

# THE ECONOMIC IMPACT OF FINANCIAL DISCLOSURE REGARDING SOCIAL RESPONSIBILITY ON BUILDING COMPANY REPUTATION AND ACHIEVING MARKET VALUE.

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## Abstract:

This research aims to contribute to good governance. Companies with numerous, clear disclosures related to their reputation in the event of crises or constructions. This results in clarity and transparency in the company's business relationship with them, especially if the company wants to adhere to the concepts of social sustainability. The intent is to favor companies that demonstrate transparency in financial reporting, which leads to increased shareholder demand due to the large market and the differentiation of uncertainty from investor confidence. Therefore, the cost of capital is determined for companies that have included social responsibility disclosure in their financial reports, such as companies that have recorded an increase in the minimum market (Apple) and Microsoft) of major technology companies such as increased customer and investor confidence.

**Keywords:** Financial Disclosure, Social Responsibility, Corporate Reputation, Market Value, Social Sustainability

## 1-Introduction:

The tremendous development in the field of administrative sciences that accompanied business establishments in previous years led to the emergence of many modern concepts in

the business environment. One of the most important of these concepts was the concept of social responsibility, which clarified the necessity for establishments to be responsible towards the environment and the society in which they operate. This prompted many management and accounting theorists to study the impact resulting from the application of this concept. Accounting is an information system that aims to produce financial information that helps the parties related to the establishment, for example, shareholders, investors, the government, customers, and finally society, in the decision-making process. Financial accounting, in its processing of data and production of information, is affected by the nature of the establishment's activity. If the establishment operates in an industry or engages in an activity that would pollute the environment and harm society, then it must include the disclosure of social and environmental information in order to meet the needs of stakeholders, enabling them to evaluate their past decisions or to help in making current and future decisions. Technological developments and industrial progress in the business environment have led to the need for various stakeholders in an organization to obtain other types of information, such as social information, which reflects the extent to which the organization acts responsibly towards the environment and the community in which it operates, in order to form a comprehensive impression of the performance of business organizations. As a result of the expansion in the field of business, organizations are no longer only responsible for maximizing profit, but must also balance economic aspects, represented by maximizing profit, with social aspects in all the work that organizations do, so that the improvement in economic growth reflects many positive effects on society as a whole. This, in turn, leads to enhancing the organization's social responsibility in business practices. Many organizations have focused on social responsibility activities to achieve many benefits, which include improving the organization's image in society, improving employee morale, improving employee loyalty rates, building strong relationships between the organization and the community in which it operates, and finally responding to the expectations of customers and society. Social responsibility is the responsibility of the organization towards its stakeholders, and the commitment of organizations is not only to making profits, but extends to include the environment, workers and society as a whole. This can be achieved through various activities and areas of corporate social responsibility by choosing to engage in society in a way that achieves the interests of shareholders, employees, customers and society, so that the social responsibility of decision-makers is determined to promote the implementation of policies to follow up on work in support of its various areas that are desirable in society. As a result of adopting these different areas of social responsibility, a positive relationship can be expected between social responsibility and the financial and market performance of companies, which enhances their market value. Many researchers have used this as a ratio of the market value of owners' equity divided by the book value of total assets. Commercial banks aim to generate wealth for their owners and must undertake activities that affect their market value. They demonstrate the impact of financial disclosure of social responsibility through their various activities and elements, including the environment, society, and employees, and the improvement of services on market value.

## **2- Research Significance:**

This research derives its significance from the following aspects:

- 1- Defining the financial disclosure of social responsibility in Iraqi commercial banks, identifying their most important activities, and examining the recommendations offered by banks to enhance their market value and maximize their benefit.
- 2- Understanding the impact of financial disclosure of social responsibility on the market value of Iraqi commercial banks, which helps bank management guide executive decisions towards greater emphasis on disclosure and its reflection on market value.
- 3- Identifying the social responsibility activities that have the greatest impact on Iraqi market value.
- 4- The research's theoretical significance stems from its focus on a crucial topic in environmental and social accounting: financial disclosure of social responsibility and its impact on company value and performance.
- 5- The importance of the services provided, which have garnered attention from numerous international accounting journals in recent years, particularly those studying the impact of financial disclosure of social responsibility on company value and performance in developed countries.

## **3- Research Objectives:**

1. The research aims to demonstrate the impact of corporate social responsibility (CSR) disclosure on corporate value in Iraqi establishments.
2. To determine the extent to which corporate social responsibility disclosure impacts corporate financial performance in Iraqi establishments.
3. To demonstrate the impact of corporate financial performance on the relationship between corporate social responsibility disclosure and corporate value.

## **4- Research Problem:**

Numerous studies have addressed the topic of social responsibility disclosure in various environments. The results of these studies, which examined the impact of financial disclosure of social responsibility on company value, have been conflicting. These studies have concluded that there is a positive relationship between social responsibility disclosure and company value. This can be explained by the fact that when organizations invest in and disclose social responsibility activities, it leads to an increase in company value. This is attributed to improved accountability and responsibility, which ultimately enhances stakeholder confidence due to increased stakeholder satisfaction. The management of organizations and companies should not harm stakeholders but rather contribute to the well-

being of society. Therefore, it is the responsibility of company managers to disclose social information in financial reports.

The research problem is addressed through the following questions:

1- Does companies' disclosure of social responsibility reduce their company value, thus affecting their financial performance?

2- What is the impact of financial disclosure of social responsibility on company value? 3- What is the impact of differing financial disclosures regarding social responsibility on the company's value, based on the company's financial performance?

### **5- Research Hypotheses:**

The research is based on the following hypotheses:

1- Does disclosing social responsibility towards employees have an impact on the market value of Iraqi commercial banks?

2- Does disclosing social responsibility towards the community have an impact on the market value of Iraqi commercial banks?

3- Does disclosing social responsibility towards improving services have an impact on the market value of Iraqi commercial banks?

### **6- Research Scope:**

1- Geographical Scope: This research is focused on Iraq, specifically on employees of Iraqi commercial banks.

2- Temporal Scope: The study is limited to the fiscal year 2025, as its results are closer to the current performance of the companies than previous years.

3- The study focuses on all individuals within the organizations under investigation, starting from the general manager, department and division managers, and production line workers.

### **7-Financial Disclosure and Social Responsibility:**

Disclosure has been defined in several ways. Al-Akar (2010:5) views it as the purposeful transfer of information from its source to its beneficiaries, thus contributing to enhanced transparency. Barakat (2018, p. 4) defines disclosure from an accounting perspective, explaining that it requires presenting all essential information relevant to users of financial statements, while adhering to relevance criteria such as credibility, impartiality, and comparability with previous periods or other institutions. He also emphasizes the importance of timely information delivery to ensure its effectiveness. Sumaya (2017, p. 71) adds that disclosure includes presenting financial information, both quantitative and qualitative, in financial statements, margins, and explanatory tables. This contributes to making the data

clear and credible to external parties who do not have access to the institution's internal records. In the same vein, Omran (2016, p. 48) emphasized that disclosure must be objective and unbiased, encompassing all information that could influence investors' decisions. He also stressed the importance of this information being clear, understandable, and free from ambiguity or misleading information, thus ensuring transparency and accountability in financial reporting. Researchers define disclosure as the process of presenting an organization's financial information and accounting data in a transparent and clear manner to stakeholders, such as investors, creditors, regulators, and the public. Financial disclosure aims to ensure the provision of accurate and reliable information that aids in making sound financial and administrative decisions.

## **8-Types of Financial Disclosure:**

Financial disclosure varies according to its objectives and the amount of information it provides to users. These types include:

(Barakat, 2018: 5)

- 1- Full Disclosure: This type requires providing all available details and information, regardless of their relevance. However, this can overwhelm users of financial statements due to the sheer volume of information, whether relevant or not, potentially hindering timely decision-making.
- 2- Fair Disclosure: This type is based on the principles of fairness and equality among users of financial statements. It presents facts related to the organization's activities transparently, enabling all stakeholders to make informed decisions.
- 3- Informational (Educational) Disclosure: This type focuses on providing the information necessary for decision-making, such as disclosing financial forecasts. This is achieved by distinguishing between ordinary and extraordinary items in financial statements. This type arose in response to investors' demands for more detailed data on fixed assets, inventory, dividend policies, and the financing structures of institutions. (Abdul Latif, 2014: 13).
- 4- Preventive Disclosure: This type aims to ensure that financial reports are accurate and do not mislead stakeholders. This enhances transparency and reduces the risks associated with unclear or inaccurate information. Each of these types is a fundamental tool in improving the quality of financial reports and enabling various parties to make decisions based on accurate and reliable information. (Sumaya, 2016: 73).

## **9-Objectives of Financial Disclosure:**

- 1- Achieving fairness and equality among stakeholders: Fair disclosure aims to provide equal information to all users of financial statements, ensuring that no party is favored over another in accessing information. (Zouina, 2015).

- 2- Compliance with legal and regulatory requirements: Companies seek to disclose their social responsibilities to comply with local and international laws and regulations, and to avoid any legal penalties they may face.
- 3- Supporting relationships with the community and stakeholders: Disclosure helps organizations build positive relationships with the local community, shareholders, and employees by clarifying their contribution to social and economic development. (Deegan & Blomquist, 2006).
- 4- Promoting ethical and value compliance: In some contexts, such as Islamic societies, disclosure can be driven by religious and ethical values that require companies to adhere to ethically and socially responsible practices. (Haniffa & Cook, 2001).

## **10-The Relationship Between Financial Disclosure and Overall Corporate Performance:**

Financial disclosure is a fundamental element in achieving capital market efficiency. It contributes to determining fair share prices, reducing uncertainty, and enhancing investor confidence, thus helping companies attract capital and improve their financial performance (Gelb & Strawser, 2001). According to Al-Akar (2010), financial disclosure represents the purposeful transfer of financial information to stakeholders, enhancing transparency and making financial data more credible and clear to investors (Zuwain, 2015). A study by Asmahan, Naqqar, et al. (2020) demonstrates that good financial disclosure can enhance the financial performance of private insurance companies by improving the management of financial risks, such as liquidity and capital risks, positively impacting return on assets and equity. Furthermore, transparency in presenting financial data contributes to more accurate investment decisions and helps improve marketing strategies for insurance products (Sumaya, 2017). The study by Omran (2016) also showed that financial disclosure enhances accountability and good governance, making companies more capable of achieving financial stability and responding to market demands, which is consistent with the recommendations of the study by Naqqar et al. (2020) regarding the need for capital to be aligned with market requirements to support financial performance.

## **11-Factors Affecting Company Reputation:**

1. Transparency in Financial Reporting: Transparency in disclosing financial information significantly impacts a company's reputation, as transparent and detailed disclosure is seen as an indicator of the company's integrity (Lourenco et al., 2014).
2. Sustainability and Social Responsibility: Companies that demonstrate a commitment to social responsibility and sustainability enjoy a positive reputation. This includes the company's impact on the environment and society in general (Schnietz and Epstein, 2005).
3. Disclosure of Additional Information in Financial Reports: If companies regularly and transparently provide additional information in their financial reports, this contributes to enhancing their reputation among stakeholders such as investors and the community.

(Hussainey and Salama, 2010).

4. Compliance with International Accounting Standards: Companies' adherence to internationally recognized accounting standards enhances their reputation, demonstrating compliance with regulatory and legal standards (Cheung, 2011).

5. Regulatory Environment and Interaction with Regulators: How a company complies with local and international laws and regulations, and its interaction with regulatory bodies, significantly impacts its reputation (Dhaliwal et al., 2011).

These factors contribute to shaping a company's public image and influence its credibility and reputation in various markets.

## **12-The Role of Financial Disclosure in Enhancing Company Reputation:**

Transparent financial disclosure plays a pivotal role in enhancing a company's reputation by providing accurate and reliable financial information. This helps investors and stakeholders make informed decisions and reduces market uncertainty. According to Mercer (2004), providing clear forward-looking information in financial reports contributes to reducing stock return volatility, reflecting company stability and enhancing its positive image among investors. Furthermore, good financial disclosure reduces the risks associated with investing in a company, leading to increased investor confidence and attracting capital, which in turn strengthens its reputation in financial markets. A study by Bravo (2016) confirmed a positive relationship between financial disclosure and reputation. Companies that provide clear and transparent financial information enjoy greater confidence from investors and financial markets, which is reflected in their financial performance and the stability of their stock value. The study also indicated that companies with a strong reputation achieve more stable returns due to investor confidence in their management and financial strategies. Furthermore, the quality of financial disclosure plays a key role in shaping investors' perceptions of a company's future, as accurate and unbiased financial information enhances a company's image as a trustworthy and financially responsible institution (Mercer, 2004). Conversely, poor financial disclosure or a lack of transparency can erode investor confidence, negatively impacting a company's reputation and leading to increased volatility in its stock price.

## **13-The Impact of Company Reputation on Market Value:**

### **1. Company Reputation as a Source of Market Value:**

A company's reputation is an intangible asset that represents emotional capital and contributes to achieving competitive advantages, thus increasing its market value. Furthermore, a strong reputation contributes to building customer trust and enhancing social responsibility, which in turn increases the company's market value by improving the perceptions of investors and consumers. (Ciesiołkiewicz, 2020).

### **2. Trust and Credibility and Their Impact on Value:**

A company's reputation depends on the degree of credibility and trust it enjoys among its stakeholders. This is a crucial factor in determining its market value. Companies with a strong reputation attract investors and experience higher share prices. Evaluating a company's reputation depends on the perceptions of employees and customers, which affects its overall image in the market and, consequently, its market value. (Almeida, 2017).

### 3. Supply and Demand for Company Shares:

Market value depends on the concept of utility and theoretical valuation, which is based on investor demand. Companies with a good reputation attract more investors, leading to increased demand for their shares and a higher market value. Market value is considered an indicator of an organization's efficiency, as its reputation plays a role in attracting investments and achieving financial sustainability. (Al-Aal, 2008, p. 11).

### 4. Company Sustainability and Value Preservation:

A company's reputation influences its continued presence in the market by strengthening its relationships with stakeholders, which is reflected in positively impacting its market value. As mentioned, reputation has two dimensions: emotional and cognitive, both of which contribute to building customer and investor experience, leading to improved market value for the company (Hassan, 2013).

## **14- The Relationship Between Financial Disclosure and Market Capitalization:**

The relationship between financial disclosure and market capitalization can be understood through the impact of disclosure on investors' and financial institutions' assessment of a company's value, according to the concepts associated with market capitalization:

### 1. Financial Disclosure Reduces Risk and Increases Market Capitalization:

Market capitalization is considered an indicator of an organization's efficiency and depends on several factors, including financial risks. Through financial disclosure, these risks can be reduced by providing transparent financial reports that help investors make more informed decisions, thus improving market capitalization.

### 2. Financial Disclosure Helps Match Supply and Demand:

Market capitalization is achieved when there is a match between supply and demand. Good financial disclosure makes information equally available to all investors, which enhances market transparency, increases investor interest, and consequently leads to an increase in the company's market capitalization. (Suarez, 2020)

3. Financial Disclosure and Corporate Financial Sustainability:  
Financial disclosure helps a company maintain its market presence and ensure its financial sustainability, leading to a more stable and increasing market value over time. (Al-Ziyadi, 2020)

Based on these concepts, it can be said that financial disclosure directly impacts market value by enhancing investor confidence, reducing financial risks, increasing transparency, and improving the company's reputation. When companies provide clear and reliable financial reports, they attract more investors and achieve a better match between supply and demand, ultimately leading to higher market value.

### **15- Description of the Sample and Statistical Methods (Research Population and Sample):**

In this section, we will present the various procedures for implementing the research instrument by defining the research population. We will also present the statistical methods used in the research, employing Cronbach's alpha to test the reliability and validity of the research sample. The research population consists of a sample of employees from Iraqi commercial banks (Rafidain Bank and Rasheed Bank), totaling (50) employees. The research sample was selected randomly. The questionnaire was distributed to all members of the sample, which consisted of (50) employees, through direct delivery. The sample members were asked to answer the questionnaire items to obtain the required information to clarify all the information contained in the questionnaire. After distribution, we were able to retrieve (50) questionnaires, which is equivalent to 100%. After selection, classification, examination, and verification, we found that the number of questionnaires not valid for analysis was (5), which is equivalent to 10% of the total questionnaires retrieved due to incomplete answers and their unsuitability for analysis. Thus, the final number of questionnaires suitable for analysis was (45). The following table shows the number of questionnaires distributed, retrieved, excluded, and suitable for analysis, and the percentage of each:

<b>Numberof questionnaires</b>	<b>distribution</b>	<b>Return</b>	<b>excluded</b>	<b>Final</b>
<b>total</b>	<b>50</b>	<b>50</b>	<b>5</b>	<b>45</b>
<b>ratio</b>	<b>100 %</b>	<b>100%</b>	<b>10 %</b>	<b>90%</b>

### **Research Model**

The research model was defined to determine the relationship between the independent variable (the impact of financial disclosure on social responsibility) and the dependent variable (company reputation and market value).

2- Questionnaire Structure: The questionnaire was divided into two sections as follows:

Section One: This section contains personal data related to the research sample, including gender and age, as well as job-related data such as educational qualifications, specialization, and work experience.

Section Two: This section examines the impact of financial disclosure on company reputation. It aims to identify the level of use of financial disclosure in relation to social responsibility and its connection to the company's reputation and market value.

4- Research Scale: For this scale, the five-point Likert scale was chosen because it is one of the most common and widely used scales, as illustrated in the following table:

<b>Classification</b>	<b>Likert scale</b>	<b>Categories arithmetic mean</b>	<b>rating level</b>
<b>Strongly disagree</b>	<b>1</b>	<b>1- 79 . 1</b>	Very weak
<b>Disagree</b>	<b>2</b>	<b>80 . 1 - 59 . 2</b>	Weak
<b>Neutral</b>	<b>3</b>	<b>60 . 2 - 39 . 3</b>	Moderate
<b>Agree</b>	<b>4</b>	<b>40 . 3 - 19 . 4</b>	High
<b>Strongly agree</b>	<b>5</b>	<b>20 . 4- 5</b>	Very high

### **Statistical Methods Used**

To answer the research questions and test the hypotheses, the following statistical methods were employed:

1- Arithmetic Mean: This is one of the most common and widely used measures of central tendency. It is used to calculate the responses of the research sample to the questionnaire items.

2- Standard Deviation: This is a measure of dispersion. It is used to measure and indicate the dispersion of the sample's responses to the questionnaire items from the arithmetic mean.

3- Frequency Distribution and Percentages: These measures are used to describe the characteristics of the research sample.

4- Cronbach's Alpha Coefficient: This is used to test the reliability of the research instrument.

5- Correlation Coefficient: This method is used to determine the internal consistency of the measurement items and dimensions, as well as the overall score for the axis to which they belong. It also helps determine the degree of correlation between the independent and dependent variables of the research.

### **Testing the reliability of the research instrument:**

To test the validity and reliability of the research instrument, a reliability coefficient, namely Cronbach's alpha, was used. This coefficient is a means of demonstrating the consistency of the research axes and dimensions. Its value ranges between (0, 1), where the higher its value

and the closer it is to one, the higher the reliability, provided that the coefficient value is not less than the statistically acceptable value. The following table shows the reliability coefficients for each axis and the overall reliability coefficient for the questionnaire:

Survey topics:	Number of statements	reliability coefficient,	Validity
Impact of financial disclosure	35	0770	0877
Financial disclosure regarding social responsibility	16	0670	0819
Company reputation	19	0641	0801
Market value	33	0891	0944
Overall survey	68	0800	0894

### 16- Survey Data Analysis:

In this section, we will analyze the characteristics of the research sample. The sample possesses several personal and professional characteristics, including gender, age, specialization, educational qualifications, and work experience. We will examine and analyze these characteristics according to the following criteria:

#### 1- Distribution of Sample Members by Gender

The following table illustrates the distribution of the research sample members according to gender:

Gender	Frequency	Percentage
Male	24	30 . 53 %
Female	21	70 . 46 %
Total	45	100 %

The table showed, with regard to the gender criterion, that the male category constitutes the largest percentage, as their percentage reached (30.53%), while the female category reached (70.46%) of the total research sample. These percentages mean that the number of males is greater than the number of females, and this is perhaps due to the nature of the work.

2- Distribution of the sample according to age group criterion: The following table shows the distribution of the research sample according to age group criterion:

Age Group	Repetition	Percentage
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<b>Under 30</b>	<b>4</b>	<b>90 . 8 %</b>
<b>30-39</b>	<b>10</b>	<b>20. 22 %</b>
<b>40-49</b>	<b>17</b>	<b>80 . 37 %</b>
<b>50+</b>	<b>14</b>	<b>10 . 31 %</b>
<b>Total</b>	<b>45</b>	<b>100 %</b>

The table shows that, regarding the age group criterion, the highest age group in the research sample is the third group, aged 40-49 years, representing 37.80%. This is followed by the fourth group (50 years and older) at 31.10%, then the second group (30-39 years) at 22.20%. The first group (under 30 years) constitutes the lowest percentage, estimated at 8.90% of the total research sample. These percentages indicate a higher number of males than females, which may be due to the nature of the work.

3- Distribution of Sample Members According to Educational Qualification Criterion: The following table illustrates the distribution of the research sample members according to the educational qualification criterion:

<b>Academic Qualification</b>	<b>Repetition</b>	<b>Percentage</b>
<b>Diploma</b>	<b>25</b>	<b>56 . 55 %</b>
<b>Bachelor's</b>	<b>10</b>	<b>22. 22 %</b>
<b>Master's</b>	<b>1</b>	<b>22 . 2 %</b>
<b>PhD</b>	<b>1</b>	<b>22 . 2 %</b>
<b>Other</b>	<b>8</b>	<b>87 . 17 %</b>
<b>Total</b>	<b>45</b>	<b>100 %</b>

The table shows that the majority of the sample, in terms of educational qualification, hold a diploma (56.55%), followed by those with a bachelor's degree (22.22%), and then those with other qualifications (87.17%). Those with master's and doctoral degrees represent the smallest group (22.2%). This indicates that the research sample is academically qualified and capable of understanding and responding to the questionnaire.

4- Distribution of Sample Members According to Academic Specialization: The following table shows the distribution of the research sample according to academic specialization:

<b>Level</b>	<b>Repetition</b>	<b>Percentage</b>
<b>Accounting and Auditing</b>	<b>8</b>	<b>78 . 17 %</b>
<b>Business Administration</b>	<b>10</b>	<b>22 . 22 %</b>
<b>Finance and Banking</b>	<b>11</b>	<b>44 . 24 %</b>
<b>Economics and Finance</b>	<b>9</b>	<b>00 . 20 %</b>
<b>Other</b>	<b>7</b>	<b>56 . 15 %</b>
<b>Total</b>	<b>45</b>	<b>100 %</b>

The results in the table above indicate that the academic specialization with the highest percentage of the sample is Finance and Banking (44.24%), followed by Business Administration (22.22%). Accounting and Auditing comprised 78.17% of the sample, followed by Economics and Finance (20%). Other specializations accounted for a smaller percentage (56.15%).

5- Distribution of Sample Members According to Work Experience Criterion: The following table illustrates the distribution of the research sample according to work experience criterion:

Level	Repetition	Percentage
Under 5 years	7	56 . 15 %
5 to 10 years	10	22 . 22 %
10 to 15 years	16	56 . 35 %
15 years and older	12	67 . 26 %
<b>Total</b>	<b>45</b>	<b>100 %</b>

The table above, based on the results, indicates that the majority of the sample (56.35%) has between 10 and 15 years of work experience. This is followed by those with more than 15 years of experience (67.26%), while those with 5 to 10 years of experience represent 22.22%. Those with less than 5 years of experience constitute the smallest group (56.15%). It can be concluded that approximately 23.62% of the sample possesses a high level of experience.

This suggests that the selected sample also possesses academic expertise, as the majority hold degrees in accounting. Furthermore, the diversity of specializations within the sample allows for the reliability of their responses to the questionnaire and the achievement of the study's objectives.

### 17- Testing the Main Hypotheses and Statistical Methods Used:

First: Testing the Normality of the Independent Variable – The Impact of Financial Disclosure on Social Responsibility

To determine the type of distribution followed by the independent variable, its dimensions will be tested as follows:

Null Hypothesis (H0): The data for the first axis does not follow a normal distribution.

Alternative Hypothesis (H1): The data for the first axis follows a normal distribution.

The results of the dimensions for the variable of financial disclosure on social responsibility can be summarized in the following table:

Dimensions	Arithmetic mean	standard deviation	Union	ranking
Impact of Financial	8417 . 3	28411 . 0	Agreed	1

Disclosure				
Social Responsibility	<b>8300 . 3</b>	<b>23071 . 0</b>	Agreed	<b>2</b>
Company Reputation and Market Value	<b>8358 . 3</b>	<b>22665 . 0</b>	Agreed	

It is clear from the table above that most of the research sample members had an opinion that belonged to the area of agreement with the first axis, the reality of the company's reputation and market value. This is reflected in the general arithmetic mean for this axis, which reached (8358.3), and this indicates that it is within the area of agreement to a high degree. It is also noted that the general standard deviation reached (22665.0), which is a deviation less than one (1), and this indicates the absence of variation and dispersion in the attitudes of the research sample members regarding the statements included within this axis.

## Second: Descriptive Statistics of the Research Variables

Table No. (6) Arithmetic Means and Standard Deviation of the Research Dimensions

<b>The impact of financial disclosure on,</b>	<b>social responsibility</b>	<b>company reputation, and market value</b>		
<b>Valid</b>	<b>62</b>	<b>62</b>	<b>N</b>	<b>Valid</b>
				<b>Missing</b>
<b>Missing</b>	<b>0</b>	<b>0</b>	<b>Mean</b>	
<b>Mean</b>	<b>3,9892</b>	<b>3,8882</b>	<b>Std . Deviation</b>	
<b>Std . Deviation</b>	<b>31777</b>	<b>47075</b>	<b>Mean</b>	

Table (6) indicates the study variables: the first independent variable is the impact of financial disclosure, and the second is social responsibility according to accounting standards. The third dependent variable is the company's reputation and market value. The arithmetic means for the dimensions of the study variables ranged between (3.88) on the five-point Likert scale, indicating a high degree of agreement among the study sample, with low standard deviations between (0.47, 0.317, and 36), and a general trend of agreement. Furthermore, all items had arithmetic means higher than the mean on the adult test scale.

## 18- Testing the Study Hypotheses:

### 1- Main Hypotheses One, Two, and Three (Correlationship)

Is there an effect of disclosing social responsibility towards employees, towards society, and towards improving services on the market value of Iraqi commercial banks?

In this study, the researchers relied on the simple correlation coefficient to test the first main hypothesis, which is the correlation between the first independent variable (the effect of financial disclosure), the second independent variable (social responsibility) according to accounting standards, and the dependent variable (company reputation and market value). The matrix of simple correlation coefficients between these variables is shown. The table also indicates the sample size (62) and the type of test. A brief note in the table indicates the significance test of the correlation coefficient by comparing the calculated t-value with the tabulated t-value, without displaying the values themselves. If an "or" symbol appears on the correlation coefficient, this means that the calculated t-value is greater than the tabulated t-value. The strength of the correlation coefficient is judged according to a specific rule:

Low correlation: If the correlation coefficient is less than 10.0.

Moderate correlation: If the correlation coefficient is between 10.0 and 30.0.

Strong correlation: If the correlation coefficient is greater than 30.0.

19-Questionnaire:

- 1- General Information: Gender: Male: Female:
  - 2- Age: Under 25 years: 25 to 35 years: Over 45 years:
  - 3- Educational Qualification: Diploma: Bachelor's : Master's: PhD:
  - 3- Years of Experience: Under 5 years: 5 to 10 years: Over 10 years:
  - 4- Job Title: Manager: Supervisor: Employee:
  - 5- Nature of Work: Public Sector: Private Sector: Other:
- First axis: Financial disclosure of social responsibility

	Agree	strongly agree	neutral	disagree	strongly disagree
1. Do you believe that disclosing social responsibility (SSR) in financial reports enhances a company's credibility?					
2. Companies disclose their social activities within their financial reports.					
3. SSR reports help enhance company transparency.					
4. There is a legal obligation to disclose SSR in financial reports.					
5. Disclosing SSR increases investor confidence in the company.					

6. Companies in the private sector are more concerned with disclosure than those in the public sector.					
7. Disclosure enhances the company's image in the community.					
8. Disclosure leads to improved financial performance for the company.					
9. Disclosure increases the chances of attracting investors.					
10. Disclosing SSR reduces legal risks.					

2- Second axis: The impact of financial disclosure on the company's reputation:

	<b>Agree</b>	<b>strongly agree</b>	<b>Neutral</b>	<b>disagree</b>	<b>strongly disagree</b>
1. Regular financial disclosure reflects transparency in company management.					
2. Detailed financial reports enhance customer confidence in the company.					
3. Accurate financial disclosure helps improve the company's public image.					
4. Financial disclosure plays a direct role in improving the company's reputation in the market.					
5. Companies that do not disclose their financial information clearly risk losing investor confidence.					
6. Financial disclosure enhances a company's competitiveness.					
7. Financial disclosure increases transparency in relationships with stakeholders.					
8. The quality of financial disclosure influences customer and investor decisions.					
9. Companies with strong reputations typically adhere to					

comprehensive financial disclosure.					
10. Financial disclosure enhances public confidence in the company's compliance with regulations.					

3- Third axis: Financial disclosure and its impact on market value:

	<b>Agree</b>	<b>strongly agree</b>	<b>Neutral</b>	<b>disagree</b>	<b>strongly disagree</b>
1. Regular financial disclosure increases company transparency.					
2. Accurate financial information influences investor decisions.					
3. The higher the quality of financial disclosure, the higher the company's market value.					
4. Disclosing financial risks affects a company's market valuation.					
5. Companies with high levels of financial disclosure attract more investors.					
6. Financial disclosure enhances confidence in a stock and reduces its volatility.					
7. Transparent disclosure leads to a fair pricing of the stock's value in the market.					
8. Poor financial disclosure leads to a decrease in market value.					
9. Market value reflects the quality of information disclosed by a company.					
10. Regulators should mandate financial disclosure as a means of supporting market stability.					

**20- Conclusions and Recommendations:**

First: Conclusions

This research leads us to the following conclusions:

- 1- There is a significant positive relationship between financial disclosure of social responsibility (CSR) and company value.
- 2- This can be explained by the fact that companies investing in and disclosing their CSR activities increases their company value.
- 3- Improving the level of accountability and responsibility ultimately enhances stakeholder trust due to increased stakeholder satisfaction.
- 4- Studies indicate a significant positive relationship between CSR disclosure and market value.

Second: Recommendations and Proposals

**The researchers recommend the following:**

- 1- Conducting continuous evaluation of the level of disclosure regarding social responsibility to encourage banks to adhere to all its provisions and to prioritize social responsibility, which will benefit their market reputation amidst fierce competition.
- 2- The Central Bank should issue standards and regulations to measure banks' commitment to social responsibility, clearly reflecting their community performance to all stakeholders.
- 3- All banks should be encouraged to issue independent social responsibility reports to increase the level of disclosure and transparency, and to ensure that their activities do not conflict with the goals and culture of society, ultimately achieving the concept of sustainable development and the sustainability of community resources for future generations.
- 4- Raising awareness among business organizations in general, and banks in particular, about the importance and benefits of adhering to social responsibility, striving to achieve the positive impact of this commitment, which will naturally affect their market value and build their public image in the communities in which they operate.

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