disclosed by Jordanian listed companies in the ASE and how was it disclosed? Based on the stakeholders' perceptions, we found that the Jordanian companies disclosed diverse information which is a voluntary nature with the obligatory, include all types of information that are known (financial and non-financial information which is voluntary in nature). On the other words, Jordanian voluntary reporting involves various types of information such as, social and environmental responsibility information, IC, R&D information, corporate governance information, risk information, detailed information about boards, strategy and planning information...etc.

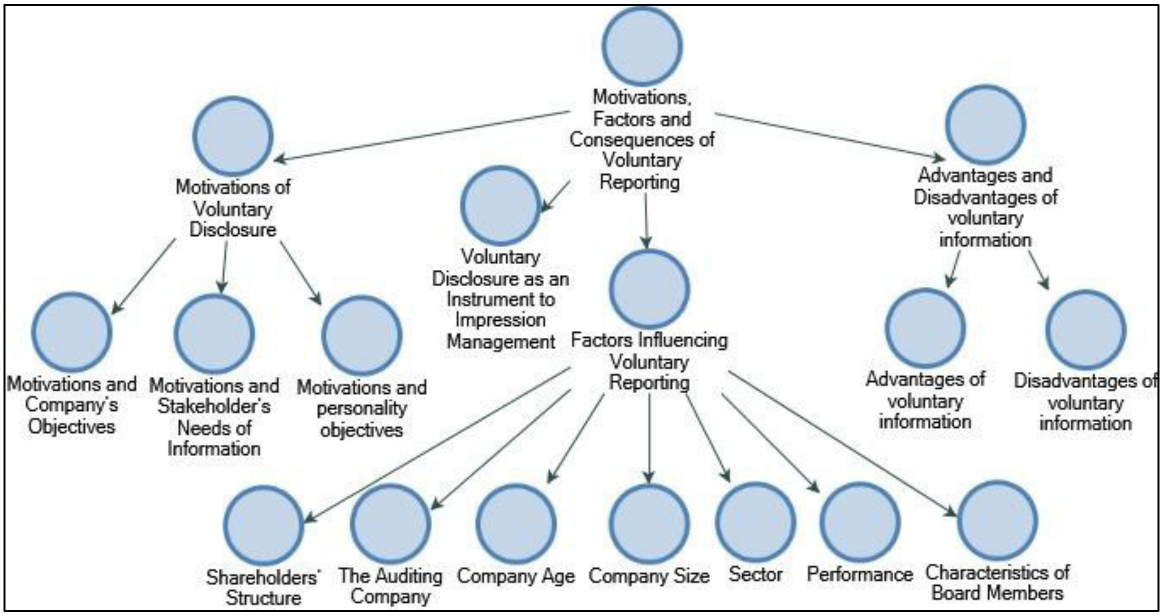
In addition, the perception of respondents is that the Jordanian companies have used different channels and forms to disclose their reports to the public. The internet is the most important channel and the JSC website is the most important channel of all. In addition, firms' characteristics can play a role in identifying the appropriate channel. On the other hand, the mandatory reports such as the annual report, must be published on the JSC and the companies' websites. However, the annual report is still the main source of information on companies for the stakeholders. There are also other reports which are disclosed by the various media, such press conferences. Finally, there are paper reports, including the company's annual paper report. Based on this, we have found that the existing channels and format of the Jordanian corporate reporting are adequate. However, apparently it has not been fully exploited.

6.4. Motivations, Factors and Consequences of Voluntary Reporting

This theme is related to the third sub-objective of this study, which aims to analyse stakeholders' perceptions regarding the motivations and consequences of voluntary disclosure. Indeed, this theme is related to the factors that can be controlled the most by the company.

Therefore, the remainder of this section focuses on the present summary of this theme and discussion of the results of this theme. Then, we will attempt to gradually answer the third subsidiary question. Figure 8 illustrates the third theme and its sub-themes.

Figure 8: Theme and sub-themes of motivations, factors and consequences of voluntary reporting.



6.4.1. Motivations of Voluntary Disclosure

Voluntary reporting is a free space that allows managers to highlight important information, in order to achieve the companies' goals, such as improve the company's image. Therefore, voluntary reporting is an additional opportunity to achieve the goals and benefits for both the company and the stakeholders. In regards to this issue, respondent R&P.R2 mentioned: "*There is a slight media aspect that appears to be in the practices of Jordanian companies when disclosing their information, through which they are marketing themselves.... This indicates that companies have a great deal of freedom over regulatory requirements*".

Based on this perspective, voluntary reporting reflects the positive aspects of the company and the positive practices of the managers. However, sometimes it also reflects companies and managers' negative situations. In the following sections, we will address some of the key disclosure motives from the perspective of the stakeholders.

6.4.1.1. Motivations and Company's Objectives

Recently, financial and non-financial reports have been considered as an important tool to achieve the objectives of all stakeholders, including the companies themselves. In fact, companies mainly aim to serve their own interests. Therefore, the companies' practices in all fields, including the motives for disclosure, should be consistent with the basic objectives of the company. In response to our questions about the motives for Jordanian companies to disclose information voluntarily, the respondents' opinions were focused on the elements that would enable the companies to survive and continue. Compliance to mandatory requirements, maintaining existing investors and attracting new investors, both Jordanian and non-Jordanian, were the most important corporate motivations for voluntary information disclosure. On the other hand, environmental and society issues were the least important among the respondents' opinions.

The vast majority of respondents asserted that the investors' issues are one of the main concerns for companies. Maintaining the existing investors and attracting new ones are one of the most important motives of Jordanian companies. Managers usually focus on this aspect by disclosing information that can transmit tranquillity to investors. Respondent FM.R3 referred to that by saying: "*Managers aim to disclose voluntary information in order to inform shareholders and to assure them that their business is doing well. And that they will have a return on their investments* ". At the same time, companies seek by disclose this type of information to attract new investors. This was confirmed by the respondents, as stated by respondent FM.R1: "*Jordanian companies seek to achieve their goals and desires of disclosure, maintain existing investors and attract new ones*". Additionally, respondent Aud.R2 said: "*Companies currently do not disclose voluntary information, unless they have special objectives they desire to achieve, such as attracting investors. Usually, these companies are the ones that have a good financial performance*".

In the same context, managers are aware of the importance of foreign investors for their business, they are considered important supporters for companies and for the economy in general. In the first theme, respondent R&P.R1 referred to this issue: "*The world has become a single village, and today, the Jordanian capital market includes many non-Jordanian investors, and therefore it has become an urgent necessity for companies to present their reports to suit this category*". Therefore, foreign investors have become key players in the Jordanian capital market. They are also key players, since the disclosure compass is directed in their favour. As was said by respondent C&FA.R1: "*Jordanian companies are using their reports as an instrument for attracting foreign investment, more than internal or domestic investment*".

Compliance is still the companies' obsession, and through it, they seek to achieve multiple goals, such as avoiding accountability and improving the company's reputation. Following, we have some of the respondents' responses. Respondent Inv.R2 said: "*The primary motivation for managers to disclose information is to confirm compliance with laws, regulations and other requirements*". Respondent Aud.R2 also confirmed that as he said: "*Most often than not, disclosure of information is due to its obligatory dimension*". While respondent C&FA.R1 went one step further by pointing out that Jordanian companies do not disclose what is beyond their mandatory requirements, as he stated: "*Jordanian companies do not disclose their information outside the mandatory requirements*".

In the same context, respondent R&L.R1 stressed that the companies that violate the instructions face an enquiry and prosecution by regulators. He said: "*It is worth mentioning that there is a deterrent system and fines imposed on any company that does not submit its reports on time, or that has not disclosed one or more items stated in the instructions*". The participants also pointed out that compliance with disclosure requirements was motivated by seeking to avoid sanctions. The vast majority of participants said that the companies disclose their information for fear of falling into financial irregularities and penalties. Following are some examples of responses. Respondent Inv.R3 said: "*Companies disclose the necessary information to avoid cause for legal sanctions*". Additionally, respondent FM.R2 stated: "*Managers also aim to disclose information to avoid the risk of accountability, such as disclosure of their compliance with environmental requirements*".

Respondent FM.R1 presented us with an illustrative point of view regarding two important motivations for disclosing voluntary information, which represent the primary focus from which corporate disclosure emerges, when he stated:

"*The Company's interests have two main dimensions. The first is the attractiveness, which reflects the mandatory aspect of corporate reporting, namely the policies of the Government of Jordan to attract investment. The second dimension is stimulation and activation, which reflects the companies' internal motivations. This dimension also includes two parts: the mandatory part is for all stakeholders to ensure that the company complies with all the requirements; the other part relates to the companies to show a positive image of themselves, through environmental and social liability issues... etc. Self-motivation depends on the nature and subject of the information, and therefore most corporate disclosures are made to meet mandatory requirements. If there are voluntary disclosures, they are mostly to emphasize compliance and improve the company's image*".

According to respondents, complying with mandatory regulations was the biggest concern for managers. They indicated the rigor of the laws and legislation, which was accompanied by a deterrent sanctions regime. On the other hand, it may indicate that there is a strong follow-up by active stakeholders, which compels companies to comply with these requirements to maintain their reputation. This is confirmed by the fact that the reputation was also one of the most important topics indicated by the respondents about the motives for disclosure. The respondents confirmed that the company's reputation is also one of the most important motives which follow the first two: compliance with the requirements, in addition to the investors and prospective investors.

With regards to the company's reputation, the results indicate that the company's reputation and enhancement of its image are important motivations, which contributed to the improvement of the quality and quantity of voluntary disclosure. This was based on the views of the majority of the respondents. Respondent F&M.R2 said: "*Companies use voluntary disclosure to improve their image and reputation in general*". Also respondent R&P.R2 mentions: "*...sometimes a media dimension motivates a company to disclose this information*". While other respondents linked the company's reputation with other aspects, such as financial performance and competition in addition to environmental and social dimensions. Respondent S&C.R1 says: "*Generally, companies concentrate on disclosing information that is important to improve the company's image, especially its financial performance*". It is worth mentioning, that in the other themes, the respondents confirmed that the financial performance is one of the most important information disclosed by Jordanian companies, in order to meet the needs of all stakeholder categories. In this regard respondent F&B.R2 asserted: "*The Jordanian companies who provide high quality information relating to financial performance are seeking to achieve excellence and leadership, thus trying to improve their image in comparison with other companies*".

In terms of competition, respondent Aud.R3 linked competition with performance, as he said: "*Competitive advantage and performance are key factors regarding companies' reporting*". Companies with a good performance, both financial and non-financial, disclose voluntarily information more than others. This may be because a poor performance undermines a competitive advantage. However, the literature also refers that companies with a poor performance may disclose more information to justify this poor performance. In the same context, respondent R&P.R1 stated that competition in the Jordanian market is not limited to internal competition, but rather to external competition, as he said:

> "*If the Jordanian companies were left to themselves, then they would certainly not disclose even the minimum current mandatory information, unless they are forced to do so, due to exposure to competition pressures, including external competition. However, in terms of the type of information and its quality, the Jordanian companies' reporting is quite advanced when compared to other countries in the region*".

Moreover, obtaining funding is one of the companies' motives to disclose information voluntarily. Respondent Aud.R2 says: *"..., companies disclose more information voluntarily in special cases such as ... obtaining funding...."* Respondent Inv.R2 also asserted: "*Companies that do not have a good financial performance, disclose voluntary information in order to obtain financing*".

Regarding the information about the activities that do not relate to the main activity of the company, the respondents refer that the companies disclose information such as IC and, social and environmental responsibility information in order to achieve its purposes. Since the clients and employees are considered from the main categories of stakeholders, companies focus their attention and care on these categories. In this regard respondent S&C.R1 stated: "*Companies often disclose voluntary information about...., IC issues, the advantages and services, the technology that has been used in it... In order to attract clients and new employees indirectly*". This was also confirmed by other respondents. For example, respondent FM.R1 said: "*Managers are interested in disclosing information that demonstrates the efficiency and ability of the company's human resources as a reassurance to the shareholders, to increase staff loyalty and to attract potential employees*". Respondent F&B.R1 stated: "*As for banks, they are also using their information ...., with a focus on trust and creditability in order to attract clients*".

In the same context, regarding social and community issues, respondent R&L.R2 refers that companies disclose information relating to social and environmental activities in order to enhance their credibility, reputation and general acceptance:

> "*The disclosure is limited to the main economic activity of the company, in addition to the information which may include some other aspects, such as social and environmental activities. Most companies disclose this information voluntarily to increase their credibility, enhance their reputation and raise their level of acceptance by the general public with respect to its services or products*".

Respondent FM.R5 said: "*Companies disclose information about their social performance, they are using their social communications and services provided to the community to show that they are doing their duty and service towards society*". In fact, a few respondents refer to motivations related to clients and staff, society and environmental aspects, which means they value these topics as of less importance to companies. This conclusion is consistent with our previous results.

This result is consistent with previous study, Al-Hamadeen and Suwaidan (2014) suggested taking mandatory actions to enhance the content of the disclosure, mainly those related to IC and other Intangibles. Owais and Ali (2012) asserted that is no clarity for accountants in regard to the concept and importance of measuring IC in Jordanian public shareholding companies. In addition Sharabati, Jawad and Bontis (2010) refer that concept of IC is not well known to most managers in the pharmaceutical industry in Jordan. Owais and Ali (2012) recommended that Jordanian accountants have to be aware and understand the nature and importance of IC in creating competitive value for shareholding companies in all their types and the need to develop models for the measurement of IC in companies that combine the indicators of financial and non-financial indicators.

In terms of the CSR dimensions in Jordan, the environment issues are still the weakest and lowest topic being disclosed by listed Jordanian companies (Ismail and Ibrahim, 2008). Mazahrih et al. (2016) refer to differences between the two levels with regard to the quality, content and profile disclosure in chemical industry in Jordan, this could be attributed to the voluntary nature of the environmental disclosure. Abu sabha and Shoubaki (2013) suggested that the Jordanian public shareholding companies, in order to ensure institutional continuity, should disclose their published statements the size, type, quality and mechanics of their social participation in the local community.

In addition, Rahahleh (2011) refer that, whether it was voluntary or mandatory, the annual financial statements are lacking numbers or percentages or disclosures of accounting related to the environment. The study recommended raising awareness of accountants and financial managers and corporate departments of the concepts of environmental accounting, and its general framework.

From our analysis, respondents indicate that the compliance to mandatory requirement is one of the most important motives for companies to disclose information. Other important motives for Jordanian companies include: maintaining existing investors and attracting new ones (Jordanian and non-Jordanian), and finally the company's reputation, shown through its performance. Additionally, obtaining funding and internal and external competition are likely to be important motivations of companies to disclose voluntary information. On the other hand, issues relating to the environment and society, and IC are the least important among other motivations. From the analysis, it seems that the company's emphasis is on the main activities' issues and on the powerful stakeholders. Moreover, as compliance is one of the top corporate priorities, companies may not pay enough attention to other issues, unless they are among the main activities of the company, or if they are related to main stakeholders' categories. Based on this perspective, these issues are not a priority for companies like other aspects. In the other words, environmental and society issues will be in accordance with the scope of the limits of mandatory requirements. These results are consistent with our previous results.

6.4.1.2. Motivations and Stakeholder's Needs of Information

This sub-theme also aims to analyse stakeholders' perceptions regarding the motivation for voluntary disclosures. We attempt to analyse the extent to which companies meet the stakeholders' information needs. Overall, we found that the companies do not seek to achieve the desires of all stakeholders' groups. For example, respondent Inv.R3 says: "*Jordanian companies do not aim to meet all the stakeholders' requirements of information*". In contrast, respondent F&B.R2 confirmed that the banking sector pays attention to all the stakeholders' categories, which is also a signal that the sector can have an effect on the motivations for voluntary reporting. He stated that:

> "*Companies usually focus (...) on investors in particular, but banks have met the needs and requirements for information of all stakeholders, by expanding the quantity and quality of information, in addition to all types of*

information, such as, social and environmental, employees and their relationships, …etc. And recently, even society, as a whole, has been included as a stakeholder and is not limited to a real or legal person".

With regards to the narrow concept of the stakeholder theory, some respondents mentioned that power plays an important role in driving companies to pay more attention to meet the desires of the stakeholders. Therefore, stakeholders who have the power to pressure will receive enough attention and care to be satisfied. For example, respondent R&P.R2 refers that:

"*…, companies provide information for specific groups of stakeholders who have the power to pressure to demand information. Those are often governmental and official bodies that derive their power from laws and legislation. However, the information provided for these groups, and other forces of pressure, meets at least 80% of the needs and demands of other stakeholders".*

In the same context, other respondents confirmed that companies pay attention to stakeholders' groups who are the primary stakeholder group. Respondent R&P.R6 refers that: "*Companies seek to meet the needs of investors in the first instance …*". Respondent F&B.R1 confirmed that by saying: "*Companies also use voluntary disclosure to paint a positive picture in their relations with the main parties that deal with them…*". In addition FM.R1 said: "*…companies aim by disclosing this information as (…) assurance to the regulatory and control bodies that the company applies laws, regulations and instructions…*"

According to the moral and strategic view of the stakeholder's theory, respondent S&C.R1 mentioned that the companies should provide high quality information for all stakeholders. He says:

"*Regarding whether voluntary disclosure takes into consideration all the needs of the stakeholders, and legislation generally meets their needs, there is still a need for more information, which companies should provide to the stakeholder, through the disclosure of more voluntary information and through the quality of the information. And, therefore, whenever there is an expansion of the mandatory requirements they meet the users' needs for information*".

However, respondent R&L.R1 mentioned that the regulations and legislation are sufficient to provide all types of information for all stakeholders' categories, therefore, it seems as if he is referring that the companies should play a positive role in fulfilling the wishes of all stakeholders. He said:

"*In issuing the disclosure and governance requirements, the JSC took care of all the necessary and important issues that serve the needs of all users of the Jordanian companies' reports, which can reflect a sufficient image of the company, with such information as that relating to financial performance, future plans, risks, information about senior managers, board and their relationship with the concerned parties, employees and* *workers. Additionally, the company's relationship with society, the environment and many other types of information*".

Our results in this sub-theme are consistent with the results of the previous sub-theme, which related the importance of types of voluntary information and for whom they were for. The results reveal that the companies did not provide information in order to meet the stakeholders' needs, except for those who have power and legitimacy. Investors have the legitimacy of ownership (contract), the regulators are important for all companies by virtue (power) of their organizational ability and supervisory power. In contrast, the financial sector seems different, since banks' reports attempt to meet the needs of all stakeholders. In addition, our results also indicate that the regulation reflects mostly the needs of all stakeholders' categories, therefore, this may be a signal that the shortcomings of voluntary reporting are not related to the types of information, but to the quality of that information.

6.4.1.3. Motivations and Personality Objectives

The personality objectives refer to the managers' behaviours towards the voluntary disclosure. We have found that the personal interests of the managers played a critical role regarding the level, content and quality of the information. In other words, the personal interests of managers have led to the selection of information appropriate to their interests, leading them to withhold information that is not of their own interest or that conflicts with their interests. This explains our previous findings regarding the lack of information in general, as well as information that meets the needs of specific groups of stakeholders.

Our results reveal that the managers used information to achieve their personal objectives. The respondents asserted that, as respondent Inv.R2 said: "*..., to bring personal benefits to the managers...*". Additionally, respondent S&C.R1 confirmed that the managers employ financial and non-financial information to achieve personal gains. He said: "*Managers used to disclose financial and non-financial information voluntarily that bring benefits for them, such as the financial rewards that are connected with performance*". In the same context, managers' interests are not limited to financial gains, but managers also seek to obtain immaterial gains, such as fame and reputation. Respondent R&P.R1 said: "*Managers aim primarily at voluntary disclosing to achieve tangible and intangible benefits such as reputation, rewards, incentives.., etc*".

However, this does not prevent the achievement of other goals for corporations. Respondent Aud.R3 says: "*Jordanian companies are mainly aimed at serving the interests of the company, specifically the board of directors and senior managers of the company. In spite of this, there are companies that disclose reliable information and thus achieve the confidence of investors and dealers in the Jordanian market, unlike other companies*".

We have found that the vast majority of respondents consider the interests of the boards of directors as the most important determinants for voluntary disclosure, especially with regards to stakeholders' needs. Respondent Aud.R2 stated: "*The personal interests of the board members affect this disclosure and controls the quality and quantity of the information.... Therefore, we find that disclosure conflicts with the interests of the stakeholders*". The participant R&L.R2 asserted that by saying: "*The adoption of instructions of disclosure and governance comes in order to reduce these practices and to strengthen institutional work within companies. However, in many Jordanian companies, the board and other managers value more their own personal interests instead of those of the company or the public*".

Finally, respondent R&L.R2 gave us an opinion consistent with the ethical branch of the stakeholder theory, when he said:

> "*If we address the companies from a philosophical point of view, then companies are financially and administratively independent entities, consisting of a group of individuals and groups who altogether have common interests. This entity forms part of the capital market and thereby the whole external community. Thus, each group aims, firstly, to achieve its interests, even if sometimes they are contrary to the interests of the whole society, unless these groups are governed by laws and legislation on the one hand, and by ethical factors on the other hand. Theoretically and ethically, it is necessary to work for the benefit of the society and the interest of the company in general, and to achieve personal interests in a way that does not conflict with public interests. However, unfortunately, in practice there are many cases where the board of directors seek their own personal interests at the expense of the public interest, the interest of the company and of the shareholders*".

The perceptions of the respondents is that the interests of the managers are one of the most important motives for companies and that the interest of the boards limits the level and quality of the voluntary reports. However, there are some managers doing their duty, the right way.

6.4.2. Voluntary Disclosure as an Instrument to Impression Management

Information that is available to stakeholders is not the same information that is held within the company (Jensen & Meckling, 1976). Corporate reporting involves a biased information that still continues to be chosen by managers (Core, 2001). This sub-theme aims to analyse the stakeholders' perception about managers' practices relating to voluntary disclosure. Therefore, Impression management theory can explain behaviours in this dimension. According to respondents' perceptions, in general, that managers intentionally disclose specific information in order to affect the audience's impression, a few respondent refer to existing of limited unethical behaviour.

Respondent R&P.R2 indicated that the importance of non-financial information stems from its ability to create a positive impression for users in the long run. He says:

> "*In the long run, non-financial information affects the perceptions of users either directly or indirectly. For example, companies that continuously disclose information relating to social and environmental responsibility contribute in creating general positive impressions in the minds of the public towards the company over the years. Studies have indicated that the disclosure of such information would reduce the risk of accountability and litigation*".

Respondent S&C.R1 concentrated on the positive managers' practices in order to manage the audience's impression:

> "*..., companies may deliberately focus to choose specific information to disclose ...to direct the public's opinion towards a specific issue that the company wishes to publish, most likely to improve its reputation. For instance, how the company deals with issues of environmental pollution, and waste disposal of harmful manufacturing. In this case, companies tend to disclose more information than is required, in order to create an impression on the public, (...) making a positive impression and avoiding the risk of accountability. In general, the companies' disclosure of information is selective in order to paint their ideal image in the public's mind*".

Additionally, he said: "*.., this information may not be complete and comprehensive, or it may not be sufficient for users*". Respondent R&P.R2 gave us an example regarding positive practices: "*In the past, hiring an auditor was not mandatory. Some companies, including some large companies and banks, have been keen to hire an auditor, to create an impression of reliability and credibility of the company to the investors and other stakeholders, in terms of performance and transparency of information dissemination*".

However, respondent R&P.R1 refers that the companies also withhold the negative news: "*Regarding the content of what is disclosed, companies prefer to disclose the positive news ... On the other hand, they may hide the negative news*". However, managers may resort to disclosing bad information when their estimates indicate that the dissemination of bad information may avoid dire consequences that may occur beyond their control. Respondent C&FA.R1 indicated that when he said: "*For example, if there are unpleasant news about a company, managers prefer to hide it completely if possible, otherwise they prefer to publish it, believing that this will reduce the severity of this negative impact on the company, than if it was disclosed by others. The greater the surprise the greater the negative impact will be*". This was also confirmed by respondent R&P.R2 when he said:

> "*It is possible to use voluntary disclosure, especially for bad news, in order to give signals to the market, and this is used by Jordanian companies where information is published voluntarily whether it is good or bad in order to give signals to the market about these news, this is known as "Signalling theory". It can be perceived as a tool used by Jordanian companies to manage the impression of stakeholders, particularly that of investors*".

Respondents also pointed out that the concealment of information may be in the form of a lack of details or of incomplete information, which leads to the distortion of its true meaning. Thus, the information becomes unreliable. Respondent R&P.R5 cited an example regarding this practice of lack of details:

> "*..., when companies disclose the expenses of R&D without providing financial statistical information about these amounts, such as a percentage of expenses in sales, it aims to manipulate and draw a more positive image of the company, and sometimes the information may not even be true. Moreover, disseminating information in this manner would prevent any comparison processes. Information could be appropriate but not reliable, especially in the long-term*".

Additionally, respondent R&P.R2 refers to the lack of important types of information that can have an effect on the users' impression. He said: "*There is also a significant lack regarding future issues, and many of the studies we have conducted have proved that such information is not available in corporate reports, although future information is one of the most important issues affecting the users' impressions*".

Some respondents confirmed the existence of cases with information manipulation and although they are rare, they are still a reality. Following, we have some of their experiences in real life, regarding these practices. Respondent Inv.R3 reviewed a realistic example of what had happened in the ASE, when he said:

> "*Several years ago and during a trading session, one company disclosed the following: Today, the result of a tender has been announced. Our company has made a special offer in order to win this tender. This tender is expected to bring the company huge profits and it will lead to an increase in its production capacity to full capacity, during the next few years... Resulting from this information, there was an increased demand for this company's shares, which led to a rise in the price of the stock to its maximum. After about an hour of*

continuous demand for this stock, one investor shouted "trick (...) deception" and he told us, to focus on the end of the news, which was written in such a way, so as not to raise interest: However, unfortunately, the assignment was awarded to another company, one of our competitors ".

In another part of the interviews, respondent Aud.R2 highlighted the positive role played by the external auditor in the development of corporate reports. In response to this comment, respondent R&L.R2 said:

"*In some cases, the external auditor overlooks some important information that is considered mandatory under the instructions and by virtue of the personal and friendly relationship that may arise between the external auditor and the managers, or to satisfy their own personal interests and benefits, such as continuing to audit the same company in the coming year or years. Such cases and irregularities have been reported, but they were particular cases and happened very rarely*".

However, respondent R&P.R1 highlighted the recent positive role of the existing laws and regulations in limiting such practices: "*Disclosed information may include false and misleading information, but this has become very codified*".

Finally, in general, respondents refer that the companies deliberately beautify and refine their reports, by highlighting their strengths and avoiding weaknesses, although they do not contradict any laws and governance issues. Respondent F&B.R2 asserted that:

"*... the companies use their voluntary disclosure to send specific signals, which aims to create the image that they would like to show and present to the public in a way that does not conflict with regulations and legislation. Companies aim to differentiate themselves from their competitors by highlighting their strengths and hiding their weaknesses*".

The respondent, also confirmed that the banks' reports reflect their reality. In other words, the information contained in the banks' reports is credible and reliable. He added: "*The published information in the Jordanian stock market is objective and factual. We too "as banks", take care of our reputation, therefore, we seek to publish information which contains real facts*".

The analysis indicates that Jordanian companies attempt to manage the impression of the stakeholders. These practices were represented in several ways. Overall, managers' practices present a bias in the selection of information, through deliberately focusing on disclosing positive information and avoiding the disclosure of negative information. Additionally, respondents believe that Jordanian companies did not disclose some information types adequately, such as future information, which may affect the impressions of the stakeholders. Incomplete information is also a kind of impression management that aims to mislead the reports' users. Some respondents have also confirmed that there have been some rare cases, in which some companies deliberately disclosed incorrect information and that has already disadvantaged investors and companies that have disclosed this information.

However, some respondents refer that there are companies whose reports can be trusted, including in the banking sector. We have also found that voluntary disclosure of non-financial information, such as environmental and society information, has a positive effect on the stakeholders' long-term perceptions.

6.4.3. Factors Influencing Voluntary Reporting

In the first theme, we addressed the drivers for corporate reporting. We have found that regulations are fundamental for forming a framework for mandatory and voluntary reporting in Jordan. The first theme concentrated on the companies' external factors that can influence corporate reporting, whereas this theme aims to analyse stakeholders' perceptions about the internal motives and factors for voluntary disclosure. In other words, these are side effects of voluntary disclosure relating to companies' characteristics that can mostly be controlled or directed by an internal decision of the company. Based on this goal, we have asked respondents about the factors that reflect the internal environment of managers' practices towards voluntary disclosure behaviour. We have found that the sector, performance and strategy of the boards are the most important factors that can affect voluntary reporting.

6.4.3.1. Shareholders' Structure

Our results refer that the level and quality of voluntary reporting are related to the shareholders' structure, in other words, the difference in quality of voluntary reporting, depends on the type and components of the shareholders' structure. Respondent R&P.R2 mentioned that the quality of the disclosure depends on the quality of the investor: "*... the quality of the disclosure is closely linked to the type and components of the company's shareholders. For example, the quality of the reports disclosed by the company's institutional shareholders, is better than that of the company's individual shareholders, because institutional investors are usually professionals*".

Some respondents refer that block ownership is a limiting factor to the level and the quality of voluntary disclosure. Respondent Inv.R3 indicated: "*The majority of ownership or family firms, which usually dominated the boards of directors, will therefore, they seek to satisfy their own interests*". Respondent Aud.R3 asserted: "*..., companies which are dominated by family property, which is prevalent in the Jordanian market, the boards of directors of this type seek chiefly to satisfy their own interests, often at the expense of others*". Respondent R&P.R3 confirmed that when he said: "*Since these groups control the company, they are aware of all the information inside the company, hence their reports are within the limits of mandatory requirements for disclosure, and they add information that they believe will only serve their best interests*".

On the other hand, respondent R&L.R2 stated that the regulations do not protect the rights of the minority owners:

> "*In this case, since the legislation does not protect the rights of the minority owners, it is difficult to prove these practices. In some cases, companies were exposed to losses or damages caused by such practices, and some of these companies even reached liquidation. In my opinion, many Jordanian companies do not aim to meet all the requirements of the stakeholders' information*".

6.4.3.2. The Auditing Company

Academic researches refer that the type of auditing companies can influence the quality of voluntary reporting, however, type of auditing appears not important. Respondent R&P.R2 asserted that: "*We believe that the companies that are audited by the major auditing companies, the "Big 4", which conduct high quality audits, will therefore, reflect a high-quality level of disclosure, in terms of both financial and non-financial information*". The vast majority of respondents did not mention this factor, which means that this factor, in their opinion, is not important.

6.4.3.3. The Company's Age

Respondents opinion indicate that the availability of historical information for long periods of time, the accumulation of achievements and updates on developments are elements that may not be available in newly established companies. Respondent S&C.R1 mentioned that the age of a company, as a factor, has an effect on corporate reporting:

> "*The age of the company also has an impact as the accumulation of information and achievements over the years, enables the company to disclose more information more easily and conveniently. In addition, companies*

that are not newly established, are seeking to prove that they can keep up with modern times and are trying to send signals that they are different and distinctive from their peers".

The vast majority of respondents did not mention this factor, which means that this factor also seems not important from their perception.

6.4.3.4. The Company's Size

Company's size also appears not an important factor in voluntary reporting. However, a few respondents mention the importance of the company's size. Respondent S&C.R1 refers that the large companies receive more attention from the audience: "*The size of the company plays a positive role in the disclosure of information, especially as large companies are under more attention of the stakeholders, than medium and small companies. In addition, there is a low cost for providing information in large companies*".

6.4.3.5. Sector

Based on respondents perspective, the companies' sector is one of the most important elements affecting the quality and diversity of information, where the mandatory requirements of the sector play an important role in determining the importance of the information. With regards to differences in the types of information disclosed by sectors, respondent Inv.R2 indicated that:

> "*Industrial companies highlight the importance of research and development information .... On the other hand, service companies may be interested in disclosing information related to social responsibility and their interaction with the community. Additionally, companies' communications focus on information regarding the number of customers and the advantages offered to them as a reference to the company's strength and size. The financial sector, specifically the banking sector, focuses on issues of trust in dealing and the stability of its financial performance and savings development*".

In fact, the difference of importance of this information is due to the main activity type of the company. Therefore, the comparison between companies in different sectors will not be fair. In the same context, respondents indicated that the reasons of this variation are sometimes due to the internal factors of the company. Respondent Inv.R1 asserted that the operating resources on which the sectors depend on to implement at their main activities are one of these reasons. He stated: "*Companies that rely on the human element and on technological operating systems to manage their activity, disclose information about these aspects more than others. For example, the telecommunications sector discloses more information about human resources and technological* *operating systems*". In addition, technological operating systems can facilitate the collection and preparation of information. In addition, the information technology systems which are being used, could be an effective factor in spreading more information and data, in an easy and cheap way. Respondent Inv.R1 said: "*Companies that have sophisticated internal technology systems can easily collect their information in high-quality, in a more extensive and cheap manner, and vice versa*".

On the other hand, the majority of respondents confirmed that the competition between companies plays a central role regarding the quality of voluntary reporting. Respondent Inv.R1 refers to that, when he says: "*The competition within the sector plays an important role in the disclosure or the prevention of disclosure of information*". In addition, the intensity of competition between companies in the same sector is different depending on the sector. This idea is supported by different respondents. Respondent S&C.R1 says:

> "*Some sectors are fiercely competitive. They make real contributions to serve the community, to improve their image in general, and sustain their positive relations with all segments of society, and thus they disclose more information voluntarily on these contributions and partnerships, when compared with other sectors where competition is not considered crucial*".

Respondent Inv.R1 added: "*The sensitivity of the impact of information between the companies in the financial sector is higher than in other sectors and, therefore, requires companies in this sector to disclose accurate information, in order to build their confidence with the stakeholders*".

Moreover, policies imposed by the supervisory authorities' play a critical role in the quantity and quality of information disclosed between the financial sector and other sectors in Jordan. The vast majority of respondents also support this idea. Respondent R&P.R5 said: "*In fact, Jordanian banks provide advanced and developed reports, due to the disclosure policies imposed by the CBJ, the JSC and the Association of Jordanian Banks*". Unlike most other sectors, the companies' system in the financial sector is different from other sectors. It appears that the policy of opening up to the outside world, and the need to communicate with global parties, especially banks, for transactions' exchange are the main reasons. Respondent F&B.R1 mentioned: "*Banks have the widest levels of disclosure and have reports which are the most consistent with those of the globally advanced* *companies (...) Jordanian banks are in conformity with the most recent developments reached by global companies*".

Our results reveal that the sector of the company is one of the most important elements affecting the quality and diversity of the information, where the mandatory requirements of the sector play an important role in determining the importance of the information. In addition, the importance of this information is due to the main activity type of company, in fact, the operating resources and information technology systems used and on which these sectors depend on for the implementation of their main activities, are one of these reasons. Therefore, a comparison between companies in different sectors would not be fair.

On the other hand, the competition between companies plays a central role regarding the quality of voluntary reporting. In addition, the intensity of competition between companies in the same sector is different depending on the sector. In the same context, policies imposed by the supervisory authorities play a critical role on the quantity and quality of information, especially between the financial sector and others in Jordan. Furthermore, this is also affected by the policy of opening up to the outside world, and the need to communicate with global parties, especially banks, for the exchange of transactions.

6.4.3.6. Performance

Respondents perceived that financial performance is one of the central topic in corporate reporting for companies, shareholders and other stakeholders. Respondent S&C.R1 said: "*Financial performance is considered the hottest topic, capturing the interest of all stakeholders' groups at all times. It is also a catalyst for disclosure and sometimes a limitation factor*". Respondent R&L.R1 confirmed that, by saying:

> "*Financial performance is the biggest and most important motive that drives managers to provide more information voluntarily.... On the contrary, Jordanian companies are reluctant to publish information about their bad performance, and sometimes managers may know that blocking such information may expose the company to accountability, and yet they refrain from publishing it*".

Therefore, performance is a compass that serves to guide managers in their practices, including in their disclosure behaviour. Respondent Aud.R1 confirmed that as he stated: "*Companies which disclose high quality information usually are the ones that have a good financial performance.*

As for companies that face financial troubles, they often avoid disclosing their information voluntarily". Indeed, most the respondents believe that the companies which achieve a good financial and non-financial performance, are the ones that mostly disclose more information about their performance. Respondent R&L.R1 refers to this by saying: "*Most Jordanian companies do not contribute actively in the service of society, or may have a modest contribution, thus we find that their disclosure on such topics is negligible. On the other hand, some companies have real contributions to the community, therefore, we find that they mention these contributions in their reports*".

Based on the above, we have found a consensus among the participants' opinions that performance is one of the most important factors affecting the quality of voluntary reporting in Jordanian companies. In addition, companies which have a good financial and non-financial performance, are the ones that mostly disclose more information about their performance.

6.4.3.7. Characteristics of Board Members

Respondents noted that the characteristics of board members may have a positive or negative impact on voluntary disclosure. Respondent Inv.R1 noted: "*The characteristics of board members may be a factor that leads to further disclosure or it may be an obstacle to it, such as, experience, educational achievement, age...etc.,*". However, based on the results presented above, the majority of respondents stressed that board members have a strong influence on voluntary disclosure behaviour regarding issues that are related to their personal interests. Respondent R&P.R1 refer to that by saying: "*Another very important factor..., managers aim to manage their personal reputation ... such as building a strong reputation related to the characteristics of leadership, skills and experience, in order to reach personal tangible and intangible benefits*".

Respondent R&P.R2 mentioned that, when he talked about the real role of boards on the quality of information:

> "*Despite what some studies have indicated regarding the impact of the managers' characteristics on the level and types of voluntary disclosure in Jordan, this role was driven by disclosure requirements, and by other factors such as ownership structure. Therefore, the role of the managers in the Jordanian market is not related to the quantity and types of information because it is almost fully covered in a mandatory manner, but the impact of management is clearly focused on the accuracy, reliability and credibility of the information*".

Based on these perceptions, mandatory requirements of disclosure are determining the types of information that are included in corporate reports. Thus, the role played by managers is related to determining the quality and content of information within these types. So, in our estimation, managers can play a critical role regarding the quality of the reports. Respondent Aud.R2 also asserted to that by saying: "*The personal interests of the board members are considered the most limitative and influential factor on the quality and quantity of information*".

Regarding the effect of the managers' characteristics on the quality of voluntary disclosures, respondents seem to consider that the characteristics of the managers are not important factors (skills, education, experience, age...etc.). However, the personal interests of the managers were a factor with a strong effect on the quality of voluntary disclosure. Accordingly, we asked a question to the participants, regarding the role of accountants, and financial managers in particular. The majority of the respondents focused on the dominance of the boards in general on the decision to disclose. With the exception of the Board of Directors, the role played by managers within a company is limited to the implementation of the directives of the Board. Responder Inv.R2 confirmed this, as he says: "*The role of the financial manager and the accountants is limited to the accounting work, and may exceed, in some cases, to the provision of advice. With regards to their impact on the quality of information, their role is likely to be ineffective, unless it is consistent with the policies of the board*".

Respondent Aud.R2 also asserted that, as he said:

> "*The disclosure decision is mostly made by the general director and the board, and sometimes it is limited to some members of the board. In general, the executive directors cannot make the decision to disclose or even influence it. Therefore, we find that managers seek to use disclosure to achieve their personal interests, thereby, the personal interests of the board members have an effect on the disclosure, and dominate the quality and quantity of information*".

Based on the respondents' perception, the board of directors usually controls the disclosure decision. However, the characteristics of the board members (their skills, education, experience, age...etc.) seems not important, the main factor for their voluntary disclosure decision, rests in their own personal interests. Additionally, the role of the board was focused on the content and quality of the information, and not on the types of information. These results are consistent with our previous results in the section regarding motivation and personality objectives. In addition, the analysis of respondents' perception refer to that financial managers and accountants play a very weak role, unless if they are consistent with the boards' strategies.

6.4.4. Advantages and Disadvantages of Voluntary Information

6.4.4.1. Advantages of Voluntary Information

Since the mandatory corporate disclosure alone seems insufficient, the rationale for allowing managers to disclose voluntary reports, is to help them to deliver a more complete picture of the firm's performance and value, which has an effect on the company's ability to create value over the short, medium and long-term (Eccles & Krzus, 2015; IIRC, 2015). On the other hand, both financial and non-financial information are deemed relevant for the users' decision making process. Accordingly, it seems that the most important advantage of voluntary reports is to enable companies to disclose more information, in order to create value for them. In addition, it provides information that meets users' desires, and helps them rationalize their decisions, whether they are investment decisions or others.

The advantages of voluntary reporting are that they reflect the motivations for voluntary reporting. Therefore, the respondents' opinions on this subject, are almost a confirmation, with the same goals and motives as the companies. The respondents agreed, in general, that the most important advantages of corporate voluntary reporting, are the image and reputation of the company, attracting investors, including foreign investors, and compliance with the requirements (to avoid penalties and improve the company's image). We will review these advantages through some of the responses given by the respondents.

Regarding the stakeholders' perception of the advantages of voluntary reporting, as an example, respondents (financial managers) refer that Jordanian companies use their information voluntarily as messages to stakeholders, in order to inform them that the performance of their company is doing well in all fields. Following are indicate the "code" of the respondents some samples of responses from respondents that are Financial Managers:

> "...to improve their image and reputation in general" FM.R2. "..., to confirm to the stakeholders that the company complies with all the requirements. It is also considered as an assurance to the regulatory and control bodies, that the company applies laws, regulations and instructions ...to avoid penalties" FM.R1. "..., maintain existing investors and attract new ones." FM.R1. "... as a message, it demonstrates the efficiency and ability

of the company's human resources as a reassurance to the shareholders, to increase staff loyalty and attract potential employees" FM.R1. "..to assure them that their business is doing well. And that they will have a return on their investments" FM.R5.

These opinions were consistent with the opinions of investors and suppliers. It is notable that their opinions focused on stakeholders' categories who have power or legitimacy (regulatory and control bodies, investors and employees). Based on these perceptions, it seems that managers, suppliers and investors are interested in information that meets the interests of the main stakeholders' groups (who have power and legitimacy), since without these groups companies cannot survive and continue.

In the same context, the opinions of financiers and bankers are consistent with those of financial managers in form, but they are different in terms of content and vision. Following, we have some financiers and bankers' responses regarding the advantages of voluntary reporting:

"..., to send specific signals ... create the image that they would like to show and present to the public in a way that does not conflict with regulations and legislation..." F&B.R2. ".., to facilitate financing operations..."F&B.R1. ".., to paint a positive picture in their relations with the main parties that deal with them ...." F&B.R1. ".., to have a competitive advantage ...to differentiate themselves from their competitors ... to achieve excellence and leadership, thus trying to improve their image in comparison with other companies" F&B.R2. "The greater the flow of information, the greater the investor's impression of the company and the better the price of the stock would be. Moreover, the turnout on the stock is positively influenced by the clarity and continuous flow of information". "*.., such as bringing an investment or investors, customers, for financing and other goals*"F&B.R2.

With regards to stakeholders' groups, we found that Financiers and Bankers have a more comprehensive vision. Voluntary reports of the banking sector attempt to meet the desires of all stakeholders' groups. Additionally, they are aware of the importance of a continuous flow of information. Moreover, managers in the banking sector are concerned with competitors, they seek to achieve "excellence and leadership".

Respondent R&P.R2 refers that the voluntary dimension is the most important advantage of voluntary reporting. Through this dimension, companies have a great deal of freedom over regulatory requirements, at the same time, it allows stakeholders to know more about the companies. Respondent R&P.R2 said:

"*Voluntary reports have many advantages. The general most important advantage is that it provides ample voluntary disclosure space for companies. For example, the regulatory requirements for corporate social reporting in Jordan allows companies to have a great deal of freedom, over their social reporting policies.*

> *Therefore, it allows stakeholders to access more information. In addition, companies and stakeholders interested in voluntary reporting, seek to achieve their goals by using these reports. So, the content of voluntary reporting can be seen as an advantage for stakeholders, including companies and managers. More information, more quality reporting and more advantages*".

We have found, based on respondents' perception, that companies can achieve more goals by disclosing high quality information, simultaneously, disclosing high quality information can also lead stakeholders to achieve more goals. Therefore, it seems that the voluntary dimension of reporting is the greatest advantage of corporate reporting, if it is properly exploited. The reporting of the banking sector is a good example of this. In other words, the financial performance is insufficient to achieve companies' goals, and it is also insufficient to meet the stakeholders' needs for information. Thereby, despite voluntary reporting in Jordan based on mandatory requirements, however, the voluntary dimension is the complementary to mandatory part in corporate reporting, and without voluntary reporting, the image of the company will be incomplete.

6.4.4.2. Disadvantages of Voluntary Information

Firms have incentives to provide voluntary information for the audience. Voluntary disclosure is a double-edged sword, which may bring advantages or disadvantages to companies. Managers doubt as to whether it is in the company's best interest to publish more voluntary information, therefore, they should think twice about the consequences of disclosure. Respondent R&L.R2 said: "*... to disclose information may harm the company, such as, exposing them to legal liability, or to damage their competitiveness. (...)*".

The demand for information by stakeholders, especially investors, is continuing and increasing, which is something that the respondents have said repeatedly during the interviews. Thus, expanding disclosure may be one of the disadvantages of voluntary disclosure. Respondent Inv.R2 said: "*Sometimes, to disclose information may cause more accountability, or a further demand for more details, which companies do not like to publish*". Therefore, exaggerating the expansion of disclosure may bring unfavourable consequences. Respondent F&B.R1 confirmed that by saying that managers should take caution and balance between the advantages and disadvantages of disclosure, when he said: "*Companies should achieve a balance, and be cautious when disclosing information, especially sensitive information, such as information that undermines their competitive advantage*".

In the same context, the expansion of disclosure can lead to difficulties and it may complicate the understanding of the information by the users, and it may be misleading. Respondent R&P.R2 refers to this by saying:

> "*A large amount of disclosures does not mean a good accounting, and a little amount of disclosure does not mean that the accounting is bad. The Enron Corporation, Petra bank, Jordan and the Gulf bank are good examples of this. Although these companies were revealing large amounts of information, they were misleading. Companies may report up to 140 pages; this can lead to difficulties and it can complicate the users' understanding of the information. Therefore, the quality of the information is the important issue, it is what determines what is relevant and what is irrelevant*".

As we mentioned that financial and non-financial performances play a key role regarding the quality of reporting, from the other point of view, voluntary reporting reflects the financial and non-financial performance of the company. Therefore, the weakness of voluntary information about the financial and non-financial performance, may expose the company's accountability and expose it to criticism. Respondent F&B.R2 asserted that:

> "*Companies seek to distinguish themselves from others. Disclosing voluntary information about performance is one of the main keys to make this distinction. Therefore, companies with a lack of performance (outside their main activity) have no high-quality information. As for the performance of Jordanian companies, in general, they are modest in terms of society and environmental issues, in addition to other topics outside their main activity, therefore, the content of their voluntary reports are poor, and can be the object of criticism. For example, sustainability reports may not be commensurate with their competitive advantage*".

Respondent R&P.R2 asserted that the voluntary dimension of disclosure, allows managers to exploit this space for personal gain, rather than the interest of the company and the public: "*Additionally, personal management is considered as an important negative factor relating to voluntary reporting... managers aim to manage their personal reputation ... by building a strong reputation related to the characteristics of leadership, skills and experience, in order to reach personal tangible and intangible benefits*".

One of the most important disadvantages of voluntary reports is information manipulation. Respondent R&P.R1 refers that the managers aim to draw a positive image of their company, by disclosing some information and hiding other information. Therefore, the information disclosed is incomplete. He said:

> "*Also with regards to the content of disclosure, companies prefer to disclose the positive news and hide the negative news, such as privileges and incentives provided to employees, in order to improve the image of the company to the public. Additionally, when the companies disclose the expenses of R&D, without providing*

financial statistical information about these amounts, as a proportion to the volume of sales, it is a manipulation, that aims to draw a more positive image of the company, and sometimes this information may not be true. Moreover, disseminating information in this manner would prevent any comparison process. Information could be appropriate but not reliable, especially in the long-term".

Since mandatory disclosure is insufficient for stakeholders' involved companies, the voluntary dimension of corporate reporting is a real advantage, but it also involves disadvantages. The advantages or disadvantages of disclosure depends on the aims of the company and its users, in addition to the type of information that is disclosed. For example, bad news can harm the interests of the company, investors and other parties. On the other hand, it can be deployed in a positive way, leading to the absorption of the damage or reducing its severity.

As we mentioned above, the voluntary dimension of disclosure allows managers to exploit a wide space to disclose information, therefore, the advantages and disadvantages of voluntary reports reflect the managers' practices. It also can reflect the quality of reporting and performance of the company. Based on the stakeholders' perception, we can conclude, that managers should disclose high-quality information to meet the wishes and objectives of all stakeholders' parties as much as possible. Achieving a high-quality disclosure, can only be done through a real desire of the managers to disclose information, with the moral dimension, to satisfy the needs of all stakeholders' parties.

6.4.5. Discussion of the Results of the Third Theme

From analysis of stakeholders' perception, our results indicate that harmony with obligatory requirements is one of the most important motivations for companies to disclose information. In addition, there is also the maintenance of existing investors and attracting new ones (Jordanians and non-Jordanians) and finally the company's reputation issues, such as performance. Those are the most important motivations for Jordanian companies. These results strength our results in the previous themes.

According to respondents' perceptions, companies utilize voluntary information in order to raise finance of the capital. Healy and Palepu (2001), Graham et al. (2005) and Iatridis (2008) refer that companies tend to provide extensive disclosures in order to decrease the cost of external financing and capital, and raise finance in the capital and debt markets.

Many countries, including developing countries, are seeking to further regulation, in particular, to gear towards the development of competitive markets. They also envision protecting investors and traders alike, whilst raising the economy's attractiveness to local and foreign investments and bolstering competitiveness (Porta et al., 1997). In this regard, the results refer that the internal and external competition is likely to be an important motivation for companies to disclose voluntary information.

According to respondents' perceptions, the company's emphasis is on the main activities' issues and on the powerful stakeholders. Moreover, as obedience to regulations is a top corporate priority, therefore, companies will not pay enough attention to other issues, unless they are among the main activities of the company, or related to the main stakeholders' categories. Based on this, we have found that the issues related to the environment and society, and IC are the least fortunate among other motivations. In other words, environmental and society issues will be in accordance with the scope of the limits of mandatory requirements. However, we have found that voluntary disclosure of these types of information positively effects the stakeholders' perceptions in the long-term. In fact, these results are consistent with the results of the previous sub-theme, especially regarding the importance of voluntary information types and for whom they were for.

Respondents' perceptions is that managers' practices attempt to manage the impression of the stakeholders. These practices were represented in several forms. Overall, managers' practices refer to bias in the selection of information, by deliberately focusing on disclosing positive information and avoiding the disclosure of negative information. Additionally, respondents believe that the Jordanian companies did not disclose some information types adequately, such as future information, which may affect the impression of the stakeholders. In fact, based on the stakeholders' perceptions, incomplete information is also as a kind of impression management that aims to mislead the audience. Some respondents have also confirmed that there have been rare cases by some companies deliberately disclosing incorrect information, and this has brought a disadvantage to investors and to companies that have disclosed this information.

Respondents perceived that the interests of managers is an important motive for disclosure, managers seek to obtain personal profits and immaterial gains, such as fame and reputation. At the same time, the interests of the boards are considered as a limitation factor of voluntary reporting. In other words, the personal interests of the managers have led to the selection of the information which is appropriate to their interests, withholding the information that is not to their own interest or that conflicts with their interests. However, our results indicate that there are companies whose reports can be trusted, such as the banking sector, and that there are some managers doing their duty the right way.

The results also reveal that the companies did not provide for the stakeholders' needs of information, except for those who have power and legitimacy. Investors have the legitimacy of ownership (contract), the regulators are important for all companies by virtue (power) of their organizational ability and supervisory power. Conversely, the financial sector seems to be different, since banks' reports attempt to serve the needs of all stakeholders. In general, our analysis also seems to indicate that the regulation reflects most of the needs of all stakeholders' categories, therefore, this may be perceived as a signal that the shortcomings of voluntary reporting are not related to the types of information, but to the content of the information.

In terms of the factors influencing voluntary reporting, our results reveal, in addition to regulation, that the sector and the company's performance are the most important elements influencing the diversity of information. Financial performance is the centralist topic for corporate reporting, for the stakeholders and the companies. It means that good financial and non-financial performance positively influence the disclosure of more information. Companies which achieve a good financial and non-financial performance mostly disclose more information about their performance. In fact, performance serves as a compass for managers, to guide them on their practices, including disclosure behaviour. Bani-Khalid et al. (2017) revealed that financial performance in the manufacturing sector in ASE is one of the strongest factors to affect the Jordanian CSED.

Regarding the sectors, the disparity of policies imposed by the supervisory authorities plays a critical role in the quantity and quality of information, especially between the financial sector and others. Moreover, the inconsistency of policies for opening up to the outside world and the need to communicate with global parties between companies are the critical issues in this behaviour, such as banks for transactions' exchange. These issues are also related to competition. In fact, competition between companies plays an important role regarding the information present in voluntary reporting. In addition, the intensity of competition between companies in the same sector is different depending on the sector.

In same context, the companies' attention to information disclosure depends on the company's main activity type, in fact, the operating resources and information technology systems which are used and on which the sectors depend on for the implementation of their main activities are one of these reasons. Therefore, a comparison between companies in different sectors would not be fair.

From our analysis, the quality of different voluntary reports depends on the shareholder's type and components. Reports of companies that have institutional shareholders are better than reports from companies that have individual shareholders. This is due to the fact that institutional investors are usually professionals. In addition, Eng and Mak (2003) and Cheng and Courtenay (2006) mentioned that there is a significant positive influence of government ownership on corporate disclosure, whereas Al-Janadi et al. (2013) found a negative impact between government ownership and voluntary disclosure in Saudi Arabia. In Jordan, Haddad et al. (2015) highlighted that the extent of voluntary disclosure is positively associated with government ownership. These results are consistent with Naser and Al-Khatib (2000). However, Naser (1998) and Naser et al. (2002) pointed out that there is no association between government ownership and the depth of disclosure by Jordanian firms.

In the same context, companies which are dominated by families, which is prevalent in the Jordanian market, their boards of directors seek firstly to achieve their own interests, often at the expense of others. In addition, we have found that the legislation may not protect the rights of the minority's ownership. Hidalgo et al. (2011) have found a negative association between family companies and voluntary disclosure in Spain, while Al-Janadi et al. (2013) have found that there is no association between family companies and voluntary disclosure in Saudi Arabia. In Jordan, Al-Akra and Hutchinson (2013) have indicated that family owned companies disclose less voluntary information than non-family ones.

Our results refer that the board of directors usually dominated on the disclosure decision. Respondents' perception is that the characteristics of board members (skills, education, experience, age…etc.) are not important, however, their personal interests are the main factor in the voluntary disclosure decision. Additionally, the role of the board is concentrated on the content and quality of the information, not on the type of information. This result is consistent with our previous results in the section regarding motivation and personal objectives. In addition, we have found a very weak role played by the financial managers and accountants, even if they are consistent with the boards' strategies.

Insofar as what regards the importance of the auditing company, the company's age and the company's size, these factors are seems not important. Oliveira et al., (2013, 2010), Barros et al. (2013), Depoers (2000), Branco and Rodrigues (2008) and Eng and Mak (2003) have found that larger companies disclose more information.

In Jordan, Al-Akra and Ali (2012) have provided evidence that voluntary disclosure is positively associated with a company's size. Haddad et al. (2009) refer that social disclosure is associated with corporate size. Naser et al. (2002) confirmed that the depth of disclosure seems to be associated with corporate size. Bani-Khalid et al. (2017) revealed that corporate size and type of Audit Company in the manufacturing sector in the ASE are the strongest factors that have affected the Jordanian CSED; while, other factors such as age, type of industry and ownership are not associated with the level of CSED practices. Warad and Al-Debi'e (2017) have referred that the larger Jordanian companies have a higher level of voluntary disclosure because the cost of external financing for larger companies is lower than smaller ones.

Finally, regarding the advantages and disadvantages of information, since mandatory disclosure is insufficient for stakeholders and companies, a voluntary dimension of corporate reporting is a real advantage, but it also involves disadvantages. We have found that each advantage and disadvantage of disclosure depends on the aims of the company and its users, in addition to the content of the information. For example, bad news can harm the interests of the company, investors and other parties. On the other hand, it can be deployed in a positive way, leading to the absorption of damage or the reduction of the severity. Thereby, companies can achieve more goals by disclosing high quality information, simultaneously, disclosing high quality information can encourage stakeholders to achieve more goals.

Regarding to the third subsidiary question of this study, in this theme, we have attempted to answer this question: Which are the motivations and consequences of voluntary disclosure of Jordanian listed companies in the ASE?

Respondents' perception indicate that the most important motivations for Jordanian companies to disclose information are: harmony with the obligatory requirements, maintaining existing investors and attracting new ones (Jordanians and non-Jordanians), and finally the company's reputation (giving importance to issues such as performance). We have also found that the interests of managers is an important motive for the disclosure of information. The results also reveal that the companies did not serve the stakeholders' needs of information, except for those who have power and legitimacy.

Regarding the effect of the variables on the quality of voluntary disclosures, respondents' consider that the mandatory disclosure requirements, sector, performance and personal interests of the managers are the strongest factors that have affected the Jordanian corporate voluntary reporting. On the other hand, respondents' consider that the characteristics of board members (skills, education, experience, age...etc.) are not important, the personal interests of the board are important, but this is not related to the type of information, it is related to the quality of voluntary reporting. Regarding other factors, shareholders' structure, auditing company, company's age and size, these may have an effect, but it is not important according to respondents' perception.

Regarding the impression management theory, respondents' consider that the managers' practices reflect their attempt to manage the impression of the stakeholders. These practices were represented by several forms. Overall, managers' practices present a bias in the selection of information, Jordanian companies did not disclose some information types adequately and, finally there have been rare cases by some companies deliberately disclosing incorrect information. Through these results, we can conclude that the tight laws and legislations do not prevent the occurrence of irregularities and abuses, even if they are rare. On the other hand, managers should realize the importance of disclosing information in a voluntary manner, and they should reflect the reality of the company's image. In addition to meeting the users' needs and to providing them complete, clear and credible information in order to achieve the users' trust. By this type of information, managers can create value for their companies.

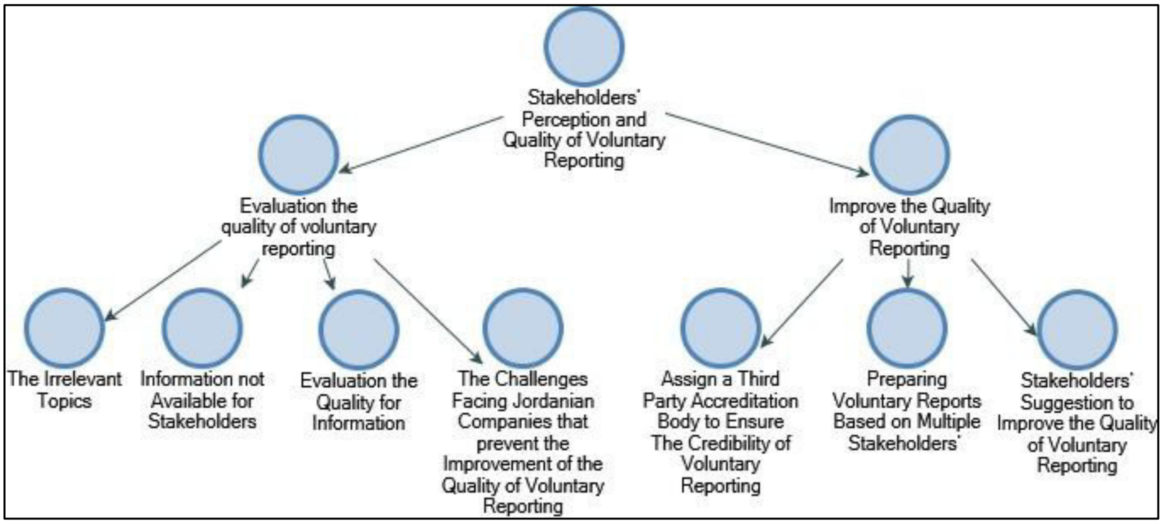
As we mentioned above, a voluntary dimension of disclosure allows managers to exploit a wide space to disclose information, therefore, the advantages and disadvantages of voluntary reports reflect the managers' practices. It also can reflect the quality of reporting and performance of the company. Based on the stakeholders' perception, we can conclude that managers should disclose high-quality information to meet the expectations and objectives of all stakeholders' parties as much as possible. It appears that a high-quality disclosure, can only be achieved through the managers' real desire to disclose information, with a moral dimension, to satisfy the needs of all stakeholders' parties.

Based on above, and based on our results on the motivation theme, it seems that voluntary dimension of reporting is the greatest advantage of corporate reporting, if properly exploited. As far as reporting goes, the banking sector is a good example of this. In other words, the financial performance is insufficient to achieve the companies' goals, and it is also insufficient to meet the stakeholders' needs of information. Therefore, a voluntary dimension is the biggest advantage that complements the mandatory part of corporate reporting, and without voluntary reporting, the image of the company will be incomplete.

6.5. Stakeholders' Perception and Quality of Voluntary Reporting

This theme is related to the fourth sub-objective of this study, which aims to analyse the perceived of stakeholder about the quality of voluntary disclosure in Jordan. Supporting in the literature review and the result of using Gioia method, this theme divided to two sub-themes. The first one is regarding to evaluate the quality of voluntary reporting, the second sub-theme aims to explore the stakeholder's suggestions in order to improve the quality of voluntary reporting. Figure 9 depicts the last theme and relevant sub-themes.

Figure 9: Theme and sub-themes of stakeholders' perception and quality of voluntary reporting.



Therefore, the remainder of this section focuses to present discussion the results and summary of this theme, then, we will attempt to gradually answer the fourth subsidiary question.

6.5.1. Evaluation the Quality of Voluntary Reporting

6.5.1.1. The Irrelevant Topics

This section aims to analyse the stakeholders' perceptions about the irrelevant information which is contained in corporate reporting. The results confirmed that there is no irrelevant information in corporate reporting disclosed by Jordanian companies. This result was supported by all respondents. For instance, respondent R&P.R4 mentioned that:

> "*The Jordanian companies did not disclose more than the mandatory requirements, such as the IFRS's requirements and disclosure and governance instructions issued by the JSC. Consequently, no Jordanian companies have revealed inappropriate information, except for some companies whose information serves their own interests, especially the personal interests of the board members*".

6.5.1.2. Information not Available for Stakeholders

We have raised a theme for discussion between participants, related to information that companies did not include in their reports. The participants' responses were also linked with legislation governing disclosure. In other words, the laws, disclosure and governance instructions are comprehensive for all the subjects that are of a voluntary nature. However, many respondents pointed out that there is a clear lack of many issues concerning the completeness, comparability and reliability of voluntary information. Therefore, these elements may adversely affect the quality of the information. In other words, the lack of information is related to the characteristics of the information, but that is not related to the type of information.

Based on the respondents' opinions, the results indicate that Jordanian companies did not disclose information that adequately meets the needs of the stakeholders. Our results also indicate that the respondents' opinions reflect their differing interests of information. Following are some of the responses. Financial managers and auditors noted that the information about environmental issues was inadequate in corporate reports. Respondent FM.R1 said: "*... there is a clear lack of disclosure of environmental information by the Jordanian companies in general*". Respondent Aud.R1 added: "*... For example, the environment, its risks and how it is managed*". This lack of disclosure may be due to the fact that the Jordanian companies do not care about environmental issues, therefore, they do not disclose such information.

The opinion of professors and researchers came in agreement on issues of future plans and programs and predictive information. Respondent R&P.R2 said: "*There is also a significant clear shortage regarding future issues, and many of the studies we have conducted have proved that such information is not available in corporate reports. However, if the companies do disclose future information, we may find that it is very general information...*". This was confirmed by respondent R&P.R1:

> "*Reports of Jordanian companies in general lack disclosure of programs and future plans for companies. There is also a lack of predictive information. For example, the companies' future profitability can be linked to the global fuel prices, which have a significant impact on the prices of raw materials, cost of production, distribution and marketing*".

Respondent Aud.R2 raised a subject related to the lack of risk management information, where we returned to the statement of respondent Aud.R1: "*...environment, its risks and how it is managed*". This has also lead us to the auditors' consensus on risk management, which means that risk management is one of the core issues from the auditors' point of view, which is the core of their concerns when auditing companies' accounts and reports. Respondent Aud.R2 added:

> "*Another issue related to the lack of information is risk management, market risk, credit risk and liquidity risk. Companies sometimes disclose simple prior information on these issues. Therefore, this information, although*

mandatory, is not sufficient and does not meet the needs of users and does not reflect the true image of the company. Unless the company begins to disclose them voluntarily".

"***Unless the company begins to disclose them voluntarily***", this sentence also calls us once more to return to what was indicated by Walker and Mack (1998) that the significance of regulation would be assessed by exploring its requirements and if it led to changes in disclosure practices.

Our results reveal that Jordanian companies may not achieve reliability and completeness in their voluntary reports. Therefore, this will adversely affect the quality of information in corporate reporting. Respondent Inv.R2 stated:

"*Although mandatory requirements require disclosure of most of these topics, companies hardly disclose any substantial information [content and quality] more than these mandatory requirements, and most often this information is not enough for a comparison between companies, even for companies in the same sector. It could be suitable for comparing same company information on history issues. Information not confirmed and not supported by percentages and ratios and numbers. This leads us to the subject of reliability, where it is difficult to rely and trust in general information*".

Based on the participants' perception, the voluntary reporting of Jordanian companies lack quality of information, it does not achieve the completeness, reliability and comparability characteristics. It means that voluntary reports involve information, but this information may be incomplete for decision making purposes. This confirm that regulations appear to be capable of changing practices in terms of compliance, but are unable to achieve quality.

In this section respondents also confirmed that there are different levels of attention paid by different stakeholders' groups regarding the types of information, mostly each group has a concern in the type of information that is different from the others. For instance, professors and researchers have interests on future and strategy information, while Auditors are interested in the information related to risks, such as risk management, market risk, credit risk and liquidity risk.

6.5.1.3. Evaluation the Quality of Information

In the first theme, we evaluated the context of the evolution of voluntary reporting in Jordan. We have found that the listed Jordanian companies do not apply SR in general. However, regarding the types and topics of information, corporate reporting in Jordan has developed and is consistent with corporate reporting in developed countries. In this sub-theme we seek to complete the previous results based on a holistic view. Therefore, the complementary aim of this sub-theme is that we analyse the stakeholders' perceptions in regards to the quality of voluntary reporting.

In this regard, respondents believe that the types and topics of information disclosed by Jordanian companies are weak and insufficient in terms of the quality. This perspective was supported by most the participants. Respondent Aud.R2 referred to that by saying: "*Jordanian companies disclose information in their reports in a voluntary manner, but the quality of this information does not rise to the advanced level of corporate reporting in efficient markets, such as sustainability reports or independent reports about environmental performance and social responsibility*".

Respondent R&P.R2 mentioned the last international development in corporate reporting which Jordanian companies have not taken. As he says: "*The reports of Jordanian companies have witnessed a remarkable development, but they have not lived up to the sustainability reports. There may be partial attempts by some companies that may have been affected by the UN initiative to apply SR to companies*".

The respondents confirmed that the lack of quality in voluntary reporting lies in the weakness of the details and illustrative information, which means that voluntary reporting in Jordan is as informative as a narrative rather than possessing accurate information. Respondent R&P.R2 refers that: "*... the vast majority of the voluntary information disclosed by Jordanian companies remained qualitative and not quantitative, narrative rather than accurate information, numbers and quantitative data*". In fact, most of the respondents confirmed that, for instance, respondent Aud.R2 mentioned:

> "*In terms of the content of this information, companies do not disclose accurate and deep information, they do not exceed the information regarding financial issues and the company's main activity ... Moreover, Jordanian companies disclose forward looking information such as future plans and risk management ... in the form of very simple signals, not in an expanded way and no more than one page in most cases*".

Respondent FM.R1 added: "*Companies disclose narrative information in a voluntary manner, mostly not supported and documented by figures, percentages and semantics. Therefore, it may not be of importance and be able to be compared and it may not achieve credibility or reliability...*" This was also asserted by respondent RP.R2 as he mentioned that some voluntary information was repeated throughout several years, making it inappropriate for decision-making by its users: "*Jordanian Companies laws of 1964, 1997, 2002, force companies to disclose their strategies and future plans. However, some companies repeat the same content of information over the last few decades to this day, which does not exceed several lines and does not carry any future clear-cut plan*".

This has also led us to consider that the narrative information is usually incomplete and unable to be compared. Respondent Aud.R2 says:

> "*Although the Jordanian companies' reports involve almost all the types of information that are of interest to various stakeholders, however, in terms of content and quality it is not sufficient. For example, environmental information, its risks and how it is managed … risk management, market risk, credit risk and liquidity risk … this information, although mandatory, it is not sufficient, it does not meet the needs of users and it does not reflect the true image of the company …*"

Finally, our results refer that the corporate reporting of Jordanian companies has evolved in line with the development of the reports of international companies in terms of the type of information which is included in their reports, with a difference in the quantity and quality of the information. In other words, the Jordanian companies include in their reports most of the information types dealt with by international companies, with different levels of quantity and quality of this information. The majority of the respondents confirmed that. Respondent R&P.R1 says: "*in terms of information types and its quality, Jordanian companies' reporting is ranked at an advanced level, when compared to the region's countries*".

Respondents also consider that the quality of information involved in voluntary reporting does not meet the stakeholders' needs of information. In addition, it is mostly insufficient for a rational decision-making process. Respondent R&L.R2 refers to the insufficient information for stakeholders regarding the quality and content of voluntary reporting, as he said: "*In general, meeting the needs of all stakeholders by voluntary disclosure (content and quality) is below average or weak*". Based on the analysis of respondents' perception, in order to satisfy the needs of the stakeholders, by providing high quality information, this information should be clear, complete, and comparable, also the content of this information should be able to reflect the real image of the subject. Respondent Aud.R2 has said (in the previous section, regarding information not available for stakeholders): "*Therefore, this information, although mandatory, is not sufficient and does not* *meet the needs of users and does not reflect the true image of the company. Unless the company begins to disclose them voluntarily*".

The results reveal that the Jordanian companies reporting have witnessed a remarkable development in terms of the types and topics of information, but they have not lived up to the sustainability reports. There may be partial attempts by some companies that may have been affected by the UN initiative to apply SR to companies.

6.5.1.4. The Challenges Facing Jordanian Companies that prevent the Improvement of the Quality of Voluntary Reporting

Our previous results in this study have indicated that the main reasons for the hurdles in the quality of information contained in the Jordanian companies' voluntary reporting are: the personal interests of the managers, the weakness of performance outside the main activity of the company, the managers employment of the information to manage the public's impression and the fact that they are focusing on the satisfaction of the key stakeholders categories.

We have repeated this subject to the respondents by asking them about the challenges facing companies that prevent them to prepare advanced reports of high quality. Their responses were consistent with our previous results. For example, respondent R&P.R1 reported that:

> "*Weakness of performance outside the scope of the main activity of the company is one of the real reasons for the weakness in the quality of information, and for the lack of advanced reports in terms of quantity and content, such as sustainability reports. Jordanian companies do not have a focus on building programs and plans for a real comprehensive long-term development of their companies in all areas, such as a comprehensive development of employees for several years to come, or a real modernization of R&D programs. With the exception of some sectors, those without these programs may harm their ability to survive*".

Respondent F&B.R1 asserted this idea as he said:

> "*I believe that Jordanian companies do not see SR as having sufficient benefits to push them to apply it. Companies that have a good performance, qualifying them to disclose comprehensive voluntarily information may tend to apply these reports, and companies with a poor performance will not apply sustainability reports. Here I would like to emphasize that non-financial performance is intended*".

In previous themes, respondents emphasized the positive role of JSC to improve corporate reporting. In this theme also, respondent R&P.R1 argues that Jordanian companies will not take any step unless it is driven by mandatory requirements. He said:

> "*Jordanian companies can apply sustainability reports voluntarily, but from my experience in this area, Jordanian companies in general will not apply sustainability reports unless there is a legal basis for their application. Without mandatory legislation, some companies will not disclose any data or information or financial reports, and the mechanism for reporting of the Jordanian companies only reached that good level, because of legislation and mandatory requirements. However, Jordanian companies have the ability to apply sustainability reports despite the effort, time and costs being spent*".

However, some respondents mentioned that the JSC can take more action to encourage Jordanian companies in order to apply SR. Respondent S&C.R1 referred to that when he said:

> "*As for SR, in general, Jordanian companies do not apply it, especially since we are talking about an inefficient market, besides the JSC has not taken any step about this, but it may do so in the future by urging companies to apply it voluntarily, and by spreading awareness about the importance of publishing information which will gain progress in this field, but I think it may take a long time. It will not be any time soon*".

In addition, the respondents asserted that the stakeholders, including companies and regulators, may not have enough attention to use SR. Respondent R&P.R1 supported that, as he said: "*Despite the importance of voluntary disclosure and its positive impact on decision making for all users, including the companies themselves, managers in Jordanian companies do not pay attention to this aspect of disclosure ...*" Respondent Inv.R3 argued that most investors rely primarily on following-up the movement of shares and their prices to make their decisions: *"Regarding SR, I support the view that most investors do not rely on the companies' reports when they take the investment decision, rather they rely primarily on following-up the movement and prices of shares to perform their investment operations*".

Additionally, perhaps they believe that the momentum of the information contained in SR is more than the actual users' need. In other words, the stakeholders are not aware of the aims of SR. This can be an obstacle to high quality reporting. Respondent R&P.R2 says:

> "*In fact, sustainability reports contain very high amounts of information, which don't need to be included. To clarify, I do not see the importance of applying sustainability reports, since they contain a large volume of information that may confuse the reader. Therefore, in my opinion, it is important to focus on the dissemination of substantial and reliable information that meets the important needs of the users, which is sufficient information to be disclosed; otherwise, it will not benefit either party. However, Jordanian companies are not able to fully meet the needs of all stakeholders*".

On the other hand, we have found that managers do not consider the ethical branch of the stakeholder theory. This may also be one of the challenges faced by Jordanian companies to improve the quality of their voluntary reporting. Respondent R&P.R1 mentioned that, when he said: "*Unfortunately, the directors of Jordanian companies do not consider the ethical dimension in their* *reports, which is the need to disclose high-quality information that exceeds the requirements of compliance and the requirements of the shareholders. Jordanian managers do not pay much attention to the stakeholders in their disclosures*".

Respondent S&C.R1 summarized the possible reasons that prevent Jordanian companies to apply SR:

> "*In general, Jordanian companies do not apply sustainability reports. We believe that Jordanian companies do not want to apply SR, perhaps because they are not convinced of their need to apply it, or because they may lack the capacity and qualified staff to do so, or because of the internal regulations they use, or the financial costs which may result from it, or because the application of SR is not mandatory. However, if Jordanian companies want to implement it, they will not find it very difficult. Maybe in the near future we will find a tendency to apply them if Jordanian companies find them useful and if they are ready to implement them*".

We can conclude that there is no serious desire on all sides to implement sustainability reports. In other words, most of the stakeholders still focus on financial performance or on the management of profits, the compliance of mandatory requirements, and the achievement of the minimum of shareholders' satisfaction. Respondent FM.R1 assert this idea, as he said:

> "*In my opinion, the reason for the failure of Jordanian companies to apply advanced reports, such as sustainability reports, is because of two reasons; the first part is based on the theory of reward and punishment, that companies disclose information necessary to avoid falling into the causes of punishment. On the other hand, companies disclose their information if the disclosure will benefit both investors, owners of the company or managers themselves and this is called the rewards. The second part is the subject of culture in general, as the reports of companies are based on three main parties namely the company, investor, and other relevant parties; therefore, it is necessary to understand the needs of these entities. In my view, the culture of these three parties does not require more information about what Jordanian companies are currently offering, unless it is a benefit, and I do not think that sustainability reports will achieve real benefit in an inefficient market*".

This leads to question the extent to which all parties, including the JSC, understand the importance of SR? as argued by the respondents.

6.5.2. Improve the Quality of Voluntary Reporting

6.5.2.1. Preparing Voluntary Reports Based on Multiple Stakeholders' Groups

The ethical branch of stakeholders' theory refers that all stakeholders have a right to be provided with information about how organisational activities impacts on them at all times, and that managers should manage the organisation for the benefit of all stakeholders and they should be treated fairly, even if they cannot directly play a constructive role in the survival of the organisation and even if they choose not to use the information that was disclosed (Deegan, 2000). Respondent R&P.R2 gave us a holistic view reflecting of this perspective:

> "*We used to call corporate reports "financial reports of general purpose", therefore these reports should meet the needs of all stakeholders for information, such as students of universities, professors, researchers, government agencies, investors and other groups reaching the public in general. Therefore, preparing private and independent reports directed at each of these categories will certainly have further benefits to the users*".

On the other hand, the strategic view focuses on underscoring the benefits to the organization in terms of its ability to fulfil its objectives (Freeman, 1984). Respondent R&P.R2 added:

> "*... the cost of preparing each report will be greater than the benefit, in addition to the effort, time and difficulty of achieving this... However, sometimes there are obstacles to achieving this, including the reluctance of the companies themselves, to not having the possibility to provide precise and substantial information to all stakeholders. On the other hand... the companies themselves are the ones that use their information the least, as this information is available to them at any time, it can be used easily and continuously at any time and therefore its aim is to deliver this information to the public*".

Stakeholder theory focuses on encouraging managers to engage with the external world in determining a strategic direction and how it could be implemented successfully, by understanding and responding to the needs and aspirations of those groups in this environment (Jonker & Foster, 2002). Therefore, managers should have a balance between the interests and the benefits (Freeman, 1984). Additionally, Respondent R&P.R2 added: "*Companies need to understand the needs of different stakeholders and include them in their reports. Hence, companies seek to achieve the overall objective through a comprehensive report that meets the needs of all stakeholders as much as possible*".

Respondent S&C.R1 suggests that the provision of high-quality reporting, in order to meet the needs of all stakeholders groups, should be accompanied by an awareness of all stakeholders, including the companies. He said: "*In order to provide the high-quality of voluntary information and reports, all parties, including companies, should be aware of the importance of voluntary reporting and the benefits that can be achieved*". Based on this perspective, although mandatory, the disclosure requirements have led companies to provide fairly advanced voluntary reporting, even if mandatory in form. Respondent R&L.R2 said: "*... now there is not enough space for companies to disclose information on a voluntary basis. Most of the stakeholders' needs of information have been covered by the mandatory instructions...*". However, it appears that these requirements are not sufficient for it to be high quality voluntary reporting, meeting the requirements and desires of all stakeholders' categories. Companies can link financial and non-financial performance in all fields to maximize benefits and create value for the company.

6.5.2.2. Assign a Third Party "Accreditation Body" to Ensure The Credibility of Voluntary Reporting

Regarding the use of a third party to evaluate voluntary reporting, none of the respondents indicated that Jordanian companies used third parties for this purpose. The respondent Inv.R2 noted that: "*Jordanian companies do not use a third party to evaluate voluntary reports, except in special cases which require an evaluation of the company or a part thereof. Mostly for the purpose of selling or merging companies. Sometimes for funding or conflict resolution*".

The majority of the respondents indicated the possibility of using a third party to evaluate voluntary reporting. Respondent FM.R4 referred: "*Confirming the information by a neutral entity, may greatly contribute to improving the quality of the information*". Respondent Aud.R1 asserted that: "*I also recommend involving an independent third party to confirm the credibility of the information*".

The majority of the respondents also confirmed that the audit companies are the most appropriate party to perform this task. Respondent Aud.R1 suggested: "*As a positive option, audit companies may be more appropriate to assume this responsibility, which may act to improve the quality of information by providing feedback and opinion on the quality of voluntary information*". Respondent R&L.R2 also confirmed this idea: "*I believe that audit firms can play a pivotal role in enhancing the credibility of disclosed information, even if it is non-financial and voluntary*".

The assignment of audit companies for this task was supported by most respondents, based on the availability of the necessary expertise and that they have access to the companies' information. Those factors are mostly available in the auditing companies only. In addition, some respondents considered the independence of the auditors as a unique and important characteristic. Respondent F&B.R2 referred:

> "*The audit firms even if they are external, their field of work is within the companies, and therefore they have information about the insider companies, and this information often qualifies them to present their opinion*

about the non-financial information, mandatory and voluntary, which companies disclose. It is necessary, when we talk about external auditing, that we rely on the independence of the external auditor".

In the same context, some participants suggested that the allocation of a third party to assure the credibility of voluntary reporting, is the best choice to provide a neutral opinion on the credibility of the information. However, it would not be an easy task, and it will be fraught with difficulties. Respondent R&P.R2 referred to that when he said:

"*Audit independency is the most important element in the external auditor. The independent external auditor is the important third party that protects all stakeholders. There is a new old talk about the level or scope of the external auditor's work. There are claims by many parties to extend the audit umbrella to include all that the companies have disclosed on the financial and the non-financial information. However, these claims are rejected by external auditors based on the difficulty of verifying the accuracy and reliability of certain non-financial information, especially with regards to information about the future. I believe that the external auditor is the most suitable party to perform this task, they have the experience, sufficient capabilities, they have a wide knowledge of companies' information and data and may retain the data of some companies for several years. The external auditors are professional, they have access to the Board of Directors' meetings minutes as it is part of their work, they have a large amount of information and, more importantly, this is the party that has the characteristic of independency*".

Respondent S&C.R1 also asserted that, as he said:

"*Regarding the addition of a third party, I believe that it is difficult to add a third party to express its opinion on the evaluation of voluntarily disclosed information, because of the difficulty of establishing unified standards for reviewing and auditing voluntary information, especially non-financial information. This can be bypassed through the setting of the indicators of disclosure used, focusing on improving the quality of information, as a guide in the preparation and disclosure of voluntary information for each sector, so as to match the importance of information by sector, and not in the form of disclosure standards. In other words, these indicators differ from sector to sector in accordance with the nature of the sector in general, and the main activity of the sector in particular. In this case, a third party can provide a neutral opinion on the quality and credibility of the voluntary information and assess the extent to which these indicators are applied according to its essentials, not to its form. This assessment is also considered as a review rather than an audit. However, the task will not be easy and may take a long time to implement*".

In contrast, Responder Aud.R3 indicated that there is no need for a third party to evaluate the voluntary reporting. He also stated that this task was inapplicable and that it does not achieve justice. He said that: "*The adoption of a third party to provide credibility guarantees that it is not applicable*". He attributed this idea to the fact that:

"*The auditing does not guarantee credibility of financial information and it does not prevent fraud and the violation of laws. Moreover, the lack of standards governing this task, and the difficulty of establishing fair standards that guarantee the credibility of the information about non-financial performance makes this task almost impossible. In my opinion, there is no need for a third party to evaluate the disclosed voluntary information. The users should be aware of how to deal with this information and evaluate it according to their purpose. Finally, the cost of this process exceeds the desired benefits*".

Although the vast majority of respondents tend towards assigning a third party in order to provide assurance to the credibility of voluntary reporting, our results, however, are mixed. The majority of supporters' opinions also tend to the difficulty of its applicability. This may be, because it is difficult to create criteria, to achieve fairness between companies, especially between sectors. On the other hand, there is also a respondent who referred that this idea is not applicable.

Contrary to most of the respondents' opinions, a few respondents consider that it is better the adoption of a neutral third party, respondent FM.R4 says:

> "The adoption of a neutral third party, such as the JSC or any other non-profit advisory body, such as governmental consulting centres or through Jordanian universities or any other entity. This can easily lead to adopting criteria and standards based on the importance of the information for each sector. In addition to the consistency of the application practices, the comparison between companies in the same sector should be taken into account. Finally, comparing historical information, through the adoption of the same third party, can facilitate a follow-up throughout the years".

6.5.2.3. Stakeholders' Suggestion to Improve the Quality of Voluntary Reporting

This sub-section aims at further highlighting and discussing the most salient findings which regards explore the stakeholder's suggestions in order to improve the quality of voluntary reporting. So, we asked the respondents about their suggestion to improve the quality of voluntary reporting, especially, regarding the shortcomings we have mentioned in the previous sections.

A group of respondents focused on the fact that legislation is the most important element that can contribute to raising the quality of voluntary reports. This can be achieved by creating precise and clear criteria for the quality of information to be included in corporate reports. Respondent FM.R1 confirmed that, as he said:

> "*In order for the information to be reliable and useful, clear criteria should be established to ensure consistency of information during the successive financial periods to be comparable and a third party must be accredited to provide assurance of the reliability of such information. The decision to disclose information or to withhold information is should not be left to the companies without follow-up or accountability*".

In fact, this view points to the need to activate pre-censorship on the quality of information disclosed, in addition to the emphasis on the subsequent evaluation of the quality of information. This was also confirmed by the respondent Aud.R1:

> "*In order to improve the quality of information disclosed by companies voluntarily, it is necessary to insert controls and standards to verify the accuracy and credibility of information before publication, as the*

> *dissemination of misleading information may lead to harm to investors and loss of their rights. The choice of a third party to confirm the reliability of voluntary information would also increase the level of accuracy and quality of corporate reports and will reduce the level of manipulation by managers also*".

Also respondent R&L.R2 asserted that legislative system can obligate the companies to provide information of real value and benefit to users: "*The quality of the information included in voluntary corporate reporting can be improved through the development of the legislative system, by obligate the companies to provide information of real value and benefit to users rather than mere information to avoid accountability*". These views call for further enforcement of mandatory legislation and thus reduction of voluntary disclosure space, which means further narrowing the benefits for which voluntary disclosure was found.

Another group of respondents believes that the quality of voluntary reports should be combined with the awareness of relevant parties of the importance of voluntary reporting. Respondent S&C.R1 points out that:

> "*In order to provide high-quality of voluntary information and reports, such as the implementation of sustainability reports, all parties, including companies, should be aware of the importance of sustainability reports and the benefits that will be achieved by implementing them. This can be achieved through issuing awareness bulletins to all parties, and through various means that will pave the way for the implementation of sustainability reports either voluntary or mandatory*".

Respondent R&P.R2 refer to the important role the Securities Commission can play in improving the quality of reports: "*…the most important role now of the Securities Commission is to activate the companies' voluntary disclosures to be valuable and have content that would benefit users from this information and not just a general information that is useless. What is needed today is more details and activation*".

Respondent R&L.R2 emphasized the possibility of activating laws and legislations to raise awareness and educate stakeholders in general, including the importance of quality reports:

> "*Companies should be encouraged to disclose higher quality information through public awareness, and focus on educating shareholders, who choose the boards of directors and have an influence on their decisions, and control their performance. However, I believe that legislation is the most important and effective element in improving the quality of information. For example, it is possible to take advantage of the recently approved Investor Protection Fund Law. Under this law, 1% of the fund's revenues will be deducted to raise awareness of investors and the public. In general, the access to high-quality reports requires improved legislation as well as a public awareness system about the importance of disclosing high-quality information*".

The respondent S&C.R1 suggested development of disclosure requirements based on two main axes: 1) Replace existing disclosure instructions with voluntary reporting instructions, commensurate with the importance of information for each sector, and not in the form of general disclosure standards. In other words, these indicators differ from are sector to another in accordance with the nature of the sector in general, and the main activity of the sector in particular. 2) The second axis focuses on the quality of information. Respondent S&C.R1 says:

> "*This can be passed through setting indicators of disclosure used, focusing on improve the quality of information, as a guide in the preparation and disclose of voluntary information for each sector, so as to match the importance of information by sector, and not in the form of disclosure standards. In other words, these indicators differ from sector to another in accordance with the nature of the sector in general, and the main activity of the sector in particular... On the other hand, companies can be encouraged to improve the quality of their voluntary information by JSC, with focusing on improve the quality of information, by urging companies to provide information of value to some topics only. These topics are chosen according to its importance and information of each sector*".

Respondent F&B.R2 refers that companies can improve their reporting a:

> "*I believe that the firms can play a pivotal role in enhancing the credibility of disclosed information even if it is non-financial and voluntary. There are also departments within the company that are partially independent, as they follow the boards of directors according to the organizational structure of the companies in Jordan, such as the internal audit department, the risk management department and the studies and information department, where the task of auditing and developing information can be assigned as an internal part, in order to providing advice and consultancy on the importance of information that can benefit the company and external users. In other words, the assignment of a task to one of the parties from within the company, makes them provide a report to the Board of Directors about their opinion of the company's reports that have been disclosed, and how to use the information for publication in future reports, to achieve benefits and create value for the company, in addition to verify its credibility to ensure that the company is not encountering accountability or feature Competitiveness. However, the external auditor is best at providing a neutral opinion on the credibility of the information based on the independence of the audit*".

This opinion refer that companies can do their duty to improve the quality of information without any interference from outside parties. However, verifying the credibility of reports by a third party may increase user confidence in these reports.

Furthermore, the respondent Aud.R2 has proposed a corporate rating based on the quality of its reports, by setting appropriate standards for each sector:

> "*In terms of improving the quality of corporate reports in general, it is possible to include a classification of companies according to the assessment of their disclosure based on the level and quality of information, which will serve as an incentive for companies to develop their reports, in order to disclose high quality information for users, and use all channels and forms of disclosure. However, this requires the development of standards and criteria for the evaluation of information. It may be difficult to find accurate and clear standards that assess*

companies' reporting with a high level of justice, especially non-financial information. In addition, it is necessary to establish standards that are appropriate for each sector independently".

There is another view that it is necessary to keep expansive margin for companies to disclose their information voluntarily, in order to enable companies to distinguish themselves than others, with emphasize the encourage of companies to provide useful and valuable reports. In the sense that the current mandatory requirements may be sufficient and there is no need to impose further mandatory requirements. More intervention should be concentrated in raising awareness and urging companies to improve the quality of the information contained in their reports. Respondent R&P.R5 asserted to that:

"*further intervention by the Securities Commission means more mandatory requirements, therefore there may be a negative impact, also, imposing more mandatory requirements would narrowing the margin for companies to disclose voluntary information, and then may prevent companies with good performance to disclose information voluntarily to distinguish themselves than others. So I think that the Securities Commission should encourage and disseminate the culture of disclosure through launch of programs to stimulus the companies, that aims at increasing the awareness of the companies' managers on the importance of disclosing substantial information, and useful to them and to all users. I also recommend involving an independent third party to confirm the credibility of the information. As a positive option, audit companies may be more appropriate to assume this responsibility, audit companies may also be the most appropriate party for this responsibility, which may act to improve the quality of information by providing feedback and opinion on the quality of voluntary information*".

This also asserted by respondent R&P.R2 as he said: "*In general, I think that market forces should work and create a balance for the process of disclosing voluntary information of companies, but we did not proceed to reach this level*".

Although the majority of respondents support more legislation to ensure the quality of the reports, however, there is also the view that a broader scope for companies to voluntarily disclose their information should be provided. While maintaining legislation that compels companies to perform their duties and responsibilities towards the environment and society. Companies will therefore seek to voluntarily disclose this performance. On the other hand, some numerous of respondents views that redrafting disclosure requirements according to the importance of information by sector is a viable proposition. In addition, this classification will provide more accurate information for comparison and competition among companies, thereby, companies will seek to improve their performance according to this classification.

Finally, just as companies should work to develop their performance for reporting, few respondents assumed that the Securities Commission can develop from its performance to push all concerned parties to develop their performance and culture. This cannot be achieved by imposing more legislation alone, but through the search for innovative ways and solutions and the use of all channels and forms of awareness and enlightenment. The following are excerpts from the views of the respondents which we mentioned above:

> "*The quality of the information ... can be improved through the development of the legislative system ... to provide information of real value and benefit to users rather than mere information to avoid accountability*" R&L.R2. "*This can be achieved through issuing awareness bulletins to all parties, and through various means that will pave the way for the implementation of sustainability reports either voluntary or mandatory*" S&C.R1. "*it is possible to take advantage of the recently approved Investor Protection Fund Law .... as well as a public awareness system about the importance of disclosing high-quality information*" R&L.R2.

6.5.3. Discussion of the Results of the Fourth Theme

This section involve sub-themes that created based on the literature review and the result of adopt the Gioia method, it aims to analyse the stakeholder's perception about the quality of voluntary disclosure in Jordan. In addition to explore their suggestions in order to improve the quality of voluntary reporting.

We have already mentioned that we have found that legislations were involved all the subjects that voluntary nature, and that the legislations may meet most of the stakeholders' needs of information. However, this theme it was raised an issue relating to information that companies did not include in their reports for discussion among the participants. The participants affirmed that the laws and instructions of disclosure and governance are comprehensive for all the subjects of a voluntary nature. However, many respondents pointed out that there is a clear lack of many issues concerning the completeness, comparability and reliability of voluntary information. Therefore, these elements may adversely affect the quality of information. In other words, the lack of information is related to the characteristics of the information, but not to the type of information.

The majority of respondents perceived that there is a clear lack of quality in respect of some types of non-financial information. For instance, information about risks, such as risk management, market risk, credit risk, liquidity risk and information related to environmental risks, companies sometimes disclose simple prior information. As previously mentioned, this lack of quality may lie in the fact that the Jordanian companies do not care about social and environmental issues, or that they have poor performance in relation to these subjects. There is also a significant clear deficiency regarding future issues, programs and future plans for companies and predictive information. In general, this information is not available in corporate reports. However, if companies do disclose future information, it tends to be very general information.

In addition, companies do not disclose accurate and deep information. Whereas, Jordanian companies disclose information in the form of very simple signals, not in an expanded way. Most of this information is not supported and documented in figures, percentages and semantics, therefore they may not be of importance and may not be able to be compared, and they may not achieve credibility or reliability. The lack of quality in voluntary reporting lies in the weakness of the details and the illustrative information, which means that voluntary reporting in Jordan is as informative as a narrative, rather than providing accurate information. This has also led us to consider that the narrative information is usually incomplete, and it is also incomparable, therefore, the quality of the information involved in voluntary reporting does not meet the stakeholders' needs for information. In addition, it is mostly insufficient for making a rational decision.

Respondents consider that companies should prepare their reports consistency with the overall objective, and therefore these reports should meet the needs of all the stakeholders of information. In fact, preparing private and independent reports directed at each of these categories will certainly bring further benefits to the users. However, the cost of preparing each report will be greater than the benefit, in addition to the efforts, time and difficulty of achieving this. Companies need to understand the needs of the different stakeholders and include them in their reports (Jonker & Foster, 2002). Hence, companies seek to achieve the overall objective through a comprehensive report that meets the needs of all the stakeholders as much as possible. Therefore, managers should keep a balance between the interests and the benefits (Freeman, 1984).

Regarding the use of a third party to evaluate voluntary reporting, respondents believe that the Jordanian market does not use this method except in special cases which requires the evaluation of the company or a part thereof. This is done mostly for the purpose of selling or merging companies, sometimes even for funding or conflict resolution. Although the vast majority of respondents tend towards assigning a third party in order to provide assurance and credibility to voluntary reporting, however, the majority of the supporters' opinions also tend to agree on the difficulty of its application. This may be because of the difficulty to create criteria to achieve a fairness between companies, especially between sectors. On the other hand, there is also a respondent who says that this idea is not applicable. The vast majority of respondents refer that auditing companies are the best party suited to this task.

In addition a few respondents mentioned that the application of this idea needs not only to adopt general criteria and standards for companies, taking into account the comparison between companies in the same sector. But also to standardize application practices by third parties (audit firms), in order to emphasize the comparability of information by adopting the same format and approach to evaluation, and to facilitate the tracking and comparison of historical information over the years. In addition to emphasizing that the comparison between companies is fair, especially since the assessment of narrative information sometimes requires personal judgment in the absence of exact standards, therefore the practices may differ from one audit firm to another. Based on this respondents, it seems that the application of this idea is not easy unless through the adoption of a neutral third party, such as JSC or any non-profit advisory body, such as government advisory centers or through Jordanian universities or any other entity that allows evaluation practices to be consistent and uniform among firms.

From our analysis, the results also indicate that there is no real desire by companies to provide high-quality reports. Our previous results have confirmed that the companies' attention is focused mainly on disclosing financial performance. Moreover, Jordanian companies generally lack advanced performance on issues beyond the company's core business. This is reflected in the information contained in their reports. On the other hand, the demand for information is limited to the active categories of stakeholders, which are represented by investors and regulators. In general, Jordanian companies follow the needs of these two categories of information, namely, compliance with disclosure requirements, this satisfies the needs of the regulators, and to meet the interests of investors by providing them with the necessary information (on financial performance and profits).

In the same context, many respondents point out that there is no need to apply sustainability reports. Respondents attributed this to two main reasons. The first is that sustainability reports contain a huge amount of information, which can cause the user to be distracted from these reports. Additionally, it may adversely affect its ability to absorb and understand the value of the company and compare it with their counterparts. The second reason concerns the lack of awareness among users of corporate reports, as their interests often do not exceed that of the company's core information. Naser and Al-Khatib (2000) found that Jordanian investors exert little influence on disclosure quality.

Regarding the fourth subsidiary question of this study, in this theme, we have attempted to answer this question: What is the perceived quality of voluntary disclosure of Jordanian listed companies in the ASE? Based on the stakeholders' perceptions, voluntary reporting is weak in terms of quality and content of voluntary information. In fact, voluntary reporting does not achieve the completeness, reliability and comparability characteristics. This means that a voluntary reporting, although it involves information, but this information may be incomplete for purposes of decision-making. Hence, we can conclude that regulations appear to be capable of changing practices in terms of compliance, but they are unable to achieve quality.

From analysis of respondents' perception we can explain why Jordanian companies only disclose the minimum requirements in their reports. As we are aware, the regulators of the corporate reporting and other regulatory bodies have legislative power. On the other hand, investors have the most powerful relationship with companies, compared with the rest of the other stakeholders. Investors are interested in the financial information. Hence, by virtue of ownership legitimacy and accountability power, the companies only meet the requirements of these categories through the disclosure of financial information and compliance with the requirements.

Seemingly that there is no serious desire on all parties to implement sustainability reports. In other words, most of the stakeholders still focus on financial performance or on the management of profits, the compliance of mandatory requirements, and in achieving the shareholder's minimum satisfaction. This leads us to question the extent to which all parties, especially the JSC, understand the importance of SR.

Based on above, apparently that excessive enforcement of mandatory requirements has led to be the compliance with these requirements being the biggest obsession for companies, adversely affecting the quality of corporate reporting, rather than relying on integrated thinking to maximize the benefits for the company and all stakeholders. According to respondent C&F.R1:

> "*The legal dimension represented by the Jordanian Companies Law, the instructions of the JSC for disclosure and the corporate governance instructions, have become mandatory, and covering all issues of financial and non-financial disclosure. Based on this perspective, in my opinion, there is no longer the so-called "voluntary disclosure" in the Jordanian capital market, all the subjects included in the reports of Jordanian companies are mandatory covered under the laws, regulations and instructions issued by the concerned authorities*".

It seems that necessary to move towards innovative solutions to develop the quality of information that reflects the efficiency and ability of companies to run their business. Indeed, high-quality reporting may help the companies manage their resources and enable them to create value for their organizations through the preparation of high quality reports. Based on this perspective, JSC may need to focus on the ethical dimension of disclosure.

With regard to the suggestions in order to improve the quality of corporate reporting, some respondents suggest redrafting the disclosure requirements based on the different important information corresponding to each sector as illustrated on Table 15, some numerous respondents suggest divide information into two sections based on the importance of information for each sector. The first section includes the most important information that companies must disclose. This section represents information of a voluntary nature under a mandatory requirement. The second section includes the least important information for the sector, and this section represents a full voluntary information, where the absolute freedom of disclosure for companies. These suggestions may be applicable and may be it will be as a first step towards further quality, but it needs further thorough study.

For example, the importance of environmental information differs between "financial sector and services" and the industry sector in general and the chemical and medical industries in particular. Disclosure of environmental information for companies in the services and financial sectors can be entirely voluntary. As for industrial companies such as mining industries, mineral and oil exploration industries, medical and chemical industries and other industries, disclosure of environmental information to these sectors should be mandatory. Companies must disclose specific items and details in a broad manner, in order to give a complete picture of the companies' dealing with these issues, in addition to their contributions to the service of the community about the dependencies of this activity.

Another example, with regard to information of research and development issues. Companies whose R&D is a critical activity, such as technology companies and industrial companies in general, should disclose extensive, accurate and in-depth information about this issues. Unlike companies that rely their activity on the marketing element. In other words, disclosing, for example, R&D expenditures for companies that rely on R&D is far more important than marketing information and vice versa. In addition, the importance of employees' information for each of these two types varies according to the importance of the activity. For the first type of these companies, the number of employees in R&D departments, their salaries and bonuses are more important than some other departments. While for the second type, the number of employees in marketing and promotion departments, their salaries and bonuses is much more important than research and development.

Table 15: The division of information that voluntary nature according to the importance of information for each sector and disclosure requirements

Type of Information	Requirement of disclosure	Content
Basic Information of the Company (Similar to the financial statements, some of these information can be presented in the form of statements of two years or more for purposes of comparison in the annual report, and permanently on the websites of JSC and company)	Mandatory	Name of the Company, Activity of Company, Vision and Mission, Board' Information, Employee Information
Management Report	Mandatory	Depends on the sector
Basic Information (Based on the Sector)	Mandatory	Financial and Non-Financial information
Secondary Information (Based on the Sector)	Voluntary	Financial and Non-Financial information

The vast majority of respondents tend towards assigning a third party in order to provide assurance and credibility to voluntary reporting, however, the majority of the supporters' opinions also tend to agree on the difficulty of its application. This may be because of the difficulty to create criteria to achieve a fairness between companies, especially between sectors. The vast majority of respondents refer that auditing companies are the best party suited to this task. On the other hand, there is also a respondent who says that this idea is not applicable. In addition a few respondents mentioned that the application of this idea needs not only to adopt general criteria and standards for companies, taking into account the comparison between companies in the same sector. But also to standardize application practices by the third parties (audit firms), in order to achieve the justice and comparability by adopting the same format and approach to evaluation, and to facilitate the tracking and comparison of historical information over the years. Especially since the assessment of narrative information sometimes requires personal judgment in the absence of exact standards, therefore the practices may differ from one audit firm to another. Based on this respondents, it seems that the application of this idea is not easy unless through the adoption of a neutral third party, such as JSC or any non-profit advisory body, such as government advisory centers or through Jordanian universities or any other entity that allows evaluation practices to be consistent and uniform among firms.

6.6. Summary of Chapter

The participants perceived that with regard to the types of information, Jordan has taken all the necessary measures to issue comprehensive laws, regulations, instructions and disclosure requirements similar to developed countries in this field, except in relation to the application of SR and IR, where they have not been addressed through any legislation.

The respondents also says, this development was the product of an intertwined fabric of internal and external factors that led the Jordanian legislator to take serious and positive steps towards improving and developing the Jordanian investment climate in general, in order to create an investment climate in accordance with the international requirements to reach common standards and attract foreign investment and investors. This means that internal/national factors were driven by external/international factors.

Regarding the role of stakeholders, respondents says that only primary stakeholder groups have already positively impacted corporate reporting in Jordan, those are the regulators and the investors. In contrast, from respondents' views, Jordanian companies played a weak role on the evolution of their reporting. In the same context, respondents refer that all concerned parties do not recognize the importance of disclosure of non-financial information in general.

With regard to channels and forms of disclosure, respondents indicate that Jordanian companies use multiple channels and forms to disclose their voluntary information. However, this large space is not being used as positively as it should be. In terms of the importance of disclosure channels and forms, the internet channels are more important than others, and the JSC website is the most important channel. Also, the annual report is still the most important source of companies' information to outsiders. However paper-based reporting became less timely and less useful.

In terms of the importance of this information, respondents believe that the information related to financial performance is the most important information for all stakeholders. However, the importance of information depends on the aim of the users, and there is a clear difference between the objectives of the stakeholders.

The participants says that maintenance of existing investors and attracting new ones (Jordanians and non-Jordanians) and the company's reputation issues, such as performance, are the most important motivations to disclose information. In addition to obedience to regulations is a top corporate priority. Moreover, companies did not pay enough attention to other issues, such as, environment and society, and IC information unless they are among the main activities of the company, or related to the main stakeholders' categories.

Respondents consider that the personal interests of the managers have led to the selection of the information which is appropriate to their interests, withholding the information that is not to their own interest or that conflicts with their interests. However, there are companies whose reports can be trusted, such as the banking sector, and there are some managers doing their duty the right way.

Respondents refers that the regulation, sector and the company's performance are the most important elements influencing the diversity of information. Moreover, respondents believe that disparity of policies imposed by the supervisory authorities plays a critical role in the quantity and quality of information, especially between the financial sector and others. As respondents says, competition between companies plays an important role regarding the information present in voluntary reporting.

Respondents says that the different of quality of voluntary reports depends on the shareholder's type and components.

The role of the board is concentrated on the impact on the content and the quality of the information, not on the type of information, and the personal interests of board members are the main factors in the voluntary disclosure decision, with very weak role by the financial managers and accountants.

Participants refers that mandatory disclosure is insufficient for stakeholders and companies, thereby, voluntary dimension of corporate reporting is a real advantage, but the advantage and disadvantage of disclosure are depend on the aims of the company and users, in addition to the content of the information.

Based on the respondents' opinions, managers' practices refer to bias in the selection of information, by deliberately focusing on disclosing positive information and avoiding the disclosure of negative information, which may affect the impression of the stakeholders. Also the companies did not provide information in order to meet the needs of stakeholders, except for those who have power and legitimacy. Investors have the legitimacy of ownership (contract), the regulators have the organizational and supervisory power (power). However, the financial sector seems to be different.

Based on the participants' opinion, we can separation between two types of voluntary information: a) information of a voluntary nature coupled with a mandatory requirement, as the Jordanian legislator has included all types of information in the reports of companies as mandatory requirement through the laws and legislation imposed. However, the content of information is left to the discretion of the companies. b) Voluntary information without any a mandatory requirement. This type of information is often not found in Jordanian companies' reports. This is due to that mandatory requirements include all types of information that voluntary nature.

With regard to the content of the information contained in the reports, respondents’ views refer that there is a clear lack of quality in respect of some types of non-financial information. For instance, information about risks, social and environmental issues. Based on this perspective, from respondents’ views the voluntary reporting does not achieve the completeness, reliability and comparability characteristics. In addition, voluntary information is often unhelpful, thus becoming unreliable for making a decision.

Respondents believe that the laws and regulations adopted by Jordan were the direct cause to achieve the quality in terms of the types of information included in the corporate reports. However, the laws and regulations have not been able to achieve the same level of quality that has been achieved with respect to the types of information. So, we can conclude that regulations appear to be capable of changing practices in terms of compliance but are unable to achieve the quality. Unless they are pursued and improved to achieve both goals.

Finally, stakeholders’ perception provides some suggestions to improve the quality of voluntary reporting.

CHAPTER SEVEN

VII: CONCLUSION

7.1. Introduction

Based on stakeholders' perceptions, the main purpose of this study is to analyse stakeholders' perceptions about voluntary disclosure in Jordan. In order to achieve this objective, we needed to analyse the disclosure environment, and particularly Jordanian disclosure environment. Therefore, in chapter two, we reviewed the previous literature related to this purpose. In Chapter three, we focused on the review of theories that related to the interpretation of voluntary disclosure. In Chapter five we conducted a comprehensive review using document analyses in Jordanian disclosure environment.

In the previous chapter, we analysed the stakeholders' perception. The analyses of the stakeholders' perceptions were divided into four main categories according to the four sub-objectives of the study: 1) Analyse the evolution of voluntary disclosure context in Jordan, 2) Evaluate the type of voluntary information disclosed by Jordanian listed companies in ASE and how it was disclosed, 3) Analyse the managers' motivations for voluntary reporting of Jordanian listed companies and, 4) Analyse the perceived quality of voluntary disclosure in Jordan. In addition, at the end of each of these four topics, we answered the sub-questions relating to each of these topics.

The final part of this work aims at further highlighting and discussing the most salient findings of the research by comparing and integrating them in the context of the existing literature for a broader and clearer overview of our conclusions and contributions. Therefore, this chapter is structured as follows: the next section will focus on the main conclusions, then, we attempt to gradually answer the main question of this study. In section three we present the recommendations, then the fourth one highlights the contribution of the study, and finally the limitations of the study and unveils future possibilities of research.

7.2. Main Conclusions

In this section we attempt to further highlighting and discussing the most salient findings of the research by comparing and integrating them in the context of the existing literature for a broader and clearer overview of our conclusions and contributions. Therefore, this section will focus on the main conclusions, then, we attempt to gradually answer the main question of this study regarding the main objective of this research, and based on participants' perception:

What are the stakeholders' perceptions on voluntary disclosure of Jordanian listed companies?

Based on the participants' perceptions and regarding the types of information, except for SR and IR, the participants indicated that Jordan has taken all the necessary measures to pass comprehensive laws, create regulations and instructions and disclose requirements similar to developed countries in this field. The most prominent of these were: 1) Adoption of IFRSs, 2) Issuance of disclosure Instructions, and 3) Issuance of the Instructions of Code Corporate Governance. These requirements are inclusive of all information voluntarily disclosed by companies listed in the developed global financial markets, except for the application of SR and IR, which have not been addressed through any legislation. In addition to the review of the laws and regulations governing the mechanisms of work in the Jordanian securities market, all the participants in our interviews confirmed these results. Previous academic research did also confirm these results (see, Al_abbadi & Makhlouf, 2013; Al-Akra et al., 2009; Al-Akra et al., 2010; Al-Akra & Hutchinson, 2013; Alhazaimeh et al., 2014; Al_Sufy, Almbaideen, AL Zoubi & AL Zoubi 2012; Hassaan, 2013; Naser et al., 2002; Shanikat & Abbadi, 2011; Suwaidan et al., 2013). However, full disclosure is never guaranteed even in the presence of regulations (Al-Razeen & Karbhari, 2004).

However, ASE has recently issued the first brochure on sustainability in 2017 and the second one in 2018. The ASE has also declared it would provide future guidance on how listed companies should disclose and report on sustainability performance and prepare their reports on sustainability.

The respondents also say that this development was the product of an intertwined fabric of internal and external factors that led the Jordanian legislator to take serious and positive steps for improving and developing the Jordanian investment climate in general, in addition to the laws and legislations needed to improve and develop the environment of capital market in particular. These developments stemmed from the vision and belief of the Jordanian state that a political and economic reform would be an urgent necessity to create an investment climate in accordance with the international requirements to establish common standards and attract foreign investment and investors. This means that internal/national factors were driven by external/international factors. This is consistent with Haddad et al. (2017) who concluded that globalism's economic changes have influenced the Jordanian policies. Jordan's agreements with international organisations compelled Jordan to improve its disclosure practices. Therefore, the betterment of legislation and corporate reporting was primarily to improve the investment climate.

In contrast, from the respondents' point of view, Jordanian companies played a weak role in the evolution of their reporting, probably because companies fail to be serious regarding the development of their reports and, perhaps, they perform poorly their duties. Indeed, the contribution of Jordanian companies may have failed to comply with the mandatory reporting requirements. As for the role of stakeholders, respondents say that the only primary stakeholder groups, who have positively affected corporate reporting in Jordan, are the regulators (the authority and legitimacy of the stakeholder) and the investors (legitimacy and urgency of the stakeholder). These results are consistent with the classification of stakeholders by Mitchell et al. (1997).

Respondents say that the Amman Financial Market is inefficient because the disclosure of information may not have a positive or negative impact on the volume of trade or on the share price. Investors do not often rely on information when they make an investment decision unless the information is directly related to the financial performance of the company or the distribution of profits to the shareholders. In the same context, respondents refer that not all concerned parties recognise the importance of disclosure of non-financial information in general. Companies do not disclose this sort of information. Respondents attributed this to the lack of interest of companies in some activities, such as environmental information and corporate responsibility toward society.

Respondents suggested that the solution lies in the need to raise the stakeholders' awareness about the importance of non-financial information.

Regarding the channels and forms of disclosure, respondents indicated that Jordanian companies use multiple channels and forms to disclose their voluntary information. This large space is not being used as positively as it should be because companies can explore these channels further, which may generate more benefits for them and all stakeholders. On the other hand, in terms of the importance of disclosure channels and forms, some internet channels are more important than others are, and the JSC website is the most important channel. This result is consistent with Abeysekera (2010), Adams and frost (2004), Graham et al. (2005), Suttipun and Stanton (2012a, 2012b). The annual report is still the most important source of companies' information to outsiders (Botosan, 1997). However, paper-based reporting became less timely and less useful as companies are more prone to use the internet to communicate financial information to decision makers (Bolivar, 2009).

In terms of the importance, respondents believe that the information related to financial performance is the most important one for all stakeholders. However, the importance of information depends on the aim of the users, and there is a clear difference between the stakeholders' objectives. Therefore, there are different levels of attention with regard to the type of information among the different stakeholders' groups. These results helped us to explore the importance of stakeholders' categories. Respondents refer that the investors are the most important stakeholders' group, with varying degrees of importance, regarding other stakeholders. Respondents highlighted that the regulators are also important for all companies. Hence, there is a varying degree of importance among stakeholder groups based on the characteristics of the company, such as the type of company activity and the ownership structure.

Participants state that maintaining the existing investors and attracting new ones (Jordanians and non-Jordanians), along with the company's reputation issues such as performance, are the most important motivations to disclose information. They defend that harmony with obligatory requirements had a clear impact on companies to disclose information. Moreover, respondents also believe that complying with regulations is a top corporate priority. Unless they are among the main activities of the company or related to the main stakeholders' categories, companies do not pay enough attention to other issues. Therefore, the issues related to the environment and society, and IC, are the least fortunate ones among other motivations. In other words, environmental and society issues will be in accordance with the scope of the limits of mandatory requirements. These results are consistent with Abu sabha and Shoubaki (2013); Al-Hamadeen and Suwaidan (2014); Ismail and Ibrahim (2008); Mazahrih et al. (2016); Owais and Ali (2012); Rahahleh (2011); Sharabati et al. (2010). However, we have found that voluntary disclosure of these types of information seems to have positive effects in the stakeholders' perceptions in the long-term.

In the same context, respondents consider that the interests of the boards are considered as a limitation factor of voluntary reporting. Nonetheless, the personal interests of the managers have led to the selection of the information, which is appropriate to their interests, withholding the information that is not to their own interest or that conflict with their interests. Respondents highlighted managers seek to obtain personal profits and immaterial gains, such as fame and reputation. However, there are companies whose reports can be trusted, as it is the case of the banking sector, and there are managers who perform their work in an ethic and serious manner.

In terms of the factors influencing voluntary reporting, respondents refer that the regulating sector and the company's performance are the most important elements influencing the diversity of information. Financial performance is the core topic for corporate reporting, for the stakeholders and the companies alike. Moreover, the good financial and non-financial performance positively influences the disclosure of more information. Companies displaying a good financial and non-financial performance are more prone to disclose more information about their performance. In fact, performance serves as a compass for managers, thereby guiding them in their practices and disclosure behaviour as well.

Regarding the sectors, respondents believe that policies disparity imposed by the supervisory authorities plays a critical role in the quantity and quality of information, especially between the financial sector and others. Moreover, the inconsistency of policies to open to the outside world and the need to communicate with global parties and between companies are the critical issues. These issues are also related to competition. As respondents say, competition between companies plays an important role regarding the information displayed in voluntary reporting. In addition, the intensity of competition between companies in the same sector is different depending on the sector.

The companies' attention to information disclosure depends on the company's main activity type. Participants considered that the operating resources and the information technology systems which are used, and in which sectors they depend on for the implementation of their main activities, are one of these reasons. Therefore, a comparison between companies in different sectors would not be fair. Indeed, the results refer that the internal and external competition is likely to be an important motivation for companies to disclose voluntary information.

Respondents say that the different level of quality of voluntary reports depends on the shareholder's type and structure. Companies that have institutional shareholders disclose information better than companies that have individual shareholders because institutional investors are usually professionals. Respondents' opinions also indicate that companies owned by families, which is the prevalent case in the Jordanian market; their boards of directors seek firstly to achieve their own interests, often at the expense of others. In addition, the legislation does not protect the rights of the minority's ownership.

Participants considered that the characteristics of the board members (skills, education, experience, age, inter alia) did not have an impact on voluntary reports. However, the board of directors did usually control for the disclosure decision. The role of the board is concentrated on the impact on the content and the quality of the information, not on the type of information, and the personal interests of board members are the main factors in the voluntary disclosure decision. Hence, respondents perceived a very weak role played by the financial managers and accountants. Insofar in what regards the importance of the auditing company and from the respondents' lenses, the company's age and the company's size, these factors are not important.

Regarding the advantages and disadvantages of information, participants refer that mandatory disclosure is insufficient for stakeholders and companies; therefore, the voluntary dimension of corporate reporting is a real advantage, but it also involves disadvantages. In addition to the content of information, each advantage and disadvantage of the disclosure depends on the aims of the company and its users. For example, bad news can harm the interests of the company, investors and other parties. On the other hand, it can be deployed in a positive way, leading to the absorption of damage or the reduction of the severity. In this light, companies can achieve more goals by disclosing high quality information and, simultaneously, disclosing high quality information enables stakeholders to achieve more goals.

Based on the respondents' opinions, managers' practices refer to bias in the selection of information by deliberately focusing on disclosing positive information and avoiding the disclosure of negative information, which may affect the impression of the stakeholders. In fact, from the participants' point of view, incomplete information is also as a kind of impression management that aims to mislead the audience. Some respondents have also confirmed that there have been rare cases by which some companies deliberately disclosed incorrect information, and this has brought a disadvantage to investors and to companies.

Participants also say that companies did not provide information in order to meet the needs of stakeholders, except for those who have power and legitimacy. Investors have the legitimacy of ownership (contract), the regulators are important for all companies by virtue (power) of their organisational ability and supervisory power. Conversely, the financial sector seems to be different, since banks' reports attempt to serve the needs of all stakeholders. In general, from the respondents' point of view, regulations mirror most of the needs of all stakeholders' categories. Therefore, this may be perceived as a signal that the shortcomings of voluntary reporting are not related to the types of information, but to the content of the information.

Respondents believe that the laws and regulations adopted by Jordan were the direct cause to achieve quality in terms of the type of information included in the corporate reports. Although legislation has involved all the subjects with a voluntary nature, which may meet most of the stakeholders' need for information regarding the content of the information contained in the reports, the laws and regulations has failed to achieve the same level of quality that has been achieved with respect to the type of information.

Respondents consider that there is a clear lack of quality regarding the content of some types of non-financial information. For instance, information about risks, such as risk management, market risk, credit risk, liquidity risk and information related to environmental risks, which means that companies sometimes disclose simple information. There can also be pinpointed a clear lack of quality concerning social and environment information. Respondents believe that this lack of quality may lie in the fact that the Jordanian companies do not care about social and environmental issues, or that they have poor performance in relation to these subjects. Respondents also consider that there is also a significant clear deficiency regarding future issues, programmes and future plans for companies and predictive/forecasting information. In general, this information is not available in corporate reports. However, if companies do disclose future information, it will be very general information. Companies tend to disclose poorly accurate and superficial information. Nevertheless, Jordanian companies disclose information in the form of very simple signals, in a somewhat blurred manner. Most of this information fails to be supported and documented in figures, percentages and semantics. In this sense, such kind of information may not be of importance and may not be good to be compared, which explains why information is flawed and deprived of credibility and reliability.

Most respondents perceived that the lack of quality in voluntary reporting sometimes lies in the weakness of the details and of the illustrative information, which means that voluntary reporting in Jordan is as informative as a narrative, rather than a source of accurate information. Respondents also affirm that narratives are usually incomplete and incomparable; therefore, the quality of the information involved in voluntary reporting does not meet the stakeholders' need for information for making a rational decision. Based on this perspective, from the respondents' point of view, voluntary reporting fails to embody the completeness, reliability and comparability characteristics. Voluntary information is often unhelpful and unreliable for the decision-making process. However, Kanakriyah (2016) found that all accounting information users agree that voluntary disclosure does play an important role and that it helps investors in making economic decisions.

We can attribute this discrepancy to the definition of the voluntary disclosure. Based on the participants' opinion, we can depict a difference between two types of voluntary information: a) information of a voluntary nature coupled with a mandatory requirement because the Jordanian legislator included all types of information in the reports of companies as a mandatory requirement. However, the content of information is left to the discretion of the companies; b) voluntary information without any a mandatory requirement. This type of information is rarely found in Jordanian companies' reports because the mandatory requirements include all types of voluntary nature information. We may conclude that regulations seem to change practices in terms of compliance but they do not interfere with the practices' quality attribute. Cadbury (2000) and Goergen et al. (2005) referred that the best approach to enhancing corporate reporting is to improve the system. Every country can learn from other countries' experiences and processes, but culture could be an important determinant.

7.3. Recommendations

Our findings seem to open new routes to move toward innovative solutions to develop the quality of information that reflects the efficiency and ability of companies to run their businesses. Indeed, high-quality reporting may help the companies manage their resources and enable them to create value for their organisations through the preparation of high quality reports. In this light, respondents provide some suggestions in order to improve the quality of voluntary reporting.

Moreover, some respondents suggest that ASE should redraft the disclosure requirements, based on the different importance of information for each sector. This would hence divide information into two sections based on the importance of information for each sector. The first section would include the most important information that companies must disclose. It would represent information of voluntary nature under a mandatory requirement. The second section would include the least important information for the sector, and it would represent full voluntary information, where there would be absolute freedom of disclosure for companies. However, some respondents suggest that more mandatory requirements would be the best way to improve the quality of reporting.

The vast majority of respondents tends toward assigning a third party in order to provide assurance and credibility to voluntary reporting, however, the majority of the supporters' opinions also tend to agree on the difficulty to create criteria to achieve a fairness between companies, especially between sectors. The vast majority of respondents refer that auditing companies are the best party suited to undergo this task. A few respondents mentioned that the application of this idea should standardise application practices by the third parties (audit firms) in order to emphasise the comparability of information by adopting the same format and approach to evaluation. It seems that the application of this idea is not easy unless through the adoption of a neutral third party, such as JSC or any non-profit advisory body, such as government advisory centres or through Jordanian universities or any other entity that render evaluation practices to be consistent and uniform among firms.

Participants perceived that ASE should work to deepen awareness and disseminate culture among all stakeholders, including companies, about the importance of disclosing non-financial information and their ability to meet the needs of different sectors, in addition to the importance of implementation of SR and their ability to create value for companies and different categories of other stakeholders. Additionally, they deemed it important to raise awareness among all companies that aimed to push culture toward an ethical dimension.

All participants should give more attention to all the options available in all areas, including voluntary reporting, by finding non-traditional and innovative solutions, to develop their tools, which can enable them to increase the performance efficiency and create value for their organisations. In addition, companies should give more attention to provide high quality information for all stakeholders' categories. Finally, JSC may need to focus on the ethical dimension of the disclosure.

7.4. Contributions of the Study

This research sought to fill the gaps in literature through the following contributions. As it was its main intent, the research provides, first and foremost, a deeper understanding of the context and disclosure practices implemented by managers, contributing for advancing understanding of the quality of corporate reporting. Firstly, we were able to describe the voluntary disclosure process and establish a contrast with the motivations factors, channels, forms and with stakeholders' demand for information. Secondly, we managed to understand why Jordanian managers follow such a different path as compared to the disclosure of modern guidelines and criteria, by analysing the underlying decision-making logics about disclosure and cognitive conditions of the companies' managers, particularly with regard to the stakeholder theory and the impression management theory.

We further contributed to the development of the field by analysing the relationship between regulation and their effects for corporate reporting development. Therefore, by placing corporate reporting within a context, our analysis achieved a multidimensional ''integrated thinking'' view of such practices. This study covered all voluntary disclosure aspects, allowing for expanding knowledge, which, to the best of our knowledge, has not yet been subject of scientific inquiry.

Concerning our contribution to practical practices and although there is a reasonable amount of empirical researches, which refer to the implementation of a regulation that IFRS enhances the quality and the comparability of financial statements, it hence promotes consistency and reliability in reporting (Iatridis, 2008). However, even with the existence of high-quality mandatory requirements, and although the disclosure requirements are expanded to include multiple types, our results show that these requirements may not be able to achieve the desirable level of quality of information. In this manner, this may reduce the value and efficiency of information associated with the voluntary dimension of disclosure practices, which is their ability to create value. The stakeholders' perceptions have thus highlighted the most important weaknesses of Jordanian companies' reports, namely, that laws and regulations have not favoured the quality of information in many places. The most salient features of high-quality information are reliability, relevance and comparability. In the same context, our results reflect the most important strengths in the reports of Jordanian companies, which are considered comprehensive for all kinds of information of voluntary nature as a mandatory template.

The limitation of the quality of the content of the non-financial reporting may adversely impact on the ability to report to meet the requirements of information for different stakeholders' categories. Yusoff et al. (2013) stressed that it is not the volume of disclosure that matters but the variety of items disclosed and the concentration to the definitive stakeholders. We believe that our results have also contributed to the development of knowledge toward the primary of stakeholders' categories that can affect the decision of disclosure. By addressing the relationship between the various stakeholders and companies, we followed the recommendations of the theory of stakeholders and the management theory of the impression to establish the relationship between the logic and the actual practices of managers as well as some reasons why not all make disclosure decisions suitable for all categories of stakeholders. We sought to draw attention to the fact that it is clear that stakeholders engage in different practices because they think differently because they differ in their understanding and awareness of the dimensions of corporate voluntary reports or because of their different requirements and objectives.

These differences helped us understand the determinants of disclosure decision-making, which have already negatively affected the quality of information. Our study presented some ideas for this discussion. The results indicate that regulators' adoption of extensive and comprehensive disclosure requirements may have been influenced by their thinking and circumstances. We found that managers' disclosure practices are linked to different ideologies that are somewhat remote from holistic thinking and are saturated with limited cognitive strategies to make disclosure decisions. We have identified some of the key categories of stakeholders who receive the attention of companies. We also identified shortcomings that we considered to be failures in the quality of reports. For example, voluntary reporting does not incorporate the dimensions that reflect non-financial capitals that can create value for the company over time.

Another interesting result, that can serve researchers, in particular, is related to the limited voluntary dimension of disclosure, specifically that information of a non-financial nature. In general, our results showed that Jordanian companies do not disclose information voluntarily, but they disclose mandatory information that has a voluntary nature. This study provides a definition of voluntary disclosure based on the separation of voluntary disclosure with mandatory requirements and free voluntary disclosure, which can be utilised by different users and can help to assess the level and quality of voluntary disclosure more deeply. For instance, investors, to assess the companies by disclosure and make an investment decision. This definition also allows for the construction of a disclosure index, which could be a benchmark for researchers, financial analysts and users for future analysis and evaluation. Since information of a voluntary nature has become mandatory, the use of this information as indicators to measure the level and quality of voluntary disclosure may not reflect its true reality. The disclosure of these elements may not mean that such information has been voluntarily disclosed by the Company and may not reflect the quality of the information. Accordingly, when conducting studies for this purpose, the disclosure index should be built based on the distinction between information of voluntary nature, which is required to be disclosed, and between the information disclosed without any mandatory requirement.

Finally, in terms of contribution for policy makers, we also discussed a range of solutions and steps that would create the conditions under which higher quality could be achieved. As noted before, regulation is not always useful and can be detrimental. The most important of suggestions is the need to activate the voluntary aspect of corporate reporting by promoting awareness and education among all stakeholders and focusing on the ethical dimension. In fact, awareness raising and education can offer a better service to companies by helping them find themselves and helping companies to create value. Regulators should also evaluate each sector as a particular case. Indeed, different types of support should provide the application of sustainability reports on a voluntary basis as one of the objectives of the integrated reports is a guide for implementation to avoid falling into these failures.

Our research has made practical contributions and our analysis may encourage companies to prepare sustainability reports voluntarily to increase their chances of success in quality reporting. We recognise that the creation of qualitative reports, especially in an environment of economic and political problems, is difficult and the odds of failure are great mainly because of the uncertainty associated with the "moral" voluntary dimension of the disclosure. Although we have not been able to make suggestions on how to avoid completely incorrect disclosure decisions, we have given indications on how to mitigate them.

7.5. Limitations and Future Research

As we mentioned in the Methodology Chapter, qualitative studies involve higher subjectivity, actually. However, it is acknowledged that every qualitative study involves some level of interpretation and subjectivity inherent to the researcher. Our study is no exception. In fact, the results of our study are necessarily bounded by the subjective nature of the chosen data collection method. This is not a limitation in itself since qualitative studies assume such characteristic. However, these results cannot be generalised, due to our methodological options for data collection. Additionally, researchers have come to accept that every study involves some degree of subjectivity, even when quantitative methods are applied. Many subjective and intersubjective decisions are made throughout the quantitative research process, including decisions about what to study, the instruments that the researcher believes fit best to measure what he/she views as the target construct; choices about particular items of measurement and tests, to name just a few. We were careful to assess the level of subjectivity in content interpretation and codification. On the other hand, we are aware of the limitations of our methodological choices, in addition to the theories and the nature of our research questions and objectives. Thus, we consider that they were appropriate.

One of the limitations of the study, related to our sample choices, is the fact that we have not been able to reach some stakeholders' categories that we think are important to confirm our data. Those are institutional stakeholders, non-Jordanian investors. As we mentioned above, for example, some of these groups may have a sense of the importance of sustainability reports, some of them may have practical experience in their application, and therefore they may give us new proposals for developing of reports, especially with regard to their quality. For instance, Al-Akra et al. (2010) found a positive association between foreign investors and voluntary disclosure in Jordanian companies. Brown et al. (2004) confirmed that foreign owners have better management skills, ability to finance, knowledge of new technologies and markets. Therefore, foreign investors require higher disclosure standards (Boubakri et al., 2005). Naser et al. (2002) contended that foreign investors are more likely to demand higher disclosure standards, and they have more experience in regional and international markets. Which is why the impact of foreign investors on voluntary disclosure is significant. Finally, Depoers (2000) has shown that managers disclose more information when they deem important to engage in the foreign activity. However, apparently, the recent interviews (second stage) confirm what was collected from the focus groups (first stage).

Our study is also limited concerning the quality of reporting development. Although SR and IR provided solutions to the shortcomings in the quality of reports, which are similar to the shortcomings in the quality of Jordanian corporate reports, our results indicated that most stakeholders do not pay attention to sustainability reports. The focus of interest on the key activity of companies, especially their financial results, as well as the concentration of companies toward the disclosure of this information, and compliance with the mandatory disclosure requirements, are the main reasons for the limited thinking of this trend. We believe that the data we have collected has adequately reflected the quality problem of corporate reports, but we believe that broader and deeper proposals can be obtained from the proposals and solutions we have reached. In other words, if the findings stemming from our analysis of the quality problem of the reports are presented as a separate, subsequent study aimed at finding solutions to this problem, by involving respondents from an environment that implements advanced reporting as sustainability reports, we may get more proposals. Therefore, future studies should consider more a set of professionals' stakeholders to explore further our study' suggestions. In fact, limited horizons of thinking have been a barrier to materialise further solutions.

Results from our study also offer other indications for future research directions, pointing toward theoretical areas where further development is required. One of our suggestions is that, under different conditions, different objectives and different main activities practices of companies lead to different effects for the quality of corporate reports. However, as discussed above, both the methodology and the constructs used do not allow to draw robust and generalizable conclusions about under which circumstances each logic and practice produces the best results for companies. Therefore, future studies should consider a more comprehensive set of effects and further explore the suggestions provided by our research. In particular, it would be interesting to know whether disclosure requirements for each sector lead to better results or more failures at varying levels of information importance by sector. This is why cross-sectoral issues should be considered in future studies. This is relevant because corporate reports lack uniform disclosure standards that focus on the different importance of information depending on the sector to which the company belongs, and we consider that our results just started approaching this interesting research avenue.

Returning to the issue of what should be considered a disclosure index is also one of our suggestions for future research. Because the issue of voluntary disclosure is of significance to the global community, one needs to be careful and sensitive about differences in voluntary disclosure practices that could be driven by actions of the government, regulators and other stakeholders due to differences in country contexts. Existing research about voluntary disclosure practices in different national contexts shows a variety of approaches that companies have taken in addressing the information needs of various stakeholder groups (Boesso & Kumar, 2007). Based on this perspective, caution should be exercised with regard to the establishment of an indicator to measure the level and quality of voluntary disclosure according to the disclosure requirements of each country. In other words, the distinction between disclosing information of a voluntary nature under a mandatory requirement and information of a voluntary nature that companies express in absolute freedom must be taken into consideration. It is, therefore, worthwhile to conduct a comprehensive study to identify items of information of a voluntary nature that are required to be disclosed mandatorily. The efficiency of analysis depends on a variety of metrics available for analysis. The analysis of the quality and level of disclosure depends on the appropriate measure, especially voluntary disclosure.

Finally, relatively little research exists on the voluntary disclosure practices of companies as they relate to stakeholder groups other than shareholders. Voluntary disclosure practices of companies continue to be studied largely from the perspective of investors and financial markets especially in Jordan. Moreover, the theory of stakeholders and the theory of impression management are participatory theories, in the sense that each of these theories explains the other in terms of voluntary disclosure practices.

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