THE IMPACT OF ELECTRONIC DISCLOSURE BY THE LANGUAGE OF EXTENDED BUSINESS REPORTS ON STOCK LIQUIDITY IN JORDANIAN COMMERCIAL BANKS

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Abstract - This study aimed to examine the impact of adopting of Electronic Disclosure by the Language of Extended Business Reports on stock liquidity. The study population consisted of accountants and employees in the financial field in the 12 Jordanian commercial banks, and a sample was taken randomly from (250) accountants and employees, where (199) questionnaires were retrieved, with a response rate of (79.9%). To achieve the objectives of the study, the analytical class method was used, based on a questionnaire developed for this purpose as a study tool, consisting of (15) items. Statistical methods appropriate for this type of studies were used and the study reached a set of results, the most important of which was that there is a significant effect of adopting XBRL extended business reports on stock liquidity in Jordanian commercial banks,In light of the results of the study, the most prominent recommendations were the necessity for Jordanian commercial banks listed on Amman Stock Exchange to continue holding training courses for accountants and employees to raise awareness in the adoption and application of XBRL extended business reports.

Keywords - XBRL Extended Business Reports, Stock Liquidity.

I. INTRODUCTION

The world has recently witnessed several and rapid transformations in all fields, whether economic, social, environmental or technical, and all of them have affected each other. Technical changes have had a significant impact on production processes and the delivery of financial information among information users, as it is one of the main pillars that determine the effectiveness of the market. In this regard, the quality of financial information is the spirit of an effective financial market. In its absence, the liquidity and efficiency of stocks in the market vanishes.

The concept of stock liquidity refers to the possibility of trading securities at a low cost and with a small degree of impact on the share price, especially since liquidity gives investors the flexibility to be able to sell their properties when needed.

In this regard, the Extensible Business Reporting Language (XBRL) appeared, which represents a unified general format on which electronic financial reports can be built and published in a standardized manner and in several formats, allowing for efficient, easy exchange and analysis at a low cost.

And when the majority of individuals and companies face problems when exchanging accounting information, such as employing several terms with the same description, the emergence of the Extended Business Reporting Language (XBRL) was of great importance in addressing these problems, as businesses through it speak one language, and thus give the business community a standard pattern for Dealing with business reports in general and with financial statements in particular.

1.1Background

The Extensible Business Reporting Language (XBRL) emerged as a result of the massive and rapid developments in technologies, which led to the development of the electronic financial reporting language (Felo& et.al., 2018). This language was developed in the late nineties of the last century by the American accountant Charles Hoffman, in order to facilitate the process of automating the exchange of financial information, by employing the Extensible Markup Language (XML). Its purpose is to unify the arrangement and coordination through which financial information is automatically communicated between the different parties. It also contributes to defining financial statements and working on converting them into information that can be re-employed (Debreceny& Gray, 2001)

It can be said that the extended business reporting language (XBRL) is: a contemporary electronic language for programming and based on the basics of the standard XML language, and is used to transfer and exchange extended financial reports and disclose them electronically via the Internet to its users and is characterized by ease and low cost.

XBRL Elements:

The extended business reporting language XBRL has been studied by many researchers, and the researchers' opinions differed in defining the vocabulary of the extended business reporting language XBRL. Definition, File Descriptions, Language Titles, Language Specification, International XBRL Organization, XML, HTML, Schema.

XBRL Characteristics:

The characteristics of the extended business reporting language (XBRL) vary among researchers, as it is an open source and flexible language, meaning that it

does not need licenses and is free, and it is optimized through an organization called XBRL, which contains more than (500) companies from several sectors, as developers work To support the principle of electronic disclosure in accordance with the implementation of international standards for the processing of financial reports (Cormier & et.al., 2022). In this study, the following characteristics were relied upon:

Reliability:

It means that entering financial and accounting information once through the XBRL language will reduce the possibility of errors; The presence of companies for the accounting audit process is considered part of the electronic disclosure of financial reports, which will increase the reliability and correctness of accounting information.

Flexibility:

XBRL may provide a specific format of electronic financial reporting disclosure of risks based mainly on the International Financial Reporting Processing Standards for all companies; This gives it sufficient flexibility in order to customize several models that suit the requirements of companies.

(Efficiency):

It means entering data and coding it once in order to process it in a short period of time and with fewer resources, and the process of retrieving information and publishing it via the Internet will reduce time, cost and effort.

(Data Integrity):

It means that the process of collecting information electronically ensures its integrity, which will speed up the process of financial analysis of information and reduce errors.

Concept of Equity Liquidity:

The issue of stock liquidity became a source of global concern during the period following the global financial crisis in 2008, which witnessed a significant decline in the liquidity of financial assets in international companies such as mortgage-backed securities (ahmed and ali, 2017); This indicated that the liquidity of shares is of paramount importance to individuals and companies, such as facilitating the entry of new foreign investors into the global market, which supports the availability of cash that allows for seizing opportunities in the investment process, and this is what motivates companies to offer shares for the trading process, which constitutes a continuous movement of money entering and leaving, which is reflected in Sustainable development of the economy (al jaifi, 2016).

Stock liquidity was defined as: the process of converting stocks in companies into cash easily and without any effect on the price (Ahmed and Ali 2017).

Measurement of stock liquidity:

The liquidity of shares in companies is measured through a number of measures, and based on a number of studies that have been referred to, the measure of liquidity of shares has been determined in (price range, trading volume, and share turnover rate).

II. EMPIRICAL REVIEW

Cormier & et.al., (2022) conducted a study aimed at the importance of adopting XBRL in stock markets, and the study aimed to reveal XBRL extensions by the company and the availability of relevant information to market participants. The results of the study indicated that XBRL extensions are positively (negatively) associated with the stock market value of companies showing positive (negative) earnings. The study also revealed a complementary effect between earnings and XBRL extensions on their relationship to share price or Tobin Q. . In addition, the results indicated that both IFRS extensions and GAAP extensions in the United States are associated with a decrease in information asymmetry (i.e. expansion of supply and demand).

The study (Sassi& et.al. 2021) aimed to study the impact of the mandatory adoption of the Extended Business Reporting Language (XBRL) on the liquidity of corporate shares. Where the researcher used a random effect model to test the impact of the mandatory adoption of XBRL on the liquidity of corporate shares for 980 companies belonging to 13 countries for the period from 2000 to 2016. The results of the study indicated that the mandatory adoption of ((XBRL) enhances the liquidity of corporate shares. In addition to that the effect of mandatory adoption XBRL's influence on the liquidity of corporate stocks was more pronounced in civil law countries than in common law countries.

As for the study (Kreishan, 2020), it dealt with the factors affecting the adoption of the Extensible Business Reporting Language (XBRL) at the internal and external levels by employing a set of technological, environmental and organizational (TEO) factors among listed companies in Jordan. The study was conducted using a quantitative descriptive method by employing quantitative analysis of the primary data collected through a questionnaire distributed to 70 financial managers in companies listed on the Amman Stock Exchange. The results of the study concluded that the adoption of the language (XBRL) in Jordanian companies at the internal and external levels is affected by environmental factors such as traditional, coercive, standard and technological pressures such as comparative advantage, compatibility and complexity, while organizational factors such as learning from external sources strengthen the relationship between environmental factors and technological factors in adopting the language (XBRL). internally and externally.

2.1. Hypotheses Development

The study addressed the following hypotheses:

The main hypothesis Ho1: There is no statistically significant effect at the level of significance ($0.05 \geq$ ą) of adopting the extended business reporting language (XBRL) on stock liquidity in Jordanian commercial banks.

III. RESEARCH METHODOLOGY

The descriptive analytical method was used to complete this study. The previous literature related to the subject of the study and its variables was referred to as a secondary source in order to develop and build the theoretical framework, and the questionnaire was used as a primary source to address the analytical aspects of the subject of the study, where the study tool (questionnaire) was developed to collect data related to the study variables, which included a number of paragraphs reflected Study objectives and questions.

3.1. Study population and sample

The study population consisted of accountants and workers in the financial field in the 12 Jordanian commercial banks. The simple random sampling method was chosen to properly represent the study population.

3.2. Test the study hypothesis

To test the hypothesis of the study, the researcher conducted a simple linear regression test using the SPSSv25 program Before performing the hypothesis test, it was confirmed that the linearity conditions in the regression equation were met, as the regression residuals were normally distributed, and there were also no problems associated with multicollinearity between the independent variables, and therefore the linear regression test could be performed.

IV. DISCUSS THE RESULTS

The statistical analysis of the study hypothesis revealed several results, the most important of which are:

It was found from this study that the adoption of the extended business reporting language (XBRL) has an impact on the liquidity of shares in the commercial commercial banks at a significant level of 5% in the Jordanian commercial banks. This indicates that the adoption of the extended business reporting language (XBRL) in the surveyed Jordanian commercial banks is greatly influenced by the liquidity of stocks.

The researcher explains that the adoption of the extended business reporting language (XBRL) in the Jordanian commercial banks listed on the Amman Stock Exchange affects the liquidity of stocks, and this is due to the commitment of these reports to the standards related to them for electronic disclosure. It also contributes to helping banks to provide financial information through homogeneous and unified reports that are easy to review and audit for the purposes of analysis and forecasting the bank's financial behavior.

RECOMMENDATIONS

1. The need for the Jordanian commercial banks listed on the Amman Stock Exchange to continue holding training courses for accountants and employees to raise awareness in adopting and applying the extended business reporting language (XBRL).
2. The commitment of the Jordanian commercial banks listed on the Amman Stock Exchange to use the Extensible Business Reporting Language (XBRL); Because of its significant impact on achieving stock liquidity.
3. Continuous awareness of the advantages and benefits of adopting the Extensible Business Reporting Language (XBRL).

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