

## ***The Role of Diversity Board of Directors and its Social Responsibility in Enhancing the Quality of Reports***

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### **Abstract:**

The research aims to discuss the role of the social diversity of the board of directors and its social responsibility in enhancing the quality of reports to confront the change in the business environment that resulted in deficiencies in their preparation. The research sample included (20) companies listed on the Iraq Stock Exchange. The research concluded that communication between the company and stakeholders was not built on a mutual relationship to achieve the adequacy of information for both parties in making decisions resulting from the quality of information contained in the reports. The research recommends that reports be prepared on the basis of quality management and practice a degree of transparency and integrity that increases its competitiveness through social diversity that enriches the decisions of the board of directors by contributing different viewpoints, skills, values, beliefs and preferences to communicate with the external environment.

**Keywords:** Board of Directors, social responsibility, quality reports.

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## **1. Introduction**

Culture is a latent influence factor influencing human behavior and societal values, which cannot be overlooked in the formation of an individual's personality, as it is an influential element in societies through cultural behaviors that characterize the personal characteristics of stakeholders. Societies are characterized by cultural concepts that reflect the level of societal awareness.

Each business environment follows its own culture, as the economic entity manages its business according to what this culture accepts or rejects, what it considers success or failure, and what the society that created this culture needs and does not need. Therefore, it is logical for them to have a deep and continuous understanding of societal culture and its dimensions to be able to continue and grow. Culture is a rich and complex concept that includes many aspects of life and living. Culture in itself cannot be seen or felt, but we can see the differences in human actions and behavior that are reflected in the thinking and rituals practiced by man as well as the traditions followed by society and customs.

(Adedeji, et al, 201 7)In order to accurately distinguish the meaning of culture, its linguistic concepts are acumen, intelligence, refinement, discipline, and speed of learning. As stated in the Oxford Dictionary, culture is the refinement of mind, taste and morals. The American English Heritage Dictionary mentions a more stereotypical concept as a socially inherited pattern of behavior. This includes all human actions, thoughts, or beliefs.

Culture is usually classified into two main meanings: civilization as an educational, ethical, and literal concept and another related to social anthropology. Therefore, it governs people's thoughts, feelings, and behavior.

(Hofstede, 2011) defines it as programming for the human collective mind, which adds to a group of people characteristics that differ from others that help to quickly relate to a variety of individuals that may differ according to the nature of those groups according to

their cultural and social behaviors, which can change their cultures as soon as they move from one environment to another different.

(Samovar et al, 2014) that culture is the cumulative deposit of positive knowledge and accumulated experience as a result of continuous work according to societal beliefs and values according to attitudes that can be affected by religion, spatial relations, material things, and habits acquired by society over time.

Culture is systems of shared knowledge among a relatively large group of people that are reflected in the actions of the board of directors as a result of self-communication between the group's skills, knowledge, attitudes, values and motives as explicit or implicit patterns of decision-making within the behavior acquired and transmitted through the accumulated experience that constitutes the distinctive achievement of human groups.

That culture was formed with the beginning of human gatherings and the desire of man to satisfy his renewed needs, accompanied by the emergence of civilized civilizations, which were characterized by an abundance of knowledge and various sciences that were the basis for contemporary human civilization.

Culture is an inclusive term that has different meanings for different people, as culture can refer to the vision of a group of people who share a common history and perception of behaviors, values and beliefs within a specific social environment according to common characteristics among the individuals who make up that society. Or it can be emphasized by harmonious cultures based on cooperative relations and compatibility with the environment surrounding them. As a result, it is based on a perception that reflects the visual embodiment of communicating abstract and concrete ideas, or through values that represent the motivation behind human behavior as it is the outcome of the mental perception that characterizes an individual or a group. Within a society that reflects the values of the cumulative cultural dimensions within its surrounding environment.

## **2. Literature review**

### **2.1. Cultural Dimensions of Social Responsibility**

There is no agreement on a unified concept of social responsibility, but rather it appears as a reflection of the lifestyle and its formations over time in terms of rules or behaviors that are reflected in the actions of the Board of Directors. It arises from ethical, artistic or psychological dealings within the; To be a leader of the collective mind of individuals, groups, or institutions, whether they are valid or invalid according to multiple points of view, but they remain meaningful in proposing solutions to the problems facing that society, and as a result, the biggest challenge is to determine the most effective culture and how to manage it effectively and efficiently, which can To evolve and change over time as the preferred modes of thinking and feeling of personal or societal connection from a social, economic, religious, and emotional point of view, affecting the actions and habits of the group, organization, or society as a whole.

(Fink, et al. 2006) There is a classification of global cultures that set a general framework for studying the problems that societies suffer from according to their cultures and finding effective solutions for them.

(Hofstede, 2011) Many researchers have studied the nature of the main problems of societies that may present distinct dimensions of culture, and it has been found that the most common dimension for organizing societies is the degree of economic development or modernity.

(Hall, 1990) within the studies of cultural dimensions that took place in the reservations of the Native American Indians before the Second World War. As this attracted academic attention as a basis for contemporary cultural studies, despite the difficulties facing the application of its concepts on the one hand and the quantitative application of research data on the other hand, and as a result, this lack of quantitative data makes it difficult to ascertain it in the field of academic research, despite the praise it received. Of the importance of

his study in relation to the behavioral dimensions that were later the basis for the study of societal behavior and values (Warner, 2013).

Cultural values are one of the basic dimensions of human culture, which express the beliefs of the individual and what is true or false in his beliefs. Values can be beliefs about the goals that one wants to verify in the future and to which human behavior is accustomed according to symbols, stories and rituals that are reflected in the practices that arise from the practices that the individual takes, as it indicates that it is a broad tendency for some societies to prefer certain things over others, and this is an area that can be built upon in research. Accountability being values is central to the study of culture.

That the cultural dimensions are patterns of communication between society and economic entities, in which the boards of directors were formed from the same societies that share the same culture and deal with it directly, thus forming the selective culture in which they see reality and analyze the problems they face.

(Adedeji, et al., 2017) Cultural dimensions also represent shared beliefs and values that provide boards of directors with rules of conduct in their workplace, and this can be the main fact that forms the bedrock of feelings and rules related to behaviors on a regular basis within the economic entity.

(Kashima, 2000) that social responsibility is causal relationships that result in specific practices, actions, or activities of individuals or groups within society, as a result of the conflict regarding the adoption of what others see as a relatively stable system of common meanings.

These dimensions can also reflect the national culture, patterns of thinking or feeling resulting from behaviors rooted in the common values and customs of society as a basic characteristic that represents the behavior of management as an organizational culture practiced by the sections of the economic entity.

## **2.2. The impact of the diversity of the board of directors on social responsibility**

The focus on the degree to which the board of directors is affected by social responsibility when making a decision can be in how to deal with uncertainty and ambiguity in societal issues, which may involve more than one option in favoring the general interest of society or the individual members of the board of directors, which may reflect negatively on the company in the future. The high order of uncertainty means that individuals prefer legal institutions, regulations, and instructions to reduce ambiguity, as opposed to uncertainty that leads to the decision-maker's reliance on personal experiences and expertise, which leads to a series of accompanying failures, the tendency to tolerate new ideas and opinions, as well as the tendency to take risks unnecessarily traditional.

(Hofstede, 2011) As a result, there are cultures in which social responsibility is greater than individual interest, in contrast to cultures in which people integrate into groups whose loyalty is indisputable to the entity to which they belong, most notably the boards of directors in economic entities.

(Oyserman & Lee, 2008) The individual and collective decisions taken are considered one of the most important means of influence and comparison of social responsibility in societies, resulting from the difference between the cultures that make up each society, and their implications for the organizational life through which a kind of collective communication between individuals can be formed; To make the best available choices, and work to achieve harmony within the organization and its reflection on the cognitive level of the decision-maker.

The most important differences that can be relied upon when studying the diversity of the board of directors and its effects on social responsibility among individuals are individual and collective decision-making. It contributes to clarifying some of the interlocking concepts that can help correct the decision taken. We believe that the individual culture is the assignment of the task to a person responsible

for its successful completion and the preference for an unconnected social framework in which the individual bears the responsibility to take care of himself and his family. Objectives and preference for an interdependent framework in society and individuals within an environment that takes care of and considers individuals on the basis of interdependence collectively in return for unconditional loyalty, and accordingly, management usually prefers personal interests more than the wealth of shareholders and the requirements of stakeholders and the pursuit of personal interests.

The importance of diversity, which can be reflected in the business environment; It is represented in the difference between the sexes as one of the main variables for the formation of the Board of Directors. The degree of gender diversity also affects the decisions of the board of directors in particular.

(Shi & Wang, 2011) Female representation enriches board decisions, by contributing to different perspectives, skills, values and beliefs in general and that the distribution of gender roles is an important issue for any society; Because of the nature of the firm male orientation in front of the female orientation interested in social issues.

(Mavin & Grandy, 2016) Diversity on the board can be associated with better relationships with stakeholders and greater transparency in reporting. The gender diversity in business boards increases mutual respect, professionalism and credibility in dealing with the beneficiaries of the services provided by the economic entity in the field of entrepreneurship, due to the social nature of femininity and its tendency to unanimously agree through open dialogue.

Male societies are concerned with operational performance because of the social prestige it adds, in contrast to female society, which is concerned with cooperation, humility, and the tendency to conform. As a result, the traditional roles played by the two sexes are reflected in the characteristics preferred by society by defining achievement standards and material rewards at the expense of organization and giving women a part of control and leadership. supreme self-realization.

(Brigham, et al. 2014) that the approach to the results of decisions according to social responsibility depends on its time perspective, which may affect the capacity of the economic entity and its production processes and how to enhance them, whether in technologies, product development, distribution, advertising, or human resource management.

(Wang & Bansal, 2012) The departments that direct their decisions in a long-term direction are able to fulfill their obligations and achieve future economic returns because of their focus on efficiency and effectiveness, although they do not conflict, but they often reflect different strategic priorities and require different organizational processes, from The way to build a vision for resource allocation and how to achieve a competitive advantage.

### **2.3. The impact of social responsibility on decision making**

The boards of directors face many problems that are directly attributable to the social responsibility that rests with the decision makers. In a world of different individual opinions and desires that is experiencing an unlimited technological revolution, marketing depends on the extent to which the economic entity accepts its social responsibility in marketing its products. Targeting markets and studying customer behavior has very important implications for ethics, organizational culture and management practices.

(Enkh, 2016) For success in a complex and turbulent environment; management needs to learn how to manage differences; social responsibility; By adopting appropriate practices in the cultural environment in which they operate with a high degree of tolerance for ambiguous situations.

The personal desire follows the individual behaviors that wander in the mind and does not tend to abide by the inherited customs or traditions. As a result, others do not bear the results of their actions, but rather the results of their actions, while individuals who tend to bear social responsibility set strict determinants for their actions and

are often subject to the prevailing customs and traditions in their societies.

(Vitell, 1993) The study of social responsibility must start from the study of societies, individuals, attitudes, beliefs, behaviors, and the way of life that is adopted to build those societies, to know the social and moral responsibility in how to make decisions and manage business, Noting the aspects governed by ethical theory and focusing on personal behaviors that are concerned with the consequences of those actions.

Business commentates cannot distance themselves from the influences of the cultural background to form boards of directors. It aims to promote its interests and in line with the globalization of the economy, the effects of cultural factors on the behavior of the individual in the economic entity are increasing. Which is reflected in the internal environment in choosing a rational decision. according to social responsibility adopted by the administration as a result of the changes that occurred in the business environment and the globalization of the economy, it has become imperative to achieve positive results from the decision-making strategies, (Podrug, 2006) based on the analysis of the fundamental reasons that stimulate the markets and which can be It includes the following:

- 1) The direct decision to use the available information without consulting.
- 2) The indirect decision, which is by analyzing the available information with other parties within the Board of Directors.
- 3) The weighted decision resulting from the majority.
- 4) An explicit decision that presents itself as a result of lack of information or similarity on the subject.
- 5) The fictitious decision, which takes place in consultation with other parties without taking into account their opinions.
- 6) The participatory decision is the best type of decision that results from consultation and evaluation of alternatives, and then choosing the best alternative.

(Leng & Botelho, 2010) Although the decision-making style represents a relatively stable pattern according to social responsibility, the societal culture greatly influences individual values and attitudes, which are reflected in the decision-making style.

The National Culture as social values are reflected in the factors accompanying decision-making, which play a decisive role in shaping management behavior and orientation with regard to the allocation of resources and the preparation of administrative and financial reports for the economic entity, since accounting is part of a social environment that integrates with it, and any difference in the values or culture of society will be reflected in accounting and auditing. directly as a product of its environment.

The influence of cultural dimensions on the decision-making process within the economic entity depends on a set of values, beliefs, attitudes, and behavioral patterns of people in charge of management, and explained it (Dabić et al, 2015).

- 1) Acknowledging the problem when it occurs, according to the surrounding circumstances.
- 2) Searching for information and collecting facts related to the problem.
- 3) Comparing the available capabilities with the needs to solve the problem.
- 4) Evaluate the available alternatives.
- 5) Choosing the best alternative based on the future outlook.
- 6) Determine the party that takes the final decision and the mechanism for making it.

(Glazer & Karpati, 2014) that the decision-making mechanism within the boards of directors and facing cases that can be dealt with. It should be by examining the cultural differences of the business environment, and how to choose between the available alternatives, as it is a process of processing information related to internal problems or situations facing management, as it is an inevitable result of stakeholders' desires to achieve future benefits.

Decision making is based on reliable and objective information about the problem presented. Which includes how to extract, display and analyze the information available internally and externally, as well as the method of logical thinking to market the proposed solutions and prefer alternatives. Decision makers can learn, and be more efficient and effective decision makers, by evaluating the risks and benefits of options available to make a decision that compares potential losses and gains.

(Hunt & Vitell, 1986) speaks in his theory of the importance of social responsibility in the ethics of the administrative decision taken and its reflection on the stakeholders, and the impact of social responsibility between the desires of the board of directors and society, in terms of public order, social personal responsibility, personal characteristics that follow religion, values, and moral sensitivity to the discovered problems. (Schwartz,2016) Or expected to occur in the future, mechanisms to confront them, or proposed solutions to mitigate reactions to them by studying alternatives or consequences, whether related to satisfaction with them, or intentions to deal with them individually or collectively. The extent to which society accepts alternatives that meet the interests of management or bear social responsibility towards society can be added.

## **2.4. Conceptual Framework for Integrated Reporting**

The reports prepared by the boards of directors are the most advanced tool in accounting practices, as the existing international bodies and organizations seek to issue standards and organize the reporting process. To improve the process of communication with stakeholders, by issuing reports and lists that include adequate information to monitor activities within the economic entity. However, changing the business environment and entering international relations is a part of economic activities. This led to an increase in the demand for more detailed information and data on non-financial activities. The traditional financial reports are no longer able to meet the required disclosures, due to the restrictions that they may

face as a result of the standards governing financial disclosure, or the desires of management. Because of the need to meet the growing needs of beneficiaries, it became necessary to find ways to achieve effective communication between management and external parties to achieve social responsibility, which led to the emergence of integrated reports, as an integrated reporting concept that seeks to align appropriate information with the strategy of the economic entity, Which reflects the economic, environmental and social impacts on production, and to make a qualitative shift in the financial reporting style, to a more comprehensive reporting style that includes all information related to the activity in an integrated manner by improving the quality of information provided to the beneficiaries.

(IIRC, 2011), (IIRC, 2020) Integrated reports improve the way boards of directors think and plan their work, which is an important development for economic entity reports, based on financial, administrative, governance, and sustainability reporting in a way that reflects their interdependence. In a way that allows evaluating the continuous future performance of the economic entity, and issuing an integrated report that conveys the economic entity's strategy, governance, performance and prospects in the context of its external environment, in order to generate and preserve value in the future. (Cheng, 2014) The main elements that must be included in the integrated reports, it included the following: (Owen, 2013).

- 1) The administrative, financial and regulatory structure of the company.
- 2) Available risks and opportunities.
- 3) Future goals.
- 4) Integration and interdependence between the elements of the reports.
- 5) Comparison with sectoral performance indicators.

(Atkins, et al, 2015) that integrated reporting is not just an amalgamation of financial and non-financial data; Rather, it is essential information that enables stakeholders to evaluate the performance of the economic entity, in a way that explains the

integrated thinking within the boards of directors, which includes the relations between its operational and administrative entity's, and how to employ the available resources, in making integrated decisions and actions that create future value. (Sharma, 2013) that the emergence of integrated reports as a result of the society's need for information to be included in the reports in order to give the stakeholders a scope to anticipate the future vision of the economic unit, as it must be emphasized that the financial report does not give a description of how the administrative decision is made, or describes the impact Actual activities on the business environment in a concise and easy format, allowing to meet the needs of investors and other stakeholders (IIRC, 2018).

The purpose of the integrated reports is to communicate in a concise way how to create a future strategy for the company's performance and governance in the context of its external environment to generate and maintain value, as financial reports no longer meet the needs of the beneficiaries that seek to develop and maintain flexible and responsible operations. Also, the financial statements that rely on historical information reflect the activity in the past period and focus largely on capital operations. As a result, they aim to:

- 1) Provide assurance of future ability to create economic value.
- 2) The strategic vision in the context of achieving future goals.
- 3) Integrated content within the strategic frameworks of future plans.
- 4) Comprehensive evaluation of performance and comparison with general sectoral indicators.
- 5) Increasing investor confidence in the ability of boards of directors to achieve targeted growth.

There are other resources that contribute to success, such as experience and social diversity that support intellectual property, research and development, and interaction with the surrounding environment in which boards of directors operate in conducting a comprehensive assessment of financial and non-financial performance, in addition to being the ideal solution to restore

confidence in the reports of economic entity's after the global crisis that occurred in (2008). Which led some countries to form committees to follow up and encourage the issuance of integrated reports in the disclosure of financial and non-financial activities of economic entity's, including Australia, Japan and Italy (Abeysekera, 2013), (Busco, 2013).

That the development of integrated reporting was driven by failures of financial reporting frameworks; To accurately reflect the full range of risks, impacts and opportunities for the economic entity and to provide a complete picture of its performance by including non-financial information on environmental, social and governance performance along with financial information (Jeyaretnam & Siddle, 2010). Deficiencies in the financial reports can be noted on the following main grounds (Wood, 2010):

- 1) Complexity: The reports prepared by the Board of Directors face the challenge in the complexity of transactions resulting from globalization, supply chains, financial instruments, intangible assets, and measuring social responsibility as well as evaluating management strategy that supports performance evaluation.
- 2) Stakeholders whose reports are designed to meet the needs of beneficiaries for decision-making, regardless of the degree of benefit from them, such as workers, organizations, suppliers, and other groups that overlap in benefiting from the information contained in the reports submitted by the boards of directors.
- 3) The relative importance for those who set reporting standards and regulators, not all disclosures contained in the financial statements represent substantial disclosures. As a result, determining the importance of disclosure has a direct impact on decision-making, which faces a continuous challenge in light of a rapidly changing economy, as a result of renewable risks and opportunities within the environment. Business.
- 4) Social responsibility: which varies according to the importance of social factors and the business sectors in which the economic entity

operates. Climate change, health and workers' rights are difficult choices to disclose.

The expected benefits of integrated reporting are not limited to enhancing the regulatory environment, but can provide the potential for future value generation. The integrated reports help reveal the extent to which the administration provides information in a simple or complex way and the extent of its ability to explain the financial, administrative and social status of the economic entity. Therefore, providing integrated information will be important and essential for making future investment decisions. As a result, the integrated reports will provide an explanation of the elements that stakeholders need to understand the impact of integrated reports on the social responsibility of boards of directors as follows: (komg, 2012)

- 1) Continuity of work within the economic entity based on the financial and operational performance indicators for the current year covered by the reports and the desire of the beneficiaries to know how it represents the current state of the economic entity.
- 2) The future impact of external opportunities and issues mentioned in the reports illustrates the picture in a more comprehensive and understandable way for the beneficiaries in the context of uncertainty about the size of investments and future plans and the impact of those variables on the value of the future entity.
- 3) Holistic thinking to face current or future risks to enhance confidence in the decisions of the boards of directors.

## **2.5. Reporting Quality**

Reporting represents a shift in corporate reporting style, with the aim of encouraging and implementing a sustainable strategy through integrated thinking. Reports should reflect the business model, enable beneficiaries to more effectively evaluate its ability to create current value. In the long term, and how to allocate the resources available to the economic entity more effectively. As the integrated reports combine financial, governance, social and environmental information

in one report and divert attention from the type and quantity of information disclosed in the financial reports (La Torre et al, 2019), to achieving the highest level of quality in the reports. Integral, in which some of its attributes are often associated with objective facts, while others are associated with more subjective feelings. In addition, the concept of quality can be affected by the environment and standards.

(Von, 2014) In addition to the above, providing transparent information helps stakeholders to make rational decisions. Any event that is likely to affect the current financial situation of the economic entity, or future risks, must be referred to in those reports and the information provided to the beneficiaries to be able to form a clear vision. to the economic entity as if they were inside it. It can be said that the quality of the information in the integrated reports are those characteristics that must be characterized by the accounting information and expressed in the desired benefit from the preparation of the integrated reports in providing the quality of information that results from the application of alternative accounting methods and methods.

That the challenges can be faced by the economic entity, when applying the concept of integrated thinking in reporting financial and non-financial activities, which must be faced within the internal environment to achieve the maximum degree of compatibility between the conceptual framework of integrated reports, and the foundations that govern the process of financial disclosure, including national standards and laws.

Success in this confrontation requires the inclusion and integration of various sectors, activities, governance structures and departments in their various departments to participate in the decision-making process, as a major step towards achieving the quality of information on which management or stakeholders rely in the decision-making process according to the need and the degree of reliability it enjoys. Therefore, the preparation of integrated reports will help to meet these challenges, in response to the increasing demands of stakeholders, to obtain information that is broader and more useful in decision-making,

and that the information reported allows providing specific strategies and long-term prospects for the economic entity, to investors, stakeholders and other beneficiaries.

### **3. Data & Analysis**

The quality of the reports depends on the quality of the information contained in the financial and non-financial statements, and the relationships provided by those reports between their paragraphs, which can provide an advanced vision of the reporting approved by the Board of Directors, and explain how the economic unit generates the present and future value, and for the purpose of measuring the quality of the reports. Many studies and previous research have been reviewed. In order to form a more realistic picture that can be applied in the Iraqi environment, based on what is disclosed in its annual reports, the researcher chose a study model (Raimo et al, 2019), (Pistoni, et al, 2018), to measure the quality of the reports. issued by the research sample units, and as a result, the model for measuring the quality of reports proposed by the study came according to the following:

$$\mathbf{S.R = IVC + MVF}$$

(1)

$$QY = \beta_1 AGE + \beta_2 SIZE + \beta_3 ROE + \beta_4 SHARE P.$$

(2)

$$Y = a + \beta_1 X_1$$

(3)

It represents the following elements:

- 1) (IVC) Make collective or individual decisions.
- 2) (MVF) Decisions taken according to gender (male - female).
- 3) (AGE) the continuity of performance of the economic entity expressed in years.
- 4) (SIZE) The company's assets are within the business sector.
- 5) (ROE): Economic performance within the business sector.
- 6) (SHARE P.) Trading price in the local market.

For the purpose of measuring quality, the data of 20 companies listed on the Iraq Stock Exchange for the period (2020-2022) were studied, the results of which were as follows:

NO.	Entity's	Sector	S.R		QY			
			IVC	MVC	PER	SIZE	ROE	SHARE P.
1	Elaf Islamic Bank	Banker	3.7543	3.6337	7	0.02	0.004	0.22
2	The National Bank of Iraq	Banker	3.7543	3.6337	14	0.031	0.029	0.34
3	Baghdad Bank	Banker	3.7543	3.6337	14	0.027	0.016	0.29
4	Middle East Bank	Banker	3.7543	3.6337	14	0.012	0.009	0.13
5	Ashur International Bank	Banker	3.7543	3.6337	11	0.021	0.018	0.23
6	Entitled Bank for Investment	Banker	3.7543	3.6337	9	0.01	0.055	0.09
7	Bank of Babylon	Banker	3.7543	3.6337	14	0.018	0.014	0.19
8	Sumer Commercial Bank	Banker	3.7543	3.6337	14	0.083	0.003	0.9
9	The National Islamic Bank	Banker	3.7543	3.6337	3	0.084	0.028	0.9
10	Mosul Bank	Banker	3.7543	3.6337	13	0.015	0.01	0.16
11	Karkh Tourist Games City	Banker	3.7543	3.6337	13	0.056	0.005	0.63
12	Mansour Investment Bank	Banker	3.7543	3.6337	14	0.058	0.071	0.28
13	Iraqi Investment Bank	Banker	3.7543	3.6337	14	0.026	0.001	4.18
14	Mansour hotels	Hotelier	3.7543	3.6337	14	0.114	0.046	12
15	Palestine Hotel	Hotelier	3.7543	3.6337	14	0.159	0.239	11
16	Al Mansour Pharmaceutical Industries	Industrial	3.7543	3.6337	14	0.006	0.01	0.64
17	Baghdad Soft Drinks	Industrial	3.7543	3.6337	14	0.863	0.132	3.59
18	Iraqi carpets and furnishings	Industrial	3.7543	3.6337	14	0.005	0.164	7.98
19	Al Mamoura Real Estate Investments	Services	3.7543	3.6337	14	0.571	0.046	1.86
20	Mosul to the city of games	Services	3.7543	3.6337	14	0.137	0.324	12.75

Source: Iraq Stock Exchange Report for the years : MEAN (2020,2021,2022).

		IVC	MVC	PER	size	ROE	SHARE
IVC	Pearson Correlation	1	.952**	.201	-.148	-.158	-.061
	Sig. (2-tailed)		.000	.396	.533	.505	.799

	N	20	20	20	20	20	20
MVC	Pearson Correlation	.952**	1	.086	-.141	-.192	-.198
	Sig. (2-tailed)	.000		.718	.552	.416	.402
	N	20	20	20	20	20	20
PER	Pearson Correlation	.201	.086	1	.187	.233	.271
	Sig. (2-tailed)	.396	.718		.418	.310	.234
	N	20	20	21	21	21	21
size	Pearson Correlation	-.148	-.141	.187	1	.250	.126
	Sig. (2-tailed)	.533	.552	.418		.274	.588
	N	20	20	21	21	21	21
ROE	Pearson Correlation	-.158	-.192	.233	.250	1	.803**
	Sig. (2-tailed)	.505	.416	.310	.274		.000
	N	20	20	21	21	21	21
SHARE	Pearson Correlation	-.061	-.198	.271	.126	.803**	1
	Sig. (2-tailed)	.799	.402	.234	.588	.000	
	N	20	20	21	21	21	21

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table (3)  
Correlation between Social Responsibility ( X )

		PER	SIZE
PER	Pearson Correlation	1	.410
	Sig. (2-tailed)		.374
	N	20	20
SIZE	Pearson Correlation	.410	1
	Sig. (2-tailed)	.374	
	N	20	20

Table (4)  
Correlation between quality components ( Y )

		PER	SIZE	ROE	SHARE P.
PER	Pearson Correlation	1	.410	.334	.347
	Sig. (2-tailed)		.004	.000	.004
	N	20	20	20	20
SIZE	Pearson Correlation	.410	1	.592**	.396
	Sig. (2-tailed)	.004		.005	.004
	N	20	20	20	20
ROE	Pearson Correlation	.334	.592**	1	.540*
	Sig. (2-tailed)	.000	.005		.001

	N	20	20	20	20
SHARE P.	Pearson Correlation	.347	.396	.540*	1
	Sig. (2-tailed)	.004	.004	.001	
	N	20	20	20	20
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Model		Y	X			
Y	Pearson Correlation	1	.623**			
	Sig. (2-tailed)		.000			
	N	20	20			
X	Pearson Correlation	.623**	1			
	Sig. (2-tailed)	.000				
	N	20	20			
**. Correlation is significant at the 0.01 level (2-tailed).						
Variable	T	DF	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Y	29.303	19	.000	39.37040	36.5583	42.1825
X	29.281	19	.000	3.57868	3.3229	3.8345

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	685.964	1	685.964	3828762.058	.000 <sup>b</sup>
	Residual	.003	18	.000		
	Total	685.967	19			
a. Dependent Variable: Y						
b. Predictors: (Constant), X						

#### 4. Result and discussion

The idea of reports is part of innovation in the field of business, which is in the interest of investors in the first place, as well as the interest of management, and the possibility of reviewing the policies followed for the purpose of adding and creating value in the short,

medium and long term. The goal of creating communication between the company and the stakeholders is to enhance the mutual relationship to achieve sufficiency of information for both parties in making decisions resulting from the quality of the information contained in the reports, and to change the stereotype on which the management relies in disclosing information in traditional reports and to enhance the stability of future prospects, including the development of A strategy that promotes a connected mindset for integrated reporting and response to the legitimate needs and expectations of stakeholders. Determining the level of information quality depends on the extent to which it meets the needs and requirements of users that aim to take a specific action based on the available data. As decision-making depends on the level of quality of information provided by the economic entity's in their report, without this quality it is difficult for individuals and institutions to make accurate and well-thought-out decisions in a timely manner, which may affect their decisions, lose opportunities and expose them to risks. Accordingly, the research recommends the following:

- 1) Economic entity's that do not seek to manage the quality of information are seen as not practicing a degree of transparency and integrity, and endangering their competitiveness and survival.
- 2) Availability of information and access to it quickly when needed enhances the quality of information and that information is always updated and reliable.
- 3) Given that the information presented by the reports is of utmost importance to the economic entity's and stakeholders, and as a result it must be managed efficiently and effectively.
- 4) Social diversity enriches board decisions by contributing different perspectives, skills, values, beliefs, and preferences for communication with the external environment.
- 5) Reporting requires a holistic approach to business management, an integrated infrastructure for stakeholder engagement, and a management approach that puts future value generation as a strategic objective.

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