Ownership Structure and Corporate Social Responsibility Disclosure: An Empirical Study on Jordanian Listed Companies

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ABSTRACT

This study aims to examine the impact of ownership type on Corporate Social Responsibility (CSR) reporting and spending. A sample of 61 companies listed in Amman Stock Exchange (ASE) over the period (2011-2015) was selected. We hypothesized that different types of ownership have distinct motivations toward the firm's corporate social engagement. We identified different groups of shareholders based on ownership of at least 5% of firm's common shares. This includes family ownership, institutional ownership, foreign ownership and government ownership. Descriptive statistics, correlation analysis, multiple regression and ANOVA were used to test the data. The results indicate a significant negative impact of family and foreign ownerships on CSR reporting and a significant negative impact of institutional ownership on CSR spending. The results also identified company size as a significant positive predictor of CSR reporting. We conclude that different ownership types have differentiated impacts on corporate social responsibility engagement.

Keywords: Corporate social responsibility (CSR), Family ownership, Non-family ownership, ASE.

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هيكل ملكية الشركة والإفصاح عن المسؤولية الاجتماعية: دراسة تجريبية على الشركات الأردنية المدرجة في السوق المالي

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ملخص

هدفت هذه الدراسة إلى اختبار أثر نوع ملكية الشركة على الإفصاح والإنفاق على المسؤولية الاجتماعية. تكونت عينة الدراسة من 61 شركة من الشركات المدرجة في سوق عمان المالي خلال الفترة (2011-2015). افترض الباحثان أن الأنواع المختلفة من الملكيات لديها دوافع مختلفة تجاه مشاركة الشركة في المسؤولية الاجتماعية. قام الباحثان بتقسيم ملكية الشركة إلى أنواعها المختلفة على أساس ملكية ما لا يقل عن 5٪ من الأسهم العادية؛ إذ تم تحديد أنواع الملكيات التالية: الملكية العائلية، والملكية المؤسسية، والملكية الأجنبية، والملكية الحكومية. استخدمت هذه الدراسة الإحصاء الوصفي وتحليل الارتباط والانحدار المتعدد وتحليل التباين لاختبار بيانات الدراسة. وقد دلت نتائج الدراسة على وجود أثر سلبي هام للملكية العائلية والملكية الأجنبية على الإفصاح عن المسؤولية الاجتماعية للشركة، وأثر سلبي هام للملكية المؤسسية على الإنفاق على المسؤولية الاجتماعية للشركة. كما أشارت نتائج تحليل الانحدار إلى وجود أثر إيجابي هام لحجم الشركة على الإفصاح عن المسؤولية الاجتماعية.

واستنتج الباحثان بشكل عام أن لأنواع الملكية المختلفة آثاراً متباينة على مدى التزام الشركة بالمسؤولية الاجتماعية.

الكلمات الدالة: الإفصاح عن المسؤولية الاجتماعية، الملكية العائلية، الملكية غير العائلية، سوق عمان المالي.

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INTRODUCTION

The relationship between business organizations and society arose with a lot of concern about the overall impact of firms' activities on society. To achieve sustainable socio-economic development, entities have to increase focus on areas, such as: environment, energy, fair business practices, human resources, community involvement and products (Ernest and Ernest, 1978), which led to a growing interest in corporate social responsibility (CSR) reporting.

Corporate social responsibility reporting is a way of communicating the corporate activities, objectives and image, especially in relation to environment, society, employee and customer issues (Gray *et al*., 2001). This tool is used to enhance the firm's position and image, reduce information misunderstanding between the firm's managers and their stakeholders and promote customer, community and government relations (Cormier *et al*., 2011). Reporting on corporate social responsibility activities is increasingly becoming vital for businesses to show their commitment to environmental and social issues (Adams, 2004). One of the factors that have a major influence on CSR reporting is the amount of CSR spending by the entity; the higher the spending, the higher the demand for information about the CSR activities entertained by the entity, hence the support for the entity's image (Hafij Ullah, 2015).

The ownership type of an organization (e.g. family ownership or non-family ownership, such as: institutional, foreign, managerial, government,… etc.) is known to highly affect the level of corporate social responsibility reporting and spending. Specifically, Cormier and Gordon (2001) concluded that institutional investors traditionally care about investee financial and non-financial performance, including social reporting. Managerial owners are best informed about the firm's condition.

They have the power to influence its operating and financial policies, including the decision to serve the community. Soliman *et al*. (2012) found that foreign investors are likely to be less enthusiastic about serving the local community and meeting its social needs. Therefore, since different owners may have different objectives and decision-making horizons, it is worthwhile to study the relationships between the different types of ownership and the extent of firm's social responsibility engagement, as this relation has not been the subject of adequate research in the Middle East region in general and in Jordan in particular. This was a major motive to the authors to focus on this issue, hoping that the research results will be helpful to financial statement users and business regulators in Jordan.

To the authors' best knowledge, not many studies on CSR activities in Jordan are as comprehensive as this study, in terms of corporate ownership types examined, fields of CSR activities considered and sample firm sectors covered in one study.

In fact, no single study on the issue of CSR spending (which is more important than mere reporting corporate concern about its social responsibility) has been conducted in Jordan. Thus, this study is different from previous studies conducted in Jordan in terms of its comprehensiveness and uniqueness in covering the issue of CSR spending.

Study Problem

Only few studies have examined the impact of corporate ownership structure on CSR reporting and even fewer studies, if any, have examined the impact of ownership structure on CSR spending in Jordan. Although considerable attention has been given to this issue in developed economies, the results of research in this field are mixed. Some researchers found a positive relationship between CSR reporting and some types of non-family ownership, e.g. institutional and/or foreign ownership (Soliman *et al*., 2012; Majeed *et al*., 2015; Muttakin and Subramanian, 2015; Al Khalaileh and Almasri, 2016). On the other hand, Li and Zhang (2010) and Nurhayati *et al*. (2016) found an insignificant positive association between institutional ownership and corporate social reporting, while Dam and Scholtens (2012) found institutional investors to be neutral regarding CSR reporting. Furthermore, Panicker (2017) found that family owners care about CSR reporting, while Garcia *et al.* (2017) found a negative relationship between family ownership and CSR reporting. These mixed results and the scarcity of such research in the Middle East region in general and in Jordan in particular, especially when it comes to disclosing financial numbers (amounts) spent on CSR activities, motivated the authors to study this relation in Jordan and clarify the connection between corporate ownership type and CSR reporting and spending, hoping that the results will be taken into consideration when revising Jordan business regulations (such as Jordan Companies Law, Corporate Governance Code and Disclosure Requirements), as some countries have revised their companies acts and obligated firms to spend a minimum percentage of their net income on CSR activities; India for example. The main question of this research is as follows:

Is there a relationship between corporate ownership structure and CSR reporting and spending?

This study updates research on CSR disclosure level and practices in Jordan and fills the gap concerning CSR spending research. Its findings should have important practical implications as follows: First, to investors, especially those who care about business role in society; the so- called "social investors" who may find it useful as it provides an analysis of the relationship between ownership type and the level of CSR practice. Second, to the Capital Market and Securities Authorities that may find it useful in improving CSR disclosure regulations and practices. Third, to sample firms that may find it useful in realizing where they stand when it comes to serving community and the environment, as well as in revising their CSR disclosure guidelines. Finally, the study results may be useful to government officials and legislators who may think of imposing a minimum amount or percentage of corporate net income to be spent on social activities similar to India for example (Venugopal and Krishnan, 2010).

This study focuses on four major dimensions of CSR disclosure: environment, human resources, products and customers and community. These dimensions are the main components of CSR reporting (Gray *et a*l., 2001) and more information is available on them compared to other dimensions.

Theoretical Background and Previous Studies

There is no common definition of CSR reporting. The Global Reporting Initiative (GRI) (2006) states that CSR reporting is "the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development". Epstein & Buhovac (2014) argued that social responsibility reporting can be considered as being the most successful strategy that can make any organization in the world become acceptable before the eyes of the society. According to Kotonen (2009), companies understand responsibility as a duty to act responsibly towards their stakeholders and CSR reporting as a response to stakeholders' expectations and demands.

Listed companies are typically large in size, well financed and run by professional management teams. A professional management team is normally well educated and experienced. Managers understand the basic objectives of shareholders and try to balance between the financial and non-financial goals of the firm, including CSR expenditures on social responsibilities. The increase in expenditures to enhance the social responsibilities of corporations suggests that managers find an economic benefit from this spending, especially considering that the basic financial objective of a corporation is to maximize its shareholders' wealth.

India is a leading country in the world in declaring CSR as mandatory and forcing companies to invest in sustainability social programs. Indian companies are required to spend at least 2 % of their average net profit of the last three financial years on social development and the environment (Panicker, 2017; Venugopal and Krishnan, 2018).

A good number of Jordanian companies take their social responsibility seriously and spend a good portion of their net income on different aspects of this responsibility. For example, a CSR program has been launched by the Arab Bank in 2009 in collaboration with various non-governmental organizations (NGOs), which aims at supporting the community in four main areas: health, poverty alleviation, environmental protection and education and orphan support. The total donations by the Arab Bank for this program during 2017 was 4.47% of its net income and 3.98% in 2018 (Arab Bank Annual Reports, 2017 and 2018). Similarly, the Arab Aluminum Company donated 1.8% of its net income in 2017, the Jordan Kuwait Bank donated 2.89% of its net income in 2017 and 2.1% in 2018, the Arab Potash Company donated 8.74% of its net income in 2017 and 7.74% in 2018, the Jordan Petroleum Refinery donated 7.56% of its net income in 2017 and 1.95% in 2018 and the Arab Company for Electrical Industries donated around 10,000 Jordanian Dinars in 2017 although it suffered losses of 883,627 Jordanian Dinars in the same year. It is worth mentioning that the decline in the percentages of donation in 2018 observed above is the result of increases in the net incomes for the same companies in 2018.

Literature Review

Suwaidan *et al.* (2004) examined social responsibility disclosure practices by Jordanian industrial companies. They identified the role of certain company characteristics in explaining the variation in social responsibility disclosure. The data of the study was collected from 65 industrial companies` annual reports. Using regression analysis, the authors found that the average company disclosed approximately 13% of social responsibility items and that firm size, profitability and risk were positively associated with the disclosure of social responsibility information.

Rizk *et al.* (2008) examined the corporate social and environmental reporting practices of Egyptian companies. A 34-item disclosure index covering environmental, energy, human resources, customer and community involvement was used to rank corporations. The results for the 2002 financial year revealed significant differences in reporting practices among companies of nine industry segments. Findings of this research also lend support to the significance of ownership structure on CSR disclosure.

Karagiorgos (2010) explored the relationship between CSR and firms' financial performance in Greece, relying on stakeholder theory. He tried to find out whether an improvement in CSR results in higher stock returns. Using voluntary disclosures by a sample of Greek companies, the findings showed that there is a positive correlation between stock returns and CSR performance.

Soliman *et al.* (2012) investigated the effect of ownership structure on CSR responsibility in Egypt, using a sample of 42 companies over the period (2007-2009). The study used a regression model to determine the relationship between variables and found that ownership structure has significant impacts on a firm's CSR engagement. Specifically, the study found a significant positive association between CSR and ownership by foreign investors and institutions and a negative association between CSR and managerial ownership.

Al Khalaileh and Almasri (2016) examined the association between corporate social responsibility disclosure and ownership structure for 82 non-financial companies listed in Amman Stock Exchange over the period (2008-2012). The study used correlation and multiple regression analyses to test the data. Results showed that government and foreign ownerships are positively associated with firms' CSR activities, managerial ownership is negatively associated with firms' CSR activities and institutional holding is negatively associated with CSR disclosure. In addition, the results revealed a positive association between CSR disclosure and both firm size and firm age.

Dharmapala and Vikramaditya (2016) analyzed CSR reporting activity using a quasi-experimental variation created by Section 135 of India's Companies Act of 2013, on firms satisfying specific size or profit thresholds by spending a minimum of 2% of their net profit on CSR activities. The study examined the impact along a number of different dimensions, including firm value and CSR spending. The authors used financial statements and stock prices data on Indian firms and employed a regression analysis with event study. The findings showed a substantial negative impact on the value of affected firms. Firms that initially spent less than 2% of their net profit have increased their CSR activity, whereas large firms initially spending more than 2% of their net profit reduced their CSR expenditures after Section 135 came into effect.

Dam and Scholtens (2012) examined the impact of ownership types on CSR, using data for more than 600 European firms from 16 countries and 35 industries for the year 2005. The results indicate that ownership by employees, individuals and firms is associated with poor corporate social policies. However, ownership by banks, institutional investors and the state appear to be neutral.

Kiliç *et al.* (2015) analyzed the nature, extent and impact of ownership and board structures on CSR reporting in the Turkish banking industry. The methodology used was content analysis and the sample consisted of 25 banks for the period (2008 - 2012). The results showed that CSR reporting by banks improved during the study period. The findings also revealed that there is a significant positive effect of size, ownership diffusion, board composition and board diversity on CSR disclosure by banks.

Muttakin and Subramanian (2015) examined whether the extent and type of corporate social responsibility (CSR) disclosures made by Indian public listed companies are associated with firm ownership and board characteristics. The sample used in this study was based on the top 100 companies listed in the Bombay Stock Exchange for the period (2007-2011), using a 17-item CSR disclosure measure. The findings showed that CSR disclosure is positively associated with foreign ownership, government ownership and board independence, while it is negatively associated with CEO duality.

Panicker (2017) focused on the association between different ownership categories and corporate social responsibility (CSR) spending of selected Indian firms and considered the role of heterogeneities of institutional investors in influencing CSR spending of emerging-economy firms. The sample consisted of 1722 publicly listed Indian companies (making a panel of 4,388 firm - year) for the period (2014-2016). The findings indicated that different categories of institutional investors have different preferences for CSR spending of a firm. This study underlined the major differences between a family or corporate as a promoter and a group of individuals as

promoters. Because a family or business group is inter-linked with the society since its conception, it comes under the pressure of this society to involve themselves in social investments.

García *et al.* (2017) hypothesized that family control and influence increase CSR reporting. However, the results contradicted with this prediction. Panel data analysis for a sample of Spanish non-financial listed companies suggests that family ownership has a negative impact on CSR reporting, but the presence of a second significant shareholder may moderate this negative impact. In addition, the identity of the second significant shareholder seems to matter. Foreign investors may reduce the negative influence of family ownership, but other families may increase the negative impact of family governance and of the combined impact of family ownership on CSR reporting.

Research Hypotheses

According to the theoretical framework and literature review of the study, the next two hypotheses are developed:

H01: There is no impact of ownership type on Corporate Social Responsibility reporting (CSR reporting) by Jordanian listed companies.

H02: There is no impact of ownership type on Corporate Social Responsibility spending (CSR spending) by Jordanian listed companies.

Research Methodology

Population and Sample

The population of the study consists of all companies listed in Amman Stock Exchange; a total number of 216 corporations disclosed their social activities and/or spending over the period from 2011 to 2015. Such disclosures are placed in different parts of the annual reports of the different companies, but mostly in the notes to financial statements.

The sample of this study consists of the highest spending companies in terms of the percentage of net income spent on donation and other social activities serving employees, community, products and customers and the environment, in each ownership category; family and non-family types: institutional, foreign and government. All companies were ranked in terms of their spending percentages. Similar to Hamdan *et al*. (2011), if the company spending falls above the median of spending percentage by population companies (which is an average of 0.8% of the net income), it is included in the sample. The final sample consists of 61 companies: 13 banks, 18 manufacturing companies, 23 services companies and 7 insurance companies over the study period (2011-2015).

As a content analysis study, its main source of information is the annual reports of the sample companies. In order to measure the extent of CSR reporting and spending, the annual reports of listed companies on Amman Stock Exchange website were surveyed looking for social information and amounts spent for that purpose.

Variables of the Study

Ownership Types

Typical studies on corporate social responsibility emphasize normal corporate features as factors that influence disclosure and spending levels on social responsibility. Not much research paid attention to an important feature that is corporate ownership type and its impact on CSR reporting and spending. Ownership type doesn't mean the total ownership of corporate capital (common shares). Rather, the ownership of a good percentage of corporate capital, which could be as small as 5%, can be influential. A greater percentage of ownership would normally be more influential, but 5 % or more in one hand with the rest of corporate shares dispersed among a very big number of stockholders signifies the impact of the 5% ownership in one hand on the level of CSR reporting and spending. Claassen *et al.* (2000), who studied the separation of ownership and control in East Asian family companies, established 5 % as the minimum ownership participation to characterize a company as a family-owned company. Karathanassis and Chrysanthopoulou (2005) used average minimum 5% ownership of corporate equity to determine the ownership type as family, institutional, foreign or government ownership.

Based on the Jordanian Corporate Governance Code, a company's annual report must include a list of all big stockholders and their share holdings. So, if a family owns 5% or more of the total outstanding common shares, the company is considered a family- owned company. Similarly, if an institution owns 5% or more of the total outstanding common shares of a company, it is considered an institution-owned company. Foreign ownership and government ownership are identified in a similar manner.

Based on such cut-off point of ownership, we could identify the following corporate ownership types in the sample companies.

Family Ownership

A family business is defined as" one in which members of one or more families participate significantly in its capital, assume managerial responsibilities and intend to pass the business on to future generations " (Astrachan *et al.*, 2002, p.45). Panicker (2017) concluded that family owners link themselves with society and come under pressure to involve in societal investment.

Non- family Ownership Types

Several non-family ownership types are identified in the accounting literature. As mentioned before, this study focuses on the following non-family ownership types: institutional, foreign and government ownerships. A brief explanation of each of them is shown below.

Institutional ownership refers to an institution owner, such as: a bank, an insurance company or an investment fund, which owns a relatively big percentage (not less than 5 %) of the common shares of a corporation. Institutional investors, as majority shareholders, can influence the management for disclosing more social information (Naser *et al.*, 2006).

Foreign ownership refers to a large proportion of corporate shares being owned by a foreign investor. Many foreign shareholders are likely to be multi-national businesses that have invested in local firms and may therefore hold different values and wider knowledge of CSR due to their foreign market exposure. Soliman *et al.* (2012) and Al Khalaileh and Almasri (2016) found a significant positive relationship between foreign ownership and CSR activities.

Government ownership refers to the government owning a relatively big percentage of corporate common shares. As a government body is politically sensitive and trusted by people, it has to create more pressure on the company for disclosing information related to stakeholders and the public interest in general. Muttakin and Subramaniam (2015) found a positive relationship between government ownership and CSR disclosure.

The dependent variable is measured in two ways or forms: Corporate Social Responsibility reporting (CSR reporting) and Corporate Social Responsibility spending (CSR spending), which are explained and measured as follows:

Corporate Social Responsibility Disclosure Index

For CSR reporting measurement, the current research relied on a CSR index developed by drawing on previous studies, such as: Ismail and Ibrahim (2009), Hassan (2010), Branco and Delgado (2011) and Rizk *et al.* (2008). A CSR index (shown in Appendix A) is used to measure the first form of the dependent variable (CSR reporting) through reviewing the annual reports of the sample companies, looking for CSR reported items. This enabled the researchers to calculate a CSR reporting score for each sample company. As Elinda and Ghazali (2012) justified, each CSR reporting disclosure item is equally weighted, as the study is not examining the importance or relevance of the items to any particular user-group. This means that if an item in the index checklist is disclosed in the annual report of the company, a score of 1 it is awarded; if not, a score of 0 is recorded. The total number of items disclosed was then divided by the maximum possible number of items in the index (17) to arrive at the CSR reporting score (a content analysis approach). The index consists of most important dimensions of CSR reporting debated in the literature and may be able to capture the full picture of CSR reporting. These dimensions are: environment, human resources, products and customers and community, making an index of 17 points, as shown in Appendix (A) and explained next in some detail.

The environment disclosure part of the CSR reporting index consists of four items that highlight the company' activities related to the environment. These activities include: environmental policy statement, environmental goals and targets, general environmental considerations (noise, air, water, visual quality), environmental aesthetics (designing facilities harmonious with the environment, landscaping) and contributions in terms of cash or art/sculptures and tree plantation (Soliman *et al*., 2012).

The human resources disclosure part of the CSR reporting index includes activities related to training programs, employee profiles, employee remuneration and benefits and employee health and safety (Hanafi, 2008).

The products and customers part includes four items related to: product quality, service development and research, customer satisfaction and feedback complaints and customer awards (Rizk *et al*., 2008).

The community disclosure part includes five items related to: support of education, donation to community activities, sponsoring sporting projects, sponsoring conferences and seminars and sponsoring public health projects.

Corporate Social Responsibility Spending Measurement

Prior research has not focused much on corporate social responsibility spending as it should have been. In this study, social responsibility spending is measured directly by reading the amounts from annual reports and calculating the percentage (from the net income) spent as donations to and sponsoring of social activities by Jordanian companies.

Control Variables

According to the majority of previous studies relevant to the present one; for example, Al Khalaileh and Almasri (2016), it has been found that firm size and profitability are two of the most important control variables of CSR reporting. Firm size is important, because big firms are more visible to community leaders, politicians and legislators who expect big firms to be socially responsible. Furthermore, large firms are more capable of spending on their social responsibilities than smaller ones (Karagiorgos, 2010). Firm profitability is also an important factor in a firm's social performance, because profitable firms are more able to justify spending on their social responsibility programs compared to less profitable ones (Suwaidan *et al.*, 2004; Al Khalaileh and Almasri, 2016). Therefore, this study uses firm size and profitability as control variables. Similar to the above mentioned studies, corporate size is measured by the natural logarithm of total assets, while profitability is measured by the return on assets (ROA) computed as net income/total assets.

Regression Models

The study uses regression analysis to test the impact of the independent and control variables on the dependent variables measured once as the overall corporate social responsibility reporting score (CSR Reporting), and another time as the overall corporate social responsibility spending percent of net income (CSR spending), as follows:

$$\text{CSR Reporting}_{it} = \beta0 + \beta1\ CFO_{it} + \beta2\ FO_{it} + \beta3\ IO_{it} + \beta4\ GO_{it} + \beta5\ FS_{it} + \beta6\ FP_{it} + \varepsilon_{it} \quad (1)$$

$$\text{CSR Spending}_{it} = \beta0 + \beta1\ CFO_{it} + \beta2\ FO_{it} + \beta3\ IO_{it} + \beta4\ GO_{it} + \beta5\ FS_{it} + \beta6\ FP_{it} + \varepsilon_{it} \quad (2)$$

where:

CSR Reporting_{it}: Corporate social responsibility reporting (score).

CSR Spending_{it}: Corporate social responsibility spending (percent of net income).

CFO_{it}: Family ownership percentage.

FO_{it}: Foreign ownership percentage.

IO_{it}: Institutional ownership percentage.

GO_{it}: Government ownership percentage.

FS_{it}: Firm size (natural logarithm of the total assets) (NL).

FP_{it}: Firm profitability (ROA).

E_{it}: Error term.

ANOVA analysis has been used to measure the differences in social reporting score and social spending percentage among the different types of corporate ownership.

Results and Analysis

Table (1) shows the descriptive statistics of the study variables, which include the minimum, maximum, mean and standard deviation.

Table (1): Descriptive statistics of the study variables

Variable	**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Family Ownership	305	0.000%***	100.000%	19.357%	24.705%
Foreign Ownership	305	0.000%***	90.820%	15.806%	23.856%
Institutional Ownership	305	0.000%***	86.000%	28.015%	23.631%
Government Ownership**	305	0.000%***	27.000%	1.697%	6.084%
Size (NL)	305	6.639	10.413	7.995	0.874
ROA	305	-35.280%	31.470%	3.500%	7.030%

CSRV Reporting Score	305	41.180%	100.00%	74.214%	16.445%
CSR Spending	305	-15.600%*	43.200%	2.662%	5.158%

* Indicates that some companies spent on CSR although they reported net losses.

** The government average ownership is below 5%; the cut-off point. However, because some corporates reflect government ownership of 5% or more, the variable is left in the model.

*** A company does not necessarily have all types of ownerships.

It appears from the table that CSR reporting score varies from 41.18% to 100%, with a mean of 74.214% and a standard deviation of 16.445**%**. This is a relatively high average reporting score compared to previous findings (e.g. Suwaidan *et* al., 2004, who found an average reporting score of 13% and Abu Farha and Al Khalaileh, 2016, who found an average reporting score of 32%), although the standard deviation for this average is as well high.

The average corporate social spending (CSR spending) is 2.662% of the net income. This average is reasonable, given that India is probably one of a few countries in the world that obligate corporations to spend at least 2% of their average net profit over the past three years.

It also appears from the table that family ownership average is 19.357% of corporate common equity with a standard deviation of 24.705%, while foreign ownership average is 15.806% with a standard deviation of 23.856%. The table information also shows that, nearly 28% of the sample firms' share capital is owned by institutional investors, which is the highest ownership type among the different types of ownership with a standard deviation of 23.631%. Finally, government ownership represents the smallest ownership type with an average of 1.697% with a standard deviation of 6.084%. It is worth mentioning that the size (or percentage) of ownership types over the last decade or so in listed Jordanian firms didn't change much. For example, Abu-Serdaneh *et al.* (2010), using (2002-2006) data, found that institutional ownership is 28% and foreign ownership is 14% in listed manufacturing firms. Furthermore, Al-Sharif *et al.* (2015) found that most of listed firms in Amman Stock Exchange have a highly concentrated ownership structure with families and intuitions being the largest owners, which is still true until today as the present study found.

Correlation Analysis

The correlation analysis for model (1) variables is shown in Table 2. This analysis is important, since it shows whether there is a statistically significant relationship between the independent and dependent variables. It represents an initial indicator of whether regression analysis will be useful.

It can be seen from Table (2) that family ownership has the highest significant negative correlation with CSR Reporting (r = -0.317, sig. at 0.01), while foreign and government ownership types have lower positive correlation with CSR Reporting (r = 0.132 and 0.136, respectively) and are both significant at 0.05. Size also has a significant positive relationship with CSR Reporting. Most importantly, the results of the correlation show that there is no high correlation among the independent variables. This is a good indicator of the non-existence of multicollinearity problem in the regression model.

Table (2): Pearson correlation for corporate social responsibility reporting

	CSR Reporting	Family Ownership	Foreign Ownership	Institutional Ownership	Government Ownership	Size
Family Ownership	-0.317**					
Foreign Ownership	0.132*	-0.401**				
Institutional Ownership	-0.004	-0.379**	-0.373**			
Government Ownership	0.136*	-0.219**	0.184**	-0.07		
Size	0.660**	-0.348**	0.404**	-0.152**	0.236**	
ROA	-0.049	-0.058	0.045	0.123*	0.034	-0.035

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

Table 3 shows the Pearson correlation for corporate social responsibility spending.

It appears from the table that institutional ownership is the only variable that has a significant but negative relationship with CSR Spending (r = -0.127, sig. at 0.05). Also, the results show that the correlations among the independent variables are not high and there is no need for multicollinearity diagnosis.

Table (3): Pearson correlation for corporate social responsibility spending

	CSR Spending	Family Ownership	Foreign Ownership	Institutional Ownership	Government Ownership	Size
Family Ownership	0.073					
Foreign Ownership	-0.01	-0.401**				
Institutional Ownership	-0.127*	-0.379**	-0.373**			
Government Ownership	0.036	-0.219**	0.184**	-0.07		
Size	-0.047	-0.348**	0.404**	-0.152**	0.236**	
ROA	-0.029	-0.058	0.045	0.123*	0.034	-0.035

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

Inferential Statistics

Before running multiple regression for inferential statistics purposes, several assumptions of the regression must be met. One important assumption is the normality test, which is examined as follows.

Normality Test. Normality test is used to examine whether the data is normally distributed, in order to make sure that the sample is representative of the population. Skewness and kurtosis tests are used; if the absolute value of skewness is lower than (2) and kurtosis is lower than (7), this indicates that the sample is close to being normally distributed (West *et al.*, 1995). Table 4 shows the normality test results of the data. It is evident that all the absolute values of skewness of the variables are less than (2) and all the kurtosis values are less than (7). Therefore, the variables are close to be normally distributed.

To examine the first main hypothesis, multiple regression is used and the results are shown in Table 5 as follows: F-value for the model is 46.396, which is significant at 0.000. This means that the ownership type has a significant impact on CSR reporting. The multiple correlation coefficient R= 0.695, which indicates that there is a positive strong relationship between CSR reporting and ownership type. Adjusted R square (0.473) is a corrected goodness-of-fit (model accuracy) measure for the linear model. It identifies the percentage of variance in the dependent variable that is explained by changes in the independent variables. That is; ownership type along with the control variables explain approximately 47% of the variations in CSR reporting.

Looking at the results at the level of each ownership type, we can observe the following result: Family ownership has a significant negative impact on CSR reporting (t = - 3.572, sig. at 0.000). That is; family ownership lowers CSR reporting by 0.146 if it increased by 1%, holding other variables constant. This result is consistent with that of Garcia *et al.* (2017).

Table (4): Skewness and kurtosis tests

Study variables	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Family Ownership	1.617	0.140	2.272	0.278
Foreign Ownership	1.701	0.140	1.827	0.278
Institutional Ownership	0.637	0.140	-0.666	0.278
Government Ownership	-1.108	0.140	-0.520	0.278
Size	0.778	0.140	-0.398	0.278
ROA	0.986	0.140	6.999	0.278
CSR Reporting (score)	-0.333	0.140	-0.769	0.278
CSR Spending (percentage)	0.598	0.140	2.805	0.278

Table (5): Multiple regression analysis for CSR reporting

Variable	**Coefficient**	**T- value**	**Sig.**
Constant	-0.209	-2.661	0.008
Family Ownership (CFO)	-0.146	-3.572	0.000
Foreign Ownership (FO)	-0.175	-4.317	0.000
Institutional Ownership (IO)	-0.055	-1.327	0.185
Government Ownership (GO)	-0.085	-0.720	0.472
Size (FS)	0.128	14.215	0.000
ROA (FP)	-0.035	-0.354	0.723
Model Adj. R^2 = 0.473	**F. value =46.396**		**Sig.= 0.000**

Foreign ownership also has a significant negative impact on CSR reporting (t = -4.317, sig. at 0.000). Foreign ownership lowers CSR reporting by 0.175 if it increased by 1%, holding other variables constant. This result is inconsistent with that of Soliman *et al.* (2012), Muttakin and Subramanian (2015) and Al Khalaileh and Almasri (2016), who found a positive significant association between foreign ownership and CSR reporting. Institutional ownership, government ownership and profitability have no significant impact on CSR reporting. The result, with regard to institutional ownership, is consistent with that of Dam and Scholtens (2012) and Al Khalaileh and Almasri (2016). However, with regard to profitability, the result is inconsistent with that of Al Khalaileh and Almasri (2016), who found a positive impact for profitability on CSR reporting. Finally, the results show that company size has a significant positive impact on CSR reporting (t = 14.215, sig. at 0.000). This result is consistent with that of Suwaidan *et al.* (2004), Ismail and Ibrahim (2009), Kilic *et al.* 2015) and Al Khalaileh and Almasri (2016). Overall, hypothesis 1 can be rejected for family and foreign ownerships only and accepted for institutional and foreign ownerships.

Table 6 shows the multiple regression results using CSR spending as the dependent variable. The multiple correlation coefficient (R) is 0.158. This indicates that there is a positive weak relationship between ownership type and CSR spending. Adjusted R square is very low (0.005). That is; ownership type almost has no effect on the variations in CSR spending. The results show that the model F-value (of 1.269) is insignificant (sig. = 0.271). Further, the results show that institutional ownership is the only variable that has a significant negative impact on CSR spending (t = -2.076, sig. at 0.039). That is; an increase in institutional ownership by 1% decreases CSR spending by 0.037. All other ownership variables: family, foreign and government ownerships, as well as control variables (size and profitability), have no significant impact on CSR spending. The result with regard to family ownership is inconsistent with that of Panicker (2017), who found that family owners involve themselves with social investment. Overall, the second hypothesis can be rejected with regard to institutional ownership alone and accepted for family, foreign and government ownerships.

ANOVA ANALYSIS

As a further analysis, Table 7 shows the results of ANOVA for CSR reporting based on different ownership types. The table shows that F-value

=19.390, which is significant at 0.000 level. This indicates that there are statistically significant differences in CSR Reporting attributed to differences in ownership types.

Table (6): Multiple regression analysis for CSR spending

Variable	**Coefficient**	**T- value**	**Sig.**
Constant	0.073	2.148	0.033
Family Ownership (CFO)	-0.007	-0.376	0.707
Foreign Ownership (FO)	-0.014	-0.809	0.419
Institutional Ownership (IO)	-0.037	-2.076	0.039
Government Ownership (GO)	0.038	0.754	0.451
Size (FS)	-0.004	-1.045	0.297
ROA (FP)	-0.008	-0.181	0.856
Model Adj. R^2 = 0.005	**F- value =1.269**		**Sig.= 0.271**

Also, Table 8 reports the ANOVA analysis results for CSR spending. The table shows that F-value = 0.346, which is statistically insignificant. This indicates that there are no significant differences among sample companies in CSR Spending attributed to ownership type.

Table (7): ANOVA for CSR reporting

	Sum of Squares	**DF**	**Mean Square**	**F**	**Sig.**
Between Groups	0.936	*2	0.468	19.390	0.000
Within Groups	7.286	302	0.024		
Total	8.222	304			

* Because average government ownership is small (1.697%), it is excluded from this analysis and DF becomes 3 (4-1) instead of 4.

Table (8): ANOVA for CSR spending

	Sum of Squares	**DF**	**Mean Square**	**F**	**Sig.**
Between Groups	0.002	2	0.001	0.346	0.708
Within Groups	0.807	302	0.003		
Total	0.809	304			

Summary and Conclusions

The aim of this study is to empirically investigate the impact of ownership type on corporate social responsibility reporting and spending in Jordan as one of the developing countries. The study used a sample of sixty-one active companies. We hypothesized that different types of ownership (shareholders) may have distinct motivations towards the company's CSR engagement (whether in the form of reporting or spending). There has been a good number of studies on the level of CSR reporting by Jordanian authors. For example, Suwaidan *et al. (*2004) reported a disclosure level of 13% and Abu Farha and Al Khalaileh (2016) reported a disclosure level of 32%, while this study found a disclosure level of 74% (using a 17-point disclosure index), which indicates a big improvement in CSR reporting. The study has found variations among sample companies when it comes to CSR disclosure level (score). This is consistent with some previous studies (namely, Suwaidan *et al*., 2004 and Abu Farha and Al Khalaileh, 2016). Also, the study has found a negative impact of some ownership types, specifically family ownership, on CSR reporting, which is consistent with García *et al*. (2017). This result, if persists (confirmed in future studies) should be important to corporate regulators, because it reflects a clear un-desire on the part of family owners to report on their engagement in social activities. It may also indicate lower concern for their social commitment. The results also reflect a negative impact of foreign ownership on CSR reporting, which is inconsistent with Soliman *et al*. (2012), Muttakin and Subramanian (2015) and Al Khalaileh and Almasri (2016). On the other hand, the study has revealed that institutional ownership has a significant negative impact on CSR spending, which is inconsistent with some previous studies (e.g., Panicker, 2017).

Furthermore, regression analysis of the study data identified company size to have a significant positive impact on social responsibility reporting, which is consistent with Suwaidan *et al*. (2004), Ismail and Ibrahim (2009), Kilic et al. (2015) and Al Khalaileh and Almasri (2016). This is an expected result, since big businesses can afford the cost of diversified reporting; however, one would like to see more concern by such big businesses about the economic side of social activities (spending), which is not the case by Jordanian companies.

The results above imply that investors vary in their attitudes toward CSR engagement and the level of reporting they wish to see. Corporate regulators should take into consideration this issue as well as the possible interaction between different groups of investors regarding corporate policy toward CSR reporting and spending. No single group of investors should be allowed to reverse the direction of corporate care for its society, environment, human resource and products and customers, simply because the company doesn't do that for nothing. It will rather harvest society acceptance and blessing, which will lead to more demand for its products and services and reflect in business performance improvement in the long run.

Regardless of what is mentioned above, a word of caution should be present here because of the continuing mixed results of corporate social engagement studies and thus, further studies must be conducted on what actually drives corporate behavior toward CSR reporting and spending. For example, the impact of managerial ownership as well as corporate governance level in the company may be useful factors in explaining corporate social engagement behavior. Furthermore, repeating the study in broader sense may be useful to judge the role of family ownership in business social engagement.

Several limitations faced this study and called for caution in interpreting its results. First, the study did not cover all aspects of CSR; i.e., energy and fair business practices were not covered due the limited disclosures on them in listed Jordanian corporate annual reports, but an attempt should be carried out in future studies to focus on these items of CSR. Second, there was no uniform format (or location in the annual reports) followed by all sample companies when disclosing their CSR information, which is an issue that should be tackled by corporate regulators. We hope that sample companies find the study results of interest to them in order to manage their CSR disclosure efficiently.

Appendix (A): CSR reporting index*

Environment
1- ENV1 Environmental policy statement 2- ENV2 Environmental goals and targets 3- ENV3 General environmental considerations (noise, air, water, visual quality) 4- ENV4 Environmental aesthetics (designing facilities harmonious with the environment, landscaping, contributions in terms of cash or art/sculptures, tree plantation.
Human Resources
5- HR1 Employee health and safety 6- HR2 Employee training 7- HR3 Employee profiles 8- HR4 Employee remuneration and benefits
Products and Customers
9- PR1Service quality 10- PR2 Consumer awards 11- PR3 Service development and research 12- PR4 Customer complaints/feedback/satisfaction
Community
13- COM1 Support for education 14- COM2 Donations to community activities and charitable bodies 15- COM3 Sponsoring sporting projects 16- COM4 Sponsoring conferences and seminars 17- COM5 Sponsoring public health projects

* Source: The Roberts Environment Center (Pacific Sustainability Index Score, 2006).

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