

A Preliminary Investigation on the Use of the Internet for Business Reporting: A Case of Companies Listed on Amman Stock Exchange (ASE)

*Mahmoud Alkhalaileh, Rashid Al-Qenae and Hanan Abu Farha **

ABSTRACT

The purpose of this study is to examine the extent to which companies listed in ASE use the Internet to disclose business and financial information. This issue should be of considerable interest to policy makers as well as foreign and local investors. With globalization and the tendency of many emerging economies, including Jordan, to relax restrictions on foreign investment, the need for electronic disclosure of business information becomes more warranted to ease accessibility of financial data and to provide investors, especially foreign investors, with timely and less costly information. The study findings indicate that only 82 of the 183 companies (44.8%) have Websites. Compared to other sectors, the banking sector is a leader in using electronic disclosure where 16 out of the 17 banks covered by the study have Web sites. Further examination of the Web sites indicates that banks' web-sites tend to be investors as well as customers oriented and disclose more financial information on the Web than other companies. Most other companies' web-sites in the remaining sectors are customer-oriented and in general did not disclose annual report data. Company size and foreign investors' share in company capital are positively associated with the availability of Website. However, the study failed to provide evidence supporting the association between these two variables and the extent of financial information disclosed on the Web.

Key Words: Internet Business Reporting, ASE, Jordanian companies.

INTRODUCTION

The purpose of this study is to examine the extent to which companies listed in ASE use the Web to disclose business and financial information. Before the rapid development and large dissemination of Internet technology worldwide, most research efforts in the disclosure literature had focused on paper-based financial reporting, in particular, the paper-based annual report. Disclosure issues related to the paper-based reporting have been extensively examined by many studies in both developed (i.e. Japan: Cooke, 1991) and developing economies (i.e. Bangladesh: Ahamad and Nicolles, 1994), including Jordan (i.e. Naser, 1998). With the rapid development and large dissemination of Internet technology worldwide during the last decade, many companies have used the Internet for business reporting in

general and financial reporting in particular. This development was accompanied or followed by several studies that examined issues related to this new disclosure practice. Most studies, in this line of research have examined the use of the Web for business reporting by corporations operating in developed economies (i.e. Louwers et al., 1996; Gowthorpe and Flynn, 1997; Mareston and Loew, 1998; Ashbaugh et al., 1999; Deller et al., 1999; Beattie et al., 2003). Our survey of the literature on Web-financial reporting reveals that little has been done to examine this issue in small emerging markets. This study intends to complement prior researches in Web business reporting by examining the use of the Internet for business reporting by Jordanian corporations.

The study is conducted over two stages. In the first stage, the exploratory one, we examine whether the Jordanian companies have their own well-developed Web-sites and then examine the nature of information disclosed in companies' web-sites (customer oriented or investor oriented). In the second stage, the empirical one, we try to obtain empirical evidence in support of the hypothesized relationship between some firms specific or

* Department of Accounting, University of Jordan (1&3); and College of Business Administration, Kuwait University (2). Received on 13/3/2004 and Accepted for Publication on 21/3/2005.

industry specific variables (i.e. company's size, industry membership and foreign investment) and the existence or the extent of business information disclosed on companies' Web-sites.

The issues examined by this study should be of a considerable interest to policy makers as well as local and foreign investors. The results of this study are expected to provide policy makers and investors, in particular, foreign investors with information on the level of E-disclosure of financial data by companies listed in ASE. The study findings may bring the policy makers' attention to the gaps and deficiencies in Web financial reporting for companies listed in ASE. Findings may also bring policy makers' attention to the importance of using the Web for financial reporting in providing investors, especially foreign investors, with timely and less costly information compared to paper-based disclosures. If policy makers take major steps to encourage or even force firms to improve the extent and the quality of disclosure of annual report and other value relevant information on the Web, this could help in reducing the cost of obtaining and analyzing financial data and therefore, improving financial market overall efficiency. This move by policy makers if undertaken, it will be also in line with other steps that have been undertaken by policy makers during the last decade to promote foreign and local investment and to provide highly favourable conditions for capital mobility. During the last decade, the Jordanian government paid more attention to the business and economic environments in general and to the foreign investment in particular, to improve the performance of the economy which suffers from serious set backs after the Gulf War II ended in 1991⁽¹⁾. The three major steps which have been undertaken by the government to improve the investment climate and to promote foreign investments are the adoption of the international accounting standard in 1990, the amendment of company Act in 1997 and the amendment of the Investment Promotion Law in 1998. A common motivation behind these steps is improving investment climate and promoting local and foreign investments. The amendment of Investment Promotion Law in 1998 involves major revisions to relax restrictions on foreign investment in an attempt to encourage foreign investment⁽²⁾. With globalization and the tendency of many emerging markets to relax restrictions on foreign investments and the increased interests by global investors in emerging economies⁽³⁾, examining the issue of E-disclosure of

financial information becomes even more warranted.

The remainder of the paper is organized as follows. Section two presents review of prior related studies in both print-based and Web-based disclosures literatures. Section three presents hypothesis development. Section four describes data, sample and methodology. Section five presents results and analysis of the empirical findings. Section six summarizes and concludes the study.

Prior Research

Prior to the rapid and accelerated development in internet technology over the last decade, the paper based-financial reporting (i.e. the annual report) had been the focus of most studies in the disclosure literature. Many of these studies have examined the quality of information disclosed in the corporate annual report in both developed (i.e. Japan: Cooke, 1991) and developing economies (i.e. Bangladesh: Ahamad and Nicolles, 1994), including Jordan (i.e. Naser, 1998). Studies in this line of research have used different expressions to measure the quality of disclosure such as the extent or the adequacy or the comprehensiveness of disclosure (Naser and Alkhatib, 2002: 123). Researchers in this line of research have developed arguments for several hypotheses about the relationship between the comprehensiveness or the extent of disclosure and certain firm, industry or environment specific variables, and try to obtain supporting empirical evidence. The set of variables examined by prior studies, in the area of paper-based disclosure includes: company's size (i.e. Ahamad and Nicholls, 1994; Cooke, 1991), industry (i.e. Wallace and Naser, 1995), exchange listing (i.e. Lang & Landholm, 1993), profitability (i.e. Owusu-Ansah, 1998), ownership structure (i.e. Owusu-Ansah, 1998) gearing ratio (i.e. Housini et al., 1994) and status of audit firm, big six vs. other audit firms, (i.e. Housini et al., 1994).

With the rapid development in internet technology during the last decade, a significant number of corporations worldwide have used the Web to disclose business information. Several studies have examined this corporate disclosure practice in well developed markets (i.e. Louwers et al., 1996; Gowtherpe and Flynn, 1997). An early study by Louwres et al. (1996) that examined the top 150 corporations in the Fortune 500, reports that 23% of the companies covered by their study disclosed almost all the information that usually disclosed in the paper-based annual report, 13% disclosed on the Web

only summary or portion of the annual reports, 28% did not disclose any financial information on the Web, and 35% of them were with no Web-sites. Gowtherpe and Flynn, (1997) examined the first 100 corporations on the Fortune 500 and found that 89% of them are with Web-sites. The study reports large differences in the extent of financial reporting among countries with significant representations in the Fortune 500. American companies have the most developed Web-site. Most of the French and Italian companies examined have Web sites; however, few of them provide any financial information.

Early studies on Web business reporting, including the aforementioned studies, indicate that USA companies were early adaptors of web-reporting and leaders in using electronic means (Internet) for business reporting in general and financial reporting in particular. A higher proportion of USA companies reporting on the Web than their counterparts in Europe. However, later studies indicate that this gap in Web reporting among countries has been diminished and the proportion of corporations using the Web for financial reporting has been increased in all countries with active capital markets and advanced communications network (IASC, 1999: 45). The level of adoption of Web for business reporting is rapidly increasing for European corporation. Reported in IASC (1999:46) the findings of Hussey et al. (1998) study, which examined disclosure by the largest 100 corporations (UK-FTSE 100). The study findings indicate that the proportion of companies using the Web for business reporting has increased from 54% in August 1998 to 63% in March 1999. The study also indicates that the extent of financial information disclosed has increased notably during the same period with 30% of the companies disclosed detailed financial statements on the Web. Dellar et al. (1999) examined the use of the Internet for financial reporting by the top 100 companies in the USA, UK, and Germany. They found that 90% of USA companies provide extensive financial information on the Web, with UK and German companies lagging behind. A comprehensive study by the IASC (1999) examined the extent and the comprehensiveness of Web-based reporting for 660 companies in 22 countries (in Europe, Asia-Pacific and North and South America). A survey was made of the 30 largest companies listed in Dow Jones Global Index for each of the 22 countries covered by the study. The study findings indicate that 86% of the corporations covered had Web-sites. 410 (62%) of them have disclosed some form of financial data on the Web.

Only 234 (35%) of them disclosed in-depth financial reports on their Web-sites in Hyper Text Manipulating Language (HTML), indicating a higher level of investment in making information available than merely by electronic paper (IASC, 1999, Ch3:59).

Several studies have examined the determinants of internet financial reporting. Debrecency et al. (2002) examined the presentation and contents of internet financial reporting of 660 large companies in 22 countries, to identify the determinants of internet financial reporting. The study's findings indicate that firm size, listing in USA stock exchanges and technology were the firm specific determinants of internet financial reporting. Another study by Nadine (2002) examined the extent to which the internet is used for financial reporting in Netherlands. The study's findings show that most of the large companies have Websites, and growing percentage of those companies is placing business reporting information, including financial data, on their sites. The study's findings also indicate that Dutch corporations vary not only in their stage of Web-utilization, but also in the depth or volume of released information. Analysis of internet reporting across sectors found that reporting practice seem to be less homogeneous within a single sector. This led the author to conclude that companies are partly inspired by their competitors, and that they try to keep pace with rivals. The FASB (2000) studies the electronic reporting of business information by the 1998 Fortune 100 companies. The study reports that 99% of those companies have Website and 93% of them disclose financial information for investors in their sites, which is usually easily accessible by investors from the company homepage. In addition, they also found that some companies provide internet tools which assist users in using and analyzing the disclosed information such as linked table of contents, hyperlinks and multiple file formats (such as: PDF and HTML). As a result of the study, the FASB working group identify the key issues affecting business reporting (Fitzsimons and Shoaf, 2002: 65). These include democratization of business reporting, change in the reporting model, completeness, timelines, variability of contents, potential risk (Fitzsimons and Shoaf, 2002:65).

Most of the aforementioned studies were conducted on well developed markets and the published literature on Web –financial reporting in small emerging markets seems very limited. This study intends to complement prior studies on Web-reporting by examining the use of

the Web for business reporting by corporations operating in small emerging market (Jordan).

Data and Methodology

The starting point for our sample selection procedures was Jordanian Shareholding Companies Guide (JSCG) 2002. We begin with the initial sample of 204 companies listed in ASE and reported in JSCG 2002. After excluding companies with non-traded securities in the exchange, the study sample includes all companies with securities traded in the secondary or the regular markets. The final sample consists of 183 companies operating in four industry sectors; 17 companies in the banking sector, 25 companies in the insurance sector, 59 companies in the services sector and 82 companies in the manufacturing sector.

In order to access the web-sites for the sampled companies, we first search the JSCG (2002) and the National Information Services (NIS) web-sites for web-sites or e-mail addresses of the sampled companies. Those firms for which the web-site addresses were not available in the aforementioned sources, we resort to personal contact with the companies to obtain the required data. In the exploratory stage of the study, we first sort out companies, which have their own web-sites from those which don't, and then examine the nature of information disclosed in the web-site of each company. Basically, this stage deals with the question of whether the companies have their own web-sites and what kind of information disclosed in the web-sites (i.e. customer oriented or investor oriented; financial or non-financial data). In the second stage of the study, the empirical part, we analyze the data in order to obtain empirical evidences related to the study predictions. It is hypothesized in the study that three variables are likely to be related to the availability of Web-site and the level of financial information disclosed on the Web. These are: company size, industry membership and the percentage of stocks held by foreign investors. Following prior empirical studies in the paper-based disclosure literature, total assets are used as proxy for size. The Foreign investors' share in company's capital is measured by the number of shares owned by non-Jordanian to the total share outstanding for each sampled company as of Dec. 2000.

The Disclosure Score: To examine the relation between the extent of E-disclosure of financial information and the related variables (Size, Foreign investment and industry), an E-disclosure score range

sfrom (0) to (1) is developed. The company paper-based annual report is used as a yardstick to measure the extent of E-disclosure of financial information by the same company. For each company, the computed E-disclosure score is based on the annual report items disclosed on company web site relative to the paper-based annual report for the same company, regardless of the comprehensiveness or the quality of information disclosed in the company annual report. The final score is based on the subjective weighting scheme which involves giving different weights to annual report main items as follows:

Annual Report Item	Weight (100%)
Financial statements	55%
Footnote	15%
Management discussion	5%
Other annual report data	5%
Interim financial statements	10%
Prior year annual reports or Financial statements up to 5 years	10%

The company which discloses the full annual report along with interim reports and prior years financial statements up to five years is given a score of 1 (100%). The company which doesn't disclose any part of the annual report is given a score of 0. This procedure may be criticised for being subjective and simple. However, subjective weighting procedures have been used in paper based literatures to measure or develop a disclosure index (Naser, 1998:95). And given the limited literature on this issue, future researchers may consider tailoring disclosure indexes that have been employed in paper-based disclosure to E-disclosure or work on developing a more appropriate scoring scheme for E-disclosure.

Hypothesis Development

Several hypothesis related to E-disclosure are developed after reviewing prior research findings related to annual report disclosures. We choose some of the variables examined by prior studies, in paper based disclosure literatures, which we believe that it may apply to E-disclosure, but in a different way. In addition, we develop new hypotheses. The study predicts that company's size is likely to be related to E-disclosure. Large companies are more likely to have well-developed Websites than small companies. Consistent with prior research predictions and findings in paper-based

disclosure literature (i.e. Hossain et al., 1994), large companies are predicted to disclose more financial information on the Web than small companies. Different explanations were provided for the size hypothesis in the paper-based disclosures literature. The most appropriate one, in our view, after tailoring it to E-disclosure is that large companies are more able than smaller companies to provide the necessary resources to establish and to operate a well-developed website, which usually required up to latest technology equipment and qualified staff.

Several studies in the paper-based disclosure literature have examined the impact of industry on the level of financial disclosure (Cooke, 1991; Wallace et al., 1994; Nasser, 1998). Wallace et al. (1994) argued that companies in different industries may employ different disclosures practice to emphasize their peculiarity. Cooke (1991) argued that company operating in a particular industry may be affected by the disclosure practice of the locally dominated company with high level of disclosures. The study provides empirical evidence from Japanese firms which indicate that more information is disclosed by manufacturing firms than non-manufacturing firms. This study prediction regarding industry variable is different from that of prior research in paper-based disclosure. Our newly developed hypothesis predicts that companies in banking are more likely to employ electronic means to disclose financial information than companies in other sectors. This last prediction is based on the notion that traditionally, banks and financial institutions are leading among other business enterprises in using electronic means of communication in their operations. Banks and financial institutions began using the electronic networks for their transaction such as fund transfer between banks (EFT) in the early 1970s (Stuart and Brian, 2001: 2, 3). And because of their well-established infrastructure of electronic communication and their accumulated experience in this area, companies in banking industry are expected to be leading in using electronic means to communicate financial information and to provide more comprehensive E-disclosures than companies operating in other industries.

Another variable which is assumed by this study to be related to E-disclosure is the level of foreign investment in the company capital structure. Presumably, foreign investors benefit more from E-disclosure of financial information than local stockholders. This is because E-disclosure enables foreign stockholders to obtain timely and relatively less costly information and possibly

reducing the information lag between local and foreign investors. Under paper-based disclosure, local stockholders and investors have another convenient means to obtain financial data, and in general, can get financial information before foreign investors. While under E-disclosure this information time lag between local and foreign stockholders and potential investors is likely to be diminished significantly, because both of them can obtain the corporate financial information at the same time through electronic means. Presumably, the extent to which company will respond to its foreign stockholders needs is likely to depend on their stake in company capital. The following hypotheses are developed from the above discussions:

- (H1) Large companies are more likely to employ electronic means (the internet) to disclose business information than small companies.
- (H2) Large companies are likely to disclose more financial information on the Web than smaller companies.
- (H3) Companies in banking industry are more likely to use the Web (the Internet) to disclose business information than companies operating in other industry sectors.
- (H4) The higher the percentage of stock owned by foreign investors, the more likely that the company use the Web to disclose business information.
- (H5) The higher the percentage of stock owned by foreign investors, the larger the extent of financial information disclosed on the Web.

Results

Our initial exploratory efforts reveal that only 82 (around 45%) out of the 183 companies covered by the studies have their own well-developed web-sites. Comparing this result with prior studies' findings reveal how the Jordanian companies lagged in term of using the internet for business reporting. For example, the IASC (1999) study which covers 660 companies in 22 business reporting report that 86% of the corporations covered by the study had Web-sites. (62%) of them have disclosed some form of financial data on the Web.

Table (1) presents the breakdown of companies with Web- sites across industry sectors.

A notable observation from the results reported in table (1) is that the banking sector ranks first among industry sectors, in term of using electronic means to disclose business information in general. Around 94%

(16 out of 17) of the banks covered by this study have their own web-sites. While this ratio is only 48% for the second on the list, the insurance sector, 44% for companies in the services sector and 34% for the manufacturing sector. This could be due to the nested net of bank's communication, its wide openness to the world, and the global competition among banks. These results are in line with other studies' findings. For example, Nadine (2002) which examined the internet reporting practice across industries found the reporting practice within a single sector seems to be more or less homogeneous and companies seem (partly) inspired by competitors and they wish to keep pace with rivals.

To examine whether the differences among industry sectors are statistically significant, we run the Independent Samples T-test. The results which are reported in table (2) are, in general, consistent with the study predictions (H3). Companies in the banking sector are significantly different from other companies operating in other industry sectors, in term of using the Web to disclose business information. No significant differences, in term of E-disclosure, are observed between any two pairs of the remaining industry sectors.

To examine whether the availability of Web-site is related to the company's size or foreign investors' share in company capital, we run correlation analysis. The results reported in table (3) indicate that size is significantly related to the availability of the web-site. This result is consistent with the study prediction (H1); that is large firms are more likely to have Web-sites than smaller firms. Large companies seem to be more able than smaller companies to provide the necessary resources to establish and to operate a well-developed web-site, which usually required up to latest technology equipment and qualified staff. This result is in line with prior studies' findings which indicate that size and technology are important determinant of internet financial reporting (Debreceeny et al., 2002).

The results reported in table (3) are consistent with the fourth hypothesis in this study; company with higher proportion of stock owned by foreign investors are more likely to disclose business information on the Web.

A notable observation from the correlations result at the industry level, which is reported in table (3), is that size is not significant in the banking sector, which suggests that size is not a dominant factor in using the Web in the banking sector. However, the industry variable seems to be the dominant factor for banks

because the nature of their operation, which depends heavily on electronic communication.

Our examination of the web-sites of all sampled firms reveals that only companies in banking sector disclosed annual report and other financial information on the Web. Most firms operating in the other industry sectors have not, in general, disclosed annual report or other financial information and their Web-sites tend to be, in general, customer oriented rather than investors oriented. Although there is no mandatory or obligatory act or regulation related to E-disclosure in Jordan, almost all banks (16 out of 17) have disclosed their annual report and other financial information on the Web. However, the extent of financial information disclosed on the Web varies across banks.

Both the second and the fifth hypotheses, which predict that the extent of E-disclosure of financial information is positively related to both company's size and the level of foreign investment in company's capital, were tested only for companies operating in the banking sector. Because, with the exception of banks, none of the sample firms has disclosed a detailed annual report on the Web, as we indicated earlier.

The E-disclosure score developed in section III, which is used as a measure of the extent of financial information disclosed on the Web, is related to a measure of size and a measure of foreign investors share in company capital. The correlation results reported in table (4) indicate that the correlation coefficients relating E-disclosure score to company size and foreign investors' share in company capital are in the hypothesized direction, but statistically insignificant. This result, if taken on its face value, implies that company's size and the level of foreign investment in company capital are not related to the extent of financial information disclosed on the Web. However, given that this result is derived from a relatively small sample size, authors believe it is not safe to draw a conclusion based on this result and the impact of these two variables on the extent of E-disclosure may be better examined further by future research using sufficient sample.

Summary and Concluding Remarks

The study examines the extent to which companies listed in ASE use the Internet for business and financial reporting. Initial exploratory efforts reveal that only 82 of the 183 companies covered by the study have their own well-developed Web-sites. The banking sector is leading

in using electronic means to disclose annual reports and other financial data. Almost all banks covered by the study (16 out of 17) have their own developed Web-sites. Web-sites of firms operating in other sectors (services, insurance and manufacturing sectors) tend to be customers oriented rather than investors oriented and in general, they did not disclose annual report or other financial information. Empirical analysis of the data indicates that large firms are more likely to have Web-sites than smaller firms. This result is consistent with prior research findings in paper –based disclosure literature and internet reporting literature, which reported positive association between size and the extent of financial information disclosed. Further, the extent of e-disclosure of financial information by companies operating in banking industry is larger than that of other firms operating in other industry sectors.

The study reveals the extent of deficiency and gaps in E-disclosure of business information by ASE firms, at least from investor’s perspective. Only 45% of the companies listed in ASE have their own Web-sites. Not many of them disclosed a detailed annual report or other financial information on the Web. With globalization and the increased interest in emerging economies by global investors, the disclosure of financial information and other value relevant information on the Web, becomes (a necessity) more needed. Agencies in charge of controlling

and monitoring financial disclosures may encourage or even force ASE firms to improve disclosure of annual report and other value relevant information on the Web. This move if carried out is likely to ease accessibility of financial data by investors, especially foreign investors and enable foreign investors to obtain timely and less costly financial information. This move will be on the line with other moves that have been undertaken by policy makers, during the last decade, to improve the business environment and to promote investment, such as the amendment to the investment promotion law (1998) and the adoption to international accounting standards (1990). Future researches may explore the e-disclosure issue further by comparing the extent of e-disclosure of financial information across countries. The most interesting may be the comparison between developed and developing economies in term of E-disclosures.

Future research: There are several related issues that can be examined further by future researchers. First, the impact of size and foreign investors share in company capital on the level of E-disclosure of financial information can be examined further using large and sufficient sample, either in well-developed or/and developing markets. Second, future studies could work on developing a more appropriate scoring scheme to measure the extent of E-disclosure of financial information.

NOTES

1. Major setbacks were evidenced by the large devaluation in Jordanian currency in late 1989 and the sharp decline in stock performance index in the following years.
2. As of August 2001 shares owned by non-Jordanian investors represent 41.6% of ASE capitalization. More information about foreign investments in

ASE is available in ASE Monthly Bulletins and on ASE Web Site ([www.ase.com.jo/foreign investment](http://www.ase.com.jo/foreign_investment)).

3. Prior studies indicated that Emerging Capital Markets captured the interest of investors worldwide with their promise of offering higher returns than well developed financial markets (Saudagan, S. M. and Diga, J.G,1997, p 41-42).

Table (1)
Distribution of Companies with Web-sites Across Industry Sectors.

Sector	Total Number of Companies	Number of Companies having their own Web-site	%
Banks	17	16	94.11
Insurance	25	12	48.00
Services	59	26	44.07
Manufacturing	82	28	34.15
Total	183	82	44.8

Table (2)
T-test for difference between sectors in term of having their own Web-sites.

Paired Sectors	Diff. in means	T	Sig. (2-tailed)
Banks – Insurance	0.46	3.462	0.00
Banks – Services	0.50	3.975	0.00
Banks – Manufacturing	0.60	5.035	0.00
Insurance – Services	0.039	0.327	0.744
Insurance – Manufacturing	0.140	1.251	0.214
Services – Manufacturing	0.099	1.193	0.235

Table No.3
Correlation results relating websites to size and foreign investment for the Whole Sample and for each Industry Sectors.

	Size	Foreign Investment	N
Banks	0.408	0.410	17
Insurance	0.355*	0.378*	25
Services	0.042	0.184	59
Manufacturing	0.342**	0.201*	82
Whole sample	0.333***	0.288***	183

*** Correlation is significant at the 0.01 level.

** Correlation is significant at the 0.05 level.

* Correlation is significant at the 0.10 level.

Table No. 4
Correlation between the extents of E-Disclosure and size and foreign Investment.

	Size	Foreign Investment
Disclosure Score	0.266	0.217
	(0.379)	0.477

REFERENCES

- Ahmed, K. and Nicholls, D. 1994. The Impact of Non-financial Company Characteristics on Mandatory Disclosure in Developing Countries: The Case of Bangladesh, *International Journal of Accounting Education and Research*, 29 (1): 62-77.
- Ashbauagh, H., Jounstone, K.M., and Warfield, T.D. 1999. Corporate Reporting in the Internet. *Accounting Horizons*, 13 (3): 241-257.
- Beattie V. and Pratt, K. 2003. Issues Concerning Web-based Business Reporting: An Analysis of the View of Interested Parties. *The British Accounting Review*, 35: 155-187.
- Buzby, S. L. 1975. Company Size, Listed Versus Unlisted Stocks, and the Extent of Financial Disclosure. *Journal of Accounting Research*, 13: 16-37.
- Cooke, T. E. 1991. An assessment of Voluntary Disclosure in the Annual Report of Japanese Corporation. *International Journal of Accounting Education and Research*, 26 (3): 174-189.
- Deberceny, R., Gary, L. and Rahman, A. The Determinants of Internet Financial Reporting. *Journal of Accounting and Public Policy*, 21 (4,5): 371-392. *International Journal of Digital Accounting Research*, 2 (4): 189-206.
- Deller, D., Stubenrath, M., Weber, C. 1999. A Survey on the Use of Internet for the Investor Relation in the USA, UK and Germany. *European Accounting Review*, 8 (2): 351-364.
- FASB. 2000. *Electronic Distribution of Business Reporting Information*, Steering Committee Report Series, <http://www.fasb.org>.
- Fitzsimson, A. and Shoaf, V. 2000. **FASB Studies the Electronic Reporting of Business Information**, *Commercial Lending Review*, 15 (4): 65-71.
- Gowthorpe, C., and Flynn, G. 1997. Reporting on the Web: The State of the Art. *Accountancy*, 120 (1248): 58-59.
- Hossain, M., Tan, L.M. and Adams, M. 1994. Voluntary Disclosure in an Emerging Capital Market: Some Empirical Evidence From Companies Listed in Kuala Lumpur Stock Exchange. *International Journal of Accounting*, 29: 334-351.
- Hussey, R., Gulford, J.R., and Lymer, A. 1998. *Corporate Communications: Financial Reporting on the Internet*. Delitte & Touche.
- IASC. 1999. Business Reporting in the Internet, Discussion Paper Prepared by Lymer, A., Deberceny, R., Gray, G.L., and Rahman, *An International Accounting Standard Committee*, London.
- Jordanian Shareholding Companies Guides. Various issues. 2000-2001. Published by Amman Stock Exchange-Jordan.
- Koreto, R. J. 1997. When the Bottom Line is Online. *Journal of Accountancy*, 183 (3): 63-65.
- Lang, M and Lundholm, R. 1993. Cross Sectional Determinants of Analysts Ratings of Corporate Disclosures. *Journal of Accounting Research*, 31(autumn), 246-271.
- Louwers, T. J., Paswark, W.R. and Typpo, E. W. 1996. The Internet Changing the Way Corporations Telling Their Story. *The CPA Journal*, 66 (11): 24-29.
- Marston, C. and Shrivies, P. 1991. The Use of Disclosure Indices in Accounting Research: A review Articles. *British Accounting Review*, 23 (3): 195-210.
- Nadine Lybaert. 2002. On-line Reporting: An analysis of the Dutch Listed Firms, *International Journal of Digital Accounting Research*, 2 (4): 189-206.
- Naser, K. 1998. Comprehensives of disclosure of Non-financial Companies Listed on the Amman Financial Market. *International Journal of Commerce and Management*, 2 (8): 88-119.
- Naser, K., Al-khatib K. and Karbahari, Y. 2002. Empirical Evidence on the Depth of Corporate Information Disclosure in Developing Countries: The case of Jordan. *International Journal of Commerce and Management*; 12(3/4): 122-155.
- Owusu-Ansah, S. 1998. The Impact of Corporate Attributes on the Extent of Mandatory Disclosure and Reporting by Listed Companies in Zimbabwe. *The International Journal of Accounting*, 33 (5): 605-631.
- Saudagan, S. M. and Diga, J.G. 1997. Financial Reporting in Emerging Capital Market: Characteristics and Policy Issuers. *Accounting Horizons*, 11 (2): 41-64.
- Stuart Barenas and Brian Hunt. 2001. *E-Commerce & V-Business*. Butterworth-Heinemann, UK.
- Wallace, R.S.O., Naser, K. and Mora, A. 1994, Winter. The Relationship between the Comprehensiveness of Corporate Annual Reports and Firm Characteristics in Spain. *Accounting and Business Research*, 25 (97): 41-53.
- Wallace R.S.O and Naser, K. 1995. Firm Specific Determinants of The Comprehensiveness of Mandatory Disclosure in the Corporate Annual Reports of Firms Listed on the Stock Exchange of Hong Kong. *Journal of Accounting and Public Policy*, 14 (4): 311-369.

دراسة استكشافية لمدى استخدام الشركات لشبكة الإنترنت للإفصاح عن المعلومات: دراسة تطبيقية على الشركات المدرجة في سوق عمان المالية

محمود الخلايلة، رشيد القناعي، وحنان أبو فرحة*

ملخص

هدفت هذه الدراسة إلى معرفة مدى استخدام الشركات الأردنية المدرجة في سوق عمان المالية لشبكة الإنترنت للإفصاح عن المعلومات المالية وغير المالية. ويتوقع ان يكون هذا الموضوع محل اهتمام المعنيين بوضع ومراقبة سياسات الإفصاح للشركات الأردنية والمستثمرين المحليين والأجانب. ومع انتشار العولمة وميل الكثير من الدول النامية إلى تشجيع الاستثمارات الأجنبية وتخفيف القيود عليها تبدو الحاجة إلى الإفصاح الإلكتروني عن المعلومات المالية وغير المالية التي تتعلق بأداء الشركات وأنشطتها أكثر إلحاحاً من ذي قبل لتسهيل وتسريع عملية الحصول على المعلومات من قبل المستثمرين المحليين والأجانب ويكفأ أقل.

أشارت نتائج الدراسة إلى أن أقل من 45% من الشركات الأردنية لديها موقع على شبكة الإنترنت مع ملاحظة تقدم البنوك في هذا المجال، حيث لوحظ أن معظم البنوك لديها مواقع على شبكة الإنترنت (16 من 17)، كما لوحظ تقدم البنوك من حيث حجم المعلومات المالية المفصحة عنها على شبكة الإنترنت؛ فمعظم البنوك التي شملتها الدراسة تفصح عن تقاريرها المالية كاملة على مواقعها على شبكة الإنترنت بينما لوحظ أن معظم الشركات الأخرى لا تفصح عن بيانات مالية على مواقعها. وبينت الدراسة أن هناك ارتباطاً بين كل من حجم الشركة وحجم الاستثمارات الأجنبية فيها ومدى توفر موقع للشركة على شبكة الإنترنت. ولم تتوصل الدراسة إلى نتائج تشير إلى وجود علاقة بين هذين المتغيرين وحجم المعلومات المالية المفصحة عنها على شبكة الإنترنت.

الكلمات الدالة: الإفصاح المالي على شبكة الإنترنت، سوق عمان المالية، الشركات الأردنية.

* قسم المحاسبة، كلية إدارة الأعمال، الجامعة الأردنية (1 و 3)، وكلية إدارة الأعمال، جامعة الكويت (2). تاريخ استلام البحث

2004/3/13، وتاريخ قبوله 2005/3/21.

⁻¹ Major setbacks were evidenced by the large devaluation in Jordanian currency in late 1989 and the sharp decline in stock performance index in the following years.

² As of August 2001 shares owned by non-Jordanian investors represents 41.6% of ASE capitalization. More information about foreign investments in ASE is available in ASE Monthly Bulletins and on ASE Web Site (www.ase.com.jo/foreign_investment).

³ Prior studies indicated that Emerging Capital Markets captured the interest of investors worldwide with their promise of offering higher returns than well developed financial markets (Saudagan, S. M. and Diga, J.G, 1997, p 41-42).

References

- Ahmed, K. and Nicholls, D. 1994. The Impact of Non-financial Company Characteristics on Mandatory Disclosure in Developing Countries: The Case of Bangladesh, *International Journal of Accounting Education and Research*, 29 (1): 62-77.
- Ashbauagh, H., Jounstone, K.M., and Warfield, T.D. 1999. Corporate Reporting in the Internet. *Accounting Horizons*, 13 (3): 241-257.
- Beattie V. and Pratt, K. 2003. Issues Concerning Web-based Business Reporting: An Analysis of the View of Interested Parties. *The British Accounting Review*, 35: 155-187.
- Buzby, S. L. 1975. Company Size, Listed Versus Unlisted Stocks, and the Extent of Financial Disclosure. *Journal of Accounting Research*, 13: 16-37.
- Cooke, T. E. 1991. An assessment of Voluntary Disclosure in the Annual Report of Japanese Corporation. *International Journal of Accounting Education and Research*, 26 (3): 174-189.
- Deberceny, R., Gary, L. and Rahman, A. The Determinants of Internet Financial Reporting, Journal of Accounting and Public Policy, 21(4,5): 371-392. International Journal of Digital Accounting Research, 2 (4): 189-206.**
- Deller, D., Stubenrath, M., Weber, C. 1999. A Survey on the Use of Internet for the Investor Relation in the USA, UK and Germany. *European Accounting Review*, 8 (2): 351-364.
- FASB. 2000. *Electronic Distribution of Business Reporting Information*, Steering Committee Report Series, <http://www.fasb.org>.
- Fitzsimson, A. & Shoaf, V. 2000. FASB Studies the Electronic Reporting of Business Information, Commercial Lending Review, 15(4): 65-71.**
- Gowthorpe, C., and Flynn, G. 1997. Reporting on the Web: The State of the Art. *Accountancy*, 120 (1248): 58-59.
- Hossain, M., Tan, L.M. and Adams, M. 1994. Voluntary Disclosure in an Emerging Capital Market: Some Empirical Evidence From Companies Listed in Kuala Lumpur Stock Exchange. *International Journal of Accounting*, 29: 334-351.
- Hussey, R., Gulford, J.R., and Lymer, A. 1998. *Corporate Communications: Financial Reporting on the Internet*. Delitte & Touche.
- IASC. 1999. Business Reporting in the Internet, Discussion Paper Prepared by Lymer, A., Deberceny, R., Gray, G.L., and Rahman, *An International Accounting Standard Committee*, London.
- Jordanian Shareholding Companies Guides. Various issues. 2000-2001. Published by Amman Stock Exchange-Jordan.
- Koreto, R. J. 1997. When the Bottom Line is Online. *Journal of Accountancy*, 183 (3): 63-65.
- Lang, M and Lundholm, R. 1993. Cross Sectional Determinants of Analysts Ratings of Corporate Disclosures. *Journal of Accounting Research*, 31(autumn), 246-271.
- Louwers, T. J., Paswark, W.R. and Typpo, E. W. 1996. The Internet Changing the Way Corporations Telling Their Story. *The*

- CPA Journal*, 66 (11): 24-29.
- Marston, C. and Shrivs, P. 1991. The Use of Disclosure Indices in Accounting Research: A review Articles. *British Accounting Review*, 23 (3): 195-210.
- Nadine Lybaert. 2002. On-line Reporting: An analysis of the Dutch Listed Firms, *International Journal of Digital Accounting Research*, 2(4): 189-206.
- Naser, K. 1998. Comprehensives of disclosure of Non-financial Companies Listed on the Amman Financial Market. *International Journal of Commerce and Management*, 2 (8): 88-119.
- Naser, K., Al-khatib K. and Karbahari, Y. 2002. Empirical Evidence on the Depth of Corporate Information Disclosure in Developing Countries: The case of Jordan. *International Journal of Commerce & Management*; 12(3/4): 122-155.
- Owusu-Ansah, S. 1998. The Impact of Corporate Attributes on the Extent of Mandatory Disclosure and Reporting by Listed Companies in Zimbabwe. *The International Journal of Accounting*, 33 (5): 605-631.
- Saudagan, S. M. and Diga, J.G. 1997. Financial Reporting in Emerging Capital Market: Characteristics and Policy Issuers. *Accounting Horizens*, 11 (2): 41-64.
- Stuart Barenas and Brian Hunt. 2001. *E-Commerce & V-Business*. Butterworth-Heinemann, UK.
- Wallace, R.S.O., Naser, K. and Mora, A. 1994, Winter. The Relationship between the Comprehensiveness of Corporate Annual Reports and Firm Characteristics in Spain. *Accounting and Business Research*, 25 (97): 41-53.
- Wallace R.S.O & Naser, K. 1995. Firm Specific Determinants of The Comprehensiveness of Mandatory Disclosure in the Corporate Annual Reports of Firms Listed on the Stock Exchange of Hong Kong. *Journal of Accounting & PUBLIC POLICY*, 14 (4): 311-369.

دراسة استكشافية لمدى استخدام الشركات لشبكة الإنترنت للإفصاح عن المعلومات : دراسة تطبيقية على الشركات المدرجة في سوق عمان المالي.

ملخص

الكلمات الدالة : الإفصاح المالي على شبكة الإنترنت، سوق عمان المالي، الشركات الأردنية.

هدفت هذه الدراسة إلى معرفة مدى استخدام الشركات الأردنية المدرجة في سوق عمان المالية لشبكة الإنترنت للإفصاح عن المعلومات المالية وغير المالية. ويتوقع ان يكون هذا الموضوع محل اهتمام المعنيين بوضع ومراقبة السياسات الإفصاح للشركات الأردنية والمستثمرين المحليين والأجانب. ومع انتشار العمولة وميل الكثير من الدول النامية إلى تشجيع الاستثمارات الأجنبية وتخفيف القيود عليها تبدا الحاجة إلى الإفصاح الإلكتروني عن المعلومات المالية وغير المالية التي تتعلق بأداء الشركات وأنشطتها أكثر إلحاحا من ذي قبل لتسهيل وسرعة عملية الحصول على المعلومات من قبل المستثمرين المحليين والأجانب وبكلفة أقل .

أشارت نتائج الدراسة إلى ان أقل من 45% من الشركات الأردنية لديها موقع على شبكة الإنترنت مع ملاحظة تقدم البنوك في هذا المجال . حيث لوحظ ان معظم البنوك لديها مواقع على شبكة الإنترنت (16 من 17) كما لوحظ تقدم البنوك من حيث حجم المعلومات المالية المفصوح عنها على شبكة الإنترنت فمعظم البنوك التي شملتها الدراسة تفصح عن تقاريرها المالية كاملة على مواقعها على شبكة الإنترنت بينما لوحظ أن معظم الشركات الأخرى لا تفصح عن بيانات مالية على مواقعها. وبينت الدراسة أن هناك ارتباط بين كل من حجم الشركة وحجم الاستثمارات

الأجنبية فيها ومدى توفر موقع للشركة على شبكة الإنترنت. ولم تتوصل الدراسة إلى نتائج تشير إلى وجود علاقة بين هذين المتغيرين وحجم المعلومات المالية المفصح عنها على شبكة الإنترنت .