

The impact of operational characteristics on the translucence and continuity of profits for the industrial companies listed in Amman Stock

Exchange

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Abstract

This study aimed at explaining the impact of the operational characteristics, which are represented in (financial leverage ratio, operational leverage ratio, profitability, and cash flows of operations), on translucence and continuity of profits for the industrial companies listed in Amman Stock Exchange. The study group may include the industrial companies that are fifty three companies listed in Amman Stock Exchange, and thirty one companies of which were selected and whose financial statements provided data for the study variables. To attain objectives, the approved applied approach was used on financial statements and reports for the companies that are sample of study during (2017-2022), through using the appropriate statistical methods especially multiple and simple regression analysis by Statistical Package for the Social Sciences (SPSS).

The study found that the financial leverage has an impact on profit translucence, but there is no impact for indicators of (operational leverage ratio, company profitability, and operational cash flows) on translucence of profits for the industrial companies listed in Amman Stock Exchange. The study also found that the operational cash flows and operational leverage ratio and company profitability have an impact on continuity of profits, whereas there is no impact

for indicators of (financial leverage ratio) on continuity of profits for the industrial companies listed in Amman Stock Exchange. The study recommended companies to highly focus on translucence of profits and factors impacting on them. So, by translucence, the material information of operational characteristics for those companies is disclosed, leading to enhance integrity and trust between parties who are interested in economics of those companies, and to build sustainable relationships with all related parties.

Keywords: Continuity of Profits, Industrial Companies, Operational characteristics, and Translucence of Profits.