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The Impact of Risk Disclosure on the Corporate Social Responsibility of Jordanian Banks

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Abstract: The purpose of this paper is to explore the impact on corporate social responsibility when Jordanian banks disclose risks. The main objective of the study is to investigate the relationship between risk disclosure and corporate social responsibility in the banking sector in Jordan. To facilitate this investigation, data was obtained from a total of 23 banks in Jordan listed on the Amman Stock Exchange (ASE) over a period of 10 years, from 2010 to 2019. The data was analyzed using a regression model with four independent variables that represent the risk disclosure; corporate social responsibility was used as the dependent variable. The investigation built in controls for the age of each bank, its size, leverage, and ROE, to ensure that the results were not affected by these factors. The results of the study show that there was a positive correlation between the independent variables and corporate social responsibility. This suggests that disclosing risks is an effective way to improve corporate social responsibility in the banking industry. The findings of this study have important practical implications for bank managers, future researchers, and policymakers. The study also highlights the importance of future research in this field in order to understand the relationship between risk disclosure and corporate social responsibility in other countries and within other sectors of industry.

Keywords: risk disclosure; corporate social responsibility; Jordanian banks

Introduction

A company's Annual Report and its financial disclosure is of critical importance for both a company and its investors. It enables investors to make informed decisions about the financial position of a company based on full and accurate financial information. In the absence of an Annual Report, investors would have incomplete information upon which to base their investment decisions, therefore leaving them more vulnerable to make risky or poor investment decisions. A company's reputation can also be affected as a result of the transparency of its financial reporting (Shbail, Obeid, Salleh, Mohd Nor, & Alshurafat, 2023; Taha, Alshurafat, Shbail, & Obeid, 2023; Ting, 2021; Wichianrak, Wong, Khan, Siriwardhane, & Dellaportas, 2021; Yu & Bondi, 2019; Zaman, Hudaib, & Haniffa, 2011; Zubeltzu-Jaka, Álvarez-Etxeberria, & Ortas, 2020). A company is able to build trust with its investors and stakeholders by ensuring that it provides accurate and comprehensive financial information; this is vital if a company wishes to have long-term success as it encourages investment and support. (Roberts, 1992; Saadullah & Elsayed, 2020; Santana, Morales-Sánchez, & Pasamar, 2020; Sbaih, Alshurafat, Al-Hazaima, & Alhusban, 2023; Shbail, Obeid, Alshurafat, et al., 2023).

Corporate social responsibility (CSR) is where a company takes responsibility for any acts or decisions that it takes that result in any social or environmental impact. CSR involves a company taking responsibility for its actions and making improvements that benefit society as a whole (Padilla-Lozano & Collazzo, 2021). CSR has become of increased importance as both consumers and investors are now more socially and environmentally responsible (Mansour, Alzyoud, Abuzaid, & Alshurafat, 2023; Odat, Alshurafat, & Masadeh, 2021; Pham & Tran, 2020; Pistoni, Songini, & Bavagnoli, 2018; Pucheta-Martínez & Gallego-Álvarez, 2019; Qa'dan & Suwaidan, 2019).

Importantly, CSR can help to improve a company's reputation and enable it to build trust with its consumers and stakeholders. When a company takes action to address any social or environmental issues, it can give the positive impression that it cares as much about these issues as its profit margins.

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(Haloush, Alshurafat, & Alhusban, 2021; Jaradat, Al-Dmour, Alshurafat, Al-Hazaima, & Al Shbail, 2022; Nekhili, Nagati, Chtioui, & Rebolledo, 2017; Omoteso & Obalola, 2014). This positive impression can result in the company benefitting from an increase in both customer loyalty and investor support, thereby resulting in an increase in profits and financial performance. This paper intends to examine the impact of risk disclosure on corporate social responsibility within the banking sector (Naseem, Rehman, Ikram, & Malik, 2017).

The structure of this paper is divided into several sections. The literature relating to the subject matter of the paper is analyzed in Section 2. The methodologies used in the research are described in Section 3. The fourth section presents the data analysis and findings. The significance of the results and their relation to existing literature are discussed in Section 5. Finally, the conclusion of the study is provided in Section 6.

Literature Review and Hypotheses Development

Financial Disclosure

The financial information disclosed in the Annual Report enables investors to compare the performance of different companies in the same industry. This facilitates investors being able to identify companies that are performing well and those that may be experiencing difficulties (Sbaih et al., 2023; Taha et al., 2023). This information can also help to highlight trends and patterns within the industry that can assist investors with making informed decisions regarding where to invest their money (Peterson & Jeong, 2010; Sardo & Serrasqueiro, 2017). In addition, financial disclosure in the Annual Report is important with regard to regulation. It helps regulators to ensure that companies are adhering to correct accounting practices and that any financial information they are providing is accurate and reliable. Regulators also use this information to identify potential fraud or other financial misconduct (Ananzeh, Alshurafat, Bugshan, & Hussainey, 2022; Ananzeh, Alshurafat, & Hussainey, 2021; Dahmash, Al Salamat, Masadeh, & Alshurafat, 2021; Peterson & Jeong, 2010; Sardo & Serrasqueiro, 2017).

Finally, financial disclosure in the Annual Report is important for the purpose of company management. It provides managers with clarity regarding a company’s financial performance and allows them to identify areas where improvements can be made (H. Alshurafat, Beattie, Jones, & Sands, 2020; H. Alshurafat, Shbail, et al., 2023; H. A. Alshurafat, 2019; Matar & Eneizan, 2018; Mattera, Ruiz-Morales, Gava, & Soto, 2021). This information can thereafter be used in order to make strategic decisions about the company’s future direction and help ensure its long-term success (Maharani & Faisal, 2019).

In conclusion, financial disclosure in the Annual Report is crucial for both companies and investors (Hazaima, Low, & Allen, 2017; Lantz & Sahut, 2005). It provides investors with the information they need to make informed decisions, allows for transparency and builds trust. It also enables investors to compare the performance of different companies and helps regulators to ensure proper accounting practices, preventing fraud and misconduct (H. Alshurafat, Ananzeh, Al-Hazaima, & Al Shbail, 2022; H. Alshurafat, Beattie, Jones, & Sands, 2019a, 2019b; Duque-Grisales, Aguilera-Caracuel, Guerrero-Villegas, & García-Sánchez, 2020; El Khoury, Nasrallah, & Alareeni, 2021; Galant & Cadez, 2017). Financial disclosure also helps the management of the company identify areas for improvement and assists them to make strategic decisions (Alam, Zhang, & Al Hazaima, 2018; H. Alshurafat, Al-Msiedeen, et al., 2023; Castro, Ramírez, & Escobar, 2021; Crisóstomo, de Souza Freire, & De Vasconcellos, 2011; Desoky, 2020).

CSR

CSR also contributes to attracting and retaining employees. Many employees consider more than just salary when looking at a prospective job opportunity. (H. Alshurafat, Al-Mawali, & Al Shbail, 2022; H. Alshurafat, Al Shbail, & Mansour, 2021; H. Alshurafat, Al Shbail, Masadeh, Dahmash, & Al-Msiedeen, 2021; Ting, 2021; Wichianrak et al., 2021; Yu & Bondi, 2019; Zubeltzu-Jaka et al., 2020). Many are equally interested in working for an organization with whom they share common values and who are having a positive impact on the world. By prioritizing its commitment to CSR, a company is likely to attract and retain employees who are interested in making a difference in the world. (Stahl, Brewster, Collings, & Hajro, 2020). CSR can also help to reduce an organization's impact on the environment, as well as improve its energy efficiency. Reducing its energy usage will lead to an organization saving money. It can also reduce the likelihood of a company receiving onerous regulatory fines and penalties as well as help to protect the environment and promote sustainable development (Santana et al., 2020; Sharabati, 2018).

CSR also helps to address issues within society and contributes to more sustainable development, therefore benefitting an organization and creating a more stable and financially successful society, providing additional opportunities for companies to do business (Alhusban et al., 2020; H. Alshurafat, 2021; H. Alshurafat, Al Shbail, & Almuiet, 2021; Pucheta-Martínez & Gallego-Álvarez, 2019; Qa'dan & Suwaidan, 2019; Roberts, 1992). CSR also helps to mitigate against potential risks and future business challenges that relate to issues within society. Many organizations undertake CSR activities, for example, by carrying out voluntary work, donating money to charity and investing in community development programs. These actions can all have a positive impact and contribute to creating stronger and more resilient communities (Al-Hazaima, Al Shbail, Alshurafat, Ananzeh, & Al Shbeil, 2022; Al Shbeil, Alshurafat, Taha, Shbail, & Obeid, 2023; Alaqrabawi & Alshurafat, 2021; Nekhili et al., 2017; Padilla-Lozano & Collazzo, 2021; Pistoni et al., 2018; Probohudono, Tower, & Rusmin, 2013).

In conclusion, CSR has become increasingly important in a world where consumers and investors have become more socially and environmentally responsible (M. O. Al Shbail, Alshurafat, Ananzeh, & Al-Msiedeen, 2021; M. O. Al Shbail, Alshurafat, Ananzeh, & Bani-Khalid, 2022; M. O. Al Shbail, Esra'a, Alshurafat, Ananzeh, & Al Kurdi, 2021; Malik et al., 2021; Matuszak, Różańska, & Macuda, 2019; Mulyadi & Anwar, 2012; Naseem et al., 2017). It can help to improve an organization's reputation, build trust with its consumers and other stakeholders, attract and retain employees, reduce any environmental impact, address issues within society, contribute to sustainable development, benefit the community and society in general, and mitigate potential business risks and challenges (Abu Suileek & Alshurafat, 2023; M. Al Shbail, 2022; Ibrahim & Hanefah, 2016; Khan, Muttakin, & Siddiqui, 2013; Kramer, 2020; Lindgreen & Swaen, 2010; Liu & Zhang, 2017).

Risks within the Banking Sector

Banks are exposed to specific risks that can have a substantial impact on their financial performance and stability (Probohudono et al., 2013; Ryu, 2018). These risks can be classified as credit risk and market risk.

Credit risk is where there is a risk of loss as a consequence of a borrower's failure to make repayments towards a loan or other financial obligation. Banks are exposed to credit risk through loans, leases, and other financial products they provide, specifically: mortgages, personal loans, credit card loans, and business loans. Banks must be prudent at balancing credit risk by carefully assessing whether a borrower is creditworthy, setting sensible and affordable credit limits for borrowers, and regularly checking the situation regarding borrowers with personal or business loans for any signs that the debt is becoming unmanageable. Banks use various methods to measure credit risks, including: credit scoring, credit rating, and credit monitoring (Probohudono et al., 2013).

Market risk is the risk of loss that results from variations in the value of a bank's investments, including; stocks, bonds, and derivatives. A bank's trading activities can also expose it to market risk. These activities can include the buying and selling of securities and currencies (Hang & Huy, 2021). Banks must ensure that they effectively manage market risk by monitoring their investment portfolios and making any changes that are necessary to avoid, or minimize any adverse impacts from market fluctuations. Banks use various methods to measure market risk, including Value at Risk (VaR), stress testing and scenario analysis (Hang & Huy, 2021; Probohudono et al., 2013).

Operational risk is a further risk that banks are exposed to. This is the risk of loss resulting from inadequate or failed internal processes, systems, human errors, or external events. Operational risk includes any risk as a result of fraud, cyber-attacks, natural disasters, and issues of regulatory compliance. Banks must manage operational risk by implementing strong internal controls, disaster recovery plans, and regular audits that are effective in identifying and addressing any potential vulnerabilities in the organization (Dai, Lu, & Qi, 2019; Hang & Huy, 2021; Probohudono et al., 2013).

Interest rate risk is an additional risk that banks are exposed to. This is the risk that a bank's financial performance may be adversely affected by changes in national and international interest rates. Banks are exposed to interest rate risk because the interest rate applicable to their assets (loans) and liabilities (deposits) is often different. Therefore, when interest rates rise, the value of a bank's assets may decrease, while the value of its liabilities may increase. Banks must manage interest rate risk by paying close attention to interest rate trends, adjusting their lending and investment strategies, and balancing their exposure to interest rate fluctuations (Dai et al., 2019; Hang & Huy, 2021).

Liquidity risk is a further risk that banks are exposed to. This is the risk that a bank may not be able to meet its financial obligations when they fall due. This situation can occur if a bank does not have sufficient cash (or other liquid assets) available to fulfill its short-term financial obligations. Banks must manage liquidity risk by ensuring that they have sufficient levels of cash (and other liquid assets), monitoring their sources of funding, regularly reviewing their use of funding, and ensuring that they implement effective contingency plans (Hang & Huy, 2021; Ryu, 2018).

In conclusion, banks are exposed to various types of risk that can have a significant impact on their financial performance and stability. These risks include: credit risk, market risk, operational risk, interest rate risk, and liquidity risk. It is important for banks to carefully manage these risks by evaluating and monitoring them, implementing strong internal controls and contingency plans, and adjusting their strategies to minimize the impact of the risks on their financial performance whenever possible (Dai et al., 2019; Hang & Huy, 2021; Ryu, 2018). Based on the above arguments, the following hypotheses have been formulated:

H1. *There is a positive relationship between the disclosure of credit risk and corporate social responsibility*.

H2. *There is a positive relationship between the disclosure of interest rate risk and corporate social responsibility*.

H3. *There is a positive relationship between the disclosure of liquidity risk and corporate social responsibility*.

H4. *There is a positive relationship between the disclosure of operational risk and corporate social responsibility*.

Stakeholders' Theory

The stakeholders theory is a principle found in business ethics and corporate governance that proposes that a company has a responsibility to, not only its shareholders, but to all of its stakeholders, including customers, employees, suppliers, and the wider community (Roberts, 1992; Stahl et al., 2020). According to this theory, a company's success is not confined to just its financial performance, but also by its overall impact on all of its stakeholders. This means that a company should consider the needs and interests of all of its stakeholders when making decisions and not merely focus on maximizing profits for its shareholders. This approach is supported by the idea that companies are not just economic entities but also social and political ones. On this basis, organizations should consider the social and environmental impact of any decision-making (Peltier-Rivest & Pacini, 2019; Roberts, 1992).

The stakeholders theory promotes a sustainable and responsible approach to business. By considering the requirements and wishes of all its stakeholders, an organization can ensure that it is not merely focused on its shareholders receiving short-term financial gain, but is also positively and successfully contributing to a positive impact on society and the environment. This approach can result in long-term success for the organization and its stakeholders (Clarkson, 2016; Mi, Chang, Lin, & Chang, 2018). In support of this theory, Barghathi, Collison, and Crawford (2017) argue that, by considering the needs of all stakeholders, an organization can create a stable and supportive environment for its operations that can result in increased profits.

By adopting the stakeholders theory, an organization can help to improve its reputation and build trust with its stakeholders. By demonstrating that it is committed to addressing the needs and interests of all its stakeholders, it can create a positive reputation, which can result in attracting additional customers, employees, and investors to the organization. In the long-term, this can result in an increase in profits and increased success (Al-Hazaima, Low, & Sharma, 2021; Barghathi, 2019).

Research Methodology

The objective of this paper is to investigate the relationship between risk disclosure and corporate social responsibility within Jordanian banks. To achieve this objective, a sample of 23 Jordanian banks were selected between 2010 and 2019. To ensure the accuracy and dependability of the research findings, strict standards were applied to the sample selection. This included the requirement that the annual reports produced by each bank be publicly available on the Amman Stock Exchange, and that the banks had been consistently traded on the exchange for at least 10 years. Based upon these criteria, a sample of 23 Jordanian banks listed on the Amman Stock Exchange were chosen as the subjects of the study.

Variables Measurement

This paper focuses on analyzing corporate social responsibility as the dependent variable. There are various methods that can be adopted in order to evaluate corporate social responsibility, such as using content analysis, surveys, reputation indices, and one-dimensional indicators (H. Alshurafat, Ananzeh, et al., 2022). In carrying out the investigation, corporate social responsibility was assessed using three dimensions: environmental, economic, and social; it was evaluated by using 22 items. A dichotomous method was used whereby a sustainable item was marked as 1 if it was disclosed and 0 if it was not. To provide clarity, a corporate social responsibility index for each bank is calculated by a specific method.

$$\mathbf{CSR} = \sum_{j=1} \frac{dj}{n}$$

Where: *dj*=1 if item *j* is disclosed, or 0 if not, and *n* is the maximum number of items, being 22 items.

Independent Variables:

This research uses a dichotomous method to measure risk disclosure, where each item was marked as 1 if it was disclosed, and 0 if it was not. Four types of risk were evaluated in this study:

1. Credit risk: the possibility that a borrower will default on their loan or other credit obligations.
2. Interest rate risk: the risk that a bank's earnings and capital will be affected by changes in interest rates.
3. Liquidity risk: the risk that a bank will not be able to fulfill its financial obligations when they fall due.
4. Operational risk: the risk of loss resulting from inadequate or failed internal processes, systems, human errors, or external events. To provide clarity, a risk disclosure index for each bank is calculated by a specific method.

A dichotomous method was used where each item was marked as 1 if it was disclosed and 0 if it was not. To clarify, each bank's risk disclosure index was calculated in the following way:

$$\mathbf{CR} = \sum_{j=1} \frac{dj}{n}$$

$$\textbf{IRR} = \sum_{j=1} \frac{dj}{n}$$

$$\textbf{LR} = \sum_{j=1} \frac{dj}{n}$$

$$\textbf{OR} = \sum_{j=1} \frac{dj}{n}$$

Where: *dj*=1 if item *j* is disclosed, or 0 if not, and *n* is the maximum number of items: 6 for CR, 4 for IRR, 8 for LR, and 5 for OR.

Control Variables: The investigation studied four control variables in order to gain a deeper understanding of the relationship between the dependent variable and the independent variables. The first control variable is the size of the bank (BSIZE), which was calculated by considering the logarithm of each bank's total asset value. The second variable was the age of the bank (BAGE), calculated from the date that each bank was established, until the date of the study. Leverage was measured as the ratio of total debt to total assets. The last variable was the return on equity (ROE), determined by dividing net income by total equity (Abu Suileek & Alshurafat, 2023; Ananzeh et al., 2022; Dahmash et al., 2021).

Regression Model

To investigate the hypotheses of this study, the regression model that was used was:

$$\text{Sustainability}_{it} = \alpha + \beta_1\, \mathbf{CR}_{it} + \beta_2\, \mathbf{IRR}_{it} + \beta_3\, \mathbf{LR}_{it} + \beta_4\, \mathbf{OR}_{it} + \beta_5 \boldsymbol{BAGE}_{it} + \beta_6 \boldsymbol{BSIZE}_{it} + \beta_7 \boldsymbol{LEV}_{it} + \beta_8 \mathrm{ROE}_{it} + \varepsilon.$$

Where:

CR is the credit risk, **IRR** stands for the interest rate risk, **LR** is liquidity, **OR** is the operational risk, **BAGE** is the total number of years since each bank began operating, **BSIZE** is the logarithm of each bank's asset value, **LEV** is total debt to total asset value, and **ROE** is net income to total equity.

Data Analysis and Empirical Results

Descriptive Statistics and CSR Disclosure Level

Table 1 illustrates the statistics obtained further to the variables that were included in the study. The average level of corporate social responsibility disclosure among Jordanian banks is found to be low, at 0.22. This result indicates that there is a need to improve corporate social responsibility among the Jordanian banks that were the subject of this research. Additionally, the results reveal that credit risk is the most commonly reported area of risk, with a value of 0.25, while liquidity risk was the least reported, with a value of 0.15. This illustrates that, on average, banks are not dedicating adequate time and focus to matters relating to liquidity risk.

Table 1. Descriptive statistics.

Variables	Obs	Mean	Std. dev
CSR level	230	0.22	0.134
LR level	230	0.15	0.264
IRR level	230	0.17	0.187
CR level	230	0.25	0.221

OR level	230	0.157	0.352
Size of Bank	230	14.329	2.33
ROE	230	0.662	7.927
Leverage	230	37.2	24.079
Bank age	230	26.15	16.866

Table 1 displays significant variations in the control variables. The descriptive statistics reveal that the average size of each bank is 14.329, the return on equity has an average value of 0.662, the leverage is 37.2, and the average age of the banks are 26.15.

Multicollinearity analysis

Table 2 illustrates the use of the variance inflation factor (VIF) method to evaluate the presence of multicollinearity between the independent variables. With reference to Dahmash et al. (2021), when the VIF value is less than 10, multicollinearity is not an issue. The results presented in Table 2 demonstrate that all values adhere to this principle, suggesting that there is no multicollinearity among the independent variables.

Table 2. Multicollinearity analysis.

Variables	Variance inflation factor (VIF)
CSR level	1.689
LR level	1.570
IRR level	1.354
CR level	1.283
OR level	1.799
Size of Bank	1.268
ROE	1.649
Leverage	1.566

Empirical Analysis

In order to verify our hypotheses, we carried out a simple linear regression analysis. The results from this analysis are presented below. The first hypothesis suggests a link between credit risk and corporate social responsibility within Jordanian banks. The results of the simple linear regression analysis carried out to test this hypothesis can be found in Table 3.

Table 3. Simple linear regression analysis: First hypothesis.

Dependent Variable	R	R^2	Adjusted R^2	ANOVA		Coefficients			
				F	Sig. F*	B	β	T	Sig. T*
CSR	0.745	0.631	0.629	284.350	0.000	0.872	0.798	20.034	0.000

* The effect is statistically significant at the level of significance ($\alpha \leq 0.05$).

Table 3 shows that, within the Jordanian banks studied, there is a strong positive correlation between credit risk and corporate social responsibility, as indicated by a correlation coefficient of 0.745 and a coefficient of determination (R2) of 0.631. This means that, it is due to credit risk that 63.1% of the changes in corporate social responsibility have taken place within the Jordanian banks that were the subject of this research. The adjusted coefficient of determination (Adj.R2) is 0.629, which is only slightly lower than the coefficient of determination; this indicates that the model is effective in predicting the values of the dependent variable. In addition, the table shows that the model is statistically significant, with an F-value of 284.350 and a p-value of 0.000 ($\alpha \leq 0.05$), which supports the acceptance of the first hypothesis.

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The second hypothesis suggests that there is a correlation between interest rate risk and corporate social responsibility within Jordanian banks. Table 4 shows the results of a simple linear regression examination of this hypothesis.

Table 4. Simple linear regression analysis: Second hypothesis.

Dependent Variable	R	R^2	Adjusted R^2	ANOVA		Coefficients			
				F	Sig. F*	B	β	T	Sig. T*
CSR	0.738	0.614	0.611	198.684	0.000	0.796	0.647	16.154	0.000

* The effect is statistically significant at the level of significance ($\alpha \leq 0.05$).

Table 4 illustrates that, within the Jordanian banks studied in this research, there is a strong positive correlation between interest rate risk and corporate social responsibility; this can be seen by a correlation coefficient of 0.738 and a coefficient of determination of 0.614. This means that, it is due to the interest rate risk variable, that 61.4% of changes in corporate social responsibility have taken place within the banks. The adjusted coefficient of determination (Adj.R2) is 0.611, which is fractionally lower than the coefficient of determination (a difference of 0.003); this indicates that the model's variables can predict the values of the dependent variable. In addition, the table demonstrates the significance of the model, with an F-value of 198.684 and a p-value of 0.000 ($\alpha \leq 0.05$); this supports the acceptance of the second hypothesis.

The third hypothesis suggests a link between liquidity risk and corporate social responsibility within Jordanian banks. Table 5 displays the results of a simple linear regression analysis examining this hypothesis.

Table 5. Simple linear regression analysis: Third hypothesis.

Dependent Variable	R	R^2	Adjusted R^2	ANOVA		Coefficients			
				F	Sig. F*	B	β	T	Sig. T*
CSR	0.759	0.662	0.659	221.031	0.000	0.812	0.673	19.648	0.000

* The effect is statistically significant at the level of significance ($\alpha \leq 0.05$).

Table 5 shows a strong positive correlation between liquidity risk and corporate social responsibility within the banks; this is indicated by a correlation coefficient of 0.759 and a coefficient of determination of 0.662, meaning that liquidity risk explains 66.2% of the changes in corporate social responsibility that have taken place within the banks. The adjusted coefficient of determination (Adj.R2) is 0.659, which is fractionally lower than the coefficient of determination (a difference of 0.003); this indicates that the model variables can predict the values of the dependent variable. In addition, the table illustrates the importance of the model, with an F-value of 221.031 and a p-value of 0.000 ($\alpha \leq 0.05$), supporting the acceptance of the third hypothesis.

The fourth hypothesis predicts a relationship between operational risk and corporate social responsibility within the banks. Table 6 shows the results of a simple linear regression analysis examining this hypothesis.

Table 6. Simple linear regression analysis: Fourth hypothesis.

Dependent Variable	R	R^2	Adjusted R^2	ANOVA		Coefficients			
				F	Sig. F*	B	β	T	Sig. T*
CSR	0.698	0.578	0.576	184.236	0.000	0.647	0.591	13.542	0.000

* The effect is statistically significant at the level of significance ($\alpha \leq 0.05$).

Table 6 illustrates a strong positive correlation between operational risk and corporate social responsibility within the Jordanian banks. This can be seen by a correlation coefficient of 0.698, and a coefficient of determination of 0.578, meaning that operational risk explains 57.8% of the changes in corporate social responsibility that has taken place within the banks. The adjusted coefficient of determination (Adj.R2) is 0.576, which is slightly lower than the coefficient of determination (a difference of 0.002), demonstrating the ability of the model variables to predict the values of the dependent variable. in addition, the table demonstrates the significance of the model, with an F value of 221.031 and a p-value of 0.000 ($\alpha \leq 0.05$), supporting the acceptance of the fourth hypothesis.

Discussion and Conclusion

This study aimed to investigate the correlation between risk disclosure and corporate social responsibility within Jordanian banks. This objective was achieved by collecting data from 23 banks that were listed on the Amman Stock Exchange between 2010 and 2019 and analyzing the data using a regression model and content analysis. The research found that there is a strong and positive correlation between risk disclosure and corporate social responsibility within the Jordanian banks that were the subjects of this study. This conclusion is consistent with previous studies carried out, including, Probohudono et al. (2013); Roberts (1992); and Dai et al. (2019), that suggested that risk disclosure enhanced corporate social responsibility and encompassed all internal and external factors that impacted upon the operations carried out by banks. Based on these findings, the study recommends that banks adopt an increased focus on risk disclosure factors that relate to corporate social responsibility as well as increase the role of risk disclosure within the banking industry, thus ensuring that it is more comprehensive.

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