The Mediating Effect of Voluntary Disclosure on the Relationship between Corporate Governance and Financial Performance among Listed Jordanian Companies

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Abstract- The all-round disclosure of financial statements was a global problem since the last decade. Indeed, the “profit and loss” report is important as it reflects the operational indicators of the company. The more transparent the “profit and loss” report, the more useful it is for the potential and current investors when making their investment decision. In other words, the more the firms disclose about the numbers included in the financial statement, the higher is their level of transparency. The purpose of a financial statement is to assist transparency while also providing a high-quality annual report for fuller disclosure of information. It also promotes the establishment of standards of accounting and laws concerning financial reporting. Two forms of financial reports are available: Compulsory and voluntary reporting. In particular, Compulsory information disclosure represents the main market necessity for info needed by varied laws and regulators, and it is governed at the national or regional level by the public authorities or professional organizations. On the contrary, corporate voluntary disclosure, which exceeds the disclosure demands, is the right choice for managers to disclose annual reports to users. The basic curiosity in the researcher’s mind is the extent to which voluntary disclosure is able to enhance financial performance, and what factors influence the company’s financial performance of listed in the Amman stock exchange through the corporate governance structure. The main objective of this study is to examine the extent of voluntary disclosure within the annual reports of Jordanian listed corporations and to examine the relationship between corporate governance mechanisms and Financial performance (FP) within the annual reports of Jordanian listed corporations. A research method will be used in the Jordanian context, namely archival and method since the nature of the data required for conducting this survey on Jordanian companies emphasizes the need for secondary data to be a major source of information because secondary data assist in defining contemporary evidence. The data obtained between 2012-2017 from the Annual Report of Amman Stock Exchange from 208 companies in the manufacturing and services sector. Moreover, information from this period is the most recent source of information at the time of research. The sample of this study was restricted to the Service sector and industrial sector which altogether include 208 corporations representing 84% of the total number of corporations listed in the ASE.

In the analysis used version 18 of (SPSS) program, and the descriptive analysis was used in this research. The results showed that the board (BCOM), Board activity (BACT), Board size (BSIZE), audit committee Size (ACS), Board Independence (BORDIN), Foreign Ownership (FOW) and Institutional Ownership (IOW). The H02, H03, H04, H05, H06, H07, and H09 were supported. In comparison, two ways of returning on assets (ROA) is statistically insignificant, since their p-values are above the normal level of significance of 0.05, the Audit Committee independence (ACOM) and Government Ownership (GOW), H01 and H08 were therefore rejected. The most theoretical implications for this study Is that this research bridges the gap created by the past works by defining these factors that affect financial performance. As shown by the results obtained, all factors impact financial performance. A research framework on the financial performance among listed Jordanian companies had been proposed in this study and empirical tests had been performed on it. Also, the most practical implications for this study Is that this research inspecting the variables from each external factor, to identify the one with the greatest effect on the financial performance. Assesses the relationship between voluntary disclosure and financial performance. One of the most important determinants of this study is the information that will be obtained may be incomplete in the form of unreported corporate governance, concealed directors, or undisclosed ownership levels. An important recommendation for future studies in this study is future work should consider including more services on business which could include the in-side and out-side company services. The study conclusion highlights the development and testing of the financial performance of a structural model. The model that this study had devised is grounded on the model of AT and RDT, LT, CNT, ST in addition to the applicable constructs obtained from the secondary data as well as the studies on financial performance. Finally, from the current study, shareholders and management will know that they are responsible for deciding the extent of voluntary disclosure. This will then prohibit them from expropriating the property of the company for their own use.

Keywords: Voluntary Disclosure, Corporate Governance, Annual Reports, Audit Committee Independence, Board Compensation, Financial Performance

I. INTRODUCTION

The all-round disclosure of financial statements was a global problem since last decade. Indeed, the “profit and loss” report is important as it reflects the operational indicators of the company. The more transparent the “profit
and loss” report, the more useful it is for the potential and current investors when making their investment decision. In other words, the more the firms disclose about the numbers included in the financial statement, the higher is their level of transparency. The purpose of financial statement is to assist transparency while also providing the high-quality annual report for fuller disclosure of information. It also promotes the establishment of standards of accounting and laws concerning financial reporting (Al Ayub Ahmed, 2012).

Two forms of financial reports are available: Compulsory and voluntary reporting. In particular, Compulsory information disclosure represents a main market necessity for info needed by varied laws and regulators, and it is governed at national or regional level by the public authorities or professional organizations. On the contrary, corporate voluntary disclosure (VOL), which exceeds the disclosure demands, is the right choice for managers to disclose annual reports to users (Yuen et al., 2009).

It is essentially necessary in the market to determine the standard of financial statements through the volume of disclosure and is provided in a timely manner so that investors and creditors can make decisions through a useful and effective way of obtaining the information needed by various laws and regulatory bodies (Jeter and Chaney, 2004). So, today, many exchanges across the world are naturally calling for companies to draw up financial reports to supply vital stakeholders with timely financial info of top quality so as to help them in their decisions on informed financing and investment.

Jordan has started implementing similar financial practices in this regard (Al Sawalqa, 2014). In the meantime, globalization, technology, connectivity, and intense trans-border knowledge and trade flow, are all making this world a small village. The new world economy has become the key term. In order that Jordan is on an equal footing with other nations, it understands that it has to contemplate and introduce positive changes. Furthermore, Jordan is one of the few Arab countries to be fully cognizant of the importance of addressing new world innovations. This was the first Arabian country to join since 1988 to the International Accounting Standards Committee and in 1990 to the Board of Directors of the Inter-Agency Standing Committee (Yuen et al., 2009).

Al Ayub (2012) defend that companies willingly report useful information on their accounting practices (Buzbee 1975; Meek et al., 1995) to every accounting information source and client. during this manner, disclosure is a bridge between users of administrative and financial statements. This bridge is supported with (VOL) and trust builds between companies and stakeholders through their involvement across corporate life.

Regime of disclosure may cause greater social welfare. In spite of the fact that mandatory disclosure evidently is superior toward (VOL) given the information about product risks which companies have since this kind of information has value to customers (VOL) will prompt companies to obtain more information about the risks of product as they can stay silent if the information is adverse. (Polinsky & Shavell, 2006)

Many countries have specifics in the general law or administrative practice, which encourage (VOL) of information. This provides particular incentives to taxpayers who haven't fulfilled the tax commitments to come forward. Besides, some countries have introduced the temporary program of (VOL) to use the impulse given, for example, by existence of information on financial accounts abroad and expansion of cooperation between tax administrations (OECD, 2015).

The movement towards (VOL) is still not so common. The managers are unsure if it is better for the companies to publish more information than required in the mandatory statements. Some companies hide the negative information, and when the truth comes out, the situation becomes worse than if they decided to disclose it on their own (Naser & Nuseibeh, 2003).

Most stakeholders considered voluntary reports to be useful for measuring company performance and comparing the various companies. In addition, they were able to take informed decisions on investments and monitor their investments through (VOL)s. Stakeholders have agreed on the utility of (VOL)s to estimate anticipated profits, earnings per share, and to assess company performance (Al Sawalqa, 2014).

The extensive corporate disclosure reveals some benefits of the financial and operating position of companies and the distribution of power through companies and their protocols in decision making (Khlif & Souissi, 2010). The first one is reducing the information gap between market participants. Secondly, the disclosure provides a greater understanding of a company and of its success by shareholders and foreign investment. Thirdly, corporate disclosure brings transparency that increases the faith of investors. Fourthly, increased disclosure of information strengthens corporate governance (CG) and investment decisions of executives and promotes capital market corporate control structures (Chen & Steiner, 2000; Chung & Jo, 1996). The study examined the following research questions:

1. Q1: Does Voluntary Disclosure (VOL) as Mediating between Corporate Governance (CG) and Financial Performance Among Listed Jordanian Companies
2. Q2: Does Corporate Governance (CG) have any influence on Financial Performance (FP) of Jordanian listed corporations?
3. Q3: Does (ACOM, BCOM, BACT, BSIZE, ACS, BORDIN, FOW, GOW, IOW) have any influence on Financial Performance (FP) of Jordanian listed corporations?

The study also developed the following null hypothesis:
1. H1: There is a statistically significant of Voluntary Disclosure (VOL) as Mediating between Corporate Governance (CG) and Financial Performance Among Listed Jordanian Companies
2. H2: There is a statistically significant relationship between Corporate Governance (CG) have any influence on Return of Assets (ROA) of Jordanian listed corporations.
3. H3: There is a statistically significant relationship between (ACOM, BCOM, BACT, BSIZE, ACS, BORDIN, FOW, GOW, IOW) have any influence on Financial Performance (FP) of Jordanian listed corporations.

II. LITERATURE REVIEW

2.1 Corporate Voluntary Disclosure

Disclosure is simply defined as revealing of information related with the status of certain corporation in terms of financial, non-financial, quantitative or other forms of information. Meanwhile, corporate disclosure shows the financial and operational situation of the firms, the distribution of authority within the corporates, and their protocols in decision making (Khlif & Souissi, 2010). Further, when the disclosure of such information becomes compulsory by law, Compulsory/obligatory disclosure is also termed voluntary/optional disclosure if it is not limited by specific rules (Owusu-Ansah, 1998).

VOL is often divided into six types: a) business information, b) management’s analysis of business information, c) innovative info, d) info regarding management and shareholders, e) background regarding the corporate, and f) info regarding intangible assets. These types can get sometimes divided into four subcategories regarding FP, sales, product and operations (Kowalewska & Di Meo, 2015).

In this way, some researcher has found a good correlation between the corporates size and the degree of firm disclosure several experiments have been carried out by net sales, while some use the other as alternatives to total assets (Hossain & Hammanii, 2009).

Countless studies have measured corporate disclosure rates for financial and non-financial organizations in both developing and developed countries, for instance: Bilal, Tufail, Khan, Abbas and Saeed (2013), Ianniello, Mainardi, and Rossi (2013).

Many research studies aim at (VOL) (e.g. Ahmed & Nicholls, 1994; Wallace and Naser, 1995), which is why this analysis has been carried out in Jordan and other developing countries. In particular, this study focusses on the impact of (CG) on (VOL) of financial and non-financial products in Jordan and reviews annual reports by companies outside the financial sector in Jordan and by banks in Jordan.

2.2 Corporate Governance

Corporate disclosure and (CG) have steadily drawn researchers’ attention. Most closely related to our concern here is the segment of the literature that explores and investigates the possible effects of company governance on the extent of (VOL).

A variety of literature researchers analyzed the correlation between (VOL), with a number of theoretical organizational features playing an essential role in the quality of the information presented in the company’s annual reports.

The relationship between business features and the degree of disclosure has been studied by Dahawy (2009). The study is based on a manual assessment by the Egyptian Capital Market Authority (ECMA) of 41 companies on the Cairo or Alexandria Stock Exchange (CASE). Research findings indicate Egyptian firms’ level of disclosure is influenced by Egypt’s highly secretive community. Furthermore, the results indicate that the degree to which the auditor is affiliated with a foreign company is the key variable affecting Egyptian companies’ disclosure level and is then compared in previous studies with their counterparts.

Elmagrhi, Ntim, and Wang (2016) found that organizations with a larger executive board, more independent executives and more diverse directors tend to disclose more information on (CG) voluntarily, while voluntary compliance and disclosures on (CG) have little to say about the role of a separate governance board and (IOW).

In 2010, Bursa in Malaysia's annual reports of the 254 companies listed, Sallehuddin (2016) looked at (CG) and control relationships with volunteer disclosures. The study found that only the independence of the Board contributes greatly to (VOL) of businesses. The level of corporate (VOL), (ACS) and management ownership are negligible.

Alfraih and Almutawa (2017) note that cross-management, the board size, and position duality are negatively linked to (VOL) in the Kuwait Stock Exchange's annual report, while (GOW) is positively linked to (VOL). In comparison, the proportion of non-executive managers, family members on board, the involvement of an audit committee, or the ruling family on board, has a small effect on (VOL) practice.

2.3 Financial Performance

Several studies have analyzed the impact on Financial Performance (FP) indicator (ROE), (ROA) of various companies (e.g., Lan et al., 2013; Achoki, 2016; Mutiva, 2015).

Several research studies have shown that voluntary information and (FP) measures are strongly related, and the studies have shown a strong relationship between (VOL) and the measure of (FP). This relationship is linked to obtaining cheaper capital, greater disclosure and accountability in annual reporting that promotes investors’ trust and encourages
investors to take financial decisions and chooses investment (e.g., Ross et al., 2001; Lan et al., 2013).

Nédal, Abdullah and Yousef (2014) looked at the impact on (FP) of public stock companies listed in the ASE on (CG) principles and noted that there is an impact on the profit return of joint-stock corporations listed in Amman Stock Exchange’s First Market assets of (CG). In addition to this, Padachi, Ramsurun & Ramen (2017) investigated the impact of Mauritian Listed companies in (CG) and corporate activities and confirmed the significant and positive relationship between (CG) and corporate performance. In Abigail Andriana and Rosinta Ria (2017), the authors studied the impact on (FP) of the Proper Stock Exchange Company of Indonesia of Good (CG) and Environmental Performance, and the analysis shows that Environmental performance and (CG) have a significant financial impact.

In a panel of 1,074 companies listing Euronext Pariser evaluating the relationship between voluntary corporate disclosition and business results, the authors showed the importance of the organizational efficiency, analyzed Amal Hamrouni et al. (2015) and identified positive ties between disclosure index and performance evaluation by using their voluntary data provided in annual reports, Albassam (2014) also looked at the relationships between (CG), (VOL) and (FP) and found positive corporate and financial governance (ROA) relationship evaluated.

In Mohan and Chandramohan (2018), the authors empirically examined the impact on business performance in India of (CG). The results indicated a major negative impact on (CG), namely the duality of CEOs and board size, while the composition of boards did not reveal any significant impact on corporate performance. In order to achieve superior business performance, the authors also mentioned the need for companies to separate CEO and chair to ensure optimum performance. The authors also indicated that companies must conduct a monitoring procedure. The results also suggest a substantial positive effect on the leverage and asset turnover performance of the firm. In another study, Karim and Faiz (2017) examined the effect on business performance in Pakistan (2011-2015) of internal attributes of corporate leadership, and found that (CG) plays a very significant role in assessing corporate performance. The authors also found that (CG) and firm performance have a positive connection.

2.4 Theoretical Review

The theory of agency is seen as the leading business governance model based on an approach directed towards shareholders. Following the question of shifts in the ownership-control relationship, the fundamental statement of this principle emerges (Schneider & Schere 2015). For instance, shareholders endanger the manager by supplying the company with capital, instead of optimizing the company value and valuation of shares, to increase their own utility. Despite this theory, optimizing shareholder preferences is a top priority of the company and the incentives for workers are smaller than the shareholders’ benefits (Schneider & Schere 2015).

The theory suggests that workers of (CG) are considered marginal as well as that owners are of great importance (Thomsen & Conyon 2012). On the other hand, particularly with regard to the percentage of outside directors for critical decisions, found no empirical support for the influence of board membership. Of terms of risk and restrictions concerning potential conflicts of interest between management and shareholders, organization theory suggests reducing the number of board members as a means of increasing (BORDIN). It is therefore important to make the members of the Board shareholders accountable (Aljanadi et al., 2013). In a study conducted by Bebcuko and Weisbach (2010), the development of good management was argued that monitoring and communication risks, resulting in better governance processes, (VOL) and (FP), should be minimized. It is reflected in many countries’ (CG) rules, including Jordan’s (CG) in 2006.

Essentially, theory recognizes that subcommittees of the boards are established, including audit committee, nomination committee and remuneration committee, and these committees have a crucial role in monitoring the managerial behaviour (Allegrini & Greco, 2013). However, due to a high concentration of ownership in Jordan, it is important to consider that diverse shareholders ownership and separation of ownership and control suggested by agency theory would only be applicable in western countries.

Agencies were commonly used in explaining why businesses agreed to provide additional information (e.g. Cooke, 1999; Hossain, Tan & Adams, 1994; Hossain, Perera, & Rahman, 1995; Ho & Mathews, 2002; Samaha et al., 2012). Use of agency theory in general can be clarified in order to expand the scope of the correspondence, in particular if the (administration) organization is required to willingly reveal more information in order to convince stakeholders to act optimally on behalf of its stakeholders. As a consequence, the burden of an agency is that, with a focus on (VOL) to reduce the agency’s costs.

III. METHODOLOGY

3.1 Research Design

A research method will be used in the Jordanian context, namely archival and method since the nature of the data required for conducting this survey on Jordanian companies emphasizes the need for secondary data to be a major source of information for the years 2012 to 2017. The Annual Reports are used to collect (CG) and (ROA) information; and (VOL) variables. Secondary data have been used in previous studies (e.g., Al-Manaseer, 2012; Bayrakdaroglu, 2012, ALhaziemeh, 2014) and proved to be an effective method. Secondary data assist in defining contemporary evidence. This study seeks to influence the relationship between (CG) and
(FP) by applying the mediating effect of (VOL) in the Jordanian corporate sector.

3.2 Population and Sampling

The population of this study consists of corporations listed in ASE for the year (2012) which continued to trade until the end of the year (2017). There were 249 listed corporations, but the sample of this study was restricted to the Service sector and Industrial sector which altogether include 208 corporations representing 84% of the total number of corporations listed in the ASE on the basis for measuring the variables of the study data availability (Securities Depository, 2017). Accordingly, Table 1 shows the sample distribution on the Amman Stock Exchange according to corporations.

<table>
<thead>
<tr>
<th>Type of sector</th>
<th>Number of corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service sector</td>
<td>145</td>
</tr>
<tr>
<td>Industrial sector</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>208</strong></td>
</tr>
</tbody>
</table>

IV. RESULTS AND DISCUSSION

4.1 Data Screening

To ensure that data have been correctly entered and that the distribution of variables to be analyzed are normal, data screening and cleaning procedures for errors or outliers were conducted. According to Zikmund (2010) an outlier is related to data which has value that lies outside the normal range. Any individual item with a Mahalanobis Distance (D²) scores greater than Chi-square value would be considered as multivariate outliers (Hair et al., 2014; Zikmund, 2010). All items in this study were carefully screened to find any data entry errors by using descriptive statistics. The outcome of the descriptive test, which included: mean, minimum and maximum values, showed that only four cases have extreme values in most of the responses (Case number: 24, 62, 71 and 114). Hence, the final usable cases were 204.

4.2 Descriptive Statistics

To answer the questions that guide this study; (ROA), which needs to be investigated at factors of the study:(ACOM),(BCOM),(BACT), (FSIZE), (ACS), (BORDIN), (FOW), (GOW) and (IOW), as independent variables while (VOL) was the mediating effects, which are reflected in Table 2.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>S. D</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>62.40</td>
<td>61.53</td>
<td>58.46</td>
<td>5.23</td>
<td>52.30</td>
<td>76.92</td>
</tr>
<tr>
<td>ACOM</td>
<td>0.40</td>
<td>1.00</td>
<td>1</td>
<td>.370</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>BCOM</td>
<td>3425</td>
<td>35000</td>
<td>35000</td>
<td>18295</td>
<td>4500</td>
<td>82363</td>
</tr>
</tbody>
</table>

4.3 Normality

Linear regression assumes that the dependent variable dataset alongside the residual (error) are just about normally distributed. This denotes the high skewness of data that are not normally distributed, either to the left or to the right. Hair et al. (2014) termed such values as kurtotic variables. According to the authors, these values are able to distort not only relationships but also tests of significance. Meanwhile, data distribution normality is examinable in several manners including visual checking of data plots, skewness, kurtosis, as well as P-P plots. On the other hand, Kolmogorov-Smirnov tests generate the inferential statistics on normality (Hair, Black, Babin, & Anderson, 2014).

Kolmogorov-Smirnov test was run to test normality distribution of dependent variables and residuals in this study (Table 3). However, the test outcome demonstrate that each variable was significant, which means none of the reminder were normally distributed. However, according to Pallant (2016), in large sample size, the visual shape of distribution is more important in normality test rather than the significance level of skewness.

As Field (2018) The skewness and kurtosis were checked for a sample size that is greater than 200, as well as the visual observation of the distribution in terms of its shape, would suffice (Field, 2018). This study chose and kurtosis to evaluate data normality. Values of skewness denote the symmetry of the distribution score. Here, a skewed variable denotes the place of the score being outside of the distribution center. Meanwhile, kurtosis denotes the distribution’s “peakness.” Here, the distribution can either be too peaked with a tail that is thick and short, or too flat with a tail that is thin and long (Hair et al., 2014). Generally, data can be assumed to be normally distributed if the skew and the kurtosis fall within the range of−1.5 to+1.5 or 2.0 (Hair et al., 2014). As a tolerable value for courtesies, Byrne (2016) proposed using the below 7 cut-offs. The Author mentioned the skewed data of normal distribution between+ 2 and-2 (Byrne, 2016). Table 3 summarizes the kurtosis and variable skewness values in this analysis, as well as the linear model regression error.
4.4 Multicollinearity Test

Multicollinearity is an important assumption in addition to other premises that there is no multicollinearity. Diagnoses of collinearity were made to check and identify multicollinearity problems of the predictors. The tolerance value and inflation factor (VIF) can be calculated for this. The tolerance levels ranged from 0-1 according to (Hair et al., 2014). A value of 1 demonstrate that the variable is not connected to other variables and a value of 0 means that the two variables tested are positively correlated. The VIF also has a standard cut-off value of 10 and VIF values should be below 10 in all predictors. The results of the cross-linearity measurements are shown in Table 4.

Table 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACOM</td>
<td>.458</td>
<td>2.270</td>
<td></td>
</tr>
<tr>
<td>BCOM</td>
<td>.468</td>
<td>2.135</td>
<td></td>
</tr>
<tr>
<td>BACT</td>
<td>.422</td>
<td>2.371</td>
<td></td>
</tr>
<tr>
<td>BSIZE</td>
<td>.441</td>
<td>2.473</td>
<td></td>
</tr>
<tr>
<td>ACS</td>
<td>.409</td>
<td>2.035</td>
<td></td>
</tr>
<tr>
<td>FOW</td>
<td>.491</td>
<td>2.035</td>
<td></td>
</tr>
<tr>
<td>GOW</td>
<td>.409</td>
<td>2.446</td>
<td></td>
</tr>
<tr>
<td>IOW</td>
<td>.485</td>
<td>2.062</td>
<td></td>
</tr>
<tr>
<td>VOL</td>
<td>.492</td>
<td>2.034</td>
<td></td>
</tr>
</tbody>
</table>

As can be observed in Table 3, the results of evaluation normality demonstrated that the p-values of Kolmogorov-Smirnov test for (ROA) and Unstandardized Residual were significant at 0.001 level which violated the assumption of perfect normal distribution of data for both variables. Nevertheless, the results demonstrated that the deviations from normality were at the acceptable range. The values of skewness were .414 and .429 for (ROA) and Unstandardized Residual respectively, in the acceptable range of -2 and +2. The kurtosis values for (ROA) and Unstandardized Residual were -.295 and .422 respectively, within the tolerable range of -7 and +7. It can thus be deduced that the dataset for both (ROA) and Unstandardized Residual were well modeled by a normal distribution.

4.5 Results of Linear Regressions

As a guarantee that each linear regression assumption was fulfilled sufficiently, this study employed the multiple linear regression analysis in investigating the relationship between (ACOM), (BCOM), (BACT), (BSIZE), (ACS), (BORDIN), (FOW), (GOW) and (IOW), as independent variables with (ROA) as dependent variable and (VOL) as mediating variables. Examination was carried out on the significance of the regression coefficients of the hypothesized predictors. This was to ascertain the support for the hypotheses. The following sub-sections describe the regression model’s results. Table 5 shows multiple linear regression results.

Table 5

<table>
<thead>
<tr>
<th>Model</th>
<th>T</th>
<th>Sig.</th>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>50.953</td>
<td>.000</td>
<td>H01</td>
<td>Rejected</td>
</tr>
<tr>
<td>ACOM → ROA</td>
<td>1.194</td>
<td>.233</td>
<td>H01</td>
<td>Supported</td>
</tr>
<tr>
<td>BCOM → ROA</td>
<td>2.627</td>
<td>.009</td>
<td>H02</td>
<td>Supported</td>
</tr>
<tr>
<td>BACT → ROA</td>
<td>5.138</td>
<td>.000</td>
<td>H03</td>
<td>Supported</td>
</tr>
<tr>
<td>BSIZE → ROA</td>
<td>3.826</td>
<td>.000</td>
<td>H04</td>
<td>Supported</td>
</tr>
<tr>
<td>ACS → ROA</td>
<td>3.948</td>
<td>.000</td>
<td>H05</td>
<td>Supported</td>
</tr>
<tr>
<td>BORDIN → ROA</td>
<td>4.715</td>
<td>.000</td>
<td>H06</td>
<td>Supported</td>
</tr>
<tr>
<td>FOW → ROA</td>
<td>2.775</td>
<td>.006</td>
<td>H07</td>
<td>Supported</td>
</tr>
<tr>
<td>GOW → ROA</td>
<td>1.098</td>
<td>.273</td>
<td>H08</td>
<td>Rejected</td>
</tr>
<tr>
<td>IOW → ROA</td>
<td>3.165</td>
<td>.002</td>
<td>H09</td>
<td>Supported</td>
</tr>
<tr>
<td>VOL → ROA</td>
<td>8.864</td>
<td>.009</td>
<td>H10</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The following paths were shown, as illustrated in Table 4.17, for the Return at Assets (ROA), in terms of their p-values, statistically significant: 7 paths were from (BCOM), (BACT), (BSIZE), (ACS). The H02, H03, H04, H05, H06, H07, and H09 theories have been endorsed. On the other side, the statistically insignificant path to (ROA) from both the (ACOM) and (GOW), were their p-values above normal meaning point 0.05. H01 and H08 have thus been discarded.

V. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Results

As a guarantee that each linear regression assumption was fulfilled sufficiently, this study employed the multiple linear regression analysis in investigating the relationship between (ACOM), (BCOM), (BACT), (BSIZE), (ACS), (BORDIN), (FOW), (GOW) and (IOW), as independent variables with (ROA) as dependent variable and (VOL) as mediating variables. Examination was carried out on the significance of the regression coefficients of the hypothesized predictors.
This was to ascertain the support for the hypotheses. The following sub-sections explain the results on the subject of the regression model.

Seven paths from (BCOM), (BACT), (BSIZE), (ACS), (BORDIN), (FOW), and (IOW), to (ROA) The p-values were all under the normal significance level of 0.05 statistically significant. H02, H03, H04, H05, H06, H07 and H09 hypotheses therefore have been supported. On the other hand, two paths from (ACOM) and (GOW) to (ROA) their p-values were statistically significant because they exceeded the standard meaning level of 0.05. H01 and H08 were therefore rejected. The study of mediation was used to determine the mediation effects of (VOL) as mediating variable on the effects of (ACOM),(BCOM),(BACT), (BSIZE), (ACS), (BORDIN), (FOW), (GOW) and (IOW), as independent variables with (ROA) as dependent variable (i.e., H010a, H010b, H010c, H010d, H010e, H010f, H010g, H010h, and H010i). In addition, the indirect effects of the independent variables on the dependent variable were also explored through the mediating variable.

5.2 Limitations

This study is confined to the impacts of (CG) on (FP) on the ASE listed companies in the sector of service and industry. The data which will used in this study are from the period from 2012 to 2017, which is equivalent to the duration of only five years because of some data will be unavailable. The selection of just the sector of service and industry is a give and take between gaining a large sample and incurring reasonable costs of collecting data. Also, the information that will be obtained may be incomplete in the form of unreported (CG), concealed directors or undisclosed ownership levels.

5.3 Recommendations for Future Studies

As already highlighted, to some extent, the outcomes generated in this study are affirmations to the outcomes obtained by the past works. Nonetheless, several issues have surfaced during the progress of this research which should be promptly addressed for the perusal of the future work. Each of these issues is as elaborated below:

1. The administrative (FP) under scrutiny are restricted to only the services most accessible. In other words, there are limitations in terms of the available (FP). Thus, future work should consider including more services on business which could include the in-side and out-side company services.
2. The respondents in this study comprised listed owners of Jordanian companies. Hence, for future work, companies from other countries or stock exchange should be included.
3. An issue of model accuracy has emerged in this study because SPSS statistical technique, which has been known to have accuracy issue, was used in this study in testing the model. Hence, future work may consider the use of Partial Least Squares (PLS), which would increase the accuracy of the model fit. Such outcome would be a valuable addition to the body of knowledge applicable.
4. The factors that were used in the model proposed in this study were obtained from close setting before they were used as constructs in this study. As such, future work should consider using the factors grounded on E banking or other shape of currency.
5. The technique of data gathering in this study is based on the secondary data. For this reason, future work should also consider the utilization of other methods which are also effective, such as the qualitative method or the triangulation method.
6. As studies on this subject in the context of Jordan are still very few, the findings of this study could be affirmed or refuted or even challenged, by carrying out more comparable studies in the context of Jordan as well.
7. Some of the hypotheses presented in this study are rejected which implies the presence of mixed findings. In other words, there are inconsistencies in certain findings. This calls for more studies of comparable type so that the inconsistencies could be rectified.
8. This study also shows limitations in terms of unit of analysis. On the contrary, the study of (FP) are universal no matter what business type or size. Somehow, this study is confined to (FP) in the context of Jordan.

5.4 Conclusion

This research highlights the development as well as testing of a structural model, for (FP). The model that this study had devised is grounded on the model of AT and RDT, LT, CNT, ST in addition to the applicable constructs obtained from the secondary data as well as the studies on (FP). Tests were executed against the model using the data obtained as secondary data, and these data gathered from the annual report of the listed companies in Amman Stock Exchange for the years 2012 to 2017, from 208 listed companies in the industrial and services sectors. The annual reports of the years 2012 to 2017 have been chosen because they are easier to obtain. Finally, the shareholders and management should learn from the current study that they are responsible in determining the level of (VOL). Thus, this should discourage them from expropriating company’s wealth for their own use.

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