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ORIGINAL ARTICLE

Political connection, ownership concentration, and corporate social responsibility disclosure quality (CSRD): empirical evidence from Jordan

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Abstract

One of the main goals of this study is to investigate whether politically connected firms have a different tendency toward disclosing CSR information compared to those without political connections. Another purpose of this research is to add to the existing literature by looking into the impact of political connections in moderating the relationship between ownership concentration and CSRD. We collect data on CSR activities undertaken by a group of 94 non-financial Jordanian companies listed on the Amman Stock Exchange using the content analysis approach. From 2010 to 2019, 940 yearly reports were evaluated for this study. Also, the study hypotheses are tested using Ordinary Least Squares regression (OLS). In Jordan, politically connected companies are more likely to disclose high-quality CSRD than unconnected companies. Furthermore, the findings revealed that CSRD is likely to be negatively impacted by ownership concentration. However, political ties can moderate the relationship between ownership concentration and the disclosure practice of companies included in our sample. The regression analysis results show that closely held businesses with political ties are more likely to reveal high-quality CSRD than businesses without political ties. The study adds to the debate over CSRD by shedding light on the role of political ties and ownership structure (particularly ownership concentration) in influencing CSRD by businesses. The findings of the study can help managers of Jordanian companies listed on the stock exchange make better decisions about their CSRD and other related disclosure, such as environmental disclosure. This is the first study to look at how political nexuses can moderate the relationship between firm CSRD and political connections in Jordan. As a result, it significantly adds to previous research.

Keywords Jordan · Content analysis · Ownership concentration · Political connection · CSRD

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Introduction

Over the decades, corporate social responsibility (CSR) has gained unparalleled attention from academic research. The significance of social responsibility stems from being an indicator that measures the extent to which businesses contribute to and fulfills their responsibilities to various stakeholders. This can be likely attributed to the growing international conviction among stakeholders that companies must fulfill their non-financial aspirations and obligations. Moreover, many stakeholders resort to applying various pressures on companies with poor compliance with their ethical responsibility. However, there is still a significant gap in corporate awareness of the importance of social responsibility, as evidenced by a noticeable disparity in company voluntary performance (Al Amosh and Khatib 2021).

Corporate management plays a crucial role in deciding whether to invest in social responsibility or not (Mangalagiri and Bhasa 2022). This is likely to entail various consequences; for example, many characteristics may affect how managers' relationship with stakeholders is managed (Zouari and Dhifi 2021). Part of this, the political affiliation of managers may give a new character to the behavior of companies (Wang and Zhang 2022). Politically connected managers can bring in political resources that influence corporate strategies. In addition, those managers may use their power within the company to achieve political ends. Thus, social responsibility is likely to be one of the strategies used by these politicians to gain the confidence of stakeholders and strengthen their relationship with them.

On the other hand, the concentration of ownership is a dominant trait in many companies, such as family or state-owned businesses. In these companies, the owners may likely exert control over the company's behavior in order to keep CSR activities at a minimum. Companies with a high concentration of ownership are thus less likely to engage in voluntary activities that support the aspirations of other stakeholders (Ananzeh et al. 2022). Correspondingly, the interests of the owners may dominate corporate behavior, and the expropriation of minority shareholders may have a negative impact on social responsibility policies (Chen et al. 2021). However, many factors are argued to modify this negative relationship. Al Amosh and Khatib (2022a) suggest that board independence may provide an important interaction between the ownership structure and non-financial performance. Also, Dakhli (2021) notes that financial performance moderates the relationship between ownership structure and social responsibility practices. Accordingly, it can be argued that the political connection may have another word. This study aims at investigating whether the presence of political connections can moderate the relationship between ownership concentration and CSRD quality.

Based on the foregoing, the present paper has twofold objectives. The first is to investigate the impact of ownership concentration on the quality of CSR in Jordan, one of the unique emerging contexts. The second is to explore the moderation role of the political connection on the relationship between ownership concentration and CSRD quality. This paper provides useful insights for assessing the role of ownership concentration on CSR policies in Jordan and indicating the role of the political affiliation of members of the board in modifying the behavior of companies that have a high concentration of ownership.

We believe our study will have a major contribution to providing new empirical evidence on the effect of political relationships, ownership concentration, and the interaction of both variables on CSRD, a topic that has not been covered thoroughly by previous studies in Jordan. A significant add-on value to consider is the Jordanian context for several reasons. First, politicians constitute the majority of Jordanis on company boards. This is due to their tendency to cultivate relationships with officials at the government levels (Alshirah et al. 2021). Therefore, government involvement is prevalent in the country's capital market, which can adversely affect business conditions and financial reporting standards, including CSR reporting practice. Second, Jordanian companies are generally classified as closely held (Haddad et al. 2017). It is therefore imperative to investigate whether the degree of government intervention, the level of ownership concentration, as well as interactions between the two could influence CSRD in Jordan.

Several contributions are likely to be made by the present study. First, the current study contributes to the growing literature on social responsibility by examining the role of political nexuses of board members in an environment with a high concentration of ownership in one of the contexts least explored by scholars. There has been a lack of attention paid to this avenue in developing countries among studies on CSR. The majority of CSR studies are concentrated on Western cultural contexts (e.g., the United States, Canada, and the United Kingdom). A country like Jordan, a small developing country with an extensive political nexus and limited natural resources, will bring a different socio-political context to this research line. As a result, CSR behavior in Jordan is expected to be driven by a fundamentally different set of factors than in other countries due to the differences in institutional contexts.

Additionally, whereas CSR has typically been studied as a function of individual factors, the current study deals with the moderating effect of political connections on relations between CSR and firm type—a topic that has not been examined particularly in-depth before. Thirdly, the study adds research regarding the relationship between corporate governance and corporate social responsibility. Lastly, the findings of this study will likely have significant implications for countries like Saudi Arabia, Bangladesh, and Thailand that are characterized by high levels of ownership concentration (Habbash 2016; Khan et al. 2013; Oehmichen 2018) as well as where a dominant political connection still exists, such as in Malaysia and Indonesia (Faccio 2010).

A total of 940 annual reports were analyzed for the period 2010–2019, representing Jordanian firms listed on ASE. A content analysis was used to determine information relating to CSR. Additionally, the quality of CSRD was determined by using an instructive index based on four components: relative quantity, intensity degree, accuracy degree, and management outlook. In Jordan, the results show a positive relationship between political connections and corporate social responsibility. This means that politically connected firms will engage in more CSR activities than those who are not politically connected. Closely held firms, on the other hand, have the potential for adverse effects on CSRD. However, the potential nexus increases those firms' tendency to disclose.

Following are the remaining sections; the second describes the settings of the study. A literature review and hypotheses development follow in the third section. A description of the study's methods follows in the fourth section. In the fifth section, we present the study's empirical findings. Section six concludes the study.

Institutional background

Jordan is a country with a unique social and political landscape. In contrast to the Western world, profit-driven family investors dominate the country's institutional setting (Haddad et al. 2015). According to Bataineh et al. (2018), a large majority of the companies listed on the Amman Stock Exchange (ASE) are family-owned, demonstrating a key constituent of the country's economic growth and employment. This has greatly contributed to the existence of a particularly less dispersed ownership structure among listed companies (Al Amosh and Khatib 2022a). There is a higher likelihood that family members hold executive and non-executive positions in such companies, potentially leading to a greater prevalence of agency conflict than in largely owned firms. Also, across these companies, CEOs are likely to hold the role of board chairman (CEO duality) and, if this is not the case, then the CEO is likely to have a close interaction with the board chairman. A company with concentrated ownership may also suffer from impaired independence because dominant shareholders may exert direct influence over the appointment and independence of auditors. In this sense, Jordan particularly appears to represent an agency context since the ownership structure in the country is antagonistic to good corporate governance. This implies that studies designed to understand the effects of ownership concentration on Jordan's market are deemed essential due to the significant impact of this economic structure.

The existence of a large political nexus of firm management is another distinguishing feature of Jordan. A large number of politicians sit on the boards of Jordanian companies, as businesses tend to form networks with government officials (Alshirah et al. 2021). Consequently, the country's capital market is heavily influenced by government intervention, which may affect business conditions, as well as the decisions related to the reporting practices, including CSRD-related decisions (Al-Sraheen et al. 2019). More importantly, politicians on boards are expected to have full control over dominant shareholders of closely owned companies. Consequently, it may have an impact on their desire to take part in CSR activities, and thus the reporting of such information.

As shown in Table 1, Jordan is distinguished by both high levels of ownership concentration and political connections. According to Alshirah et al. (2021), almost half of the board members of Jordanian companies (48%) have either formally or currently occupied government positions. Comparatively, other developed and developing nations exhibit significantly lower percentages of political connections; for example, 27%

Table 1 Jordanian firms with political connections and the level of ownership concentration compared to other countries

	Jordan	Bangladesh	China	Malaysia	Canada	Singapore	UK	France
Political connections (%)[a]	48	53	27	7.25	30.31	7.44	8.4	3.66
Ownership concentration (%)[b]	60	40	35	53	20	8.84	15.07	18.6

[a]Data for Jordan are from (Alshirah et al. 2021); data for Bangladesh are from (Khan et al. 2016); data for China are from (Fan et al. 2007); data for Malaysia are from (Aldhamari et al., 2020); data for Canada are from (Dicko et al., 2020); and other countries political connections data are extracted from (Faccio 2010)

[b]Data for Jordan are from (Ananzeh et al. 2022); data for Bangladesh are from (Rashid and Lodh, 2008); data for China are from (Li et al. 2015); data for Malaysia are from (Htay et al., 2012); data for Canada are from (Di Vito et al., 2010); data for Singapore are from (Shwairef et al., 2021); data for the UK are from (Brammer and Pavelin, 2006); data for France are from (Lakhal, 2005)

in China, 7.25% in Malaysia, 30.31% in Canada, 7.44% in Singapore, 8.4% in the UK, and 3.66% in France. In terms of ownership dispersion, Ananzeh et al. (2022) document that 60% of companies listed on the ASE are ultimately controlled by few shareholders, which is pointedly greater than in other developing and developed countries such as Bangladesh (40%), China (35%), Malaysia (53%), Canada (20%), Singapore (8.84%%), the UK (15%), and France (18%).

Jordan's unique institutional characteristics, such as the high concentration of shareholdings, and the strong ties between the political elite and executive management, indicate that business decisions may be greatly influenced by political interference and ownership concentrations, providing an opportunity to examine the fundamental institutional dimensions of CSRD. In addition, the country's lax regulatory environment could increase the potential payoffs of political connections. Moreover, due to the escalating poverty and unemployment level that the country is experiencing, given the significant shortage of its natural resources, CSR is becoming a vital part of the government's recent agenda (Ananzeh 2022), giving us the relational to conduct this study in Jordan.

Literature review and hypotheses development

A majority of the conceptual and empirical work on CSRD has focused on what impacts disclosing has on various outcomes, such as economic gains, brand reputations, and customer satisfaction, along with paying attention to the factors that influence CSRD (Ali et al. 2017). Several studies have found that CSRD is impacted by the amount of slack resources of businesses (Ananzeh 2022), board composition variables (Dienes and Velte 2016), size and age of the company (Bansal et al. 2018), managers' perspectives and believes (Fahad and Rahman, 2020; Belal and Cooper 2011), and ownership structure (Ananzeh et al. 2022; Chau and Gray 2002). Nevertheless, a significant number of studies helped shed light on the determinants of CSRD in advanced economies, while little attention has been paid to what is likely to determine the same in emerging economies (Ali et al. 2017). It is further notable that little research has been done to jointly examine the impact of ownership concentration and political connections on CSRD, which both have been considered important factors that might impact disclosing practice in emerging economies given the prevalence of less diffused ownership structure and political nexus.

CSR information seems to be a strategic consideration increasingly weighted toward maximizing economic returns by satisfying stakeholder expectations (Ananzeh et al. 2021; Al Amosh and Khatib 2022b; Seibert et al. 2019). Taking a strategic approach to CSR means channeling corporate resources toward social concerns that can benefit the bottom line of the company and its positioning in the market (Amran et al. 2014). It is noteworthy that organizations exist in social systems, which means their activities have a tendency to be influenced by the expectations of powerful stakeholder groups, such as the government, employees, customers, investors, and the public at large (Freeman and Moutchnik 2013). Accordingly, interacting with stakeholders has a large impact on an organization's success (Jones 1995). The concept of corporate social responsibility is, therefore, conceptualized as a result of key stakeholders exerting pressure to induce a company to be socially responsible, as observed from a socio-political philosophical perspective (Khatib et al. 2021, 2022; Zamil et al. 2021; Chiu and Wang 2015). Therefore, CSRD presents a manager with a unique opportunity to establish their business as a legitimate organization by not only implementing CSR practices within the company but also by communicating information to key stakeholders (Ananzeh 2022).

In light of the foregoing, this study argues that CSRD plays an important role in achieving political legitimacy, which is vital for companies in Jordan in their quest for survival and success, as the market in Jordan involves serious political interference that is due to the unique institutional setting of the country. Thus, the objective of CSRD is to provide companies with political legitimacy and a good relationship with the government and hence allowing them to avoid political opposition (Wang and Qian 2011). The hypotheses that we have developed, which are based on the reciprocity principle and the interference from government, assume that politically connected firms have a heightened sense of social responsibility (Li et al. 2015).

It is hypothesized by the reciprocity hypothesis that CSR activities, including contributions, are a reflection of those reciprocal benefits that the firm shares with powerful stakeholders (Li et al. 2015). The establishment of political nexus is seen by many as a valuable source of gaining government favors and support. This is because, in most cases, establishing this kind of relationship can contribute to the firm getting favorable regulatory conditions (Agrawal and Knoeber 2001), anti-competitive measures and market protection (Muttakin et al. 2015), obtaining funding resources (Faccio 2006), tax advantages (Faccio 2006), governmentally subsidized bailouts (Faccio 2006), as well as offering IPOs at higher prices (Francis et al. 2009). Also, political connections are useful for providing additional information and advice, which reduces the level of uncertainty generated by external parties (Hillman 2005). The combination of these factors can boost the performance of the company and strengthen its chances of survival (Johnson and Mitton 2003).

A frequent practice in emerging economies is for politicians to be named to the board of directors to maintain contact with government officials who hold powerful positions (Khan et al. 2016). Considering Jordan as an example, the country's capital market is marked by severe political connections, which affect the business environment strongly (Al-Sraheen et al. 2019). Jordanian firms have the opportunity to capitalize on political access to negotiate political uncertainty, such as avoiding any loss of legitimacy (Luo and Wang 2021). The political legitimacy of a business is fundamental to the legitimacy of its operations, particularly in emerging markets, due to the vital importance placed on close connections with political power in emerging markets (Luo and Wang 2021). In addition to ensuring access to government-controlled resources, such political legitimacy ensures the company is protected from public scrutiny (Luo and Wang 2021).

In a context where fairness and reciprocity are normative elements of social exchange (Aronson et al. 2005), politically connected firms will generally be perceived to have greater organizational legitimacy, and therefore the government will expect them to behave socially and conform to government expectations. Here, CSRD has the political to offer companies a means of reciprocating government support.

An additional hypothesis for explaining a positive relationship between political connections and CSRD is government interference. Companies that are closely attached to the government are more likely to be inclined to CSR since they are more subject to government pressure. For example, government intervention can encourage businesses to follow proper behavior through encouraging non-profit activities such as employee welfare, local economic development, and social stability. In comparison to their counterparts, politically connected firms are likely to be more affected by government intervention (Fan et al. 2007). Consequently, firms with political ties are more likely to take part in government-sponsored CSR programs. Accordingly, the following hypothesis may be formulated:

H1: Ceteris paribus, politically connected firms are more likely to disclose CSRD compared to non-politically connected firms.

A further objective of the study is to determine the moderation role of political connections on the likelihood of CSRDs and ownership concentration relationships. CSRD is assumed to be negatively affected by ownership concentration. From the standpoint of stakeholder theory, closely-held firms are less likely to be subjected to public scrutiny (Ananzeh et al. 2022). Therefore, they have less incentive to engage in CSR since their accountability to the public is not a concern. In addition, those firms undergo less government intervention, allowing them to make independent business decisions (Zhang et al. 2012), as well as being profit-oriented (Chau and Gray 2010). As a result, managers of these companies may opt to avoid CSR activities fearing high costs and little return. (Muttakin and Khan 2014).

However, as with most less developed countries, the government plays a crucial role in stabilizing the economy and has a great influence on businesses. Aside from this, the government is likely to exercise full control over decisions pertaining to resource allocation among these nations (Alshirah et al. 2021). In this sense, political connections can be used to acquire resources and gain government favors, thus making CSR viewed not only as an expression of the company's perspective but also as a reflection of the government's policy. In particular, this applies to closely-held businesses that require positive political connections to obtain government subsidies. Thus, many closely held firms tend to support and comply with government policies. It is because of the need to reduce political pressures, effectively deal with potential political uncertainty, and acquire additional political resources.

It is more common for dominant members of closely held firms, particularly those owned by families, to attempt to gain government support by actively developing connections with the government (Zhang et al. 2012). Closely held companies with government ties welcome the opportunity to pursue friendly relations with the government when it invites them to support CSR activities. Consequently, it can be presumed that in a political environment such as that of Jordan, closely-held firms may exhibit a greater propensity to engage in CSR to actively pursue future resources, prevent political pressure, and manage possible political uncertainties.

H2: Ceteris paribus, closely-owned firms with significant political nexuses are more likely to disclose CSRD compared to non-politically connected closely-owned firms.

Method

Sample of the study

The purpose of this study is to examine to what extent ownership concentration can affect the quality of CSRD in Jordan and how likely government interventions is likely to moderate this effect. A quantitative approach was used to conduct the study. Furthermore, data on corporate social responsibility (CSR) were handly collected from a sample of 94 Jordanian publicly traded companies during 10 years, from 2010 to 2019. Since the Arab Spring erupted early in 2010, this study considers this year to be the beginning of the period under consideration. This is because Jordan's GDP has been steadily declining since then, with trade, industry, construction, and tourism among the sectors that have been impacted the most (Ananzeh et al. 2021). Furthermore, the Syrian crisis, which occurred as a result of the Arab Spring, has prompted Jordanian businesses to devote more time and resources to CSR activities.

This analysis of the study is represented based on a group of companies that are listed in the manufacturing and service sectors because the country's economy is predominantly driven by those sectors. On the other hand, companies from the financial sector were excluded from this study because it is likely governed by distinct legislation and governance standards. Jordanian companies must report their CSR actions and prospects during the fiscal year under the Securities Law of 2002 (Haddad et al. 2017). However, there is currently no well-known database that allows access to CSRD data. The manual content analysis technique is thus used to collect the essential information needed to generate relevant data in order to determine the quality of CSRD. The goal of content analysis is to record text words within clearly defined content categories in a repeatable manner (Bouten et al. 2011). In this study, content analysis is useful since it can convert linguistic disclosures into numerical values that can be examined statistically.

Definition of study variables

Dependent variable

In this study, the dependent variable is CSRD, as indicated by the company's annual reports. CSRD includes a variety of disclosure dimensions such as employees, communities, environmental issues, products and services, energy, and customers. While CSR practices are still in their infancy in Jordan (Ibrahim and Hanefah, 2016), research has identified four social concerns pertaining to the country's CSR context: environmental issues, human resources, product responsibility, and community participation (Ananzeh 2022). For this study, an extensive review was conducted to create a list of items that fall within these four CSR dimensions, and thus we developed a checklist containing 41 indicators (see Table 2).

In order to measure the quality of CSRD, this paper is based on the framework proposed by Beretta and Bozzolan (2004), which was then expanded upon by Michelon et al. (2015). Ananzeh (2022) followed this framework in the Jordanian context with a proposal for a slight development of the above, which was adopted in the same frame as the current study. As a result, four CSRD-related aspects were chosen: relative quantity, intensity degree, accuracy degree, and management outlook. Our overall CSRD quality index takes into account each aspect of CSRD separately before combining them into an independent measurement.

Relative quantity This aspect enables evaluating the quantity of CSRD based on differences within industries, given that CSRD aggregate scores are likely to vary by industry because such strategies are likely to adhere to certain industry customs.

Intensity degree A qualitative indication of CSRD can be based on how much information is provided in the annual report since companies that aim to provide high-quality disclosure must provide a lot of details. Based on the aggregate score of the CSRD items found in the study instrument (study checklist), the CSR intensity is calculated by dividing the total expected score by the aggregate score of CSR items.

Accuracy degree This index distinguishes whether CSRD is reported qualitatively or quantitatively. According to Ahmed Haji (2013), qualitative disclosure measures are likely less useful than quantitative disclosure. Thus, quantitative disclosure denotes more accurate and verifiable information and thus higher quality. The accuracy degree of CSRD is represented in this study by a triple variant scale with a value of 1 or 3. The company received one (1) point if the item was described broadly or briefly (qualitative), two (2) points if it was described quantitatively, and three (3) points if it was described quantitatively and monetary.

Management outlook Much emphasis should be placed on the sufficiency of CSRD and how such disclosure can inform its users by providing information about the company's objectives and strategies for achieving those objectives. Thus, an excellently prepared CSRD should comprehensively reflect the company's social effect, the nature of the actions conducted, and actual CSR achievements, as well as the management perspective on future CSR goals (Ananzeh 2022).

To investigate CSRD thoroughly, an overall CSRD Quality Index is being constructed. The CSRD Quality Index is meant to represent the overall quality of CSRD by merging the four aspects of CSRD that are measured independently and are each thought to be essential when assessing qualitative features of CSRD. This index runs from 0 to 1, with 1 being the best CSRD quality and 0 representing the lowest. Table 3 shows the steps of generating this index.

Independent variables

The analysis section of this study is divided into two sections based on two groups of explanatory variables. First, we look at how ownership concentration (OWNC) affects the CSRDQ. Second, we investigate the effect of political ties (POLTC) on CSRDQ. The ownership concentration is measured as the total percentage of shares held by dominant

Table 2 Social and environmental disclosure categories

Them (1)	Human resources (HUR)
1	Statement related to enhancing staff safety and mental or physical health
2	Compliance with regulations and safety and health policy/safety department
3	Diversity and equal employment opportunities
4	Reporting on the employees' number
5	Policies of staff training programs
6	Funding staff at educational institutions
7	Employee wage and salary levels
8	Policies to increase job satisfaction and motivate employees
9	Improvements in the work environment / Employee morale
10	Employee profit-sharing / Benefits / Savings and pension funds
11	Information on the company’s future and the stability of the workers’ job
Them (2)	Environment (ENV)
12	The company's policy or concern towards the environment
13	Contribution to environmental protection and pollution control programs
14	Policies to prevent damage to the environment and conservation of natural resources
15	Recycling projects
16	Use equipment with a low pollution effect
17	Financing pollution control equipment
18	Installation of an effluent treatment plant
19	Policies to improve the environment/investments in the environment
20	Pollution Control in the conduct of business operations
21	Proper disposal of waste and sewage
22	Participation in environmental organizations
23	Reporting on air emission / Water discharge information
24	Campaign against garbage and conservation
25	ISO 14001
Them (3)	Product responsibility (PRT)
26	Reporting on the quality of the company's products
27	Research or development projects on products, their benefits, and sustainability performance of the product
28	Information on the health and safety of the product
29	Disclosing of consumer safety practices
30	Customer service improvement and consumer satisfaction/complaints
31	Product and service labeling, marketing communications, customer privacy, and compliance
Them (4)	Community involvement (COM)
32	Zakat/Donations and charitable activities
33	Support education through voluntary contributions/study scholarships
34	Employment opportunities for students/training programs
35	Policies of educational promotion/sponsorship of courses and conferences
36	Sponsorship of public health programs / conducting medical research
37	Programs to support arts, culture, sports, and agricultural
38	Employment generation policies and helping in reduce the unemployment rate
39	Volunteering work in the community / social welfare
40	Related community activities/road network improvement/water harvesting
41	Cities and villages development and projects in poor areas

members (above 5%) (Ananzeh et al. 2022). On the other hand, a variety of methods has been adopted to define political connections, such as directors' participation in Pakistan elections (Khwaja and Mian 2005), Malaysian shareholders with close ties to government officials (Johnson and Mitton 2003), the sum of shares held by government (Zeng et al. 2010), and the CEO and/or board chief are currently serving or have previously served in a position of responsibility in

Table 3 Disclosure quality index

Index name	Description
Relative quantity	$\mathrm{REQT}_{\mathrm{it}} = \frac{\left(\mathrm{Disc}-\left(\mathrm{Industry/Year}\overline{\mathrm{Disc}}\right)\right)}{\mathrm{Industry/YearSD}}$ $\mathrm{REQTs}_{\mathrm{it}} = \frac{\mathrm{REQT}_{\mathrm{it}}-\mathrm{Min}(\mathrm{REQT}_{\mathrm{jt}})}{\mathrm{Max}(\mathrm{REQT}_{\mathrm{jt}})-\mathrm{Min}(\mathrm{REQT}_{\mathrm{jt}})}$ $\mathrm{REQT}_{\mathrm{it}}$ is the non-standardised relative quantity index of firm *i* in year; Industry/Year $\overline{\mathrm{Disc}}$ is CSRD mean for each industry in specific year of the study sample; Industry/Year SD is CSRD standard deviation for each industry in specific year of the study sample; $\mathrm{REQTs}_{\mathrm{it}}$ is the standardized relative quantity index of firm *i* in year *t*; Max $\mathrm{REQT}_{\mathrm{jt}}$ is the maximum value of the relative quantity index for industry *j* in year *t* of the study sample; Min $\mathrm{REQT}_{\mathrm{jt}}$ is the minimum value of the relative quantity index for industry *j* in year *t* of the study sample
Intensity degree	$\mathrm{INTSY}_{\mathrm{it}} = \frac{1}{\mathrm{k}_{\mathrm{it}}} \sum_{\mathrm{j=1}}^{\mathrm{k}_{\mathrm{it}}} \mathrm{DC}_{\mathrm{it}}$ $\mathrm{DC}_{\mathrm{it}}$ is the total score of the observed items disclosed; K_{it} is the maximum number of CSR items expected to be disclosed in the company annual report, k_{it} (41); and *i* is the firm and *t* is the year
Accuracy degree	$\mathrm{ACCU}_{\mathrm{it}} = \frac{1}{\mathrm{AC}_{\mathrm{it}}} \sum_{\mathrm{j=1}}^{\mathrm{AC}_{\mathrm{it}}} (\mathrm{x}_{\mathrm{mi}})$ X_{mi} equals (1) if the item m disclosed in general terms or briefly mentioned (qualitative), or equals (2) if the item m disclosed in quantitative terms, or equals (3) if the item m disclosed in monetary; $\mathrm{AC}_{\mathrm{it}}$ is the maximum expected score of the accuracy degree that the company can attain, $\mathrm{AC}_{\mathrm{it}}$ (123); and *i* is the firm and *t* is the year
Management outlook	$\mathrm{MOUT}_{\mathrm{it}} = \frac{1}{\mathrm{MC}_{\mathrm{it}}} \sum_{\mathrm{j=1}}^{\mathrm{MC}_{\mathrm{it}}} (\mathrm{FUT}_{\mathrm{imt}} + \mathrm{PAT}_{\mathrm{imt}})$ $\mathrm{FUT}_{\mathrm{imt}}$ equals (1) if the item m discusses future CSR events, otherwise = 0; $\mathrm{PAT}_{\mathrm{imt}}$ equals (1) if the item m discusses past CSR events, otherwise = 0; $\mathrm{MC}_{\mathrm{it}}$ is the maximum expected score of the management outlook that the company can attain, $\mathrm{MC}_{\mathrm{it}}$ (82); and *i* is the firm and *t* is the year
Disclosure quality	$\mathrm{DQ}_{\mathrm{it}} = \frac{1}{4}(\mathrm{REQTs}_{\mathrm{it}} + \mathrm{INTSY}_{\mathrm{it}} + \mathrm{ACCU}_{\mathrm{it}} + \mathrm{MOUT}_{\mathrm{it}})$ $\mathrm{DQ}_{\mathrm{it}}$ is the overall disclosure quality index of firm *i* in year *t;* $\mathrm{REQTs}_{\mathrm{it}}$ is the standardized relative quantity index of firm *i* in year *t*; $\mathrm{INTSY}_{\mathrm{it}}$ is the intensity index of firm *i* in year *t*; $\mathrm{ACCU}_{\mathrm{it}}$ is the accuracy index of firm *i* in year *t*; $\mathrm{MOUT}_{\mathrm{it}}$ is the management outlook index of firm *i* in year *t*

the federal government, local government, and/or local government (Li et al. 2015). Moreover, Faccio (2006) holds the view that being a politically linked corporation implies one of the firm's principal owners or senior officers is a member of parliament, a minister or head of state, or has strong relations with government officials. This study evaluated whether a company had political connections if at least one of its board members was or is a member of a government position (e.g. a premier, a member of congress, an ambassador, a senior military officer, etc.) or if one of its members was a member of a political party or from a royal family (Boubakri et al. 2008). The adopted metric measures the participation of political parties on corporate boards across the study sample. As a result, this variable is a dummy variable; 1 indicates that the company has political ties, whereas 0 indicates that it does not.

Other control variables

In line with earlier research, this study included various control factors in the econometrics model, including CEO duality, media exposure, firm size, profitability, leverage, and listing duration. Due to the power concentration of the CEO duality, arbitrary decisions might be made that compromise the quality of control systems and reduce the likelihood of CSRD (Ananzeh 2022). Furthermore, media exposure attracts a considerable deal of public attention and scrutiny, making the firm more eager to reveal CSRD in order to redirect any possibility of legitimacy loss (Reverte 2009). In terms of business size, larger organizations are more likely to engage in CSR since they are believed to have more resources that may be dedicated to social causes. A comparable assumption is that businesses with high profits will dedicate more resources to CSR activities, whereas firms with poor earnings may lower their expenditure on CSR (Ananzeh 2022). Firm leverage is also regarded to have a detrimental impact on corporate donations. A crucial assumption is that high-leverage enterprises will prioritize paying creditors' obligations above engaging in CSR initiatives (Ananzeh et al. 2021). Furthermore, mature organizations prefer to boost their CSR efforts in comparison to freshly created enterprises in order to improve their reputation and/or obtain a competitive advantage (Erhemjamts et al. 2013).

Research model

Two multiple regression models were employed to investigate the association between CSRD and the variables of interest. This study investigates the impact of ownership concentration and political ties on CSRD in Model 1. Using Model 2 of the study, this analysis incorporates an interaction term between ownership concentration and political ownership to evaluate how political ties might moderate the link between ownership concentration and CSRD. To assess the research hypotheses, the Pooled Ordinary Least Squares (OLS) regression approach is used. Furthermore, research has shown that the type of industry has an impact on CSRD. As a result, we add the sector fixed effect to account for sector-specific variances, recognizing their distinct characteristics that may impact CSRD. Furthermore, since CSRD may be particularly revealed around a certain time when political encouragement or public pressure is present (for example, during recent emergencies or special events, companies might be encouraged to reveal more information), we adjust for the time impact by including a dummy for each year.

Prior to beginning the analysis, we have established that the OLS regression assumption is not violated. These assumptions are linearity, normality, and homogeneity (Hair et al. 2010). Furthermore, because multicollinearity is a concern, the current investigation generates a comprehensive set of Pearson/Spearman correlation matrices between the variables included in the study (see Table 4). The presence of multicollinearity can be determined from the correlation matrix results. When correlation coefficients surpass the value of 0.8, multicollinearity occurs (Gujarati 2003). The results show that the independent variables were not multicollinear.

$$\begin{aligned}\mathrm{CSRDQ}_{it} =& \beta_0+\beta_1\mathrm{OWNC}_{it}+\beta_2\mathrm{POLTC}_{it} + \beta_3\mathrm{CEO}_{it} \\ &+ \beta_4\mathrm{MEDIA}_{it} + \beta_5\mathrm{SIZE}_{it} + \beta_6\mathrm{PROF}_{it} + \beta_7\mathrm{LEV}_{it} \\ &+ \beta_8\mathrm{DURT}_{it} + \mathrm{Year} + \mathrm{Sector} + \varepsilon_{it}\end{aligned} \tag{1}$$

$$\begin{aligned}\mathrm{CSRDQ}_{it} =& \beta_0+\beta_1\mathrm{OWNC}_{it}+\beta_2\mathrm{POLTC}_{it} \\ &+ +\beta_3\mathrm{OWNC} * \mathrm{POLTC}_{it} + \beta_4\mathrm{CEO}_{it} \\ &+ \beta_5\mathrm{MEDIA}_{it} + \beta_6\mathrm{SIZE}_{it} + \beta_7\mathrm{PROF}_{it} \\ &+ \beta_8\mathrm{DURT}_{it} + \mathrm{Year} + \mathrm{Sector} + \varepsilon_{it}\end{aligned} \tag{2}$$

where CSRDQ the quality of CSRD; OWNC the total percentage of shares held by dominant members (above 5%); POLTC a dummy variable coded 1 if the company politically connected; CEO a dummy variable coded 1 if the chairman holds the CEO position; MEDIA the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE natural logarithm of firm turnover; PROF net profit/total equity; LEV total liabilities/total assets; DURT natural logarithm of the number of years since the company was listed, (Year) is the year dummies; (Sector) is the type of sector dummies; error term (ε); i: the company, t: the year.

Empirical results

Descriptive analysis

Table 5 provides the descriptive statistics for the study variables for the sampled firms, as well as an additional examination of the statistical variations between those variables based on a group of politically and non-politically connected firms. In Jordanian firms, the average percentage of politicians on the board of directors is 44.63%, which indicates a high level of political interference. The result supports the claim that Jordanian companies are often affected by government intervention (Haddad et al. 2015). Across our sample, the CSRD quality is found to

Table 4 Pearson/Spearman correlation matrix

	CSRDQ	OWNC	POLTC	CEO	MEDIA	SIZE	PROF	LEV	DURT
CSRDQ	1	0.013	0.379	−0.157	0.484	0.619	0.338	0.096	0.231
OWNC	0.031	1	0.074	−0.049	0.049	0.118	0.179	−0.125	−0.052
POLTC	0.405	0.051	1	−0.2	0.335	0.396	0.113	0.106	0.26
CEO	−0.157	−0.045	−0.2	1	0.005	−0.102	0.088	−0.113	−0.028
MEDIA	0.431	0.07	0.282	−0.023	1	0.463	0.311	0.011	0.08
SIZE	0.68	0.115	0.445	−0.154	0.377	1	0.388	0.276	0.189
PROF	0.228	0.151	0.044	0.084	0.127	0.233	1	−0.106	0.166
LEV	0.141	−0.156	0.194	−0.135	0.028	0.361	−0.196	1	0.138
DURT	0.215	−0.063	0.252	0.006	0.067	0.193	0.13	0.151	1

CSRDQ the quality of CSRD; *OWNC* the total percentage of shares held by dominant members (above 5%); *POLTC* a dummy variable coded 1 if the company is politically connected; *CEO* a dummy variable coded 1 if the chairman holds the CEO position; *MEDIA* the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE natural logarithm of firm turnover; *PROF* net profit/total equity; *LEV* total liabilities/total assets; *DURT* natural logarithm of the number of years since the company was listed

* $p<0.1$; **$p<0.05$; ***$p<0.01$

Table 5 Descriptive analysis

Variables	Mean	SD	Min	Max	Politically connected	Non-politically connected	T-test
CSRDQ	.314	.172	0	.731	.427	.261	0.000***
OWNC	.583	.215	0	.999	.626	.599	0.231
CEO	.163	.366	0	1	.043	.220	0.000***
MEDIA	.602	1.578	0	16	1.45	.354	0.000***
SIZE	16.64	1.788	9.085	23.418	17.99	15.89	0.000***
PROF	2.037	22.138	−317.898	51.006	4.27	1.44	0.1849
LEV	.366	.235	0	1.127	.410	.301	0.000***
DURT	2.494	.824	0	3.52	2.972	2.495	0.000***

CSRDQ the quality of CSRD; *OWNC* the total percentage of shares held by dominant members (above 5%); *CEO* a dummy variable coded 1 if the chairman holds the CEO position; *MEDIA* the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE the natural logarithm of firm turnover; *PROF* net profit/total equity; LEV total liabilities/total assets; *DURT* natural logarithm of the number of years since the company was listed

*$p<0.1$; **$p<0.05$; ***$p<0.01$

have an average value of 31%, with a maximum of 73% and a minimum of 0. As indicated in Table 5, the average value of ownership concentration across the study sample is 58%, indicating a noteworthy less dispersed ownership structure in Jordan among listed companies. In terms of control variables, the average value of CEO duality is 16%, while the average level of media coverage is 60%, with a maximum of 16 and a minimum of 0. The mean values for the companies' size (in logarithm), profitability, leverage, and listing period (in logarithm), are respectively 16.64, 2.03, 0.366, and 2.49. These descriptive findings are consistent with some previous studies (i.e., Alshbili et al. 2020; Chi et al. 2020; Fahad and Nidheesh 2020).

Significant differences in CSRD behavior and firm characteristics are observed between politically connected and non-politically connected firms. Politically connected firms are more interested to reveal higher quality CSRD than firms with no political connections ($p<0.01$). Furthermore, politically connected firms have a higher likelihood of being closely held in the hand of few shareholders in comparison to non-politically connected firms. However, this difference is not statically significant. In contrast to corporations with political links, the CEO of a non-politically affiliated firm typically serves a dual role (i.e. executive officer and chairman of the board) ($p<0.01$). Furthermore, corporations with political ties are more likely to receive media attention ($p<0.01$) than their counterparts without political ties. Also, politically connected enterprises are typically greater in size ($p<0.01$), more leveraged ($p<0.01$), and have a longer listing history ($p<0.01$). There is no significant between politically and non-politically connected firms in terms of their profitability, as shown in Table 5.

Although these preliminary findings provide some insight into the link between the study variables, multivariate regression is still required for more reliable conclusions. Furthermore, the differences in firm characteristics, as shown in Table 5, imply that controlling for those variables is essential when investigating how political connections and ownership concentration affect CSRD and how they interact.

Regression results

As a way of testing the study's hypotheses, an OLS regression is used. The analysis strategy is to run the regression in two phases separately, as shown in Table 6, so that we can generate clear inferences. Presented in Columns 1 and 2 of the table are the results of the first regression that shows the relationship between ownership concentration and CSRD. On the other hand, Columns 3 and 4 show the results of the second regression where the political connection is regressed on CSRD. After adjusting for a number of corporate characteristics factors such as CEO duality, media exposure, company size, profitability, leverage, and listing term, it is discovered that CSRD quality is adversely and significantly linked with ownership concentration in Column 1 ($p<0.05$). Column 1's OLS model yields a statistically significant fit at the 1% level, with R2 equal to 0.528. Despite correcting for the industry effect as indicated in Column 2, the results remain similar ($p<0.10$), with R2 equal to 0.566. This finding is supported by previous studies (Abu Qa'dan and Suwaidan, 2019; Ananzeh 2022; Lui et al. 2021). According to these findings, it is unlikely that a company will reveal a high-quality CSRD if its shareholding is distributed in the hands of a few shareholders. These findings support our argument that ownership concentration is negatively associated with CSRD. Theoretically, public scrutiny is less likely to affect closely-owned firms, so they are less inclined to participate in CSRD because public accountability is not

Table 6 The relationship between corporate donations and political connections

Variables	(1) CSRD	(2) CSRD	(3) CSRD	(4) CSRD
OWNC	−0.0514**	−0.0411*		
	[−2.24]	[−1.80]		
POLTC			0.0306**	0.0685***
			[2.47]	[5.71]
CEO	−0.0349***	−0.0562***	−0.0289**	−0.0506***
	[−2.86]	[−4.22]	[−2.38]	[−3.87]
MEDIA	0.0204***	0.0227***	0.0192***	0.0202***
	[6.05]	[5.93]	[5.63]	[5.66]
SIZE	0.0514***	0.0507***	0.0481***	0.0463***
	[18.56]	[15.94]	[18.10]	[15.25]
PROF	0.000429	0.000404	0.000417	0.000460
	[1.57]	[1.36]	[1.57]	[1.64]
LEV	−0.0865***	−0.0728***	−0.0757***	−0.0527**
	[−3.38]	[−2.71]	[−3.18]	[−2.00]
DURT	0.0192***	0.0199***	0.0175***	0.0159**
	[3.23]	[2.99]	[2.97]	[2.44]
Constant	−0.536***	−0.450***	−0.519***	−0.408***
	[−13.34]	[−8.78]	[−12.60]	[−7.89]
Observations	916	916	916	916
R-squared	0.528	0.566	0.527	0.578
Year fixed effect	Yes	Yes	Yes	Yes
Industry fixed effect	No	Yes	No	Yes

CSRDQ the quality of CSRD; *OWNC* the total percentage of shares held by dominant members (above 5%); *POLTC* a dummy variable coded 1 if the company is politically connected; *CEO* a dummy variable coded 1 if the chairman holds the CEO position; *MEDIA* the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE natural logarithm of firm turnover; *PROF* net profit/total equity; LEV total liabilities/total assets; *DURT* natural logarithm of the number of years since the company was listed

Robust t-statistics in parentheses ***$p<0.01$, **$p<0.05$, *$p<0.1$

a priority to them (Ananzeh 2022). They are also less likely to pay attention to social responsibility since they are not subject to government oversight like widely-held companies which makes them inclined to profit-seeking than placing much emphasis on CSR-related issues. Furthermore, ownership structure is more concentrated, then the internal governance mechanisms such as the board of directors and the audit committee are much less effective in monitoring the management behavior, especially in CSRD. This is because the controlling shareholders in a highly concentrated firm become entrenched and will not be interested in disclosing more information (Lui et al. 2021).

On the other hand, our findings indicate that CSRD quality is positively and significantly related to the political connection variable as in Column 3 ($p<0.05$). Column 3's OLS model yields a statistically significant fit at the 1% level, with R2 equal to 0.527. With R2 equal to 0.578, the results remain unchanged even after controlling for the confounding effect of the industry differences as indicated in Column 4. This is unlike the result of other similar study (i.e., Muttakin et al. 2018). That is, firms with political links are more likely to reveal higher quality CSRD than corporations without political connections, indicating that, in a weak institutional environment, the management of politically connected firms could focus more on allocating resources to CSR engagement than advancing economic interests. Because of the mutual benefits they share with powerful stakeholders-in this example, the government-, politically linked Jordanian listed corporations disclose more CSRD. Furthermore, political connections can assist these enterprises in gaining access to government-controlled resources, as well as favorable regulatory conditions, market protection, and anti-competitive policies, as well as favorable tax treatment and government bailouts. Furthermore, leveraging political relationships enables Jordanian businesses to mitigate potential legitimacy losses while dealing with political uncertainty (Ananzeh, 2022). As a result, Jordanian businesses with political ties are more likely to comply with government demands while still participating in CSRD. Another rationale is that the government may intervene in

Table 7 The moderating role of political connections on the relationship between ownership concentration and CSRD

Variables	(1) CSRD	(2) CSRD	(3) CSRD	(4) CSRD
OWNC	-0.0530**	-0.0434*	-0.0798***	-0.0857***
	[−2.27]	[−1.86]	[−2.88]	[−3.08]
POLTIC	0.0316**	0.0692***	−0.0314	−0.0187
	[2.56]	[5.66]	[−0.83]	[−0.54]
OWNC * POLTIC			0.0987*	0.140***
			[1.86]	[2.86]
CEO	−0.0299**	−0.0500***	−0.0303**	−0.0511***
	[−2.45]	[−3.81]	[−2.45]	[−3.81]
MEDIA	0.0192***	0.0204***	0.0173***	0.0176***
	[5.70]	[5.72]	[4.93]	[4.86]
SIZE	0.0491***	0.0470***	0.0507***	0.0490***
	[17.37]	[14.91]	[16.63]	[14.21]
PROF	0.000479*	0.000520*	0.000488*	0.000510*
	[1.76]	[1.83]	[1.80]	[1.80]
LEV	−0.0873***	−0.0595**	−0.0790***	−0.0468*
	[−3.54]	[−2.26]	[−3.25]	[−1.77]
DURT	0.0159***	0.0144**	0.0155***	0.0138**
	[2.65]	[2.14]	[2.59]	[2.04]
Constant	−0.498***	−0.386***	−0.507***	−0.390***
	[−12.10]	[−7.44]	[−11.94]	[−7.34]
Observations	916	916	916	916
R-squared	0.533	0.581	0.536	0.587
Year fixed effect	Yes	Yes	Yes	Yes
Industry fixed effect	No	Yes	No	Yes

CSRDQ the quality of CSRD; *OWNC* the total percentage of shares held by dominant members (above 5%); *POLTC* a dummy variable coded 1 if the company is politically connected; *CEO* a dummy variable coded 1 if the chairman holds the CEO position; *MEDIA* the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE natural logarithm of firm turnover; *PROF* net profit/total equity; *LEV* total liabilities/total assets; *DURT* natural logarithm of the number of years since the company was listed

Robust t-statistics in parentheses *** $p<0.01$, ** $p<0.05$, * $p<0.1$

the operations of politically-connected enterprises to compel them to become more socially accountable by engaging in more relevant activities.

Table 7 provides the findings on how political connections can moderate the relationship between ownership concentration and CSRD. Presented in Columns 1 and 2 of the table are the results of the full regression when combining the ownership concentration and the political connection variables into one model. As indicated in Table 7, the results remain consistent with our previous findings in Column 1. Also, controlling for the industry effect presented in Column 2 of the table does not affect the results. A statistically significant fit is evidenced by both models at a 1% level, with R2 values of 0.533, and 0.581, respectively.

According to our results regarding control variables, CEO duality is found to negatively impact CSRD in both models, while media exposure is likely to positively impact CSRD. Firm size and profitability are likely to positively affect CSRD. Debt-asset ratios have a negative link with CSRD, indicating that organizations with high debt levels are more financially fragile, which has a detrimental impact on their disclosure practices. On the other side, there is a positive association between listing term duration and CSRD, implying that the longer the listing time, the more resources will be committed to CSR activities. The result of these control variables are supported by prior similar studies on CSRD and firm age (Fallah and Mojarrad, 2019; Lui et al. 2021; Muttakin, et al. 2018), leverage (Ananzeh 2022; Muttakin, et al. 2018), CEO duality (Ananzeh 2022), and firm size (Abu Qa'dan and Suwaidan, 2019; Ananzeh 2022; Lui et al. 2021; Muttakin, et al. 2018).

Moreover, Model 2 is intended to test whether the political connections could moderate the negative relationship between ownership concentration and CSRD. Therefore, Columns 3 and 4 show the results of the regression after introducing the interaction term to our baseline model. Our previous results revealed that ownership has a negative significant impact on CSRD, whereas the political connections variable has a significant and positive impact on CSRD. The coefficient for the interaction term is positive and marginally associated with CSRD in Column 3, while it has become significantly associated with CSRD when adjusting for the industry effect. These results are in line with our hypothesis that political ties can moderate the relationship between ownership concentration and the disclosure practice of companies included in our sample. CSRD from politically connected, closely held companies is thus more likely to be of good quality than those from their peers. According to the Jordanian context, the political connection offers an avenue through which government favoritism can be guaranteed. Consequently, politically connected closely held firms tend toward more CSRD disclosure in order to take advantage of government favoritism, such as reducing political pressures, effectively managing political uncertainty, and acquiring additional political resources.

Robustness test

In this section, additional analysis is performed to evaluate whether the results apply to two separate types of firms, namely politically connected firms and non-politically connected firms. As a result, our analysis was repeated in Table 8 by dividing our sample into two subsamples. The use of this model ensures that the outcomes of our baseline model remain unchanged even after splitting our sample company into two sub-samples. Table 8 displays the regression results of the relationship between ownership concentration and CSRD across the two categories of firms. The generated results across both sub-samples exhibited a qualitative similarity with the results of the whole sample. As noted in Table 8, ownership concentration is likely to

Table 8 The moderating role of political connections on the relationship between ownership concentration and CSRD

Variables	(1) Politically connected	(2) Non-Politically connected	(3) Politically connected	(4) Non-Politically connected
OWNC	0.187***	−0.0788***		
	[4.97]	[−2.71]		
OWNC dummy			0.125***	−0.0393***
			[6.05]	[−3.11]
CEO	−0.0662**	−0.0511***	−0.0742**	−0.0489***
	[−2.34]	[−3.51]	[−2.34]	[−3.39]
MEDIA	0.00138	0.0217***	0.000624	0.0217***
	[0.37]	[2.82]	[0.18]	[2.92]
SIZE	0.0777***	0.0445***	0.0896***	0.0435***
	[12.08]	[11.92]	[14.23]	[12.15]
PROF	0.000670	0.000551	0.000374	0.000473
	[1.27]	[1.53]	[0.80]	[1.34]
LEV	−0.0492	−0.0553*	−0.124***	−0.0517
	[−0.88]	[−1.67]	[−2.66]	[−1.56]
DURT	−0.00103	0.00923	−0.0315	0.0107
	[−0.05]	[1.22]	[−1.59]	[1.45]
Constant	−1.026***	−0.313***	−1.060***	−0.325***
	[−9.81]	[−5.03]	[−11.24]	[−5.29]
Observations	406	510	406	510
R-squared	0.476	0.444	0.483	0.447
Year fixed effect	Yes	Yes	Yes	Yes
Industry fixed effect	Yes	Yes	Yes	Yes

CSRDQ the quality of CSRD; *OWNC* the total percentage of shares held by dominant members (above 5%); *POLTC* a dummy variable coded 1 if the company politically connected; *CEO* a dummy variable coded 1 if the chairman holds the CEO position; *MEDIA* the average number of CSR related articles that the company has been exposed to by two main Jordanian newspaper SIZE natural logarithm of firm turnover; *PROF* net profit/total equity; *LEV* total liabilities/total assets; *DURT* natural logarithm of the number of years since the company was listed

Robust t-statistics in parentheses *** $p<0.01$, ** $p<0.05$, * $p<0.1$

have a positive impact on CSRD in politically connected firms, while it does have a negative impact on CSRD in non-politically connected firms.

In Columns 3 and 4, on the other hand, we reproduce our baseline model by using a binary value of ownership concentration that takes the value (1) if the firm concentrated ownership is greater than the mean (60 percent) and (0) otherwise. As a result, our findings validate our earlier findings concerning the positive moderating role played by political nexuses on the relationship between ownership concentration and CSRD.

Conclusion

In this investigation, our goal is to answer the following question: Is there a link between political connection, ownership concentration, and corporate social responsibility disclosure (CSRD) quality (CSRD). To answer this question, this study uses a sample of 94 Jordanian companies listed during the period between 2010 and 2019, a period that witnessed the intensification of the Arab Spring crisis, which was accompanied by political turmoil in many Arab countries. In addition, the content analysis technique is used to determine information relating to CSR. Additionally, the quality of CSRD was determined by using an instructive index based on four components: relative quantity, intensity degree, accuracy degree, and management outlook. The current study contributes to the growing literature on social responsibility by examining the role of political nexuses of board members in an environment with a high concentration of ownership in one of the contexts least explored by scholars.

The results show a positive relationship between political connections and corporate social responsibility. This means that politically connected firms will engage in more CSR activities than those who are not politically connected. Closely held firms, on the other hand, have the potential for adverse effects on CSRD. However, the potential nexus increases those firms' tendency to disclose.

The political connections of managers affect their tendency toward social responsibility, which enhances it, as the nature of Jordanian politicians considers voluntary activities as a propaganda tool to strengthen their positions, whether in Parliament, the government, or professional unions. Thus, companies with politically oriented members have higher compliance than others. Also, political connections affect the nature of ownership, so the concentration of ownership with the conferring of political connections on the owners will push them to consider the interests of stakeholders by raising the CSRD quality.

The results of the study have important implications for various parties, such as regulators, legislators, investors, politicians, researchers, and other stakeholders. Specifically, our findings have implications for CSR in emerging markets in general and in Jordan in particular. The study should be heeded by policymakers in Jordan. Firms' ability to compete on a level playing field has been compromised by political interference and ownership concentration, which has adversely affected corporate operations, including the CSR activities of companies. Our findings show that Jordanian firms are acting in an increasingly strategic and politically motivated manner when responding to CSR calls since political connections have a tendency to act in this way. Essentially, regulators should develop additional control mechanisms and implement market-based mechanisms to facilitate a competitive and fair business environment, so that they can foster CSR among businesses at the national level. This study can be extended to other emerging economies, which may have a similar setting to Jordan, yet a different political, economic, legal, and ethical setting than those of developed nations. The regulators of emerging economies should, however, take into account the country's specific circumstances in drafting policies regarding CSR. Furthermore, some practical implications can be drawn from the study for Jordanian managers. According to the study, CSR can enhance political goodwill in crucial ways. The study highlights the necessity of considering a variety of factors when making CSR decisions, such as the firm's size, profitability, financial leverage, media coverage, and executive age.

Despite the importance of the conclusions of this study relating to CSR, there are several limitations. As a first step, our findings are unlikely to apply to countries with market-based resource allocation, weak political connections, or small ownership concentrations. It is thus highly recommended to conduct similar research in countries where market conditions drive resource flows for companies, such as countries with few political connections and scattered ownership. In addition, examining larger samples of firms in developing or developed countries will provide an additional important perspective on the issues discussed in this paper. In addition, it is interesting to conduct similar studies during periods of crisis, such as the emerging Covid-19 crisis. Furthermore, future researchers can investigate the impact of companies' political associations with deeper practices, such as carbon emissions, climate change, and environmental innovation. Finally, future research can look at the relationship between the nature of political connections, such as affiliation with parties, associations, or government councils, and the different disclosure practices.

Declarations

Conflict of interest The authors declare no competing interests.

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