

# The Impact of Disclosure of Sustainable Development Dimensions on the Quality of Financial Reporting in Jordanian Industrial Joint Stock Companies: The Modified Role of Board Gender

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**Abstract:** This study explores the impact of sustainability dimension disclosures on financial reporting quality based on the moderating role of board gender diversity in a developing country (Jordan) where there is a lack of research in this area. This study examines the annual reports of a sample of 234 industrial companies listed on the Amman Exchange between 2017 and 2022. We used content analysis and hierarchical regression analyses. The results show that environmental and social dimensions influence the quality of financial reporting, taking into account the moderating role of board gender diversity. However, we find no significant effect on the economic dimension. Finally, the study recommends that more research and studies on sustainability dimensions in other sectors such as banking and services should be conducted in the future and linked to other variables such as household ownership.

**Key words:** Sustainable development, financial reporting quality, Amman Stock Exchange.



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## Introduction:

Due to the increasing pollution of our environment and the possibility of depletion of natural resources in the near future, it is necessary to develop a development model that preserves existing natural resources for the benefit of future generations and reduces waste and harmful emissions, which is called sustainability, a term development recognized by the international community that tried to promote sustainable development at the Earth Summit in Brazil in 1992. The United Nations Sustainable Development Summit (2015) also recognized the need to promote economic growth and sustainable social and environmental behavior. This is due to the fact that as the economy continues to evolve, businesses that aim to maximize profits must reevaluate their economic models and consider the social and environmental aspects of their operations. They are

also compelled to disclosure financial and non-financial data in order to give beneficiaries pertinent performance data (economic, social, and environmental), which investors use to assess the performance of businesses, calculate the equitable value of their investments, and assess the risks involved. This makes it easier to improve the company's social status and reputation, which guarantees long-term profitability and a significant edge. The most popular channels for informing stakeholders about a company's financial events and information are financial reports and memoranda. Stakeholders need access to high-quality financial data in order to evaluate a company's performance and make wise decisions. Gender diversity on boards of directors has been apparent in corporate leadership since the of earnings report is also correlated with the value of the information revealed. Previous studies and contemporary theories support the idea that gender diversity improves overall corporate governance, raising the level of financial reporting and increasing the amount of data on sustainability issues. The strength of an organization, access to resources, and the ability to disseminate different ideas are all enhanced when there is gender diversity on the board. There is evidence that the presence of women on corporate boards enhances and supports the social principles that a company advocates. Participation is the primary way in which sustainable development is achieved.

### **Study Problem:**

The study problem can be defined through the following questions: -

- 1- Taking into account the moderating influence of the board of directors' gender, how does the reveal of the economical component affect the caliber of financial reports in Jordanian general shareholding processing enterprises?
- 2- Taking into account the moderating effect of the gender of the board of directors, how does the reveal of the environmental element affect the caliber of financial reports in Jordanian general shareholding industrial enterprises?
- 3- How does the social dimension's reveal impact the quality of financial reports in Jordanian general shareholding processing enterprises, considering the moderating effect of the board of directors' gender?

### **Study objectives:**

- 1- Given the shifting role of the gender of the board of directors, the study attempts to assess how introducing sustainability factors affects the caliber of financial reports in Jordanian public sector enterprises. The following methods are used to accomplish the goals:
- 2- Finding out how the introduction of the economic component affects its quality in Jordanian public sector firms, given the evolving role of the gender of the board of manager.
- 3- Talking on how the Jordanian public sector is reacting to the shifting role of the type of the board of directors by releasing the environmental section of the financial data quality report.

### **Importance of the study:**

The importance of the study is evident in the importance of sustainable development, which has become an important element in the world, especially for publicly owned organizations, which must fulfill their economic, social and environmental obligations in order to contribute to society and achieve sustainable growth. Achieving a basic standard of living that is acceptable for present and future members of society will encourage businesses to reveal more information about sustainability, as well as the financial and non-sustainable aspects of financial disclosure, which will perfect the qualities of financial statements. Given the various perspectives on the board of directors, gender diversity is also important and can help the company meet stakeholder needs, which is another reason why the research is important.

### Study hypotheses:

The following study hypotheses were developed in order to meet the goals of the investigation and provide answers to the earlier queries:

Hypothesis 1: The shift in the type makeup of the board of manager is the cause of the notable disparity in the caliber of financial reports produced by Jordanian public shareholding enterprises.

Hypothesis 2: When the type of the board of manager is altered in Jordanian public sector businesses, there is no statistical signific impact of revealing the environmental component on the caliber of financial reports.

Hypothesis 3: Because the gender of the board of manager has changed, there is no statistical signific impact of revealing the social component on the caliber of financial reports in Jordanian general shareholding businesses.

### Previous studies.

The study (Hummel & Szekely, 2021) sought to explain the disclosures on the Sustainable Development Goals (SDGs) in corporate annual reports and assess sustainability clarity using text analysis on a sample of European companies that are part of the STOXX Europe-600 index over the four-year period of financial reporting. (SDG) guilty pleas. Content analysis was used to manually assess the quality of corporate disclosures in relation to the SDGs in relation to 11 elements of the reports. The investigation (Souza et al., 2021) also sought to assess the correlation between sustainability information and the quality of financial reporting in Brazil. A sample of 1181 companies was selected between 2012 and 2016 to assess the effectiveness of sustainability information in the development dimension. Obtain accurate and relevant financial accounting information. The investigation did not find a link between sustainability data and the quality of financial reporting. The investigation also revealed that the concept of sustainability has no significant impact on profit management.

Ultimately, the research (Al Jharf, 2017) aims to determine the effect of sustainability disclosure on the quality of financial reporting in Saudi banks and to examine the impact of sustainability disclosure on quality in Saudi banks. Explore the different aspects of sustainability. The investigation concluded that the need to include sustainability in accounting standards is critical to the success of banks. The investigation revealed a significant correlation between the disclosure of the socio-economic components of the report and the quality of the financial statements. However, the researchers failed to identify a statistically significant relationship between the disclosure of environmental components and the quality of financial reports. Our research and analysis of previous studies indicate that many studies agree that disclosing sustainability dimensions in company reports has an impact on the quality of financial statements, and that having gender diversity in a company has an impact on gender relations. The quality of financial statements and the sustainability dimensions disclosed. The current study is an extension of previous studies and serves to clarify and define the importance of sustainability disclosure as an important aspect of financial accounting. This is done through the three components, social, economic and environmental dimensions, all of which are of paramount importance to the financial account. As a result, there is a lack of studies measuring the effect of sustainability information on the quality of financial reporting in the Jordanian business sector. Taking into account the changing composition of the Board of Directors.

## LITERATURE REVIEW

### First: Sustainable Development

Sustainable development is one of the themes that has attracted tremendous attention. It first appeared in the latter part of the 20th century. The sustainable development process was made

clear by the United Nations' 1986 Declaration on the Right to Development. The U.N. adopted Resolution A/RES/70/Resolution 1 in September 2015 to strengthen effort matter to achievement extra sustainable global growth by 2030. This resolution is a comprehensive process that encompasses cultural, economic, political, and social dimensions and aims to achieve continuous improvement of the well-being of the individual, thus the declaration of human rights and fundamental freedoms and the promotion of sustainable development. He brought up the fact that there are 169 sub-goals inside the 17 Sustainable Development Goals at the conference (Zampone et al., 2022).

Economic, social, and environmental aspects are the three components of sustainable development as defined by the World Summit on Sustainable growth in Johannesburg in 2002. The meeting acknowledged that teamwork is essential to the success of sustainable development. in these three regions. To accomplish long-term development, each of these aspects is made up of a collection of interrelated actions (Samir,2018). The following are the elements of sustainable growth:

- 1- The economic dimension: This dimension establishes the economic conditions and variables of stakeholders, as well as the effect of the company's actions on economic arrangement at all levels (Ayrout,2015). Because of this, the economic factor initially affects all parties involved in contacts with the economy, including the national, local, and global economy. In the long run, the company is seen as economically successful (GRI,2006).
- 2- The social dimension: This dimension aims to create effective community interactions, inculcate cultures in society, advance equality and human rights, and advance social fairness in the distribution of natural and economic resources (Ayrout,2015). Distributive justice, public involvement, cultural diversity, and business sustainability form the foundation of its tenets. (Jaff et al,2021).
- 3- Studying alternate raw material sources, cutting back on resource consumption, and safeguarding land, air, and water ecosystems are the goals of the environmental component. The environmental dimension's most crucial elements are ecosystems, energy, creativity, biodiversity, and adaptation. Because of this, businesses' commitment to reporting their environmental performance shows how conscious they are of environmental issues, and their efforts to protect the environment benefit the company's survival and growth (Abouzant,2008).

## **Second: Quality of financial reports**

The primary purpose of finance reports is the abundance of information, accuracy, and relevance regarding the financial and non-financial matters related to the company's reports. This information helps stakeholders evaluate the company's performance and make informed decisions. Reports related to finance include traditional financial statements, additional notes, and financial statements that include additional information shared with shareholders. (Kizo et al.,2020), (Abdul Qader,2017). People are becoming more concerned with the quality of accounting information, the quality of financial reports, and the information's usefulness to their intended users in order to get the maximum level of accuracy. The extent to which the information in financial reports affects the choices made by individuals who have access to them is a measure of their efficacy. The importance, truthfulness, transparency, clarity, and availability of information all have an impact on the quality of finance reports, accordingly to the International Federation of Finance Analyze (FAF) (Al-Hamada, 2014).

According to (Abdul Qader,2017), the creation of finance report in compliance with internationally account standards, the appropriate communication of the report's content to the intended audience, and the avoidance of significant errors are all indicators of the quality of financial reports. The ability of financial reports to characterize and explain financial resources, whether or not they are financial, is the fundamental characteristic that unites these definitions,

according to (Al-Shatnawi,2018). The choices made by users of these reports are influenced by more than just financial considerations.

### Third: Gender Diversity

Board diversity refers to the diversity of board members across different characteristics, such as gender, skills, age, race, experience, and education. However, this diversity in skills, knowledge, and experience can provide the board with different ideas and perspectives. Gender-diverse boards are expected to bring a wealth of opinions and perspectives to board meeting discussions, thus guiding the board to better plans and better decision-making (Al-Deeb & Al-Sharqawi,2019)

Therefore, gender diversity may help meet the requirements of a wide range of investors and other stakeholders, as having diverse perspectives on the board can improve a company's ability to meet the needs of stakeholders. (Zampone et al.,2022).

### Fourth: Definition and Measurement of Study Variables:

1- **Independent Variable:** Reveal of the dimensions of sustainable growth. To shed light on how well banks, incorporate the four facets of sustainable development into their annual reports, the Global Sustainability Reporting Initiative's (G4) comprehensive framework was utilized to identify the data that should be included. This contains the following details:

Items pertaining to the Global Sustainability Reporting Initiative's disclosure of the economic component.

The Global Sustainability Reporting Initiative's requirements for environmental disclosure.

Items related to the social aspect's disclosure by the Global Sustainability Reporting Initiative.

The content analysis method was employed by the researcher, and if the corporation reveal the item, the number 1 was inserted; if not, the number (0) was placed.

2- **Dependent variable:** Financial reports quality:

The following procedures are used to measure discretionary accruals: Financial reporting quality is measured in terms of earnings qualitative as a measure of financial reporting qualitative, through earnings administration practice as an inverse measure of financial reporting quality. Research indicates that the modified Jones model (1991) is one of the most popular and well-known method for estimating discretionary accruals (Barth et al., 2008).

➤ The cash flow technique can be used to measure the total amount of accounts receivable. The total amount of accounts receivable is determined by subtracting net operating profit from cash flow from operating activities. This is done using the following model:

$$TACC_{it} = ONI_{it} - OCF_{it}$$

Where:

TACC\_it: represents the total receivables of the company (i) for the period (t).

ONI\_it: represents the net operating profit of the company (i) for the period (t).

OCF\_it: represents the cash flow from the operating activities of the company (i) for the period (t).

➤ The model that estimates the size of the coefficient by regression (NDACC I,t) is derived from the following equation: This is done for each company in each year separately.

$$\frac{TA_{i,t}}{A_{(i,t-1)}} = \alpha_1 \left( \frac{1}{A_{(i,t-1)}} \right) + \alpha_2 \left[ \frac{\Delta REV_{i,t} - \Delta REC_{i,t}}{A_{(i,t-1)}} \right] + \alpha_3 \left( \frac{PPE_{i,t}}{A_{(i,t-1)}} \right) + e_{i,t}$$

Where:



TA<sub>it</sub>: The total amount of firm i's receivables for the time period (t).

A<sub>((it-1))</sub>: The overall savings of the business (i) over time (t).

[(ΔREV)]<sub>it</sub>: Variation in business (i) revenues over time (t).

ΔREC<sub>it</sub>: Variation in the company's (i) accounts receivable over time (t).

PPE<sub>it</sub> is the value of the company's true estates, property, and machine (i) over a given time period (t).

E<sub>it</sub>, or random error (residuals), is a measure of discretionary receivables that indicates the portion of total receivables that cannot be explained by the factors in the regression model.

- Use the following formula to find the typical non-discretionary accruals (NDACC(it)): Every year, this is carried out independently for every company.

$$NDACC_{I,t} = \alpha_1 \left( \frac{1}{A_{(i,t-1)}} \right) + \alpha_2 \left[ \frac{\Delta REV_{i,t} - \Delta REC_{i,t}}{A_{(i,t-1)}} \right] + \alpha_3 \left( \frac{PPE_{i,t}}{A_{(i,t-1)}} \right) + e_{i,t-1}$$

- The discretionary accruals (DACC it) for every company is calculated as the variance between the total accruals and the non-discretionary accruals.

$$DACC_{it} = TACC_{it} - NDACC_{it}$$

- Calculate the average expected income for each company in the sample during the study period in require to grade them as company that practice or do not practice income management. The company is then classified as: benefiting from earnings management, and not practicing it. If the value of the company's additional payments for the year is maximal than or equal to the average value of its additional payments, it is considered to have implemented earnings administration. If the account of the company's additional payments is equal to or maximal than the middle value of its additional payments, it is considered to have implemented earnings administration. If the account of the optional membership fees is less than the typical optional membership fees, the company is considered not to be engaged in earnings management. A company is in a position to manage earnings for the study period if the absolute value of its estimated benefits is greater than the average amount of estimated benefits. However, if the revenues are less than the average amount of its additional fees, the company will not be able to achieve profits.

- 3- **Modified variable:** Board of Directors gender: measured by the percentage of females on the Board of Directors based on the study (Al-Deeb & Al-Sharqawi, 2019).

## The practical side

### First: Testing the suitability of data for statistical analysis

#### 1 – Natural Distribution Test:(Normal -Distribution Test)

The study data's normal distribution was verified using the Kolmogorov (Smirnov) test.

**Table (1) Natural distribution of study variables with test values (Kolmogorov- Smirnov)**

Kolmogorov – Smirnov Statistic		Variables of study
Sig	قيمة Z	
0.000	1.814	Quality of financial reports
0.000	1.329	Disclosure of the economic dimension
0.000	1.918	Disclosure of the environmental dimension
0.000	2.415	Disclosure of the social dimension
0.000	1.901	Gender of the Board of Directors

**Source: Prepared by the researcher based on statistical program:**

The information in table (1) demonstrates that the variables' probability values fall below the significance threshold (0.05), indicating that they are normally distributed (Hair et al., 2010).

## 2- Multicollinearity Test :

By determining the coefficient (tolerance) for each independent variable and the rate, as well as the coefficient (variation inflation factor, or VIF), which measures the impact of correlation between the variables, linear interference was investigated. This is seen in Table 2.

**Table No. (2) Multicollinearity Test for linear interference**

VIF inequality inflation factor	Tolerance	The variables
<b>2.315</b>	<b>0.845</b>	Disclosure of the economic dimension
<b>1.205</b>	<b>0.715</b>	Disclosure of the environmental dimension
<b>2.816</b>	<b>0.685</b>	Disclosure of the social dimension
1.749	0.741	Gender of the Board of Directors

**Source: Prepared by the researcher based on statistical program:**

## Second: The Descriptive Analysis Of The Study Variables

Table (3) shows that the value (VIF) of each lookup variable was less than or equal to (10) (Gujarati, 2009). As a result, the research model is free of the question of overlapping linear relationship, and the low and non-moral correlation between variables shows how effective the study models are in interpreting and figuring out how the dependent variable is affected.

### 1- Quality of Financial Reports:

The second step, which follows data validation for statistical analysis, involves the following analytical description of the study variables:

The following variable description: The standard of finance reporting

The quantity of industrial business profit management notes and the absolute value of optional advantages show the value of the dependent variable, while the manner of profit management practice measures the quality of financial reporting.

### 2- Profit Management (optional accruals)

The annual voluntary membership dues of the manufacturing process companies under study till the 2017–2022 study period are displayed in Table (3). The average annual dues were 12.41 million dinars, with a standard deviation of 5.68 million dinars, a maximum of 7.047 million dinars, and a minimum of 10.221 dinars. This demonstrates that Jordanian industrial enterprises have various motives and goals for profit management, as evidenced by the large disparity in the value of the optional advantages.

**Table (3): Description of the absolute value of the optional entitlements for the period 2017-2022**

The absolute value of optional benefits	Scale
12,416,100	The arithmetic average
56,851,174	Standard deviation
704,741,341	The great value
10,221	The small value

**Source: Prepared by the researcher based on statistical program:**

The following table outlines the earnings management perspectives during the era. The optional accrual values were used to decide if industrial companies were regarded as profit management techniques during that time.

**Table (4) Profit Management Views in Jordanian Industrial Companies during the Period (2017-2022)**

Percentage of	Repetition	Category	Variable
62.8	147	Non-profit management practitioner	Management of profits
37.2	87	Exercise for profit management	
100	234	Total	

**Source: Prepared by the researcher based on statistical program:**

According to table (4), there were 147 page views without profit management, or 62.8 percent of all page views, whereas there were 87 page views from those who used profit management, or 37.2 percent of all page views. This implies that revenue administration is not a prevalent practice among industrial enterprises in Jordan.

### 3- Describe The Independent Variables:

The dimensions of sustainable development served as the independent variables, and the values of these variables in industrial firms were displayed as follows:

**Table (5): Descriptive statistics of the variables of the dimensions of sustainable development**

Standard deviation	The highest value	The average	The lowest value	Number of observations	Variable
11.509	100	70.105	61.415	234	Disclosure of the economic dimension
22.817	91.541	50.409	36.417	234	Disclosure of the environmental dimension
9.462	36.741	18.521	10.614	234	Disclosure of the social dimension
13.205	81.051	49.051	33.601	234	All dimensions

**Source: Prepared by the researcher based on statistical program:**

Table No. (5) presents the descriptive statistics of the variables of the dimensions of sustainable development related to (39) making companies listed on the Amman Finance Market for the period (2017-2022).

- The standard deviation (11.509%) and average disclosure rate for the economic dimension over the time (70.105%). Throughout the period, the greatest value (100.00%) and the lowest value (61.415%) were recorded. This demonstrates how interested industrial firms are in sharing data about their financial and economic success.
- The standard deviation (22.817%) and average disclosure volume of the environmental dimension across the time (50.409%). The period's top and lowest values were 91.541 percent and 36.417 percent, respectively. Because of the tension between their activities and the environment, industrial enterprises disclose more information about their environmental aspects.



- The average disclosure rate for social dimensions during the period was 18.521%, and the standard deviation (9.462%). The highest value recorded during the period (36.741%) and the lowest value (10.614%). Many industrial companies have lower disclosure rates in terms of social dimensions, with fewer disclosures on products and contributions to social affairs.
- The average volume of total disclosure of the sustainable development dimension during the period (49.051 per cent) and standard deviation (13.205 per cent) (81.051 per cent) was 33.601 per cent. We note that corporate sustainability disclosures have not yet reached significant levels.

### Description of the modified variable: Gender of the board

**Table (6) Descriptive Statistics of the Gender of the Board of Directors**

The absolute value of optional benefits	Scale
234	Number of observations
8.25 %	The arithmetic average
10.1 %	Standard deviation
36 %	The great value
0000	The small value

**Source: Prepared by The Researcher Based On Statistical Program:**

Table No. (6) presents the descriptive statistics of the gender of the Board of Directors, where the gender diversity in the Board of Directors ranged from 0 to 36% of the total number of Board members.

### Secondly: Test of The Study Hypotheses:

The effect of the independently variable—the disclosure of sustainability dimensions—on the dependently variable—the caliber of finance reporting in the Jordanian general sector—while accounting for the evolving role of the gender of the board—was evaluated using hierarchical regression analysis.

The directors. The findings of the study hypotheses are as follows:

- 1- The First Hypothesis Test:** It was noted that there was a significant impact of the issuance of the economic part of the report on its quality in public shareholding companies in Jordan, due to the change in the gender of the board of directors.

**Table (7) Results of The First Hypothesis Test**

The second model				The prototype					The depend ent variable
Sig t* Level Significance	T and T Calculated	Standard error	Beat	Sig t* Level Significance	T and T Calculated	Standard error	Beat	Statement	
0.000	8.410	0.299	1.396	0.000	8.052	0.184	1.120	Constant regression	Quality of financial reports
0.834	0.065	0.510	0.020	0.183	1.624	0.014	0.051	Disclosure of the economic	

								dimensi on	
0.396	0.504	0.841	0.57 1	-	-	-	-	Gender of the Board of Director s	
0.261			0.236						R
0.068			0.056						R <sup>2</sup>
0.012			0.056						$\delta r^2$
0.52			1.154						$\delta f$
0.396			0.183						Sig $\Delta F^*$

**Source: Prepared by The Researcher Based On Statistical Program:**

As can be seen from Table (7), the results of the second model of hierarchical regression analysis show that if the correction variable (board sex) is added to the regression model, the value of the determinative coefficient  $R^2$  increases to (0.068%) and is not statistically significant, because the value of (0.52) is located at the moral level (SIG  $\delta f=0.396$ ). it is greater than 0.05 which means that the gender of the board helps to increase the effect of reveal of economic dimensions on its quality by a small percentage, as it increases its explanatory size (0.012), and as a result the zero hypothesis was accepted that: "the reveal of the economic dimension has no statistical effect " on the qualit of the financial reports of publicly owned Jordanian companies, in light of the composition of the board of directors that is considered gender-appropriate.

**2- The Second Supposed Impact:**

Due to the changing gender composition of the Board of Directors, the release of environmental information has no significant impact on the quality of the financial statements of publicly owned Jordanian companies.

**Table (8) The Results of The Second Hypothesis Test**

The second model				The prototype					The depend ent variabl e
Sig t* Level Significa nce	T and T Calcula ted	Standar d error	Beat	Sig t* Level Significa nce	T and T Calcula ted	Standar d error	Bea t	Statement	
0.000	10.714	0.182	1.61 4	0.000	7.804	0.194	1.21 1	Constant regression	Quality of financi al reports
0.020	4.914	1.914	4.21 4	0.000	3.521	1.612	3.61 4	Disclosure of the environme ntal dimension	
0.01	5.341	0.154	0.49 5	-	-	-	-	Gender of the Board of Directors	
0.448			0.390						R
0.20			0.152						R <sup>2</sup>
0.048			0.152						$\delta r^2$

7.415	9.415	$\delta f$
0.01	0.000	Sig $\Delta F^*$

**Source: Prepared by The Researcher Based On Statistical Program:**

Table (8) shows that the results of the second hierarchical regression analysis model show that when taking into account the gender of the board in the regression model, the difference value approaches 7.415 and the selection factor rises to (20%), a large percentage. Board sex has an impact on the quality of financial reporting because it increases the impact of the dimensions of the disclosure environment on the quality of financial reporting, which should have a moral impact (SIG  $\delta f < 0.01$ ) of less than 0.05. Standard of Financial reporting. Description is (0.048) so the imposition is accepted. "The disclosure of the environmental aspect has a significant statistical impact on the evaluation of the quality of financial reports of publicly owned companies in Jordan, regarding the role of the board of directors in relation to sex."

**3- The Third Hypothesis Test:** because of the changing gender roles on the board, social disclosure does not have a significant impact on the quality of the financial statements of publicly owned Jordanian companies.

**Table (9) The Results Of The Second Hypothesis Test**

The second model				The prototype					The depend ent variable
Sig t* Level Significa nce	T and T Calculat ed	Standa rd error	Beat	Sig t* Level Significa nce	T and T Calculat ed	Standa rd error	Bea t	Stateme nt	
0.000	11.814	0.160	1.510	0.000	11.814	0.110	2.514	Constan t regressi on	Quality of financia l reports
0.000	8.694	1.741	4.412	0.000	9.847	1.624	4.415	Disclos ure of the social dimensi on	
0.000	9.514	0.251	0.396	-	-	-	-	Gender of the Board of Director s	
0.526			0.496						R
0.277			0.246						R <sup>2</sup>
0.031			0.246						$\delta r^2$
14.521			12.415						$\delta f$
0.000			0.000						Sig $\Delta F^*$

**Source: Prepared by The Researcher Based On Statistical Program:**

Table (9) shows that the results of the second model of hierarchical regression analysis show that if the correction variable (the gender of the board) is added to the regression model, the value of the determinant R<sup>2</sup> increases to (27.7%) and is statistically significant because its value is (14.521)

to reach the level of connotation (SIG  $\delta f=0.000$ ). it is less than 0.05 which means that the gender of the board has an impact on increased social risk disclosure. Dimensions on the quality of financial reports because it increases the amount of interpretation (0.031), so the hypothesis is acceptable. It states: "Disclosure of social dimensions has a statistically significant impact on the quality of financial reporting." Quality of financial reports of publicly owned Jordanian industrial companies according to gender-adjusted roles in the Board of Directors. "

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions:

1. The results showed that the degree to which companies disclose the environmental component of industrial companies is considered average, and that the nature of the work done in these companies depends on the environmental component.
2. The results of the study showed that the degree of interest of corporate social disclosures to employees and customers is low compared to the other two, which are considered more important.
3. The results showed that (62.8)% of companies do not use profit management, while (37.2)% use this method, so not taking into account the application of profit management is common. It is a Jordanian company working in the field of industry.
4. The results showed that the disclosure of economic information has no moral impact on the quality of financial reports associated with industrial companies. This is because the composition of the Council has changed.
5. The results showed that the dissemination of environmental information has a significant impact on the quality of financial data associated with industrial companies. This is due to the shift in the gender composition of the director on the board of directors.
6. The results showed that the disclosure of the social aspects of agriculture has a significant impact on the quality of the financial statements of companies operating in agriculture, and that changing gender roles on the board of directors is responsible for this.

### Recommendations:

- 1- Encourage businesses to make the elements of sustainable development more transparent and to publish reports on how committed they are to these elements due to the benefits to their company's brand and image.
- 2- Encouraging businesses to include more women on their boards of directors, since they contribute to greater disclosure of sustainable development aspects and, consequently, to the enhancement and ongoing enhancement of financial reports.
- 3- Including family property attributes that are intermediate or updated, linking them to other factors like financial performance, or conducting further research and studies on the future of sustainable growth for other industries, such the service and financial sectors.

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