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## Corporate Social Responsibility as Legal Obligation: Jordan Context

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### **Abstract:**

*The idea of Corporate Social Responsibility (CSR) as a not compulsory activity has been paid more attention of researchers since long time. In Jordan, large companies have basically been supporting to CSR practices on optional basis in different forms such as charities and other practices. The government of Jordan has been issued some regulations connected to the CSR aspects. The supporters of compulsory shape of CSR have been debating that if the CSR has an influence on society, it can be carried out by legislation. The regulations may eliminate misunderstanding in CSR practices and spending on CSR programs. Some corporate in Jordan started their concerns into involving in CR conducts. Moreover, they still not completely understand CSR activities and look at CSR as part of charity dimension not as a tool towards comprehensive sustainability. Unfortunately, CSR in Jordan also faces many obstacles like economic challenges, lack of government regulations specifically mandatory ones, weak governance and disclosure. The corporate are invited to establish a CSR department to assist in implementing CSR programs. This paper attempts to present the role of legislation in Jordan in enhancing CSR activities.*

**Keywords:** Corporate social responsibility, compulsory provisions, voluntariness, Jordan

### 1. Introduction

Jordan has been shifted since the 1990s of the last century from local business domain towards international by adopting privatization, open market and holding international agreements with global parties which allow them to invest in Jordan with many facilities, as well the dramatic shift in the business field push Jordan to think seriously to improve the investment and legislation environment. Due to the rapid development in the technology and spreading the globalization; the private sector has a pivotal role with a partnership with governmental agencies to develop the socio-economic life. The role of the state has been shrinking in light of quick changes in all aspects of the life, "the old paradigm that the state is the only entity responsible for the wellbeing and livelihood of the nation is becoming obsolete"[1]. CSR in the era of globalization has become a new strategy and monitored by different Jordanians as an alternative plan to fill disability of state in achieving and overcoming socio-economic dilemmas. The term of CSR is not a stranger in Jordan but it has long roots, it was presented as philanthropic action according to Islamic religious beliefs and Arab ethics like generosity. Based on Elian: 2005 "In the Middle East and North Africa (MENA) region CSR is not an alien concept; it has historical witness as the organizations which achieve extraordinary profit are not welcomed due to the religious beliefs that prohibit exploitation"[2]. The paper will provide an evidence of the involvement of several attempts of disclosure practices and regulations in Jordan. This objective will be achieved by a review for previous studies done in Jordan. Generally, the rapid changes in all domains impose developing countries to establish comprehensive reforms and revise their legislative regulations and long-term strategies to be consistent with these changes.

### 2. Corporate Social Responsibility Definitions

The more common concept of CSR was stated by World Business Council of Sustainable Development: "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of local community and society at large" [3]. Furthermore, CSR is seen as how the organizations include their social, economic and environmental interests in their daily operations and strategic decisions, it is the way of achieving business in a responsible behavior. CSR now are supported by many of governments, global institutions, non-governmental organizations (NGOs) and voluntary unions, they have stressed the companies to adopt CSR in the whole concerns of human foundation and sustainable progress. CSR was defined by United Nations in a wide sense as the total businesses contribution in sustainable development [4]. Whereas the World Bank Institute (WBI) characterized "Corporate Social Responsibility (CSR) is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of

life, in the ways that are both good for business and good for development”[4]. The European Union defined the CSR as “...the concept that an enterprise is accountable for its impact on all influential stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of workforces’ life and their families, as well as the local community and society at large...” [5]. International Labor Organization (ILO) also defined CSR as the way which the companies take more consideration to the effect of their activities on society and emphasize their rules and objectives in their own internal approach and operation and in their connection with other departments [6]. CSR is viewed as voluntary, corporate motivation and indicates to the activities that are considered to exceed the compliance with law. CSR involves short-concept costs which don’t provide direct profits for companies but provide non-financial advantages to the company; also it has long-term social and environmental effect on society.

### 3. Previous Literature on CSR Disclosure

CSR disclosure has been investigated globally by different studies in different contexts and industries. [7] Assessed the social responsibility disclosure actions in the annual reports for Jordanian companies in the industry sector, the main objective of the study was to state the impact of particular company traits in interpretation differences in CSR information published in the annual reports. To accomplish this objective, the study used a group of 37 statements to analyze the annual reports for 65 industrial companies. The results of the study showed the average of the companies published their CSR practices around 13% of the statements stated in the index adopted in the study, only three companies have received disclosure index with more than 30%. The study’s findings proposed that there was a positive scope for further disclosure for the companies listed in Amman Stock Exchange (ASE) in their annual reports in the industry field. Moreover, the regression analysis has been utilized to identify how positively size, profitability and risk connected with the disclosure of CSR information. [8] Emphasized and analyzed a number of Irish stakeholders related to the adequacy and possible of CSR disclosure to fit their publications and assist them to support companies toward success. The study also concentrated on confirming the opinions of Irish social and environmental NGO who comprise of various influential of non-financial stakeholders. The findings showed an index of a diffuse requirement for mandatory publishing in their annual reports. In the same vein, [9] examined the beginning of disclosure on CSR in companies listed on Istanbul Stock Exchange (ISE). The purpose of the study was to present the emergence of CSR reporting in the annual reports in different periods with 30 indexes. The study has many matters to be examined, such as corporate governance and environmental issues. The data collected were used in the study discussed deeply these issues, and found that the companies’ tendency into CSR is motivating and they attempt to achieve their tasks like corporate citizenship related to the CSR. In different attempt to test if there is a relationship between CSR and organizational performance, should take into consideration with firm value and financial performance, [10] examined the Brazilian share market, a panel data method was carried out to elicit data from various sources, one of these sources related to CSR information and another are financial natured data. Different measurements of CSR and financial performance have been tested to estimate the regression analysis which used to test the relationship between CSR and financial performance. The finding indicated that CSR was highly value ruin in Brazil since a negative relationship among CSR and company value was existed. In addition, indifferent correlation explained the mutual impact among CSR and financial performance. [11] Investigated the level of social and environmental reporting for companies listed on (ASE), and surveyed if the level of disclosure is affected by firm size, governmental ownership and nature of the industry. In general, with respect to environmental matters, society involvement and human resource (HR), the disclosures are tested, by using a sample of 60 firms in the manufacturing and service industries, content analysis method was utilized to measure the variable of the study which focus on level of disclosure. The outcomes indicated the majority of the companies with percentage of 85% report social and environmental information in their annual reports. HR was also one of the most disclosed aspects while the environmental dimension took the lowest. As well, a significant positive relationship was existed between firm size and social disclosure, and the companies which owned by the government had a lower tendency of disclosure in contrast with the companies which the percentage of government ownership was low. Finally, no significant correlation was revealed among sector type and the degree of social disclosure.

[12] Surveyed the correlation among the level of disclosure of CSR information for the listed industrial Jordanian companies in 2010 and their financial performance. The study examined the extent of the companies interested in reporting CSR information in their annual reports. The results of the study revealed that the level of CSR disclosure for the targeted sample was low, in addition; there was no positive correlation between CSR disclosure and companies’ financial performance. According to the results of the studies summarized above, the current paper expect significant information being reported by the large Jordanian companies in several CSR dimensions, with low relationship found between the degree of disclosure and traits of the companies. In regards with of the methodologies applied, prior studies used different techniques to collect and analyze the data collected. As well they took many various industries in different contexts over the world with multiple variables and constructs also in different periods of time, this gives the current paper a great overview for CSR disclosure and the implications for this issue, and how much the world and business organizations are interested in this topic with its several dimensions, environmental, human or even local community. No deny the important of CSR in sustainability for each country regardless its economic or legal systems and the impression may leave in all stakeholders’ mind especially investors which may help in fostering and strengthening long-term investment environment.

#### 4. CSR between Voluntary Actions and Legal Mandatory

Intuitively, there is a difference between developing countries and developed in disclosure of information, consequently, what is suitable for a country should not be good for another. Various ways which the organization can publish its information like (newspapers, websites, television or radio, emails to stakeholders, personal contact with the company). The most common mean which all companies use to disclosure is its annual reports, in the ear of technology and spread social media and easy communication with other the most important way for companies to publish the information to the public through these means[13]. Moreover, it is hard to found a certain way to measure all these several kinds of information. [14]Investigated the understanding the different techniques using in disclosure relevant CSR information for different stakeholders, as well it stated the right source should be used based on the type of stakeholders, some of them preferred using websites and emails to be informed with company's operation. They also found the most users classified the annual reports as amain source of information for decision making in case of their desire to invest their money. [15]Revealed that the most easy and important way to obtain information about company was the annual reports, whereas 88% of the investors use this manner in making their decisions. However, the annual report considers a reliable and validway compared to other ways of information.

Mandatory's indicates to present a legal framework for obedience by companies with penalty clauses for actions which may harm any part of stakeholders. Differently, Voluntary CSR is a non- obligated term which stimulates the companies to strive CSR without any compulsory action. Jordanian businesses have been involving in CSR over time optionally without any legal obligation like telecommunication firms and some of local commercial banks. Many companies realized CSR in their strategic missions and vision, but these works still interpreted as a public relations campaigns or image building policy. Many organizations operated their activities for the society via philanthropy and charitable programs. CSR initiatives may classify from high development of a society to sponsor certain issues such as education scholarships, environment protection, and health care programs. A numbers of CSR practices were conducted in cooperation of companies with non-governmental organizations (NGOs) who were well experienced in dealing with the local societies and treating certain societal challenges. Although some companies have a great record of providing CSR works to Jordan development and society welfare, many of them still hesitate to participate more than required level. In Jordan regulations neither a legal mandate for CSR participation nor any direction on what comprise CSR actions. This resulted in practices regarding to employee safety, and welfare facilities in the company being classified under CSR field. Some viewed legal act such as minimum wages, and incentive as CSR. Nevertheless its voluntary sense, a number of main companies have absorbed CSR in their strategic missions. The question need an answer is should CSR expense be a statutory requirement or should leave to the desire of company's management? The different studies conduct in Jordan defined the voluntary disclosure as those statements that are not compulsory by Jordanian reporting forces [15]. Examining previous studies relevant to disclosure also showed a progress in the degree of voluntary disclosure over time. These investigations as well revealed that there were positive differences amongst the kinds of information which weren't mandatory published. The type of the information which summarized the company general information like its goals admission and economic side like debt was the most common published classification in Jordan due to the significance this type of information and its low cost, which included economic aspects[15].

#### 5. Legislative Framework for CSR in Jordan

The institutional theory says that the companies change their behaviors to meet with the expectations of customers[16]. There are many dimensions have a significant role in promotion the disclosure of CSR information and make it regular, it may be a political or social factors and enhancing CSR activities belonging companies. Others add new factors, for instance, economic conditions, cultural beliefs and judiciary system which have a strong impact on organization disclosure [17]. Organizations respect instructions to get organizational legitimacy; the differences in disclosure differ may be because of variations in public economic policy, and the pressure may emerge complexity of environment even cultural, or legal dimensions. Reporting practices regardless their types have arisen in each country according to the nature of the economic, the degree of economic progress, legal regulations, and the regulatory bodies[17]. The degree of CSR implementation in any country is important factor in stating the extent of pressure to disclose CSR information or any relevant disclosure. The institutional environment makes the companies to behave more responsible whereas there is forced and standard pressure [15]. Jordan is a stable country established in 1921. The political regime and institutional regulations are established since that time. This stability in political and economic contexts provides this country a great destination for foreign direct and indirect investments. We think the solid and stable legal environment has a great influence on the information disclosure in all its types.

The legal system of Jordan consists of mix of civil statutes and Islamic beliefs. Many quotations from European law, like French law in commercial and civil proceedings, have been adopted. Some of primary laws such as the Constitution of Jordan advertised in 1952 and amended several attempts in 1974 and 1984 established an independent judiciary. According to the provisions of the constitution, the laws are suggested through the Council of Ministers to get the approval from Parliament which is elected from population of Jordan, which has the right to amend the laws. Legislation process plays a significant effect on financial disclosure whereas these laws include legal principles which the companies should abide. Also they used to control and supervise commercial activities in Jordan, since they entail the legal commercial rules for all companies in Jordan.

The law of Securities and disclosures as well require from Jordanian corporate to make particular statement of information available. Thus, the top management should be more interested with abiding with these statues through report this information in their annual report [15].

CSR activities can be improved by different action such as raise awareness and establish capacities for CSR. Due to the voluntary basis of CSR, management operations and company performance generally depend on how social and environmental interests are comprehended between both companies and their several stakeholders [18]. Hence, an important obligation for governments is to strength the awareness of CSR and to establish respective capacity among stalls take holders. As well improving the disclosure mandatory and transparency with reliable and accurate information describing the social, economic and environmental company's operation is considers a precondition for some of stakeholder such as investors, employees, and customers so that they can decide who care CSR seriously [18]. Government has a vital role in enhancing the quality and reporting the CSR activities for corporate, in addition it can facilitate investment socially responsible by inclusion a social, environmental, and ethical perspective in the corporate's investment decisions, socially investment combines the interests of a several groups of stakeholders with shareholder concerns [19].

The government has various channels to foster and improve the CSR with its legal acts which oblige the commitments towards CSR, laws related toCSR reporting and disclosure, laws address the pension funds, and laws ban specific investments [19]. The most common utilized awareness raising means are self-explanation, information resources like internet websites and research engines and educational acts; and disclosure reports of CSR. Organizational disclosure and transparency of CSR can be developed; governments aim all these means with a vast range of regulations. The Companies Law issued in 1964 regarded the first step to control financial reporting for corporates in Jordan. Alth ough, there was no indicate to any certain disclosure demands relating to the nature of financial reports. The Companies Law 1964 had only two kinds of companies have been stated: partnerships and limited shareholder companies. The law compel the board of directors to issue the balance sheet and income statement audited by a qualified auditor [20]. The 1976 AFM Law (Temporary Law No. 31 of 1976 was issued to organize Amman Stock Exchange (ASE) which was the only official market for operating securities in the Jordan) and its amendments in 1990 examined and discussed generally disclosure of information without mention as said early of any particular aspects of disclosure demands which listed companies should include them in their annual reports. Additionally, there were requirements have concerned with the prohibition of internal trading than the providing the information in their published reports. In 1997, the government of Jordan released the Temporary Securities Law No. 23. Itwas seen as a critical movement and bold decision toward enhancing transparency and disclosure for companies operate in Jordan with take considetrzationforre build the market and develop financial disclosure activities [20].

The disclosure of CSR basically encompasses whole information regarding labour and human rights, consumer protection, and society relations. Previous studies showed that companies in Jordan which hold a good image for social and environmental initiatives can develop their relationship with all parts of stakeholders; hence they can recruit skilled employees and more customers [21]. [11] Examined the socially and environmental practices disclosure by companies listed at the ASE in 2006 in their annual reports and showed the average of a company disclosed 22 items connected with social and environmental statements. As well it presented that firm size factor and government ownership are linked highly with CSR activities. Moreover, it showed no association between CSR and sector type. [22] Examined the industry field companies listed on ASE and found that 74% of these companies reported social and environmental items in 1998, and also found a positive relationship between the variable of the study which included the social responsibilities disclosure, firm leverage and risk. [23] Demonstrated that companies have an average of 0.45 items allocated to social disclosure, with the most of disclosed statements in their annual reports were obliged by law, like scientific research and vocational training expenditure. [24] Confirmed that disclosed socially items of banking and financial corporate was not completely declared by the end of 2007. [25] Examined the percentage of disclosure for banks was 64% in 2010. She also confirmed a significant relationship amongst social responsibility disclosure, firm size and profitability of the bank. Basically, Jordanian companies tendency to report and inclusion their socially responsible activities with some statements of human resources (health and safety) and on society matters (charity, public donations).

Newly, firms in Jordan have been invited to publish broader social and environment disclosure via modern statutes and legislation, for example, the Jordanian Ministry of Environment in 2006 launched a law called Environmental Protection Law which pursued to protect the environment from companies operations which affect negatively on the environment aspects which consist of water, air, and soil. The Jordan government, by establish a new department called Royal Department for Environmental Protection ,control these operations, one of the most this department's duties is inspecting company's activities to make sure that the company save and manage natural constituents wisely and these activities don't include harmful conducts, as well how these companies comply the regulations concerned with environment issues [26]. Jahamani (2003) revealed that Jordan is informed with environmental matters, but its adherence to protect the environment is still weak [26]. Moreover, the corporate governance code and guidelines of 2007 required from listed companies a brief of CSR practices in their annual reports a description of CSR. Furthermore, the Code does not describe the contents of disclosure in relation to CSR activities. Essentially, CSR disclosure is at least possible to be published in the annual reports of companies in Jordan, this is due to the little amount of information wanted by Jordanian regulations related to the social and environment disclosure, the shortage of skilled and experienced accountants, whereas the CSR disclosure needs a good knowledge auditors and familiar with multiple domains entailing law, business, and sociology [23].

A number of regulations and statues require some of information should be disclosed such as Companies Law, Securities Law, and Banks Law. A brief review for studies which discussed disclosure obligation carried out in Jordan showed that there was tendency to impose the disclosure requirements for the companies in Jordan. [27] Declared that 63.51% was the deference of disclosure for companies listed on ASE. [28]Uncovered the reporting for statements regarding to certain segment was 60% for mandatory items in 2009. [29] As well found that the degree of adherence with International Standards on Auditing (ISA) increased from 25% in 1997 to 41% in 2008. [30] Surveyed the level of compliance of the companies in Jordan with required disclosure for information with International Financial Reporting Standards (IFRS) for the years 1996 and 2004. They also revealed that adherence with IFRS progress from (79%) in 2004to (54%) in 1996. Broadly, it can be debated that the degree of disclosure was further progressed after adoption IFRS and implementits rules and principles, starting with developing financial market and issue of new financial disclosure laws and regulations which have a significant effect at whole on the investment environment and transparency. The Jordan Securities Commission (JSC) displayed the annual financial items to assureadherence with IFRS. Some significant statements have been edited and focus on the basic reporting requirements; it cannot disclosebeneficiarydata on the level of compliance. The JSC showed that companies listed on the ASEmissed in applying the required disclosures in their annual reports was 62% and 26% in 2007 and 2011 correspondingly[31].

The regulatory structure of CSR practices in Jordan lead up to the implement of CSR practices. It is important to mention a few of the legal regulations implemented in Jordan as follows [32]: (1) The Companies Law no. 22 in 1997 was amended by Law no. 40 in 2002 endeavoured to establish the companies and accelerate and ease the registration procedures. The Companies based on this law are classified into different categories such as general partnership, limited partnership, limited liability companies, private shareholding companies, public shareholding companies and foreign companies.(2) The Investment Promotion Law no. 67 of 2003. (3) The Income Tax Law of 2000 and its amendment which aims to give both Jordanian and foreign investors with extra incentives and tax exemption.(4) Securities Law no. 1997 and its amendments in 2002 where divide the financial market into three categories of Jordanian Security Commission, the Bourse, and the Depository Center.(5) Non Jordanian Investment Promotion Law in 2000 which allows non-Jordanian investors to own fully or partially any commercial activity in the Jordan.(6) Agreement with World Trade Organization Agreements (WTO) in 2000 where statues of patent, trademarks, and other intellectual property rights were announced and amended to consist with this agreement.(8) EU-Jordan partnership compact for free trade between European Union countries and Jordan in 1999. (9) Major Arab Free Trade Convention in 1998 aimed to establish a free trade zone amongst Arab countries.

Towards this end, the government of Jordan has an enactment of statues and regulations which oblige Jordanian companies to declare and report their social and environmental activities in their disclosed reports. An example of a statue is the Environmental Protection Law issued in 1996, which was issued to ascertain the deference of organization with its environmental monitor criterions. Another important attempt was the Securities Commission Law in 1998, which asked the listed companies to disclose information related to the social and environmental matters in their annual reports. JSC in 2004reported "guidelines for reporting company's disclosure, accounting, and auditing principles." This meant that the top management such as board of directors should disclosure report entails information about the contribution of company regarding to the environmental protection and society issues [33]. The securities commission as well issued a directory to prepare the annual reports. These instructions ask the companies to publish their contributions to the society and environment protection (if any); listing all the company's services provided.

## 6. CSR in Jordan Context

Jordan as a small country has limited resources, the CSR practices and disclosures have obtained recently a wide concern from the government of Jordan. Serious attempts have been considered via the government to develop CSR in Jordan including establishing legislation and regulations which force companies to mention all information related to social and environmental matters in the annual reports, in order to get and enhance the quality of these disclosures as a way to attract foreign investment [27]. Although many conducts via government of Jordan to root CSR practices, the studies in this domain still limited, and are in its immature phases[22]. Jordan as an Arab state gave an interesting pathway to monitor the issue of CSR, this because of cultural dimensions and single ownership framework that described basically by high focus of family and governmental ownership [34]. According to Hofstede's classification, Jordanian society is classified as collectivism, high uncertainty avoidance, large power distance, and low future orientation [35]. Gray (1988) debated that local communities with prior characteristics tend to be reserved and discreet with legislative monitor, likeness and conservatism which in turn conduce to little disclosure of information especially, socially and environmental data [34].

Although the concept of CSR is not modern but the literature exposed that this term is still new in Jordan [36]. A study of the vision institute for civil studies in2014 revealed that CSR practices in Jordan have focus on charities and individual initiatives rather than to be institutionalized strategy, as well it can't differentiate between interrupted initiatives and comprehensive development for local communities which aims to develop the quality of people's life [37]. (Elian, 2014) demonstrated that "CSR in Jordan is a mixture of ethical voluntary actions and legally binding through political and legislation pressure" [38]. Business corporates in Jordan look CSR as part of their organizational philanthropic works voluntarily basis, instead of considering it as a strategic plan for national sustainability, aside from, several legal statutes and regulations such as

(Labour law, compensation law, environmental law), additionally, these corporate donate a little amount of their profits in charitable sides [39].

Despite the lack of institutionalization in adopting CSR in Jordan, some of local companies involve deeply and interested widely in serving the society they operate in different aspects like environment, reducing the poverty, and supporting the projects for low income families in the villages [40]. "Ruwwad" for example, was an initiative has been designed by private sector and adopted by Aramex Company in 2005, and aimed to aid the young people to affect positively in the sustainable development. Also, many attempts from different companies in various industries like banking started to involve in CSR practices and support the society such as, the Arab bank which launched an initiative named "To gether" also aimed to integrate local community in the development process [7]. Moreover, Hikma which is multinational pharmaceutical firm won in 2012 with Client Leadership Award offered by International Finance Corporation (IFC) (a World Bank member). Whereas the elements of this award were transparency, good corporate governance, high quality in production, and sustainable development projects.

We can summarize the CSR activities in Jordan in various social domains, namely: poverty reducing and combating unemployment, supporting the local activities, aiding public health and environment preservation, sport, , and culture sponsorship and support the employees [37]. In Jordan there were governmental attempts to mandate and legally reinforce the CSR programs within the organizational strategy and raising the awareness of the CSR importance, as well the government of Jordan made a big efforts to root the term of CSR, for example, integrating the notion of CSR in the strategic plans for some ministries, and created in 2007 a guidelines of CSR issued by the Ministry of Justice. Conventions and conferences have been hold concentrated on CSR and local development, for example, in 2009, The National Forum for Social Responsibility endeavoured to regulate CSR in Jordan, in 2012 a seminar launched entitled "CSR in action Jordan" aimed to boost the CSR activities and comprehension of CSR amongst students in Jordan.

In the beginning of the 21st century, the role of the private sector become wide and more obvious, Jordan with its first real attempt into CSR concept, a few factors play significant role in shifting the CSR into more thorough and strategic approach such as: respect the civil rights, increasing competitive market, develop the legal system, and encourage a solid partnership between public and private sectors to enhance and increase investment by adopting the privatization policy and selling some of government-owned corporates to the private sector. Massive involvement in the international business, the country also conducted some of local CSR through specialized companies which aimed to achieve the sustainability development [43]. As a one of globalization sequences, the NGO also has an effect in disseminating CSR notion in Jordan through its pressure on government and private sector; it was considered as foreign multinational companies working in the Jordan. (IMF's report, 2005) declared the commercial policies in Jordan in 1996 which were concentrate on integrate Jordan within the global economy, increasing domestic competition, and create conditions and legislative environment to attract new foreign investment to increase economic growth [41]. Ararat's (2006) research stated that Jordan's trend toward free economy and liberalization has become a driven to foster the CSR in Jordan, also by increasing the competition internationally and locally; paid more attention for efficiency and effectiveness, as well the international business [42].

## 7. Conclusion

The beginning of CSR idea has been developed across time in Jordan, in its first shapes it was not surpassed as a charity action with strong effect of Arab and Islamic culture which encourage giving and endowment, as well Arab values and ethics like generosity. The concept of CSR has witnessed several dramatic changes toward comprehensive and strategic organizational objectives, this shifting in the grasp of CSR made the charity more institutional via fostering some of CSR practices within the company's agenda, moreover. Nowadays there is a miscomprehension of CSR due to the mix between the philanthropic works towards local community and the initiatives which may help in build and develop sustainable role in the development process. Jordan has a great interest in CSR and root it in in the comprehensive reform process, but it still encounter many challenges and obstacles need to overcome like the traditional look to CSR as method of public relation rather than the value and benefits which the organizations can obtain from adopting these initiatives and it considered as a way of publicity, and its role in enhancing the corporate's image and positioning its brand. Additionally, the obstacles encountering CSR in Jordan are: decreasing company's profit due to continuous taxes imposed by government of Jordan annually which affect on company' tendencies in supporting the society, the tough economic situations and decreasing in international aids, absence of government's incentives for the companies which adopt the CSR initiatives like exemption from taxes, lack of transparency corporate governance.

The Islamic religion beliefs are the most driving in involving CSR activities in Jordan, the customer's tendency in dealing with social oriented organizations rather profit seeking one, this trend make the companies to think seriously in adopting CSR in their operations and activities. The laws and regulation enacted and issued by the government, as well the rapid competition among companies in attracting customer to increase their profits; the spreading of globalization globally also plays as an external motive. The private sector has a vital role in spreading CSR concept through their operations and activities among the society and people, the society is expected from the companies to be more social responsible and differentiate obviously between public relation campaigns and CSR initiatives as well the needs to enhance its tendency of social responsibility toward the society and involve CSR within their visions and business philosophy. CSR practices in Jordan could be characterized as legally compulsory like corruption combat, environmental protection, labour rules, anti-

monopolistic activities and social security for employees; whereas other CSR practices for example, supporting poor patients, scholarship for universities especially poor students, helping the underprivileged areas and elderly people and orphan and other forms of donations. Thus, CSR in Jordan is a combination of ethical voluntary works and legally mandatory by popularity and international pressure.

The objective of the study was to state if there was a progress in CSR legal regulations concerns with CSR disclosure initiative in Jordan. The literature review in Jordan proved an improvement in compulsory, optional, CSR practices over time. This improvement is referred to the adoption of modern economic reforms and regulations and the effective role of legal body in the country represented by Jordanian parliament and government of Jordan. This study may help as a future guidance in conducting new studies with certain sector or population to cover the level of applied CSR in internal and external company's operations.

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