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Article

The Effect of Accounting Disclosure in Integrated Reports on Net Profit Margin, Earnings Per Share, and Price-To-Book Ratio of Jordanian Industrial Companies Listed on The Jordan Stock Exchange

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Abstract: The study aims to determine the influence of accounting disclosure in integrated reports on the price-to-book ratio, earnings per share, and net profit margin for industrial enterprises listed on the Jordan Stock Exchange. A variety of suitable statistical techniques were used to test this study, and a number of outcomes were achieved, the most significant of which are: In integrated reports, the direct impact shows a statistically significant positive link between net profit margin and accounting transparency. In the short term, the net profit margin (NPM) is affected, which means that (ADIR) is one of the important determinants of the profitability performance of companies within the study sample, and that its effect is not limited to one period of time but extends dynamically over time. The ARDL model's estimation of the long-term connection shows that the two variables will eventually have a positive association. To put it another way, the ADIR effect is not restricted to short-term swings but rather has a steady long-term impact on corporate profitability, demonstrating the function of this variable in raising the effectiveness of financial performance and boosting businesses' capacity to turn a profit. Additionally, The results show a statistically significant correlation between the (ADIR) variable and earnings per share, with a direct positive correlation between the two. When establishing financial policies or assessing the financial success of businesses, it is necessary to take into account the dynamic character of the short-term effect, which has been seen to be delayed and varying over time periods. Over time, the effect is not statistically significant, though. Given that the independent variable's coefficient (ADIR) demonstrates a robust positive correlation between (ADIR) and (P/B), the direct findings in interpreting the relationship between (ADIR) and (P/B) show that the model as a whole is statistically significant. The ADIR coefficient was positive and statistically significant at the 5% level, according to the findings, with a probability value indicating a short-term positive effect. The long-term (ADIR) coefficient has a positive sign when the long-term connection is estimated using the (ARDL) model, indicating a steady, direct link between earnings management techniques and the stock's market value at equilibrium. This effect is statistically significant since the t-test value at a significance level (Sig.) is smaller than the researcher's chosen significance level (0.05), indicating that the (ADIR) variable has a long-term impact on (P/B).

Keywords: Accounting Disclosure, Integrated Reporting, Net Profit Margin, Earnings Per Share, Price-to-Book ratio

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1. Introduction

First: Similarities between the current study and previous foreign studies:

Similar to other worldwide studies that were examined, the current study used content analysis to measure the level of accounting transparency in integrated reports.

The above studies used integrated reports to measure their impact on various financial indicators, which is also what this study aims to measure.

. Earnings per share (EPS), financial leverage, and firm size are just a few of the financial indicators that were utilized in earlier research and will be included in this one as well. Financial leverage and business size are also included as control variables in this study.

Regression analysis is used to measure the impact of accounting disclosure in integrated reports on the dependent variables.

The statistical analysis tools SPSS and EViews are used to evaluate the effect of accounting disclosure in integrated reports on the dependent variables.

The current study and the other investigations are comparable in that they do not employ questionnaires to gather data.

Second: Differences between the current study and previous studies:

Previous studies did not assess the impact of integrated reporting on the price-to-book ratio and net profit margin; this was incorporated in the present study.

The current study is unique in using the Standard Experimental Dynamics (ARDL) test and estimation method according to the AIC (Short-Term Information) standard.

The current study is unusual since it uses the F-Bounds Test as part of the ARDL technique to verify the existence of a long-term equilibrium relationship between the independent and dependent variables.

Calculating the long-term relationship between independent and dependent variables using the ARDL model.

In order to validate the stability of the long-term parameters and their consistency with the short-term parameters of the estimated model, the present study is unique in that it uses the test of stability of the parameters of the model and the cumulative sum test of the residuals.

The Current Study's Relationship to Previous Studies

The theoretical framework of this study was developed based on prior research.

Research in the subject of integrated reporting is still relatively young and needs additional thorough and extensive investigations, notwithstanding the important findings of earlier studies conducted since the Integrated Reporting Framework was introduced in 2013. This entails looking at how integrated reporting is really used in businesses and evaluating how it affects market value and financial performance.

The current study's emphasis on the significance of integrated reporting for businesses is similar to that of other studies.

This study supports the findings of previous research, reinforcing the results and encouraging companies to voluntarily adopt integrated reporting, given its benefits as demonstrated by various studies in this field.

Accounting students can benefit from this study by using it as a reference point for future research.

The concept of accounting disclosure

The process of imparting information on internal company management to stakeholders is referred to as accounting disclosure [1][2]. This information has to be adequate, comprehensive, and fair [3][4]. Fairness aims at making sure that all stakeholders, both internal and external, are treated equally [5]. Being comprehensive means that no information is withheld from the stakeholders, while being adequate means that only the bare minimum information is provided [6]. Two significant areas of contemporary corporate reporting are financial reporting and sustainability reporting, although their separate emphasis restricts their capacity to play a larger role in assisting investors in making decisions. Traditional financial reporting does not account for the influence of non-financial performance and activities, such as different types of intangible capital, on financial performance. Better communication with stakeholders is made possible by this substantial

change in information sharing, which gives them a thorough understanding of the business and how its many capital assets contribute to value generation over time [7].

Another definition of accounting disclosure is the inclusion of all information necessary to provide readers of financial reports with an accurate and clear picture of the accounting entity. [8]. Generally speaking, the goal of accounting disclosure is to give consumers relevant, accurate, and dependable facts and information to help them make decisions. Users might be either internal or external. Internal disclosure is primarily directed at company management, and there is no problem in communicating the information. However, effective communication of accounting data to external users faces obstacles in external disclosure, such as the lack of direct communication between the company and external users, or the failure to provide all the necessary information [9].

Accounting Disclosure Objectives

The purpose of accounting disclosure in financial statements is to provide information on the business's operating performance, financial situation, and any changes. Financial statements ensure that management is accountable for the resources under its care and show how effectively it has evaluated how well it has performed in discharging its responsibilities. Although the majority of users' frequent demands are satisfied by financial statements designed for this purpose, they do not include all the information users would need to make financial decisions. This is primarily because these statements often highlight the financial effects of previous events rather than non-financial data. [8]. As a result, it became necessary to provide information on the company's growth, performance, position, and the impact of its operations, fulfilling three primary purposes. [10].

A key channel for communicating with stakeholders.

Non-financial information is a creative and strategic tool that enables organizational change planning for sustainability.

Financial statements must be useful, according to all accountants. Decision usefulness, or the capacity of financial accounting data to assist users in making wise decisions, is a crucial accounting concept. Financial statements must be advantageous in order to be most helpful [11]. The most significant goals of accounting disclosure can be summarized as follows, as the main purpose of accounting disclosure is that it provides information about the company through various means of financial reporting and supplementary reporting in a non-misleading manner [12]:

It helps shareholders assess their investment returns.

It provides information on future cash inflows and outflows.

3It offers crucial data that enables financial report users to compare one year to the next.

It provides information that helps shareholders and creditors assess the risks and probabilities of recognized and unrecognized items.

It reveals recognized things and offers helpful metrics for them, such the amount of unrecognized and deferred taxes and an explanation of the security the business must offer to cover the obligation.

Elements of accounting disclosure

The elements of accounting disclosure that make information reliable and useful, both inside and outside the company, are summarized as follows [13]:

Identifying the Target User of Accounting Information:

It is essential to understand or specify the qualities that accounting information must have in terms of both form and content in order to identify the user. There are many users, each with their own standards for understanding data. It is advisable to create a model that assumes the demands of a particular user group from among those groups and places it at the center of figuring out the dimensions of disclosure in order to satisfy the needs of all possible users [14]. The American Institute of Certified Public Accountants has established who the target user is, and this is based on the fact that there are a number of categories who use accounting information, and these categories vary in understanding, experience, and knowledge in dealing with such information. "The significance of identifying the entity that will use accounting information stems from a fundamental fact that the purposes for which this information will be used by different entities are also different," so that it extends to a group of major categories that use these reports rather than being restricted to a single

category. As a result, the style and substance of these reports must be such that they fulfill the broad objectives of all categories that utilize them, particularly those with particular authority and information-gathering capabilities [9].

Defining the Purposes of Accounting Information:

Setting clear goals for the use of accounting data guarantees its applicability, allowing users to profit from it, develop prediction skills, and make wise judgments. The responsibility for preparing and submitting company reports rests primarily with its management [13].

Determining the Nature and Type of Accounting Information to be Disclosure

The financial data included in the basic conventional financial statements as well as the data found in the financial statements' appendices, explanations, and sources make up the accounting information that is provided. As a result, reviewing the principles and practices guiding the creation of financial statements is necessary to provide sufficient disclosure [8]. According to the aforementioned, the emphasis should be on the quality of disclosure rather than the amount of information revealed [15].

Accounting Disclosure Methods and Tools

There are several tools and methods for accounting disclosure that can assist consumers in comprehending and choosing wisely. The type of information needed and its relative value determine the differentiation strategy and other factors. The commonly used methods include disclosure through financial statements, reports by the board of directors, reports by the external auditor, information in parenthesis, reports or tables appended to reports, use of terminology that is easily understood by readers, and marginal sources [15].

The Concept of Integrated Reporting

The International Federation of Accountants (IFA) noted in a 2017 publication that integrated reporting represents an effective approach for developing a more coherent and comprehensive corporate reporting framework. It also addresses the growing demand for a single report that presents a clearer and more complete view of an organization’s capacity to create value over time [16]. An integrated report is therefore expected to demonstrate how value is created by combining both financial and non-financial information, while covering key themes such as sustainable development, social responsibility toward people, and the protection of the environment [17].

The Global Reporting Initiative (GRI) has offered various perspectives on integrated reporting, which can be summarized as follows [18]:

Integrated reporting's function is to promote integrated thinking throughout the whole company.

An integrated report should serve as a "quick guide" for the company, a highly concise strategic document that makes it easy for all stakeholders to search through supporting materials to access the information they seek.

Integrated reporting is the way of the future; it is no longer possible to assess a company's health solely through financial indicators.

One of the challenges many reporting companies face is finding the right balance between brevity and focus, while simultaneously ensuring sufficient comprehensiveness in disclosure, thus enabling comparability.

The Global Reporting Initiative (GRI) stresses that integrated reports should incorporate both the company's financial and non-financial metrics, according to the study. Integrated reports are created as a brief guide and a succinct strategy document through integrated thinking throughout the company. (by finding the right balance between brevity and focus while at the same time sufficient comprehensiveness in disclosure) that makes it easier for all stakeholders to obtain the information they are looking for that helps them make sound decisions away from risk.

According to the King III report, integrated reporting is a thorough and cohesive depiction of a business's sustainability and financial performance. Its major goal is to assist stakeholders in determining if a business can generate and sustain value over the short, medium, and long terms. This strategy highlights businesses' obligations to the world economy and its three primary stakeholders: the environment, society, and shareholders [19]. Additionally, connecting integrated reporting to integrated corporate thinking, integrated reporting has been described as a collection of integrated thinking that enhances the quality

and value of information and permits the productive and efficient use of capital. As a result, the organization's strategy, governance, performance, and scenarios that reflect social, environmental, and financial stability for value production across time—whether in the short, medium, or long term—become vitally important [20].

The researcher defines integrated reporting as a full disclosure of a company's financial and non-financial performance. This is accomplished through optimization of capital allocation, thinking integrated throughout the entire company, and finally, providing support for critical stakeholders, which are shareholders, society, and the environment, in building value for the firm. A business can increase its market value by regularly updating its data and making disclosures about its financial and non-financial performance strategies. This enhances stakeholder confidence as it presents a transparent and clear image to them, enabling them to make timely and well-informed decisions.

Net Profit Margin (NPM)

The net profit margin is the difference in earnings after taxes, interest, and sales. A company's net profit rises as its performance improves. In this discipline, 20% is a typical standard [21]. The ability of a business to control sales in order to produce a net profit is shown by the net profit margin. As a result, this margin necessitates excellent corporate efficiency in order to lower operational expenses. Companies that manage their costs and revenues effectively will increase their profits, thus improving their financial performance [22]. It is measured using the following equation [23]:

Net Profit Margin = (Net Profit / Net Sales) x 100

One measure of a business's success is its net profit margin, which displays the portion of net profit that the business really made from sales. It may be argued that a company's operational efficiency increases with its NPM value, which will further boost investor trust in the company's ability to establish an investment connection. Additionally, the NPM ratio may have an impact on the rate of return produced [24].

Earnings Per Share

The amount of net profit per share that a business may produce via its operations is known as earnings per share (EPS), or the amount of money that shareholders would get for each share they possess [25]. This financial ratio evaluates a company's capacity to make money for its owners. The profit available to shareholders and the dividend payments they receive increase with the EPS. As a result, there is a greater demand for shares and a lower desire to sell them, which raises the value of the shares and, ultimately, the market capitalization of the firm. This stimulates shareholders to purchase more shares in order to increase earnings. Net profit after taxes can be compared to the number of outstanding shares to determine EPS [26].

Earnings per share = (Net profit after tax - Preferred share dividends / Average number of common shares outstanding) × 100%

Price to Book Value (P/B) Ratio

Company valuation generally reflects the price at which the firm can be sold to investors. One common approach used in this context is the price-to-book (P/B) ratio. This ratio is employed to assess the market performance of a company's shares by comparing the market price of the stock with the book value recorded in the company's financial statements [27]:

Price-to-book ratio = (Market price per share / Book value per share)

The price-to-book (P/B) ratio is a financial statistic that illustrates how the market values a company's shares in relation to their book value, according to Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan. This ratio may be used to compare companies in the same sector and assess if a company's stock is properly priced. Another helpful method for determining if a stock is overpriced or cheap is the P/B ratio. In general, a ratio greater than one suggests that the market anticipates favourable growth prospects for the business, whereas a ratio less than one can signal worries about the company's performance or prospects [28].

2. Materials and Methods

A sample of industrial organisations' integrated reports were examined using the content analysis approach, It included ten businesses that were listed on the Jordanian

Stock Exchange between 2016 and 2024. and illustrating how this affects profits per share, net profit margin, and market share price to book value.

General framework of the research:

Research Problem

Due to the growth of the stakeholder base to include shareholders, financial reports no longer satisfy the information requirements of stakeholders, suppliers, providers, banks, employees, and others. This has led to the need for a single, concise report, replacing multiple reports. Such a report can lessen the discrepancies in the information content of present reports and offer a clear, transparent, and forward-looking perspective of the company's entire strategy. Additionally, the non-financial disclosure that is now in place is complex and often ineffectual. The expansion of stock markets and the increasing need for both financial and non-financial data in a unified framework have given rise to a new type of report known as integrated reporting.

In light of this, the study question is: Does accounting transparency in integrated reporting affect net profit margins, profits per share, and the price-to-book ratio?

Research Importance

In addition to financial data, stakeholders need non-financial data to help clarify what is happening behind the published financial statements. Annual reports seldom include non-financial information that might effect net profit margins, earnings per share (EPS), and the price-to-book ratio. As a result, a new kind of report that could communicate this information succinctly and without interruptions was created. These criteria resulted in the creation of integrated reporting. This study aims to support these criteria by investigating the relationship between financial and non-financial accounting disclosure.

Therefore, the relevance of the study is found in: the demand for non-financial information on net profit margins, EPS, and the price-to-book ratio that is supported by financial information.

Research Objectives

Finding the accounting-related disclosures required for the integrated report that makes it easier to provide both required financial and non-financial disclosures is the main objective of the study. The report's sections include an overview of the company and the external environment in which it operates, corporate governance disclosures, business model disclosures, risk and opportunity disclosures, strategy and resource allocation disclosures, a future outlook to help businesses maximize their value, the company's economic performance, and the integrated report's fundamentals.

This research aims to achieve the following:

To illustrate how accounting disclosures in integrated reports affected Jordanian industrial businesses' net profit margins, profits per share, and price-to-book ratio between 2016 and 2024.

Data Sources

The researcher used a variety of data collecting techniques to get the information and data required to accomplish the goals of this study, including:

Theoretical Aspect

The researcher employed the deductive method as it provides the theoretical basis for the concept of accounting disclosure in integrated reports. The content of integrated reports was used to examine the integrated reports of Jordanian industrial companies in the research sample from 2016 to 2024 in order to demonstrate the effect of accounting disclosure in integrated reports on net profit margin, earnings per share, and the ratio of market share price to book value. Numerous Iraqi, Arab, and international sources—including books, journals, papers, and published accounting research—as well as a number of earlier studies and other materials pertaining to the research topic and its specifics—were used to do this. Additionally, the researcher used the internet.

The Applied Aspect

In order to examine the link between financial and non-financial variables during a certain time period for a set of Jordanian enterprises (the research sample), the researcher employed the statistical approach to analyse annual reports.

Research Limits

Time Limits of the Research

The research's temporal limitations are represented by the integrated reports of the companies in the study sample for the years 2016–2024.

Spatial Boundaries of the Research

The following are the research's geographical boundaries:

Research Population: Jordanian industrial businesses that are registered on the stock exchange make up the research population.

Research Sample: Ten industrial enterprises that are listed on the Jordanian stock market make up the research sample.

Research Hypotheses

Hypothesis 1: Accounting disclosure in integrated reports has little impact on the net profit margin of Jordanian industrial businesses listed between 2016 and 2024 on the Jordan Stock Exchange.

Hypothesis 2: Earnings per share for Jordanian industrial companies listed on the Jordan Stock Exchange between 2016 and 2024 were unaffected by accounting disclosure in integrated reports.

Hypothesis 3: Accounting transparency in integrated reports had no impact on the price-to-book ratio of Jordanian industrial companies listed on the Jordan Stock Exchange between 2016 and 2024.

Previous research studies

Ehichioya, 2019, Integrated Reporting and firms' performance in Nigeria.

Purposeful sampling was used to choose 121 businesses for the sample. The financial statements and yearly reports of the chosen firms provided the historical data. The study aimed to demonstrate the effects of integrated reporting on the profits per share (EPS), profit before tax (PBT), return on equity (ROE), and return on working capital (ROCE) of firms listed on the Nigeria Stock Exchange. The results showed that the integrated reporting data had a substantial influence on ROCE, EPS, and PBT, suggesting that the data was essential in defining the integrated reporting by Nigerian listed enterprises [1] .

Nwoye; Egbunike and Osegbue, 2021, "Integrated Reporting and Firm Value in the Nigerian and South African Oil and Gas Sector." The sample for the research was twelve companies from Nigeria's oil and gas sector, while six companies from South Africa's oil and gas sector participated in the research from 2015 to 2018. The setting is different in Nigeria as it is only optional for companies to use integrated reporting, while it is mandatory for companies to use integrated reporting in South Africa. The goal of this study was to determine how integrated reporting affected the value of oil and gas firms in South Africa and Nigeria. From this research, it is very clear that integrated reporting has a great impact on company value for both countries. The research concludes by recommending integrated reporting to Nigeria; it is mandatory for companies in Nigeria to use integrated reporting as it will enhance a better understanding among stakeholders instead of using financial statements for sustainability reporting [2].

While the study addressed "Lutfiani; Fatah and Hudaya, 2024, Voluntary disclosure with the International Integrated Reporting Council (IIRC) framework and value relevance". With the total number of samples being 606 during the course of the year, the information gathered included every manufacturing company in Indonesia that was listed between the years 2017 and 2022 on the Indonesia Stock Exchange (IDX). In conformity with the International Integrated Reporting Council (IIRC), the research was conducted with the aim of finding out if the disclosure of voluntary integrated reporting has any impact on the value significance of Indonesian enterprises. From the research conducted, it was revealed that the adoption of the integrated reporting framework by companies could lead to an increase in the value significance of the company since there is a statistical significant positive impact on the value significance of the company due to the IR score [3] .

And study added Dewi; "Anggara and Lindrianasari, 2024, The Effect of Green Accounting and Integrated Reporting on Financial and Market Performance". The goal of the study is to examine how integrated reporting and green accounting standards affect

the market and financial performance of listed firms in the energy and basic materials sectors at the Indonesian Stock Exchange between 2020 and 2022. The goal of the study is to determine how integrated reporting and green accounting techniques affect the financial and market performance of businesses in the energy and basic materials sectors that are listed on the Indonesian Stock Exchange (IDX). According to the findings of the research, it can be stated that Indonesian companies that are part of the basic materials and energy industries may use the strategy of integrated reporting practices and green accounting practices. The concept of green accounting and reporting can be utilized by these companies in a way that it will help them achieve financial and market performance according to the Sustainable Development Goals [4].

Finally, Darminto; "Lysandra; Mulyadi and Ahmar, 2024, Impact of integrated reporting on firm value and earnings quality as a moderator in Southeast Asia". The study concentrated on businesses in the energy industry that were listed on stock markets in a number of Southeast Asian nations. Southeast Asia was selected because of its susceptibility to shifts in the opinion of the global market about sustainability and financial aspects. From greatest to lowest, the energy sector's sample size was as follows: Indonesia (76 companies), Thailand (69 companies), Singapore (41 companies), Malaysia (32 companies), and the Philippines (12 companies). The research aimed at measuring the effect of various factors on integrated reporting. The factors included financial leverage, size, profitability, growth, age, size of the board, independence of the board, activity of the board, and pressure from stakeholders. The results demonstrate that integrated reporting was positively impacted by leverage, age, and board size, but negatively by business size, growth, and board independence. Stakeholder pressure, board activity, and profitability had no discernible effects on integrated reporting; nonetheless, integrated reporting increased business value [5].

3. Results and Discussion

The Applied Aspect of the Study

Statistical Methods Used

The researcher computed descriptive statistics, which include generic statistics like the arithmetic mean, median, greatest value, lowest value, standard deviation, skewness coefficient, kurtosis coefficient, and Jark-Pera's test for data normality. He also used graphs to understand the nature and characteristics of the data. Furthermore, the researcher employed analytical statistics, specifically the analysis of effect relationships using linear regression, in addition to using the ARDL model to reveal long-term relationships. The researcher relied on a set of suitable statistical software programs, namely SPSS version 24 and EViews 13, to extract results from the data.

General Statistics for the Studied Variables

To comprehend the basic features of the variables involved in the research, the table below provides some generic statistics for those variables.

Table 1. General Statistics for Research Variables

	ADIR	NPM	EPS	PB	FL	PRO	SIZE
Mean	45.48828	0.072537	0.783375	4.956250	1.342000	21.67013	1.800000
Median	40.62500	0.040000	0.135000	1.750000	0.330000	10.76000	1.500000
Maximum	84.37500	0.470000	12.23000	38.60000	41.00000	1046.400	3.000000
Minimum	28.12500	-0.190000	-1.500000	0.300000	0.010000	-1244.710	1.000000
Std. Dev.	14.90218	0.128478	2.031128	9.022838	4.656114	210.8557	0.877280
Skewness	1.342463	1.036171	3.863599	2.452488	7.892850	-0.298450	0.398459
Kurtosis	3.488302	4.257015	19.60125	7.867348	67.48935	28.13852	1.432133
Jarque-Bera	24.82421	19.58228	1117.703	159.1662	14693.55	2107.671	10.31095
Probability	0.000004	0.000056	0.000000	0.000000	0.000000	0.000000	0.005768

Source: The table was prepared by the researcher based on the results of the EViews 13.

The above table indicates that the mean of the ADIR variable was (45.49), with a median of (40.63). This shows the variability of the levels of the ADIR in the companies under investigation. The standard deviation of the ADIR was (14.90), showing variability around the mean value. The coefficient of skewness was (1.34), showing a slant to the right and high values of the ADIR in some of the companies. The kurtosis was (3.49), and the results of the Jarque-Bera test show that the data does not follow a normal distribution pattern. The mean of the net profit margin (NPM) was (0.073), with a median of (0.04). This shows that the companies are profitable. However, the presence of negative values at the lower end (-0.19) indicates that some of the companies are making losses. The standard deviation of the NPM was (0.128), with a positive skewness of (1.04) and kurtosis of (4.26), showing an asymmetrical distribution with some companies having high profit margins. The average value of earnings per share was (0.78), with a low median value of (0.135). It indicates that some companies have earned high profits, hence the high average value. Also, the high standard deviation of 2.03, high skewness of 3.86, and high kurtosis of 19.60 indicate the presence of outliers in the value of earnings per share. These results were also confirmed by the Jark-Pera test.

The average value of price book value per share was (4.96), with a low median value of (1.75). It indicates a high value of (38.6), which implies a wide range of variations in the market value of the companies. Also, the high standard deviation of 9.02, high skewness of 2.45, and high kurtosis of 7.87 indicate that some companies are overvalued compared to others.

The average value of leverage was (1.34), with a low median value of (0.33). It indicates a high standard deviation of (4.66), high skewness of 7.89, and high kurtosis of 67.49.

The average value of price-earnings was (21.67), with a low median value of (10.76). It indicates high positive and negative values ranging from a low of (-1244.71) and a high of (1046.40). The high skewness and kurtosis values also suggest extreme values in this variable. The average company size was (1.80) with a median of (1.50), indicating a similarity in company sizes. However, the positive skewness (0.40) suggests a limited number of larger companies compared to the rest of the sample.

Discussion and analysis of research hypotheses:

First hypothesis:

There is no statistically significant effect of accounting disclosure in integrated reporting (ADIR) on the net profit margin (NPM) of Jordanian industrial companies during the period.(2024–2016)

First: Analysis of the regression model of the (ADIR) index and its effect on (NPM)

The researcher conducted a regression model analysis of the ADIR index and its effect on the NPM of the Jordanian market using the SPSS vr. 24 statistical programs. The results are summarized in the following table:

Table 2. Results of the regression model (ADIR) on (NPM)

Sig.	T	Beta	F	R Square	dependent variable
0.000	8.040	0.673	64.647	0.453	NPM

Source: The table was prepared by the researcher based on the results of the statistical program (SPSS vr. 24).

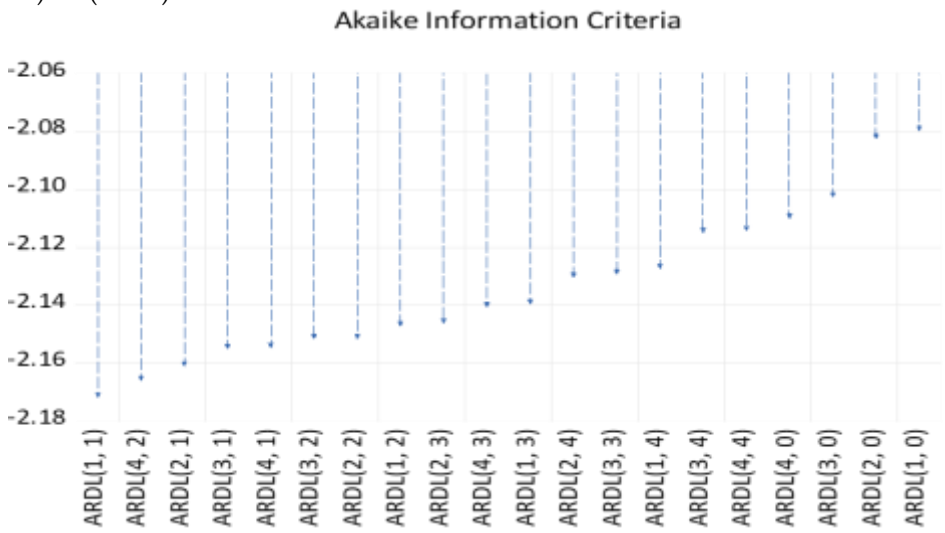
The results of the (ADIR) regression model on net profit margin (NPM), as shown in the table above, indicate that the coefficient of determination (R^2) was equal to (0.453). This shows that the (ADIR) variable was able to explain (45.3%) of the variation in the dependent variable, i.e., the net profit margin. This is a high percentage, showing that the regression model has good explanatory power. Moreover, the F-test value was equal to

(64.647), showing that it was significant at (0.05). This shows that the regression model was valid in explaining the change in the dependent variable, i.e., (NPM). Furthermore, the regression coefficient was equal to (0.673), showing that there was a significant positive correlation between the dependent variable, i.e., the net profit margin, and (ADIR). This is because, with an increase in the (ADIR) variable, there was an increase in the net profit margin by (67%), and this was significant since the value of the t-test statistic was equal to (8.040) with a significance level (Sig) equal to zero, lower than the chosen significance level, i.e., (0.05).

Second: Testing and Estimating the Standard Model (ARDL) According to the AIC (Short-Term) Information Criterion

The figure below shows the AIC for a set of chosen models. From this figure, it is evident that the optimal lag period is (1,1), given that this model had the lowest AIC value based on the automatic lag period determination provided by EViews 13.

Figure (1) AIC criterion values for time lag of the estimated model for the effect of (ADIR) on (NPM)



Source: Researcher's work based on the results of the EViews 13 program

Third: Testing and Evaluating the Standard Model (ARDL) According to the AIC Information Standard (Short-Term)

The best ARDL model for representing the given data is ARDL (1,1), and the results were achieved through the use of EViews 13 software. This model was chosen based on the AIC information standard. The AIC value for the best ARDL model is 2.35.

Table No. (3) Testing and estimating the standard model (ARDL) for the effect of (ADIR) on (NPM)

Dependent Variable: NPM				
Method: ARDL				
Maximum dependent lags: 4 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (4 lags, automatic): ADIR				
Fixed regressors: C				
Selected Model: ARDL (1, 1)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
NPM (-1)	0.594986	0.093306	6.376728	0.0000
ADIR	0.006994	0.001363	5.132234	0.0000
ADIR (-1)	-0.004583	0.001513	-3.028341	0.0034
C	-0.079580	0.033744	-2.358339	0.0210
R-squared	0.646167	Mean dependent var		0.073203
Adjusted R-squared	0.632014	S.D. dependent var		0.129160
S.E. of regression	0.078351	Akaike info criterion		-2.205928
Sum squared resid	0.460417	Schwarz criterion		-2.085956
Log likelihood	91.13417	Hannan-Quinn criter.		-2.157864
F-statistic	45.65485	Durbin-Watson stat		1.802496
Prob(F-statistic)	0.000000			

Source: The table was prepared by the researcher based on the results of the EViews 13.

The results of the ARDL (1,1) model estimation of the impact of the (ADIR) variable on the net profit margin (NPM) clearly show the dynamic nature of the (NPM). This is clearly indicated by its dependence on only one lag of its own value in addition to the (ADIR) variable itself at both its present and lagged values. A high auto-dependency of the (NPM) was clearly indicated in the results, with the first lag coefficient (-1) equal to (0.5949), a positive and significant value at the (5%) significance level. The t-test value was (6.376), clearly showing that past values of the (NPM) have a direct impact on its present value, clearly indicating the continuity of the profitability of companies over time. Regarding the impact of the (ADIR) variable on the (NPM), the results clearly indicated a positive and significant impact at the present value of the (NPM), with the (ADIR) coefficient equal to (0.00699) and a t-test value of (5.132), clearly showing that an increase in the (ADIR) value results in an increase in the (NPM) in the short term. On the other hand, the lag coefficient of the variable ADIR, which is (-1), was negative (-0.00458) and significant at the (5%) level, as indicated by the t-test value of (-3.028). This is a dynamic corrective effect, where the profit margin of the following period is negatively affected by the preceding changes in the variable ADIR. Moreover, it was found that the coefficient of determination, i.e., R2, was able to attain a value of 0.646, which means that a significant percentage of 64.6% of the variations in the net profit margin were explained by the model. This demonstrates the model's capacity for explanation. The model's F-value, which is significant at the (5%) level and equals 45.65, indicates the explanatory power and validity of the model in describing the change in the dependent variable. Additionally, the Durbin-Watson statistic's score of 1.80 shows that the model has no autocorrelation issues. The aforementioned leads us to the conclusion that, aside from being immediately and severely affected by the (ADIR) variable in the near term, the net profit margin (NPM) is mainly influenced by its own dynamic variables, while a corrective action is observed during the lag period. The aforementioned leads us to a conclusion that (ADIR) is a major influencing variable while determining the financial results of the businesses under research, while its influence is dynamic rather than being limited to a particular time frame.

Fourth: Limit testing of the effect of (ADIR) on (NPM)

The F-Bounds test was used within the ARDL model to validate that the dependent variable, i.e., NPM, and the independent variable, i.e., ADIR, have a long-run equilibrium

relationship. When the two variables are employed in their respective levels, the F-Bounds test's null hypothesis states that there is no link between them. The table below displays the F-Bounds test results:

Table (4) F-Bounds Test for the Effect of (ADIR) on (NPM)

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I (0)	I (1)
			Asymptotic: n=1000	
F-statistic	6.296436	10%	3.02	3.51
K	1	5%	3.62	4.16
		2.5%	4.18	4.79
		1%	4.94	5.58

Source: The table was prepared by the researcher based on the results of the EViews 13.

The test results show that the F-value was (6.29), which is higher than the upper limit of (I), which equals (1), at various levels of statistical significance (10%, 5%, 2.5%, and 1%). Accordingly, the null hypothesis is rejected, while the alternative hypothesis—indicating the presence of a long-run equilibrium relationship (co-integration) between the variables—is accepted. This finding suggests that the independent variable is stable in the long run and maintains a long-term relationship with the dependent variable (NPM). These results also support the appropriateness and validity of the ARDL model applied in the analysis.

Fifth: Estimating the Long-Run Effect of ADIR on NPM Using the ARDL Model

The researcher estimated the long-term impact of (ADIR) on (NPM) by employing the ARDL model. The results of the test were obtained and organized in the table above using the EViews 13 statistical software.:

Table (5) Results of the long-term effect assessment of (ADIR) on (NPM) according to the ARDL model

Long Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
ADIR	0.005952	0.001501	3.965220	0.0002
C	-0.196487	0.071712	-2.739952	0.0077
Cointeq = NPM - (0.0060*ADIR - 0.1965)				

Source: The table was prepared by the researcher based on the results of the EViews 13.

Based on the above statistics, the coefficient of ADIR is (0.005952), indicating that a one-unit increase in ADIR leads to an increase of approximately (0.0059) units in NPM in the long run. This clearly reflects a positive long-term relationship between the two variables.

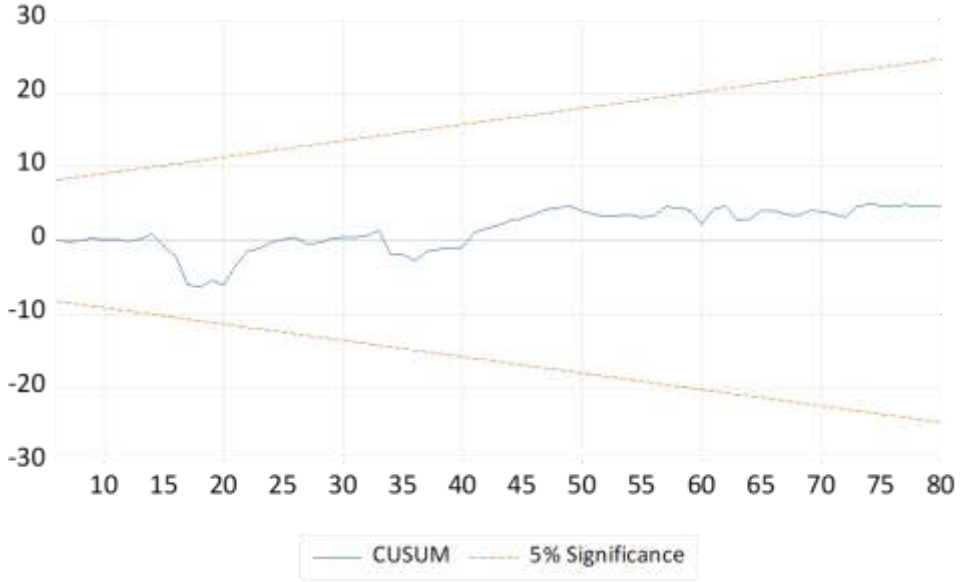
Consequently, the alternative hypothesis is accepted and the null hypothesis is rejected, indicating that the ADIR variable has a long-term impact on the net profit margin. The t-statistic value of 3.965220 and the significance level of 0.0002, which show that the impact of ADIR on the net profit margin is statistically significant at the 0.05 significance level, confirm this conclusion.

In other words, the impact of the ADIR variable does not only have a short-run impact on the profitability of businesses in the long run but also enhances the effectiveness of financial performance in boosting the profitability of businesses.

Sixth: Stability Test for Model Parameters

To test the reliability of the results of the estimated model in terms of long-term and short-term parameters, the researcher employed a test referred to as the (CUSUM) test of cumulative residual sums. Based on the graph below, it is clear that the results of the (CUSUM) test, which were used to test the reliability of the parameters of the ARDL model over time, are represented by the blue line as the cumulative values of the residuals. It should be noted that during the entire investigation period, the results of the (CUSUM) test remained within the limits of the confidence intervals and did not go beyond the boundaries of the upper and lower limits of the lines. This implies that during the entire investigation period, there were no significant fundamental changes in the parameters of the model. It can therefore be concluded that the results of the findings have a high level of reliability, and the parameters of the model are stable over time. It should be noted that the efficacy of the statistical results derived from the model would be high.

Figure (2) Results of the CUSUM test for the effect of ADIR on NPM



Source: Researcher's work based on the results of the EViews 13 program.

Second Hypothesis:

Integrated reporting disclosure (ADIR) has no statistically significant impact on earnings per share (EPS).

First: Regression Model Analysis of the ADIR Index and its Effect on EPS

The researcher has conducted a regression model analysis of ADIR index and its effect on EPS for the Jordanian market by using SPSS 24 software. The results are as follows:

Table 6. Results of the ADIR Regression Model on EPS

Sig.	T	Beta	F	R Square	dependent variable
0.000	7.281	0.636	53.007	0.405	EPS

Source: The table was prepared by the researcher based on the results of the SPSS vr. 24 statistical programs.

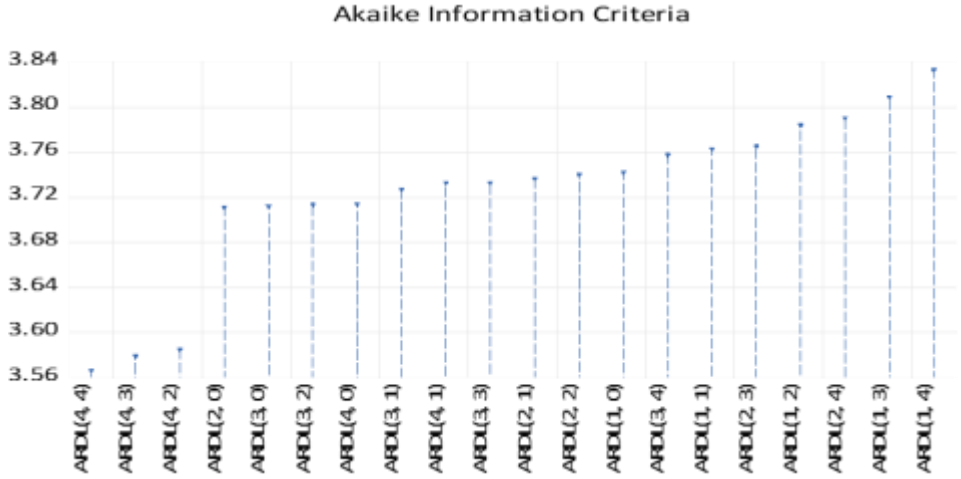
The influence of (ADIR) on (EPS) is seen in the table above. According to the results, the ADIR variable accounts for around 40.5% of the fluctuations in (EPS) with a coefficient of determination (R2) of 0.405. The model as a whole appears to be suitable for describing changes in the dependent variable (EPS), according to the F-statistic value of 53.007, which is statistically significant at the 5% level.

Additionally, a positive correlation between ADIR and EPS is indicated by the regression coefficient of 0.636. This indicates that for every unit increase in ADIR, EPS rises by around 0.636 units. The accepted significance level of (0.05) is higher than the t-statistic result of (7.281), which has a significance level of zero. As a result, the alternative hypothesis—which claims that the ADIR variable has a statistically significant impact on stock profitability within the research sample—is accepted and the null hypothesis is rejected. This conclusion is further supported by the regression coefficient's significant levels.

Second: The AIC (Accelerated Interval) of the Estimated Model Between ADIR and EPS

The figure below shows the AIC values for a group of selected models. It reveals that the best lag period is (4,4), as this model recorded the lowest AIC value according to the automatic lag period determination provided by EViews 13.

Figure (3) AIC criterion values for time lag of the estimated model for the effect of (ADIR) on (EPS)



Source: Researcher's work based on the results of the EViews 13 program.

Third: Testing and Evaluating the Standard Model (ARDL) According to the Akaike Information Criterion (Short-Term)

The best (ARDL) model for representing this data is ARDL (4,4), and its results were obtained using EViews 13 software. The optimal model was selected according to the Akaike Information Criterion, and the results are presented in the following table:

Table No. (7) Testing and estimating the standard model (ARDL) for the effect of (ADIR) on (EPS)

Dependent Variable: EPS				
Method: ARDL				
Maximum dependent lags: 4 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (4 lags, automatic): ADIR				
Fixed regressors: C				
Selected Model: ARDL (4, 4)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
EPS (-1)	0.241184	0.111514	2.162810	0.0342
EPS (-2)	-0.229017	0.124460	-1.840084	0.0703
EPS (-3)	-0.053159	0.160871	-0.330447	0.7421
EPS (-4)	-0.602157	0.150541	-3.999969	0.0002
ADIR	0.042352	0.032687	1.295660	0.1996
ADIR (-1)	-0.080222	0.046592	-1.721807	0.0898
ADIR (-2)	0.121836	0.040170	3.033020	0.0035
ADIR (-3)	0.007017	0.034800	0.201636	0.8408
ADIR (-4)	0.043627	0.027069	1.611710	0.1118
C	-4.824311	0.816404	-5.909224	0.0000
R-squared	0.628246	Mean dependent var		0.796974
Adjusted R-squared	0.577552	S.D. dependent var		2.083665
S.E. of regression	1.354298	Akaike info criterion		3.566523
Sum squared resid	121.0522	Schwarz criterion		3.873199
Log likelihood	-125.5279	Hannan-Quinn criter.		3.689086
F-statistic	12.39298	Durbin-Watson stat		2.241720
Prob(F-statistic)	0.000000			

Source: Researcher's work based on the results of the EViews 13 program.

The results above show that the best model for representing the data is the ARDL model, namely ARDL (4, 4), and the results were obtained by using EViews 13. This model was chosen based on the AIC, namely the accuracy information criterion, where four lag periods were incorporated. As for the independent variable, namely ADIR, it also has four lag periods, showing the dynamic nature of its impact on earnings per share. From the results, it is clear that the dependent variable has auto-dependency. This is evidenced by the fact that the first lag coefficient, namely EPS (-1), reached a significant value at the 5% level, namely 0.241, with a t-test value of 2.163 and a significance level of 0.0342. This shows that past EPS directly affects the present EPS. As for the second and third lag periods, namely the dependent variable, these were not significant, showing that auto-dependency is limited to the immediate past period. As for the fourth lag factor, namely EPS (-4), it has a significant value at the 5% level, namely -0.6021. However, because of the impact of the past values of (EPS), which were negative on the current value of (EPS), the t-test statistic gave a value of (-3.999) with a significance level of (0.0002).It was discovered that the (ADIR) effect was time-dependent and lagged. ADIR (-1), the first lag time, had a negative and non-significant value of (-0.080). On the other hand, ADIR (-2),the second lag time, had a value of 0.122,a substantial positive impact at the 5% level. This indicates a substantial increase in (EPS) because of a change in (ADIR) two periods before the lag time. However, the rest of the lag times were not significant. On the issue of the quality of the model, as shown by the coefficient of determination (R^2), the model was able to explain 14.6% of the changes in (EPS), with the R^2 value attaining a value of 0.146. Also, the validity of the model was shown by the results of the F-test equal to 2.434, a value significant at the 5% level. Finally, the fact that the residuals of the model do not have

problems of autocorrelation was shown by the value of the Durbin Watson test equal to (1.976). From the above, the researcher draws the conclusion that the impact of (ADIR) on (EPS) appears to be delayed and fluctuating rather than direct and short-term. This implies that while developing financial policies or evaluating the financial achievements of enterprises, the fluctuating nature of the impact has to be considered.

Fourth: Limit Test for the Effect of ADIR on EPS

The following table displays the test results.:

Table 8. Limit Test for the Effect of ADIR on EPS

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I (0)	I (1)
			Asymptotic: n=1000	
F-statistic	19.53499	10%	3.02	3.51
K	1	5%	3.62	4.16
		2.5%	4.18	4.79
		1%	4.94	5.58

Source: Researcher's work based on the results of the EViews 13 program.

The test results indicate that the calculated F-statistic (19.53) exceeds the upper bound of I(1) at all reported significance levels (10%, 5%, 2.5%, and 1%). Accordingly, the null hypothesis is rejected, while the alternative hypothesis suggesting the existence of a long-run equilibrium (co-integration) relationship among the variables is accepted. This outcome implies that the independent variable (ADIR) maintains long-term stability and exhibits a meaningful association with the dependent variable (EPS). Consequently, these results support the validity and appropriateness of employing the ARDL model in the analysis.

Fifth: Estimating the long-term effect of ADIR on EPS according to the ARDL model

The long-term impact of (ADIR) on (EPS) was estimated by the researcher using the (ARDL) model, and the findings were entered into the accompanying table using the EViews 13 application.:

Table 9. Results of the long-term effect assessment of (ADIR) on (EPS) according to the ARDL model

Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
ADIR	0.081922	0.006879	11.90867	0.0000
C	-2.936014	0.327778	-8.957329	0.0000
Cointeq = EPS - (0.0819*ADIR - 2.9360)				

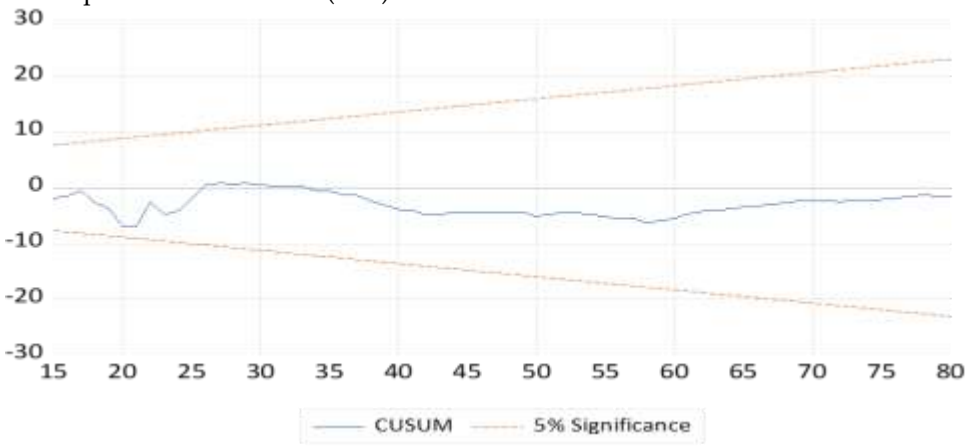
Source: Researcher's work based on the results of the EViews 13 program.

From the data presented in the above table, it is seen that the coefficient of the long-run (ADIR) is (0.0819). This implies that if (ADIR) increases by one unit, (EPS) will increase by (0.0819) units in the long run. However, as the t-test was (11.90) and the significance level was (0.00), which is less than (0.05), the change in (ADIR) does not have any significant impact on (EPS). Thus, the null hypothesis that (ADIR) has no significant impact on (EPS) in the research data set is rejected. It is seen that apart from the fact that (ADIR) has a steady and strong long-run relationship after the financial system of corporations becomes stable, (ADIR) dynamically impacts (EPS) in the short and long run.

Sixth: Stability Test for Model Parameters

The blue-colored line in the graph below indicates the cumulative total of the residuals from the (CUSUM) test used to check the stability of the parameters of the (ARDL) model over time. The dashed lines represent the confidence intervals for a 5% significance level. From the graph, it is clear that there were no violations of the upper or lower bounds during the study period. Additionally, the (CUSUM) test path remained within the confidence intervals. This shows that there were no major structural changes in the parameters of the model during the study period. From this discussion, it is clear that the parameters of the model are time-stable. As such, it is safe to conclude that the parameters are reliable. This makes the results obtained from the model more effective in producing reliable statistical inferences.

Figure (4) Results of the CUSUM test for the cumulative sum of residuals for the effect of the independent variable on (EPS)



Source: Researcher's work based on the results of the EViews 13 program.

Third Hypothesis:

The market price/book value per share (P/B) ratio is not statistically significantly impacted by the accounting disclosure of integrated reports (ADIR)..

First: Regression Model Analysis of the ADIR Index and its Effect on P/B

Using the statistical program SPSS version 24, the researcher performed a regression model study of the ADIR index and its impact on the (P/B) ratio for the Jordanian market. The following table provides a summary of the findings.:

Table 10. Results of the ADIR Regression Model on P/B

dependent variable	R Square	F	Beta	T	Sig.
P/B	0.686	170.388	0.828	13.053	0.000

Source: The table was prepared by the researcher based on the results of the SPSS vr. 24.

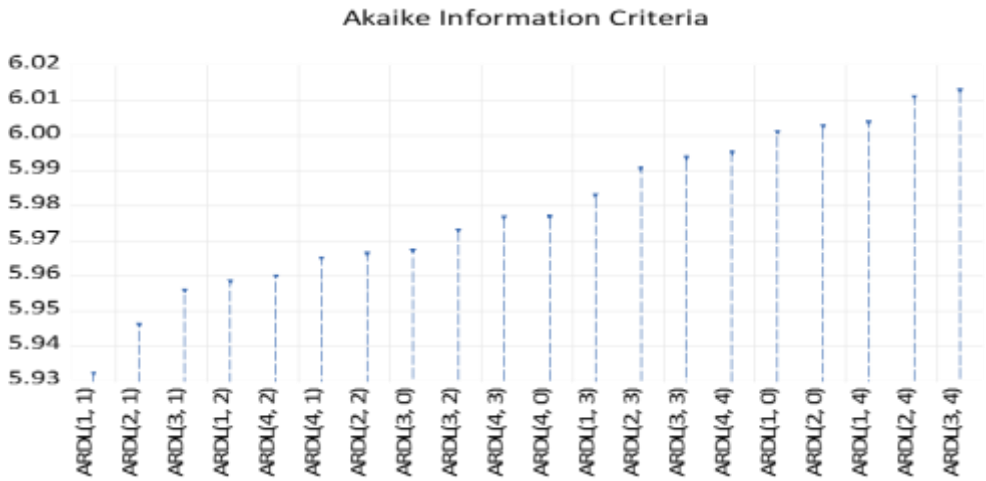
The price-to-book (P/B) ratio was influenced by the (ADIR) variable, as shown in the table above. The coefficient of determination (R2) was found to be equal to 0.686, which means that 68.6% of the changes in (P/B) can be explained by (ADIR). Moreover, at a significance level of 0.000, the F-test value was found to be equal to 170.388, which is less than the 0.05 level. This implies that the model as a whole plays an important role in explaining the relationship between (ADIR) and (P/B). If (ADIR) increases by one unit, (P/B) would increase by (0.828) units. This implies a significant positive relationship between (ADIR) and the ratio of the market price and book value of the share.

The estimated coefficient of the independent variable is (0.828). The result is supported by the t-statistic value of (13.053) with a probability value of (0.000), which is lower than the conventional significance level of (0.05). Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. This indicates that the variable (ADIR) has a statistically significant and positive impact on (P/B) within the sample of the study.

Second: The AIC (Acceleration Identification) of the Estimated Model Between ADIR and B/P

The AIC values for a selection of models are displayed in the figure below. According to the automated lag determination given by EViews 13, this model got the lowest AIC value, indicating that the optimal lag period is (1,1).

Figure (4) AIC criterion values for time lag of the estimated model for the effect of (ADIR) on (P/B)



Source: The table was prepared by the researcher based on the results of the EViews 13 statistical software.

Third: Testing and Evaluating the Standard Model (ARDL) According to the Akaike Information Criterion (Short-Term)

EViews 13 program was used to acquire the findings of ARDL (1,1), which is the best (ARDL) model for expressing this data. The Akaike Information Criterion was used to choose the best model, and the outcomes are shown in the following table:

Table 11. Testing and Evaluating the Standard Model (ARDL) for the Relationship between ADIR and B/P

Dependent Variable: B/P				
Method: ARDL				
Maximum dependent lags: 4 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (4 lags, automatic): ADIR				
Fixed regressors: C				
Selected Model: ARDL (1, 1)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
B/P (-1)	0.478524	0.100820	4.746335	0.0000
ADIR	0.513345	0.078365	6.550653	0.0000
ADIR (-1)	-0.253852	0.093050	-2.728119	0.0079
C	-9.165725	2.463400	-3.720761	0.0004
R-squared	0.759969	Mean dependent var		5.008861
Adjusted R-squared	0.750368	S.D. dependent var		9.068135
S.E. of regression	4.530727	Akaike info criterion		5.908948
Sum squared resid	1539.562	Schwarz criterion		6.028920
Log likelihood	-229.4035	Hannan-Quinn criter.		5.957013
F-statistic	79.15340	Durbin-Watson stat		1.890123
Prob(F-statistic)	0.000000			

Source: The table was prepared by the researcher based on the results of the EViews 13.

This model was selected on the basis of the Accuracy Information Criterion (AIC), which measures the accuracy of the model in explaining the dynamic relationship between the variables throughout the course of the research. With the initial lag coefficient P/B (-1) having a value of (0.478524), the findings revealed the existence of auto-dependency in the dependent variable. With a p-value of 0.0000, the value is favorably significant at the 5% significance level. This implies that the present value of the market price/book ratio is significantly affected by the historical value of the market price/book ratio. This proves the consistency of the stock market. With regard to the impact of the (ADIR) variable on the market price/book ratio of the company, the findings revealed that the value of the ADIR coefficient is (0.513345), which is significant at the (5%) level with a probability value of (0.0000). A one-unit increase in the (ADIR) variable results in a (0.513-) unit increase in the market price/book ratio of the company in the present period. In addition, the initial (ADIR) lag coefficient (-1) revealed a significance level of (0.0079) and a negative value of (-0.253852). This indicates that the effect of (ADIR) reverses after a single period; that is, a decrease in the (P/B) ratio is a result of an increase in (ADIR). The above values of the (P/B) and (ADIR) variables may explain 76% of changes in the price-to-book ratio according to the coefficient of determination (R^2), which achieved a value of 0.759969. The significance of the entire model is confirmed by the F-test; that is, at a significance level of 0.0000, it achieved a value of 79.15340. The absence of significant autocorrelation of residuals is confirmed by a value of 1.890 for the Durbin-Watson test. It can be stated that the price-to-book ratio (P/B) is subject to dynamic influence by the (ADIR) variable; that is, it is mainly defined by its historical values. The rapid response of the market to earnings management is confirmed by the fact that it is positively affected by it at first before reversing to a negative effect that is corrected by it.

Fourth: Limit Test for the Effect of ADIR on B/P

The test results are presented in the following table:

Table 12. Limit Test for the Effect of ADIR on B/P

F-Bounds Test		**Null Hypothesis: No levels relationship**		
Test Statistic	Value	Signif.	I (0)	I (1)
			Asymptotic: n=1000	
F-statistic	8.923100	10%	3.02	3.51
K	1	5%	3.62	4.16
		2.5%	4.18	4.79
		1%	4.94	5.58

Source: Researcher's work based on the results of the EViews 13 program.

Based on the findings from the test results, it is evident that F-value is 8.92, which is larger than the upper bound of I(1) at all conventional levels of statistical significance 10%, 5%, 2.5%, and 1%. The alternative hypothesis that postulates that there is a long-run equilibrium relationship between the variables under investigation is accepted, while the null hypothesis is rejected. The result validates the long-run stability of the independent variable P/B and enhances the validity of the (ARDL) model.

Fifth: Estimating the long-term effect of ADIR on P/B according to the ARDL model

The long-term impact of (ADIR) on (P/B) was estimated by the researcher using the (ARDL) model, and the findings were entered into the accompanying table using the EViews 13 application:

Table 13. Results of the long-term effect assessment of (ADIR) on (P/B) according to the ARDL model

Long Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
ADIR	0.497612	0.067350	7.388419	0.0000
C	-17.57649	3.218860	-5.460471	0.0000
Cointeq = PB - (0.4976*ADIR - 17.5765)				

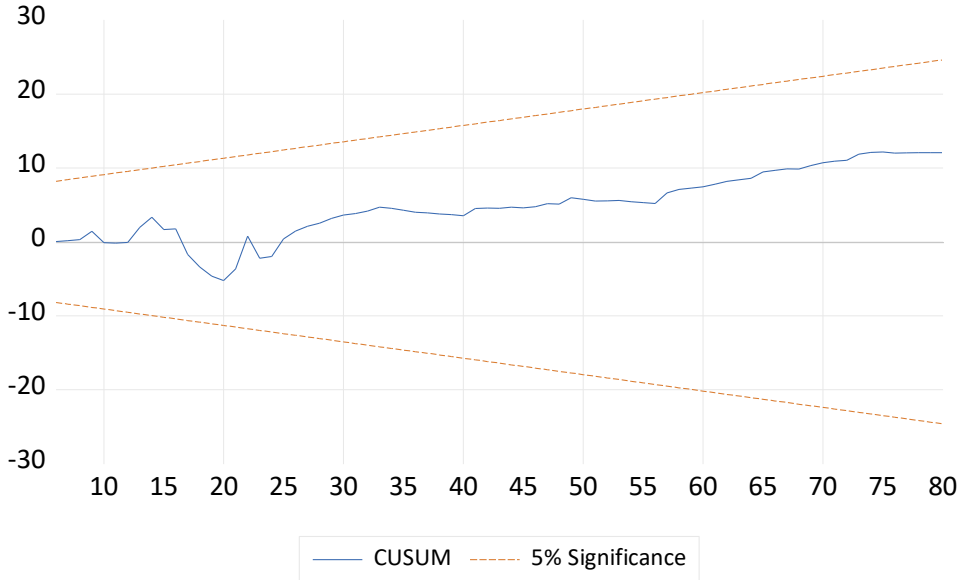
Source: Researcher's work based on the results of the EViews 13 program.

The researcher was able to attain the findings of the estimation of the Long Run Value (ARDL) model. The findings of the calculation of the Long Run Coefficients inside the (ARDL) model to test the equilibrium association between the price-to-book (P/B) ratio and the (ADIR) variable are presented in the table below. The coefficients indicate the impact of the (ADIR) variable on the (P/B) ratio once the short-run effects have been removed and the system has returned to equilibrium. The findings indicated that the long-run coefficient of the (ADIR) variable was attained at (0.4976), which is positive. This implies that the long-run price-to-book ratio will increase by (0.4976-) units for every unit increase in (ADIR). This implies that the stock's market value will increase steadily and positively. Since the value of the (t) test was attained at (7.388), which is less than the chosen (Sig.) of (0.000), which is less than the researcher's chosen (0.05), the impact of the (ADIR) variable on the (P/B) ratio is significant. This implies that the alternative hypothesis that the (ADIR) variable has an impact on the (P/B) ratio in the long run is accepted while the null hypothesis is rejected.

Sixth: Stability Test for Model Parameters

To assess the stability of the estimated model in terms of long-term and short-term parameters, the researcher used a test called the (CUSUM) test for cumulative residual sums. The test's primary goal is to determine if the estimated model's long-term and short-term parameters are stable. Upper and lower bounds are applied to the test at a significance level of five percent. When the cumulative residual sum chart is inside the top and lower bounds, it indicates that the parameters are stable and that the model has no fundamental flaws. Nevertheless, the anticipated parameters are unstable when the chart is outside the bounds.

Figure (4) Results of the CUSUM test for the cumulative residual sum of the effect of the independent variable on (B/P)



Source: Researcher's work based on the results of the EViews 13 program.

The blue line in the graph above indicates the cumulative values of the residuals from the (CUSUM) test. The (CUSUM) test is conducted to evaluate the stability of the (ARDL) parameters. The confidence interval at which the test was conducted at five percent is indicated by the dashed lines. From the graph above, it is noted that throughout the entire period of the investigation, the (CUSUM) test remained within the confidence interval and did not exceed the upper and lower limits. This implies that throughout the entire period of the investigation, no significant changes were noted in the parameters of the model. Therefore, it could be concluded that the findings of the study were of a higher dependability level and that the parameters of the model were stable. This enhances the effectiveness of the statistical findings of the model.

4. Conclusion

Conclusions

1. The direct effect demonstrates that there is a statistically significant positive correlation between net profit margin and accounting transparency in integrated reports.
2. The net profit margin (NPM) is impacted in the short term, indicating that (ADIR) is one of the key factors influencing the profitability performance of businesses in the research sample and that its impact is dynamic over time rather than time-limited.
3. The (ARDL) model's estimation of the long-term association shows that (NPM) and (ADIR) have a long-term positive correlation. In other words, the (ADIR) effect reflects the function of this variable in boosting the efficiency of financial performance and expanding businesses' capacity to earn profits. It is not restricted to short-term swings but rather has a sustained long-term impact on corporate profitability.
4. A direct positive correlation between (ADIR) and profits per share indicates that the (ADIR) variable has a statistically significant impact on earnings per share..
5. When developing financial policies or assessing the financial performance of businesses, it is necessary to take into account the dynamic nature of the short-term impact of accounting disclosures in integrated reports on earnings per share (EPS), which is delayed and erratic over time.
6. However, accounting transparency in integrated reports has no statistically significant long-term impact on earnings per share.
7. Since the coefficient of the independent variable (ADIR) shows a strong positive link between (ADIR) and (P/B), the direct findings in interpreting the relationship between (ADIR) and (P/B) show that the model as a whole is statistically significant.
8. The findings demonstrated a favorable short-term impact of accounting disclosure in integrated reports on the stock's market price-to-book ratio, with the (ADIR) coefficient being positive and statistically significant at the 5% level.
9. The long-term (ADIR) coefficient has a positive sign when the long-term connection is estimated using the (ARDL) model, indicating a steady, direct link between earnings management strategies and the stock's market value at equilibrium. The t-test value at a significance level (Sig.) is less than the researcher's chosen significance level (0.05), indicating a long-term impact of the (ADIR) variable on (P/B), making this effect statistically significant..

Recommendations

1. Given its importance in raising the company's market value and boosting financial performance metrics, especially net profit margins and profits per share, the research advises businesses to raise the level of accounting transparency in integrated reports.
2. To guarantee consistency in disclosure levels among businesses, it calls on professional associations and stock exchanges to provide rules or guidelines for controlling the creation of integrated reports.
3. It pushes businesses to teach their finance teams and accountants how to create integrated reports using global best practices.

4. To increase transparency and create long-term value, integrated reporting must be connected to sustainability and governance frameworks.
5. Keep pushing graduate students to carry out further integrated reporting research.

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