

VOLUNTARY DISCLOSURE AND ITS ROLE IN PROMOTING CONFIDENCE IN THE FINANCIAL REPORTS OF SERVICES COMPANIES ENLISTED IN SECURITIES COMMISSION

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ABSTRACT

Voluntary disclosure has a considerable importance in financial markets through which the companies' business can be provided and helps those in charge of their business, in that disclosing activities and processes would establish and create ideas among customers and stakeholders who deal with these companies. Such a disclosure would also mitigate the levels of ambiguity among the external parties about the future and performance of the company. The aimed of this study is to determine the role of voluntary disclosure in building confidence in financial reporting. To achieve the goals of the study, the researcher created a questionnaire to collect data from the study sample. The study population consisted of the external auditors accredited in the Jordanian securities commission and the internal auditors working in the services companies with a total of (374) external and internal auditors. The study results showed that voluntary disclosure promotes confidence in the financial reports of services companies enlisted in Jordanian securities commission. Also the results revealed that there are no statistically significant differences between the opinions of the two samples of the study regarding the role of voluntary disclosure in promoting confidence in the financial reports.

Keywords: Voluntary Disclosure, Financial Reports, Securities Commission, Jordan

INTRODUCTION

In the light of the absence of the obligatory requirements of disclosure concerning issues that are related to required information, the optimal alternative for the disclosure of additional information which leads to more communication with stakeholders and satisfies their increasing needs of information is the voluntary disclosure of information in the annual reports and lists of the company. In this context, the company's management discloses voluntarily information in the financial reports and lists without being legally forced to do so (Na & Leem, 2014; Oh et. al., 2016).

Many professional, governmental and surveillance committees bind the shareholding companies to disclose information in their financial reports, and this is known as mandatory disclosure. Also, some companies disclose information that they aren't bound to disclose by any party; this type of disclosure which surpasses the requirements of mandatory disclosure is known as voluntary disclosure (Alfraih & Almutawa, 2017).

The topic of voluntary disclosure is considered as one of the topics that attracted more attention by researchers since the early of 1970s until now. This is attributed to the distinctive advantages of voluntary disclosure at the organization's level and at the national level. Several researchers throughout the world addressed the voluntary disclosure in various domains and its economic effects on the national economy, capital, and stakeholders. Researchers also addressed the content and limitations of voluntary disclosure as well as the

attempt to develop guidance frameworks that include the items and elements of that disclosure (Boesso & Kumar, 2007; Guthrie, et. al., 2006; Olivera, et. al., 2006).

Some well-structured guidance frameworks emerged with regard to voluntary disclosure in order to help organizations in the process of voluntary disclosure, such as the Global Reporting Initiative (GRI), which represents an attempt to make a voluntary disclosure that supports the idea of sustainable development. The concept, sustainability includes several frameworks for sustainable reports, with each one relates to one of the economic sectors (industrial, service, banking and commercial), where the framework corresponds with the sector's nature. The researchers also pointed to the Triple Bottom Line (TBL), which is viewed as one of the disclosure frameworks that is interested in sustainable development, based on three dimensions (human, environmental and profitable); this framework was issued by the Institute for Social and Ethical Accounting (ISEA, 1999). The three-dimension as is providing a report about the three scales for the added value, these are the economic, environmental and social (Jebreel, et. al., 2020; Malo-Alain, et. al., 2021).

Several specialists in this domain called for more transparency and expansion in the process of disclosure as a right for shareholders which enhance performance and eventually improve shareholders' value (Wadesango, et. al., 2020). Due to the paucity of the studies that addressed this topic in Jordan- where most studies emphasized the information that was disclosed according to the requirements of supply and disclosure in the international standards of accounting, while they overlooked the area related to what stakeholders need concerning the information that could be beneficial from their perspective in making economic decisions. Therefore, the current study aims at demonstrating the role of voluntary disclosure of accounting and non-accounting information in promoting confidence in the financial reports in the Jordanian environment.

STATEMENT OF THE PROBLEM

Voluntary disclosure contributes to identifying the performance of organizations and helps in predicting the future of organizations by providing more financial and non-financial information that would be beneficial to investors and users of financial reports with regard to making their decisions. Therefore, researchers pointed out that paying attention to the voluntary disclosure of information in the published annual financial reports has become a necessity in order to achieve the effectiveness in the financial reports, and it is also considered as one of the transparency elements in the quality of these reports. With the economic development, there has been a need for more information and the information included in the financial reports and lists represented the least limit that should be disclosed (Murti, 2021). It is noteworthy that the mandatorily-disclosed information in the financial reports and lists of the shareholding companies aren't sufficient to satisfy the increasing demands of stakeholders for information either in the undeveloped or developing countries, where the requirements of those parties of information represented stressors on the companies to voluntarily disclose the information that they need (Achoki & Shukla, 2016; Bani-Khalid, et. al., 2021; Boesso & Kumar, 2007).

The disclosure is important since most users of financial reports and lists don't have the chance to view the information; therefore, they obtain information about the situation of the company depending on the financial reports and lists directly or with the help of specialists and experts, in addition to the specific importance of those reports, resulting from being audited by an independent and neutral party. Accordingly, the study problem can be outlined by the following question: what is the role of voluntary disclosure in promoting confidence in the financial reports of services companies enlisted in securities commission?

THE STUDY OBJECTIVES

The Current Study Aims at Achieving the Following Two Objectives

- Identifying the role of voluntary disclosure in promoting confidence in the financial reports of services companies enlisted in securities commission from the perspective of external and internal auditors.
- Identifying the differences between the perspectives the two samples of the study about the role of voluntary disclosure in promoting confidence in the financial reports of services companies enlisted in securities commission.

THE STUDY IMPORTANCE

The study importance stems from addressing a contemporary topic, the voluntary disclosure of information, which is considered as a complementary side of the mandatory disclosure, where the additional financial and non-financial information as well as its disclosure satisfies the needs of its users and has a positive impact on their decisions. The disclosed data have a great importance in capital markets, as they encourage investors to invest in the companies with higher levels of disclosure and transparency; investors and decision makers usually suffer from a variation in the amount and quality of information. Furthermore, few studies addressed the topic of voluntary disclosure in service companies enlisted in securities commission.

LITERATURE REVIEW AND HYPOTHESES

Literature Review

The theory of voluntary disclosure was first developed by Verrecchia, (2001) who identified three elements of disclosure. These are association, discretionary, and efficiency based disclosures. Voluntary disclosures aid investors in getting a clearer picture of how their assets are used because they are not directly involved in the management. Several theories have been advanced for explaining the relevance of voluntary disclosures in financial reports. They highlight the varied considerations made by managers in choosing how to make voluntary disclosures. The main theories are agency, signaling and legitimacy.

Agency theory was developed by Jensen & Meckling, (1976) and defines an agency relationship as a contract under which one individual engages another to undertake activities on their behalf. The principal delegates some decision making capabilities to the agent. This presents significant agency costs for the organization since the principals and agents have different interests. In order to align their interests, the principals (who are mainly the shareholders) pay monitoring costs.

Signaling theory was developed by Spence in (1973) but was applied in explaining voluntary disclosures by Ross in (1977). Organizations signal certain information to their investors in line with the information asymmetry problem to highlight that they are better. They seek to generate positive signals to their external stakeholders such as investors to attract them and develop a positive reputation. Voluntary disclosures are used as a signaling mechanism since companies go beyond what is required by the law to highlight that they are better than their peers.

Legitimacy theory posits that companies do not have a right to exist unless their

values are perceived as matching those of the community in which they operate. As a result, legitimacy theory indicates that companies have a social contract with their communities. In this respect, the theory has been applied in explaining how companies apply accounting information and regulations to help external stakeholders and satisfy social interests. The annual report and accounting disclosures are used to influence the perceptions of external stakeholders about a company (Lightstone & Driscoll, 2008). These theories can explain the considerations that influence managers to make voluntary disclosures in their accounting reports.

Previous Studies and Development of Hypotheses

There is a variety in the studies which addressed the topic of voluntary disclosure. Those studies can be classified as descriptive studies that demonstrated the quantity and quality of voluntary disclosure in financial reports, whereas other studies addressed the impact of the characteristics related to companies regarding voluntary disclosure. The researcher addressed some of these studies in brief.

Hassan (2021) wanted to investigate in his study whether the disclosure of social responsibility contributes to the improvement of the financial reporting environment by showing the effects of the quantity and quality of the disclosure of Corporate Social Responsibility (CSR) on the accuracy of forecasts and audit fees. The results of this study showed that disclosure provides outsiders with useful information about more accurate analyst expectations and lower audit fees. Also it showed that CSR disclosure is associated with a quality financial reporting environment. While a study made by Charumathi & Ramesh (2020) examined through market value perspective the impact of voluntary disclosure on the value of companies. The market value of companies that disclose selected information on social, environmental, corporate governance and financial information were higher, and that was for the positive relationship between voluntary disclosures as these study foundations. Also Al Hamadshah, et al., (2020) in their study investigated in the affiliation among corporate governance, financial performance and voluntary disclosure as the mediating for Jordanian companies in Amman Stock Exchange (ASE). The results of the study showed that all factors had impact on financial performance. Whereas a study made by Dahiyat (2020) examined the determinants of voluntary disclosure in Jordanian manufacturing companies, it concluded that company's size, profitability and age affect positively the quality of voluntary disclosure. Al-Theebbeh et. al., (2018) studied the effect of the voluntary disclosure in the financial reports on simplifying investor decisions in industrial companies in ASE. The study found that the voluntary accounting information obviously affects the explanation of investor decisions in industrial companies in (ASE), whether it is an investment decision, sale or retaining. Another study by Gunawan & Lina (2015) aimed to study mandatory and voluntary disclosure of annual report on investor reaction. The results showed that mandatory disclosure affects some of the mandatory disclosure responses while voluntary disclosure affects investor responses at the same time. The study made by Hieu & Lan (2015) was influential in examining the factors that influence the scope of voluntary disclosure by examining the annual reports of 205 registered manufacturing and industrial companies for 2012. The results of the study showed that the size of the company as well as the level of voluntary disclosure are essential elements in increasing level of voluntary disclosure in yearly reports of Vietnamese registered companies. In light of the study problem and for the purposes of achieving the study objectives, also depending on the previous studies the researcher cited the following hypotheses:

H01: Voluntary disclosure in the financial reports of services companies enlisted in Jordanian securities commission doesn't result in promoting confidence in these reports from the perspective of external and internal auditors.

H02: There are no statistically significant differences between the opinions of the two samples of the study regarding the role of voluntary disclosure in promoting confidence in the financial reports.

THE STUDY METHODOLOGY

The study adopted the analytical descriptive approach, where the various domains of the study problem were addressed in order to get to the accurate and sufficient data to conceptualize the study topic; this methodology is also suitable for the study nature and objectives. The data were collected using a questionnaire, which was developed and distributed to the study sample individuals. The data were collected and analyzed using the statistical techniques in order to answer the study question, analyze them to get information that can be easily organized and measured, and obtain facts that can be converted to numbers and statistics that can graphically plotted.

Sample and Data Collection

Information was collected about the study population represented by the external auditors accredited in Jordan securities commission for the year (2020), with a total of (41) audit companies, in which (84) auditors work (source: Jordan securities commission), as well as internal auditors working in the services companies enlisted in Jordan securities commission with a total of (137) companies at which (290) auditors work. In accordance with (Sekaran & Bougie, 2016), the researcher selected a simple random sample of external auditors with (70) external auditors and (165) internal auditors. (235) questionnaires were distributed, while (206) questionnaires were returned; (58) questionnaires from the external auditors and (148) questionnaires from the internal auditors, from which only (200) questionnaires were valid for analysis.

Data Validity and Reliability

In order to verify the reliability of the study instrument, Cronbach Alpha was used in order to calculate the coefficients of reliability for the study instrument, where Cronbach Alpha reflects the reliability for the responses of the study instrument (questionnaire), as it measures the degree of consistency regarding the responses of the sample individuals to the items of the scale. The value of Cronbach Alpha ranges between (0-1); when the value of Cronbach Alpha is low and approaches to (0), this means that all or some elements are not measured by the same dimension. However, if the values were higher and approached to (1), the elements would measure the same dimension. The accepted values of alpha are (0.70). The results revealed that the coefficient of internal consistency (Cronbach Alpha) for all the items was (0.92). Sekaran & Bougie, (2016) postulated that the lowest level of reliability coefficient is (0.70); therefore, the calculated values for the current study of (0.92) indicate the study reliability, the consistency between its items, and its applicability for the study purposes.

RESULTS

The research used a number of statistical methods in data analysis. They were represented by the means, standard deviations, t-test for one sample and t-test for two independent samples

Analysis and Discussion for the Study Results

To answer the main question of the study, the following questions should be answered as:

First, analyzing the data related to disclosing general affairs relating to the company.

Table 1 shows the results from the perspective of the study sample individuals regarding “the role of voluntary disclosure in general affairs related to the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission.

| Number | Disclosure | External auditors | | | | Internal auditors | | | |
|--------|--|-------------------|------|------------|---------|-------------------|------|------------|---------|
| | | Mean | SD | Sig. Level | t-value | Mean | SD | Sig. Level | t-value |
| 1 | The company's contribution to the gross domestic product | 4.03 | 1.12 | 0 | 6.21 | 3.9 | 1.24 | 0 | 3.98 |
| 2 | The company's strategy and its general objectives | 3.73 | 1.13 | 0 | 3.43 | 4.05 | 1.02 | 0 | 6.26 |
| 3 | Disclosure about the degree of applying governance | 4.41 | 0.8 | 0 | 9.29 | 4.35 | 0.87 | 0 | 8.99 |
| 4 | Disclosure related to the qualification and experiences of the audit committees' members | 4.6 | 0.78 | 0 | 13.01 | 4.5 | 0.7 | 0 | 12.91 |
| 5 | The impact of legal environment on the quality of the company's services | 4.53 | 0.75 | 0 | 13.28 | 4.58 | 0.6 | 0 | 16.75 |
| 6 | A disclosure related to the responsibilities and experiences of the management | 4.6 | 0.79 | 0 | 13.14 | 4.22 | 0.82 | 0 | 8.91 |

The Results in Table 1 Showed That

As for the external auditors, the mean of the responses was (4.31), which is more than (3), indicating that there is a role for the disclosure in the general affairs related to the company in promoting confidence in the financial reports from the perspective of the external auditors. As for the internal auditors, the mean of the responses was (4.26), which is more than (3), indicating that there is a role for the disclosure in the general affairs related to the company in promoting confidence in the financial reports from the perspective of the internal auditors .

Second, analyzing the data related to disclosing the activities of the company. Table 2

shows the results from the perspective of the study sample individuals regarding" the role of voluntary disclosure about the activity of the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission.

Table 2
RESULTS OF THE DATA RELATED TO DISCLOSING THE ACTIVITIES OF THE COMPANY

| Number | Disclosure | External auditors | | | | Internal auditors | | | |
|--------|--|-------------------|------|------------|---------|-------------------|------|------------|---------|
| | | Mean | SD | Sig. Level | t-value | Mean | SD | Sig. Level | t-value |
| 1 | The product amount according to services | 3.88 | 1.13 | 0 | 6.11 | 3.73 | 1.21 | 0 | 3.78 |
| 2 | The value of achieved avenues from the provided services | 3.79 | 1.1 | 0 | 3.41 | 3.03 | 1.04 | 0 | 6.27 |
| 3 | Information about the company's management during the last years | 4.61 | 0.88 | 0 | 8.28 | 4.25 | 0.81 | 0 | 8.89 |
| 4 | Describing the networks of products' marketing | 3.66 | 0.72 | 0 | 10.01 | 3.7 | 0.77 | 0 | 11.71 |
| 5 | Comparing the actual services with the planned ones | 3.52 | 0.71 | 0 | 11.2 | 3.6 | 0.71 | 0 | 13.63 |
| 6 | Analysis of competition and market share | 3.95 | 0.77 | 0 | 10.11 | 3.92 | 0.81 | 0 | 9.91 |

The Results in Table 2 Showed That

As for the external auditors, the mean of the responses was (3.90), which is more than (3), indicating that there is a role for the disclosure related to the activity of the company in promoting confidence in the financial reports from the perspective of the external auditors. As for the internal auditors, the mean of the responses was (3.70), which is more than (3), indicating that there is a role for the disclosure related to the activity of the company in promoting confidence in the financial reports from the perspective of the internal auditors.

Third, analyzing the data related to disclosing the social responsibility of the company. Table 3 shows the results from the perspective of the study sample individuals "the role of voluntary disclosure in the social responsibility of the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission".

TABLE 3
RESULTS OF THE DATA RELATED TO DISCLOSING THE SOCIAL RESPONSIBILITY OF THE COMPANY

| Number | Disclosure | External auditors | | | | Internal auditors | | | |
|--------|--|-------------------|------|------------|---------|-------------------|------|------------|---------|
| | | Mean | SD | Sig. Level | t-value | Mean | SD | Sig. Level | t-value |
| 1 | Demonstrating the company's social responsibility | 3.44 | 1.09 | 0 | 5.11 | 3.53 | 1.12 | 0 | 3.68 |
| 2 | Demonstrating the company's environmental responsibility | 3.33 | 1.02 | 0 | 3.51 | 3.09 | 1.01 | 0 | 5.27 |
| 3 | The safety and quality of the provided services | 4.21 | 0.91 | 0 | 7.26 | 4.29 | 0.86 | 0 | 8.69 |
| 4 | Grants, endowments and aids | 3.6 | 1.35 | 0 | 2.8 | 4 | 1.01 | 0 | 5.92 |
| 5 | The number of employees during the last years | 3.42 | 0.78 | 0 | 10.21 | 3.7 | 0.92 | 0 | 11.63 |

The Results in Table 3 Showed That

As for the external auditors, the mean of the responses was (3.6), which is more than (3), indicating that there is a role for the disclosure related to the social responsibility of the company in promoting confidence in the financial reports from the perspective of the external auditors. As for the internal auditors, the mean of the responses was (3.72), which is more than (3), indicating that there is a role for the disclosure related to the social responsibility of the company in promoting confidence in the financial reports from the perspective of the internal auditors.

Fourth, analyzing the data related to disclosing the future of the company. Table 4 shows the results from the perspective of the study sample individuals regarding "the role of voluntary disclosure about the future of the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission".

Table 4
RESULTS OF THE DATA RELATED TO DISCLOSING THE FUTURE OF THE COMPANY

| Number | Disclosure | External auditors | | | | Internal auditors | | | |
|--------|--|-------------------|------|------------|---------|-------------------|------|------------|---------|
| | | Mean | SD | Sig. Level | t-value | Mean | SD | Sig. Level | t-value |
| 1 | Disclosing the affecting factors on the future performance | 4.13 | 0.87 | 0 | 7.94 | 3.97 | 1.08 | 0 | 5.89 |
| 2 | Disclosing the development of new services | 3.6 | 1.31 | 0 | 3.27 | 4.3 | 0.7 | 0 | 10.51 |
| 3 | Qualitative predictions of the financial outflow | 3.73 | 1.38 | 0 | 3.33 | 4.28 | 0.81 | 0 | 9.41 |
| 4 | The quantitative prediction of profit | 3.66 | 1.39 | 0.26 | 1.14 | 4.1 | 0.91 | 0 | 7.35 |
| 5 | Disclosing the strategy and marketing objectives | 3.71 | 1.33 | 0.01 | 7.5 | 4.29 | 0.89 | 0 | 8.69 |
| 6 | The predicted share profitability | 4.21 | 0.86 | 8.64 | 4.11 | 3.28 | 0.99 | 0 | 7.82 |

The Results in Table 4 Showed That

As for the external auditors, the mean of the responses was (3.84), which is more than (3), indicating that there is a role for the disclosure related to the future of the company in promoting confidence in the financial reports from the perspective of the external auditors. As for the internal auditors, the mean of the responses was (4.03), which is more than (3), indicating that there is a role for the disclosure related to the future of the company in promoting confidence in the financial reports from the perspective of the internal auditors.

Fifth, analyzing the data related to disclosing the financial ratios and analyses of the company. Table 5 shows the results from the perspective of the study sample individuals regarding "the role of voluntary disclosure about the financial ratios and analyses of the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission".

| Number | Disclosure | External auditors | | | | Internal auditors | | | |
|--------|--|-------------------|------|------------|---------|-------------------|------|------------|---------|
| | | Mean | SD | Sig. Level | t-value | Mean | SD | Sig. Level | t-value |
| 1 | Disclosing the policy of dividing profits. | 4.31 | 0.86 | 0 | 4.34 | 3.37 | 1.09 | 0 | 5.90 |
| 2 | Disclosing the financial results of the last years | 3.99 | 1.3 | 0 | 4.88 | 4.2 | 0.8 | 0 | 10.81 |
| 3 | Disclosing the ratio of profitability | 3.77 | 1.88 | 0 | 8.33 | 3.28 | 0.88 | 0 | 9.31 |
| 4 | Disclosing the ratio of outflow | 3.69 | 1.3 | 0 | 1.11 | 4.17 | 0.92 | 0 | 7.38 |
| 5 | Disclosing the analyses of cash flow | 3.72 | 1.3 | 0 | 7.51 | 4.19 | 0.83 | 0 | 7.69 |
| 6 | Disclosing the share's book value | 3.81 | 0.89 | 7.61 | 3.44 | 3.68 | 0.99 | 0 | 6.82 |

The Results in Table 5 Showed that

As for the external auditors, the mean of the responses was (3.88), which is more than (3), indicating that there is a role for the disclosure related to the financial ratios and analyses of the company in promoting confidence in the financial reports from the perspective of the external auditors. As for the internal auditors, the mean of the responses was (3.18), which is more than (3), indicating that there is a role for the disclosure related to the financial ratios and analyses of the company in promoting confidence in the financial reports from the perspective of the internal auditors.

Analyzing the differences between the opinions of the two samples about the role of voluntary disclosure in promoting confidence in the financial reports of services companies enlisted in the Jordanian securities commission. The differences between the opinions of the two samples were analyzed using t-test for independent samples

| Variation in disclosure | | t-value | Significance level | Difference in means | Standard deviation error |
|---|-----------------|---------|--------------------|---------------------|--------------------------|
| General affairs relating to the company | Equal variation | -0.73 | 0.631 | -0.16937 | 0.2205 |

| | | | | | |
|--|-----------------|--------|-------|----------|---------|
| Information about the company's activity | Equal variation | -0.068 | 0.55 | -0.01466 | 0.2321 |
| Social and environmental responsibility | Equal variation | -0.513 | 0.769 | -0.09876 | 0.24086 |
| The company's future | Equal variation | -1.306 | 0.228 | -0.37888 | 0.23127 |
| Financial ratios and analyses | Equal variation | -0.717 | 0.589 | -0.16596 | 0.21855 |
| Voluntary disclosure | Equal variation | -0.278 | 0.683 | -0.07127 | 0.22711 |

The Results in Table 6 Showed that

The value of t-test was (0.730) and the significance level was (0.631), which is more than (0.05), in that there are no statistically significant differences between the opinions of the external and internal auditors regarding the role of voluntary disclosure about the general affairs relating to the company in promoting confidence in the financial reports of services companies enlisted in Jordanian securities commission.

The results showed that there are no statistically significant differences between the opinions of the external and internal auditors regarding the role of voluntary disclosure in relation to social and environmental responsibility, the future of the company, and the financial ratios and analyses as well as the voluntary disclosure based on t-value of 0.068 with regard to information about the activity of the company, (0.513) with regard to the social and environmental responsibility, (1.306) with regard to the future of the company, (0.717) with regard to the financial reports and analyses, and (0.683) the significance level with regard to voluntary disclosure.

Hypotheses Test

H01: Voluntary disclosure in the financial reports of services companies enlisted in securities commission doesn't result in promoting confidence in these reports from the perspective of external and internal auditors.

| Number | Disclosure | External auditors | | | | | Internal auditors | | | | |
|--------|--------------------------------------|-------------------|------|------------|---------|-------------------|-------------------|------|------------|---------|-------------------|
| | | Mean | SD | Sig. Level | t-value | t-tabulated value | Mean | SD | Sig. Level | t-value | t-tabulated value |
| 1 | Total of voluntary disclosure groups | 3.99 | 1.01 | 0 | 5.99 | 2.08 | 4.01 | 0.97 | 0 | 6.19 | 2.06 |

The results showed that the mean scores for the responses of external auditors about the

role of voluntary disclosure were (3.99) which are more than (3). T-value was (5.99), which is more than the tabulated value at (0.00) and less than (0.05), which means that there are core differences between the mean of the study sample and the mean of the study population, where the standard value is (3), which means that there is a role for voluntary disclosure in promoting confidence in the financial reports from the perspective of the external auditors.

Also the results showed that the mean score for the responses of the internal auditors about the role of voluntary disclosure was (4.01), which is less than (3). T-value was (6.19), which is more than the tabulated value at (0.00) and less than (0.05), which means that there are core differences between the mean of the study sample and the mean of the study population, where the standard value is (3), which means that there is a role for voluntary disclosure in promoting confidence in the financial from the perspective of the internal auditors.

H02: There are no statistically significant differences between the opinions of the two samples of the study concerning the role of voluntary disclosure in promoting confidence in the financial reports.

The results in table 6 revealed that the level of significance was (0.683), which is more than (0.05). Accordingly, we accept the second hypothesis stating "there are no statistically significant differences between the opinions of the two samples concerning the role of voluntary disclosure in promoting confidence in the financial reports".

CONCLUSIONS

This study focused on a sample of services companies enlisted in securities commission in Jordan. It showed that of voluntary disclosures were general affairs, activities, social responsibility, the future and financial ratios and analyses related to the company. These five voluntary disclosures had a positive impact on financial reports of these companies. It was highlighted that service companies are significantly influenced by their performance as well as by the size of their business activity, in which they positively influence to provide voluntary disclosures. Also the results revealed that there were no statistically significant differences between the opinions of the two samples of the study regarding the role of voluntary disclosure in promoting confidence in the financial reports. Although the sample was limited to listed service companies, it provides a good initial assessment of how voluntary disclosures are provided by companies operating in Jordan. Future studies with larger samples from different industries are needed to better inform practice.

RECOMMENDATIONS

- The necessity of urging the companies enlisted in securities commission to implement voluntary disclosure and display their components in their financial reports when they provide data that are capable of making differences in the decisions of the users of these reports.
- The necessity of paying more attention to voluntary disclosure by the Jordanian securities commission, so that the users of such reports would receive additional financial and non-financial information that help them in making the suitable economic decisions.
- Conducting further studies about voluntary disclosure and connecting that with several variables that are encountered by companies.
- Providing more incentives to the different parties in order to encourage them to give voluntary disclosure as long as it is a managerial voluntary decision.

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