The Relationship between the Ownership Structure and Social Responsibility among 50 Major Companies Listed in Tehran Stock Exchange

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Abstract: The aim of this study is "examining the relationship between structure of ownership and social responsibility among the 50 largest companies accepted in the Stock Exchange". The research domain includes the 50 largest companies accepted in the Tehran Stock Exchange. The statistical sample includes companies that the date of acceptance of them is before the year 2009 on the stock exchange and their financial year leads to 06/30. Time domain is the distance between the years 2008 to 2014. In this study, the combination data (year-company) related to the 37 companies accepted in the Tehran Stock Exchange was used. This research is applied and data have collection is done through the library method. This Research consists of five independent variable containing (concentration of ownership, institutional ownership, active institutional ownership, governmental ownership and float stock), dependent variable (disclosure based on social responsibility of the corporation) and control variables. The results of this research indicates the significant and negative relationship between the disclosure based on social responsibility, institutional ownership and firm size. Moreover, no significant relationship is observed between disclosure based on social responsibility and the ownership concentration, active institutional ownership, governmental ownership and ownership and floating stock.

Keywords: Concentration of Ownership, Institutional Ownership, Active Institutional Ownership, Governmental Ownership and Floating Stock.

Introduction

The role of business units in society has been subject to many changes. So that, it is expected that, businesses not only increase the profits but also to think about the society, and are useful for the society with which they interact. A business unit (entity) cannot escape from society and society cannot exist without business unit. So there is a tow- way relationship between business units and communities. In recent years, a theory was expressed and stating that, businesses can create wealth, employment and innovation, supply market and strengthen their activities and improve their competitiveness. Also, community provides suitable substrates for the development of business unit by creating the necessary conditions in order to earn revenues by investors and ensuring the stakeholders that there is no arbitrage and unfair activities (Sandhu & Kapoor, 2010). As a result, the corporation is beneficial both for business unit and society, and better understanding the potential benefits can lead to high investment revenues for companies (Arab Salehi et al., 2013). Business units, in order to achieve their goals, need a mechanism that can

create a balance between the interests of companies and stakeholder. Consequently, the concept of corporation social responsibility is raised (Poddi & Vergalli, 2009).

One of the variables that has been less measured by the social responsibility is ownership structure. The ownership structure, determine the texture and shareholders composition of a company and sometimes final major property of that corporation. Many economic theorists argue that each type of ownership can also influence on company performance. Therefore, the manager`s performance control methods and influential factors, as well as influence measurement method of each type of ownership are favorite issue of shareholders, managers and researchers (Eatmadi et al., 2009).

The ownership structure can be examined in different dimensions such as ownership distribution, ownership concentration, institutional ownership, active institutional ownership, governmental ownership and floating stock. The percentage of each factor can be used for evaluating this structure.

Major shareholders have more managerial expertise and they may make better decision because they perform better assessment of different options. Control imposed by large shareholders is beneficial for all shareholders, even though not all of them pay the costs. Decisions made by major shareholders are less likely in favor of corporation social performance, even if these are socially optimal and provide clear investment revenue. Major shareholders do not permit managers to invest in activities that does not maximize their stock value (Aoki, 1984; Holderness & Sheehan, 1988). Social costs or commitments are not for strategic investment, but are costs that lead to reducing profitability (Aupperle et al., 1985; Vance, 1975). Finally, these costs reduce the value of the company. Thus, shareholders are not willing to spend on social activities.

On the other side, investing in company`s social performance has a positive influence on the firm's reputation and provides psychological satisfaction for major shareholders and managers. And it will cause shareholders have more willing to invest in corporation`s social performance (Barnea & Rubin, 2010).

Shareholders are one of the groups using the financial statements of shareholders. Therefore, it is generally believed that institutional ownership may result in changing the corporation`s behavior. It is originated from regulatory activities of different investors in this venture (Velury & Jenkins, 2006). Institutional shareholders possess much of the stocks. Therefore, they can have a considerable influence on policies and programs of a company.

Active institutional ownership means that institutional shareholders have representative on the Board of Directors. It is expected that with increase in the number of representatives on the board of directors, institutional investors in the company have more influence on companies, and will lead the company`s policy toward their investment goals.

Morgan Stanley's company defined the floating stock as follows: The proportion of company`s stocks that is tradable in market and not held by managerial objective by strategic shareholders. According to the strategy adopted by the shareholders, they can make different decisions for implementing social decisions in the company. In order to meet public expectations, stocks belong to the state institutions in companies, gives the government for intervention in firms and compel them to disclose the additional information (Amran & Devi, 2008). With regard to the objectives are followed by shareholders of each company, they make different decisions about investing in the social performance programs. In this way, they can influence on social performance.

Due to the above, the main purpose of this study is investigating the relationship between ownership structure and disclosure based on social responsibility among the 50 largest corporations accepted in the stock exchange of Tehran. In this study we will answer to the question whether the ownership structure effects on the disclosure based on social responsibility among the 50 major companies accepted in the stock exchange?

The research hypothesis

The main objective of this research is investigating the relationship between ownership structure and disclosure based on the social responsibility among 50 major corporations listed on the stock exchange. To achieve this aim, 5 assumptions have been used:

First hypothesis: ownership concentration has a significant influence on the disclosure based on the social responsibility among the 50 major corporations accepted in the stock exchange.

Second hypothesis: institutional ownership has a significant influence on the disclosure based on the social responsibility among the 50 major corporations accepted in the stock exchange.

Third hypothesis: active institutional ownership has a meaningful influence on the disclosure based on the social responsibility among the 50 major corporations accepted in the stock exchange.

Fourth hypothesis: floating stock of the corporation has significant influence on the disclosure based on the social responsibility among the 50 major corporations accepted in the stock exchange

Fifth hypothesis: state ownership has significant influence on the disclosure based on the social responsibility among the 50 major corporations accepted in the stock exchange.

The research model
Model 1

$$Csr = \beta_0 + \beta_1 BIG_{it} + \beta_2 INST_{it} + \beta_3 FLO_{it} + \beta_4 GOV_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 ROA_{it} + \mu_{it} + \varepsilon_{it}$$

Model 2

$$Csr = \beta_0 + \beta_1 ACINST_{it} + \beta_2 SIZE_{it} + \beta_3 ROA_{it} + \beta_4 LEV_{it} + \mu_{it} + \varepsilon_{it}$$

The research domain
The time period: Data analysis of this research are related to the years 2008 to 2014, so the time period of the study is seven.
Spatial territory: spatial territory of the research contains 50 major companies listed on the stock exchange.

Materials and Methods

The current study is examining the question whether the ownership structure has influence on disclosure based on social responsibility among the 50 major corporations listed on the stock exchange or not? In terms of classification, the research aim is applied. Data are collected in library method. To analyze the data, the combination data (year-corporation) of the 37 companies listed on the Tehran stock exchange is used.

Concept definition and operational variables of the research
Independent variable
1. Concentration ownership (BIG): the Percentage of the Biggest company`s owner.
2. Institutional ownership (INST): Percentage shares held by institutional institutes (according to the Bush definition: cooperative fund, pension fund, banks, social security and insurance institutions, investment corporations and ... that hold share ownership of other companies).
3. Active institutional ownership (ACINST): the proportion of ordinary shares held by active institutional investors (that have a representative on the board of directors) (Mehrani et al., 2010).
4. Free floating stock (FLO): The part of a company`s stock that its shareholders are not ready to sell their stocks and not intended to participate in corporation`s management through keeping it. Also, it is expected to be tradable in the close future. That means it does not contain the government stock or shareholder administrative who are not ready to sell their stock.
According to the acceptance instruction of Tehran Stock Exchange (approved by the board of the Stock Exchange in (2007/12/22)), each of the following cases if they are more or equal to five per cent of the company's shares as part of
A) Stock held by each shareholders
(B) Stocks owned by the family shareholder (immediate family members from the first and second level)
(C) Stocks owned by legal entities that are in direct or indirect ownership group
5. Governmental ownership (GOV): any government-related investment such as, Foundation, Social Security Insurance agency, the national investment of Iran and …have been considered (Ben Ali & Lesage, 2012).

Depended variable
    Disclosure based on Corporation Social Responsibility (CSR)
Corporation social responsibility (CSR): means open and transparent business procedure, the processes that are based on moral values and respecting for employees, society and the environment. Social responsibility of corporations are planned in order to plan to be the result of stable values for the society in general and for shareholders in particular (Omidvar, 2009).
  The following cases are used for measuring the disclosure based on social responsibility, and any of the disclosures in the corporation management board report will be between 0 and 5. Thus, zero and one (weakest), two and three (average), four, five (most favorable) will fluctuate (Ducassy, 2015). These cases contain;
    1. Workforce Management
    2. Work Time Organization and Management
    3. Payroll and Compensation
    4. Labor Relations
    5. Hygiene and Safety Conditions

6. Training
7. Anti-Discrimination Efforts
8. Relations with Subcontractors and Suppliers
9. Community Enterprises and Patronage
10. Compliance with International Law
11. Impact on Regional Development and Civil Society Relations
12. Water, Energy, and Raw Material Consumption
13. Energy Consumption Reduction Efforts
14. Factoring in Ecosystems
15. Discharge, Pollution, and Waste Management
16. Assessment and Compliance Procedures
17. Environmental Management Organization and Training
18. Environmental Risk Management and Prevention
19. Rollout of CSR in terms of organization
20. Awareness and training for CSR
21. Reporting process

Control variable
     Company size (SIZE). The logarithm of the company`s assets value used as a measure of the company size.
Financial leverage (LEV): the ratio of debt to total assets.
Return on assets (ROA): the ratio of operating profit of the financial period to a set of assets at the end of the financial period.

Descriptive Statistics
     In order to determine the general characteristics of the variables, the model estimation and detailed analysis of them, we need to study descriptive statistics of variables. In descriptive statistics calculate the society parameters that include central tendencies and society dispersion. Descriptive statistics of the research variables such as mean, median, maximum, minimum, and standard deviation have been shown in table (1). As an example, in community responsibility (CSR), maximum and minimum of mean and median are respectively, 49, 48, 87 and 7. The maximum and minimum are respectively related to Iranian Copper National Industries and Omid investment management group. The mean and median for ownership concentration are respectively 42% and 45%. The maximum value belongs to Tabriz oil and Shiraz petrochemical industry, and the minimum amount is related to the Karafarin Bank, because of not providing information to the shareholders. For institutional ownership, mean and median are respectively 62% and 70%, the maximum amount belongs to Tabriz oil and Shiraz Petrochemical and the minimum is for Bahman Group. The mean and median for active institutional ownership variable are 42% and 45% respectively, the maximum belongs to Tabriz oil and Shiraz petrochemical and the minimum belongs to Mellat Bank, Saderat Bank and the National Copper Industries of Iran. For state ownership, the maximum amount belongs to Tabriz oil and Shiraz Petrochemical and the minimum is related to the KarAfarin Bank and the Eghtesad Novin Bank. The maximum and minimum amount of the floating stocks variable belong to the Karafarin Bank, and Shiraz petrochemical, Tabriz oil respectively.

Table 1. Descriptive statistics of the research variables.

	Social responsibility CSR	Percentage of ownership concentration BIG	Percentage of institutional ownership INS	Percentage of active Institutional ownership ACINST	Percentage of governmental ownership GOV	Floating stocks percentage FLO	Financial leverage LEV	lreturn on assets ROA	Firm size SIZE
mean	49.52	41.011	62.892	42.149	57.506	24.325	0.528	0.163	7.456
Median	48	40	70.75	45.48	63	21.95	0.522	0.138	7.348
Maximum	87	100	100	100	100	91.31	0.962	0.621	9.136
minimum	7	0	0	0	0	0	0.0009	-0.0384	6.0827
Standard deviation	19.13808	19.55407	26.27004	31.00454	29.35006	16.66393	0.270536	0.139615	0.674246
Coefficient of skewness	-0.194013	0.628509	-0.401634	0.116231	-0.473254	1.240634	0.023006	1.049112	0.463155
Slenderness coefficient	1.861967	3.830309	1.967249	1.815052	2.078568	5.586123	1.823220	3.887627	2.626603
Observations	259	259	259	259	259	259	259	259	259

Correlation matrix of the research variables

The correlation coefficient is a statistical tools to determine the type and degree of relationship between two variables, and also shows the intensity and type (direct or inverse) of the relationship. The coefficient is between -1 to 1 and is zero in the case that there is no relationship between two variables. This coefficient is usually normal up to 55%.

The correlation between the research variables have been shown at the level of (sig≤0.01) and (sig≤0.05) in the following table. For example, the correlation coefficient between social responsibility variable (CSR) and the ownership concentration is -20, that is significant at ErrorLevel of 0.01. There is an inverse relationship between the ownership concentration and social responsibility. That is, with increasing levels of ownership concentration, the social responsibility decreases and vice versa.

There is a relationship between the ownership concentration and ownership concentration of correlation coefficient, ie each variable will absolutely effect on itself. There is correlation coefficient of 0.5 between the floating stocks and the social responsibility, with the increase in one variable, the other one increases and vice versa.

Table 2. Correlation matrix of the research variables.

	CSR	BIG	INST	ACINST	GOV	FLO	LEV	ROA	SIZE
CSR	1.000000								
BIG	-0.203467	1.000000							
INST	-0.157302	0.248149	1.000000						
ACINST	-0.093077	0.401592	0.792398	1.000000					
GOV	-0.069439	0.453900	0.591916	0.587842	1.000000				
FLO	0.056708	-0.520102	-0.368564	-0.516769	-0.357558	1.000000			
LEV	0.154893	-0.309046	-0.436902	-0.503952	-0.378756	0.277090	1.000000		
ROA	0.202324	0.158032	0.411303	0.348476	0.342643	-0.148164	-0.559557	1.000000	
SIZE	-0.122332	-0.210309	-0.171842	-0.333552	-0.102069	0.291209	0.451576	-0.382183	1.000000

Determining the method of using the combined data

In the present study, the models mentioned in chapter III were estimated using combined data (year -company) related to the 37 companies listed on the Tehran Stock Exchange. Therefore, due to what was stated in chapter III, appropriate method of using such data in estimating should be considered before estimating the model using combination data. First, it must be determined that we need to consider the structure of panel data (differences or special effects of the corporation), or data related to different companies (Pooling) can be integrated and be used in the model estimation. For the recent decision making in the single- equation estimation, F- test statistics (Limer) is used. Due to the results of this test, a decision is made about acceptance or rejection of equality hypotheses of certain fixed effects of the corporations and ultimately about selecting the classic or the panel data method is made. Table 3 demonstrates results of chow test (F-test) related to the above hypothesis about the research models.

Table 3. Results of F- test (Limer) for choosing the hybrid (pooling) or combined (panel) method.

model	(H_0) assumption	F – statistics	df	p-value	Test Result
Model 1	Special effects of company are not significant Pooling method is) (appropriate	320.963545	36	0.0000	H_0 is rejected (panel data method is selected)
Model 2	Special effects of company are not significant Pooling method is ﮐ) (appropriate	366.544993	36	0.0000	H_0 is rejected (panel data method is selected)

As seen in Table (3), in confidence level of 95%, the null hypothesis is rejected in both research models of the test, so the data panel method should be used. As a result, the choice between the fixed and random effects models arises, for this purpose the Hausman test is used.

Hausman test for choosing between fixed effects and random effects model

As described in the previous chapter, the Hausman test is used to choose between the fixed and random effects models. Results of this test for the research models are as described in table (4):

Table 4. Results of Hausman test for choosing between the fixed and random effects models.

model	(H$_0$) assumption	(Chi- square statistics) χ^2	df	p-value	Test Result
Model 1	Random effect method is appropriate	19.375625	7	0.0071	H$_0$ is rejected (Fixed effect model is appropriate)
Model 2	Random effect method is appropriate	6.392007	3	0.0940	H$_0$ is approved (Random effect model is appropriate)

Results of the above table, indicates that the fixed effects and random effects methods must be used in the first and the second model of this study, respectively.

Heterogeneity of variance test

In this study, to consider inconsistency problem of the variance, the test method of Pagan- Kook and Visberg is used.

Table 5. Pagan- Kook and Visberg test results to explore the heterogeneity of variance.

model	(H$_0$) Assumption	Statistics By Pagan - χ^2 Cook and Weisberg	p-value	Test Result
Model 1	Variances are homologous	1.99	0.1584	H$_0$ is approved (there is homogeneity of variance)
Model 2	Variances are homologous	1.39	0.2381	H$_0$ is approved (there is homogeneity of variance)

According to the results of this test are shown in table 5-4, there is no variance heterogeneity in the research models, (because the probability or the calculated p-value is greater than 0.05).

Results

Test results of the first model

Table 6. Summary of statistical results of the model test.

Variable	Coefficients	SD	t - statistics	Sign.	VIF
Intercept (C)	8.739967	1.694950	5.156476	0.0000	-----
Ownership concentration (BIG)	0.003943	0.008566	0.460283	0.6460	1.,6
Institutional ownership (INS)	-0.014326	0.005826	-2.458715	0.0152	1.8
Floating stock (FLO)	-0.006618	0.006950	-0.952148	0.3427	1.5
Governmental ownership (GOV)	0.005350	0.007941	0.673733	0.5016	1.8
Financial leverage (LEVER)	0.943055	0.812491	1.160697	0.2477	1.8
Return on assets (ROA)	-0.450749	1.035459	-0.435313	0.6640	1.6
Firm size (SIZE)	-0.457952	0.231017	-1.982329	0.0494	1.4
F – statistics (significance level)	29.52818 (0.000000)	Durbin Watson statistics		1.7	
Coefficient of determination	090	Adjusted coefficient of determination		0.87	

Determining the existence of multicollinearity

The assumption of the multicollinearity absence among the independent variables are examined in the test. Multicollinearity shows that an independent variable is a linear function of other independent variables. High multicollinearity means that there is a high regression among the independent variables, despite the high level of R^2, model may not have high validity. According to the last column of Table 6-4, the VIF value for all variables is less

than 5 (VIF <5). So there is no multicollinearity between the independent variables. Thus, the fitted model has no validity.

Moreover, before the research hypothesis test based on the obtained results, we must ensure the accuracy of the results. The F-test was used in order to determine the total significance. According to the probability of F statistic (0.000), it can be claimed that the fitted regression model is significant. Also, due to the determining coefficient of the fitted model, about 90 percent of changes in the variations depend on the model (social responsibility), are explained by the independent variables.

Results of the first hypothesis test
The first hypothesis of this study reveals that the ownership concentration has significant influence on the disclosure based on the social responsibility of the 37 largest companies listed on the Stock Exchange. In this research, the independent variable estimated coefficient of the ownership concentration (BIG) shown in the table above, indicates that there is no significant relationship between the ownership concentration (BIG) and disclosure based on the social responsibility at error level of 0.05, because the obtained P-value for the coefficient of the research independent variable is more than 0.05. Therefore, it is concluded that there is no significant relationship between the ownership concentration (BIG) and disclosure based on the social responsibility at confidence level of 95%.

Results of the second hypothesis
In the second hypothesis, it is stated that the institutional ownership has a significant influence on the disclosure based on the social responsibility of the 37 large corporations listed on the Stock Exchange. The estimated coefficient of institutional ownership the independent variable (INS) that are listed in the table above, indicate that there is a significant and negative relationship between institutional ownership (INS) and the disclosure based on the social responsibility at the error level of 0.05, Because the obtained p-value for the coefficient of independent variable of this research is less than 0.05. So, it can be said that there is a significant relationship between institutional ownership (INS) and the disclosure based on the social responsibility at confidence level of 95%.

Results of the fourth hypothesis test
The forth hypothesis of this study states that the floating stock of the corporation has a significant influence on the disclosure based on the social responsibility of the 37 large corporations listed on the Stock Exchange. The estimated coefficient of the floating stock independent variable (FLO) shown in the table above, reveals that there is no significant relationship between floating stock (FLO) and the disclosure based on social responsibility at error level of 0.05, because calculated P-value for the coefficient of the research independent variable is more than 0.05. So, it can be said that there is no significant relationship between the floating stocks (FLO) and the disclosure based on the social responsibility at confidence level of 95%.

Results of the fifth hypothesis
Fifth hypothesis suggests that the governmental ownership has a significant influence on the disclosure based on the social responsibility of the 37 large corporations listed on the Stock Exchange. Since the obtained P-value for coefficient of the independent variable of this study is more than 0.05, the estimated coefficient of the governmental ownership independent variable (GOV) in the above table indicates that there is no significant relationship between governmental ownership (GOV) and the disclosure based on the social responsibility at error level of 0.05. Thus, it can be concluded that   there is no significant relationship between the governmental ownership (GOV) and the disclosure based on the social responsibility at confidence level of 95%.

Results of the control variables test
The estimated coefficient of the leverage independent financial variable (LEV) shown in the above table indicates that there is no significant relationship between financial leverage (LEV), and the disclosure based on the social responsibility at the level of 0.05, because the obtained P-value for the independent variable is more than 0.05. So, there is no significant relationship between the financial leverage (LEV) and the disclosure based on the social responsibility at confidence level of 95%.

The estimated coefficient of the independent variable of return on assets (ROA) showed in the above table, indicates that there is no significant relationship between return on assets (ROA) and the disclosure based on the social responsibility at the level of 0.05, because the obtained P-value for the independent variable is more than 0.05. Therefore, it can be concluded that there is no significant relationship between the return on assets (ROA) and

the disclosure based on the social responsibility at confidence level of 95%.

Since the calculated P-value for the estimated coefficient of the independent variable of firm size (SIZE) is less than 0.05, so there is a negative and significant relationship between firm size (SIZE) and the disclosure based on the social responsibility at the level of 0.05. Hence, it can be said that there is a significant relationship between the firm size (SIZE) and disclosure based on social responsibility at confidence level of 95%.

Results of the second model

$$Csr = \beta_0 + \beta_1 ACINST_{it} + \beta_2 SIZE_{it} + \beta_3 ROA_{it} + \beta_4 LEV_{it} + \mu_{it} + \varepsilon_{it}$$

Table 6. Statistical conclusion summary of the model test.

variable	coefficients	SD	t - statistics	Sign.	VIF
intercept (C)	42.32500	16.77833	2.522599	0.0124	----
Active institutional ownership (ACINST)	0.031350	0.044723	0.700987	0.4841	1.2
Return on assets (ROA)	1.644956	8.452716	0.194607	0.8459	1.2
Firm size (SIZE)	0.762090	2.298438	0.331569	0.7405	1.2
Financial leverage (LEV)	0.044421	4.882870	0.009097	0.9927	1
F -statistics (significance level)	19.44316 0.000000	Durbin Watson statistics		1,6	
Determination coefficient	0.776	Adjusted determination coefficient		0.737	

According to the last column of Table 6-4, VIF value for all independent variables is less than 5 (VIF < 5). So, there is no alignment between the independent variables. Therefore, the model is validated. Moreover, we must ensure the accuracy of the results before the research hypothesis test based on the obtained results. In order to determine the significance of the model, F- test was used. According to the probability of the calculated statistic F (0.000), it can be argued that the fitted regression model is significant.

According to the determination coefficient of the fitted model, it can be claimed that about 77 percent of the variation in the dependent variable (social responsibility), are explained by the independent variables.

Results of the third hypothesis

The third hypothesis states that there is a significant relationship between active institutional ownership and disclosure based on social responsibility at the 37 largest companies listed on the Stock Exchange. The estimated coefficient of active institutional ownership independent variable (ACINST) in the above table indicates that there is no significant relationship between active institutional ownership (ACINST) and the disclosure based on social responsibility at the level of 0.05, because the calculated P-value of the independent variable for this study is more than 0.05. Therefore, there is no significant relationship between active institutional ownership (ACINST) and disclosure based on social responsibility at confidence level of 95%.

Results of the control hypothesis test

The estimated coefficient of return on assets independent variable (ROA) in the above table shows that there is no significant relationship between return on assets (ROA) and the disclosure based on social responsibility at the level of 0.05, because the obtained P-value for the independent variable is more than 0.05. So, it can be claimed that there is no significant relationship between return on assets (ROA) and disclosure based on social responsibility at confidence level of 95%.

The estimated coefficient of the firm size independent variable (SIZE) in the above table reveals that there is no significant relationship between the firm size (SIZE) and the disclosure based on social responsibility at the level of 0.05, because the obtained P-value for the independent variable coefficient of the study is less than 0.05. So, it can be concluded that there is no significant relationship between the firm size (SIZE) and disclosure based on the

social responsibility at confidence level of 95%.

The estimated coefficient of the financial leverage independent variable (LEV) listed in the above table shows that there is no significant relationship between the financial leverage (LEV), and the disclosure based on the social responsibility at the level of 0.05, because the calculated P-value for the independent variable of the research is more than 0.05. So, it can be said that there is no significant relationship between the financial leverage (LEV) and disclosure based on the social responsibility at confidence level of 95%.

Discussion and Conclusion

The results of the first hypothesis show that that there is no significant relationship between ownership concentration and disclosure based on social responsibility. This result contrasts with results obtained in the Ducassy, studies (2015). Ducassy, could obtain a significant negative relationship between these two variables in his researches, and argued that large shareholders are not interested in investing in social responsibility.

Results of the second hypothesis of this study reveals that there is a significant negative relationship between institutional ownership and disclosure based on social responsibility. By increasing the level of institutional ownership, social responsibility reduced. The results of the first Hypothesis test result is consistent with the research gains of PourAli (2014), as well as Mahoney and Roberts (2007), and are inconsistent with the research funding of Nirwanto and Rahardja (2011), and Ducassy (2015). Institutional shareholders have the authority of receiving information from the company, so they do not tend to disclosure more information by the firms. Companies are not under pressure for more disclosure based on social responsibility that is in voluntary disclosure group, if companies have more institutional investors, disclosure based on social responsibility is less observed.

Solutions that can be proposed for the problem

1) Because firms with high institutional ownership level do less disclosure carrying less or their managers may even be pressured for less disclosure, it is better to convert these disclosures to constitutional requirements by legislating laws based on social responsibility that are very important and observe them would result in promotion of the society level.

2) Trying to explain the concept of social responsibility for companies, so that companies implement social responsibility even without supervision of any organization, and beneficiaries demand social responsibility from the corporations.

3) Performing incentive policies by the government for the implementation of social responsibility in the organization. For example, only companies that have favorable social operation, are allowed to participate in tenders.

In this study, there is no significant relationship between the governmental ownership and disclosure based on the social responsibility. This result contradicts the results of Eng and Mak (2003), Mohd Nasir and Abdullah (2004) and Darusa et al (2014). They could obtain a positive and significant result in their researches.

According to the results of the test hypothesis of control variables, there is a significant and negative relationship between the firm size and disclosure based on the social responsibility. Ducassy (2015) (in his researches) concluded that there was a significant positive relationship between these two variables. It can be argued that large firms have better fund and less need to fundraising. Therefore, these firms are lees pressured to invest in implementation of the social responsibility programs. Moreover, as these firms avoid to pay less political costs, therefore, they intend to disclose more about the different aspects of their activities. There is no significant relationship between the social responsibility of the corporation and the other presented control variables of the study.

Moreover, there is no significant relationship among the concentration of ownership, active institutional ownership, governmental ownership, as well as, between the floating stocks and disclosure based on the social responsibility. The absence of a relationship between the social responsibility and other variables of ownership structure is not due to the lack of managers and firm`s knowledge about the social responsibility. Social responsibility is a new concept that has recently mentioned in Iran.

The lack of a relationship between disclosure based on social responsibility and ownership structure in Iran have different reasons. One reason could be the lack of sufficient disclosure of information in Board of Directors report that is the study's data source. Another reason could be that the Iranian companies know implementing social responsibility as a part of government tasks and do not participate in it. Another reason that was mentioned before, maximizing the profit level is primary objective of any corporation or organization. These institutions imagine that participating in social responsibilities may lead to corporation profitability reduction and cannot participate in

market competition. Therefore, these companies do not tend to invest in social responsibility or legal requirements and relevant institutions will not be effective.

Suggestions for future researches

1. Examining the relationship between social responsibility and economic growth

2. Due to the characteristics of different industries, it is recommended that the impact of industry on social responsibility be investigated.

3. This study can be examined by changing the ownership structure to corporation ownership, foreign ownership and managerial ownership.

Research limitations

1- Lack of full access to the required information was one of the constrains of this research

Conflict of interest

The authors declare no conflict of interest.

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