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A STUDY OF THE RELATIONSHIP BETWEEN SOCIAL RESPONSIBILITY AND EARNING MANAGEMENT AND ITS REFLECTION ON THE FINANCIAL PERFORMANCE OF A SAMPLE OF COMPANIES LISTED ON THE IRAQ STOCK EXCHANGE

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Abstract:

The aim of the research is to study the relationship between social responsibility and Earning management and the extent to which this relationship is reflected on the financial performance of a sample of banks listed in the Iraq Stock Exchange. The study was conducted on a sample of (20) banks for a period of (6) years from 2015 to 2020, and the researcher relied on The financial statements and disclosures attached to the research sample during the study period in measuring the variables which are social responsibility as an independent variable, and financial performance represented by (return on equity and return on assets) as a dependent variable, and Earning management as a mediating variable in the relationship and it was measured using Miller model, as the researcher relied on (Excel - SPSS) program in testing the relationship between the variables, and the researcher concluded that there is a significant impact of social responsibility activities in the management of Earnings, and this relationship has a significant impact on financial performance, and the study recommended the need to urge companies to perform social activities within the framework of the ethical dimension, which would contribute to Developing the community and publishing annual reports that include information on its social responsibility, along with the annual financial reports, in order to achieve integration between financial and financial performance environmental and social.

Keywords: social responsibility , Earning management , financial performance.

INTRODUCTION

The issue of Earning management gained the attention of many researchers, specifically after the financial scandals that occurred at the beginning of the twentieth century after the collapse of many companies, due to the global practices of WorldCom & Enron, and on top of my company was the wrong accounting by the management with the aim of maximizing its self-benefit, which has serious consequences On shareholders, creditors, employees, and society as a whole, where stakeholders have many negative effects on the quality of Earnings and financial reports, and consequently the lack of transparency and credibility of accounting information and misleading stakeholders.

Hence the need for companies to adopt social responsibility programs to reduce the negative effects of the wrong practices of these companies and fight corruption in its various forms, where the collapses and financial scandals of global companies have led to raising awareness in the business community and seeking to maintain the general image of the company and its reputation, as it is a crucial element in the survival and success of companies, and therefore business leaders began to embrace social activities that meet the requirements of all stakeholders and not only shareholders, as the emergence of the concept of social responsibility For companies it was the result of the pursuit of economic units to achieve harmony or balance between the interests of owners and the interests of other groups and so social responsibility has become the word heard among senior managers because of its reflection on the performance of companies.

In under of the nature of the research problem and what is the purpose of its study, the researcher will divide the research into the following axes: the first axis: research methodology and previous studies, the second axis: represented by the theoretical framework of the research, the third axis deals with: applied study, and finally the fourth axis conclusions and recommendations.

First Theme: Research Methodology and Studies Review

First, research methodology

1- Search Problem:

The topic of social responsibility has received unprecedented attention from academics and professionals as the trend is now moving towards the evaluation of the company socially next to economic evaluation so it must also be taken into account its contribution to addressing the problems of society, and corporate social responsibility is an ethical obligation between the organization and society as the non-compliance of companies with their social responsibility whether mandatory or optional may threaten its survival and continuity because the organization influences and is affected by the society in which it lives. Social responsibility is a matter of principles and ethical responsibility and therefore social responsibility is a step towards interaction with the society in which the company operates, and this will increase its economic and ethical benefits in the future, and thus we find that the adoption of social responsibility by companies involves first of all their belief in solid ethical dimensions. Companies' commitment to social responsibility may be due to two motives : The first motivation may be for the purpose of improving the image and reputation of the company, fighting corruption and fighting practices that are incompatible with achieving transparency of information in financial reports and thus protecting the rights of stakeholders and providing more information with transparency and reliability, while the second motive behind the

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company's use of social responsibility activities is to exploit the application of corporate social responsibility as a means or tool to cover or hide some negative practices, which may be, for example, hiding its practice of Earning management, which affects the quality of financial reports and thus provide Misleading information for stakeholders. Hence the problem of research is that companies that may use social responsibility in front of the media and society and hide (Window dressing) to improve their image behind it practice Earning management, i.e. using that responsibility opportunistically, may lead to misleading users of financial reports and achieving opportunism of financial reports, which has an impact on distorting the image of financial performance of companies and in under of the limited studies that deal with measuring the impact of social responsibility on Earning management practices in the Iraqi business environment, it can Formulate the research problem through the following question: **Is there an impact of the company's commitment to its social responsibility on reducing Earning management practices, which is reflected in financial performance?**

2- Research Objectives:

The research objective is achieved through the following subset of objectives:

A. Clarifying the importance of commitment to corporate social responsibility as one of the mechanisms that help companies fulfill their duties towards society and the environment.

B. Identify the motives of the companies to be studied to determine the extent to which they contribute to social activities.

C. c. Identify the role of social responsibility in reducing undesirable negative practices on the part of management and protecting stakeholders and thus achieving transparency of financial reporting.

D. d. Test the impact of commitment to social responsibility in joint stock companies on the reduction of Earning management practices.

E. The possibility of reaching results that can be used to demonstrate the impact of companies' commitment to social responsibility to reduce Earning management practices through an applied study on a sample of Iraqi banks listed on the Iraqi Stock Exchange.

3-The importance of research:

The importance of research from a scientific point of view is represented in the topic addressed by the research where a contemporary topic is exposed, there is a scarcity in the number of previous global studies that dealt with the impact of corporate social responsibility on Earning management practices, especially by application to the Iraqi environment, as companies are now in dire need of attention to ethical aspects and social responsibility, which contributes to improving the level of well-being of society and reducing economic problems such as unemployment, poverty and environmental pollution, especially after the emergence of the so-called "Ethics investor", which is Which means that the investor puts his money in the project that aims to serve the community and does not harm it directly or indirectly and its motives are ethical and its transactions are governed by ethics, and therefore the researcher tries to identify the motives of the practice of companies of the concept of social responsibility., and the extent to which the impact of the companies listed in the Egyptian Corporate Responsibility Index on the reduction of Earning management practices.

Practical importance of research: The study keeps pace with the growing interest on the part of both individuals, companies and society as a whole in activating the culture of social responsibility in order to achieve the benefit of the companies leading to them and on society such as taking into account human rights and values and ethics of society, compliance with laws, combating corruption, transparency, disclosure and protection of the rights of stakeholders, so clarifying the impact of companies' commitment to social activities practices on reducing Earning management practices will motivate companies to disclose more information about social responsibility, as Providing information on environmental and social activities as well as financial information will meet the requirements of all stakeholders and reduce conflicts of interest in order to achieve the quality of accounting Earnings and thus achieve transparency of financial reports and thus such research can provide good guidance to activate the role of corporate social responsibility in reducing Earning management practices.

4-Research hypothesis

In order to achieve the objective of the research, the researcher formulated the hypotheses as follows:

The main hypothesis of the research is (the practice of social activities in companies contributes to the reduction of Earning management practices and the improvement of financial performance) which branches into the following sub-hypotheses:

The first sub-hypothesis: There is no negative impact of the commitment to corporate social responsibility on Earning management practices.

Second sub-hypothesis: The relationship between social responsibility and Earning management practices does not affect financial performance

The second sub-hypothesis is divided into a set of hypotheses:

The first hypothesis: The relationship between social responsibility and Earning management practices does not affect the rate of return on assets.

The second hypothesis: The relationship between social responsibility and Earning management practices does not affect the rate of return on equity.

5-Search Limits

In under of the problem and objectives of the research, this study is limited to the following:

a) The research is limited to corporate social responsibility without touching on other topics and its role in reducing Earning management practices and the extent to which this reflects on two indicators of financial performance.

b) The application of the research is limited to a sample of 20 joint stock companies listed on the Iraqi Stock Exchange.

c) The applied aspect is limited to the financial periods from 2015 to 2020.

secondly : Review of previous studies

The researcher dealt with previous studies on the relationship between corporate social responsibility and the management of accounting Earnings and the researcher deals with the following the most important of these studies according to their historical sequence :

Kiattikulwattana 2014 study.,: The study aimed to examine the relationship between voluntary disclosure of social responsibility and Earning management practices by applying to companies listed on the Thai Stock Exchange, and the study found that there is no relationship between optional disclosure and the quality of Earning management (real Earning management and Earning management based on accruals).

Rahmawati and Dianita' , 2011 Study: The study aimed to study the impact of Earning management practices on corporate social responsibility and study the impact of the relationship between Earning management and corporate social responsibility on the company's financial performance in the future. Through the application to 27 industrial companies listed on the Indonesian Stock Exchange (IDX) during the period 2006-2008 and the independent variable Earning management was measured using the modified Jones model by optional receivables DACC and the dependent variable of corporate social responsibility was measured by using the social disclosure index or Social Responsibility CSRI The dependent variable was measured by the financial performance of companies (CFP) by the rate of return on assets (ROA) and the study reached a set of results, the most important of which are the following:

• Finding that Earning management practices have no impact on CSR activities

• Finding that the relationship between social responsibility activities and Earning management practices has an impact on the financial performance of the company.

Kim et al. 2012 Study,: The study aimed to examine whether socially responsible companies behave differently from other companies and whether they behave in a responsible manner to reduce Earning management and thus provide more reliable and more transparent information compared to non-socially responsible companies, by applying to a sample of US companies where they reached 18,160 views during the time period 1991-2005, and social responsibility was measured by the US KLD database, and Earning management was measured by the receivables method. Optional time, and in the way of actual activities to

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manage Earnings again. The study found that companies with social responsibility are less likely to:
. • Manage Earnings by optional Discretionary Accruals
• Manipulation of actual activities Discretionary Accruals
. • Violation of generally accepted accounting principles (GAAP)
• Be subject to examination by the US Trading Authority (SEC) by reissuing its financial statements.
The results of the study achieved the imposition of transparency of financial reports (i.e. a positive relationship between corporate social responsibility and the quality of Earnings).
study Jiang et al. 2013 : The study aimed to study the relationship between corporate social responsibility (CSR) and the quality of financial reporting by applying it to Chinese companies that comply with the requirements of disclosure of social responsibility. It was applied to a sample of 1,186 Chinese companies during the time period from 2009-2011, where the sample was divided into both state-owned enterprises and non-state-owned enterprises. Corporate Social Responsibility (CSR) was measured by social responsibility classifications. CSR – SCORE and measurement of Earning management by Discretionary accruals The study found that there is no relationship between CSR performance and Earning management at the sample level as a whole, but when dividing the sample into Chinese non-state-owned enterprises and state-owned state enterprises, Chinese non-state enterprises have shown a positive correlation between CSR performance and Earning management, consistent with the fact that private companies in China opportunistically use social responsibility activities for these activities, where in fact Window-Dressing is used for the purpose of improving the image of companies hidden behind this by misleading stakeholders and carrying out Earning management operations that may harm the interests of shareholders and other stakeholders.
Study Salewski & Zulch , 2014 : The study aimed to study the relationship between corporate social responsibility and the quality of Earnings, and in a more precise sense to study the relationship between corporate social responsibility, the level of Earning management, the level of accounting reservation and the quality of receivables. It was applied to a sample of 258 European companies that apply IFRS in the time period from (2005-2009) and corporate social responsibility is measured by CSR score classifications and three measures were used to manage Earnings: :(The level of accounting reservation and the quality of receivables and optional receivables) The study found that corporate social responsibility is positively related to the level of Earning management, moreover the study found that corporate social responsibility is negatively correlated with the level of accounting reservation and negatively with the quality of receivables.
study Ferrero et al., 2015 : The study aimed to analyze the relationship between the quality of financial reports and the quality of social responsibility information by applying to 747 views from non-financial companies during the time period from 2002-2011 from 25 countries, and the quality of financial reports was measured by three measures: accounting reservation, Earning management practices and the quality of receivables, that is, there is a positive relationship between the quality of financial information and the optional disclosure of social responsibility reports reports and the study concluded that the quality of financial information contained in the financial statements is positively related to the level of Quality of Social Responsibility Information .
Ko & Kim 2015 Study,: The study aimed at whether companies that make socially responsible investment SRI and whose shares are included in SRI Funds have the motivation to practice Earning management through a sample of companies listed on the Korean Stock Exchange from 2007 to 2011 and Earning management was measured by the revised Jones model. The study found that companies with socially responsible investment have the least Earning management and therefore provide high-quality reports compared to socially irresponsible companies.
Belgacem & Omri 2015 Study.,: The study aimed to explore whether optional social disclosure is related to the quality of Earnings or not, by applying to a sample of companies listed on the Tunis Stock Exchange amounting to 222 companies for a period of ten years 2002-2011 and to achieve the goal of the study the quality of Earnings was measured by four characteristics (Earning management, accounting reservation, suitability of value to Earnings, quality of receivables) The study concluded that disclosure of social performance is positively associated with Earning management and negatively with accounting reservation, which means that social disclosure does not Contributes to the quality of financial reports.
It is clear from the review of previous studies that they did not address the impact of corporate social responsibility on Earning management, and when dealing with the management of Earnings, it was measured through optional receivables or through actual activities, and it can be said that this research differs from previous studies in the following:
A. Most of the previous studies dealt with the relationship between social responsibility, financial performance and the cost of capital, but this research has studied this relationship with Earning management practices and the research is also based on the impact of social responsibility on Earning management practices and answers the question that has not been addressed by many studies, which is "Does the commitment to social responsibility contribute to restricting or hiding Earning management practices?"
B. 2 - The difference of the objective of the current study from the objectives of previous studies that dealt with the same topic, where the objectives of the study were to clarify the importance of the commitment of companies to their social responsibility and to identify the motives of the companies on which the study will be conducted to identify the extent of their contribution to the fulfillment of their social responsibility.
C. 3 - Measuring Earning management as a dependent variable through the Miller ratio in order to know the Ethics impact of corporate social responsibility.
D. 4- The difference in the applied study environment and the study sample may lead to different results from previous studies, where corporate social responsibility was measured by analyzing the informational content of the social responsibility report.
E. Limited previous studies that dealt with the impact of corporate social responsibility on Earning management in Iraq.

Second Theme: The theoretical framework of research
First: The conceptual framework of social responsibility
1.The concept of social responsibility
Several studies such as Elasrag., 2015: 1-13 (Argandona., 2006) have pointed to the multiplicity of terms associated with the concept of social responsibility and are used as synonyms, including:
Business ethics, Corporate citizenship, Corporate good governance, Corporate Social Accountability Stakeholder theory, Triple bottom line which refers to the combination of economic, environmental and social performance of companies, and the abbreviation ESG (i.e. environment, society and governance)
Despite the multiplicity of these terms, they ultimately focus on the contribution of companies in assuming their responsibility towards different stakeholders, and with regard to the concept of corporate social responsibility, there are many opinions that agree on the lack of a unified and comprehensive agreed definition as these definitions are characterized by ambiguity and different interpretations (Kansal et al., 2014).
A study (Beltratti, 2005) showed that the exact definition of the concept of corporate social responsibility is extremely difficult due to the multiplicity of its fields and the criteria for measuring its activities. The following are some concepts related to social responsibility that have been presented in a number of studies:
The World Business Council for Sustainable Development (WBCSD, 1999) defined social responsibility in business organizations as "the ongoing commitment of entrepreneurs to behave ethically, contribute to economic development and work to improve the quality of living conditions of the workforce and their families, as well as the local community and society as a whole."
The researcher points out that the previous concept pointed out that social responsibility reflects an ethical commitment of business organizations to society and there is an overlapping relationship between corporate social responsibility and business ethics, as ethical responsibility is the strength and basis of corporate social responsibility.

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Others have defined it as "referring to the voluntary contribution of the company to the achievement of sustainable development (Gamerschlag' et al. 2011)
It is clear from this definition that social responsibility is not limited to voluntary contribution but also includes commitment to mandatory social activities and that the main objective of social responsibility is to achieve sustainable development, a term based on three elements: environmental protection, economic growth and social justice).

2- Advantages of commitment to social responsibility
CSR is no longer only a competitive advantage for companies but where many benefits bring strategic necessity a real strategic necessity for stakeholders and specifically for shareholders, management, investors and customers. (Falkenberg&Brunsal,2011)
There are many advantages to the fulfillment of companies' social responsibility, including the following:
Improving the reputation and image of the company and retaining it as a mental image among its customers and employees as well as members of the community (Alsaadi et al., 2013)
Improving the competitiveness of the company (cost reduction, innovation and innovation) through the company's continuous commitment to ethical practices. (Hassan, 2013)
c. Improving the financial performance of the company by increasing productivity and thus increasing the volume of sales Some studies have found a positive effect of the company's social responsibility on improving its financial performance (Uadiale & Fagbemi, 2012)
d. The social performance of companies reduces the asymmetry of information as a study confirmed the existence of a negative relationship between them. (Cho et al., 2011)
C- - Maximizing the value of shareholders, raising the value of the company's shares and preventing the effects of tuberculosis .

3- **The relationship between corporate social responsibility and sustainable development**
The concept of social responsibility is related to the sustainability of companies and the need to raise awareness of the importance of environmental and social dimensions and the importance of these dimensions in achieving the sustainable development of economic units There are many companies that disclose their social responsibility in different terms where there are 14% of companies use the term corporate responsibility, 25% of companies use the term "corporate social responsibility" and 43% use the term sustainability (Huang & Watson , 2015)
The trend to adopt a sustainability report or what is known as a tripartite report is to include financial and non-financial information regarding the economic, environmental and social activities of companies (Meliji, 2014).
The trend towards disclosing sustainability reports is due to the increased awareness and awareness of stakeholders both inside and outside the company of issues related to sustainable development and its beneficial impact on the long-term economic performance of the company (Abdul Rahim, 2015).
The Global Reporting Initiative (GRI) has been released as an organization that develops the most widely used voluntary sustainability reporting frameworks in the world.In accordance with the fourth G4 version of the reporting framework developed by the Global Reporting Initiative, the principles of reporting are fundamental to achieving transparency in sustainability reporting and must therefore be applied by all organizations when preparing sustainability reports.
In under of the above, the researcher believes that social responsibility is a tool to achieve sustainable development, as social responsibility and sustainability are two sides of the same coin and both are variable and sophisticated.

Second: Earning Management
1. Definition of Earning Management
The definitions provided by the researchers on the term Earning management varied and numerous, as the accounting literature did not settle on a unified and agreed definition, which will become clearer when reviewing the different definitions of Earning management:
Some have defined Earning management as "deliberate interference in the external financial reporting process with the intention of obtaining certain private gains. (Schipper.,1989)
Others have defined it as "occurs when managers use personal discretion in the financial reporting process and in structuring processes with the aim of modifying the content of financial reports, either to mislead certain stakeholders about the economic performance of the company or to influence contractual results that rely on the stated accounting figures (Healy & Wahlen., 1999).
Some also argue that the concept of Earning management "encompasses a set of generally accepted accounting practices (GAAP), which represent ordinary or neutral accounting practices, some of which represent conservative accounting practices, some of which deviate from this framework and amount to arbitrary accounting practices, which are practiced for the purposes of recitation.
Others pointed out that Earning management "is a set of management decisions resulting from the management influencing the declared profit number in the short term, when management works to maximize Earning for its own benefit. (Ronen & Yaari.,2010)
The researcher believes that the management of Earning is carried out by the management in order to achieve self-gain or with the aim of misleading some stakeholders through the exploitation of the flexibility allowed by the management standards and accounting rules.
2-The most common Earning management practices methods
There are many common methods or practices of Earning management that can be mentioned as follows (Omar et al., 2014 & Rahman et al., 2013)
A - Cookie Jar Reserve Method
The Cookie Jar Reserve method deals with estimates regarding future economic events and this method of storing excess gains is called the "cake". In accordance with generally accepted accounting principles, management estimates and records future liabilities that result from events or operations achieved during the current financial period in accordance with the accrual basis of accounting, but there is always uncertainty regarding the estimation process. This method involves storing Earning by forming provisions and reserves in years when profitability is high, and using them to increase Earning in years when Earning decline in order to be used in the future and to compensate for any shortfall in Earning, and accounting estimates that can be used in the formation of Reserve Cookie Jar include estimating sales revenue, estimating collateral costs, estimating retirement expenses, estimating doubtful debts, estimating the percentage of completion of long-term contracts (Omar et al. 2014)
B- Big Bath Style
It is a method used when the company achieves some losses resulting from the structuring of operations in the company, the rescheduling of debts or the decay of assets and disposal of asset impairment and written down, in which case the management decides to get rid of all losses at once in the current period and that is best for them which enables to make Earning in subsequent periods. . (Omar et al., 2014)
C. Beg Bet on the future
The company is in a state of betting on the future when the company's acquisition of another company occurs, and Earning management can be exercised through this method by: (Rahman et al., , 2013)
1 . The company can eliminate R&D costs in exchange for making current Earning in the year of acquisition.
2. Upon the merger of the company with the parent company, the payment of Earning is received for the acquisition transaction.
D. Throw out A problem child
This method includes the estimates and judgments of the directors in the disposal of the group from one of its subsidiaries in the event that the losses of the subsidiary affect the Earning or financial results of the group and in order to achieve this can (sell the subsidiary, merge between small and medium subsidiaries, create a special purpose entity.. (Omar et al., 2014)
D. Use of Derivatives Technique
The company's management can use derivatives or financial instruments that derive their value from the value of other real or financial assets as a Earning management tool, and financial derivatives are used to hedge against future trading risks such as fluctuations in exchange rates and

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market volatility (Omar et al. 2014.P91) (Rahman etal.,2013).

E. Depreciation' Amortization and Depletion

This method involves the use of personal judgments of management, which are the estimation of methods for calculating depreciation, estimating the shelf life of a fixed asset, and estimating the value now.

F-Early Payment For debts

This method involves management Earning management by selecting the financial accounting period during which the early repayment of debts is made and the gain or loss is achieved when the company makes early payment of cash minus the book value of the debt (bonds), and the resulting Earning or losses are recorded as an unusual item in the income statement.

3. Models for measuring Earning management practices

There have been many studies that have dealt with quantitative models for the discovery of Earning management practices according to a study (Marai & Pavlovic., 2013) such as the model (Healy.,1985 & DeAnglo.,1986), the model (Jones., 1991) and the modified Jones model 1995 model (Miller Ratio., 2007) where measuring the phenomenon of Earning management is the beginning of treatment, and addressing this phenomenon from the point of view of applying the logic of prevention is better than cure.

Before reviewing Earning management discovery models, it is necessary to clarify in advance the types of accruals that arise from the accrual basis of accounting, where the value of total accruals is determined by the difference between net profit and cash flows from operating activities and accrual accounts are divided according to the possibility of discovering Earning management practices into two types: (Al-Rashidi, 2010).

A- Ordinary accruals (Regular) :

It is the resulting part of real operations, that is, it arises as a result of the normal activities of companies and is measured by specific criteria and without deliberate interference by management and is therefore mandatory accruals .

B. Extraordinary accruals (Unregular) :

It is the resulting part of the accounting operations carried out by management and the result of the management's use of the flexibility available in accounting standards and the freedom to use available accounting estimates such as (estimating the productive life of fixed assets, estimating the timings of recognition of revenues, expenses, assets and liabilities) or choosing a particular accounting policy or changing the accounting policies and methods used.

Accrual accounts are divided according to the associated accounting period into current or short-term accrual accounts sometimes called "Working Capital Benefit Accounts", and non-current or long-term accrual accounts.

The researcher reviews some models that help to discover that the company's management practices Earning management:

A- Models assuming the stability of the Ordinary accruals (Regular)

1 - Model (Healy, 1985)

According to this model, receivables are divided into optional accruals and mandatory receivables. The optional accruals are seen as determining the degree of Earning management, as they are measured by the total receivables divided by the total assets at the beginning of the period. Thus, this model assumes the stability of the compulsory accrual, which is expected to be equal to zero. Healy model takes the following form : -

$NDA = \Sigma TA/N$

$DAt = (tAt - DNAt)/At-1$

Whereas DNAt: Compulsory Maturity in Period T , : TAt total accrual in period T , n : number of years , DAt: Extraordinary accruals in period t , At-1: Total assets in the previous period (t-1).

2 - Model (De Anglo, 1986)

By measuring the model (De Anglo, 1986) the change in the total accruals during two periods divided by the total assets and if the difference between the total accruals in the current period and the previous period is zero, which means that there are no earnings management practices.

The following equation expresses this model:

$EDAC\ It = (Tacit - Tacit-1) / Ait-1$

Where EDAC It: Estimated voluntary accruals for the period , Tac it : Total accrual in the current period , A It-1 : Total assets at the beginning of the period , Thus, Healy's model assumed that any change in the size of the total accruals is entirely due to the voluntary accrual, which means the existence of companies' practice of Earning Management.

B- Models based on estimation Extraordinary accruals (Unregular) :

1- Model (Jones, 1991)

This model represents a development of the previous two models, as it differs from the previous two models in assuming that the non-optional accruals are not fixed over time, so this model begins with an estimate of the compulsory accrual, and then the voluntary accrual is estimated, which represents the difference between the total accrual and the compulsory accrual, and he explained (Hussein , 2015) that the Earning management measurement according to this model suffers from a fundamental shortcoming, which may negatively affect the results. The model takes the following form:-

$NDAt = \alpha(1/At-1) + \beta\ (\Delta\ REVt/ At-1) + \gamma\ (PPEt/ At-1) + Et$

$Dtt = (TAt) - NDAt$

whereas NDA: Compulsory vesting in period t , α: fixed amount at maturity , , At-1 total assets in the previous period (t-1) , β : first regression coefficient , Δ REV: change in revenue in period t , Y : second regression coefficient , PPEt : depreciable fixed assets in period t , Et : the amount of random error in period t , DAt: Extraordinary accruals in period t , tAt : Total accrual in the period .

We find that the Jones model 1991 assumed a set of variables that represent the economic conditions of the company, i.e. affect the size of the mandatory accrual, namely (change in revenues, depreciable fixed assets), and thus the model assumed that all changes in forward sales are from the accounts of mandatory accrual and that it cannot be exercised Profit manipulation by forward sales.

2- Model Dechow , 1995 (Modified Jones 1995)

Dechow , 1995 modified the previous Jones 1991 model, as this model assumes that all changes in forward sales during the study period arise from Earning management practices, because it is easier to manage Earnings through forward sales than it is to manage Earnings through cash sales, This may be done through (management by management in the timing of recognizing future sales or recording fictitious future sales) and the modified Jones model takes the following formula:

$NDAt = \alpha\ (1/At-1)\ \beta\ (\Delta\ REVt - \Delta\ RECt) / At-1) + \gamma\ (PPEt/ At-1) + Et$

$DAt = (tAt/ At-1) - NDAt$

whereas RECt represents the change in net debt account in period t, the rest of the variables, as in the modified Jones model , Thus, the amendment included in this model from the 1991 Jones model is nothing but an amendment represented in subtracting the change in debtors from the change in sales. And keep the item of depreciable assets as they are.

3- Miller's 2007 model

It is one of the models that focused on the short-term accrual (working capital accrual), where the total receivables are divided into long-term accruals (deferred depreciation and taxes), and short-term accruals (such as the change in receivables, the change in inventory and the change in creditors).

Thus, through the Miller ratio, it is possible to know the extent to which the administration uses the accrual to manipulate Earnings in the short term through the change in the elements of current assets and liabilities, and thus the Miller ratio studies the relationship between the change in working capital as an element subject to manipulation and the cash flow from operating activities as an element that is not subject to manipulation, Whenever the value of the ratio is equal to zero, this indicates that there is no manipulation of Earnings. But if this value changes from zero, this indicates the possibility of Earning management practices. The model takes the following form:

1- In the absence of a Earning management, it can be expressed as follows:

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(▲ WC / CFO)t-o – (▲ WC / CFO)t-1=0

2- In the case of Earning management, it can be expressed as follows:

(▲ WC/CFO)t-0 – (▲ WC/CFO)t-1 ≠ 0

Where it indicates ▲ WC refers to the change in net working capital , CFO to cash flow from operating activities.

Which means that whenever the Miller ratio differs from zero (either negative or positive), this is an indication of manipulation in the profit numbers prepared according to the accrual basis.

From the above, it is possible to analyze and evaluate the models that dealt with the discovery of Earning management practices, and from the previous presentation it was found that there are models that assumed the stability of voluntary accrual (De Anglo, 1986) (Healy, 1985) and they are described as unrealistic, as they do not take into account the growth of the company's business volume And the nature of the industry in which the company operates and the general economic conditions, as (Hussain, 2014,) believes that these models are among the simplest models for measuring Earning management, but their failure to take into account the normal economic conditions of the company, which are dominated by fluctuation and continuous change, which affect the non-discretionary benefits, It includes a high amount of measurement errors, which constitutes one of the constraints that negatively affect the accuracy of the results of these models, and models assumed the discretionary accrual estimate (Jones., 1991) (Jones modified 1995), where the Jones model relied on the use of total revenues and total fixed assets to identify On the existence of Earning management practices, while the modified Jones model differed from the Jones model in that the future income is among the components of voluntary accruals and Miller's model relied on short-term accrual (working capital accrual) and in under of The previous analysis of the discovery models for Earning management, the researcher will use the Miller ratio model as a measure of Earning management practices, for the ease of calculating this ratio, as the Miller ratio is based on calculating the change in net working capital as an element exposed to manipulation and the net cash flow from operating activities as an element less vulnerable to manipulation, Then calculating the change in this ratio between the current period and the previous period, as indicated by - the researcher agrees with (Al-Dawari , 2012) with the validity of Miller's model to detect Earning management practices compared to other measurement models for the following reasons:

1. The practice of Earning management by the management of the business unit will be directly reflected on the elements that make up the working capital, because the focus of management when carrying out these practices is mostly related to the use of short-term accrual, which is easier for management.
2. The dependence of the Miller Ratio on cash flows from operating activities as a governing factor ensures accuracy of measurement, as it is less susceptible to manipulation or earnings management practices.
3. The Miller ratio is fairly easy to calculate compared to other models for measuring Earning management practices, so it is considered a practical tool for measuring and detecting such practices.
4. Other Earning management practices measurement models do not control the management of real Earnings, as those practices, whether accounting or real, are equally reflected on the components of working capital.

4- The role of social responsibility in reducing Earning management

In this part, the researcher addresses an important question: Can corporate social responsibility be used as a means to reduce profit manipulation and thus achieve the quality of financial reports? The researcher believes that to answer this question, it is important to mention the motives behind the practice of corporate social responsibility, and there are two main motives as an indicator for judging the relationship between corporate social responsibility and Earning management practices, as follows:

- The first motive: is the Ethics motive or (the strategic motive)
- The second motive: is the opportunist motive.

The researcher will deal with an explanation of the Ethics motive and the opportunistic motive and the impact of that motive on the quality of financial reports as follows:

A - Ethics motive

The motive for the company's practice of its social responsibility is a Ethics one, that is, the use of the company's social responsibility activities is based on a commitment to business ethics towards internal and external stakeholders and avoiding harming any class of society, and according to this Ethics motive, companies that adhere to their social responsibility seek through This drive is to improve their reputation and achieve growth in their sales, and the managers of these companies have an ethical obligation to make responsible business decisions and care for all stakeholders and are likely to have significant integrity in financial reporting by working to provide a sound financial report This leads to high-quality Earnings (Belgacem & Omri., 2015)

The following is an analysis of the moral motive, through scientific evidence, as follows: In line with the agency theory, the main reason for the company's use of Earning management practices is (conflict of interests between owners and management), which results in the emergence or exacerbation of agency costs (Wu et al., 2015)

Since the concept of social responsibility seeks to achieve balance and harmony among all stakeholders, the commitment of companies to their social responsibility was the solution to reduce agency problems, especially the conflict between shareholders and other stakeholders, as the company's practice of its social activities is the way to develop and manage its relationship with the company's stakeholders in an ethical manner (Mohamed et al., 2014)

Thus, we can say that companies that disclose their social practices are less motivated by Earning management (Scholtens & Kang., 2013)

Based on what was presented in the above, it becomes clear to us that through the moral motive, socially responsible companies have less possibility of implementing any unethical practices such as Earning management practices (Ferrero, et al., 2015).

The commitment to the company's social responsibility contributes to the reduction of Earning management practices and its reflection on the quality of financial reports, as companies that enjoy a high level of commitment to social responsibility are characterized by being less inclined to Earning management practices and enjoy a higher quality of receivables, which achieves a higher quality of financial reports, and that Compared to companies that are less committed to their social responsibility, therefore, users of financial statements tend towards companies that meet their social responsibility (Choi & Pae., 2011) (Hong & Andersen , 2011).

It can be said that from an ethical perspective, socially responsible companies that provide disclosures about their social performance will be less inclined to manipulate Earnings, thus achieving transparency in their financial reports. (Linthicum et al., 2010) (Rezayi & Hadizade., 2013)

In the end, it results from achieving this ethical approach that there is a positive relationship between corporate social responsibility and the quality of Earnings (i.e. a negative relationship between corporate social responsibility and Earning management practices) and achieving the imposition of transparent financial reporting (Kimet.al., 2012) (Yip,2011) (Hong and Andersen,2011) (Darabi & Mahmoodi,2014)

The researcher believes that corporate social responsibility plays an important role in limiting Earning management practices, and therefore it is considered an important factor in increasing the confidence of the various parties in the information contained in the financial statements, in under of the ethical commitment to corporate social responsibility.

B - opportunistic motive

On the other hand, what we have previously mentioned about the moral motive, the trend towards investing or reporting on social responsibility activities does not necessarily result in achieving a high quality of financial statements, as it is possible that behind this trend lies an opportunistic motive, for example to cover Earning management practices (Jiang et al. al., 2013). (Salewski & Zulch.,

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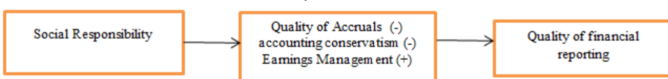
2014)
The motivation towards environmental and social commitment depends on the intentions and intentions of managers and their goals behind this commitment. Thus, managers of socially responsible companies do not always reflect their good intentions, as in fact some socially responsible companies hide behind this "good image" their unethical business practice. The financial scandals that affected the bankruptcy and collapse of multinational companies, despite their classification as "socially responsible companies," which is a testimony to the fraudulent accounting practices practiced by these companies, and thus to complement the presentation of the motives behind the adoption of companies to their social responsibility, it becomes clear to us There is another motive, which is the opportunistic motive. This motivation is based on the opportunistic use of social responsibility, as management may resort to social responsibility practices to give priority to its own benefits over achieving the goals of the interests of the company and its relevant stakeholders (Belgacem & Omri., 2015).
In confirmation of the above, some indicate that corporate social responsibility is the result of the problem of the principal (stakeholders (and the agent (management)), where the management as an agent uses CSR as a tool to achieve its own benefits (increasing compensation for managers, protecting and securing their positions, resolving disputes between stakeholders) To disguise Earning management practices that cannot be sustained over time, agency theory thus suggests that CSR is a product of managers' self-interest (Belgacem & Omri , 2015) (Kimet.al.,2012)
Therefore, it can be argued that profit manipulation may be a motive for managers to report and disclose corporate social performance, as corporate social responsibility may be used to cover opportunistic socially irresponsible behavior (performing earnings management practices) and affecting the real situation of the company (Muttakinet et al. ,2015) (Chih et al., 2008)
Therefore, managers resort to abusing corporate social responsibility to hide the decline in the quality of Earnings, to distract and compensate stakeholders for undesirable accounting methods and methods, to conceal their opportunistic behavior, to affect their vision of the real situation of the company, to distract attention from any activity that may reduce the quality of financial reports, to protect and secure their jobs, to increase their compensation and to increase Loyalty and Customer Satisfaction (Gargouri., 2010)
The following is an explanation of the impact of the opportunistic motive for companies adopting their social responsibility on the quality of financial reports.

the Form (1)
The role of social responsibility in achieving the quality of financial reports



From the previous figure, it is clear to us the relationship between the commitment of companies to their social responsibility and the quality of financial reports (FRQ), which is used to measure three measures: the level of Earning management, the level of accounting reservation and the quality of receivables, where this study concluded that there is a positive relationship between the company's social responsibility and Earning management practices, that is, the higher levels of Earning management in companies with social responsibility and negative with accounting reservation, i.e. less use of conservative policies and less disclosure of bad news, compared to companies less in the world. Its social responsibility and negatively with the quality of receivables, which ultimately reflects on the decrease in the quality of financial reports which confirms that social responsibility practices are used to hide opportunistic behavior (Salewski & Zulch., 2014) (Ferrero, et al., 2015)
This contradicted what others (Pyo & Lee, 2013) (Choi&Pae.2011) (Kim, 2012) pointed out where they found a positive correlation between corporate social responsibility and the quality of Earnings.
It can be said that from an opportunistic perspective, socially responsible companies use the disclosure of their social activities as a means of decorating and beautifying the image of the company Window-dressing, which gives the impression of their practice of ethical behavior towards stakeholders, but in fact they take it as a cover behind which they hide unwanted negative practices (manipulation of profits). (Hemingway & Maclagan.,2004)
In the end, the realization of the opportunistic perspective will lead to a positive relationship between social responsibility and Earning management, thus achieving the imposition of opportunism of financial reporting. (Financial Reporting Opportunistic) (Belgacem&Omri.,2015) (Ferrero, et al., 2015) (Kim et al., 2012)
The researcher believes that the use of corporate social responsibility to hide its manipulation of profits in under of the opportunistic motivation X leads to a decrease in the quality of profits and the provision of less transparent and reliable information and misleading and deceiving stakeholders by drawing a false picture of the real situation of the company.
In the same vein, too, some have sought to explain the two-way relationship of CSR and Earning management practices, where it has been concluded that there are two motives behind the use of CSR activities, which are ethical and opportunistic by testing two hypotheses: (Scholtens & Kang, 2013) (O'Dwyer, 2013).
The impact of CSR on Earning management practices In this case if the commitment of companies to their social responsibility limits Earning management practices then social responsibility here is used to reduce Earning management (ethical motivation).
B- The impact of Earning management on social responsibility where if the increase in Earning management practices increases the company's participation in social responsibility activities, then here the company's social responsibility is used to hide Earning management practices (opportunistic motive)
Thus, we find that the recourse of companies to social responsibility practices may not separate, terminate or deduct from Earning management practices.

Third: Social Responsibility and Corporate Financial Performance

Many studies have dealt with the study of the relationship between corporate social responsibility and financial performance, and the results of these studies have reached the identification of trends of this relationship, which may follow one of the following three directions:
1- Positive trend: This trend is supported by: (Uadiale &Fagbemi,2012) (Özçelik et al , 2014) (Ahamed et al.'2014). This trend is based on the existence of a positive relationship between the performance of companies for social responsibility activities and their financial performance, and the interpretation of this relationship is as follows: (Özçelik et al , 2014)
A- Investing in social activities brings many financial benefits that exceed the cost of them, i.e. achieving financial profits and these benefits are represented in (improving the productivity of employees, enhancing the reputation of the company, improving the relationship between the company, investors and the government) which benefits them.
B- The fact that companies perform social responsibility activities means that they possess superior resources and possess efficiency in the use of those resources, which is reflected in improving their financial performance.
C- Good social performance is considered as a deterrent to the financial performance of business enterprises, as they reduce the likelihood of low financial performance and increase the chances of its rise (Al-Awaji, 2013)
1. Negative trend: This trend is supported (Al-Awaji, 2013) (Mustafa, 2013) (Uadiale & Fagbemi, 2012) This trend is consistent with the existence of a negative relationship between CSR and financial performance, and also justifies a negative correlation on the basis that investing in social responsibility leads to the company incurring additional costs such as (improving the conditions of employees, or providing environmentally friendly products, charitable contributions) which affects its competitive position compared to companies that are less committed to their social responsibility.

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2. Neutral direction: This trend is supported. (Nilipour & Nilipour' , 2012) This trend explains the absence of a negative or positive relationship between social performance and financial performance based on the idea that the relationship between corporate social responsibility and financial performance is complex due to the diversity of methods and variables used. 21.5% support the negative relationship (CFP) and (CSR) and (13%) decide in a neutral direction.

Some have tended not only to study the direction of the relationship (positive, negative, neutral) but also to explain the direction of the causal relationship between the two variables, where the direction of the causal relationship between social performance and financial performance has been divided into two groups: This can be illustrated through the following table: . (Abulezz., 2015)

Table (1)
Interpret trends in the relationship between social responsibility and financial performance

The first group	the second group
Social performance leads to financial performance CSP leads CFP	Financial performance leads to social performance CFP leads CSP
Both groups include hypotheses from the same direction as the causal relationship between social performance. The financial performance, but they differ in the type of relationship between them, which are as follows:	
social impact hypothesis	The Rare Resources Hypothesis
It is based on the rationale on which social responsibility companies are based is to serve all stakeholders, which increases customer loyalty and enhances the company's reputation, which positively affects its profitability, and here is the positive relationship between social performance and financial performance..	This assumption is explained by the fact that companies with distinct resources are able to invest in environmental and social activities. This is where the relationship is positive.
2- trade-off hypothesis	the managerial opportunism hypothesis
It is based on the fact that the companies' practice of their social activities requires spending from the company's resources, which consumes the company's economic resources, which ultimately leads to a decrease in profits and the wealth of shareholders.	This hypothesis refers to the opportunistic behavior of management in the case of good financial performance of the company, as it reduces expenditures on social and environmental activities and then increases profits in order to achieve the maximum return from their compensation.

Based on the foregoing, the researcher believes that the multiplicity of assumptions that explain the trends of the relationship between social responsibility and financial performance results in a difference in determining the type of relationship between social performance and the company's financial performance. Conclusive, and most of these studies found a positive correlation between social performance and corporate financial performance. The positive impact of companies' commitment to their social responsibility on financial performance is dependent on the decline in Earning management practices in companies, as there is a positive relationship between social responsibility and future financial performance in companies. Which declines have earnings management practices.

In line with this, some have emphasized that the positive effects of CSR on its financial performance persist in the long run as long as CSR practices are accompanied by sufficient strength (good governance systems) to control opportunistic or willful behavior by managers (O'Dwyer' , 2013)

The third axis: the applied study of the research

First: Description of the community and sample of the research

The research aims to study the relationship between the social responsibility of joint stock companies on Earning management practices" and whether companies that practice social responsibility activities behave responsibly to restrict and limit Earning management practices, compared to companies that do not practice social responsibility activities, the study community includes 42 joint stock companies listed on the Iraqi Stock Exchange within the banking sector during the period from 2015 to 2020. The study sample included time series data with a cross section time series for 20 banks and accordingly the total views of the study sample are 120 views and the researcher chose the research sample according to the following conditions:

1. The annual financial statements shall be prepared at the end of January of each year in order to achieve the possibility of achieving comparison.
2. The annual financial reports of these companies during the study period should be available regularly from 2015 to 2020.

In order to achieve the goal of the research, the researcher has formulated the research hypotheses as follows:

1- Hypothesis 1: There is a negative impact of commitment to corporate social responsibility on Earning management practices.

2- The second hypothesis: The relationship between social responsibility and Earning management practices affects financial performance.

The second sub-hypothesis was divided into the following:

A. First sub-hypothesis: The relationship between social responsibility and Earning management practices affects the rate of return on assets.

B. Second sub-hypothesis: The relationship between social responsibility and Earning management practices affects the rate of return on equity.

Second: Measuring variables

Through the researcher's presentation of the variables of the study, the methodology used to measure them is as follows:

1. Independent Variable Corporate Social Responsibility (CSR): Socially Responsible Companies are companies that disclose their social activities during the time period of research and thus companies with social responsibility and non-social responsibility were expressed as a delusional variable Dummy Variable where (1) were given to companies with social responsibility, etc. (0)

2. Intermediate variable M Raito: It expresses Earning management practices and is measured using the model (Miller) which is the difference between the change in net working capital and net cash flow from operating activities, then the change in this ratio is calculated in the current period from the previous period, and can be expressed as follows: -

• In the absence of Earning management and can be expressed as follows:

$(\blacktriangle WC / CFO)t\text{-}o - (\blacktriangle WC / CFO)t\text{-}1=0$

• In the case of Earning management and can be expressed as follows:

$(\blacktriangle WC / CFO)t\text{-}0 - (\blacktriangle WC / CFO)t\text{-}1 \neq 0$

This means that whenever Miller's ratio differs from zero (either negative or positive) it is an indication of a manipulation of profit figures prepared according to the accrual basis.

3. Dependent variable financial performance (rate of return on assets ROA and rate of return on equity (ROE): a measure that expresses the financial performance of a company.

Third: Testing hypotheses and analyzing the results

In this part the following hypotheses will be tested:

First hypothesis test: There is no negative impact of commitment to corporate social responsibility on Earning management practices.

To test the relationship between social responsibility compliance (independent variable) X1 is a descriptive variable that takes the value of one if the enterprise is included in the social responsibility index, and takes the value zero otherwise) and between Earning management practices (dependent variable) Y (a quantitative variable which is the Miller ratio, after taking the absolute value of the Miller ratio), and in the case where the independent variable is descriptive and the dependent variable is quantitative, the appropriate test is the T test for two independent samples T Test and by applying this The test on the study

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data came out of the results as shown in the following table:

Table (2)
Testing the relationship between social responsibility and Earning management

Social Responsibility		mean	standard deviation	standard error
0	Companies that do not disclose social activities	4.16	9.46	1.129
1	Companies that disclose social activities	1.38	2.57	.632
F . test		9.977	P*	0.002
T test in case of homogeneity		2.695	P	0.008
T test in case of heterogeneity		2.402	P	0.019

*significant level

The F-test value of Levene's Test for Equality of Variances was 9.997 with a significant level of 0.002, which indicates the rejection of the null hypothesis, meaning that the two samples are not homogeneous. Equal Variance not assumed, which amounted to 2.402 with a significant level of 0.019, which indicates the rejection of the null hypothesis with equal mean of the two samples, and acceptance of the alternative hypothesis, that is, there are significant differences between the means of the two samples. Looking at the means of the two samples, we find that the average percentage of companies that did not practice social responsibility activities is 4.16 With a standard deviation of 9.46, while this percentage of companies that practiced and disclosed social responsibility activities decreased to 1.38, with a standard deviation of 2.57. To accept the researcher's first hypothesis, and thus it becomes clear to us that companies with social responsibility are less inclined to use Earning management.

The results we have reached confirm that the commitment of companies to their social and ethical responsibility is positively reflected in their level of performance, as they behave in a responsible manner to limit Earning management, thus achieving transparency of financial reports and providing more transparent and reliable information for stakeholders and not harming the interests of the parties involved with them. Compared to socially irresponsible companies.

Second hypothesis test: The relationship between social responsibility and Earning management practices does not affect financial performance.

This hypothesis is divided into:

The first sub-hypothesis: The relationship between social responsibility and Earning management practices does not affect the rate of return on assets.

Second sub-hypothesis: The relationship between social responsibility and Earning management practices does not affect the rate of return on equity.

To test this hypothesis in its first and second branches, path analysis was used, as social responsibility affects Earning management practices, which in turn affects financial performance represented in both the rate of return on assets and the rate of return on equity, and from here it turns out that social responsibility is an independent variable. It directly affects earnings management practices, and it also affects financial performance indirectly through its impact on earnings management practices. Earnings management practices are considered an intermediary variable, they are affected by social responsibility, and they also affect financial performance represented by the rate of return on assets, and rate of return on equity. While the variables of financial performance are dependent variables as they are affected by social responsibility and Earning management practices, and in the end there is also a direct impact of social responsibility on financial performance. To test this hypothesis, the Path Analysis method is used, and the following table shows the estimated parameters of the path analysis model for the impact of social responsibility on financial performance through its impact on Earning management.

Table (3)
Estimated Parameters of the Path Analysis Model for the Impact of Social Responsibility On financial performance through its impact on Earning management

P	C.R	S.E	Estimate	Variables	
.004	-2.876	.353	-1.016	CSR	Y
***	18.276	.360	6.581	e_3	Y
.045	-1.460	.079	-.128	Y	X1
.011	-1.508	.015	-.160	Y	X2
***	18.276	1.298	23.719	e_1	X1
***	18.276	1.465	26.773	e_2	X2
.284	1.071	1.305	1.397	CSR	X1
.043	2.020	1.473	2.976	CSR	X2

*** Significance level is less than 0.001

Where (CSR) represents social responsibility, Y represents Earning management practices, X1 represents rate of return on assets, X2 represents rate of return on equity (e_1 - e_2 - e_3) random error.

From the table it is clear that:

1- The negative impact of CSR on Earning management practices Y reached this effect (-1.016), which means that the companies listed in the Social Responsibility Index reduce the proportion of Miller, which represents Earning management practices by value (-1.016), which means that they limit Earning management practices, and the significance of this effect has been proven as it reached the level of morale (0.004).

2- The negative impact of Y Earning management practices on both the rate of return on assets X1 and the rate of return on equity X2, where this effect reached (-.128) (-.160) at a significant level (.045) and (.011) respectively, which indicates the significance of those effects.

3- The positive impact of social responsibility on the rate of return on equity X2, where this effect reached (2.976) at a significant level (.043), which indicates the morality of this effect.

4- The positive impact of social responsibility on the rate of return on assets X1, where this effect reached (1.397) but this effect is insignificant as it reached a significant level (.284), which indicates the insignificance of this effect.

As for the direct and indirect effects of the impact of social responsibility on the return on assets, the following are evident:

1. The direct impact of social responsibility on the rate of return on assets equal to (1.397) which is the value on the share of the social responsibility of the rate of return on assets.
2. B. Indirect impact of social responsibility on the rate of return on assets = Impact of social responsibility on Earning management × Impact of Earning management on the rate of return on assets (-1.016 ×-.128 = 0.130).
3. c. The overall impact of social responsibility on the rate of return on assets = direct impact indirect impact (1.397 + 0.130 = 1.527)

As for the direct and indirect effects of the impact of social responsibility on the return on equity, the following are evident:

1. The direct impact of social responsibility on the rate of return on equity is equal to (2.976) which is the value on the share of the social responsibility of the rate of return on equity.
2. The indirect impact of social responsibility on the rate of return on equity is equal to the effect of social responsibility on Earning management ×the effect of Earning management on the rate of return on equity (-1.016 × 0.160-= 0.163)
3. The overall impact of social responsibility on the rate of return on equity = direct impact + indirect impact (2.976 + 0.163 = 3.139)

The table below summarizes the direct and indirect effects of social responsibility on the financial performance of the economic units of the research sample:

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Table (4)
Direct and indirect impact of social responsibility on the financial performance of the economic units of the research sample

The impact of social responsibility on :	Direct Effect	Indirect Effect	Total Impact
Rate of Return on Assets	1.397	0.130	1.527
Rate of Return on Equity	2.976	0.163	3.139

From the above we conclude that the relationship between social responsibility and Earning management has a moral impact on financial performance, leading to the acceptance of the second hypothesis of the researcher.

Fourth Theme: Conclusions and Recommendations
In explanation of the above, the researcher concludes that there is an indirect impact of social responsibility on financial performance, where social responsibility negatively affects Earning management practices, which negatively affects the financial performance of the company, which leads to weak financial performance of companies in the long term, and the direct impact of social responsibility on performance turned out to have a positive impact on financial performance, which means improving financial performance, so the end result of the impact of corporate social responsibility on financial performance was positive and is a logical result, where it turns out One of the results is that social responsibility serves as a remedy to reduce the negative repercussions of Earning management practices which in turn harm financial performance, which means that Earning management practices affect the relationship between social responsibility and the financial performance of the company.
In the under of the findings reached and the relevant conclusions, the researcher recommends the following:

1. Follow up the commitment of companies to social responsibility, in order to ensure continuity, as it was clear from the results that some companies that practice social responsibility activities, but do not disclose them independently in their annual reports.
2. Obliging companies to respond and adopt social responsibility and promote what serves Community.
3. The importance of the response of the departments of companies to the laws related to the environment and taking into account the non-conduct of unsafe activities that may threaten public health and safety, and the need to adopt policies that encourage these companies.
4. Companies improve their contributions to development by working to improve the level of society, in a manner that serves stakeholders and serves development at the same time.
5. Work to provide the necessary accounting information related to the aspect of social responsibility classified according to the social activities provided by companies to various groups in society.
6. Obliging companies to publish annual reports that include information on their social responsibility with annual financial reports in order to achieve integration between financial performance, environmental performance and meeting.

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