Deanship of Graduate Studies

Al-Quds University

The Effect of Creating Shared Value on Corporate Performance in Companies Listed on the Palestine Exchange

Amani Subhi Fares Ashhab

M. Sc. Thesis

Jerusalem – Palestine

1446 – 2024

The Effect of Creating Shared Value on Corporate Performance in Companies Listed on the Palestine Exchange

Prepared by: Amani Subhi Fares Ashhab

B.Sc: Hebron University, Palestine

Supervisor: Dr. Tariq Salama K. Darabee

A thesis submitted in Partial fulfillment of requirements for the degree of Master of Accounting & Taxes / Al-Quds University

1446 – 2024

Al-Quds University
Deanship of Graduate Studies
Master of Accounting & Taxation

Thesis Approval

The Effect of Creating Shared Value on Corporate Performance in Companies Listed on the Palestine Exchange

Prepared by: Amani Subhi Fares Ashhab
Registration No: 22011964
Supervisor: Dr. Tariq Salama K. Darabee

Master Thesis submitted and accepted, Date: 11/09/2024
The names and signatures of examining committee members are as follows:

1- Head of Committee	Dr. Tariq Darabee	Signature: .....
2- Internal Examiner	Dr. Ibrahim Ateeq	Signature: .....
3- External Examiner	Dr. Saher Aqel	Signature:

Jerusalem – Palestine

1446 – 2024

DEDICATION

To the soul of my beloved father, who has departed in body but whose spiritual presence fills my life,

To the one who supported me at every step, and whom I see in my dreams as a source of encouragement and support,

To the one who gave me unconditional love and continuous support, thank you for everything you have given me.

I dedicate this work to your cherished memory, and to my soul that feels your constant presence. Your memory will remain eternal in my heart and mind.

To my dear mother, who stayed up countless nights and sacrificed everything so I could reach where I am today,

To the one who taught me the meaning of dedication and perseverance, and who has always been by my side in every moment of my life.

I dedicate this work to you, thanking you for everything you have done for me, for every moment of support and assistance. You are the reason behind every achievement in my life, and your love is my greatest motivation.

To my dear husband, Abu Najmuddin, who has been my true support throughout every stage of this journey. Thank you for your dedication and invaluable support, which had the greatest impact on achieving this accomplishment.

To our beloved children, Najmuddin and Fajraldin, who have been my source of inspiration and joy, and to my darling little Layal, who has given me strength and hope in every moment.

I dedicate this work to you all, in appreciation of your limitless support and love, your patience, and understanding. You are behind every success achieved, and your love is my greatest motivator to continue and strive for more accomplishments.

To my dear brothers, Osama, Anas, and Muhannad, who have been my friends and supporters at every step.

To those who shared my journey of success with sincere hearts, and provided me with unwavering encouragement and love.

I dedicate this work to all of you, as a token of my gratitude for every moment of support and companionship.

To my dear sisters, Inas and Manar, whose generosity and support have been a source of inspiration and strength.

To those who shared every moment with me and stood by my side with their deep understanding and support.

I dedicate this work to both of you, in appreciation of every moment of support and understanding, and for your love that has been the driving force for me to achieve this

accomplishment. You are the light and support of my life, and I will always be grateful for your endless support.

To my dear friends and relatives, who have been my partners in life's journey and provided me with encouragement and assistance at every stage.

I dedicate this work to all of you, thanking you for your sincere love and continuous support. You are the light that illuminated my path, and your presence was a motivator for me to achieve this accomplishment. I cannot express enough my gratitude for everything you have given me.

To my respected thesis supervisor, Dr. Tarek Al-Baradie, whose guidance and direction were invaluable throughout the research and writing process, thank you for your commitment and dedication in supervising my work, and for the valuable advice and expertise that were essential to completing this project.

To Al-Quds University, the institution that provided me with the ideal academic environment to achieve this accomplishment,

To the academic beacon that supported and embraced me throughout my academic journey,

I dedicate this work in appreciation of your esteemed institution, which has been a lighthouse of knowledge and education.

Amani Subhi Fares Ashhab

DECLARATION

I Certify that this thesis submitted for the degree of Master is the result of my own research, except where otherwise acknowledged, and that this thesis (or any part of the same) has not been submitted for a higher degree to any other university or institution.

Signed: 11/ 09/2024

Amani Subhi Fares Ashhab 

Date: _11/09/2024

ACKNOWLEDGEMENT

Praise be to Allah, by whose grace good deeds are completed, and peace and blessings be upon the most honorable prophets and messengers, our Prophet Muhammad, and his family and companions.

I am honored to extend my deepest gratitude and appreciation to all those who supported and helped me complete this work. I want to mention specifically:

My thesis supervisor, Dr. Tariq Darabee, spared no effort in providing support, guidance, and advice throughout the preparation of this thesis. His insightful directions and valuable suggestions were the foundation for this academic work.

I also extend my sincere thanks and appreciation to the honorable members of the discussion committee, who kindly accepted the task of reviewing this thesis and contributed their valuable observations, refining and improving it.

At this moment, I cannot but mention the soul of my beloved father, who was always a source of inspiration and support for me. I pray to Allah to be merciful and grant him the highest paradise.

I express my profound gratitude to my dear mother, whose sincere prayers and constant support were the light that illuminated my path in my academic journey.

My heartfelt thanks go to my beloved husband, who was my greatest support and the fundamental pillar in my academic journey, bearing with me all the hardships and providing me with all the support and encouragement I needed.

I cannot forget my dear children and my precious daughter, who endured my absence and preoccupation in achieving this goal. You are the flowers of my life and my most valuable treasures.

I also thank my brothers and sisters, who were the best family one could ask for, offering me all the support and encouragement needed to reach this achievement.

Finally, I extend my gratitude to everyone who contributed, directly or indirectly, to bringing this work to light. I ask Allah Almighty to grant everyone success in all that is good and righteous.

Peace and blessings be upon you.

ABSTRACT

This study investigates the effect of Creating Shared Value (CSV) on the financial performance of companies listed on the Palestine Exchange from 2018 to 2022. The research uses a cross-sectional time series data method (Panel Data) and panel regression models to examine how CSV influences corporate performance. The study encompasses all Palestinian public companies proportionally distributed across five sectors, with a sample size of 42 companies over five years, including 210 observations.

Key findings indicate that the mean value of Earnings Per Share (EPS) surpasses other financial performance measures, such as Return on Assets (ROA) and Return on Equity (ROE), during the study period. Financial performance showed a decline in 2020, an increase in 2021, and another decline in 2022. CSV has a statistically significant positive impact on overall financial performance, ROA, and ROE.

A detailed analysis reveals that manufactured, social, and human capital significantly positively affect ROA and ROE, with manufactured capital being the most influential factor in ROA and human capital for ROE. For EPS, financial and human capital have a significant positive impact, with financial capital being the most influential measure. overall, the study concludes that CSV significantly enhances financial performance, with the most pronounced effects observed in ROA, followed by ROE and EPS.

Finally, we recommend many recommendations, the most important of which: companies listed on the Palestine Exchange should enhance their CSV initiatives, focusing particularly on manufactured, social, and human capital, as these have shown a significant positive impact on ROA and ROE, Human capital has shown to be the most influential for ROE. Companies should invest in employee development programs, training, and other initiatives that enhance employee skills and satisfaction. They should also conduct further research to explore the impact of CSV on other financial performance measures not covered in this study, i.e., tailor CSV strategies to specific sectors. Since the study includes various sectors, it would be beneficial to analyze sector-specific data to identify which CSV practices are most effective in each sector. This could provide a more comprehensive understanding of the benefits of CSV.

Keywords: Creating Shared Value, Financial Performance, Manufactured capital, Intellectual Capital, Working Capital, Social Capital, Financial Capital, Human Capital, Return on Assets, Return on Equity, Earnings Per Share.

Table of Contents

Declaration	i
Acknowledgment	ii
Abstract	iii
List of Tables	vii
List of Figures	viii
Definitions	ix
Abbreviations	xi
Chapter One: Introduction	**1**
1.1 Introduction	1
1.2 Purpose of the Study	2
1.3 Study Problem	2
1.4 Importance of the Study	3
1.5 Study Hypotheses	3
1.6 Study Model	5
1.7 The limitations of The Study	6
Chapter Two: Theoretical Framework and Literature Review	**7**
2.1 Creating Shared Value	7
2.1.1. Introduction:	7
2.1.2. The Idea of Generating Mutual Benefit:	8
2.1.3 Indicators of Creating Shared Value:	9
2.2 Corporate Performance	16

2.2.1. The Concept of Corporate Performance: 16

2.2.2. Elements Of Corporate Performance: 17

2.2.3. Corporate Performance Indicators: 19

2.2.4 The Importance of Corporate Performance: 21

2.2.5 The Relationship Between Value Creation and Institutional Performance: 21

2.3 Previous Studies 23

2.3.1 Summary of Previous Studies: 29

2.3.2 What Makes This Study Unique? 36

Chapter Three: Methodology **38**

3.1 Introduction 38

3.2 Research Design 38

3.3 Data Collection Method 38

3.4 Study Population and Sample 38

3.5 Study Variables 40

3.6 Data Analysis 40

3.6.1 Panel Model: 41

3.7 Normal Distribution & Test Outliers Value 43

Chapter Four: Results & Discussion **45**

4.1 Introduction 45

4.2 Descriptive Statistics 45

4.2.1 Financial Performance: 45

4.2.2 Creating Shared Value: 47

4.3 The Diagnosis Tests of Panel Models 50

4.3.1 Panel Unit Root Test for Stationarity: 50

4.3.2 Multicollinearity Test: 51

4.3.3 Autocorrelation Test: 51

4.3.4 Heteroscedasticity Test: 52

4.4 Result of Research Hypotheses 52

4.4.1 Result of The First Hypothesis: 52

4.4.2 Result of The Second Hypothesis: 54

4.4.3 Result of The Third Hypothesis: 55

Chapter Five: Conclusion and Recommendations **57**

5.1 Conclusion 57

5.2 Comparisons with Previous Studies 60

5.3 Recommendations 61

Appendixes 73

Abstract in Arabic 80

List of Tables

Table 2.1 Measures of variables.	**22**
Table 3.1: The distribution of sample size due to company sector	**39**
Table 3.2: Description and measurement of variables	**40**
Table 3.3: Normal distribution & test outliers' value of the study variables	**44**
Table 4.1: Descriptive statistics of financial performance measured.	**46**
Table 4.2: Descriptive statistics of created shared value dimensions.	**48**
Table 4.3: Panel unit root test results for study variables.	**51**
Table 4.4: Correlation matrix for the independent variables	**51**
Table 4.5: Autocorrelation test for study models	**52**
Table 4.6: Heteroscedasticity test for study models	**52**
Table 4.7: Result of the first hypothesis	**54**
Table 4.8: Result of the second hypothesis	**55**
Table 4.9: Result of the third hypothesis	**56**

List of Figures

Figure 1.1: Study Model	**5**
Figure 3.1: The stages of choosing the optimal model of panel data	**43**
Figure 4.1: The mean value of financial performance measures during (2018-2020)	**47**
Figure 4.2: The mean value of value-added human capital, board meetings, and working capital during (2018-2020)	**49**
Figure 4.3: The mean value of market value-added and long-term debt to equity during (2018-2020)	**50**

DEFINITIONS

Creating Shared Value: The term "shared value" (SV) refers to operational policies and practices that improve a business's competitiveness while also improving the social and economic climate in the areas where it works (Laura et al., 2017). CSV is a model that focuses on the influences between economic goals and social goals rather than viewing social needs as a special privilege (Alpana, 2014).

Financial Performance: Is the effective and efficient use of resources to accomplish organizational goals. Efficiency is the art of getting the most out of the fewest resources. Effectiveness is related to reaching objectives (Almashhadani & Almashhadani, 2022).

Manufactured capital: Refers to the money, supplies, and equipment required to launch a business venture to make a profit, generate media attention, or carry out charitable endeavors (Houssard et al., 2022).

Intellectual Capital: It is considered one of the latest concepts to emerge in management in general and human resources management in particular, as it is the primary driver of growth in contemporary institutions and the main factor in achieving a competitive advantage for the organization's products in local and global markets (Hussinki et al.,2019).

Social Capital: Refers to the structures, knowledge networks, and behavioral guidelines that aid in gaining access to resources and power and serve as a framework for organizational decision-making (Campos-Climent & Sanchis-Palacio, 2017).

Financial Capital: In the fields of finance, accounting, and economics, financial capital, or simply capital/equity, refers to the money that is kept for internal gains made by an organization or given by lenders (and investors) to businesses so they can buy real capital equipment or services to create new goods and services (Mohamed, 2023).

Human Capital: Human capital is considered an intangible asset of an organization that includes the sum of explicit and implicit competencies, qualifications, and knowledge that human resources possess and which they acquire through education, training, formation, and learning by experience, and demonstrating their role in creating value within the organization (Cisi & Centrone, 2021).

Return on Assets: It is the ratio of net profit to total assets and represents the organization's efficiency in generating profits through operating assets. That is, this indicator expresses management's efficiency in using available resources regardless of the way in which the institution's assets were financed, whether the financing was from the owners, or this financing was through borrowing (Bunea et al.,2019).

Return on Equity: Return on Equity is a financial concept that measures the efficiency of using a company's shareholders' or owners' capital. It is usually defined as the ratio of net profit a company generates to shareholders' equity (Choiriyah et al., 2020).

Earnings Per Share: is defined as the degree to which a business can make money by managing its operations over a specific time while assuming the fewest risks possible. This is revealed by outlining the current relationship between the investments that help the business make the same profits that it does (Arsal,2021).

ABBREVIATIONS

ABBREVIATION	FULL WORD
CSV	Created Shared Value
IC	Intellectual Capital
ROA	Return on Assets
ROE	Return on Equity
EPS	Earnings Per Share
VAHC	Value-Added Human Capital
PEX	Palestine Exchange
IFRS	International Financial Reporting Standards
WC	Working Capital

Chapter One

Introduction

1.1 Introduction

Creating shared value (CSV) is a business strategy that focuses on generating economic value while simultaneously addressing societal and environmental challenges. This approach seeks to create mutual benefits for both the company and its stakeholders, including customers, employees, suppliers, and the broader community. The impact of CSV on company performance has been a topic of much debate and research over the past decade. Several studies have found that companies that adopt CSV strategies tend to outperform their competitors in terms of financial performance, brand reputation, customer loyalty, and employee engagement (Moon & Parc, 2019).

One key reason for this is that CSV helps companies to better understand and meet the evolving needs and expectations of their stakeholders. By addressing social and environmental challenges, companies can build stronger relationships with their customers and communities, which can lead to increased sales and revenue. Additionally, CSV can help companies to attract and retain top talent, as employees are often drawn to companies that are committed to making a positive impact on the world (Carroll & Brown, 2022).

Another way that CSV can impact company performance is by reducing costs and increasing operational efficiency. By adopting sustainable practices and reducing waste, companies can lower their environmental impact while reducing costs associated with energy, water, and materials. Additionally, by investing in the health and well-being of their employees, companies can reduce healthcare costs and improve productivity (Choudhary, et al., 2019).

However, it's worth noting that the impact of CSV on company performance can vary depending on the industry and context. For example, companies in highly regulated industries such as healthcare or finance may face greater challenges in implementing CSV strategies. Additionally, companies operating in emerging markets may need to consider local cultural and social factors when designing their CSV initiatives (Font, et al., 2016).

Overall, the impact of CSV on company performance is a complex and multifaceted issue. While there is evidence to suggest that CSV can lead to improved financial performance and other

benefits, it's important for companies to carefully consider their unique circumstances and develop tailored strategies that align with their values and goals.

1.2 Purpose of the Study

This study mainly aimed to identify the effect of CSV on the financial performance of companies in the Palestine Exchange, by identifying a set of the following sub-objectives:

1. Identifying the effect of manufacturing capital on the financial performance of companies listed on the Palestine Exchange.
2. Identifying the effect of intellectual capital on the financial performance of companies listed on the Palestine Exchange.
3. Identifying the effect of human capital on the financial performance of companies listed on the Palestine Exchange.
4. Identifying the effect of environmental capital on the financial performance of companies listed on the Palestine Exchange.
5. Identifying the effect of social capital on the financial performance of companies listed on the Palestine Exchange.
6. Identifying the effect of financial capital on the financial performance of companies listed on the Palestine Exchange.

1.3 Study Problem

Traditional financial data is no longer sufficient to predict the future, evaluate the company's performance indicators, identify opportunities and risks, and the extent of continuity (Ibrahim, et al., 2021). Therefore, there was a need to find another outlet that provides more disclosures about the company that help in making rational decisions, which constitute the main objective of financial reports. Regarding the entity itself, shareholders, and other stakeholders, it is interested in taking into consideration the six types of capital identified by the International Council for Integrated Business Reporting, and they include financial capital, manufactured or industrial capital, human, natural, intellectual, and social relations. As these capitals are considered the basis on which the establishment's activities are based, and they are important in evaluating the company's real performance in the long term.

The Palestine Exchange plays a crucial role in enabling companies to enhance productivity and generate revenue. Despite its importance, there is limited understanding of how creating Shared Value (CSV) influences the success of firms listed on the exchange (Nedaa, 2020). CSV has emerged as a strategic framework for sustainable development, aiming to achieve both social and economic goals concurrently. This raises the current challenge of evaluating the impact of CSV practices on the overall performance of companies listed on the Palestine Exchange, considering financial results, market competitiveness, and stakeholder satisfaction. Therefore, there is a clear need to study how CSV affects corporate performance.

The relationship between CSV and corporate performance in companies listed on the Palestine Exchange remains largely unexplored. However, the main question of this study states: Is there

an impact of CSV expressed by (manufacturing capital, intellectual capital, human capital, environmental capital, social capital, and financial capital) on the financial performance of companies listed on the Palestine Exchange? And the following sub-questions emerge from this question:

1. Is there an impact of CSV on ROA, ROE, and EPS?
2. Is there an impact of manufactured capital represented by WC on ROA, ROE, and EPS?
3. Is there an impact of intellectual capital represented by MVA on ROA, ROE, and EPS?
4. Is there an impact of social capital represented by board meetings on ROA, ROE, and EPS?
5. Is there an impact of financial capital represented by long-term debt to equity on ROA, ROE, and EPS?
6. Is there an impact of Human capital represented by value-added human capital on ROA, ROE, and EPS?

1.4 Importance of the Study

The importance of the study stems from the fact that:

1. This study will help to determine the common value of the companies listed on the Palestine Exchange.
2. This study will contribute to determine the impact of CSV on the financial performance of companies listed on the Palestine Exchange during 2018 -2022.
3. The study's outputs can contribute to helping decision-makers in companies to improve their shared value to improve their financial performance.

1.5 Study Hypotheses

According to the study problem and the study questions, the main hypothesis of the study is that there is a positive effect of CSV represented in (manufacturing capital, intellectual capital, human capital, environmental capital, social capital, and financial capital) on the financial performance of companies listed on the Palestine Exchange. From this main hypothesis, the following sub-hypotheses emerge:

H01: There is no statistically significant impact of created shared value on return on assets. Five dimensions were used to represent created shared value which are: manufactured capital measured by Working Capital (WC), IC measured by MVA, social capital measured by board meetings, financial capital measured by long-term debt to equity ratio, and human capital measured by Value-Added Human Capital (VAHC), so there are five independent variables which leads to five sub-hypotheses.

($HO_{1.1}$) There is no statistically significant positive impact of the manufactured capital (working capital) on the return on assets.

($HO_{2.1}$) There is no statistically significant impact of the intellectual capital (market value-added) on the return on assets.
($HO_{3.1}$) There is no statistically significant positive impact of the social capital (board meetings) on the return on assets.
($HO_{4.1}$) There is no statistically significant impact of the financial capital (long-term debt to equity) on the return on assets.
($HO_{5.1}$) There is no statistically significant positive impact of the Human capital (value-added human capital) on the return on assets.

H02: There is no statistically significant impact of created shared value on return on equity.

The following sub-hypotheses are derived:

($HO_{1.2}$) There is no statistically significant positive impact of the manufactured capital represented by WC on the ROE.
($HO_{2.2}$) There is no statistically significant impact of the intellectual capital represented by MVA on ROE.
($HO_{3.2}$) There is no statistically significant positive impact of the social capital represented by board meetings on ROE.
($HO_{4.2}$) There is no statistically significant impact of the financial capital represented by long-term debt to equity on ROE.
($HO_{5.2}$) There is no statistically significant positive impact of the Human capital represented by value-added human capital on ROE.

H03: There is no statistically significant impact of created shared value earnings per share.

The following sub-hypotheses are derived:

($H0_{1.3}$) There is no statistically significant impact of the manufactured capital represented by WC on EPS.
($H0_{2.3}$) There is no statistically significant impact of the intellectual capital represented by MVA on EPS.
($H0_{3.3}$) There is no statistically significant impact of the social capital represented by board meetings on EPS.
($H0_{4.3}$) There is no statistically significant positive impact of the financial capital represented by long-term debt to equity on EPS.
($H0_{5.3}$) There is no statistically significant positive impact of the Human capital represented by value-added human capital on EPS.

1.6 Study Model

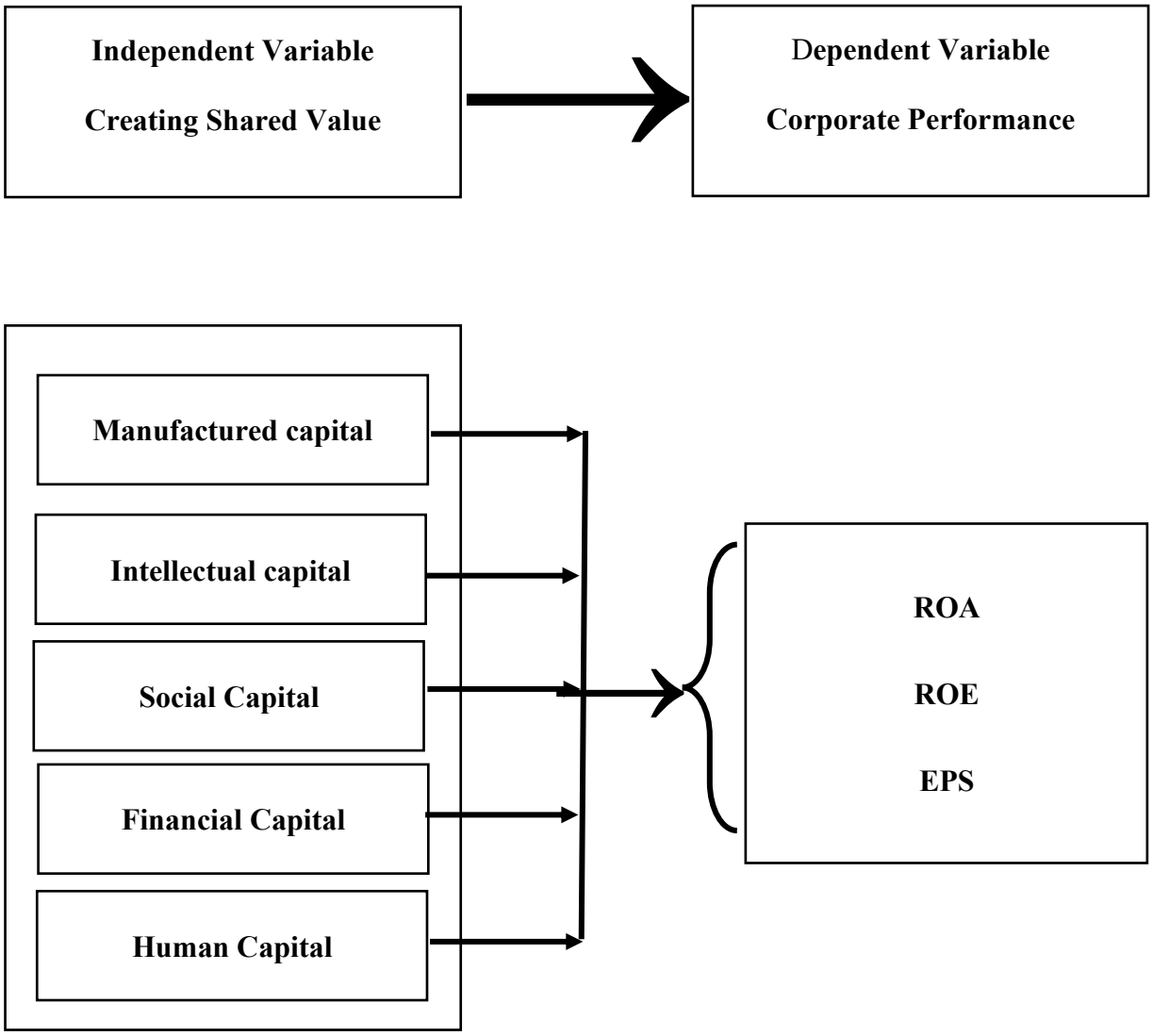


Figure No. (1.1): Study model

1.7 The limitations of the study

1. Spatial boundaries: companies listed on the Palestine Exchange.
2. Temporal limits: The audited financial statements of each company listed in the Palestine exchange will be selected for the period estimated at (5) years (2018-2022).
3. The lack of financial data for some companies led to a reduction in the study sample. Companies that are deemed inactive or have ceased operations during the period 2018 - 2022 will be excluded. Only actively operating companies will be included in the sample to capture relevant financial and operational data.
4. The published financial statements lack direct classification of some required variables. Adequate financial information is crucial for assessing the impact of CSV on corporate performance.

Chapter Two

Theoretical Framework and Literature Review

2.1 Creating Shared Value

2.1.1 Introduction:

Following Carroll's direction, Michael Porter and Mark Kramer, 1999 began to focus on the intersection, and complementarity between Business and societal environment. This was at the end of the nineties. In 1999, Porter and Kramer published their first publication on the topic of "The New Philanthropy Agenda: Creating Value." In this article, they argued that although charities work well, working strategically enables them to do better, and here they suggest Porter and Kramer consider the mental institutions and strategic behavior of business enterprises (Menghwar & Daood,2021).

They both claim that the foundation exists in "the business of contributing to society" and that its goal should therefore be "to use scarce charitable resources to their fullest potential" (Daood & Menghwar,2017). In order to achieve this goal, Porter and Kramer emphasized that organizations must follow basic strategic business principles as they invest in and differentiate between social challenges. Choosing what enables the organization to excel efficiently, while setting and defining the main objectives and the ability to measure performance (Von Liel, 2016). Each of them (Porter & Kramer, 2018) identified four ways through which an organization can create value:

1. Selecting the most effective beneficiary for grants.
2. Expanding the funding circle through other financiers.
3. Enhancing the grant recipients' performance
4. Improving practice and knowledge levels.

Due to the response, effectiveness and positivity, Porter and Kramer established in 2000 a group Enterprise Strategy (FSG) to help organizations develop more effective strategies. They did not stop there but went on to publish "The Competitive Advantage of Corporate Philanthropy" in 2002, focusing on public good initiatives that emerge from the for-profit sector, especially corporate donations, where they criticized foundation and corporate contributions for being "unfocused and fragmented" (Wieland, 2017).

Following an analysis of CSR, Porter and Kramer suggested four arguments to be adopted in their 2006 paper, Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility: ethical commitment, sustainability, reputation, and license to operate. The same area of weakness, "the tension between business and society," continues to be their main focus (Fernández-Gámez et al.,2019). Porter and Kramer also established four prevailing justifications for corporate social responsibility that result in two prominent types of corporate social responsibility: (Wójcik, 2016)

1. Responsive corporate social responsibility is primarily a response to improving the organization's reputation and is the result of allocating a budget to it.
2. Strategic social responsibility is within the organization's strategy, meaning it is included in all the organization's work and practices, as well as all levels and all stages of development, supply, production, and marketing.

Although the first type is considered necessary, it is through the second type that organizations can integrate business and society and can have the greatest impact. In 2011, Porter and Kramer defended cooperation between the private and public sectors, and instead of making a differentiation between business (economic value or profitability) or society (social responsibility or social value), focusing on integrating and achieving them together within a specific context, especially since institutions are considered the most powerful engine for social change from points of view. The least of which is to reduce the unemployment rate, raise growth, and reduce the inflation rate. Thus, in order to build both social and economic value simultaneously, shared value must be established (Ellerup et al., 2018).

2.1.2 The idea of generating mutual benefit:

The term "shared value" (SV) refers to operational policies and practices that improve a business's competitiveness while also improving the social and economic climate in the areas where it works. Finding and strengthening the connections between social and economic advancement is the main goal of shared value creation (Laura, et al., 2017).
The CSV perspective has spread widely as a new way of conducting business and is widely accepted by many government and large companies. The CSV model focuses on the influences between economic goals and social goals, rather than viewing social needs as a special privilege. This study concentrate solely on philanthropy and corporate social responsibility, as well as on generating employment possibilities concealed inside social issues. When businesses handle social problems as a critical component of their strategy, problems like poverty, pollution, and ill health are not external variables that should be disregarded; rather, they are basic business concerns that have a considerable impact on growth and operational efficiency. competitiveness, they transform society in profoundly positive and long-lasting ways (Alpana, 2014).
By tackling social issues that have a connection to business, CSV is envisioned as a strategic strategy that focuses on recognizing and strengthening the connections between social and economic success. It is an example of an internally motivated, upbeat, and creative approach of looking at social issues and needs in ways that are advantageous to the business and improve its

chances. Much to energize businesses' operations and establish a long-lasting, hence sustainable, incentive for growth (Vallentin, et al., 2018).

A relatively new idea called "shared value creation" contends that a company's ability to make money is directly related to the advancement of society. There are several ways to increase an organization's competitiveness and value creation by considering societal challenges. By doing this, it represents the generation of social value, which in turn generates economic value. Kim (2018) defines CSV as operational strategies and practices that improve a company's competitiveness while also advancing the social and economic conditions in the areas where it operates (Wójcik, 2016).

2.1.3 Indicators of Creating Shared Value:

- **Manufactured capital**

In the context of economics, "manufactured capital" refers to the money, supplies, and equipment required to launch a business venture with the intention of making a profit, generating media attention, or carrying out charitable endeavors (Houssard et al., 2022).
Manufactured capital is thought to be the main force behind any project or investment work that aims to boost an entity's productive capacity. It is made up of diverse basic groups, each of which has subgroups of factors capable of production that branch out and include raw materials and tools, managing limited human resources, and auxiliary materials for production (Agwu et al., 2022).

- **Fixed capital**: which comprises resources that remain unchanged during production cycles and are neither traded or consumed. In the majority of economic activity, land, buildings, facilities, machinery, essential equipment, and driving energy are the most significant types of fixed capital.
- **Mobile capital**: It is the entirety of the products and materials used in production that directly contribute to the final commodity's worth. To put it succinctly, it's every material that joins a cycle of renewable economic activity. The manufactured raw materials and hired labor are the two most significant forms of capital in the industrial sector.

The value of manufactured capital can be measured using several methods and standards, including market value, where the value of manufactured assets is estimated by assessing the market value of existing physical assets and using current prices of similar assets in the market to determine the approximate value of manufactured capital. Another method is replacement cost, which involves estimating the cost required to replace existing physical assets with new, similar ones. Additionally, net value can be used (Ewens et al., 2024). The net value of physical assets is calculated by deducting depreciation from the total value of the assets. The difference between the total value and accumulated depreciation reflects the investments and improvements made to the assets over time (Geltner et al., 2020).
In this study, working capital and the ratio of non-current assets to total assets are used to measure manufactured capital. The ratio of non-current assets is considered as the propensity of non-current assets to total assets (Isaac and Jacob, 2022). Working capital will be monitored and managed efficiently, with various models and ratios created for this purpose. These include the working capital ratio, the gap between current assets and liabilities, and measures of short-term

liquidity and operational effectiveness (Akbar et al., 2021). Therefore, this study focuses on measuring working capital and non-current assets through the following ratio:

- Working Capital Ratio = (Current Assets) / (Current Liabilities)

➢ **Natural capital**

Managers in the departments of operations, sustainability, health, safety, and the environment work to assist in the creation of natural capital data that can be incorporated into current business procedures including financial planning, risk assessments, procurement, and operations delivery plans. It is crucial to remember that the information produced serves no purpose alone. It should be clearly linked to a business decision (Lüdeke-Freund et al.,2016). Thus, creating value for companies with all levels of experience related to natural capital. Natural capital is often excluded from decision-making, and when it is included, it is done in a way that is highly inconsistent, open to interpretation, or limited to ethical arguments. For most companies, interactions with nature do not yet affect their market value, the price of their products, the price they pay for the materials they use, their cash flows, or their risks. If these interactions make an impact, it is not seen on the company's profit and loss statement or on its balance sheet (Haller, 2016). External impacts or issues that do not have internal consequences remain, however, there are many potential factors that may lead to the absorption of these external impacts in the future, including increased regulatory or legal actions, market forces, changing operating environments, new procedures, and relationships with external partners in addition to the increased trend towards transparency or voluntary action on the part of companies, as they recognize the importance of transparency for future success (OKA et al.,2022).

Natural capital is defined as the natural resources provided by nature and benefiting from human societies, as it is considered an important part of comprehensive capital, along with physical and human capital. Natural resources are essential for human life and economic and social development (Zallé, 2019).

Palestine is famous for its rich environmental and natural diversity, as it includes coastal and mountainous areas, valleys, agricultural lands, and water sources. However, the natural capital in Palestine faces many challenges due to the ongoing Israeli-Palestinian conflict and the Israeli occupation of the territories of the West Bank and Gaza Strip, such as the seizure of lands and resources, which the Palestinians face (Salem, 2019). Difficulty in accessing their lands and natural resources due to their seizure and Israeli settlement expansion. Palestine faces water scarcity because of Israeli control of water resources in the occupied territories, and other issues that Palestinians suffer from, which in turn affect agriculture, industry, and the lives of the population in general (Ekenci, 2019).

The process of estimating the value of natural capital is done by determining the economic value of natural resources and the environmental services that are provided. The resource replacement cost method depends on calculating the cost of replacing natural resources if they are depleted (Yang et al. 2021). The cost of replacing resources is also estimated by estimating the financial and practical costs resulting from providing alternative sources for depleted natural resources, in addition to the value in use. This method calculates the economic value of environmental services provided through natural resources (Umar et al., 2020). The value of use is also estimated by analyzing preferences and needs related to natural resources and estimating their economic value based on the benefit used, and the replacement value, as it aims This method

aims to measure the value of natural resources by estimating the cost of providing economic alternatives to these resources. The replacement value is calculated by estimating the costs associated with providing alternative natural resources to those that are depleted and that can be used to meet the same needs (Gigli et al., 2019).

The term "natural capital" was replaced by the term "environmental capital", as this is linked to the development of the concept and the greater focus on the environmental dimensions of natural resources. The term "environmental capital" reflects a greater interest in biodiversity and the environmental services that nature provides, including regulating the Earth's climate, purifying the air and water, and preserving biodiversity. This shift reflects recognition of the importance of the environment and the need to maintain healthy ecosystems to ensure the long-term sustainability of human societies (Golochalova & Vakun, 2020).

Measuring environmental capital as part of **environmental sustainability efforts** involves assessing the quantity, quality, and value of natural resources and ecosystems that contribute to environmental well-being and support human activities. Environmental capital encompasses a wide range of resources, including clean air, clean water, biodiversity, soil fertility, forests, wetlands, and other natural assets. the following method is used to measure environmental capital (Leal Filho et al. 2020):

$$\text{ESE} = \frac{Environmental\ Performance}{Resource\ Input\ or\ Environmental\ Impact} \times 100\%$$

- **Intellectual capital**

Intellectual capital is considered one of the latest concepts that have emerged in the field of management in general, and in the field of human resources management in particular, as it is the primary driver of growth in contemporary institutions, and the main factor in achieving a competitive advantage for the organization's products in local and global markets (Hussinki et al.,2019). As intellectual capital is an inexhaustible resource, it increases by increasing the skills, information, and knowledge of employees in the organization, meaning that its productive life increases with the increase of creative capabilities that work to increase technological and functional proficiency, and then increase productivity, which leads to reducing the cost of the productive unit (Jordão et al.,2022). And the service provided, thus achieving competitive advantage, and increasing its market share. On the other hand, the value-added approach is considered one of the main metrics for measuring the efficiency of intellectual capital, because it makes it possible to measure the extent of the contribution of each of the organization's human, structural, and relational resources that the organization possesses to the process of creating value-added (Vargas & Lloria, 2017). The following summaries the most popular elements of Intellectual capital:

- Human capital: Human capital plays a vital role in the formation of intellectual capital, which is the comprehensive set of knowledge, skills, experiences, and creative abilities that individuals possess within the organization. Through it, knowledge is formed and acquired, as human capital contributes to the accumulation and development of knowledge within the organization. This is done through the education, training and work experiences that employees undergo. Continuous learning and professional development is an essential part of enhancing human capital and increasing the intellectual capital of an organization (Popescu, 2019).

- Structural capital (or organizational capital): Structural capital is considered part of intellectual capital and includes resources, knowledge, organizational structures, processes, brands, customer relationships, networks, patents, intellectual property rights, technology, systems, standards, software, methodologies, designs and other technical capabilities that an organization possesses (Beltramino et al., 2020).
- Relational (customer) capital: It refers to the relationships and customers that a company has, which contribute to creating value and enhancing company performance. Relational capital is part of intellectual capital and includes business relationships, networks, customers, brands, the company's reputation in the market, and knowledge about customers and markets (AlQershi et al., 2020).
- Measuring intellectual capital helps to develop and maintain it, improve investment in intellectual assets, and attempt to make scientific use of the information available in them, which would enhance the performance of institutions, achieve their efficiency, and make them capable of responding to an ever-changing environment. To measure intellectual capital, several methods can be used, including:

- **Intellectual Capital (IC)**

This method assesses the difference in the value of intellectual capital by examining the changes between the end and beginning of accounting for the future over a specific period. It aims to quantify the value added by intellectual assets based on projections and expectations, expected and discounted cash flows (Zenzerović et al., 2023).

- **Market Value Added (MVA)**

MVA measures the additional value created by a company beyond the value of its tangible assets. It calculates the difference between the market value of a company's equity and its book value, providing insight into how well the company has performed in creating value for its shareholders by equation (Copeland, et al. 2000):

MVA = Market Value - Book Value

In this study, the MVA (Market Value Added) method has been relied upon to measure and assess intellectual capital, as it provides a clear indication of the value created by the company's intangible assets relative to its market performance.

- **Social Capital**

In general, the term "social capital" refers to the structures, knowledge networks, and behavioral guidelines that aid in gaining access to resources and power and serve as a framework for organizational decision-making (Campos-Climent & Sanchis-Palacio, 2017). Social capital also means the interest and trust that an individual places in an organization. Social capital includes the social and political environment that helps the rules of behavior grow, create value, and shape the social structure, which improves the efficiency of the organization. The concept of social capital includes social infrastructure, which consists of institutions and policies that work to encourage investment activities and reduce consumption activities (Ievdokymov et al.,2020). Social capital is a term used in many social sciences to assess the significance of its various dimensions. Broadly speaking, social capital is the cornerstone of social relations and is the total benefits that can be obtained through cooperation between individuals and groups within a society as well as differential dealings with it (Jeong et al., 2021).

Social capital is a term that indicates the value and effectiveness of social relationships as well as the role of cooperation and trust in achieving economic goals. There are many groups whose members' interaction leads to the generation of social capital, but it is known that all groups generate social capital through three channels, which are explained by Engbers et al., (2017) as follows:

- **Information channel**: where the group disseminates useful information among individuals regarding labor and investment markets.
- **The second channel**: It is through which a collective identity is formed that works to change the behavior of each member and make him care about the interests of other members in addition to his interest in his own personal interests.
- **The third channel**: It concerns one of the most important failures of the market, which is the failure to coordinate. In this channel, the members of the group coordinate among themselves, which would benefit them and society as a whole.

The process of measuring social capital relies on a number of indicators, such as the structure and structure index. This indicator describes the impersonal characteristics of the relationships and interconnections between people or organizational units within the organization, and it is the aspect that refers to the multiple social groups and organizations within civil society that are considered a source of capital. Social, which is the social structure, where the strength or weakness of this structure depends on the intensity, frequency, and hierarchy of the connections (Son & Feng, 2019).

The "relational" index refers to the nature and quality of relationships and communications between employees within an organization, which describes the type of interpersonal relationships that people develop with each other from a history of interactions and refers to various social dynamics including trust, shared norms, values, expectations, and personal affiliations. This aspect examines the network of ties and relationships arising from social exchange between members of one group and between the groups themselves (Rezaei et al., 2020).

Cognitive (cognitive) content index: This index relates to the extent to which workers within the organization share viewpoints, goals, and perceptions. This index depends on the organization's characteristic of facilitating general understanding of collective goals and the correct ways for people to interact with each other. The resources devoted to this dimension are represented by shared codes, language, and stories. This dimension also refers to the ability of members to achieve private goals and participate in public projects that achieve the public interest (Ganguly et al., 2019).

In this study, the social capital of board meetings will be used as a criterion to evaluate the frequency, quality, and outcomes of board meetings on leveraging and building social capital within the organization, as done by Jones and Smith (2010). Frequency of Meetings: Monitor the number of board meetings, especially those dedicated to building relationships, including stakeholders, encouraging diversity and inclusion, and engaging the community**. Recording the number of meetings held during a specific period such as a quarter or a year** (Heckert et al., 2020).

- **Human Capital**

Human capital is considered an intangible asset of an organization that includes the sum of explicit and implicit competencies, qualifications, and knowledge that human resources possess and which they acquire through education, training, formation, and learning by experience, and demonstrating their role in creating value within the organization (Cisi & Centrone, 2021). Successful institutions at the present time focus on creating added value for the relevant parties by exploiting their internal energy and their external environment, through the modern economy built on the duality of knowledge and efficiency, given that the current trend focuses attention towards investing in the internal energies of institutions, represented by their human capital (Giuliani et al.,2021). Therefore, human capital is a combination of competencies, skills, and knowledge possessed by an organization's human resources that enable it to create value in a competitive environment in order to continue and grow. The process of value creation has become the heart of the organizations' activity and the focus of their existence, through which they direct themselves to various stakeholders in their internal and external environment (Indrajaya et al.,2022).

As the value creation process is determined by focusing on its strategic economic, social and competitive dimensions, and therefore the flexibility of the organizational structure that encourages human resources to learn and take initiative in order to quickly adapt to environmental variables (Indrajaya et al.,2021). Which contributes to producing greater values for stakeholders, evaluating the contribution of human capital to value creation by developing a model of practices based on dynamic management through financial and non-financial indicators, which is the same thing as for the value creation process, where indicators must be determined to measure them in line with the organization's situation. In its competitive sector due to the multidimensionality of this concept, with the aim of establishing a basis for competitive advantage and ensuring its continuity (Dembek et al.,2016).

There are several ways to measure human capital in an organization and determine its value. Some suggested approaches and methods are discussed as follows (Abboud, 2019):

1. **Quantitative approaches to financial measurement**
   It is used for analysis purposes and is expressed by determining the value of human capital in financial numbers. This approach divides the measurement into two aspects, one of which focuses on the cost of human capital, and the other focuses on its value, as an approach to measuring the cost of human capital, and one of the most important methods used in it is the historical cost method, the method Replacement cost, future returns method, opportunity cost method (Chulanova et al., 2019).
2. **The approach to measuring the value of human capital.**
   Which means the ability of something to provide future services and benefits. If it is unable to provide that, then its value becomes equal to zero. It also focuses on the services that human capital can provide to the organization during its career in it. This is what was neglected by cost methods that focused on costs and expenses related to human capital. So it is considered one of the most relevant models for measuring the value of human capital (Abraham & Mallatt, 2022).
3. **The concept of Modified Return on Investment (mROI) for human capital.**
   The idea of modified return on investment (mROI) for human capital aims to evaluate and measure the value that human capital creates for an organization. It entails determining the return on investment (ROI) of human capital-related initiatives or investments, taking into account a

variety of variables such as the workforce (Smith, & Johnson, 2018). It is calculated through the equation:

Modified Return on Investment (mROI)

$$\text{mROI}= \frac{\text{Total Human Capital Investment}}{\text{Net Human Capital Value Added}} \times 100$$

4. **Value-Added Human Capital (VAHU)**

The method adopted in this research is the Value-Added Human Capital (VAHU), based on Pulic's (2000:707) measure of human capital efficiency. VAHU is calculated as the value-added per unit cost of salaries and wages. Pulic's original concept was refined by Riahi-Belkaoui (2003:220) and Chen et al. (2005:166), who proposed that value-added should be calculated as net profit before interest, taxes, salaries, and wages. Accordingly, the independent variable in this study is computed as follows (Morris, 2015):

VAHU=(NP+I+T+W)/W
where:

- **NP= Net profit after tax**
- **I = Interest expense**
- **T = Total of all taxes**
- **W= Salaries and wages**

➢ **Financial capital**

In the fields of finance, accounting, and economics, financial capital, or simply capital/equity, refers to the money that is kept for internal gains made by an organization or given by lenders (and investors) to businesses so they can buy real capital equipment or services to create new goods and services (Mohamed, 2023). Physical items that aid in the production of other products and services are known as real capital, or economic capital (Kirsch, 2020). The majority of firms employ a financial concept of capital when creating their financial reports. Financial capital is commonly defined as saved financial wealth, especially that which was used to start or operate a business. Net assets are equivalent to capital in terms of financial concepts like money invested or buying power invested (Weber et al., 2017). Capital is the producing capacity of an entity measured in, say, units of production per day. This is different from the physical definition of capital, which is operating capacity. Both nominal monetary units and units with constant purchasing power can be used to measure the maintenance of financial capital (Bagheri et al., 2023). So, there are three concepts of capital preservation in terms of IFRS (Sinthupundaja & Kohda, 2019)**:**

- Maintain physical capital.
- Maintaining financial capital in nominal monetary units.
- Maintain financial capital in units of fixed purchasing power.

There are two main components in financial capital: debt and equity, as it relates to how the company is financed and its financial structure. Debt refers to the amounts borrowed from external parties to finance the company's commercial activity, and the company must repay

these debts at a specific time and at a specific interest rate. Debts may include bank loans, mortgages, bonds, and lines of credit (Ayuba et al., 2019). Equity refers to the amounts that owners or shareholders contribute to a company's financial capital. These contributions include money and other assets provided by shareholders to establish the company and finance its activities (Rusdiyanto et al., 2020).

Measuring financial capital aims to determine the strength and value of the financial resources available to an individual or institution. Several methods and equations can be used to measure financial capital, including (Dewi et al., 2020):

1. **Simple Equation of Financial Capital**: Financial capital can be estimated simply by summing the value of all financial assets and property such as cash, bank accounts, investments, and real estate.
   Financial capital = cash + investments + real estate + other assets
2. **Market Capitalization Indices**: These indices are used to determine the value of companies, institutions, and financial stocks. One of the most popular indicators is the company's market capitalization index, which is calculated by multiplying the number of shares issued by the current stock price.
   Market capitalization index = number of shares x current share price
3. **Long-term Debt to Equity Ratio**: This ratio is one of the factors used by investors and financial analysts to evaluate the level of financial risk of a company. A high ratio indicates that the company relies heavily on debt to finance its activities, increasing its financial risk. Conversely, a low ratio suggests that the company relies more on its equity to finance its activities (Nukala & Prasada Rao, 2021). The formula for this ratio is:

   Long-term debt to equity ratio = (Total long-term debt) ÷ (Total equity)

Other methods that can be used to measure financial capital include the Total Shareholder Equity Equation and the Return on Investment (ROI) Equation. Financial capital can be measured or evaluated using a variety of financial indicators and formulas, although it is not usually expressed with a single equation (Rangkuti, et al., 2020). In this study, the method adopted to measure financial capital is the long-term debt to equity ratio.

2.2 Corporate Performance

2.2.1 The concept of corporate performance:

The definition of performance is the effective and efficient use of resources to accomplish organizational goals. Efficiency is the art of getting the most out of the fewest resources. Effectiveness is related to reaching objectives. The notions of performance and its evaluation have been the subject of several studies, the majority of which dealt with performance from an internal perspective; nevertheless, the evaluation does not pay attention to the expansion of assets. Innovation and learning, but rather focuses on short-term goals (Almashhadani & Almashhadani, 2022). Institutional performance requires focusing on the unique elements that distinguish the company from other companies, which are the focus of evaluation and therefore include financial and non-financial indicators and measurement of tangible and intangible assets

and include the broad aspects of institutional performance on strategy and operations. and human resources (Wagana & Nzulwa, 2017).

Corporate Performance is considered one of the basic administrative processes through which institutions can be developed and promoted, in addition to the careful examination and analysis of the policies and practices followed in terms of planning, implementation, leadership, human and material resources, and the organizational culture of institutions (Rafiq et al., 2020). It also appears extremely important through the Information and data about the organization's performance, the extent of achieving its set goals, and the means necessary to achieve them; It also provides administrators with the opportunity to present the strengths and weaknesses of various administrative functions, and to reconsider established programs and policies (Steiss, 2019).

Objectives for quality performance must also be determined, and here objectives are chosen to focus on; to develop and improve its performance, and those goals are among the organization's main goals, and the efforts made; to improve performance give its best results (Preston et al.,2016). When it is supported by higher authorities, which is usually the manager's job, the desire for continuous development and improvement of individual and institutional performance do not differ in terms of the methods used, but the difference is the level of goals. For example, in individual performance, we focus on specific matters; In order to develop and improve it, and in an attempt to develop institutional performance, we comprehensively evaluate the institution's performance at the strategic level and what it aspires to in the coming years (Junaid & Dinh, 2016).

The integrated system of an organization's business output in relation to its interactions with components of its internal and external environments is referred to as institutional performance. It covers how people perform inside their organizational units as well as how organizational units perform inside the parameters of the organization's overarching policies (Aina & Solikin, 2020). The performance of a company is influenced by its social, cultural, and economic contexts. Institutional performance results from the combined effects of organizational units and individual contributions, along with the impacts of social, economic, and cultural environments. Additionally, significant external factors beyond the organization's control also play a crucial role in shaping its performance. Therefore, evaluating institutional performance requires a focus on both management and individual performance, considering both internal and external factors. (Moradi et al.,2021).

2.2.2 Elements of corporate performance:

- **Profitability:**

Achieving profitability must be the main priority, and satisfying customer demands more effectively than rivals should be the focus here rather than just market capital. This guarantee retaining clients and drawing in new ones. As a result, the organization will see an increase in profitability as well as growth, more prospects, and a longer-term, more sustainable future (Batra & Kalia, 2016). Profitability gauges how well a business uses its resources. Additionally, it gauges how well the business performs in terms of activity performance and cost structure. In terms of liquidity and financial leverage, it also conveys the results of the company's policies and decisions (Diana & Maria, 2020).

- **Productivity:**

The term "productivity" has several connotations these days. Some interpret it as a gauge of productivity, others as the results that must be produced given a given set of resources, still others see it as a synonym for well-being, and in the most severe situations, they associate it with the passage of time (Chowdhury et al., 2020). Notwithstanding the different opinions on productivity, it can be broadly described as the yardstick used to assess the efficient use of productive resources. This makes it possible to assess and quantify the level of benefit from allocating resources to achieve the desired outcomes (Cherian et al., 2021). The ratio of the finished output to the components used in its creation is known as productivity. It is sometimes referred to as the ratio of inputs to outputs, or the number or value of products divided by the resources—human, mechanical, equipment, or raw materials—used to create them (Dzenopoljac et al.,2017).

- **Operating efficiency:**

We'll start by talking about the definition of management before moving on to its notion. According to one definition, management is a continuous, interactive activity that aims to maximize the efficacy and efficiency of available resources while directing individual and group activities toward the achievement of shared objectives (Bondarenko et al., 2018). The definition reveals a connection between management and the terms effectiveness and efficiency. More efficacy and efficiency translate into more successful management (Raval et al.,2020). Effectiveness can be summed up as follows: carrying out the right acts. In order to carry out the right actions, we must be aware of their identification, definition, and correctness. Since efficiency is defined as carrying out tasks in an appropriate manner, efficacy and efficiency can be characterized as carrying out the appropriate activities in the appropriate manner (Chen & Lin, 2021).

Leadership and efficiency are related, as is effectiveness and efficiency with management. Consequently, the presence of a distinct vision, well-defined objectives, tactics, values, development, and more leadership qualities leads to effectiveness. Planning, organization, time management, control, and follow-up are all necessary for efficiency to be attained (Rakkarnsil & Butsalee, 2022).

Effectiveness, it is the capacity to use inputs or the appropriate application of available resources. The project's capacity to use the fewest resources possible to accomplish the greatest number of necessary goals. A project is considered effective if it meets its objectives and efficient if it uses the fewest resources feasible. When both are accomplished, the project is considered productive (Thuan et al.,2022).

2.2.3 Corporate performance indicators:

- **Return on assets (ROA)**

The company's assets are defined as all the money, products, buildings, and property the company owns that can be converted into cash. They are all the valuable resources in any organization, whether tangible or intangible, that are under the possession of stakeholders and those who have rights to those assets, such as owners and shareholders who own a share in the company (Yang et al.,2019)
It is the ratio of net profit to total assets and represents the organization's efficiency in generating profits through operating assets. That is, this indicator expresses management's efficiency in using available resources regardless of the way in which the institution's assets were financed, whether the financing was from the owners, or this financing was through borrowing (Bunea et al.,2019).
This return positively affects the value of the company (Kharatyan et al.,2016), and also shows the benefits of business and the efficiency of changes in the total use of assets (Husna & Satria,2019). An increase in this ratio indicates the efficiency of the company's management in using its assets, while a decrease in the ratio means ineffective use of assets by the company, It is also considered Return on assets is one of the most important indicators for measuring a company's administrative efficiency (Matar et al.,2018). There are some standards and conditions that must be met by resources in order for them to become assets, and they are as explained by Pointer & Khoi (2019) as follows:

1. Ownership standard: The resource must be legally owned by the organization so that the company can benefit from its economic benefits.
2. Future services: There must be an expected economic benefit from these resources in order for them to be considered assets.
3. Production or service capacity: For the supplier to become an asset, he must have the production capacity to participate in the production process in order to provide the company with a financial return.
4. Measurable: The benefit accruing from the asset must be measurable using financial units so that the company can separate it from the rest of the other resources and assets.

Therefore, the criterion for the capital-to-assets ratio depends in its measurement on the size of capital to the total assets invested in and takes into account assets that are a source of risk for depositors' funds, and there is no optimal ratio for it. The larger the percentage, the stronger the financial position of the institution. It is measured by dividing Net income or net profit by total assets (Batchimeg, 2017).

- **Earnings per share (EPS)**

Profitability is defined as the degree to which a business can make money by managing its operations over a specific time while assuming the fewest risks possible. This is revealed by outlining the current relationship between the investments that help the business make the same

profits that it does (Arsal,2021). Earnings per share are classified as one of the indicators of profitability; because of its ease of comparison within previous time periods, in addition to the comparison of earnings per share with competing institutions in the same field, earnings per share represent a tool that brings comfort to investors with the aim of achieving rationalization in their upcoming investment decisions, which leads to an impact on the demand for shares (Sari & Suharti,2021). The earnings per share index, or what is called the common share of profits is used by some to be a main basis for evaluating the earnings of the common share. So, institutions traded on the stock exchange resort to committing to disclose the earnings per share because it represents importance in the capital markets for investors, and this is what the Accounting Standards Committee stipulated regarding the importance of disclosure about him (Sana'a, 2016). It is calculated by deducting preferred share dividends from net income and dividing the result by the average number of shares traded in a given quarter or year (Bustani et al.,2021).

- **Return on equity (ROE)**

Return on Equity is a concept used in finance to measure the efficiency of using a company's shareholders or owners' capital. It is usually defined as the ratio of net profit generated by a company to shareholders' equity (Choiriyah et al., 2020).
The importance of return on equity also lies in measuring financial performance, as return on equity helps evaluate the company's performance and its efficiency in using its capital. If the ROE is high, this indicates that the company is making good profits relative to shareholders' investments (Choiriyah et al., 2020), and comparing companies, it provides a standard measure that can be used to compare the performance of different companies in a particular sector. Investors and financial analysts can use this measure to identify companies that achieve higher returns on shareholder investments, in addition to guiding investment decisions. Return on equity helps investors determine whether a company provides good returns on financial investments. A high return on equity is a positive signal for investors and can influence their decisions about investing in the company (Vogel, 2020).

(ROE) is regarded as a benchmark for the outcomes attained by shareholders over the course of the year and acts as a gauge of the real outcomes of the business's success (Strouhal et al.,2018). Furthermore, return on equity (ROE) is a critical metric for businesses as it indicates the degree to which investors are willing to put their money into a company that can meet their expectations for returns. A higher return on equity (ROE) ratio suggests to investors that the company is performing better, which raises the price of its shares. A measure called return on equity illustrates how much value is generated to provide gains for the public (Puni & Anlesinya, 2020). Furthermore, the ratio of return on equity shows how much of a return the business generates in relation to the total amount of equity attributable to shareholders, which is defined as "the rate of return achieved from the funds invested in the company by its shareholders. This indicator reflects the effectiveness of the company's management in using shareholders' funds. Stated differently, a business that has a high return on equity is more likely to be able to create cash internally. The best return on equity is attained if the company's management is more capable and successful in leveraging shareholders' capital (Pointer & Khoi, 2019).

ROE can also be calculated using the following ratio (Husna & Satria, 2019):

Return on equity = net profit ÷ shareholders' equity

where:

Net Profit: It represents the net profit achieved by the company after deducting all expenses and taxes.

Shareholders' Equity: Refers to the total capital owned by shareholders in the company, and includes paid-up capital, reserves, and retained earnings.

2.2.4 The importance of corporate performance:

There is a major importance to institutional performance, which is explained by (Barba-Sanchez et al., 2018) as follows:

1. Following up on the implementation of the organization's specific objectives, which requires following up on the implementation of the specific objectives within the drawn-up plan specified for them, and this is done based on the available data and information about the progress of performance.
2. Measuring the extent of the institution's success through its endeavor to continue its activity in order to achieve its goals and providing information to various levels and other parties outside the institution.
3. Detecting deficiencies and weaknesses in the organization's activity and conducting a comprehensive analysis of them with an explanation of their causes, with the aim of developing the necessary solutions for them and correcting them and working to avoid mistakes in the future.
4. Providing statistical data and information about the results of the organization's performance evaluation to the regulatory bodies, which facilitates their work and enables them to conduct continuous comprehensive follow-up of the organization's activity to ensure achieving the best and consistent performance.
5. Providing a database and information on the organization's performance, which contributes to developing future policies, studies and research that improve performance patterns and raise its efficiency

2.2.5 The relationship between value creation and institutional performance

The essence of CSV enhances the institutional performance of companies, which helps reduce the risks surrounding the company's assets and any other operations, in addition to reducing operational costs to the appropriate extent through which it can maximize its operating revenues and reach higher profitability rates that increase the return on assets and equity (Firman & Said 2016). Shared value creation is considered a tool to measure the company's solvency, that is, the company's ability to pay its obligations and face any losses that may occur in the future. The concept of joint value creation determines the company's capacity ratio and risks such as credit risks, operational risks, etc., and protects the company, depositors and other lenders (North &

Kumta,2018). The findings of a study by Tian et al. (2023) demonstrated that corporate performance benefits from green value co-creation, and institutional performance positively influences green value co-creation. Furthermore, the relationship between institutional pressure and business performance is mediated by green value co-creation. Nonetheless, the mediating effect of green value co-creation on the relationship between institutional pressure and business performance is moderated by organizational inertia. The findings of the Zhang et al., 2020 study further demonstrated the significance of social media-based structural, cognitive, and relational ties—particularly structural ties—as a co-creation method for enhancing organizational performance and value generation. The co-creation mechanism, results, and performance are significantly mediated by the efficiency of knowledge transfer and absorptive capacity.
Table 2.1 provides a clear overview of the variables being measured in the study, along with their index, measurement methods, and reviewer.

Table (2.1-A): Measures of variables.

Variable	Index	Measurement	Previous studies
Manufactured capital	Working capital ratio	$\frac{current\ assets}{current\ liabilities}$	Bolek, (2014)
Intellectual capital (IC)	Market Value- Book Value	Market Value- Book Value	Copeland, et al. 2000
Social Capital	Board meetings	Number of Board of Directors meetings during the year	Jones and Smith (2010)
Human Capital	Value-Added Human Capital: VAHU	$\frac{\text{Net Profit + Interest + Tax + Salaries and Wages}}{\text{Salaries and Wages}}$	Morris. (2015)

Table (2.1-B): Measures of variables.

Variable	Index	Measurement	Previous studies
Financial capital	Long Term Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Total Equity}}$	Chikwendu et al. (2020)
Corporate Performance	ROA	$\frac{\text{Investment Cost}}{\text{Net Proft}} \times 100\%$	Kamatra, & Kartikaningdyah, (2015), Asikin, et al. (2020), Habibniya, & Dsouza, (2018).
	ROE	$\frac{\text{Shareholders' Equity}}{\text{Net Income}} \times 100\%$	Kamatra, & Kartikaningdyah, (2015), Asikin, et al. (2020), Habibniya, & Dsouza, (2018
	EPS	$\frac{\text{SWeighted Average Number of Common Shares Outstanding}}{\text{Net Income} - \text{Preferred Dividends}}$	Kamatra, & Kartikaningdyah, (2015), Asikin, et al. (2020), Habibniya, & Dsouza, (2018

2.3 Previous Studies

(Wang, et al., 2023) Do specific investment and qualification of capability foster or impede firm performance: the moderating role of shared values.

The Study investigates the impact of specific investment and qualification of capability on firm performance. The authors also examine the moderating role of shared values in this relationship. The study employs a quantitative approach and collects data from various firms. The findings reveal that specific investment and qualification of capability can both foster and impede firm performance, depending on the presence of shared values. When shared values are high, specific investment and qualification of capability positively influence firm performance. However, when shared values are low, these factors can have a negative impact on performance. The study emphasizes the importance of shared values in determining the outcomes of specific investments and capabilities on firm performance.

(Camilleri, et al., 2023) Creating shared value through open innovation approaches: Opportunities and challenges for corporate sustainability.

The study examines the opportunities and challenges associated with implementing open innovation approaches for corporate sustainability. It discusses various strategies and mechanisms that companies can employ to facilitate open innovation, including partnerships, co-creation, crowdsourcing, and collaborative platforms. The authors provide empirical evidence and case studies to illustrate the successful implementation of open innovation practices in different industries and sectors. They conduct a systematic review of relevant articles. They also discuss the key challenges and barriers that organizations may face when adopting open innovation approaches, such as intellectual property concerns, cultural barriers, and organizational resistance to change. Overall, the study emphasizes the importance of integrating open innovation into corporate sustainability strategies. It highlights the potential for CSV through collaborative and inclusive approaches that involve multiple stakeholders. The authors conclude by providing recommendations for organizations to effectively implement open innovation practices and achieve sustainable outcomes.

(Lemańczyk, & Szymkowiak 2023). A decade of research on creating shared value conception: a structured systematic review and future research avenues.

The study is to provide a structured systematic review of the research conducted on the concept of creating shared value (CSV) over the past decade. The authors aim to identify the key themes, trends, and research gaps in the existing literature on CSV. They conduct a systematic review of relevant articles, considering factors such as the publication year, research methodology, theoretical frameworks, and main findings. This approach allows them to provide a comprehensive overview of the research landscape related to CSV. The study also explores potential future research avenues and areas that require further investigation within the CSV domain. By identifying research gaps, the authors provide valuable insights for scholars and practitioners interested in advancing the understanding and application of CSV.

(Sellou, 2022) Study of the impact of societal and environmental capital on the performance of Algerian companies.

The goal of this article is to introduce a new type of capital: societal and environmental capital, and to assess its impact on the performance of Algerian companies. This research is part of a broader field that explores the relationship between intangible assets and company performance. Such studies typically classify production factors into four categories: physical capital (e.g., equipment, buildings), labor, intangible capital, and a factor known as "the residue."

Despite various modeling efforts, an econometric study of the fifty largest Algerian companies found that firms' civic behavior towards society and the environment, as well as their related initiatives, do not significantly function as a genuine factor of production and remain largely categorized as operating expenses.

(Lambe et al., 2022) Financial, Manufactured capital and financial performance: evidence from listed multinational companies in Nigeria.

This study aims to assess the impact of integrated reporting (IR)—specifically financial and manufactured capital—on the financial performance of listed multinational companies in Nigeria. Using a longitudinal research design and secondary data from financial statements spanning 2011 to 2020, the study focuses on financial performance, measured by Return on Equity (ROE), as the dependent variable. IR is represented by financial capital and manufactured capital as independent variables. Descriptive, correlational, and fixed-effect panel regression analyses were conducted using STATA 16.
The findings indicate that financial capital has a positive and significant effect on the financial performance of listed multinational companies in Nigeria, while manufactured capital has a negative and insignificant effect. The study concludes that adopting integrated reporting enhances firm financial performance and recommends that companies mandatorily implement and maintain integrated reporting practices. Additionally, accounting standard setters and regulatory bodies should provide policy guidance to support this practice.

(Zheng and Wang, 2021) The Influences of Fixed Assets on Corporate Performance: Evidence from Manufacturing-listed Companies in China.

This study analyzed 1,546 listed manufacturing companies from the Shenzhen and Shanghai stock markets between 2009 and 2015. Using both fixed effect and two-way fixed effect models, the study empirically examined the relationship between fixed assets and corporate performance. Manufacturing is a crucial sector for national economic growth. Addressing the internal challenges faced by manufacturing enterprises can help overcome difficulties and enhance overall performance.
The findings reveal that: first, the scale of fixed assets negatively affects corporate performance; second, the quality of fixed assets has a weak positive relationship with corporate performance; and third, the growth rate of fixed assets positively impacts corporate performance.

(Kang, & Na, 2020). Effects of strategy characteristics for sustainable competitive advantage in sharing economy businesses on creating shared value and performance

The study explores the effects of strategy characteristics for sustainable competitive advantage in sharing economy businesses on CSV and performance. The authors adopt a quantitative approach and collect data from sharing economy businesses. The findings indicate that strategy characteristics for sustainable competitive advantage positively influence both CSV and performance in sharing economy businesses. The study highlights the importance of developing strategies that align with sustainable competitive advantage principles to foster CSV and achieve superior performance in the context of the sharing economy.

(Salehi, et al., 2020) The effect of intellectual capital on corporate performance.

The primary aim of this study is to explore the link between intellectual capital and corporate performance by examining the attributes of board members. Specifically, the study uses the educational background and education level of board members as indicators of intellectual capital, while also considering gender diversity as a characteristic of the board.

The study focuses on companies listed on the Tehran Stock Exchange from 2011 to 2017. A descriptive-correlational research method was employed, with regression models based on panel data used to explain the relationships between the variables.
The findings indicate that the intellectual capital of board members in Tehran Stock Exchange-listed companies does not significantly impact their performance. Consequently, the study suggests that managerial appointments should not be influenced by gender, as gender diversity does not affect the performance of companies within the Iranian business environment.

(Mohamed and Sarra, 2020) The impact of social capital on business performance: evidence from the Algerian companies.

The aim of this research is to examine the impact of social capital on business performance in Algerian institutions through a simple random sample of 307 employees using the model by Jyotirmayee Choudhury (2010). The relationship between social capital and business performance was studied, and data was collected via a questionnaire. Statistical techniques were applied using the SPSS program. The goal of this research is to study the effect of social capital on business performance in Algerian institutions. The findings suggest that this type of capital has a weak impact on business performance in these institutions. Therefore, it is recommended to increase managers' awareness of the importance of social capital, which can lead to improved business performance.

(Sara and Djillali, 2019) The effectiveness of human capital on business performance: field research in Algerian companies.

The purpose of this study is to examine the impact of human capital on the business performance of Algerian companies. Data was collected from 307 employees using a questionnaire. Statistical methods including descriptive statistics, t-tests, ANOVA, correlation analysis, and multiple regression were employed for analysis. To validate the data collection instrument, the study utilized the Kolmogorov-Smirnov (K-S) test, Cronbach's Alpha, and factor analysis. The study found that the relationship between human capital and business performance was weak. Therefore, human capital should be given serious consideration when developing company strategies.
In conclusion, the results highlight the need to enhance managerial awareness regarding the importance of human capital to improve business performance.

(Sharabati, et, al. 2016) The impact of intellectual capital on business performance in Kuwaiti telecommunication industry.

The objective of this study is to examine the impact of intellectual capital (IC) on the business performance (BP) of telecommunications organizations in Kuwait (KT). The empirical analysis utilized practical data collected through a questionnaire from 118 out of 500 managers. Various statistical methods, including descriptive statistics, t-tests, ANOVA, correlation, multiple regression, stepwise regression, and two-stage least squares, were applied. The validity of the data collection instrument was verified using the Kolmogorov-Smirnov test, Cronbach’s alpha, and factor analysis.

The study's findings reveal a significant positive relationship between IC and the business performance of KT organizations. Specifically, the results show that relational capital (RC) has the greatest impact on business performance, followed by human capital (HC), with structural capital (SC) having the least impact. Additionally, the empirical results highlight strong interrelationships and interactions among the three components of IC.

(Motilewa, et al., 2016) Creating shared value: a paradigm shift from corporate social responsibility to creating shared value.

The study discusses the theoretical foundations of CSV and highlights its potential benefits for both businesses and society. It emphasizes the importance of aligning business objectives with societal needs to create sustainable value for all stakeholders. The authors provide examples of companies that have successfully implemented CSV strategies and reaped the rewards in terms of improved financial performance and enhanced reputation. the study promotes the idea of shifting from a narrow focus on CSR to a broader approach of CSV. It encourages businesses to proactively identify opportunities to address social and environmental challenges through innovative business models that generate economic value while simultaneously benefiting society.

(Morris, 2015) An industry analysis of the power of human capital for corporate performance: evidence from South Africa.

The aim of this research is to empirically examine the relationship between human capital efficiency, as indicated by value-added human capital, and the financial and market performance of companies listed on the Main Board and Alternative Exchange (ALT-X) of the Johannesburg Stock Exchange. Financial performance was assessed using return on assets, revenue growth, and headline earnings per share, while market performance was measured by the market-to-book ratio and total share return. Multivariate regressions were conducted with panel data covering 390 companies across the financial, basic materials, consumer services, consumer goods, industrial, and technology sectors from 2001 to 2011.

The study found that human capital efficiency did not impact the market performance of listed companies in South Africa. However, it was observed that higher human capital efficiency led to better returns from both tangible and intangible assets across all industries. Additionally, greater profitability was generally associated with higher human capital efficiency in almost every industry, except for the technology sector, where human capital efficiency was unrelated to headline earnings per share. The study also revealed that higher revenue growth was positively correlated with human capital efficiency in non-consumer-driven industries, whereas in consumer-driven industries, human capital efficiency contributed to profitability but did not drive revenue growth.

Overall, the findings suggest that human capital efficiency improves a company's financial performance by enhancing production capacity, cost management, and resource utilization. It is recommended that management across South African industries invest in developing their employees' value-creating capabilities through targeted personnel enrichment, training programs, and incentives for further education.

(Park et al., 2014) The effects of creating shared value on corporate performance.

The study focuses on the concept of (CSV), which refers to the idea that businesses can simultaneously generate economic value for themselves while also creating societal value. The study examines how embracing CSV practices can influence a company's performance. To conduct their research, the authors analyze various factors such as customer value, employee satisfaction, social contribution, and financial performance. They collect data from different companies and industries, using a quantitative approach to assess the relationships between CSV and corporate performance. The findings of the study indicate that adopting CSV practices positively affects corporate performance. The authors suggest that companies that prioritize CSV tend to experience enhanced customer satisfaction, improved employee morale, and increased financial performance.

(Felı´cio et al., 2014) Human capital, social capital, and organizational performance.

This paper aims to evaluate the human and social capital of managers and how these attributes impact the performance of small and medium-sized enterprises (SMEs) in Portugal. A structural modeling approach was used on a sample of 199 SMEs, aged between 3 and 15 years, across five different sectors.
The study found that human capital influences social capital, with experience and cognitive abilities affecting personal relationships and complicity. Organizational performance is significantly impacted by human capital, particularly through the manager's cognitive abilities. Based on these findings, managers can gain valuable insights on improving their firm's performance, such as through enhancements in communication methods or strategic decision-making capabilities.

(Razafindrambinina and Anggreni, 2011) Intellectual Capital and Corporate Financial Performance of Selected Listed Companies in Indonesia.

This research aims to explore the relationship between intellectual capital (IC) and the financial performance of selected listed companies in Indonesia. Unlike financial and physical assets, intangible assets are harder to replicate, which makes them a significant source of competitive advantage. The study focuses on consumer goods companies listed on the Jakarta Stock Exchange. Pulic's Value Added Intellectual Coefficient (VAIC) model is used to measure the efficiency of human and structural capital.
The regression model investigates how intellectual capital impacts financial performance both currently and in the future. The results indicate that intellectual capital does enhance financial performance, although it does not significantly affect revenue growth for consumer goods firms in Indonesia. Additionally, the level of intellectual capital influences future performance. The study also finds that physical, financial, and structural capital are the most critical drivers of corporate performance, while human capital, though less significant, positively influences

revenue growth. This research highlights that Indonesian investors tend to place less emphasis on the potential of intellectual capital when assessing corporate value.

Table (2.3.1-A) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
Do specific investment and qualification of capability foster or impede firm performance: the moderating role of shared values?	2023	Marketing Intelligence & Planning	**Independent Variables:** **Specific investment**: The resources and efforts directed towards developing firm-specific skills and knowledge. **Qualification of capability**: The level of proficiency and expertise possessed by the firm in its core activities. **Moderating Variable:**Shared values: The common beliefs, principles, and goals that guide the organization's actions and decisions. **Dependent Variable:** Firm performance: Measured using financial and non-financial indicators such as profitability, market share, and employee satisfaction.	**Hierarchical Regression Analysis:** To assess how specific investment and qualification of capability impact firm performance at different levels of shared values. **Pick-a-Point Approach:** To examine the impact of specific investment and qualification of capability on firm performance at different levels of shared values.	The study found that specific investment and qualification of capability have partially positive impacts on firm performance. Shared values play a moderating role, meaning their level influences how specific investment and qualification of capability affect performance.
Creating Shared Value through Open Innovation Approaches: Opportunities and Challenges for Corporate Sustainability.	2023	Business Strategy and the Environment	**Independent Variables:** Open innovation approaches Collaborative relationships with external consultants or organizations **Dependent Variables:** Economic performance, Social performance, Environmental performance, Competitive advantage, Sustainable innovations, Diversification into different markets, Generation of new revenue streams. **Moderating Variables:** Organizational culture promoting open innovation, Risks and uncertainties, such as revealing sensitive information to outsiders.	PRISMA protocol was used for capturing and analyzing articles related to open innovation approaches. Systematic review methodology was applied to evaluate high-impact articles and reviews related to "open innovation," "corporate social responsibility," "corporate sustainability," "shared value," and "triple bottom line." Scopus was used to identify and categorize relevant publications, including titles, authors, citation counts, and source details.	Opportunities: OI can provide companies with access to diverse knowledge and resources, accelerating the development of sustainable innovations. Collaboration with external stakeholders can enhance legitimacy and social acceptance of CSR initiatives, leading to improved resource acquisition and brand reputation. OI can help companies address complex sustainability challenges beyond their internal capabilities, leading to broader societal impact.

Table (2.3.1-B) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
A decade of research on creating shared value conception: a structured systematic review and future research avenues	**2023**	"Zeszyty Naukowe Politechniki Śląskiej. Organizacja i Zarządzanie" (Journal of Silesian University of Technology. Organization and Management)	The study does not explicitly list variables in a traditional sense, as it is a literature review. However, the key concepts explored include: (CSV) Sustainable Development: The study looks at how CSV integrates into broader sustainable development goals. Corporate Social Responsibility (CSR): This is compared and contrasted with CSV.	Bibliometric Analysis: This method is used to map the existing literature on CSV, identifying key authors, institutions, countries, sources, and keywords. TCCM Analysis (Theory, Characteristics, Context, and Methodologies): This approach helps to understand the theoretical underpinnings, characteristics, contexts, and methodologies used in the CSV literature.	The study analyzed 46 articles published on CSV between 2012 and 2022. Five main research themes emerged: Theoretical foundations and conceptual frameworks of CSV. Antecedents and drivers of CSV adoption by firms. Measurement and evaluation models for CSV. Implementation challenges and success factors for CSV initiatives. Impacts of CSV on various stakeholders and the environment.
Study of the impact of societal and environmental capital on the performance of Algerian companies.	2022	Algerian Business Performance Review (ABPR)	**Independent Variables:** **Material Capital**: Measured by tangible assets (account 21 "Tangible Assets"). **Human Capital**: Includes all expenses related to recruitment, compensation, training, and development. **Societal and Environmental Capital**: Represents expenditures on sustainable development practices, though it's challenging to pinpoint exact accounts due to accounting practices. **Dependent Variable:** Corporate Performance: Measured using a Cobb-Douglas production function, with production output for the year representing the performance.	Statistical Methods Used: **Cobb-Douglas Production Function**: Used to measure the impact of independent variables on corporate performance. **Econometric Analysis**: Panel data econometrics applied using STATA 12 to estimate the model parameters. **Data Validation Techniques**: Kolmogorov-Smirnov test, Cronbach's alpha, and factor analysis were used to confirm the suitability of data collection instrument	Material capital has a positive influence on corporate performance, supporting the hypothesis that investment in tangible assets enhances performance. Human capital did not show a significant effect on corporate performance, suggesting that spending on human capital was not impactful. Societal and environmental capital did not significantly affect corporate performance, indicating that investments in this area are considered operational expenses rather than production factors.

Table (2.3.1-C) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
"Financial, Manufactured capital and financial performance: evidence from listed multinational companies in Nigeria".	2022	International Journal of Social Sciences and Management Review	"**IR** is the independent variable, represented by Financial Capital and Manufactured Capital. **Financial performance** is the dependent variable, measured by Return on Equity (ROE)."	panel regression analysis employing the fixed effect model. Longitudinal Research Design, Descriptive and Correlational Analysis, Panel Regression Analysis,(The statistical software STATA 16)	-The findings revealed that financial capital positively and significantly affects the financial performance of listed multinational companies in Nigeria. - Conversely, manufactured capital had an inverse and insignificant effect on financial performance. The study concludes that the adoption of IR improves a firm's financial performance.
The Influences of Fixed Assets on Corporate Performance-Evidence from Manufacturing-listed Companies in China	2021	The Journal of the Korea Contents Association	**Fixed Assets**: This is the independent variable in the study, measured using three ratios: 1. Fixed assets ratio=fixed assets/ total assets 2. Fixed assets turnover=net scale/average net fixed assets 3. Growth rate of fixed assets= growth scale of fixed assets/ whole scale of fixed assets. **Control variables** include the debt-to-assets ratio, managerial ownership, financial leverage, total assets size, and the growth rate of total assets. **Corporate Performance (CP):** This is the dependent variable in the study, measured using Tobin's q as the performance measure.	Statistical Methods Used: Fixed Effect Model: Applied to account for time-invariant characteristics of the companies that might affect performance. Two-Way Fixed Effect Model: Used to account for both time and individual effects. Correlation Analysis: To examine the relationships between corporate performance and each independent variable. Multivariate Regression Analysis: Employed to understand the influence of fixed assets on corporate performance, with considerations for cluster-robust standard errors to improve the robustness of the results.	The results indicate that fixed assets have a significant impact on Tobin's q. According to the two-way fixed effects model, the fixed assets ratio has a significant negative relationship with Tobin's q at the 5% level. The findings reject Hypothesis 1, indicating that the fixed assets ratio does not significantly influence corporate performance. Fixed assets turnover shows a positive but inconsistent effect on Tobin's q, making Hypothesis 2 invalid. However, Hypothesis 3 is supported, as the growth rate of fixed assets investment consistently shows a significant positive relationship with Tobin's q across all models.

Table (2.3.1-D) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
Effects of Strategy Characteristics for Sustainable Competitive Advantage in Sharing Economy Businesses on Creating Shared Value and Performance.	2020	Sustainability	Strategy characteristics for sustainable competitive advantage (SCA): The independent variable, encompassing four key elements: Moment of truth: Emphasizing user experience and trust-building. Value network: Collaborating with various stakeholders for shared value creation. Strategic innovation: Continuously developing new services and technologies. Strategic resources: Leveraging unique assets and capabilities. **Intermediary Variables:** Social Value Congruence Value of Information Sharing. **Dependent Variables:** Social Congruence (related to - CSV) Value of Information Sharing Value of Participation Performance.	**Reliability, Validity, and Goodness-of-Fit Tests:** To ensure the robustness of the data and the suitability of the model. **Path Analysis:** To analyze the relationships among variables and to understand the direct and indirect effects of the independent variables on the dependent variables. **Software Packages:** SPSS and AMOS statistical packages were used for the analysis.	SCA influences CSV creation differently for Business-to-Peer (B2P) and Peer-to-Peer (P2P) sharing economy models. **In B2P models:** Value network has the strongest positive impact on CSV creation. Moment of truth and value of information sharing also contribute significantly. **In P2P models:** Strategic innovation and strategic resources are the main drivers of CSV creation. Value network also plays a positive role. **CSV creation positively influences performance in both B2P and P2P models.** Value of participation (a sub-component of CSV) mediates the relationship between CSV and performance. This means that users who feel like they are actively contributing to shared value tend to perceive the platform more positively and contribute to its success.

Table (2.3.1-E) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
"The effect of intellectual capital on corporate performance".	2020	ABAC Journal Vol.40 No.4	"**Intellectual capital** is the independent variable. The characteristics of the board of directors serve as the **moderator variables**, while firm size, firm age, and board size are the **control variables**." "**Corporate performance** is an independent variable, and return on assets (ROA) was used to measure it."	Regression models based on panel data were employed to explain the relationship between intellectual capital and corporate performance.	The findings suggested that the intellectual capital of the board of directors in companies listed on the Tehran Stock Exchange did not impact their performance. Managers should be appointed regardless of their gender, as gender diversity does not affect the performance of companies operating in Iran's business environment.
The impact of social capital on business performance : evidence from the Algerian companies"	2020	Journal of Business Administration and Economic Studies،Vol . 6	In the study, the independent variable is **social capital**, which is assessed using the Jyotirmayee Choudhury (2010) model and measured through a questionnaire **business performance**: dependent variable in the study and is measured using various financial indicators, such as productivity, market share, and profitability, as well as non-financial indicators, such as customer satisfaction, innovation, and skills development.	The statistical methods used in this paper include: Descriptive Statistics**, t-test,** ANOVA test, Correlation Analysis, Multiple Regression Analysis, Kolmogorov-Smirnov (K-S) Test, Cronbach's Alpha, Factor Analysis	The present study found that social capital has a weak impact on business performance in Algerian companies. Therefore, it is recommended to enhance managers' awareness of the importance of social capital in order to improve business performance.
The effectiveness of human capital on business performance : a field research in Algerian companies".	2019	Al-Riyada for Business Economics Journal،Vol . 5	**Human Capital**: independent variable in the study and is measured using various indicators. Data is collected through questionnaires, which were distributed to 320 employees working in different companies **Business performance:** dependent variable in the study and is measured using various financial indicators, such as productivity, market share, and profitability, as well as non-financial indicators, such as customer satisfaction, innovation, and skills development.	"Statistical techniques, including descriptive statistics, t-tests, ANOVA, correlation, and multiple regression, were employed. To validate the suitability of the data collection instrument, the Kolmogorov-Smirnov (K-S) test, Cronbach's Alpha, and factor analysis were used."	"The study found that human capital had a weak relationship with business performance. It is crucial to consider human capital seriously when formulating company strategies. Finally, these results highlight the need to enhance managers' awareness of the importance of human capital in improving business performance."

Table (2.3.1-F) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
The impact of intellectual capital on business performance in Kuwaiti telecommunication industry".	2016	International Journal of Business Performance Management	**Independent Variable**: Intellectual Capital (IC), which is further broken down into: - RC (Relational Capital) - HC (Human Capital) - SC (Structural Capital) **Dependent Variable**: Business Performance (BP) of Kuwait's telecommunication organizations	**The statistical methods used in this paper include:** Descriptive Statistics**,** t-test**,** ANOVA test, Correlation Analysis, Multiple Regression, Stepwise Regression, Two-Stage Least Squares, Kolmogorov-Smirnov Test, Cronbach's Alpha, Factor Analysis.	The results revealed that relational capital has the greatest impact on the business performance of Kuwaiti telecommunication organizations, followed by human capital, with structural capital having the least impact. Additionally, empirical results showed that there are significant inter-relationships and interactions among the three components of intellectual capital.
Article title	**Year of publication**	**Publication**	**Main variables**	**Statistical method**	**Main results**
Creating shared value: a paradigm shift from corporate social responsibility to creating shared value.	2016	International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering Vol:10	The study primarily focuses on conceptual and theoretical aspects rather than empirical testing; Corporate Social Responsibility (CSR). (CSV). Africapitalism: Business philosophy aimed at addressing social issues through strategic value creation in Africa. Dependent Variables: Business Competitiveness, Social and Economic Advancement, Development in Africa.	The study does not directly employ statistical methods to test these variables but rather explores their theoretical relationships and implications. The focus is on reviewing literature and providing insights into how the shift from CSR to CSV can influence business practices and societal development.	The study highlights a transition from traditional Corporate Social Responsibility (CSR), which was primarily philanthropic, to a strategic model focused on (CSV). This shift aims to balance societal obligations with economic benefits, particularly in the context of Africa's institutional and economic challenges.
An industry analysis of the power of human capital for corporate performance: evidence from South Africa".	2015	The South African Journal of Economic and Management Sciences (**SAJEMS**) Vol **18**	**Independent Variable**: Human capital efficiency, measured by value-added human capital. **VAHC=NP+I+T+W/W** **financial and market performance**: This study's dependent variable is evaluated using indicators such as return on assets, revenue growth, and headline earnings per share to gauge financial performance. Meanwhile, market performance is assessed through the market-to-book ratio and total share return.	The statistical method used in this study involves conducting multivariate regressions with panel data. This data covers 390 companies from the financial, basic materials, consumer services, consumer goods, industrial, and technology sectors, spanning the period from 2001 to 2011.	Firstly, human capital efficiency was determined to have minimal to no direct impact on the market performance of listed companies in South Africa. Secondly, greater human capital efficiency was found to enhance returns from both tangible and intangible assets across all industries. Thirdly, higher profitability was consistently linked to increased human capital efficiency in nearly every industry in South Africa. Finally, higher revenue growth was positively correlated with HCE.

Table (2.3.1-G) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
The effects of creating shared value on corporate performance	2014	journal of Distribution Science	**(CSV**): This is the independent variable in the study and refers to the practices that companies implement to create economic value for themselves while also creating social value for society. **Corporate performance** (CP): This is the dependent variable in the study and is measured using a variety of financial and non-financial metrics. **Mediating Variable:Corporate Trust:** This variable mediates the relationship between CSV approaches and corporate performance, indicating that CSV influences corporate performance through the generation of trust	Regression analysis was used to examine the relationship between CSV and CP.	The study found a positive influence of CSV on corporate and social values: Incorporating CSV approaches helps create both business and social values. Impact on Corporate Trust: These values positively influence corporate trust. Improved Corporate Performance: Enhanced corporate trust, in turn, facilitates improvements in overall corporate performance.
"Human capital, social capital and organizational performance".	2014	Emerald Publishing Limited. Management Decision Vol. 52	**Human capital,** the independent variable in this study, comprises four distinct constructs. (knowledge, experience, professional proficiency, cognitive ability) **Social capital** another independent variable is made up of five constructs (status, interlinking and family support, complicity, personal relations, social relations) **organizational performance** This is the dependent variable in the study and is measured using a variety of financial and non-financial metrics such as (sales, profits, firm size.)	Structural equation modeling (SEM).	The study found that human capital impacts social capital, with experience and cognitive ability affecting personal relationships and complicity. Furthermore, organizational performance is strongly influenced by human capital, particularly through the cognitive ability of the manager.

Table (2.3.1-H) Summary of previous studies

Article title	Year of publication	Publication	Main variables	Statistical method	Main results
"Intellectual Capital and Corporate Financial Performance of Selected Listed Companies in Indonesia	2011	Malaysian Journal of Economic Studies 48 (1)	**Intellectual Capital**: This is the independent variable in the study, encompassing human capital, structural capital, and customer capital. It is measured using Public's Value Added Intellectual Coefficient (VAIC), which is calculated as: **VAIC = CEE + HCE + SCE.** where: CEE (Capital Employed Efficiency) HCE (Human Capital Efficiency) SCE (Structural Capital Efficiency) **Financial Performance**: This is the dependent variable and is assessed using the following ratios: Return on Assets (ROA), Asset Turnover (ATO), Revenue Growth (RG), and Operating Cash Flow ratio (OCF).	The data for this research was sourced from the annual reports of consumer goods companies listed on the Jakarta Stock Exchange for the years 2003 to 2006. The study employs **regression analysis** to explore the relationship between intellectual capital and corporate financial performance. This method is used to assess both the current and future contributions of intellectual capital to financial performance	The results indicate that intellectual capital does enhance financial performance, except for revenue growth in consumer goods firms in Indonesia. Additionally, the findings suggest that future performance is influenced by the level of intellectual capital. Lastly, evidence shows that physical, financial, and structural capital are the most significant drivers of corporate performance. Although human capital's impact is not significant, it consistently plays a positive role in revenue growth.

2.3.2 What makes this study unique?

CSV is pivotal in helping companies better understand and address the evolving needs and expectations of their stakeholders. Studying the new technique of CSV and analyzing its impact on corporate performance is crucial for evaluating performance effectively.

The study titled “The Effect of CSV on Corporate Performance in Companies Listed on the Palestine Exchange” stands out for several reasons:

1. **Comprehensive Variable Integration**: This study is unique in its approach of including all independent variables—manufactured capital, intellectual capital, social capital, financial capital, and human capital—simultaneously. To the best of the researcher’s knowledge, previous studies have not combined these variables in this manner.
2. **Innovative Focus**: It is the first study to explore the impact of CSV on corporate performance, addressing a gap in existing research which often relies solely on descriptive statistics, particularly in Arab studies.
3. **Sector-Specific Analysis**: The study examines how the effect of CSV on corporate performance varies across different sectors (Banking, Investment, Service, Insurance, and Manufacturing), providing a nuanced understanding of Palestine environment and its companies performance.
4. **Context-Specific Examination**: Given that Palestine is considered a special case, the study’s sample includes the financial statements of 45 companies across all sectors over

a period of five years. This comprehensive dataset adds depth and specificity to the analysis.

5. **Foundation for Future Research**: This study sets a precedent for future research on CSV, offering a valuable starting point for further exploration in this area.

Chapter Three

Methodology

3.1 Introduction

To link the conceptual framework with the empirical results, this chapter identifies the study methodology, and design, which includes the data required for the study, and factors. The study population and sample, data collection method, and analysis method to examine the study hypotheses are also identified. The researcher depended on the descriptive and inferential analysis methodologies to answer the study's objectives.

3.2 Research design

The main aim of this study is to determine the impact of CSV on finance performance for the companies listed on the Palestine Exchange. Thus, this study is quantitative used to explain how the independent variables affect one or more dependent variables.

3.3 Data Collection Method

The source of data is secondary in the form of the annual financial reports of companies published in the Palestine exchange during (2018-2022) (www.pex.ps). In addition, the study used secondary data like research, a thesis, and articles that specifically focused on the study variable in general, whether locally or internationally. This helps in getting a thorough understanding of the research problem from different perspectives.

3.4 Study Population and Sample

The targeted population for this study will be all the companies listed in the Palestine Exchange for 5 years from 2018 to 2022 (Palestine Exchange, 2024). According to the Palestine Exchange, the total number of companies listed from 2018 and still listed in 2022 is 45 companies (as it mentioned in the Palestine Exchange- PEX on the date 08/05/2024) distributed in five sectors,

12 in the industrial sector, 7 in the banking sector, 7 in the Insurance sector, 9 and 10 in service and investment respectively. The efficient way to select the sample that represents the population is a proportional stratified sampling since the number of companies in each sector is not the same. According to Hair et al. (2007), stratified random sampling is a "process in which certain sub-groups or strata are selected for the sample in the same proportion as they exist in the population". So, the companies divided the population into 5 groups, each group representing one sector. To calculate and gain a more accurate result on the sample size, the Stephen Thompson formula was used, equation 1 displays the basis to determine the sample size through the Stephen Thompson formula (Thompson, 2012).

$$n = \frac{N \times p(1-p)}{[N-1 \times (d^2 \div z^2)] + p(1-p)} \qquad eq.(1)$$

Where n is the sample size, N represents the population size, p represents the probability value (0.50), d represents the desired margin of error (0.05), and z represents the z-score of significant level 95% (1.96). The Stephen Thompson formula shows that the efficient sample size representing the population in this study is 41 companies (see eq.2).

$$n = \frac{45 \times 0.5\,(1-0.5)}{[44 \times (0.05^2 \div 1.96^2)] + 0.5\,(1-0.5)} = 40.4 \qquad eq.(1)$$

To determine the sample size of each sector, table 3.1 represents the sample distributed according to the five sectors that represent the companies, the sample contains 11 in the industrial sector, 7 in the banking sector, 7 in the Insurance sector, 9 and 9 in service and investment respectively, one company of industrial sector was deleted from the sample because some data that needed to calculate the study variable is not available (see appendix 1 to see the study sample of companies and their characteristics).

Table 3.1: The distribution of sample size due to company sector

Sectors	Population		Sample requirement		Sample	
	N	Percent (%)	N	Percent (%)	N	Percent (%)
Industrial	12	26.6	10.9	26.6	11	25.6
Service	9	20.0	8.2	20.0	9	20.9
Investment	10	22.2	9.1	22.2	9	20.9
Banking	7	15.6	6.4	15.6	7	16.3
Insurance	7	15.6	6.4	15.6	7	16.3
Total	**45**	**100.0**	**41**	**100**	**43**	**100.0**

3.5 Study variables

This study aimed to determine the impact of CSV on finance performance in companies listed in the Palestine Exchange, the dependent variables represent financial performance, and the independent variables represent CSV. The researcher in this study measured the independent variables by five dimensions of CSV which: manufactured capital measured by working capital, intellectual capital measured by market value added, social capital measured by board meetings, financial capital measured by long-term debt to equity ratio, and human capital measured by value-added human capita, while the financial performance measured by three measures which are: return on assets, return on equity, and earnings per share. The description and measurement of independent and dependent variables are summarized in Table 3.2.

Table 3.2: Description and measurement of variables.

Index	Measurement	Type of the variable
WC	$\frac{current\ assets}{current\ liabilities}$	**Independent Variables**
IC	Market Value- Book Value	
Social capital	Number of Board of Directors meetings during the year	
(VAHU)	$\frac{\text{Net Profit} + \text{Interest} + \text{Tax} + \text{Salaries and Wages}}{\text{Salaries and Wages}}$	
Long Term Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Total Equity}}$	
ROA	$\frac{\text{Investment Cost}}{\text{Net Proft}} \times 100\%$	**Dependent Variables**
ROE	$\frac{\text{Shareholders' Equity}}{\text{Net Income}} \times 100\%$	
EPS	$\frac{\text{SWeighted Average Number of Common Shares Outstanding}}{\text{Net Income} - \text{Preferred Dividends}}$	

3.6 Data analysis

In this study, both descriptive and inferential statistical tools were used to examine the hypothesis and questions as follows:

- **Descriptive statistics**
  Means and standard deviation were used to describe the quantitative variables dependent and independent.

- **Inferential statistics**
  Data analyses were performed by using Stata version 12 to answer the study hypothesis by the Panel model.

3.6.1 Panel model:

Panel regression models were used to test the impact of shared value on finance performance from 2018 to 2022. Since the researcher works with 42 companies in 5 points of time, the panel data approach is thought to be more reasonable because panel data are appropriate for studying the behavior of individual companies as well over different periods.
There are three main types of panel data models: pooled regression model (PRM); fixed effect regression model (FEM) and random effect regression model (REM). The general equation of the panel data regression model can be written as follows:

$$Y_{it} = B_{0i} + \sum_{j=1}^{k} B_j X_{jit} + \varepsilon_{it} \qquad (i = 1,2, \dots, n; t = 1,2, \dots, t; j = 1,2, \dots k)$$

Where Y_{it} is the dependent variable in company i during the period t, X_{it} represents the independent variable at time t and company i, and ε_{it} represents the error term in the models, while B_{0i} and B_j represent the scalar constant and regression coefficient respectively.

The pooled regression model is one type of model that has constant coefficients, referring to both intercepts and slopes. For this model, researchers can pool all of the data and run an ordinary least squares regression model. The equation of the pooled regression model can be written with assumed $E(\varepsilon_{it}) = 0,\ \text{var}(\varepsilon_{it}) = \sigma_\varepsilon^2$ as follows:

$$Y_{it} = B_{0i} + \sum_{j=1}^{k} B_j X_{jit} + \varepsilon_{it} \qquad (i = 1,2, \dots, n; t = 1,2, \dots, t; j = 1,2, \dots k)$$

Fixed effect model for a particular individual i, means that the factors that do not change with time, in other words, the fixed effect model studies the relationship between dependent and independent variables within an entity. The equation of the fixed effect regression model can be written with assumed $E(\varepsilon_{it}) = 0,\ \text{var}(\varepsilon_{it}) = \sigma_\varepsilon^2$, and B_0 for all companies doesn't change over time, but it changes over companies as follows:

$$Y_{it} = B_{0i} + \sum_{j=1}^{k} B_j X_{jit} + \varepsilon_{it} \qquad (i = 1,2, \dots, n; t = 1,2, \dots, t; j = 1,2, \dots k)$$

While the random effect model handles the intercept for each section not fixed, but as random parameters as follows:

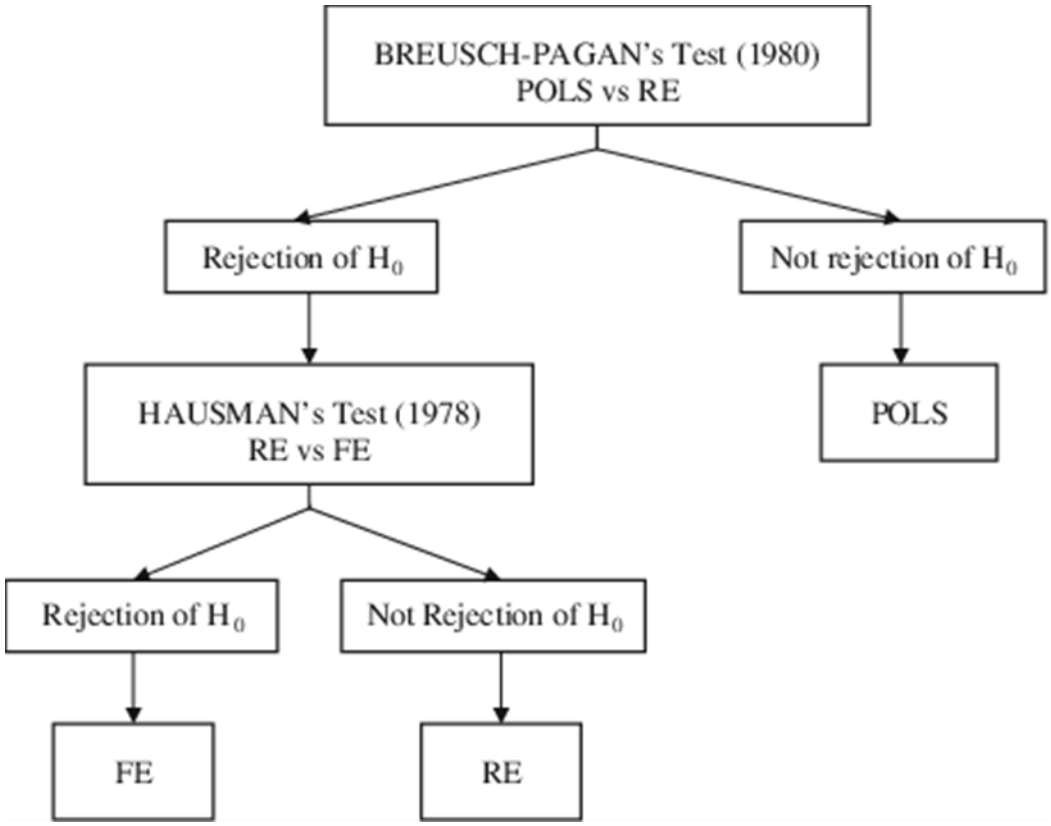
$$\mathbf{B_{0i}} = \mu + \mathbf{v_i}$$

Also, the random error term in the random effect model is divided into two parts, one part is the error term (ε_{it}) that does not change with time, and the other part is the error term (v_i) that changes with time, the random effect model can be written with an assumed $E(\varepsilon_{it}) = 0$, var $(\varepsilon_{it} + v_i) = \sigma_\varepsilon^2 + \sigma_v^2$ as follows:

$$Y_{it} = \mu + \sum_{j=1}^{k} B_j X_{jit} + v_i + \varepsilon_{it}$$

To choose the sufficient model to answer the research hypotheses, two stages of the test were used, in the first stage the Breusch and Pagan LM test was applied to choose the sufficient model between the random effect model and pooled model, and the Hausman test was used in the second stage to select a fixed effect model or a random effect model to apply. Figure 3.1 represents the two stages to choosing the sufficient model.
Finally, before performing the estimation and statistical analysis, the model must be diagnosed. The main four diagnostic tests that should be conducted before start analyzing the data are:

- Stationarity test
- Multicollinearity test
- Autocorrelation test
- Heteroscedasticity test



Source: (Lascio et al., 2011)

Figure 3.1: The stages of choosing the optimal model of panel data

3.7 Normal Distribution & Test Outliers Value

The first assumption in panel models' analysis is that there should be no outliers in the data. To assess if there are any outliers, skewness, and kurtosis values were used; skewness indicates the asymmetry of the variable distribution, while kurtosis indicates how peaked a distribution is (Mehmetoglu & Jakobsen, 2017). For skewness and kurtosis absolute values to be considered acceptable, both must be less than 1.96 and 2, respectively; in other words, there cannot be an outlier in the data.

According to the result in Table 3.3, the skewness and kurtosis values indicate that all study variables have outliers' values, so to minimize the outliers of these variables, the Winsorizing method at 5% was used (Rousseeuw & Leroy, 1987).

Checking for the data normality is imperative in deciding which correlation matrix has to be applied when the multicollinearity assessment. According to Brooks (2014), the normality assumption is also important for conducting single or joint hypothesis tests regarding the model parameters but isn't an assumption to apply to the panel models. As shown in Table (3.3) and through using the Shapiro-Wilk test, the distribution of all study variables non-normal

distribution. Consequently, the Spearman correlation matrix was applied to show the correlations among variables to test the multicollinearity between the independent.

Table 3.3: Normal distribution & test outliers value of the study variables

Variable	Skewness coefficient	Kurtosis coefficient	z-test	P-value
Return on assets	-0.227	4.982	3.886	0.00**
Return on equity	-1.413	6.928	6.551	0.00**
Earnings per share	5.377	40.650	10.210	0.00**
Working capital	2.876	11.667	9.513	0.00**
Market value-added	3.386	17.203	9.530	0.00**
Board meetings	-0.342	5.696	4.932	0.00**
Long-term debt to equity	2.244	6.286	10.163	0.00**
Value-added human capital	5.253	34.9722	10.399	0.00**

** represents statistical significance at 5% level. **Source:** output of Stata software 12

Chapter Four

Results & Discussion

4.1 Introduction

This chapter includes the presentation of data analysis and testing of the research hypotheses. It starts with descriptive statistics for the study variables, then assessing the diagnosis test before applying the panel data models. Finally, the researcher presents the study results about the study hypotheses**.**

4.2 Descriptive statistic

This section displays the descriptive statistics of study variables, dependent and independent respectively.

4.2.1 Financial performance:

This section displays the descriptive statistics of financial performance for the companies listed on the Palestine Exchange (2018-2022), The researcher in this study measured the financial performance by three measures which are: return on assets, return on equity, and earnings per share.

Figure 4.1 displays the financial performance of the companies listed on the Palestine Exchange (2018-2022). The result in Figure 4.1 indicates that the mean value of earnings per share of the study sample is more than the other financial performance measures during the study period (2018-2022). Additionally, there was a decline in the mean value of financial performance measures in 2020, an increase in 2021, and a decline in 2022. The mean value of earnings per share ranged between (0.172 - 0.461), and the mean value of return on assets and return on equity ranged between (0.021 – 0.042) and (0.038 – 0.081) respectively as it shown in table 4.1.

Table 4.1: Descriptive statistics of financial performance measured.

Years	Number of observation	Mean	Standard deviation	Maximum	Minimum
ROA					
2018	42	0.026	0.042	-0.09	0.13
2019	42	0.027	0.046	-0.08	0.13
2020	42	0.021	0.057	-0.17	0.12
2021	42	0.042	0.049	-0.05	0.20
2022	42	0.036	0.040	-0.06	0.13
ROE					
2018	42	0.058	0.084	-0.23	0.19
2019	42	0.054	0.081	-0.20	0.18
2020	42	0.038	0.112	-0.34	0.17
2021	42	0.081	0.089	-0.18	0.32
2022	42	0.075	0.085	-0.21	0.29
EPS					
2018	42	0.461	1.134	-0.39	6.18
2019	42	0.172	0.283	-0.11	1.64
2020	42	0.220	0.411	-0.26	1.61
2021	42	0.305	0.634	-0.20	3.12
2022	42	0.207	0.346	-0.08	2.21

Furthermore, the mean value of earnings per share decreased in 2019 by 62.8% compared with 2018, and after that, it increased gradually and continuously in 2020 and 2021 (the mean values are 0.220 and 0.305 respectively), while it decreased in 2022 by 31.7% compared to the mean value in 2021. The mean value of return on assets increased in 2019 by 3.8% compared with 2018, then it decreased in 2020 (mean =0.021) and increased in 2021 (mean =0.042), while it increased by 85.8% in 2022 compared with 2021. Regarding return on equity, the mean value decreased gradually and continuously in 2020 and 2021 (the mean values are 0.054 and 0.038 respectively), while it increased in 2021 and decreased in 2022 (the mean values are 0.081 and 0.075 respectively).

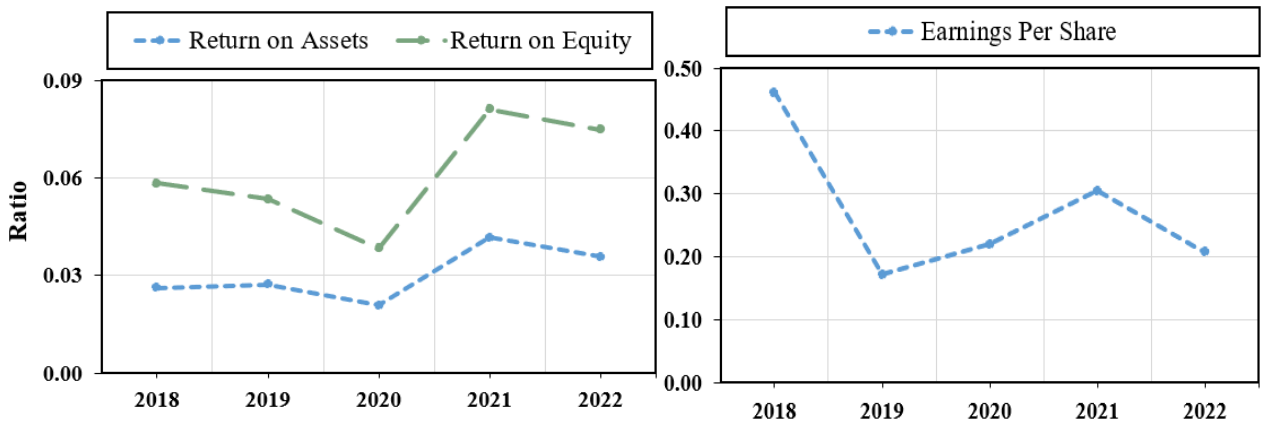


Figure 4.1: The mean value of financial performance measures during (2018-2020)

4.2.2 Creating shared value:

This section displays the descriptive statistics of CSV for the companies listed on the Palestine Exchange (2018-2022), the researcher in this study measured five dimensions of CSV which are: manufactured capital measured by working capital, intellectual capital measured by market value added, social capital measured by board meetings, financial capital measured by long term debt to equity ratio, and human capital measured by value-added human capital.

The results in Figure 4.2 displayed the mean value of both board meetings and value-added human capital indicators, the mean value of board meetings and value-added human capital ranged between (4.691 – 5.524) and (5.620 – 8.751) respectively. The mean value of board meetings increased in 2019 by 18.8% compared with 2018, and it was fixed in 2020 (mean =5.571), while it decreased in 2021 by 8.5% (mean=0.5271) compared to the mean value in 2020 and increased in 2022 (mean=5.571). The mean of value-added human capital decreased in 2019 by 14.8% compared with 2018, and after that, it increased gradually and continuously in 2020 and 2021 (the mean values are 5.791 and 8.751 respectively), while it decreased in 2022 by 13.9% compared to the mean value in 2021, see table 4.2.

Table 4.2: Descriptive statistics of creating shared value dimensions.

Years	Number of observation	Mean	Standard deviation	Maximum	Minimum
Market Value Added (MVA)					
2018	42	91954761.9	149640163.8	1600000.0	800000000.0
2019	42	89659523.8	142580043.5	1500000.0	780000000.0
2020	42	85009523.8	130506399.8	1500000.0	710000000.0
2021	42	108750000.0	189198947.1	1500000.0	1100000000.0
2022	42	114523809.5	181630609.9	1500000.0	1000000000.0
Board meetings					
2018	42	4.691	1.718	0.00	12.00
2019	42	5.571	1.684	0.00	11.00
2020	42	5.571	1.915	0.00	9.00
2021	42	5.524	1.877	0.00	11.00
2022	42	5.571	1.548	0.00	9.00
Long term debt to equity ratio					
2018	42	1.429	3.171	0.00	10.84
2019	42	1.571	3.473	0.00	11.57
2020	42	1.683	3.757	0.00	12.39
2021	42	1.667	3.671	0.00	12.26
2022	42	1.459	3.168	0.00	10.92
VAHU					
2018	42	6.598	17.841	-21.44	105.83
2019	42	5.620	14.369	-14.11	81.38
2020	42	5.791	19.582	-17.91	122.22
2021	42	8.751	25.759	-3.43	164.44
2022	42	7.537	19.453	-11.29	116.30
Working capita					
2018	42	1.959	2.115	0.130	9.870
2019	42	1.992	2.281	0.110	9.930
2020	42	1.979	2.148	0.020	10.220
2021	42	2.151	2.585	0.110	13.460
2022	42	2.179	2.719	0.050	14.730

Additionally, the mean value of working capital ranged between (1.959 and 2.151), and the mean value increased in 2019 by 1.67% compared to the mean value in 2018 and then decreased in 2020 (mean=1.979), while it increased gradually and continuously in 2020 and 2021 (the mean values are 5.791 and 8.751 respectively).

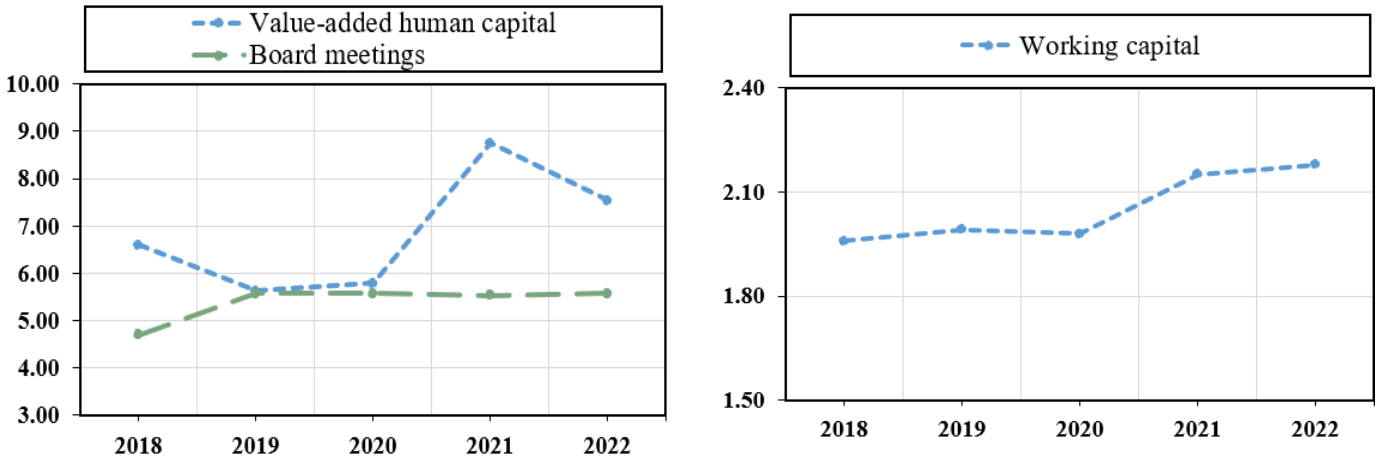


Figure 4.2: The mean value of value-added human capital, board meetings, and working capital during (2018-2020)

The results in Figure 4.3 displayed the mean value of both market value-added and long-term debt to equity ratio, the mean value of market value-added and long-term debt to equity ratio ranged between (85009523.81 – 114523809.52) $ and (1.43 – 1.68) respectively. The mean value of market value added decreased gradually and continuously in 2019 and 2020 (the mean values are 89659523.81$ and 85009523.81$ respectively), but then it increased progressively and consistently in 2021 and 2022 (the mean values are 108750000$ and 114523809.52$ respectively). Regarding the long-term debt-to-equity ratio, the mean value of the long-term debt-to-equity ratio increased progressively and consistently from 2018 to 2020 starting with 1.43 to 1.68 and then decreasing to the end of the study period.

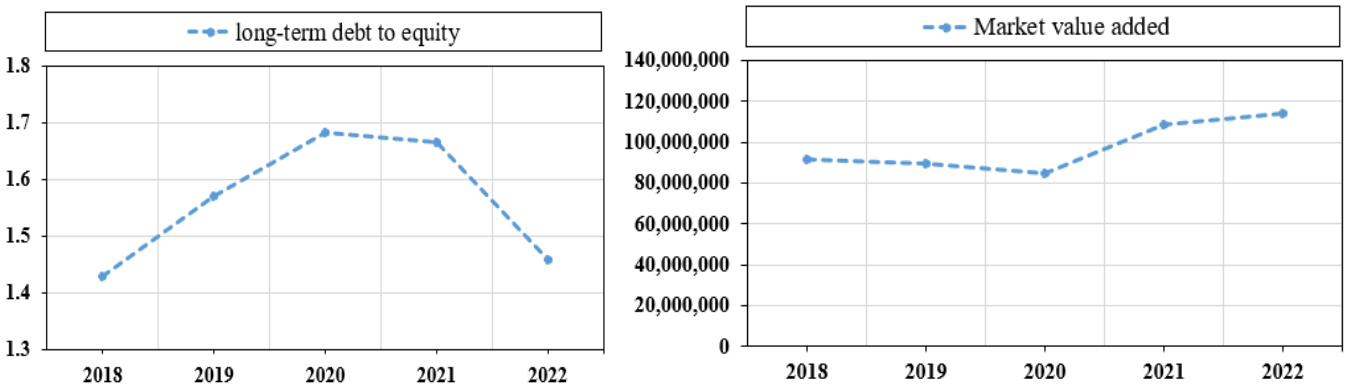


Figure 4.3: The mean value of market value-added and long-term debt to equity during (2018-2020).

4.3 The Diagnosis Tests of Panel Models

In general, the model needs to be diagnosed before any estimating or statistical analysis can be done. The diagnostic checks for the panel data utilized in this investigation are shown in this section. The main four diagnostic tests that should be conducted before analyzing the data are the stationarity test and the multicollinearity test for the study's data before the hypotheses testing. Autocorrelation and heteroscedasticity will be tested with hypotheses testing.

4.3.1 Panel Unit Root Test for Stationarity:

The panel unit root for the research variables was evaluated using the Harris–Tzavalis test, where the alternative hypothesis is that panels are stationary, and the null hypothesis is that panels contain unit roots. According to Oppong et al. (2019), if the study period exceeds ten years, the stationarity test must be applied as a diagnostic test since instability variables always have an impact on the outcome; in other cases, the stationary test is not important. This study was applied over 5 years from 2018 to 2022, according to Oppong et al. (2019) stationary test is not important to assessment, but the researcher tests the stationarity of study variables. The result in Table 4.1 indicates that all variables are stationary (return on assets, return on equity, earnings per share, working capital, market value-added, board meetings, value-added human capital) except long-term debt to equity.

Table 4.3: Panel unit root test results for study variables.

Study variables	z-test	P-value
Return on assets	-6.396	0.000**
Return on equity	-5.676	0.000**
Earnings per share	-9.016	0.000**
Working capital	-8.098	0.000**
Market value-added	-6.077	0.000**
Board meetings	-8.199	0.000**
Long-term debt to equity	-0.277	0.391
Value-added human capital	-10.729	0.000**

Note: Harris–Tzavalis Panel Unit Root test including the z-statistic and P-value; ** and * represent statistical significance at 5% and 10% levels, respectively.

4.3.2 Multicollinearity test:

Multicollinearity occurs when any single independent variable is highly correlated with another set of independent variables (Hair et al, 2010). To assess the multicollinearity, correlation coefficient, and Variance Inflation Factor (VIF) were used. Kennedy (1985) proposed a correlation coefficient between two independent variables in the same model of more than (0.8) indicating the existence of multicollinearity, which is a major concern. Ringle et al. (2015) confirmed that multicollinearity is a concern if the VIF value is more than 5. The results in Table 4.2 show that there is no multicollinearity issue because all independent variable VIF values are less than 5 and the correlation coefficient values between any independent pairwise variables are less than (0.8).

Table 4.4: Correlation matrix for the independent variables

	WC	MVA	BM	LTd-E	VAHU	VIF
1. WC	1.000					1.04
2. MVA	-0.150**	1.000				1.31
3. BM	0.019	0.207**	1.000			1.14
4. LTd-E	-0.286**	0.450**	0.314**	1.000		1.42
5. VAHU	0.198**	0.244**	-0.028	-0.060**	1.000	1.11

Note: ** and * represent statistical significance at 5% and 10% levels respectively; WC: Working capital; MVA: Market value-added; BM: Board meetings; LTd-E: Long-term debt to equity; VAHU: Value-added human capital.

4.3.3 Autocorrelation Test:

The autocorrelation issue, which affects macro panels with lengthy time series but not the micro panels in our investigation, results in standard errors of the coefficients that are less than they are and greater R-squared. The null hypothesis of the Wooldridge (2010) autocorrelation test,

which holds that there is no first-order autocorrelation, was nevertheless used. The result in Table 4.3 confirmed to accept the null hypothesis for all models, since the significant value equal (0.317) is more than 5%, which means no first-order autocorrelation of the study models, also all models have the same value of the Wooldridge test because the independent value of the three model is the same.

Table 4.5: Autocorrelation test for study models.

	Study Models	F-test (1, 41)	Sig.
H_1	The impact of creating shared value on return on assets	1.026	0.317
H_2	The impact of creating shared value on return on equity	1.026	0.317
H_3	The impact of creating shared value on earnings per share	1.026	0.317

4.3.4 Heteroscedasticity Test:

The Breusch-Pagan/Cook-Weisberg test was used to check for heteroscedasticity, with the null hypothesis being constant variance. Heteroscedasticity is defined as the variance of the residuals being uneven throughout a range of measured values. The result in Table 4.4 indicates that all models studying the impact of CSV on financial performance suffered from heteroscedasticity since the p-value of all models is less than the significant level (α=0.05). Robust standard error (Rogers, 1993) estimates were applied to deal with the heteroscedasticity problem in all models.

Table 4.6: Heteroscedasticity test for study models.

	Study Models	$\chi^2(1)$	Sig.
H_1	The impact of creating shared value on return on assets	5.23	0.022**
H_2	The impact of creating shared value on return on equity	15.76	0.000**
H_3	The impact of creating shared value on earnings per share	57.23	0.000**

Note: ** and * represent statistical significance at 5% and 10% levels respectively.

4.4 Result of research hypotheses

This section has been devoted to testing the study models of the hypotheses by estimating the impact of independent variables which are the CSV indicators on the dependent variable which is finance performance.

4.4.1 Result of the first hypothesis:

To test the first hypothesis, which focuses on the impact of CSV (an independent variable) on finance performance measured by return on assets (a dependent variable), this section displays the result of the first model. The first hypothesis (H_1) states **"There is no statistically significant impact of created shared value on return on assets"**.

Five dimensions were used to represent created shared value which are: manufactured capital measured by working capital, intellectual capital measured by market value added, social capital measured by board meetings, financial capital measured by long-term debt to equity ratio, and human capital measured by value-added human capital, so there are five independent variables which leads to five sub-hypotheses.
According to the result of the Breusch and Pagan LM test and Hausman test, the fixed effect model was used to answer the first hypothesis and their sub-hypotheses, since the significant values of the Breusch and Pagan LM test and Hausman test are less than the significant level 5%. The result in Table 4.5 indicates there is a statistically significant impact of created shared value on return on assets (Sig=0.000<0.05), **so the first hypothesis was rejected (H_1).** Also, the created shared value can explain 46.47% of the variation in return on assets of the companies listed on the Palestine Exchange.
Regarding the first sub-hypotheses, the results indicate that:

- There is no **statistically significant positive impact** of the manufactured capital (working capital) on the return on assets (Sig=0.023<0.05), so the first sub-hypothesis was rejected ($H_{1.1}$), and if the working capital increased by one unit, the return on assets increased by 0.0042.
- There **is no statistically significant impact of the intellectual capital** (market value-added) on the return on assets (Sig=0.687>0.05), so the second sub-hypothesis was accepted ($H_{1.2}$).
- There is no **statistically significant positive impact of the social capital** (board meetings) on the return on assets (Sig=0.020<0.05), so the third sub-hypothesis was rejected ($H_{1.3}$), and if the board meetings increased by one meeting, the return on assets increased by 0.0036.
- There is **no statistically significant impact of the financial capital** (long-term debt to equity) on the return on assets (Sig=0.243>0.05), so the fourth sub-hypothesis was accepted ($H_{1.4}$).
- There is no **statistically significant positive impact of the Human capital** (value-added human capital) on the return on assets (Sig=0.000<0.05), so the fifth sub-hypothesis was rejected ($H_{1.5}$), and if the value-added human capital increased by one unit, the return on assets increased by 0.0041.

Table 4.7: Result of the first hypothesis.

Variables	β	Std.	t-value	Sig.
Intercept	-0.012	0.011	-1.06	0.292
Manufactured capital (WC)	0.0042	0.002	2.30	0.023**
Intellectual capital (MVA)	1.95 e^-11	4.82 e^-11	0.04	0.687
Social capital (BM)	0.0036	0.002	2.35	0.020**
Financial capital (LTd-E)	-0.0045	0.004	-1.17	0.243
Human capital (VAHU)	0.0041	0.0004	10.87	0.000**
			The Optimal Model	
	Breusch and Pagan LM test	($\chi^2(1)$ =152.29, sig.=0.000***)		
	Hausman test	($\chi^2(4)$ =15.15, sig.=0.004***)		
			Significance of model	
Test statistic value	F(5,163)=28.30			
Significant	Sig.=0.000**			
R-squared	0.4647			

Note: ** and * represent statistical significance at 5% and 10% levels respectively; WC: Working capital; MVA: Market value-added; BM: Board meetings; Ltd-E: Long-term debt to equity; VAHU: Value-added human capital

4.4.2 Result of the second hypothesis:

To test the second hypothesis, which focuses on the impact of CSV (an independent variable) on finance performance measured by return on equity (a dependent variable), this section displays the result of the second model. The second hypothesis (H_2) states **"There is no statistically significant impact of created shared value on return on equity"**.
According to the result of the Breusch and Pagan LM test and Hausman test, the fixed effect model was used to answer the second hypothesis and their sub-hypotheses, since the significant values of the Breusch and Pagan LM test and Hausman test are less than the significant level 5%. The result in Table 4.6 indicates there is a statistically significant impact of created shared value on return on equity (Sig=0.000<0.05), **so the second hypothesis was rejected (H_2).** Also, the created shared value can explain 40.88% of the variation in return on equity of the companies listed on the Palestine Exchange.
Regarding the second sub-hypotheses, the results indicate that:

- There is no **statistically significant positive impact of the manufactured capital** (working capital) on the return on equity (Sig=0.056<0.10), so the first sub-hypothesis **was rejected** ($H_{2.1}$), and if the working capital increased by one unit, the return on equity increased by 0.0085.
- There is **no statistically significant impact of the intellectual capital** (market value-added) on the return on equity (Sig=0.779>0.05), so the second sub-hypothesis was **accepte**d ($H_{2.2}$).
- There is no **statistically significant positive impact of the social capital** (board meetings) on the return on equity (Sig=0.035<0.05), so the third sub-hypothesis **was rejected** ($H_{2.3}$), and if the board meetings increased by one meeting, the return on equity increased by 0.008.

- There is **no statistically significant impact of the financial capital (**long-term debt to equity) on the return on equity (Sig=0.105>0.05), so the fourth sub-hypothesis w**as accepted** ($H_{2.4}$).
- There is no **statistically significant positive impact of the Human capital** (value-added human capital) on the return on equity (Sig=0.000<0.05), so the fifth sub-hypothesis **was rejected** ($H_{2.5}$), and if the value-added human capital increased by one unit, the return on equity increased by 0.009.

Table 4.8: Result of the second hypothesis.

Variables	β	Std.	t-value	Sig.
Intercept	-0.021	0.027	-0.77	0.441
Manufactured capital (WC)	0.0085	0.004	1.92	0.056*
Intellectual capital (MVA)	3.33 e^-11	1.18 e^-11	0.28	0.779
Social capital (BM)	0.0080	0.004	2.12	0.035**
Financial capital (LTd-E)	-0.0152	0.009	-1.63	0.105
Human capital (VAHU)	0.0090	0.001	9.65	0.000**
The Optimal Model				
Breusch and Pagan LM test	($\chi^2(1)$ =105.83, sig.=0.000***)			
Hausman test	($\chi^2(4)$ =20.22, sig.=0.001***)			
Significance of model				
Test statistic value	F(5,163)=22.54			
Significant	Sig.=0.000**			
R-squared	0.4088			

Note: ** and * represent statistical significance at 5% and 10% levels respectively; WC: Working capital; MVA: Market value-added; BM: Board meetings; LTd-E: Long-term debt to equity; VAHU: Value-added human capital

4.4.3 Result of the third hypothesis:

To test the third hypothesis, which focuses on the impact of CSV (an independent variable) on finance performance measured by earnings per share (a dependent variable), this section displays the result of the third model. The third hypothesis (H_3) states **"There is no statistically significant impact of created shared value earnings per share"**.
According to the result of the Breusch and Pagan LM test and Hausman test, the random effect model was used to answer the third hypothesis and their sub-hypotheses, since the significant value of the Breusch and Pagan LM test is less than the significant level 5% and Hausman test is more than the significant level 5%. The result in Table 4.7 indicates there **is a statistically significant impact of created shared value on earnings per share** (Sig=0.0607<0.10**), so the third hypothesis was rejected** (H_3). Also, the created shared value can explain 18.80% of the variation in earnings per share of the companies listed on the Palestine Exchange.
Regarding the third sub-hypotheses, the results indicate that:

- There **is no statistically significant impact of the manufactured capital** (working capital) on the earnings per share (Sig=0.496>0.05), so the first sub-hypothesis was **accepted** ($H_{3.1}$).
- There **is no statistically significant impact of the intellectual capital** (market value-added) on the earnings per share (Sig=0.381>0.05), so the second sub-hypothesis **was accepted** ($H_{3.2}$).

- There **is no statistically significant impact of the social capital** (board meetings) on the earnings per share (Sig=0.960>0.05), so the third sub-hypothesis was **accepted** ($H_{3.3}$).
- There is no **statistically significant positive impact of the financial capital** (long-term debt to equity) on the earnings per share (Sig=0.061<0.10), so the fourth sub-hypothesis **was rejected** ($H_{3.4}$), and if the long-term debt to equity increased by one unit, the earnings per share increased by 0.0238.
- There **is** no **statistically significant positive impact of the Human capital** (value-added human capital) on the earnings per share (Sig=0.053<0.10), so the fifth sub-hypothesis **was rejected** ($H_{3.5}$), and if the value-added human capital increased by one unit, the earnings per share increased by 0.0083.

Table 4.9: Result of the third hypothesis.

Variables	***β***	**Std.**	**z-value**	**Sig.**
Intercept	0.1037	0.1152	0.90	0.368
Manufactured capital (WC)	0.0112	0.0164	0.68	0.496
Intellectual capital (MVA)	3.27 e^-11	3.73 e^-11	0.88	0.381
Social capital (BM)	-0.001	0.0195	-0.05	0.960
Financial capital (LTd-E)	0.0238	0.0127	1.87	0.061*
Human capital (VAHU)	0.0083	0.0043	1.94	0.053*
			The Optimal Model	
	Breusch and Pagan LM test ($\chi^2(1)$ =45.04, sig.=0.000***)			
	Hausman test	($\chi^2(4)$ =7.55, sig.=0.1096)		
			Significance of model	
Test statistic value	Wald $\chi^2(5)$ =10.56			
Significant	Sig.=0.0607*			
R-squared	0.1880			

Note: ** and * represent statistical significance at 5% and 10% levels respectively; WC: Working capital; MVA: Market value-added; BM: Board meetings; Ltd-E: Long-term debt to equity; VAHU: Value-added human capital

Chapter Five

Conclusion and Recommendations

5.1 Conclusion

The objective of this study is to evaluate the impact of CSV on the financial performance of companies listed on the Palestine Exchange. Specifically, the study aims to assess how various forms of capital—namely manufacturing capital, intellectual capital, human capital, social capital, and financial capital—affect the financial performance of these companies.
To achieve this, the study employed a quantitative research approach, utilizing secondary data obtained from the annual financial reports of companies listed on the Palestine Exchange from 2018 to 2022. Additional data was gathered from relevant local and international research and articles. The study's population consisted of all 45 companies listed on the exchange, distributed across five sectors. To determine an appropriate sample size, the Stephen Thompson formula was used.
Data analysis incorporated both descriptive and inferential statistics. Descriptive statistics, including means and standard deviations, provided insights into the dependent and independent variables. For inferential analysis, panel regression models were utilized with Stata version 12 to test the study's hypotheses. Prior to conducting these analyses, diagnostic tests for stationarity, multicollinearity, autocorrelation, and heteroscedasticity were performed. Furthermore, normal distribution and outlier analysis were conducted using skewness and kurtosis, ensuring that values remained within acceptable limits to preserve data integrity. The main results of the study are as follows:

1. The mean value of earnings per share of the study sample is more than the other financial performance measures (return on assets and return on equity) during the study period (2018-2022), also the mean value of financial performance measures was a decline in 2020, an increase in 2021, and a decline in 2022.
   The higher mean earnings per share (EPS) compared to return on assets (ROA) and return on equity (ROE) indicates that the companies in the sample achieved greater net earnings

per share, which may be due to increased net earnings or a reduction in the number of shares outstanding. While EPS reflects strong profitability attributed to shareholders, ROA and ROE measure broader aspects of financial performance, such as asset utilization and equity efficiency. Therefore, despite the higher EPS, there could be variations in how effectively the companies used their assets and equity. The observed decline in 2020 can be attributed to the negative impact of the COVID-19 pandemic, which caused economic disruptions and global crises, affecting financial performance. The increase in 2021 likely represents a recovery phase as companies adapted to the new conditions and improved their performance. However, the decline in 2022 might be due to a variety of factors, including ongoing economic challenges, market changes, or company-specific issues, necessitating further analysis to identify the specific causes behind this decrease.

2. There is a statistically significant positive impact of created shared value on finance performance.
   This suggests that when companies engage in practices that generate shared value—such as investing in manufactured, intellectual, social, financial, and human capital—they tend to experience improvements in their financial performance metrics. The positive impact implies that the strategies and initiatives aimed at CSV not only benefit society but also enhance the companies' financial results, reflecting a successful alignment of social responsibility with financial goals.
3. There is a statistically significant positive impact of created shared value on return on assets. There is a statistically significant positive impact of manufactured capital, social, and human capital on return on assets. At the same time, there is no statistically significant impact of intellectual and financial capital on return on assets. The most influential measure of return on assets is manufactured capital.
   The result indicates that there is a statistically significant positive impact of CSV on return on assets (ROA). This suggests that companies implementing shared value practices experience improvements in how effectively they use their assets to generate profits. Specifically, manufactured capital, social capital, and human capital each have a statistically significant positive impact on ROA, meaning investments in these types of capital enhance the efficiency of asset utilization for profit generation. On the other hand, intellectual and financial capital do not have a statistically significant impact on ROA, indicating that these types of capital do not notably affect how assets are used to achieve profits. Among these, manufactured capital is the most influential measure of ROA, suggesting that improvements in managing manufactured capital (such as working capital and production efficiency) have a significant effect on the efficiency of asset use in generating profits.
4. There is a statistically significant positive impact of created shared value on return on equity. There is a statistically significant positive impact of manufactured, social, and human capital on return on equity. At the same time, there is no statistically significant impact of intellectual and financial capital on return on equity. The most influential measure of return on equity is human capital.
   The finding that there is a statistically significant positive impact of CSV on return on equity (ROE) indicates that companies engaging in shared value practices tend to see improvements in their financial performance as measured by ROE. Specifically, manufactured capital, social capital, and human capital each have a statistically significant

positive impact on ROE, meaning that investments in these areas contribute positively to the profitability relative to shareholders' equity. However, intellectual and financial capital do not show a statistically significant impact on ROE, suggesting that these types of capital do not significantly influence the return on equity. Among these factors, human capital is identified as the most influential measure of ROE, indicating that investments in human capital (such as employee skills, training, and development) have the most substantial effect on enhancing profitability relative to equity.

5. There is a statistically significant positive impact of created shared value on earnings per share. There is a statistically significant positive impact of financial and human capital on earnings per share. At the same time, there is no statistically significant impact of intellectual, manufactured, and financial capital on earnings per share. The most influential measure of earnings per share is financial capital.

   The result indicates a statistically significant positive impact of CSV on earnings per share (EPS). This means that companies adopting shared value creation practices show improvements in EPS, suggesting a positive relationship between shared value strategies and increased net earnings attributable to each share.

   Regarding financial and human capital, both show a statistically significant positive impact on EPS. This suggests that investments in financial capital (such as financial management and funding) and human capital (such as employee development and training) play a crucial role in enhancing EPS. Specifically, financial capital is identified as the most influential measure affecting EPS, indicating that effective management of financial resources and investments has a significant impact on net earnings per share.

   On the other hand, intellectual capital, manufactured capital, and social capital do not show a statistically significant impact on EPS. This implies that these forms of capital may not have a notable effect on the amount of net earnings distributed per share, although they might play important roles in other aspects of financial performance.

   Overall, this interpretation highlights the importance of effective financial management and investment in human capital as key drivers for improving EPS. Companies looking to enhance their EPS should focus on optimizing their financial performance and investing in human resources to maximize returns on their investments.

6. - The financial performance metrics most influenced by value creation are return on assets, followed by return on equity, and then earnings per share.

   Value creation has the greatest influence on Return on Assets (ROA), meaning that initiatives aimed at CSV or improving various forms of capital (like manufactured, social, and human capital) are most effectively translated into increased efficiency and profitability relative to the company's assets. This suggests that improvements in value creation strategies are highly effective in enhancing how well a company utilizes its assets to generate profit.

   Following ROA, Return on Equity (ROE) is the next most impacted metric. This implies that while value creation also positively influences ROE, the effect is somewhat less pronounced compared to ROA. ROE measures how well a company uses shareholders' equity to generate profit, and improvements in value creation contribute to better financial returns for equity holders, but to a lesser extent than in the case of assets.

   Earnings Per Share (EPS) is the least influenced metric among the three. Although value creation does positively impact EPS, the effect is not as significant as its impact on ROA

and ROE. EPS measures the net earnings attributed to each share of stock, and while it benefits from value creation practices, the relationship is weaker compared to how value creation affects asset utilization and equity returns.

Overall, this hierarchy of influence suggests that CSV is most effective in enhancing asset efficiency, followed by improvements in equity returns, and to a lesser extent, increasing the earnings attributed to each share.

5.2 Comparisons with previous studies

The study of (Kim, et al. 2020) Investigated the impact of CSV on financial performance in South Korean firms. Found that CSV positively affects financial performance, particularly when focusing on innovative and collaborative projects.

And that agree with our study's results showing a positive impact of CSV on EPS, ROA, and ROE reinforce their findings, highlighting that CSV practices are beneficial across different geographic regions and market conditions.

In (Porter and Kramer, 2011) study, they introduced the concept of CSV, emphasizing that companies can achieve economic success by addressing social issues. Their work suggests that CSV leads to enhanced competitive advantage and financial performance. This is what is consistent with this study corroborates by showing a statistically significant positive impact of CSV on ROA, ROE, and EPS for companies in the Palestine Exchange.

(Pfitzer, Bockstette, and Stamp, 2013): Identified that successful CSV initiatives require clear strategies, innovative approaches, and partnerships. Highlighted that companies with robust CSV practices often see improved financial performance. The current study’s findings align with this, particularly in the observed positive impact of social and human capital on ROA and ROE. It supports the notion that well-implemented CSV strategies enhance financial outcomes.

(Kansal and Joshi, 2014), this study analyzed Indian companies and found a positive correlation between CSR (a precursor to CSV) and financial performance. Indicated that companies engaging in substantial CSR activities had higher profitability.

Which is Similar to our study's findings, their research underscores that socially responsible activities, akin to CSV, positively influence financial performance metrics like ROA and ROE.

The study's findings are consistent with the broader body of literature, which generally supports the positive impact of CSV and similar responsible business practices on financial performance. The specific positive impacts on ROA, ROE, and EPS observed in this research echo the results found in studies across different contexts and regions. This comparison underscores the robustness of the CSV framework in enhancing financial performance while addressing social and financial issues.

5.3 Recommendations

Based on the results of this study, below are some recommendations:

1. This study recommends companies listed on the Palestine Exchange should enhance their CSV initiatives, focusing particularly on manufactured, social, and human capital, as these have shown a significant positive impact on ROA and ROE.
2. Given the significant positive impact of financial capital on EPS, companies should prioritize strategies that strengthen their financial capital. This could involve better financial management practices and more efficient capital allocation.
3. Human capital has shown to be the most influential for ROE. Companies should invest in employee development programs, training, and other initiatives that enhance employee skills and satisfaction.
4. While focusing on EPS, ROA, and ROE, companies should also consider other performance metrics to get a more holistic view of their financial health and the impact of CSV.
5. Conduct further research to explore the impact of CSV on other financial performance measures not covered in this study, i.e. tailor CSV strategies to specific sectors. Since the study includes various sectors, it would be beneficial to analyze sector-specific data to identify which CSV practices are most effective in each sector. This could provide a more comprehensive understanding of the benefits of CSV.

References

1. Abboud, Souad. (2019). Measuring human capital - measuring what cannot be measured -. *Studies Journal*, 16(1), 105-124.
2. Abdelkarim, N., & Zuriqi, K. (2020). Corporate governance and earnings management: Evidence from listed firms at Palestine Exchange. *Asian Economic and Financial Review*, *10*(2), 200.
3. Abraham, K. G., & Mallatt, J. (2022). Measuring human capital. *Journal of Economic Perspectives*, *36*(3), 103-130.
4. Agwu, U. J., Oftedal, E. M., & Bertella, G. (2022). Why Not Use the Sea? A Shared Value Approach to Sustainable Value Creation When Using Carbon Dioxide as a Valuable Resource in Manufacturing. *Frontiers in Sustainability*, *3*, 910966.
5. Aina, Q., & Solikin, I. (2020). Entrepreneurship and intrapreneurship: How supporting corporate performance. *Review of Integrative Business and Economics Research*, *9*, 288-297.
6. Akbar, A., Akbar, M., Nazir, M., Poulova, P., & Ray, S. (2021). Does working capital management influence operating and market risk of firms? *Risks*, *9*(11), 201.
7. Alcaine, J. G. (2016). *Factors affecting institutional performance at high and very high research universities: Policy implications*. Virginia Commonwealth University.
8. Almashhadani, M., & Almashhadani, H. A. (2022). Corporate Governance as an Internal Control Mechanism and its Impact on Corporate Performance. *International Journal of Business and Management Invention*, *11*(8), 53-59.
9. Alpana, A. (2014). Traditional CSR vs creating shared value: a process of stakeholder engagement. *IOSR Journal of Economics and Finance*, *3*(4), 61-67.
10. AlQershi, N., Mokhtar, S. S. M., & Abas, Z. B. (2020). Innovative CRM and performance of SMEs: The moderating role of relational capital. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 155.
11. Arsal, M. (2021). Impact of earnings per share and dividend per share on firm value. *ATESTASI: Jurnal Ilmiah Akuntansi*, *4*(1), 11-18.
12. Asa'd, I. A. A., Nour, A., & Atout, S. (2022, May). The Impact of Financial Performance on Firm's Value during Covid-19 Pandemic for Companies Listed in the Palestine Exchange (2019–2020). In *European, Asian, Middle Eastern, North African Conference on Management & Information Systems* (pp. 529-551). Cham: Springer International Publishing.
13. Asikin, B., Saudi, M. H., & Roespinoedji, R. (2020). Influence of Return on Assets (ROA), Return on Equity (ROE), and Earning Per Share (EPS) of Stock Price (Survey on Corporate Advertising, Printing, and the Media listed on the Indonesia stock exchange Period 2015-2019). Solid State Technology, 63(3), 3941-3955.
14. Aymen, B. M. M. (2013). Impact of capital on financial performance of banks: the case of Tunisia. Banks & bank systems, (8, Iss. 4), 47-54.
15. Ayuba, H., Bambale, A. J. A., Ibrahim, M. A., & Sulaiman, S. A. (2019). Effects of Financial Performance, Capital Structure and Firm Size on Firms' Value of Insurance Companies in Nigeria. *Journal of Finance, Accounting & Management*, *10*(1).
16. Bagheri, F., Ghaderi, Z., Abdi, N., & Hall, C. M. (2023). Female entrepreneurship, creating shared value, and empowerment in tourism; the neutralizing effect of gender-based discrimination. *Current Issues in Tourism*, *26*(21), 3465-3482.

17. Barba-Sanchez, V., Calderón-Milán, M. J., & Atienza-Sahuquillo, C. (2018). A study of the value of ICT in improving corporate performance: a corporate competitiveness view. *Technological and Economic Development of Economy*, *24*(4), 1388-1407.
18. Batchimeg, B. (2017). Financial Performance Determinants of Organizations The Case of Mongolian Companies. *Journal of competitiveness*, *9*(3).
19. Batra, R., & Kalia, A. (2016). Rethinking and redefining the determinants of corporate profitability. *Global Business Review*, *17*(4), 921-933.
20. Beltramino, N. S., García-Perez-de-Lema, D., & Valdez-Juárez, L. E. (2020). The structural capital, the innovation and the performance of the industrial SMES. *Journal of Intellectual Capital*, *21*(6), 913-945.
21. Bezerra, L. F., Homrich, A. M., Orlando Filho, O., Zouain, D. M., Brauer, M. G., Duarte, A. L. F., ... & dos Santos Marques, D. (2019). Institutional Performance in Public Service: Evaluation of the Goals of Two Federal Autarchies. *European Journal of Scientific Research*, *153*(3), 299-308.
22. Bolek, M. (2014). Return on current assets, working capital and required rate of return on equity. Finansowy Kwartalnik Internetowy e-Finanse, 10(2), 1-10.
23. Bondarenko, T. G., Orekhov, S. A., Sokolnikova, I. V., Soltakhanov, A. U., & Khmelev, I. B. (2018). Analysis of the performance efficiency of the largest corporations in Russia. *Espacios*, *39*(36), 124.
24. Bose, S., & Khan, H. Z. (2022). Sustainable development goals (SDGs) reporting and the role of country-level institutional factors: An international evidence. *Journal of Cleaner Production*, *335*, 130290.
25. Bunea, O. I., Corbos, R. A., & Popescu, R. I. (2019). Influence of some financial indicators on return on equity ratio in the Romanian energy sector-A competitive approach using a DuPont-based analysis. *Energy*, *189*, 116251.
26. Bunea, O. I., Corbos, R. A., & Popescu, R. I. (2019). Influence of some financial indicators on return on equity ratio in the Romanian energy sector-A competitive approach using a DuPont-based analysis. *Energy*, *189*, 116251.
27. Bustani, B., Kurniaty, K., & Widyanti, R. (2021). The Effect of Earning Per Share, Price to Book Value, Dividend Payout Ratio, and Net Profit Margin on the Stock Price in Indonesia Stock Exchange. *Jurnal Maksipreneur: Manajemen, Koperasi, dan Entrepreneurship*, *11*(1), 1-18.
28. Camilleri, M. A., Troise, C., Strazzullo, S., & Bresciani, S. (2023). Creating shared value through open innovation approaches: Opportunities and challenges for corporate sustainability. *Business Strategy and the Environment*.
29. Campos-Climent, V., & Sanchis-Palacio, J. R. (2017). The influence of knowledge absorptive capacity on shared value creation in social enterprises. *Journal of Knowledge Management*, *21*(5), 1163-1182.
30. Carroll, A. B., & Brown, J. (2022). *Business & society: Ethics, sustainability & stakeholder management*. Cengage Learning.
31. Chen, H., Chen, J. V., Li, F., & Li, P. (2022). Measuring Operating Leverage. *The Review of Asset Pricing Studies*, *12*(1), 112-154.
32. Chen, Y., & Lin, Z. (2021). Business intelligence capabilities and firm performance: A study in China. *International Journal of Information Management*, *57*, 102232.

33. Cherian, J., Gaikar, V., Paul, R., & Pech, R. (2021). Corporate culture and its impact on employees' attitude, performance, productivity, and behavior: An investigative analysis from selected organizations of the United Arab Emirates (UAE). *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 45.
34. Chihambakwe, Z. J., Grobbelaar, S. S., & Matope, S. (2021). Creating Shared Value in BoP Communities with Micro-Manufacturing Factories: A Systematized Literature Review. *Sustainability*, *13*(18), 10289.
35. Chikwendu, O.U., Okafor, G. O., & Jesuwunmi, C. D. A. (2020). Effect of sustainability reporting on financial performance of listed companies in Nigeria. Canadian Contemporary Research Journal, 1 (1), 96-111.
36. Choiriyah, C., Fatimah, F., Agustina, S., & Ulfa, U. (2020). The effect of return on assets, return on equity, net profit margin, earning per share, and operating profit margin on stock prices of banking companies in Indonesia Stock Exchange. *International Journal of Finance Research*, *1*(2), 103-123.
37. Choudhary, S., Nayak, R., Dora, M., Mishra, N., & Ghadge, A. (2019). An integrated lean and green approach for improving sustainability performance: a case study of a packaging manufacturing SME in the UK. *Production planning & control*, *30*(5-6), 353-368.
38. Chowdhury, M. M. I., Othman, K., Khan, M. A., & Sulaiman, I. F. (2020). Role of effective corporate governance and motivational leadership in increasing productivity and efficiency of human resources. *Global Journal of Management and Business Research: A Administration and Management*.
39. Chulanova, Z. K., Satybaldin, A. A., & Koshanov, A. K. (2019). Methodology for assessing the state of human capital in the context of innovative development of the economy: A three-level approach. *The Journal of Asian Finance, Economics and Business*, *6*(1), 321-328.
40. Cisi, M., & Centrone, F. A. (2021). The human capital for value creation and social impact: the interpretation of the IR's HC definition. *Sustainability*, *13*(13), 6989.
41. Copeland, T. E., Koller, T., & Murrin, J. (2000). Valuation: measuring and managing the value of companies. (No Title).
42. Corazza, L., Scagnelli, S. D., & Mio, C. (2017). Simulacra and sustainability disclosure: Analysis of the interpretative models of creating shared value. *Corporate Social Responsibility and Environmental Management*, *24*(5), 414-434.
43. Daood, A., & Menghwar, P. S. (2017). Understanding "Creating Shared Value". In *10th Annual Conference of the EuroMed Academy of Business* (pp. 13-15). Rome: EuroMed Press.
44. Dembek, K., Singh, P., & Bhakoo, V. (2016). Literature review of shared value: A theoretical concept or a management buzzword?. *Journal of Business Ethics*, *137*, 231-267.
45. Dewi, V. I., Febrian, E., Effendi, N., Anwar, M., & Nidar, S. R. (2020). Financial literacy and its variables: The evidence from Indonesia. *Economics & Sociology*, 13(3), 133-154.
46. Diana, H. I., & Maria, M. M. (2020). The importance Of profitability indicators In assessing The financial performance Of economic entities. *THE ANNALS OF THE UNIVERSITY OF ORADEA*, *29*(2020), 219.
47. Dzenopoljac, V., Yaacoub, C., Elkanj, N., & Bontis, N. (2017). Impact of intellectual capital on corporate performance: evidence from the Arab region. *Journal of intellectual capital*, *18*(4), 884-903.

48. Edvinsson, L., & Malone, M. S. (1997). Intellectual capital: Realizing your company's true value by finding its hidden roots. (No Title).
49. Ekenci, İ. (2019). *Water as a tool of oppression: the case of the ısraeli-palestinian conflict* (Master's thesis, Namık Kemal Üniversitesi).
50. Ellerup Nielsen, A., & Thomsen, C. (2018). Reviewing corporate social responsibility communication: a legitimacy perspective. *Corporate Communications: An International Journal*, *23*(4), 492-511.
51. Engbers, T. A., Thompson, M. F., & Slaper, T. F. (2017). Theory and measurement in social capital research. *Social Indicators Research*, *132*, 537-558.
52. Ewens, M., Peters, R. H., & Wang, S. (2024). Measuring intangible capital with market prices. *Management Science*.
53. Felício, J. A., Couto, E., & Caiado, J. (2014). Human capital, social capital and organizational performance. Management decision, 52(2), 350-364.
54. Fernández-Gámez, M. Á., Gutiérrez-Ruiz, A. M., Becerra-Vicario, R., & Ruiz-Palomo, D. (2019). The effects of creating shared value on the hotel performance. *Sustainability*, *11*(6), 1784.
55. Fernández-Gámez, M. Á., Gutiérrez-Ruiz, A. M., Becerra-Vicario, R., & Ruiz-Palomo, D. (2019). The effects of creating shared value on the hotel performance. *Sustainability*, *11*(6), 1784.
56. Firman, A., & Said, S. (2016). Linking organizational strategy to information technology strategy and value creation: impact on organizational performance.
57. Font, X., Guix, M., & Bonilla-Priego, M. J. (2016). Corporate social responsibility in cruising: Using materiality analysis to create shared value. *Tourism Management*, *53*, 175-186.
58. Ganguly, A., Talukdar, A., & Chatterjee, D. (2019). Evaluating the role of social capital, tacit knowledge sharing, knowledge quality and reciprocity in determining innovation capability of an organization. *Journal of knowledge management*, *23*(6), 1105-1135.
59. Geltner, D., Kumar, A., & Van de Minne, A. M. (2020). Riskiness of real estate development: A perspective from urban economics and option value theory. *Real Estate Economics*, *48*(2), 406-445.
60. Gigli, S., Landi, D., & Germani, M. (2019). Cost-benefit analysis of a circular economy project: A study on a recycling system for end-of-life tyres. *Journal of Cleaner Production*, *229*, 680-694.
61. Giuliani, E., Tuan, A., & Calvimontes Cano, J. (2021). Creating shared value meets human rights: A sense-making perspective in small-scale firms. *Journal of Business Ethics*, *173*, 489-505.
62. Golochalova, I., & Vakun, O. (2020). Natural capital accounting in the context of the socio-economic paradigm of financial reporting: conceptual and methodological aspects. *Public Policy and Accounting*, (2 (2)), 24-33.
63. Habibniya, H., & Dsouza, S. (2018). Impact of performance measurements against market value of shares in Indian banks: An empirical study specific to EVA, EPS, ROA, and ROE. Journal of Management Research, 18(4), 203-210.
64. Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E., Tatham, R.L (2010). Multivariate Data Analysis. 7th ed. New York: Pearson.

65. Haller, A. (2016). Value creation: a core concept of integrated reporting. *Integrated reporting: A new accounting disclosure*, 37-57.
66. Ham, S., Lee, S., Yoon, H., & Kim, C. (2020). Linking creating shared value to customer behaviors in the food service context. *Journal of Hospitality and Tourism Management, 43*, 199-208. https://doi.org/10.1016/j.jhtm.2020.04.002
67. Heckert, A., Forsythe, L. P., Carman, K. L., Frank, L., Hemphill, R., Elstad, E. A., ... & Lesch, J. K. (2020). Researchers, patients, and other stakeholders' perspectives on challenges to and strategies for engagement. *Research Involvement and Engagement*, 6, 1-18.
68. Hou, C. E., Lu, W. M., & Hung, S. W. (2019). Does CSR matter? Influence of corporate social responsibility on corporate performance in the creative industry. *Annals of Operations Research*, *278*, 255-279.
69. Houssard, C., Revéret, J. P., Maxime, D., Pouliot, Y., & Margni, M. (2022). Measuring shared value creation with eco-efficiency: Development of a multidimensional value framework for the dairy industry. *Journal of Cleaner Production*, *374*, 133840.
70. Hromada, E., Heralová, R. S., Dlask, P., & Krulický, T. (2021). Methodology for calculating the reproduction value of buildings. In SHS Web of Conferences (Vol. 91, p. 01034). EDP Sciences.
71. Husna, A., & Satria, I. (2019). Effects of return on asset, debt to asset ratio, current ratio, firm size, and dividend payout ratio on firm value. *International Journal of Economics and Financial Issues*, *9*(5), 50-54.
72. Husna, A., & Satria, I. (2019). Effects of return on asset, debt to asset ratio, current ratio, firm size, and dividend payout ratio on firm value. *International Journal of Economics and Financial Issues*, *9*(5), 50-54.
73. Hussinki, H., Kianto, A., Vanhala, M., & Ritala, P. (2019). Happy employees make happy customers: The role of intellectual capital in supporting sustainable value creation in organizations. *Intellectual Capital Management as a Driver of Sustainability: Perspectives for Organizations and Society*, 101-117.
74. Ibrahim, A. E. A., Elamer, A. A., & Ezat, A. N. (2021). The convergence of big data and accounting: innovative research opportunities. *Technological Forecasting and Social Change*, *173*, 121171.
75. Ievdokymov, V., Lehenchuk, S., Zakharov, D., Andrusiv, U., Usatenko, O., & Kovalenko, L. (2020). Social capital measurement based on "The value explorer" method. *Management Science Letters*, *10*(6), 1161-1168.
76. Indrajaya, T., Kartini, D., Kaltum, U., Mulyana, A., & Wiweka, K. (2021). An Exploratory Study of the Influence Between Stakeholders Orientation, Strategic Capabilities, and Shared Value Creation towards Competitiveness through Digital Business Strategies in Banten Cultural Tourism Destination. *Systematic Reviews in Pharmacy*, *12*(3), 647-662.
77. Indrajaya, T., Wibowo, F. S., & Wiweka, K. (2022). Rising the Competitiveness of a Cultural Tourist Destination in Banten, Indonesia through Stakeholder Orientation, Strategic Capability, and Shared Value Creation. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, *5*(2), 13377-13389.
78. Jeong, S. W., Ha, S., & Lee, K. H. (2021). How to measure social capital in an online brand community? A comparison of three social capital scales. *Journal of Business Research*, *131*, 652-663.

79. Jones, M. L., & Smith, R. W. (2010). Social Capital and Corporate Governance: Exploring the Role of Board Meetings. *Journal: Corporate Governance: An International Review*, 18(3), 213-227.
80. Jones, M. L., & Smith, R. W. (2010).Social Capital and Corporate Governance: Exploring the Role of Board Meetings. Journal: Corporate Governance: An International Review, 18(3), 213-227.
81. Jordão, R. V. D., Almeida, V. R. D., & Novas, J. (2022). Intellectual capital, sustainable economic and financial performance and value creation in emerging markets: the case of Brazil. *The Bottom Line*, *35*(1), 1-22.
82. Junaid, M. S., & Dinh Thi, B. L. (2016). Stock Market Listing Influence on Corporate Performance: Definitions and Assessment Tools.
83. Kahl, M., Lunn, J., & Nilsson, M. (2019, May). Operating leverage and corporate financial policies. In *AFA 2012 Chicago Meetings Paper*.
84. Kamatra, N., & Kartikaningdyah, E. (2015). Effect corporate social responsibility on financial performance. International Journal of Economics and Financial Issues, 5(1), 157-164.
85. Kang, S., & Na, Y. K. (2020). Effects of strategy characteristics for sustainable competitive advantage in sharing economy businesses on creating shared value and performance. *Sustainability*, *12*(4), 1397.
86. Kansal, M., & Joshi, H. (2014). Corporate social responsibility and financial performance: An analysis of Indian companies. *Global Business Review, 15*(2), 287-299. https://doi.org/10.1177/0972150914522596
87. Kharatyan, D. (2016). *Ratios and indicators that determine return on equity* (Doctoral dissertation, Instituto Politecnico de Braganca (Portugal)).
88. Kharatyan, D., Nunes, A., & Lopes, J. (2016). Financial ratios and indicators that determine return on equity. *XVII–Encuentro AECA*.
89. Kirsch, D. (2020). *The social impacts of the circular economy in the Global South: Circularity strategies and shared value creation in fashion social enterprises* (Master's thesis).
90. Laggoun, A., and Yousfi, I., (2021), Creating value in the enterprise using the economic added value EVA index - A case study of the Eurasian Foundation 2002-2019-, *Algerian Scientific Journal Platform*, 15(2), 234-251.
91. LAMBE, D., & ZWINGINA, C. (2022). Financial, Manufactured Capital and Financial Performance: Evidence from Listed Multinational Companies in Nigeria.
92. Lambe, I., Ame, J. O., Dzuguahi, H., & Tion, W. A. (2022). Financial, manufactured capital and financial performance: Evidence from listed multinational companies in Nigeria. International Journal of Social Science and Management Research, 5(5), 150. https://www.ijssmr.org
93. Leal Filho, W., Brandli, L. L., Lange Salvia, A., Rayman-Bacchus, L., & Platje, J. (2020). COVID-19 and the UN sustainable development goals: threat to solidarity or an opportunity?. *Sustainability*, 12(13), 5343.
94. Leal Filho, W., Brandli, L. L., Lange Salvia, A., Rayman-Bacchus, L., & Platje, J. (2020). COVID-19 and the UN sustainable development goals: threat to solidarity or an opportunity?. Sustainability, 12(13), 5343.

95. Lemańczyk, J., & Szymkowiak, A. (2023). A decade of research on creating shared value conception: a structured systematic review and future research avenues. *Zeszyty Naukowe Politechniki Śląskiej. Organizacja i Zarządzanie*, (173).
96. Lüdeke-Freund, F., Massa, L., Bocken, N., Brent, A., & Musango, J. (2016). Business models for shared value. *Network for Business Sustainability: South Africa*.
97. Lv, Y., Zheng, Z., & Wang, Y. (2021). The Influences of Fixed Assets on Corporate Performance - Evidence from Manufacturing-listed Companies in China. *The Journal of the Korea Contents Association*, *21*(2), 548–561. https://doi.org/10.5392/jkca.2021.21.02.548
98. Majtánová, A., & Sojková, L. (2014). Selected modern approaches to the valuation of fixed assets for insurance purposes. Studia Ekonomiczne, (183 cz 2), 98-109.
99. Matar, A., Al-Rdaydeh, M., Al-Shannag, F., & Odeh, M. (2018). Factors affecting the corporate performance: Panel data analysis for listed firms in Jordan. *Academy of Accounting and Financial Studies Journal*, *22*(6), 1-10.
100. Menghwar, P. S., & Daood, A. (2021). Creating shared value: A systematic review, synthesis and integrative perspective. *International Journal of Management Reviews*, *23*(4), 466-485.
101. Menghwar, P. S., & Daood, A. (2021). Creating shared value: A systematic review, synthesis and integrative perspective. *International Journal of Management Reviews*, *23*(4), 466-485.
102. Mohamed, S. (2023). An Accounting Digital Platform for Measuring Creating Shared Value: An Applied Study. Journal of Accounting Research.
103. Mohamed, T. M., & Sarra, B. S. (2020). The impact of social capital on business performance: evidence from the Algerian companies. *Journal of Business Administration and Economic Studies*, *01*(06), ISSN: 2437-0525.
104. Moon, H. C., & Parc, J. (2019). Shifting corporate social responsibility to corporate social opportunity through creating shared value. *Strategic change*, *28*(2), 115-122.
105. Moon, H.-C., Parc, J., Yim, S. H., & Park, N. (2011). An Extension of Porter and Kramer's Creating Shared Value (CSV): Reorienting Strategies and Seeking International Cooperation. Journal of International and Area Studies, 18(2), 49–64. http://www.jstor.org/stable/43111578
106. Moradi, E., Jafari, S. M., Doorbash, Z. M., & Mirzaei, A. (2021). Impact of organizational inertia on business model innovation, open innovation and corporate performance. *Asia Pacific Management Review*, *26*(4), 171-179.
107. Morris, C. (2015). An industry analysis of the power of human capital for corporate performance: Evidence from South Africa. South African Journal of Economic and Management Sciences, 18(4), 486-499.
108. Morris, C. M. (2015). An industry analysis of the power of human capital for corporate performance: Evidence from South Africa. *South African Journal of Economic and Management Sciences*, *4*(18), ISSN: 2222-3436. https://doi.org/10.17159/2222-3436/2015/v18n4a4
109. Motilewa, B. D., Worlu, E. R., Agboola, G. M., & Chidinma, M. A. (2016). Creating shared value: a paradigm shift from corporate social responsibility to creating shared value. *development*, *16*, 18.
110. Musa, H. (2009). Manufacturing engineering and technology.

111. Naveed, N. (2016). Customer Value Analysis as a Tool for Fostering a Systemic Innovation: Case tractor implement connecting interface (Master's thesis).
112. Nedaa. A. D. A., (2020). CSV strategy for improving the competitiveness of the Hebron stone and marble sector through clustering (Doctoral dissertation, Al-Quds University).
113. North, K., & Kumta, G. (2018). *Knowledge management: Value creation through organizational learning*. Springer.
114. Nukala, V. B., & Prasada Rao, S. S. (2021). Role of debt-to-equity ratio in project investment valuation, assessing risk and return in capital markets. *Future Business Journal*, *7*(1), 13.
115. OKA, S., WU, Q., & NAKAJIMA, M. (2022). Accounting for Natural Capital in Japanese Companies: From Biodiversity Conservation to Value Creation of Natural Capital.
116. Ozer, M., & Vogel, D. (2015). Contextualized relationship between knowledge sharing and performance in software development. *Journal of Management Information Systems*, *32*(2), 134-161.
117. Padachi, K. (2006). Trends in working capital management and its impact on firms' performance: an analysis of Mauritian small manufacturing firms. International Review of business research papers, 2(2), 45-58.
118. Park, J. C., Mool, P., Na, J. H., & Lee, C. G. (2014). The effects of creating shared value on corporate performance. *Journal of Distribution Science*, *12*(10), 29-35.
119. Park, J. C., Mool, P., Na, J. H., & Lee, C. G. (2014). The effects of creating shared value on corporate performance. *Journal of Distribution Science*, *12*(10), 29-35.
120. Pfitzer, M., Bockstette, V., & Stamp, M. (2013). Innovating for shared value: How to create a competitive advantage by addressing societal challenges. Harvard Business Review, 91(9), 100-107.
121. Pigatto, G., Cinquini, L., Tenucci, A., & Dumay, J. (2023). Disclosing value creation in integrated reports according to the six capitals: a holistic approach for a holistic instrument. *Sustainability Accounting, Management and Policy Journal*, *14*(7), 90-123.
122. Pointer, L. V., & Khoi, P. D. (2019). Predictors of return on assets and return on equity for banking and insurance companies on Vietnam stock exchange. *Entrepreneurial Business and Economics Review*, *7*(4), 185-198.
123. Pointer, L. V., & Khoi, P. D. (2019). Predictors of return on assets and return on equity for banking and insurance companies on Vietnam stock exchange. *Entrepreneurial Business and Economics Review*, *7*(4), 185-198.
124. Popescu, C. R. G. (2019). Intellectual Capital": Major Role, Key Importance and Decisive Influences on Organizations' Performance. *Journal of Human Resources Management Research*, *509857*, 1-17.
125. Porter, M. E., & Kramer, M. R. (2018). Creating shared value: How to reinvent capitalism—And unleash a wave of innovation and growth. In *Managing sustainable business: An executive education case and textbook* (pp. 323-346). Dordrecht: Springer Netherlands.
126. Preston, L. E., Sapienza, H. J., & Miller, R. D. (2016). Stakeholders, shareholders, managers: who gains what from corporate performance?. In *Socio-economics* (pp. 149-166). Routledge.

127. Puni, A., & Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management*, *62*(2), 147-169.
128. Rafiq, M., Zhang, X., Yuan, J., Naz, S., & Maqbool, S. (2020). Impact of a balanced scorecard as a strategic management system tool to improve sustainable development: measuring the mediation of organizational performance through PLS-smart. *Sustainability*, *12*(4), 1365.
129. Rakkarnsil, S., & Butsalee, P. (2022). The influence of corporate governance and profitability affecting operational efficiency of the listed companies of the stock exchange of Thailand. *International journal of economics and finance studies*, *14*(1), 259-284.
130. Rangkuti, M. M., Bukit, R., & Daulay, M. (2020). The Effect of Intellectual Capital and Financial Performance on Firm Value with Return on Investment as a Modeling Variable in the Mining Industry.
131. Rangkuti, M. M., Bukit, R., & Daulay, M. (2020). The Effect of Intellectual Capital and Financial Performance on Firm Value with Return on Investment as a Modeling Variable in the Mining Industry.
132. Raval, S. J., Kant, R., & Shankar, R. (2020). Analyzing the Lean Six Sigma enabled organizational performance to enhance operational efficiency. *Benchmarking: An International Journal*, *27*(8), 2401-2434.
133. Razafindrambinina, D., & Anggreni, T. A. (2011). Intellectual Capital and Corporate Financial Performance of Selected Listed Companies in Indonesia. In *Malaysian Journal of Economic Studies* (ISSN 1511-4554; Issue 1, pp. 61–77).
134. Rezaei, M., Jafari-Sadeghi, V., & Bresciani, S. (2020). What drives the process of knowledge management in a cross-cultural setting: The impact of social capital. *European Business Review*, *32*(3), 485-511.
135. Rogers, W. (1993). Regression standard errors in clustered samples. Stata technical bulletin, 13, 19-23.
136. Rusdiyanto, R., Hidayat, W., Tjaraka, H., Septiarini, D. F., Fayanni, Y., Utari, W., ... & Imanawati, Z. (2020). The Effect Of Earning Per Share, Debt To Equity Ratio And Return On Assets Onstock Prices: Case Study Indonesian. *Academy of Entrepreneurship Journal (AEJ)*, 26(2), 1-10.
137. Saleh, M. W., Latif, R. A., Bakar, F. A., & Maigoshi, Z. S. (2020). The impact of multiple directorships, board characteristics, and ownership on the performance of Palestinian listed companies. *International Journal of Accounting, Auditing and Performance Evaluation*, *16*(1), 63-80.
138. Salehi, M., Lari Dashtbayaz, M., & Shamsi Gouji, A. (2020). The effect of intellectual capital on corporate performance. *ABAC Journal, 40*(4), 149-173. http://www.assumptionjournal.au.edu/index.php/abacjournal/article/view/3742
139. Salem, H. S. (2019). No sustainable development in the lack of environmental justice. *Environmental Justice*, *12*(3), 140-157.
140. Samuel, A. B., Rahman, M. M., Khairuddin, I., Uddin, M. J., & Rahaman, S. (2017). A synthesised literature review on organisational culture and corporate performance. *Journal of Advanced Research in Social and Behavioural Sciences Journal Homepage*, *7*(1), 83-95.

141. Sana'a, N. M. (2016). The effect of accounting conservatism on financial performance indicators in the Jordanian insurance companies. *Journal of Internet Banking and Commerce*, *21*(1), 1.
142. Sara, B., & Djillali, B. (2019). The effectiveness of human capital on business performance: field research in Algerian companies. *Alriada for Business Economics*, *05*(02), ABEJ-2015.
143. Sari, C. T., & Suharti, M. (2021). The Effect of Taxes, Earnings Per Share, and Sales Growth on Stock Prices in the Covid-19 Pandemic (Empirical Study of Health And Pharmaceutical Sector Listed In The Jakarta Stock Exchange 2016-2020). *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *5*(2).
144. Sellou, H. (2022). Study of the impact of societal and environmental capital on the performance of Algerian companies. In *Algerian Business Performance Review (ABPR)* (Vols. 11–11, Issue 01, pp. 267–269). Université Kasdi Merbah Ouargla.
145. Sharabati, A.-A., Shamari, N., Nour, A.-N., Durra, A.-B., & M. Moghrabi, K. (2016). The impact of intellectual capital on business performance in Kuwaiti telecommunication industry. *Int. J. Business Performance Management*, *17*(4), 428–446.
146. Sinthupundaja, J., & Kohda, Y. (2019). Effects of corporate social responsibility and creating shared value on sustainability. In *Green business: Concepts, methodologies, tools, and applications* (pp. 1272-1284). IGI Global.
147. Smith, G. T. (2016). Machine tool metrology: An industrial handbook. Springer.
148. Smith, J. K., & Johnson, L. M. (2018). Assessing the Value of Human Capital: A Modified ROI Approach. Journal: Journal of Human Resource Management, 25(2), 87-104.
149. Son, J., & Feng, Q. (2019). In social capital we trust?. *Social Indicators Resea*
150. Steiss, A. W. (2019). *Strategic management for public and nonprofit organizations*. Routledge.
151. Strouhal, J., Štamfestová, P., Ključnikov, A., & Vincúrová, Z. (2018). DIFFERENT APPROACHES TO THE EBIT CONSTRUCTION AND THEIR IMPACT ON CORPORATE FINANCIAL PERFORMANCE BASED ON THE RETURN ON ASSETS: SOME EVIDENCE FROM CZECH TOP100 COMPANIES. *Journal of competitiveness*, *10*(1).
152. Takata, S., Park, Y. W., & Ohno, T. (2022). Research on the Effects and Factors of CSV Activities by Sector in Japanese Firms: Analysis Considering the Relationships with Management and Communication Strategies. *Sustainability*, *14*(17), 10534.
153. Thuan, P. Q., Khuong, N. V., Anh, N. D. C., Hanh, N. T. X., Thi, V. H. A., Tram, T. N. B., & Han, C. G. (2022). The determinants of the usage of accounting information systems toward operational efficiency in industrial revolution 4.0: Evidence from an emerging economy. *Economies*, *10*(4), 83.
154. Tian, H. H., Huang, S. Z., & Cheablam, O. (2023). How green value co-creation mediates the relationship between institutional pressure and firm performance: A moderated mediation model. *Business Strategy and the Environment*, *32*(6), 3309-3325.
155. Umar, M., Ji, X., Kirikkaleli, D., Shahbaz, M., & Zhou, X. (2020). Environmental cost of natural resources utilization and economic growth: can China shift some burden through globalization for sustainable development?. *Sustainable Development*, 28(6), 1678-1688.

156. Vallentin, S., & Spence, L. J. (2017). Strategic CSR: Ambitions and critiques. In *Corporate social responsibility: Strategy, communication, governance* (pp. 63-85). Cambridge University Press.
157. Vargas, N., & Lloria, M. B. (2017). Performance and intellectual capital: how enablers drive value creation in organisations. *Knowledge and Process Management*, *24*(2), 114-124.
158. Vogel, H. L. (2020). *Entertainment industry economics: A guide for financial analysis*. Cambridge University Press.
159. Von Liel, B. (2016). *Creating shared value as future factor of competition: Analysis and empirical evidence*. Springer.
160. Wagana, D. M., & Nzulwa, J. D. (2017). Corporate governance, board gender diversity and corporate performance: A critical review of literature.
161. Wang, Y., Song, M., Zhang, H., & Sib, S. M. (2023). Do specific investment and qualification of capability foster or impede firm performance: the moderating role of shared values. *Marketing Intelligence & Planning*, *41*(6), 741-762
162. Weber, C., Weidner, K., Kroeger, A., & Wallace, J. (2017). Social value creation in inter-organizational collaborations in the not-for-profit sector–give and take from a dyadic perspective. *Journal of Management Studies*, *54*(6), 929-956.
163. Wieland, J. (Ed.). (2017). *Creating shared value–concepts, experience, criticism* (Vol. 52). Springer.
164. Wójcik, P. (2016). How creating shared value differs from corporate social responsibility. *Central European Management Journal*, *24*(2), 32-55.
165. Wójcik, P. (2016). How creating shared value differs from corporate social responsibility. *Central European Management Journal*, *24*(2), 32-55.
166. Yang, M., Bento, P., & Akbar, A. (2019). Does CSR influence firm performance indicators? Evidence from Chinese pharmaceutical enterprises. *Sustainability*, *11*(20), 5656.
167. Yang, M., Bento, P., & Akbar, A. (2019). Does CSR influence firm performance indicators? Evidence from Chinese pharmaceutical enterprises. *Sustainability*, *11*(20), 5656.
168. Yang, Y., Jia, Y., Ling, S., & Yao, C. (2021). Urban natural resource accounting based on the system of environmental economic accounting in Northwest China: A case study of Xi'an. *Ecosystem Services*, *47*, 101233.
169. Zallé, O. (2019). Natural resources and economic growth in Africa: The role of institutional quality and human capital. *Resources Policy*, *62*, 616-624.
170. Zenzerović, R., Černe, K., & Galant, A. (2023). Comparison of economic value added and modified value-added intellectual coefficient as a measures of intellectual capital valuation. In *10th International scientific conference" Finance, Economics & Tourism"* (pp. 465-479).
171. Zhang, H., Gupta, S., Sun, W., & Zou, Y. (2020). How social-media-enabled co-creation between customers and the firm drives business value? The perspective of organizational learning and social Capital. *Information & Management*, *57*(3), 103200.

Appendixes

Appendix 1: Study sample

#	Name	Symbol	Sector	Currency
1	ARAB PALESTINIAN INVESTMENT "APIC"	APIC	Investment	USD
2	AL-AQARIYA TRADING INVESTMEN	AQARIYA	Investment	USD
3	ARAB INVESTORS	ARAB	Investment	JOD
4	JERUSALEM REAL ESTATE INVESTMENT	JREI	Investment	USD
5	PALESTINE DEVELOPMENT & INVESTMENT	PADICO	Investment	USD
6	PALESTINE INVESTMENT & DEVELOPMENT	P I D	Investment	JOD
7	PALESTINE INDUSTRIAL INVESTMENT	PIIC	Investment	JOD
8	PALESTINE REAL ESTATE INVESTMENT	PRICO	Investment	JOD
9	SANAD CONSTRUCTION RESOURCES	SANAD	Investment	USD
10	BANK OF PALESTINE	BOP	Banking & Financial Services	USD
11	THE NATIONAL BANK	TNB	Banking & Financial Services	USD
12	PALESTINE ISLAMIC BANK	ISBK	Banking & Financial Services	USD
13	AL QUDS BANK	QUDS	Banking & Financial Services	USD
14	ARAB ISLAMIC BANK	AIB	Banking & Financial Services	USD
15	PALESTINE INVESTMENT BANK	PIBC	Banking & Financial Services	USD
16	PALESTINE SECURITIES EXCHANGE	PSE	Banking & Financial Services	USD
17	AHLIEA INSURANCE GROUP	AIG	Insurance	USD
18	GLOBAL UNITED INSURANCE	GUI	Insurance	USD
19	AL MASHRIQ INSURANCE	MIC	Insurance	USD
20	NATIONAL INSURANCE	NIC	Insurance	USD
21	PALESTINE INSURANCE	PICO	Insurance	USD
22	AL-TAKAFUL PALESTINIAN INSURANCE	TIC	Insurance	USD
23	TRUST INTERNATIONAL INSURANCE	TRUST	Insurance	USD
24	AL-WATANIAH TOWERS	ABRAJ	Service	USD
25	THE ARAB HOTELS	AHC	Service	JOD
26	NABLUS SURGICAL CENTER	NSC	Service	JOD
27	WATANIYA PALESTINE MOBILE TELECOMM.	OOREDOO	Service	USD
28	PALAQAR FOR REAL ESTATE DEV.& MANAGEMENT	PALAQAR	Service	JOD
29	PALESTINE TELECOMMUNICATIONS	PALTEL	Service	JOD
30	PALESTINE ELECTRIC	PEC	Service	USD
31	THE RAMALLAH SUMMER RESORTS	RSR	Service	JOD
32	PALESTINIAN DIST. & LOGISTICS SERVICES	WASSEL	Service	USD
33	ARAB COMPANY FOR PAINTS PRODUCTS	APC	Industry	JOD
34	PALESTINE POULTRY	AZIZA	Industry	JOD
35	BIRZEIT PHARMACEUTICALS	BPC	Industry	USD
36	GOLDEN WHEAT MILLS	GMC	Industry	JOD
37	JERUSALEM CIGARETTE	JCC	Industry	JOD
38	JERUSALEM PHARMACEUTICALS	JPH	Industry	USD
39	PALESTINE PLASTIC INDUSTRIES	LADAEN	Industry	JOD
40	NATIONAL ALUMINUM AND PROFILE "NAPCO"	NAPCO	Industry	JOD
41	THE NATIONAL CARTON INDUSTRY	NCI	Industry	USD
42	THE VEGETABLE OIL INDUSTRIES	VOIC	Industry	JOD

Appendix 2: Study data

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2018	APIC	1.382	190000000	4	0.6381	0.0418	0.1154	0.1956	105.826
2019	APIC	1.320	230000000	3	0.6062	0.0516	0.1408	0.2455	81.383
2020	APIC	1.379	270000000	4	0.6973	0.0481	0.1413	0.2594	122.217
2021	APIC	1.419	350000000	2	0.9205	0.0609	0.1982	0.3613	164.435
2022	APIC	1.269	430000000	4	0.8366	0.0411	0.1407	0.2728	116.295
2018	AQARIYA	1.955	5500000	4	0.0042	0.0010	0.0013	0.0012	1.126
2019	AQARIYA	1.316	5500000	6	0.2661	0.0496	0.0785	0.0815	6.522
2020	AQARIYA	1.670	5000000	5	0.2060	0.0666	0.1066	0.1241	6.429
2021	AQARIYA	1.801	6000000	5	0.2352	0.0533	0.0854	0.1098	5.022
2022	AQARIYA	1.506	5700000	6	0.1810	0.0481	0.0807	0.1116	4.883
2018	ARAB	2.105	11000000	5	0.0029	0.0053	0.0054	0.0059	2.133
2019	ARAB	2.227	11000000	5	0.0014	0.0059	0.0060	0.0066	2.152
2020	ARAB	0.701	11000000	6	0.0009	0.0390	0.0489	0.0461	9.118
2021	ARAB	0.626	11000000	6	0.0003	0.0022	0.0022	0.0030	1.441
2022	ARAB	4.790	13000000	6	0.0008	0.0133	0.0134	0.0177	3.991
2018	JREI	1.172	3000000	4	0.0939	-0.0037	-0.0050	-0.0564	0.448
2019	JREI	1.113	2800000	6	0.1031	-0.0263	-0.0370	-0.0282	-2.965
2020	JREI	0.749	2800000	5	0.1078	-0.0036	-0.0050	-0.0040	0.523
2021	JREI	1.512	2800000	4	0.1711	0.0064	0.0104	0.0080	1.928
2022	JREI	1.415	2700000	6	0.1727	0.0030	0.0049	0.0038	1.500
2018	PADICO	0.829	320000000	5	0.5081	0.0185	0.0330	0.1806	19.009
2019	PADICO	0.996	11000000	7	0.5081	0.0247	0.0420	0.0799	31.362
2020	PADICO	0.460	200000000	4	0.2528	0.0061	0.0110	0.0191	7.597
2021	PADICO	1.070	310000000	5	0.4557	0.0273	0.0497	0.0961	32.345
2022	PADICO	0.846	350000000	5	0.5788	0.0330	0.0592	0.1053	52.005
2018	P I D	1.538	9600000	3	0.0112	0.0864	0.1577	0.0336	35.880
2019	P I D	1.340	57000000	2	0.0145	-0.0429	-0.0838	-0.0571	-8.000
2020	P I D	1.100	11000000	1	0.0202	-0.1724	-0.3321	-0.1719	-17.913
2021	P I D	1.715	12000000	3	0.0152	0.1953	0.3175	0.2117	24.951
2022	P I D	1.491	13000000	2	0.0168	-0.0166	-0.0287	-0.0198	-1.335
2018	PIIC	1.738	65000000	5	0.3770	0.0472	0.0770	0.0549	16.924
2019	PIIC	1.781	34000000	6	0.3288	0.0603	0.0960	0.2716	26.125
2020	PIIC	2.058	46000000	6	0.2988	0.0607	0.0940	0.2917	26.560
2021	PIIC	2.560	83000000	6	0.2780	0.0745	0.1097	0.4151	30.869
2022	PIIC	1.924	63000000	6	0.2972	0.0605	0.0919	0.3278	24.396
2018	PRICO	1.159	39000000	6	0.4242	-0.0429	0.0810	-0.3941	-13.555
2019	PRICO	1.018	150000000	6	0.4283	-0.0812	-0.1550	-0.1063	-14.113
2020	PRICO	0.979	34000000	6	0.4498	-0.0640	-0.1280	-0.0776	-10.138

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2021	PRICO	1.026	34000000	5	0.4583	-0.0133	-0.0249	-0.0156	-2.107
2022	PRICO	0.815	34000000	6	0.3416	0.0085	0.0178	0.0100	1.068
2018	SANAD	1.256	140000000	5	0.2321	0.0061	0.0134	0.0317	9.193
2019	SANAD	1.320	150000000	6	0.5831	-0.0045	-0.0185	-0.0139	3.220
2020	SANAD	1.186	130000000	6	0.4800	-0.0677	-0.2292	-0.1393	-3.333
2021	SANAD	1.442	110000000	7	0.4314	0.0045	-0.0085	-0.0051	4.102
2022	SANAD	1.845	120000000	7	0.0725	-0.0288	-0.0532	-0.0505	1.506
2018	BOP	1.098	460000000	5	10.2124	0.0116	0.1303	2.8475	3.121
2019	BOP	1.089	410000000	9	11.2296	0.0074	0.0904	0.1909	2.364
2020	BOP	1.081	340000000	9	12.3893	0.0039	0.0527	0.1077	1.950
2021	BOP	1.083	430000000	9	12.1168	0.0086	0.1134	2.8475	3.226
2022	BOP	1.092	440000000	9	10.8844	0.0103	0.1221	0.2976	4.251
2018	TNB	1.093	130000000	6	10.8357	0.0087	0.1021	6.1806	4.366
2019	TNB	1.089	150000000	6	11.5694	0.0075	0.0942	0.2323	2.814
2020	TNB	1.086	140000000	6	11.6482	-0.0003	0.0014	1.5132	1.354
2021	TNB	1.098	170000000	7	10.1921	0.0085	0.0955	0.1331	2.320
2022	TNB	1.120	200000000	6	8.3080	0.0111	0.1033	0.1503	2.448
2018	ISBK	1.110	140000000	5	9.2017	0.0137	0.1378	1.5132	2.555
2019	ISBK	1.098	140000000	6	10.6689	0.0110	0.1235	0.1886	2.325
2020	ISBK	1.091	130000000	7	10.9560	0.0074	0.0882	0.1396	2.363
2021	ISBK	1.091	160000000	6	10.9469	0.0083	0.0987	0.1610	2.840
2022	ISBK	1.109	180000000	6	9.2137	0.0101	0.1034	0.1705	2.722
2018	QUDS	1.101	160000000	6	9.8847	0.0096	0.1041	2.8990	2.100
2019	QUDS	1.097	140000000	6	10.3224	0.0058	0.0955	0.0854	1.093
2020	QUDS	1.094	130000000	7	10.6116	0.0078	0.0904	0.1170	1.856
2021	QUDS	1.097	150000000	6	10.3388	0.0092	0.1043	0.1490	2.384
2022	QUDS	1.122	160000000	6	8.2137	0.0144	0.1326	0.2090	2.662
2018	AIB	1.114	120000000	6	8.8007	0.0067	0.0656	0.0947	2.194
2019	AIB	1.101	140000000	6	9.9119	0.0071	0.0773	0.1061	2.130
2020	AIB	1.084	140000000	9	11.9491	0.0051	0.0667	0.0906	1.773
2021	AIB	1.081	170000000	8	12.2595	0.0067	0.0893	0.1275	2.511
2022	AIB	1.092	170000000	7	10.9233	0.0079	0.0939	0.1359	2.892
2018	PIBC	1.273	91000000	5	3.6623	0.0096	0.0445	0.5958	2.449
2019	PIBC	1.248	99000000	6	4.0305	0.0090	0.0453	0.0580	2.253
2020	PIBC	1.182	92000000	6	5.4915	0.0057	0.0082	0.0418	2.379
2021	PIBC	1.161	94000000	6	6.1935	0.0051	0.0367	0.0483	1.902
2022	PIBC	1.161	90000000	6	6.2200	0.0068	0.0492	0.0652	2.570
2018	PSE	9.868	50000000	5	0.1128	0.0144	0.0354	0.0050	1.530
2019	PSE	9.758	49000000	6	0.1141	0.0441	0.0492	0.0596	1.732

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2020	PSE	8.817	49000000	6	0.1168	0.0208	0.0331	0.0283	1.583
2021	PSE	9.457	49000000	6	0.1182	0.0697	0.0779	0.1003	2.814
2022	PSE	7.691	30000000	7	0.1495	0.0688	0.0790	0.1008	3.379
2018	AIG	1.122	16000000	3	0.0739	0.0331	0.0956	0.1919	2.909
2019	AIG	1.145	17000000	4	0.0769	0.0107	0.0496	0.0553	2.266
2020	AIG	1.162	16000000	4	0.0806	-0.0484	0.0298	-0.2587	2.187
2021	AIG	0.939	14000000	2	0.0840	-0.0131	-0.1542	-0.2043	-2.689
2022	AIG	1.031	97000000	4	0.0425	0.0264	0.0615	0.2199	3.398
2018	GUI	1.230	17000000	5	0.1788	0.0388	0.1573	0.0373	2.883
2019	GUI	0.923	26000000	6	0.1714	0.0140	0.0857	0.0966	1.428
2020	GUI	0.962	24000000	6	0.1336	0.0296	0.1162	0.2209	1.653
2021	GUI	0.940	27000000	6	0.1396	0.0449	0.1520	0.3084	2.022
2022	GUI	0.960	27000000	6	0.1421	0.0294	0.0966	0.2062	1.821
2018	MIC	0.856	10000000	5	0.0718	0.0514	0.1733	0.3505	2.550
2019	MIC	0.821	12000000	3	0.2332	0.0302	0.1054	0.3515	1.835
2020	MIC	0.845	13000000	6	0.2117	0.0185	0.0803	0.2409	1.744
2021	MIC	0.882	18000000	6	0.2359	0.0136	0.0606	0.1943	1.428
2022	MIC	0.875	22000000	6	0.1840	0.0399	0.1527	0.4627	2.269
2018	NIC	1.004	58000000	5	0.1279	0.0358	0.0999	1.2260	2.909
2019	NIC	0.953	59000000	6	0.1565	0.0609	0.1657	0.4729	2.592
2020	NIC	0.984	60000000	6	0.1499	0.0582	0.1663	0.5206	3.915
2021	NIC	0.916	78000000	6	0.1646	0.0223	0.0665	0.1801	1.692
2022	NIC	0.971	76000000	6	0.1529	0.0295	0.0835	0.2240	2.388
2018	PICO	0.745	280000000	4	0.1450	-0.0336	-0.1549	-0.2668	0.660
2019	PICO	0.802	290000000	5	0.1472	0.0100	0.0474	0.0672	1.360
2020	PICO	0.846	270000000	6	0.1455	0.0185	0.0956	0.1652	1.553
2021	PICO	0.945	280000000	6	0.1397	0.0313	0.1651	0.2895	2.270
2022	PICO	0.954	290000000	6	0.2579	0.0354	0.2087	0.3558	2.853
2018	TIC	1.002	21000000	5	0.0993	0.0654	0.1577	0.0324	2.655
2019	TIC	0.998	28000000	6	0.1690	0.0297	0.1145	0.2102	1.918
2020	TIC	1.032	26000000	5	0.1424	0.0275	0.1062	0.2219	1.877
2021	TIC	1.048	26000000	5	0.1401	0.0227	0.0903	0.2027	1.715
2022	TIC	1.086	27000000	6	0.1401	0.0225	0.0876	0.2099	1.938
2018	TRUST	0.891	56000000	3	0.1030	0.0313	0.0975	0.1732	3.454
2019	TRUST	0.896	53000000	6	0.1624	0.0217	0.0652	0.2442	2.841
2020	TRUST	0.933	50000000	7	0.1411	0.0203	0.0681	0.2767	2.450
2021	TRUST	0.915	48000000	6	0.1383	0.0118	0.0426	0.1709	1.890
2022	TRUST	0.939	47000000	7	0.1436	0.0181	0.0615	0.2577	2.611
2018	ABRAJ	2.870	14000000	5	0.0584	0.0503	0.0637	0.1257	15.464

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2019	ABRAJ	1.875	14000000	6	0.0622	0.0582	0.0631	0.1329	16.320
2020	ABRAJ	2.654	16000000	6	0.0636	0.0481	0.0522	0.1161	13.294
2021	ABRAJ	4.450	15000000	6	0.0656	0.0424	0.0462	0.1081	11.545
2022	ABRAJ	0.556	17000000	6	0.0741	0.0686	0.0750	0.1892	17.261
2018	AHC	0.136	16000000	3	0.4820	-0.0414	-0.0864	-0.0578	-0.117
2019	AHC	0.107	15000000	6	0.4285	-0.0473	-0.1052	-0.0636	-0.255
2020	AHC	0.025	15000000	6	0.5169	-0.1205	-0.3356	-0.1521	-4.921
2021	AHC	0.108	15000000	7	0.7199	-0.0541	-0.1784	-0.1134	-3.430
2022	AHC	0.048	15000000	6	0.6113	-0.0428	-0.1543	-0.0850	-0.538
2018	NSC	1.442	7400000	12	0.1711	0.0823	0.0347	0.0006	1.114
2019	NSC	1.347	9100000	11	0.1803	0.0757	0.0582	0.0962	1.254
2020	NSC	1.322	9000000	9	0.2072	0.0727	0.0771	0.1312	1.167
2021	NSC	1.479	9500000	11	0.2043	0.0649	0.1773	0.3561	1.521
2022	NSC	1.533	12000000	7	0.1866	0.0608	0.1599	0.3632	1.607
2018	OOREDOO	0.869	240000000	4	1.0307	0.0004	0.0011	0.0004	1.007
2019	OOREDOO	0.792	280000000	6	0.9277	0.0047	0.0117	0.0038	1.076
2020	OOREDOO	0.861	240000000	6	0.6849	0.0328	0.0728	0.0257	1.537
2021	OOREDOO	1.114	290000000	6	0.4974	0.0575	0.1147	0.0458	2.019
2022	OOREDOO	14.732	280000000	6	0.4757	0.0648	0.1245	0.0568	1.942
2018	PALAQAR	1.227	1600000	8	0.1052	0.0325	0.0824	0.0011	14.239
2019	PALAQAR	1.102	1500000	4	0.0912	0.0003	0.0007	0.0005	6.581
2020	PALAQAR	1.173	1500000	0	0.0981	0.0001	0.0002	0.0002	17.018
2021	PALAQAR	1.276	1500000	7	0.1142	0.0052	0.0132	0.0089	5.483
2022	PALAQAR	0.921	1500000	3	0.1221	-0.0606	-0.2095	0.0000	-11.286
2018	PALTEL	0.783	800000000	4	0.2606	0.0782	0.1390	1.1182	5.493
2019	PALTEL	0.653	780000000	6	0.2344	0.0727	0.1290	0.4860	5.207
2020	PALTEL	0.776	710000000	6	0.2839	0.0533	0.0960	0.3270	3.966
2021	PALTEL	1.126	1100000000	6	0.2635	0.0784	0.1321	0.5123	4.984
2022	PALTEL	0.805	1000000000	6	0.4813	0.1254	0.2880	0.4957	4.467
2018	PEC	9.523	82000000	3	0.0454	0.0859	0.0972	0.1172	10.866
2019	PEC	9.926	92000000	4	0.0525	0.1134	0.1285	0.2075	12.954
2020	PEC	10.223	95000000	3	0.0541	0.1007	0.1142	0.1888	11.379
2021	PEC	13.461	110000000	3	0.0521	0.0885	0.0985	0.1698	8.795
2022	PEC	5.878	140000000	3	0.0643	0.1075	0.1308	0.2337	11.943
2018	RSR	0.771	16000000	5	0.0309	0.0240	0.0270	0.0870	11.907
2019	RSR	1.169	16000000	6	0.0528	0.0213	0.0240	0.0775	4.144
2020	RSR	1.447	15000000	5	0.0500	0.0178	0.0200	0.0658	3.837
2021	RSR	1.328	16000000	3	0.0398	0.0097	0.0135	0.0364	2.920
2022	RSR	1.715	17000000	4	0.0289	0.0254	0.0282	0.0931	5.275

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2018	WASSEL	1.507	6200000	3	0.2301	0.0034	0.0070	0.0030	1.185
2019	WASSEL	1.489	4800000	4	0.4359	0.0096	0.0210	0.0110	1.493
2020	WASSEL	1.572	4200000	4	0.4078	0.0124	0.0250	0.0131	1.288
2021	WASSEL	2.141	8700000	4	0.4600	0.0505	0.0957	0.0548	2.241
2022	WASSEL	2.021	14000000	4	0.4142	0.0564	0.0922	0.0703	2.746
2018	APC	3.438	14000000	5	0.0658	0.0783	0.1220	0.3344	1.151
2019	APC	3.280	13000000	6	0.0604	0.1111	0.1760	0.5490	3.216
2020	APC	3.206	13000000	6	0.0577	0.1052	0.1680	0.5760	3.040
2021	APC	3.741	14000000	6	0.0536	0.1295	0.1760	0.6704	3.326
2022	APC	3.206	13000000	6	0.0671	0.0791	0.1150	0.0000	2.492
2018	AZIZA	1.434	4900000	6	0.1520	0.0238	0.0340	0.0628	1.440
2019	AZIZA	2.163	5500000	6	0.1631	0.0975	0.1330	0.2930	16.573
2020	AZIZA	3.042	5000000	6	0.1313	0.0994	0.1300	0.3400	1.958
2021	AZIZA	3.144	5500000	6	0.1008	0.0637	0.0803	0.2212	1.766
2022	AZIZA	2.745	5500000	6	0.0778	0.0672	0.0853	0.2100	1.943
2018	BPC	6.998	98000000	5	0.1444	0.0884	0.1100	0.5312	2.479
2019	BPC	8.702	100000000	6	0.1607	0.0973	0.1214	0.5026	2.530
2020	BPC	6.836	100000000	6	0.1506	0.0745	0.0909	0.2765	2.061
2021	BPC	8.309	110000000	6	0.1294	0.1087	0.1311	0.6277	2.642
2022	BPC	9.011	170000000	7	0.1227	0.0645	0.0767	0.2047	2.215
2018	GMC	2.735	13000000	4	0.0283	0.0036	0.0046	0.0077	1.062
2019	GMC	4.830	16000000	6	0.0306	0.0419	0.0486	0.0540	2.723
2020	GMC	4.471	15000000	6	0.0340	0.0036	0.0041	0.0040	1.205
2021	GMC	1.593	18000000	4	0.0285	-0.0309	-0.0479	-0.0489	3.890
2022	GMC	1.610	18000000	6	0.0316	0.0571	0.0959	0.1092	5.905
2018	JCC	0.888	12000000	4	0.1413	0.0003	0.0010	0.0008	1.020
2019	JCC	0.768	12000000	5	0.0808	0.0033	0.0070	0.0140	1.108
2020	JCC	1.113	12000000	6	0.3007	0.0475	0.0980	0.2100	2.301
2021	JCC	0.960	34000000	6	0.1824	0.0827	0.1719	0.4196	2.352
2022	JCC	0.893	27000000	6	0.1602	0.0426	0.0797	0.2177	2.184
2018	JPH	4.178	50000000	5	0.0743	0.0950	0.1100	0.5376	2.086
2019	JPH	3.554	50000000	6	0.0843	0.0708	0.0920	0.2780	1.754
2020	JPH	4.180	51000000	7	0.0848	0.0472	0.0600	0.2040	1.555
2021	JPH	4.251	59000000	6	0.0781	0.0716	0.0925	0.3455	2.034
2022	JPH	3.859	59000000	6	0.0765	0.0836	0.1087	0.3890	2.328
2018	LADAEN	0.134	2500000	0	0.2830	-0.0905	-0.2290	-0.0169	-21.440
2019	LADAEN	0.133	2500000	0	0.3073	-0.0712	-0.1990	-0.0910	-10.987
2020	LADAEN	0.180	2500000	0	0.0707	-0.0166	-0.0440	-0.0190	-1.760
2021	LADAEN	0.213	2500000	0	0.0000	0.0428	0.0978	0.0474	6.202

Year	Company	WC	MVA	BM	LTd-E	ROA	ROE	EPS	VAHU
2022	LADAEN	0.338	2500000	0	0.0000	0.0512	0.1030	0.0556	7.666
2018	NAPCO	1.272	7700000	3	0.2676	0.0211	0.0481	0.1140	1.646
2019	NAPCO	1.264	12000000	6	0.3481	0.0144	0.0363	0.0611	1.610
2020	NAPCO	1.318	10000000	6	0.4498	0.0002	0.0006	0.0010	1.371
2021	NAPCO	1.434	17000000	5	0.3639	0.0243	0.0534	0.1078	1.716
2022	NAPCO	1.248	23000000	4	0.5161	-0.0227	-0.0594	-0.0831	1.006
2018	NCI	3.138	4700000	4	0.2911	-0.0213	-0.0320	-0.0330	0.881
2019	NCI	3.132	5000000	6	0.2674	0.0335	0.0500	0.0570	1.747
2020	NCI	3.956	7400000	6	0.1651	0.0869	0.1170	1.6090	2.592
2021	NCI	3.567	10000000	6	0.1895	0.1014	0.1427	0.2296	2.689
2022	NCI	2.763	9100000	6	0.1212	0.0660	0.0875	0.1314	1.989
2018	VOIC	2.289	80000000	5	0.3639	0.1286	0.1882	0.4911	12.312
2019	VOIC	1.919	73000000	6	0.2285	0.1283	0.1728	1.6359	12.363
2020	VOIC	2.298	59000000	7	0.1736	0.1248	0.1510	1.5508	10.616
2021	VOIC	0.807	99000000	6	0.2795	0.1517	0.2197	3.1243	15.550
2022	VOIC	0.516	99000000	6	0.1847	0.1138	0.1502	2.2092	12.877

تأثير "خلق القيمة المشتركة (CSV) "على الأداء المالي للشركات المدرجة في بورصة فلسطين

إعداد: اماني صبحي الأشهب

إشراف: طارق سلامة داربيع

ملخص:

تسعى هذه الدراسة الى إيجاد تأثير "خلق القيمة المشتركة (CSV) "على الأداء المالي للشركات المدرجة في بورصة فلسطين خلال الفترة من 2018 إلى 2022. باستخدام طريقة بيانات السلاسل الزمنية Panel) (Dataونماذج الانحدار، تبحث الدراسة في كيفية تأثير CSV على الأداء المؤسسي. واشتملت الدراسة جميع الشركات الفلسطينية العامة، موزعة بشكل متناسب عبر خمس قطاعات، بعينة تصل إلى 42 شركة على مدار خمس سنوات.

تشير النتائج الرئيسية إلى أن متوسط قيمة الأرباح لكل سهم (EPS) يتفوق على مقاييس الأداء المالي الأخرى مثل العائد على الأصول (ROA) والعائد على حقوق الملكية (ROE) خلال فترة الدراسة. كما وأظهرت النتائج الاحصائية تراجعًا للأداء المالي في عام 2020، وزيادة في عام 2021، وتراجعًا آخر في عام 2022. الا ان هناك تأثير إيجابي ذو دلالة إحصائية لـ CSV على الأداء المالي العام، ROA، وROE

وملحوظ على ROA وROE، حيث يعتبر رأس المال المصنع الأكثر تأثيرًا علىROA ، ورأس المال البشري على ROE ، بالنسبة لـEPS ، فإن رأس المال المالي والبشري لهما تأثير إيجابي ملحوظ، حيث يُعتبر رأس المال المالي الأكثر تأثيرًا. وبشكل عام، تستنتج الدراسة أن CSV يعزز الأداء المالي بشكل ملحوظ، مع تأثيرات أكثر حدة علىROA ، يليه ROE وEPS.

أخيرًا، توصي الدراسة بعدد من توصيات، من أهمها: ينبغي على الشركات المدرجة في بورصة فلسطين تعزيز مبادرات CSV الخاصة بها، مع التركيز بشكل خاص على رأس المال المصنع، الاجتماعي، والبشري، حيث أظهرت هذه العوامل تأثيرًا إيجابيًا ملحوظًا على ROA وROE، مع ملاحظة ان رأس المال البشري تعد أكثر العوامل تأثيرًا على .ROE يجب على الشركات الاستثمار في برامج تطوير الموظفين، والتدريب، والمبادرات الأخرى التي تعزز مهارات ورضا الموظفين، وإجراء مزيد من الأبحاث لاستكشاف تأثير CSV

على مقاييس الأداء المالي الأخرى غير المشمولة في هذه الدراسة، أي تخصيص استراتيجيات CSV للقطاعات المحددة. بما أن الدراسة تشمل قطاعات مختلفة، سيكون من المفيد تحليل بيانات كل قطاع على حدة لتحديد الممارسات الأكثر فعالية لـ CSV في كل قطاع، مما قد يوفر فهمًا أكثر شمولية لفوائد.CSV