

Social Responsibility Accounting and its Role in the Assessment of the Social Performance of the Business Organizations

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Abstract

The social difficulties have been grown worldwide, in particular in the developing countries, under which the Arab countries are classified and form an important part thereof. This era is characterized by the era of giant organizations (The incorporated companies) as well as known the era of globalization, where the whole world becomes a small town in the light of the modern communication means. To avoid efforts scattering, losing accountabilities and resources, all individuals of the Arab Society must cooperate, to confront these challenges. This requires the development of concept and then the role which can be played by the Business Organizations in both aspects; the economic activity and social activity, in the consideration that these organizations have rights and at the same time commitments towards the society. Due to the fact that these organizations enjoy the wealth of the society, including the various natural, material and human resources, so they must contribute in solving its difficulties within their capabilities and capacity. This will lead us to the position of recognition the social responsibilities side by side with the special responsibility (financial) of the organizations owners.

1- The Study Question:

Although the tremendous of writings, researches and studies recently in the area of the social accounting subjects, but there is still a lack of agreement among the social accounting specialists on the cases at issue. Therefore, this study attempts to pose the following questions:

- 1- What are the applicable norms in the business organization for revenues and social costs and the method of calculations?
- 2- What the norms of certain economic sectors, such as the industry and agriculture sectors, etc.?
- 3- What are the scientific foundations set for the assessment of the social performance efficiency of the business organizations, which are adopted within the single society for the purpose of specifying the social responsibility?
- 4- The general cultural requirements necessary to feed these organizations and their workers, the extent of disclosure of acceptable information to indicate the role of each organization in the required contribution.
- 5- What are the general criteria that can be employed to all the business organizations and the appropriate statements and statistics; i.e. the design of questionnaires and the development of certain questions that measure the role of each organization. There are several questions and inquiries other than the above-mentioned that may hold the possibility of applying the social responsibility accounting on the economic institutions in every Arab country and hinders their use of social responsibility accounting applications, in the absence of clear quantifiable quantum indications.

2- The Objectives of the Study

This study aims to accomplish the followings:

- 1- Highlights the social responsibility accounting and acquaintance of its issues.
- 2- Recognizes the criteria of the quantum quantifiable social performance assessment that is valid to measure the attitude of the business organizations.
- 3- Attempts to develop a model of assessing the social performance efficiency in an industrial institution as a field study.

3- The Problematic of the Study:

Problematic is matter that its results raise doubts in our selves and assuming doubt and risk. In particular, it is the issue in which we may acknowledge invariability or denial or assuming denial and variability together.

Therefore, based on the objectives of the study, the problematic stream of the study can be identified in two main directions:

First Problematic: Most of the revenues and cost of social performance elements can be recorded and subject to quantity measurement precisely and objectively through a set of relevant methods and equations.

Second Problematic: the social responsibility accounting is national necessity required by the economic development requirements to determine the various business organizations position and their role in solving the exist social issues in the era of internet, globalization and integration of companies, as well as in the era of economic system and unipolar.

4- Methodology of the Study

The descriptive analytic approach will be adopted, focuses on adequate and accurate information on the social responsibility, to obtain scientific results, and then interpret them objectively, in such a manner commensurate with the actual data of the phenomena based on the available studies and scientific researches in this area, which will be adopted in this study.

First: Social Responsibility Accounting

1-1 the concept of Social Responsibility Accounting:

in the light of the increasing social difficulties which occur simultaneously with the science and technology development, but it occurs as a normal result thereof, it is mandatory to seek scientific resolutions for these issues in one hand and admit the social responsibility of the business organizations in the other hand. This requires the development of our concept towards the business organizations and not to limit their activities in the economic aspect only, but think of what they can contribute to the solution of the growing social issues, taking into account that such organizations have commitments, besides their rights, towards the society who provide them with the appropriate economic environment. (Nour, Shaker, 2000).

Although it is so difficult to determine the precise definition of the social responsibility concept, however, there are several interpretations aim to define; the researchers defined the term as “all decisions, philosophies, actions and precautions methods which consider the development of the society welfare as their objective (Carrol, 1989, p 231). The social responsibility includes, in its comprehensive concept, the commitment to achieve balance between the interrelated various parties, represented by the interests and needs of the productive organizations, their workers, outside environment and society (al-Twaijri 1988, 1988, p 21). In respect of quality, the organization activities are classified to environmental protect, interaction with the local community, consumer protection, Laborers Associations and the government legislations that call the companied to take their social responsibility (Khedr, 1988, p 7). This made the societies to go ahead in studies, discussion and practices. Therefore, the report of the results of the social performance of companies is deemed one of terminology used to indicate the extent those organizations have met their social responsibility (Sha’Sha’h, 1991, p 4). In fact this terminology was not in used fifty years ago in the accounting literature as this terminology was used for the first time in 1923 when Sheldon stated that the companies have to assume, in addition to their economic accountabilities, the other social accountabilities, and the sustainability of the company and its continuation for a long term impose them to comply and meet such social responsibility (Jarabou’ 2007, p 239).

The researcher, Li Sidler, defined it as “ the art and science of measurement, the interpretation of the phenomenon and activities”; while Linus defined it as “ the application of accounting in the social sciences that are interested in the development of accounting methods to cover the social impacts and outputs, as extension of accounting area to cover the social performance of the company, in addition to the economic performance, as well as the development of measurement methods recognized by the traditional accounting, in order to carry out analyses, present suitable solutions to the phenomenon and difficulties of social nature. Thus, there is no need to find out an independent definition to the social accounting. Mobiley, defined the social responsibility as “the process of arrangement, measurement, and analysis of the social and economic effects of the government and private sectors” (<http://www.accdiscusion.com/t4195>).

In view of the researchers, the social responsibility definition can be drafted by “It is the decisions and legislations that determine the interests and requirements of the different kinds of organizations within the one society through the extent of their interaction and performing the social responsibility besides the economic accountabilities. Therefore, we can define the concept of the social accounting as “The approach of measuring and communicating information and the effect of the management performance to its social responsibility for the different beneficiaries in the society, in such a way enables us to assess the social performance of the organization”.

2-1 The Social Accounting Problems:

The social reports designers encounter the difficulty of separating the social costs of the economic ones. The interrelated links between the social and economic activities emerges out of the nature of the installation activity which will lead to the methods of measuring each activity in a stable way.

If the interference between the social and economic costs represents the most important social accounting issue, there are other problems, at the level of measurement of cost and social revenues in one side and the problem of finding the identifying the social criteria in the other hand. So, we can say that the most important of the social accounting measurement problems are: (Salameh, 1984 , p 9):

1-2-1 The Problem if Measuring the Social Costs at the Level of the Organization:

The problem lies in the interpretation of the nature of social costs. There are two conflicting point of view; first economic and the other accounting. Economists believe that the social costs are represented in the disadvantages to the society as a result of the organization's exercising its activity; such as pollution of chemicals products, factories smoke or any other harmful material. Thus these costs are located on the society not the organization owners. Accountants believe that the social costs are represented in the financial payments spent by the organization that are not required by an economic activity. Moreover, the organization gets no direct benefit or economic earnings against these costs, but the organization spends them as compliance to its social responsibility under certain government Acts. We notice that the latter point of view, i.e. the accountants view, it is compulsory in case of practicing the social accounting at the level of the economic unit.

2-2-1 The Measurement of the Social Benefits at the Level of the Organization Problem:

The problem of measuring the social returns delves and take further dimensions than measuring the social costs as they are achieved to parties outside the organization, such as the consumer, client or surrounding environment, or could be inside the organization, such as the employees or to all parties at the same time; whether in or outside the organization, depending on the social activities being practiced by the organization. Moreover, many social benefits are difficult to measure in monetary terms directly, especially in the well known traditional accounting standards, set out of personal estimation which lowering, to a great extent, the degree of confidence in the results. All these are due to the fact that the social benefit may be in the form of behavior affects the psychological and moral aspects, leading to a state of satisfaction of the individuals on the organization. Such satisfaction is reflected once more on the organization in the form of community provision with the necessary resources, creating new markets to its products or better investments flowing than others.. and so on.

3-2-1 The Problem of Creating the Social Criteria Appropriate to Accounting Measurement:

The social performance costs elements for any company are defined as the costs resulting from the company compliance towards its social responsibility. It might be easy to the researcher, for the first instance, to determine the elements of the social performance costs, but the problems in implied in the method of measuring and comparing the same to the social benefit which the company may earned as a result of this sacrifice. It emerges from the definition of the social responsibility of the company, as being the activity causing the expenses, thus the occurrence of the elements of social costs. By itself, it is undefined concept, and there is no consensus on the finalized definition and its dimensions from the practical point of view. This means the inability to identify precisely the vocabulary or the social costs elements generated from such responsibility. This is reflected on the calculation and measurement of these elements appropriately through the report. Moreover, the social report designers encounter difficulty in splitting the social and economic costs as the interrelated relation among the different social and economic activities generates this difficulty of segregation.

Second: Criteria and indicators to assess the Social Performance Efficiency

1-2 Criteria for Measuring Social Performance:

It is known that the attempts to accounting theory is divided into two schools of thought, the First: the school and accounting theorization at is actually located, it is called the descriptive school, which is based on the method of extrapolation of reality, under which the accounting principles take the form of the accepted principles in general. The pioneers if this school is Paul Greedy, Pooch Egiri and others. The second school: the theorization of accounting as should be, which is called the normative School in accounting theorization. It is based on the method of deductive logic under which the accounting rules take the form of accounting standards which receive general agreement. The pioneers of this school are Raymond Shamirs, Montez, Siros, Monter, Adwards, Bill and others.

Some believe, in the light of above, that the general accounting standards developed by the Association of Accountants of America 1963 and published in 1966, is the most appropriate and accordingly, the proposed social standards: (Salamah, earlier source earlier, p 67)

1. **The Validity of Standard:** The accounting data and information relevant to the social activity must have a close relation with the objectives of its use, as well as the social reports reflect the social effect

of the activities which their results required to be measured, to all beneficiary stakeholders and social parties in actual form reveals confidence and on a timely manner to achieve the objectives of preparation the social final lists.

2. **The Free Discrimination Standard:** The content of this standard takes the shape in the need to determine facts and reports fairly and impartially. There should not involve any bias in inclusion or the use of methods of measurement, which show clear distinction, and reliance on objective method of accounting measurement, whether of costs or social earnings.
3. **Causal Criterion:** the content of this criterion lies in the need to identify the reasons of achievement or not of the social goals, so that access to the degree of public persuasion and satisfy the need for social information seekers, as well as the right of the community to know the social results of the organization activity.
4. **Historic Social Cost Standard:** this standard subtends the criterion (the principle of historical cost) recognized in the area of accounting measurement of economic activity, in spite of being exposed to severe criticism, however, it is expected, in the accounting measurement of social performance, that its importance will be increased as fair objective and comparability achievements can be obtained by.
5. **Social Returns Criterion:** This criterion in the social accounting area can replace (the principle of achieving revenues) in the area of financial accounting, because it expands to include non-quantifiable monetary direct social returns which have no price in the market.
6. **The Comparison of Social Returns to its Causing Costs Criterion:** This criterion corresponds (the principle of comparing the returns to the costs) in the case of financial accounting, i.e. comparing the social returns of each social activity of every area of social responsibility to the cost caused this return. The criterion expands to include the developed methods in the measurement of the social returns or social costs.

Generally, we believe that the accounting ideology has two criterions to separate and distinct the social costs from the economic cost. In preparation to measure them properly and the report accurately and objectively:

A- The Purpose of the Activity Criterion:

This criterion does not oblige the institution to carry out social activities. The goal of the organization itself obliges the institution to do so and take responsibility of the social costs, for example, the training courses held by the establishment to the students and community individuals during the holidays, are activities done by the establishment at its own discretion, in order to achieve social targets aiming to create long-term good impression in the minds of the public, although these costs are social costs borne by establishment, regardless of the existence or non-existence of a legal compulsion to do so.

B - Standard of Legal Obligation: it is the standard to bind the establishment to distinct between the economic and social costs. The activities which the organization is obliged under the law to perform and meet are not social activities but deemed economic as the law obliges it to those costs, otherwise it will hold accountable before the law in case the organization has not met such activities.

Researchers believe that the reliability on the Objective Standard is the one which achieve the social performance of the enterprise, as the second criterion get out of the cycle of personal control and diligence in access to estimates of the elements of social damage costs, so it would not be appropriate indicator to assess the social performance of the enterprise.

2-2 Indicators for Measuring Social Performance:

The performance measurement indicators measure the effectiveness of different social activities performed by the organizations through the social responsibility areas and compare these quantitative and value indicators to many years to find out its development and extent of dealing with social performance required by the Organization. Here, we can identify some of these ratios and indicators for example but not limited to. (Hassan, 1997 p 98)

1. **The measurement of manpower reward through wages and paid benefits to determine on the extent of the care they receive in the various social areas:**

The coefficient of measuring the workers rewards = $\frac{\text{paid wages} + \text{granted benefits}}{\text{average worker wage}} \times \text{number of workers}$.

2. **Measuring the extent of the organization's contribution to the solution of some social problems; such as housing and transportation:**

The organization's contribution = $\frac{\text{the number of individuals covered by housing or transport ... etc.}}{\text{number of workers}}$.

3. **Measuring the extent of the organization's contribution to the technical aspects of its employees:**

The organization's contribution to the technical development = cost of contributing to the expenses of training and development/total wages paid to workers.

4. Measuring the extent of the organization's contribution to the social and cultural well-being of the surrounding environment and society in general in the region:

The contribution of the Organization = costs contribute to the building of schools, hospitals, and social clubs/total social costs in the field of the surrounding environment.

5. Measuring the extent of the organization's contribution to researches of prevention pollution, noise and landscaping the area:

The contribution of the organization = total budget of pollution prevention research, noise prevention or landscaping the region / total research budget.

6. Measuring the extent of the organization's contribution to the provision of industrial security to workers:

The contribution of the organization = number of incidents/number of actual working hours.

7. Measuring the extent of the organization's contribution to the stability of work in its surroundings:

Turnover rate of workers = number of workers service leavers/total number of workers.

8. The measurement of the extent of the organization's contribution to the costs of the infrastructure in the surrounding area:

The organization's contribution = the contribution cost of the organization concerned/ total costs of organizations' contribution in the region.

9. Measuring the extent of the organization's exploitation to the economic resources available in the region:

The contribution of the Organization = costs of production elements within the region/costs of production from outside the region or the whole production cost.

10. Measuring the extent of the Organization's contribution to the developmental studies and research of products:

The contribution of the Organization = costs of research and studies of developmental products/total production costs.

Section III: The Assessment of the Efficiency of Social Performance Model

3: Applied Case on an Industrial Project in Jordan

Researchers chose one of the Jordanian industrial companies operating in the field of plastics, which is its capital 2,500,000.0 JDs, its working location is Hasahab Region, Amman. It employs some 410 workers of different skills and about 160 various administrative levels, so the total employees is 570.

The company's on-site study has been conducted to identify the nature of its activity, type of expenditures paid for social expenses, the management instructions in this concern, the extent of their understanding of the nature of the social responsibility and expenditure channels in this area.

1-3 Social Costs of the Company, the Sample of this Study

The field study concluded to divide the groups that could be covered within the framework social performance of the company into three categories; employees who work for the company, clients, and the surrounding community.

1-1-3 Elements of Costs of Social Activities for Workers:

The study included an attempt to diagnose elements and channels of costs of social activities pertinent to the first category (workers) in the company, which are represented in the following: (Housing for workers, death and inability aids, bonus not connected to the basic salary, work allowances, overtime and exceptional wages, cost of industrial security, transportation, nursery for female workers, annual parties to workers, honoring outstanding workers and sons, food service to workers, workers clothes, medical treatment at homeland and abroad, vocational training at homeland and abroad, sports competitions and activities, trips, competitions, religious seminars, construction and maintenance of worshipping places, scholarships and training, Hajj and Ummurah groups, periodical journals and magazines).

In fact it is normal to emphasize existence of all these expenditures or activities in one institution as it is something rare, but that all these activities can be considered social costs may be incurred in whole or part to fulfill its social responsibility toward its workers.

2-1-3 Cost Elements of Social Activities for Clients:

It was able to limit the cost of a social nature pertinent to the project clients and vendors by which the project can improve its image or reduce the effects of negative activities generated by those clients or increase confidence to

deal with. These activities causing the social costs for clients are: removing the causes of clients' complaints, warranty after sale, increasing the degree of product safety, monitoring quality assurance and control of products, researches and development. There would other costs within this framework; such as the rewards, bonus to clients for purchasing the products of the company...etc.

3-1-3 Cost Elements of Social Activities Pertinent to the Community:

This type represents the most types representing the social responsibility of the project toward the community which may be borne without expecting any direct perspective benefits through which benefits it could have gained. Moreover, it is most common cost elements of the social responsibility accounting seeking to measure. It represents the costs of the project responsibility to its liability toward the environment and surrounding community, for example the cost of waste drainage to prevent pollution, costs of exclusion of toxic materials to prevent air pollution, waste disposal to prevent environment contamination, the costs of prevention audio and noise pollution, voluntary donation to educational institutions, voluntary contributions to the charities and social institutions, contribute to sport institution, costs of contributing to the traffic week, contributing to the book fairs, contributing in a week cleanliness, costs of paving and lighting roads, costs of reforestation and beauty of the residential areas of the community, the costs of raising awareness with the problems of society, the costs of eradication of illiteracy programs, and donation to communities and scientific researches.

Table 1

A list of the Social Performance Costs of (A) Company the Period from 1/1/2010 until 31/12/ 2011

cost element	Value (JD)	JD per unit
First: Costs Elements of Social Performance toward Workers		
- Costs of bonus and allowances other than basic salary	89262	156.600
- The costs of donates and bonuses to workers	78305	137.380
- Death and disability aids cost to workers	3414	5.989
- The costs of overtime and exceptional costs	311951	547.282
- Catering costs to workers	77821	136.528
- Clothing costs for workers	28213	49.496
- The costs of medical treatment in homeland	7927	13.907
The costs of medical treatment abroad		
- Training costs in the county	620	1.088
- Overseas training cost		
- Costs of periodic journals and magazines	180	316
- Costs of Hajj and Umrah groups		
- The cost of the construction and maintenance worshipping places		
- Costs of religious seminars and competitions		
- Travel costs	29330	51.456
- The costs of summer resorts		
- Costs of clubs		
- Costs of sports competitions and activities		
- The costs of honoring outstanding workers and their children.		

cost element	Value (JD)	JD per unit
- The company's annual parties costs		
- The costs of nursery schools for female employees		
- Housing Costs to workers	17371	30.475
- The costs of workers with disabilities in the company	-	-
- The costs of the Industrial Security	2910	5.105
- The costs of transport of workers	65024	114.110
The total costs of social performance toward customers	712328	1250
Second: Costs elements of social performance toward Customers	-	-
- Costs of quality control of production	3988	0.390
- The cost of researches and development	1144	0.112
- The costs of the implementation of the warranty after sale.	-	-
- The costs of removing the causes of clients' complaints	12852	1.255
- The costs of increasing the degree of product safety	6051	0.950
The total costs of social performance toward customers and average per capita annually	24035	2.347
Third: elements of social performance cost		
- The costs of voluntary donation to educational institution	4283	0.965
- The costs of voluntary contributions to cultural institutions		
- The costs of voluntary donation to charity and social institutions		
- The costs of training members of the community during the holidays		
- The costs of paving and lighting roads of the community	400	0.090
- The costs of voluntary donation to sports organizations	-	-
- Costs of reforestation and beauty of community neighborhoods.	1008	0.227
The total cost of social performance toward the community. Average per capita annually	5691	1.282

- The total number of the company's workers (570) individuals.
- The total sales (10240) tons.
- The total number of members of the surrounding community (4438) personnel.

The list has been designed in a way reflects the various types of costs of a social nature. It is and disaggregated in accordance with three afore-mentioned categories. The list also includes a reference to the three figures indicating the total number of workers in the company for the purpose of calculating the rate per capita of Workers of social cost borne by the company, which is an important measure, especially the figure which will be used is the size of the social costs to the personnel.

The second figure, representing the total sales (in tons or kg for example, shown in the list according to the nature of the product and its level aims to know the rate of each unit of sales (ton or Kg for example) out of the amounts have been spent for the social performance to the clients. It is also possible to use the total sales

amounts, i.e. sales returns. In such case, the rate would refer to the social expenditure percentage to the total

		712328	
Average of per capita annually of the social performance cost.	=	-----	= 1250 dinars/ worker
		570	

sales, in order to know the rate of return of each JD of sales from the social cost to workers.

The same method can be used to determine the nature and importance of the third indicator containing the proportion of social costs toward the surrounding community to the members of the community. Therefore, it is possible to know the rate each capita of the social cost allocated by the company.

No doubt that these indicators do not represent additional information on the company's performance and its social responsibility only, but also help in comparison with standards or similar indicators of other companies within the same community or in accordance with historical standards for the same company, which provides an appropriate measure of social performance of the company and review its activities in this concern.

4- Measuring the Social Performance Efficiency in the Company; the Study Sample:

For the purpose of clarifying how to take advantage of the model designed according to the list in the table No. (1), and to clarify how to apply for calculating the social performance criteria or indicators, the amounts which the company allotting on some items mentioned in the said table, have been totalized. Hypothetical figures were added by the researchers to the paragraphs which have not received spending on for entire explanation of the model proposed. Therefore, indicators collected from the measurement process, which at the same time represent objective social performance of the company in some aspects of social spending, and it does not represent a realistic measurement of the other paragraphs because of the assumption of some numbers.

The list mentioned herein above clarifies the holistic framework in the concerned company and similar companies in respect of the social cost information system; therefore, it is an important instrument for measuring, comparing, and assessing the social performance.

The researchers, based on the above-mentioned, have developed measurement tools in the form of specific equations to have access to certain indicators, as follows:

1. **The following equation can be used to measure the efficiency of the company's social performance toward its employees:**

The total cost of social Performance			
Average per worker annually of the cost of social performance toward workers.	=	-----	= X dinars/ worker
		The total number of personnel	

It is addressed to know how many dinars paid by the company per year for each worker. It aims to create a situation of belonging and loyalty of the personnel toward the company.

Practical application to this equation on the table (1), which shows the numbers, which, some of them were in detail and some others in total, according to capabilities provided to the researchers to collect and obtain the information.

The equation shows that the company has an average of 1250 Jordan dinars as social cost for each worker of diverse activities associated with and indicated in the table.

2. **The following equation can be used to measure the efficiency of the company's social performance toward customers:**

The total costs of social performance toward customers			
Average per capita annually of the annual sales of out of the social performance cost of toward customers.	=		X X dinars/ton
		The company's total sales (tons)	

		24035	
Average per ton of social cost.	=	-----	= 2.347 dinars/ton
		10240	

This means that the company had allocated in average of 2.347 dinars of each ton of sales to create a state of confidence with the customers, and their conviction to support the company products and products quality assurance.

3. The following equation can be used to measure the efficiency of the company's social performance toward the surrounding community within the work environment:

		The total cost of social performance toward the community	
Average per capita per year	=	-----	X X dinars/individual
		The total number of members of the surrounding community	

		5691	
The average per capita of social cost	=	-----	= 1.282 dinars/individual
		4438	

This means that the company may allocate an average of 1.282 dinars for the social cost to each individual of the community members surrounding the company to create a situation of cooperation, confidence and conviction with the community in the ability of company to carry out its responsibility toward the community for what it could have caused the damages to the community. This orientation will help the company to form more acceptable personality to the community.

One of the positive features to model design of measurement system and the division of social responsibility in the Jordanian companies concerned, and it could be for many other companies, is that it points out the reality of spending in this aspect, which is important of stimulating the personnel for better performance. Moreover, it also provides an incentive for the community to have greater attention toward those companies that maintain responsibility toward the community.

Such tendency to collect and classify the elements of social activity for the company as well as the actual spending, provides important tool to the company to compete with other companies to obtain benefits provided by private and public sectors in some projects, investments or imports that is hard to be provided to all the companies. This would make comparison and preference among the companies, an important matter in decision making.

However, the determination of the company efficiency in fulfilling its social responsibility is not limited to the size and type of expenditure on social activities mentioned in the model. Other important aspect that should not be neglected, is the damage generated by the company as a result of harmful activities to the environment and community, which so hard for the company to control or control the results. The company's spending money on the social activities according to the classification of the model deemed an important aspect in fulfilling the company social with its social obligations, but, more importantly, that such expenditure should be commensurate with the size of damage or cost generated by the company or caused by the company to the community, which requires taking into account the relationship between social costs and social damages.

V. CONCLUSIONS AND RECOMMENDATIONS

The search orientation to an important aspect of continuous accounting dialog for several decades on the role that can be played by the accounting disclosure of the corporate social responsibility and how to provide elements of measurement in this aspect. The study has presented a model to collect, classify and measure the social costs in Jordan, prepared in accordance with the principle of disclosure from the viewpoint of the company, in accordance with the actual expenditure, and at the same time explains the equations and methods of measuring this aspect. The study also raised theoretical ideas and sources to provide indicators relevant to comparison and measurement which complete this aspect.

1-5 Conclusions

The study has attained to the following conclusions:

- 1:** In the light of the results of the study, the first problem of the study has been tested and proved to be valid, i.e. all elements of the company's social performance costs, the subject of this study, can be gathered, measured and disclosed by three themes which were clarified through the proposed model. The study also proved the validity of the second problematic conferred by the study which points to the ability to judge the corporate social performance towards their personnel, customers and community individuals surrounding the company through the rate of spending volume for each unit of measurement of each of the proposed themes.
- 2:** Although the study has not discussed in detail the method of analyzing the activities and employment used by the company to reach the numbers associated with each of them, but it is necessary to stress the need for conscious understanding of how to analyze the activities of the company to determine the volume of

expenditure allocated to each activity, as some of the costs are spent on activities with social tenor, while in reality costs spent for economic purposes that serve the company and productive interests.

- 3: Even though the study has specifically concerned with broad and precise determination of the activities of a social nature, explained in three main themes mentioned in the model, still the model could be further developed to accommodate other social-nature areas and channels, which the proposed model did not highlight, because it depends on the nature of the activity of the company, size and exploration of other areas of damage caused to the community and which require greater expenditure in the social area.
- 4: The study concluded to the importance of developing standards for diagnosing activities that should be considered activities of social nature and expenditure on that represents the company social responsibility within this framework. The private and public sectors should be interested in the importance of that matter.
- 5: The researchers concluded that among the aspects referred to by this study are the equations, which have been applied, and can represent measurement criteria related to the three main themes of measurement model proposed. The per capita of workers of social spending is 1250 Jordanian dinars per year. Per ton of sales of social spending is 2,347 Jordanian dinars. The per capita of individual in the surrounding environment of social spending is 1,282 Jordanian dinars. Although it is important to determine and develop these equations, it may not provide clear indication of the company's social performance unless they are compared with agreed standards issued by the governmental authorities and private sectors, in cooperation with the competent authorities. Therefore, the role of the accounting department in the concerned company, as well as other company concerned, should select the most appropriate standards in assessment and comparison. External auditing agencies, that might be interested in assessment and auditing the social performance of the company will be also responsible for verifying the extent of validity and reliability of such criteria for governing and assessment purposes.

2-5 Recommendations

In the light of the conclusions pointed out herein above, there is a space to present some recommendations to serve the objective of this study:

- 1- The companies must be obliged to the community, especially large ones that affect the environment by determining its attitude towards the social responsibility according to certain criteria and indicators at the time of preparing the technical and economic feasibility studies.
2. The provision of the necessary accounting information associated with the social responsibility, disaggregated according to the social activities provided by the company to different groups and expenditure which have been explained in this framework and in this trend. The company's management must diagnosis of social activities, which intends to spend on clearly, so as to enable the accounting agencies to disclose as well as the objectives in accurate manner, easily controlled, measured and evaluated accordingly.
3. Work on providing benchmarks of comparison and evaluation that can be acceptable and applicable practically. The development of such criteria is deemed a joint responsibility of all concerned authorities. The responsibility of evaluation of compatibility and significance of indicators provided is the auditors and controllers. Following-up is the responsibility of private sectors, occupational corporations concerned.
4. The concerned company shall maintain the records and documents that enable the collection, recording, classification, analysis and communication of information pertinent to the social spending, design interior subsidiary lists and statements that enable to periodically display the results, or to the level of departments for the large firms in a manner that easy to be carry out audit, comparison and evaluation compared to the criteria specified for that purpose.

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