

The Extent of the Obligation for the Jordanian Private Universities in the Requirements of Corporate Governance to Raise the Performance of the Financial Management: A Field Study

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Abstract

This study aimed to identify on the obligation extent of the Jordanian private universities in the requirements of corporate governance to raise the performance of financial management, The study population included the employees in the financial departments at that population, has been selected a simple random sample of the population, have been distributed the Questionnaires (79) and recalled (68) representing (86%). The study concluded that there is obligation in the requirements of corporate governance, related in shareholders rights, board of directors, financial reports which helps to raise the performance of the financial departments in the Jordanian private universities. The main recommendations were: It's necessary to continue to comply with the requirements of corporate governance, and must be the members of the Board of Directors with experience and competence, to reflect that positively with financial departments in the Jordanian private universities.

Keywords: corporate governance requirements, shareholders rights, board of directors, financial reports, and financial management performance

1. Introduction

The Education was one of the priorities in The Hashemite Kingdom of Jordan ever since the establishment of The Emirate in 1921, and the attention to this aspect continued even after the spreading of schools across the Kingdom, then the University of Jordan was established in 1964, and was the core of public higher education, after that, public universities spread in several provinces until Laws were issued allowing the establishment of private universities with the capitals of ordinary investors, to contribute to the educational process for undergraduates, and that is for many justifications, including the inability of public universities to accommodate all successful students in high school, and to reduce the leakage of funds when citizens. Send their children to study abroad, as well as the economic aspects which are investing and developing the capitals of citizens.

The emergence of the expectations gap between parties related to the establishments had a big role in conducting the seminars, conferences and workshops to develop a specific framework that defines the principles and rules to help the investors in making rational economic decisions. And with increase in business came the distinct emergence of financial management, especially with the beginning of the twentieth century (Henawi and Sultan, 1999), and as a result, the interest in corporate governance in facilities increased to raise the trust of financial information users in annual reports. And so there was an interest from many scientific professional organizations in this regard, which set many principles such as The Organization for Economic Cooperation and Development (OECD) in the field of corporate governance, which was issued in the year (1999) and reviewed in (2004), the current study examines the extent of the Jordanian private universities obligation to the requirements of corporate governance to raise the performance of its financial departments, which would increase the confidence of investors and venture capitalists in the tasks entrusted to the performance of those departments.

1.1 Problem of the Study

The study problem represents in the fact that many financial departments in Private Jordanian Universities do not care about the requirements and rules of corporate governance, or even know and handle to the satisfaction of relevant parties to enhance the performance of its financial departments. Therefore, the study problem can be stated in the following question:

- What is the extent Of Jordanian private Universities' obligation to the requirements of the corporate governance to enhance the performance of its financial departments?

To answer this question, the following sub-questions relating to the requirements of corporate governance can be asked, namely:

- 1) Can the obligation of Jordanian private universities to the requirements of corporate governance related to the rights of stakeholders contribute in the enhancement of performance of the financial departments?
- 2) Can the obligation of Jordanian private universities to the requirements of corporate governance related to the board of directors contribute in the enhancement of performance of the financial departments?
- 3) Can the obligation of Jordanian private universities to the requirements of corporate governance related to the financial reports contribute in the enhancement of performance of the financial departments?

1.2 Importance of the Study

The importance of this study emerges of the importance of the sector in which this study examines and that is the sector of Jordanian private universities, and is an educational and economic sector that is influential in the Jordanian community and so the decline in performance of this sector can lead to enormous financial losses on both the investor and the national levels, were this sector contributes to the gross national product, and as many researchers agree that mismanagement is the main reason to the failure of economic establishments, therefore, the obligation to the requirements of the governance will lead to the preservation of the properties of investors, thus achieving economic goals for each project especially the goals of sustainability and profitability.

1.3 Objectives of the Study

The present study aims to identify the extent of the Jordanian private universities obligation to the requirements of corporate governance to raise the performance of its financial departments, to achieve this goal, the current study seeks to achieve the following objectives:

- 1) Identifying the extent of the Jordanian private universities obligation to corporate governance requirements concerning the rights of shareholders to enhance the performance of financial departments.
- 2) Identifying the extent of the Jordanian private universities obligation to corporate governance requirements concerning the board of directors to enhance the performance of financial departments.
- 3) Identifying the extent of the Jordanian private universities obligation to corporate governance requirements concerning financial reports to enhance the performance of financial departments.

2. Literature Review

Here are the most important studies on different aspects of the subject of the study:

- 1) **Bishtawi Study, 2014, entitled "The role of corporate governance in the promotion of the internal auditor's performance from the Jordanian Chartered accountants' viewpoint"**. This study aimed to indicate the role of corporate governance and the carrying out of their functions to enhance the performance of the internal auditor and to ensure the preservation of its independence and the interests of all relevant parties. The study community included the chartered accountants participating the profession who are estimated up to (354) auditors according to the Chartered Accountants Association records, 2014, the study targeted a selected sample of (200) auditor. The study found a set of conclusions that show that there is a role to the corporate governance committees in Jordan leading to the increase in the effective functioning of the internal auditor through increasing the efficiency of the internal control and management accountability and control systems.
- 2) **Agrawal and Knoeber Study, 2012, entitled "Corporate Governance and Firm Performance"**. This study aimed to show the theoretical concept of corporate governance and some issues regarding whether to applicate it as a framework to solve the basic problem between managers and shareholders or not, and corporate governance application methods in companies and stating the optimal ways to address this problem, The study concluded that there is a role for organizing corporate governance in the development of corporate performance and the relationship between management, shareholders and the preservation of their rights, the study recommended a range of solutions for the methods of application of corporate governance in companies as problems had shown, and some future issues surrounding the application of corporate governance in companies that are not displayed at the moment, and mechanism of tackling and solving those problems.
- 3) **Shatnawi study 2011, entitled "The extent of compliance with the requirements of corporate**

governance and its impact on the quality of accounting information from the perspective of shareholders.” This study aimed to identify the extent of compliance with the requirements of corporate governance and its impact on the quality of accounting information from the perspective of shareholders and to achieve the goal of the study, a questionnaire was designed and distributed to the study sample, The study concluded many of the following results: There is an average level of commitment to the requirements of governance by the participating corporate related to the rights of shareholders, the requirements related to the board of directors, and requirements related to financial reporting. The study came up with several recommendations, including: companies must comply with all the requirements of governance by the managements of companies.

- 4) **Obeidat study, 2010, entitled “The extent of compliance of the Jordanian insurance companies to the instructions of corporate governance and its impact in promoting disclosure and transparency.”** This study aimed to identify the extent of the commitment of Jordan insurers instructions corporate governance and its impact in promoting disclosure and transparency, to achieve the objective of the study, a questionnaire was prepared and distributed to financial managers in these companies and after the data analysis the study concluded the following findings: There is a statistically significant differences between the application of corporate governance instructions for insurance companies and the increase in the level of disclosure and transparency in financial reporting effect, there’s commitment from Jordanian insurers to the instructions of Corporate Governance.
- 5) **Judeh study, 2008, entitled “A proposed framework for raising the level of corporate governance in Jordanian private universities enlisted in the Amman Stock Exchange.”** were the researcher considers those universities one of the most beneficial of the study results, and that is due to the large number of parties involved and the multiplicity of the ruling parties in which, being well as a public joint stock companies. And to achieve the objective of the study to build the proposed framework, the researcher followed the analytical extrapolation method of the literature of the study and the results of previous studies related to the subject.

The researcher reached a framework program design integrated in terms of vision, goals, principles and plan of action, and that is in order to raise the level of corporate governance in universities under study. The results showed that there are many legislations in Jordan that cover the principles of corporate governance issued by the Organization of Economic Co-operation and Development (OECD). The researcher suggested several recommendations, including the need for providing a suitable climate for institutional governance in Jordan in terms of completing the necessary legislation and the development of censorship devices in addition to the need to conduct periodic surveys to measure the level of corporate governance in public and private Jordanian universities.

- 1) **Matar and Noor Study, 2007, entitled “Extent of compliance of Jordanian public shareholding companies to the principles of corporate governance.”** This study aimed to assess the extent of the Jordanian public shareholding companies to the principles of corporate governance, And to achieve this goal, researchers conducted a field study on a number of Jordanian public shareholding companies in both the banking and industrial sectors. The researchers reached a number of conclusions, the most important was that the level of commitment of public shareholding companies in both sectors level between strong and very weak, and there are aspects of imbalance in the application of the system that take hold in the lack of boards of directors’ commitment to the rules of professional conduct. Were the study recommended a set of recommendations, Perhaps the most important is the instigation of control and supervision bodies to those companies to issue a guide that explains the basic principles of corporate governance system.
- 2) **Qur’an Study, 2004, entitled “Governance and its role in service units.”** This study aimed to identify the role of corporate governance adopting of raising the efficiency and effectiveness of accounting units of service characteristics, the study dealt with the adoption of the concept of accounting disclosure as an essential part of the corporate governance’s requirements. Were transparency is a basic requirement in accounting.

The study found that there is an active and vital role of corporate governance on the service sector units, corporate Governance is also considered an effective tool for the disclosure and transparency of accounting. And that there is a general application of the systems of corporate governance for all local accounting units. As domestic legislation comply with developments on corporate governance. The study recommended a set of recommendations, the most important was the need to apply corporate governance system on all economic sectors, as this ensures the protection of internal parties and other relevant parties.

- 1) **Clark, et al. study, 2004, entitled “Corporate Governance, Cross Listing, and Managerial Response to stock price Discounting”.** This study aimed to identify the relationship between the quality of corporate governance systems and the performance of the stock market, through a case study of A hold company, It is an example of the failure of corporate governance in Europe, were the private market trading were analyzed through the shares of the company in both the Amsterdam and New York stock exchange during the period from 1973 to 2004, the analysis of a series of events to the volatility of the company’s stock prices and the market reaction due to a weak corporate governance system, The study concluded through the analysis of stock prices that the company’s stock price was fixed and is characterized as stable until 1982, then began a stable increase from 1982 until 1995, then followed by a rapid growth until the year 2000, then prices fell about 63% in February 2003, the study pointed out the weakness of corporate governance systems in A hold company compared to other companies in Europe, it also concluded that there is an inverse relationship between the quality of corporate governance systems and volatility in stock prices, the increased volatility in the price refers to the weakness and lack of information provided to the market and weakness of corporate governance systems.
- 2) **Goodwin and Seow Study, 2002, entitled “The Influence of Corporate Governance Mechanisms on the Quality of Financial Reporting and Auditing: Perceptions of Auditor’s and Directors in Singapore”.** This study aimed to identify the impact of corporate governance mechanisms on the quality of financial reporting and auditing, governance corporate mechanism under study are represented by: the strength of the Audit Committee, and the existence of an internal auditing for client, as well as the power of the ethical behavior of the company, changing the auditing partner, the Auditor providing internal auditing services to the client, and auditing all the client’s companies, the study was conducted on a sample of managers and auditors in Singapore, The study reached many results as following: that the internal auditing has a high moral importance while the strength of the moral behavior of a company had low moral importance, were the Audit Committee did not have any moral significance. Managers believe that the strict implementation of the laws of governance affects both the prevention and detection of management fraud, while the auditors believe the opposite, as the auditors believe that the existence of the internal audit had a significant impact on the company’s ability to detect management fraud.

2.1 What Distinguishes the Current Study of All Previous Studies

Previous studies suffered numerous variables such as the auditing profession, oversight activities and the quality of financial reporting, but it was not exposed to the performance of the financial departments (represented in financial workers) in Jordanian private universities clearly, it has been shown through research in previous studies that there is a research paper presented at a scientific conference discussing corporate governance in the private universities and was entitled “Proposed framework to raise the level of corporate governance in Jordanian universities, private and listed on the Amman Stock Market.”, the paper has taken a descriptive approach and focused on the legal and legislative aspect of universities registered the financial market only. The current study identified the area of its research to clarify the extent of Jordanian private universities’ compliance to the requirements of corporate governance to raise the performance of financial management whether it was included in the financial market (as a public joint stock companies) or universities that carry the characteristics of a joint-stock company with limited liability contribution, and being considered as a whole unit in a whole economic sector with one main objective that is to provide educational services, which is considered a vital economic sector and is favored in formal and informal interest from civil society, and has an educational and economic message contributing to the gross national product (GNP), the current study followed the descriptive analytical method through a questionnaire prepared for the collection of data that reflects the opinion of Financial workers in the financial departments at these universities, which was not addressed by researchers as far as the researcher’s knowledge.

3. Hypotheses of the Study

Based on the problem study questions and of previous studies, the following Hypotheses were formed:

3.1 Main Hypothesis of the Study

H0: Jordanian private universities do not comply with the requirements of corporate governance to raise the performance of financial departments.

To test the main hypothesis of the study, the following sub-hypotheses were formed:

3.1.1 First Sub-Hypothesis

H0₁: Jordanian private universities do not comply with corporate governance requirements concerning the rights

of shareholders to raise the performance of the financial departments.

3.1.2 Second Sub-Hypothesis

H0₂: Jordanian private universities do not comply with the requirements of corporate governance relating to the board of directors to raise the performance of the financial departments.

3.1.3 Third Sub-Hypothesis

H0₃: Jordanian private universities do not comply with corporate governance requirements relating to financial reporting to raise the performance of the financial departments.

4. Sources of Data Collection

Primary Sources: The data that have been obtained through the questionnaire that was prepared to test the hypotheses.

Secondary Sources: is the access to many scientific literature, periodicals, previous studies, as well as research and scientific papers, which relates to the theoretical research on the subject of the study.

5. Theoretical Framework

5.1 The Concept of Corporate Governance

Governance is a word derived from the English word Govern (governs) any of them came: Government, Governor, and Govern Nance, which means the government, the governor, and governance sequentially. In this opinion, economists, analysts and experts settled on the term Corporate Governance, due to its importance of the economic, legal and social aspects. The term Corporate Governance (Khoury, 2006) in the group of relations between the executive management of the company and its board of directors on the one hand, and its shareholders and other stakeholders on the other hand.

To some, it was known (Demirag et al., 2000) as a set of contractual relationships between companies managements and their shareholders and stakeholders, through the creation of procedures and structures that are used to manage the company's affairs, and guide its work in order to ensure enhanced performance and disclosure and transparency and accountability of the company, and to maximize the interest of the shareholders on the long run, taking into account the interests of various parties.

The Central Bank of Jordan identified corporate governance as a system that the bank is directed and managed by, which aims to identify institutional objectives of the Bank and its execution, and managing operations securely, to protect the interests of depositors, and a commitment to the responsibility due to the shareholders and other stakeholders, as well as the Bank's obligation to internal legislations and policies. (Central Bank of Jordan, Corporate Governance Instructions, No. 18/2014).

This term minds the practices and how they are used to set companies and raise its efficiency and the range of measures by which the performance of corporate management is being censored, and to address the resulting problems, and the relationship between parties that control the corporate business internally and externally.

The corporate governance method is considered a way of enabling the community of ensuring the efficiency of corporate governance in a way to protect investors and lenders funds, which leads to the creation of safeguards against corruption and mismanagement, as well as the development of the core values of the market economy in the community (Hopkins, 2000).

5.2 The Objectives of Corporate Governance

The good method of corporate governance aids in enhancing the economic performance and competitiveness and attract investments for companies and the economy in general through the following means: (Maureen, 2004).

- 1) Strengthening the transparency element in all transactions and business processes and procedures for financial accounting and auditing in a way that can adjust corruption elements at any stage.
- 2) Improve and develop the company's management and help managers and board of directors to build a sound strategy and to ensure that decisions tapke profit or control building on a sound basis, in order to raise the efficiency of performance.
- 3) Avoid banking crises, even in countries where there is no deal on the most active companies in the stock exchange markets.
- 4) To strengthen public confidence in the success of privatization, and to ensure the best return on their investment state, thus allowing more opportunity to work, and increase economic development.

5) Ensuring a fair way to deal for shareholders, workers, creditors and other interested parties in the event that the company's bankrupt.

5.3 Principles of Corporate Governance

The principles adopted for corporate governance is a pillar of the Corporate Governance Manual, which defines the rules and standards of governance for any organization and so it has been identified through four guiding principles: (Corporate Governance of Banks in Jordan guide for the year 2007).

- 1). Justice in treatment in all the relevant authorities.
- 2). Transparency and disclosure.
- 3). Accountability in relationships.
- 4). Responsibility in terms of a clear separation of responsibilities and delegation of authority.

5.4 Corporate Governance Standards

The corporate governance guide was issued in the year 2008 and all companies were demanded to abide by its rules as of 1/1/2009, and in order for those rules to be applied in an efficient way, certain requirement had to exist in order to help in the application of rules and standards reached by the Organization for Economic Cooperation and Development (OECD) in 1999 to five certified standards in the field of corporate governance, but these standards were reviewed and amended in 2004 to become a six criteria: www.oecd.org.com

- 1). Ensure the protection of shareholders' rights: and that is by allowing for the transfer of ownership of the stock and the selection board and get the revenue, profits and review the financial statements and their right to participate in decision-making and access to records with full transparency, and to ensure that they exercise their full rights.
- 2). Equal treatment of shareholders: that means equality between the shareholders, and their right to defend their legal rights and vote in the General Assembly on key decisions, and look at all the transactions with members of the board of directors or executives, and thus allow the shareholders to obtain effective redress when prejudice to their rights.
- 3). The role of shareholders in corporate governance: This is intended to ensure that their legal rights and compensation in prejudice to their rights, thus ensuring their active participation in the censorship of the company mechanisms, and should be here taking into account the balance in the board composition so that the majority of the Board of Directors and independent not-executive directors (Drmirage, 2000)
- 4). Disclosure and Transparency: the lack of transparency and disclosure of information administrative, financial and related actions will lead to the exploitation of the resources are inaccurate, and therefore it was necessary to disclose important and accounts information relevant to the financial position and performance and property rights, to be disclosed for all those accurately true and fair to all shareholders and stakeholders the information in a timely manner and without delay.
- 5). Responsibilities of the Board of Directors: it is very important when it comes to the structure of the Board of Directors and legal duties, and how members are chosen as well as identifying the basic functions and its role in overseeing the executive management.
- 6). Ensuring the presence of an effective corporate governance basis: without the availability of a specific part of an arbitrator, and the mechanics of moving mechanisms and business rules, the talk about effective governance will remain a theory that is difficult to measure the effectiveness of applicability of, as required.

5.5 Who Forms the Corporate Governance in the Education Sector in Jordan?

The Higher Education and Scientific Research Law No. (4) Of 2005 defines the entities doing corporate governance, namely: Council of Higher Education, Ministry of Higher Education and Scientific Research, Commission for the Accreditation of Higher Education Institutions, the Board of Directors Board of Trustees President of the University, the University Council, the Council of Deans, the College Board, the Board of the department. (Ministry of Higher Education and Scientific Research, Law No. (4) For the year 2005.

6. Statistical Analysis and Hypothesis Testing

6.1 The Study Population and Sample

The population of the study consists of accountants and financial workers in the Jordanian private universities of (20) University according to the annual statistical report of higher education for the year 2013, a number of (79) were distributed randomly to this community, and with strenuous follow-up by the researcher (68) questionnaire

were retrieved, representing (86%) of the population which is acceptable and valid for statistical analysis ratio. Annex No. (1) Shows the study population according to the annual statistical report of higher education until the year 2013.

6.2 The Study Tool

The questionnaire is a tool that relied upon to test the hypotheses of the study, the questionnaire consisted of two main sections:

Section I: special demographic characteristics of the study population in terms of age and educational qualification, scientific specialization, function, and the number of years of experience.

Section II: contained questions regarding the testing of the hypotheses of the study, Likert scale was adopted to answer specific questions regarding the study variables, were it consisted of five degrees, as in the following Table 1:

Table 1. The table shows the degrees distributed on the questions of the questionnaire

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Degrees	5	4	3	2	1

The means and standard deviations were also calculated and handled according to the following order (2.33 and below low), (2.34 - 3.66 Mean), (3.67 or above is high). And this measure has been calculated according to the following equation:

(The upper limit (5) - the minimum (1)) / Number of categories (3) = (1.333). Then add this to the final output of each category. As shown in Table No. 2 (following): (Sekaran, 2010).

Table 2. Means and standard deviations of the study areas

No.	Areas	Mean	Standard Deviation	Degree
1	Corporate Governance requirements to raise the performance of financial management and the shareholders in the Jordanian private universities	4.0757	0.17167	High
2	Corporate Governance requirements to raise the performance of financial management relating to the board of directors in the Jordanian private universities.	4.0174	0.14609	High
3	Corporate Governance requirements to raise the financial management performance related to financial reporting in the Jordanian private universities.	3.9971	0.16020	High

Shown in Table 2 that the mean for the degree of approval of the respondents on the areas of study values were on its upper limit in the first field "Corporate Governance relating to raise the performance of the financial management of the rights of shareholders in the Jordanian private universities requirements," were the arithmetic mean of the paragraphs of the first area was (4.0757) and in the lower third of the field alone, "Corporate Governance requirements for the lifting of financial management performance related to financial reporting in the Jordanian private universities," were the arithmetic mean of the paragraphs of the second area was (3.9971).

6.3 Statistical Methods Used

The data analysis was done using statistical data analysis software (SPSS), and the following statistical methods were used:

- Cronbach's alpha test to test the reliability of the study tool.
- Descriptive statistics through the use of the following: Frequencies, Percentages, Means, The standard deviations.
- One-Sample t-test, to test Hypotheses of the study and test whether there is a statistically significant difference between the arithmetic mean of the hypotheses and the mean measurement tool, and thus judge the sample opinion about assumptions.

6.4 Testing the Validity and Reliability of the Study Tool

The arbitration of the questionnaire was done by a number of professors, academics and a number of workers in financial departments in the Jordanian private universities to ensure harmony and objectiveness of the study

questions for foreign credibility, with respect to the internal credibility, the Cronbach's Alpha test was selected to measure the degree of internal consistency, as shown in Table 3 that the reliability coefficient value for each study axes of (0.760) with a high value of the ratio accepted the (0.60), demonstrating the reliability of the study tool and the high internal consistency between its paragraphs.

Table 3. Cronbach's Alpha coefficient of stability of the study

Areas	Question Number	Alpha Value	Results
All Study Areas Combined	18	0.760	High

6.5 Analyzing the Demographic Characteristics of the Study Sample

Table 4 relates to the demographic characteristics of the study sample in terms of: job nature, age, years of experience, qualification, and academic specialization. The questionnaires showed that retrieved the demographic characteristics of the study sample were as follows:

Table 4. Table shows the demographic characteristics of the study sample

Description	Category	Frequency	Percentage
Job Nature	Financial Manager	4	%6
	Head of Accounting Department	5	%7
	Accountant	36	%53
	Salary Accountant	5	%7
	Treasurer	9	%13
	Head of Internal censorship unit	5	%7
	Internal Auditor	3	%5
	Other Financial Job	1	%2
	Total	68	%100
Age	Less than 30	11	%16
	30 – 40 Years	32	%47
	41-50 Years	20	%30
	51 years old and more	5	%7
	Total	68	%100
Years of Experience	Left than 5 years	11	%16
	6-10 years	27	%40
	11-15 years	22	%32
	More than 15 years	8	%12
	Total	68	%100
Qualification	Less than bachelors	5	%7
	Bachelor's degree	55	%81
	Master's degree	8	%12
	PHD	0	%0
	Total	68	%100
Academic Specialization	Accounting	53	%78
	Business Management	9	%13
	Banking and Financial Sciences	4	%6
	Others	2	%3
	Total	68	%100

Table 4 shows that the highest percentage in the Position properties of the accountant's function category reaching (53%), and that this is normal because most of the workers in financial circles they Accountants and are engaged in the profession of specialized accounting, while other functions are occupied by percentages as low as shown above and this gives credence to the responses, Regarding the age featured group (31–40 years) achieved a ratio of (47%), the age group fit to this work is category that is consistent with years of experience, which was the highest in the category (6-10 years) occupied proportion (40%), and this enhances the credibility of the response, but with regard to qualification feature, those who got bachelor's degree category of the highest

percentages in terms of (81%), because the majority of financial workers are trying to get professional certifications more than academic degrees, the highest rate was in the scientific specialization in accounting rate (78%), and this is normal because most accountants and financial have specialization during college which is accounting, the facilities prefer accounting majors for these functions, giving credence to the health of the respondents response is consistent with other properties, which gives an indication of the possibility of confidence in the data that have been obtained.

6.6 Main Study Hypothesis Testing

H0: There is no commitment to the requirements of corporate governance to raise the performance of the financial departments in the Jordanian private universities.

To test the hypothesis of the study will there will be sub-hypotheses relating to the requirements of the Corporate Governance test as the following:

6.6.1 The First Sub-Hypothesis Test

H0₁: Jordanian private universities do not comply with corporate governance requirements concerning the rights of shareholders to raise the performance of financial management. To test this hypothesis has been collected data analysis and the results were as in Table 5:

Table 5. Means and standard deviations of the paragraphs of the first area

No.	Paragraphs	Mean	Standard Deviation	Degree of Agreement
1.	Shareholders are entitled to access to documents and records of shareholders, which achieves control over the financial management performance.	3.926	0.46733	High
2.	Shareholders have the access to financial statements, which helps in monitoring the performance.	4.147	0.39643	High
3.	Shareholders are entitled to profits within the legal period according to the instructions and laws and this stimulates financially workers.	4.117	0.44148	High
4.	Shareholders may vote on the external auditor elected by each shareholder's share freely.	4.176	0.57149	High
5.	Shareholders are entitled to demand the return of profit is calculated, which increases the control over the financial management performance.	4.161	0.53561	High
6.	Shareholders are entitled to claim to change the proposed distribution rates, which encourages future planning and financial management	4.088	0.51064	High
7.	Shareholders who own 25% of the company's shares (University) prompted an emergency meeting of the dismissal of the Board of Directors.	3.911	0.48053	High
	Average	4.0757	0.17167	High

It can be seen from Table 5 that the degree of approval was high for all paragraphs of the domain ranging from (3.911 - 4.17) and a standard deviations that ranged between (0.480 - 0.571), and with an arithmetic mean in total of 4.0757 representing a high degree of approval, while the standard deviations stated a degree of difference between the answers which means a difference of opinion and thus the reliability of the answers. The first sub-hypothesis was tested using the T test, sample results were as in the following table:

Table 6. One sample t-test to test the first sub-hypothesis

Calculated T value	Degree of Freedom	Level of SIG	Result
195.782	67	0.000	Rejection of Nihilism H0 ₁

It can be seen from Table 6 that the value of T calculated at the Mean default (3) equals to (195.782) and of statistical terms (0.000), a statistically significant value at the level of significance less than (0.05), which means rejection of the null hypothesis, which states that Jordanian private universities do not comply with the corporate governance requirements concerning the rights of shareholders to raise the performance of financial management, and accept the alternative hypothesis, which states that the Jordanian private universities comply with corporate governance requirements concerning the rights of shareholders to raise the performance of financial management.

6.6.2 The Second Sub-Hypothesis Test

H0₂: Jordanian private universities do not comply with the requirements of corporate governance relating to the board of directors to raise the performance of the financial departments. To test this hypothesis collected data was analyzed and the results were as in Table 7:

Table 7. Means and standard deviations of the paragraphs of the second area

No.	Paragraphs	Mean	Standard Deviation	Degree of Agreement
1.	The fact that the general assembly is electing the Board of Directors based on the experience and competence to ensure the enhancement of performance of financial management.	3.882	0.44148	High
2.	The fact that the general assembly is voting on the election of members of the Board of Directors by its share freely helps to improve the performance of financial management.	4.044	0.47107	High
3.	The keenness that the general body must have no members in the board of directors of any executive position increases the self-censorship on financial management.	4.147	0.39643	High
4.	The fact that the Board develop a strategic plan to achieve the goals of the university and the application of corporate governance rules help in planning processes.	4.073	0.49824	High
5.	The keenness of the Board of Directors to report any harmful to the interests of the university irregularities improves feedback.	3.985	0.47293	High
6.	The keenness of the Board of Directors to consult with experienced and competent in doing business makes the decision-making process of the Court.	3.970	0.38520	High
	Average	4.0174	0.14609	High

It can be seen from Table 7 that the degree of approval was high for all paragraphs of the domain ranging from (3.882 - 4.147) and the standard deviations ranged between (0.441 - 0.396), and with an arithmetic mean of the total 4.0174 represents the degree of high approval, while the standard deviations stated degrees of difference between the answers which means a difference of opinion and thus the reliability of the answers. The second sub-hypothesis was tested using T test, sample results were as in the following table:

Table 8. One sample t-test to test the second sub-hypothesis

Calculated T value	Degree of Freedom	Level of SIG.	Result
226.765	67	0.000	Rejection of Nihilism H02

It can be seen from Table 8 that the value of T calculated at the mean default (3) is equal to (226.765) and statistical in terms (0.000), a statistically significant value at the level of significance is less than (0.05), which means rejection of the null hypothesis, which states that Jordanian private universities do not comply with corporate governance requirements relating to the board of directors to raise the performance of the financial departments, that the alternative hypothesis should be accepted, which states that the Jordanian private universities comply with the requirements of corporate governance relating to the board of directors to raise the performance of the financial departments.

6.6.3 The Third Sub-Hypothesis Test

H0₃: Jordanian private universities do not comply with corporate governance requirements relating to financial reporting to raise the performance of the financial departments. To test this hypothesis, collected data was analyzed and the results were as in Table (9) as following:

Table 9. Means and standard deviations of the paragraphs of the third area

No.	Paragraphs	Mean	Deviation	Degree of Agreement
1.	The university administration is keen on providing useful information in the future estimates help in planning and financial management.	3.926	0.46733	High
2.	The university administration is keen on providing useful information on earnings and evaluate the performance of the university helps in planning and decision making.	3.911	0.61657	High
3.	The university administration is keen to publish financial reports in accordance with the provisions of the law and within the legal period stimulates financially workers.	4.191	0.52568	High
4.	The disclosure of the university administration for the accounting policies used, and any changes thereto may raise investor confidence in the financial management performance.	4.014	0.55965	High
5.	The presentation of the university management of the financial statements on the audit committees at the university in a period not exceeding three months of the fiscal year end date increases confidence in the financial management performance.	3.941	0.59556	High
	Average	4.997	0.16020	

It can be seen from Table 9 that the degree of approval was high for all paragraphs of the domain ranging from (3.911 - 4.191) and a standard deviations that ranged between (0.616 - 0.525), and with an arithmetic mean of the total 4.997 represents that the degree of approval are high, and the standard deviations that stated degrees of difference between the answers which means a difference of opinion and thus the reliability of the answers.

The third sub-hypothesis was tested using T test, sample results were as in the following table:

Table 10. One sample t-test to test the third sub-hypothesis

Calculated T value	Degree of Freedom	Level of SIG	Result
205.751	67	0.000	Rejection of Nihilism H03

As Seen from the Table 10 that the value of T calculated at the mean default (3) was equal to (205.751) and of statistical terms (0.000), a statistically significant value at the level of significance is less than (0.05), which means rejection of the null hypothesis, which states that Jordanian private universities do not comply with corporate governance requirements relating to financial reporting to raise the performance of the financial departments, and accept the alternative hypothesis, which states that the Jordanian private universities comply with corporate governance requirements relating to financial reporting administration to enhance the performance of the financial departments.

6.6.4 The Main hypothesis of the Study Test

H0: Jordanian private universities do not comply with the requirements of corporate governance to raise the performance of the financial departments. To test the main hypothesis, all paragraphs of the study were tested using T test, results of the sample were as follows:

Table 11. One sample t-test to test the main hypothesis

Calculated T value	Degree of Freedom	Level of SIG	Result
328.412	67	0.000	Rejection of Nihilism H0

As seen from the Table 11 that the value of T calculated at the mean default (3) was equal to (328.412) and with a statistically significant difference of (0.000), and a statistically significant value at the level of significance is less than (0.05), which means rejection of the null hypothesis, which states that Jordanian private universities do not comply with the requirements of corporate governance to raise the performance of the financial departments. And the acceptance of alternative hypothesis, which states that the Jordanian private universities committed to the requirements of corporate governance to raise the performance of the financial departments.

7. Conclusions and Recommendations

In light of the data analysis and hypothesis testing, the study reached to many of the conclusions and recommendations as the following:

7.1 Conclusions

- 1) The results of the study showed that there is a commitment to the requirements of corporate governance, which helps to raise the performance of the financial departments in the Jordanian private universities. We conclude from this that the universities as joint-stock companies, are committed to legislation and laws in force.
- 2) Jordanian private universities committed to corporate governance requirements concerning the rights of shareholders to raise the performance of financial management, which in turn enhances the shareholders' right of access to records and financial statements, and the right to elect the external auditor and the right to check restated profits, we can deduce that there is confidence between shareholders and managements of universities Financial departments helping to improve their performance.
- 3) Jordanian private universities committed to the requirements of corporate governance relating to the board of directors to raise the performance of financial management, and this helps the Governing Council in improving performance through the strategy set by the Council for the application of the rules of governance and report any irregularities to the views of competent jurisdiction, and consult with expertise where needed, and this positively reflected in the financial management guidance in planning and decision-making to improve its performance.
- 4) Jordanian private universities committed to corporate governance requirements relating to financial reporting, in terms of providing future information and information on earnings and performance evaluation of the university and the dissemination of financial reports in a timely manner, which improves and increases the performance of financial management, organization and commitment to do what is required of them

7.2 Recommendations

- 1) The financial departments at private universities continue to comply with the requirements of corporate governance, and this would lead to the application of the rules of corporate governance, and thus raises the financial performance of the departments in the Jordanian private universities.
- 2) That the Companies Censorship Department should pursue compliance with the requirements of governance in Jordanian private universities being primarily licensed as investment companies by the Companies Control Department.
- 3) The need for members of the Board of Directors to be of people who enjoy experience and efficiency, this will help in the implementation of financial management functions and its commitment to the requirements of governance.
- 4) Review Corporate Governance Guide and make adjustments to keep pace with developments in the world of finance and business.
- 5) The need for the development of employees in the financial departments in the Jordanian private universities through holding training courses and participate in workshops, seminars and conferences in this regard.
- 6) The need for the continuation of researchers and scholars in the work of further studies and research in corporate governance because of their importance in maintaining the continuity of the work of companies and sustainability and the preservation of the money invested in them.

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