Explaining the mutual relationship between board gender diversity and corporate social responsibility using the simultaneous equations system

Kazempour, M, Kashanipour, M, Yazdifar, H and Hamidizadeh, A

<table>
<thead>
<tr>
<th>Title</th>
<th>Explaining the mutual relationship between board gender diversity and corporate social responsibility using the simultaneous equations system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authors</td>
<td>Kazempour, M, Kashanipour, M, Yazdifar, H and Hamidizadeh, A</td>
</tr>
<tr>
<td>Type</td>
<td>Article</td>
</tr>
<tr>
<td>URL</td>
<td>This version is available at: <a href="http://usir.salford.ac.uk/id/eprint/50139/">http://usir.salford.ac.uk/id/eprint/50139/</a></td>
</tr>
<tr>
<td>Published Date</td>
<td>2018</td>
</tr>
</tbody>
</table>

USIR is a digital collection of the research output of the University of Salford. Where copyright permits, full text material held in the repository is made freely available online and can be read, downloaded and copied for non-commercial private study or research purposes. Please check the manuscript for any further copyright restrictions.

For more information, including our policy and submission procedure, please contact the Repository Team at: usir@salford.ac.uk.
Explaining the Mutual Relationship between Board Gender Diversity and Corporate Social Responsibility using the Simultaneous Equations System

ABSTRACT
One of the issues that have gained a lot of attention in recent years is the board gender diversity. Many researchers believe that gender diversity in the board reinforces corporate social responsibility and on the other hand, gender diversity is one of the signs and effects of corporate social responsibility in the board, so there is a mutual relationship between board gender diversity and corporate social responsibility that has not been noticed up to this time. Our study fills this gap in literature by using the Simultaneous equations system. We use data from 110 companies listed in the Tehran Stock Exchange during the 2012 to 2017 period. The results indicate that board gender diversity and corporate social responsibility have a positive and significant effect on each other. As a result, companies can improve their social responsibility by increasing gender diversity in the board, and on the other hand to prove their social responsibility, it is better to use women on the board.

Keywords:
Board Gender Diversity, Corporate Social Responsibility, Simultaneous Equations System.
1. Introduction

Because of its relevance to issues such as unemployment, poverty, environmental pollution and other social issues, Corporate Social Responsibility (CSR) has been of great importance over the past few decades. Different views and theories on social responsibility have been stated that classic view, responsibility view and general view are among the most important views provided in this field. According to the classic view, the company has only one goal which is to maximize shareholder profits and wealth. This view is accepted to the extent that a moral and legal framework is implemented to achieve this goal. But in the responsibility view, social goals are not considered to maximize profits. Experts say that the life of the organization is dependent on the life of society. Therefore, the social responsibility of organizations is comprehensive and inclusive and they have to cooperate with the community in resolving social problems (Aghaei and Kazempour, 2016). In general view, enterprises are considered as partners of government, other institutions and social institutions. In this view, it is believed that the organization must work alongside other public institutions to solve problems and issues in society and improve the quality of public life. As a result, profitability is only one of the goals of the organization and the organization is committed to pursuing humanitarian goals as much as pursuing its organizational goals (Hasas Yeganeh and Barzegar, 2015). In general, it can be said that corporate social responsibility has many benefits for society; for example, corporate social responsibility can prevent the imposition of corporate costs (such as pollution, natural resources consumption and exploitation of marginalized people) on the society. However, corporate social responsibility actions make firms to be responsible to these costs. The stakeholders can force firms to recycle, invest in eco-friendly technologies and participate in humanitarian actions (Kazempour, 2017); These benefits have led the concept of corporate social responsibility to use through out the world in the past years, and different companies around the world have welcomed this concept. For instance, U.S firms' managers in 2010 expended $ 1.3 trillion from the company's assets for social responsibility (Kamyabi et al, 2013).

It has been noted in recent years that one of the signs of socially responsible behavior of companies is not to pay attention just to the men and the use of women in the management board of the company and board gender diversity is necessary as well. In the context of the impact of corporate social responsibility on board gender diversity in the past, qualitative research has pointed out that one of the signs of corporate social responsibility is gender diversity in the board (Stropnik, 2010). It is important to note that the presence of women on the board has also affected the corporate social responsibility and that there are much research on the world level, for example Adams and Ferreira (2009) show that the board serve better in the presence of female directors, also Huse et al (2015) believe that the presence of women in the board have a positive influence on controlling tasks. Women are creative and thoughtful and offer new ideas (Huse and Solberg, 2006); they have more attention to the quality issues like social responsibility and altruism (Hafsi and Turgut, 2013; bear and et al, 2010; Williams, 2003). Women have a stronger sense of business ethics (Mccabe et al, 2006); they are an important part of the sources of human capital in labor market and the products in the market (Bilimoria and Wheeler, 2000) and they improve the foreign legitimacy (Bilimoria, 2000) and according to sociological theories, when women consider an act isa bad one, they insist on their beliefs, and women have higher ethical standards than men (Ahmadzadeh et al, 2018). According to mentioned cases, it can be stated there is a mutual relationship between board gender diversity and corporate social responsibility that have not been addressed to this issue in previous researches and the purpose of this research is to fill this gap in literature.

2. Literature Review

2.1. Impact of board gender diversity on corporate social responsibility

Today, women are considered as one of the main pillars of corporate decision making, which can contribute to the development and promotion of corporate initiatives and projects within the framework of the development of trust and confidence of shareholders and society (Hoseini and safari Grayeli, 2018). Previous research found that gender is one of the most powerful factors explaining the differences in corporate social responsibility (Alonso-Almeida, 2015). In this regard, two approaches have been developed which focus on gender and corporate social responsibility. The first view focuses on gender...
inequality in companies and how to eliminate this gap with the use of social responsibility development (Braun, 2010; Jamali et al, 2007), and the second view focuses on the role of women in the board of directors. The second view states that when there are more women in the board, the company tends to develop broader initiatives of social responsibility (Soaeres et al, 2011), in this context, several research have been done. For instance, Sto-Pamies (2015) show that female managers existence in the firm have a positive influence on corporate social responsibility and women’s talent can play a strategic role in enabling the firm to manage social responsibility and sustainability practices (Sto-Pamies, 2015). Hyun et al (2016) examined the relationship between women in the board and social responsibility; They found that there is a positive relationship between female managers and corporate social responsibility.

Barako and Brown (2008) investigate the effect of the proportion of women directors on voluntary social disclosure for Kenyan banks. Their results show that the higher level of female representation on the board is associated with higher levels of social disclosure. Boulouta (2013) using the theory of social role and feminist ethics, argue that the gender diversity of the board and the number of women on the board have a positive impact on corporate social performance.

Fernandez-Feijoo et al. (2014) conduct a cross-country analysis to test whether there is a relationship between sustainability reporting and the existence of at least three women on the board of directors. They document that the higher the proportion of boards of directors with at least three women, the greater the level of social reporting. Liao et al. (2015) examine whether the percentage of female directors on the board is associated with greenhouse gas disclosure in the UK. They show that the higher the percentage of female directors on the board lead to the greater the level of voluntary disclosure related to greenhouse gas information. Rao and Tilt (2016) provide evidence that gender-diverse boards are positively associated with social reporting practices in Australia.

Also, Ben Amar et al (2017) show that female managers are more likely to worry about other stakeholders. In this way, it is reasonable to expect that female manager to accept the corporate social responsibility more than male managers and seriously work on issues related to the welfare of stakeholders. Female managers may also pay more attention to their corporate social responsibility due to concerns about reputation. They can improve their reputation status within the organization through their experience in issues related to social responsibility. Therefore, female managers are expected to be more likely to participate in board meetings because of their seriousness and concern about the issue of social responsibility. Thus, based on the mentioned arguments above, we develop the first hypothesis of the research as follows:

H1: board gender diversity has a significant effect on corporate social responsibility.

2.2. The Impact of Corporate Social Responsibility on the Board Gender Diversity

Much of the literature from the perspective of ‘instrumental theories’ focused on the effects of CSR on corporate performance and firm value (Zandi and Faghami-Makerani, 2018; Shafat and Nasir, 2018; Obafemi and et al, 2018; Wu et al, 2018; Silvia et al, 2018; Sherine and Fauzia, 2018; Shahbaz, 2018; Bonnie and et al, 2018; Servaes and Tamayo, 2013; Stephanus et al, 2014) and other topics such as productivity (Sanchez and Benito-Hernandez, 2015), innovation (Sanchez and Benito-Hernandez, 2015), customer satisfaction (Ratna and Saloni, 2018; Abdulalem and Basri, 2018), financial constraint (Tianjiao and xiang, 2018; Chan and et al, 2017) better recruitment outcomes (Greening and Turban 2000) and investment by institutional investors (Graves and Waddock 1994), cost of equity (Wolfgang and et al, 2018), earnings management (Ben-Amer and Chakroun, 2018; Scholtens and Ching, 2012), shareholders’ value (Afzalur, 2018), tax avoidance (Hoi and et al, 2013), product market competition (Shahbaz, 2018), financial reporting quality (Brian, 2018); stock price crash risk (Zabiri and Daryabari, 2017).

However, in this field of literature, board gender diversity in companies has been considered as one of the possible outcomes of corporate social responsibility, only a small number of qualitative researches have dealt with the issue of gender diversity as one of the results of corporate social responsibility (Grooser and Moon, 2005; Schulz, 2007).

In summary, qualitative literature explains the important role that social responsibility can play in
improving the board gender diversity and offers solutions to overcome the potential challenges that will occur if there is a positive impact of social responsibility on gender diversity (gender equality). This study, as a quantitative study, completes the past qualitative research by presenting detailed econometric evidence on this hypothesis that social responsibility will increase board gender diversity and it is believed (we believe) that the more responsible the company, it will pay more attention to the women’s participation in the board. Therefore, according to the mentioned arguments above, we develop the second hypothesis of the study as follows:

\[ H_2: \text{Corporate social responsibility has a significant impact on board gender diversity.} \]

3. Methodology

In static sampling, we used archival method, and for theoretical background information we used books, specialized Persian and English journals. Reviewing financial statements of listed companies in Tehran stock exchange through Tadbir-Pardaz Database, research data were gathered. Collecting necessary data regarding other variables, official websites of Tehran stock exchange (www.irbourse.com, www.rdis.ir) were consulted. Also Rahavard-Novin information system was used for gathering the remaining data.

This research uses correlation statistics. Correlation research refers to studies in which the purpose is to discover and clarify relationships between variables through the use of correlational statistics. We can say this research is a post-event research, since it employs financial statements of previous years (Sepasi et al., 2017).

In accordance to most Iranian researches, authors used objective (systematic) non-probability sampling. Thus, only some members of statistical population were selected which met research criteria. We identified following sample selection criteria:

1) Companies should not be removed from the Tehran Stock Exchange during the research period.

2) The financial information required for this research is fully available for the 2012-2017 period.

3) The following companies aren’t allowed: investment companies, financial intermediation, banks and insurance because of different pricing practices for these types of companies.

4) The selected companies are not service companies because they have different pricing practices.

Applying aforementioned criteria, 110 companies met the criteria. After selecting the companies, in order to collect data and information, first, the archival method used, and theoretical basics and research backgrounds were collected from books, specialized Persian and English journals. Then, the information and the required data were extracted using financial statements. Also, in order to investigate the relationship between the two variables of corporate social responsibility and board gender diversity, the simultaneous equations system was used.

\[
\begin{align*}
\text{CSR}_{i,t} & = \alpha_i + \beta_1 \text{BGD}_{i,t} + \beta_2 \text{Lev}_{i,t} + \beta_3 \text{Size}_{i,t} + \beta_4 \text{Growth}_{i,t} + \beta_5 \text{Age}_{i,t} + \epsilon_{i,t} \\
\text{BGD}_{i,t} & = \alpha_i + \beta_1 \text{CSR}_{i,t} + \beta_2 \text{Size}_{i,t} + \beta_3 \text{MTB}_{i,t} + \beta_4 \text{Prof}_{i,t} + \epsilon_{i,t}
\end{align*}
\]

Where,

Corporate social responsibility (CSR): CSR scores were based on an unweighted method which means all information was equally valued regardless of their importance or relevance to any particular user group. The unweighted method was previously used in CSR research (For example, Mahfoozi et al., 2017 and Mehrabanpour et al., 2016). It is a dummy variable coded “1” is given to a particular item if it is disclosed and “0” if it is not disclosed. Accordingly, the CSR disclosure index was derived by computing the ratio of the actual scores obtained to the maximum possible score (i.e. 27) by a particular company. In sum, the CSR index (CSR index) are measured as follows:

\[
\text{CSRindex} = \frac{\sum_{j=1}^{nj} X_{ij}}{nj}
\]

Where:

CSR index = corporate social and environmental disclosure index

\( nj \) = number of items expected for \( j \)th firm,

\( X_{ij} = 1 \) if \( i \)th item disclosed

\( 0 \) if \( i \)th item not disclosed.

Board Gender Diversity (BGD): The number of females in the board of directors divided by the number of the board members.
Size: Banks and large companies, which are more interested by the public, widely monitor their social activities (Malik, 2014). Consistent with Darabi et al (2017), the present research uses the log of corporate annual total assets to measure firm size.

Financial leverage: In line with Hoseini and Safari grayeli (2018) and Kamangari and safary grayeli (2017) financial leverage, which is measured as dividing total debt by total assets, is employed as the research control variable.

AGE: This variable is equal to the number of years which each company has been accepted in Tehran stock exchange.

Profitability: Consistent with Hoseini and Safari Gerayeli (2017) and Dianatideilami et al (2015), return on equity is adopted as a proxy of profitability which is calculated by dividing net income by the market value of equity.

Growth: This variable is equal to sales in current year t minus sales in year t-1 divided by sales in year t-1

MTB: It is equal to the ratio of the equity book value to the equity market value.

4. Results

Obtained from analyzing 660 firm-year observations during the years 2012-2017, Table 1 represents the descriptive statistics of the research variables.

Table 1: Research’s Descriptive statistics

<table>
<thead>
<tr>
<th>variables</th>
<th>mean</th>
<th>median</th>
<th>Maximum</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGD</td>
<td>0.045</td>
<td>0</td>
<td>0.6</td>
<td>0</td>
</tr>
<tr>
<td>CSR</td>
<td>0.60</td>
<td>0.62</td>
<td>0.90</td>
<td>0.47</td>
</tr>
<tr>
<td>Lev</td>
<td>0.58</td>
<td>0.60</td>
<td>1.34</td>
<td>0.01</td>
</tr>
<tr>
<td>Size</td>
<td>13.97</td>
<td>13.86</td>
<td>18.77</td>
<td>5.08</td>
</tr>
<tr>
<td>Growth</td>
<td>0.09</td>
<td>0.08</td>
<td>4.03</td>
<td>(2.73)</td>
</tr>
<tr>
<td>Age</td>
<td>16.26</td>
<td>15</td>
<td>48</td>
<td>1</td>
</tr>
<tr>
<td>MTB</td>
<td>0.4</td>
<td>0.35</td>
<td>2.31</td>
<td>(1.36)</td>
</tr>
<tr>
<td>Prof</td>
<td>0.28</td>
<td>0.3</td>
<td>4</td>
<td>(3.7)</td>
</tr>
</tbody>
</table>

Granger Causality test

The results of Granger causality tests are presented in Table 2 using data of the board gender diversity and corporate social responsibility. As shown in this table, there is a significant level for the variables of gender diversity and corporate social responsibility, respectively, values 0.0345 and 0.0473. Therefore, it can be stated that there is a significant mutual relationship between the board gender diversity and corporate social responsibility.

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>F-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR does not Granger cause BGD</td>
<td>3.41</td>
<td>0.035</td>
</tr>
<tr>
<td>BGD does not Granger cause CSR</td>
<td>3.09</td>
<td>0.048</td>
</tr>
</tbody>
</table>

Identification Problem

In order to investigate the problem of identification, there should be the order and rank condition for the Simultaneous equations system (Mehrabanpour et al, 2016).

Order condition

The order condition is that the number of exogenous variables with zero coefficient or, in other words, the number of exogenous variables that are not included in the expected equation to examine the diagnosis between the total variables of the simultaneous equations (k-k1) from the number of endogenous variables with non-zero coefficients or, in other words, the number of endogenous variables in the equation minus one (g1-1), be greater or equal to that (k-k1 ≥ g1-1) (Namazi and Shokrollahi, 2014). If this relationship is equal, then it can be said equation is identified accurately, and if it is larger, the equation is overidentified (Fakhari et al, 2014). The results presented in Table 3 indicate that the simultaneous equations of the present study are of the overidentified equations.

Table 3: the examination of order condition

<table>
<thead>
<tr>
<th>Equation</th>
<th>g1-1</th>
<th>k-k1</th>
<th>k</th>
<th>g1</th>
<th>k-k1 &gt; g1-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>overidentified equations</td>
</tr>
<tr>
<td>2</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>overidentified equations</td>
</tr>
</tbody>
</table>

Rank condition

To test this condition, the following relationship should exist:

\[(g1-g1) + (k-k1) ≥ (g1-1)\]

This means that the number of endogenous variables that are not exist in the equation for the diagnosis of all the variables of the simultaneous equations (g1-g1), along with the number of exogenous

Vol.3 / No.11 / Autumn 2018
variables that are not exist in the equation for the diagnosis of all the variables of the simultaneous equations \((k-k_1)\), be greater than or equal to the number of endogenous variables in the equation minus one \((g_1-1)\) (Mehrabanpour et al, 2016). As presented in Table 4 with respect to the equations used in the present study, the rank condition is also confirmed in relation to both equations.

**Simultaneous Equations System**

One of the fundamental assumptions in estimating the regression model is the lack of Autocorrelation between the residuals. One of the common approaches to investigate the existence of autocorrelation is the Durbin–Watson test. The Durbin–Watson test issued for the detection of autocorrelation between the residuals. If Durbin–Watson is equal to 2, there is no autocorrelation between the residuals of regression model, but in general, if the Durbin-Watson is between 1.5 and 2.5 in the critical point, it indicates that there is no autocorrelation between the error terms (Banimahd et al, 2016). As shown in Table 5, the value of the Durbin-Watson statistic is both equations in the critical area and can be stated that there is no autocorrelation between the residuals. Considering that a significant level of board gender diversity variable is less than 5 %, it can be concluded that the board's gender diversity has a significant impact on corporate social responsibility. Also, given the t-statistic, this effect is positive. Therefore, the first hypothesis is accepted. Moreover, a significant level of corporate social responsibility variable is less than 5 % and indicates that corporate social responsibility has a significant impact on the board gender diversity and according to the t-statistic, this effect is positive. Thus, the second hypothesis of the research is accepted.

### Table 4: the examination of the rank condition

<table>
<thead>
<tr>
<th>Equation</th>
<th>(g_1)</th>
<th>(k-k_1)</th>
<th>(k_1)</th>
<th>(g_1)</th>
<th>(g)</th>
<th>(k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

\[ (g_1-1)+(k-k_1)\geq(g_1-1) \]

Therefore, A rank condition is established.

### Table 5: Simultaneous Equations System

\[ \begin{align*}
\text{CSR} &= C(1)+C(2)*GDB+C(3)*LEV+C(4)*SIZE+C(5)*Growth+C(6)*Age \\
\text{GDB} &= C(7)+C(8)*CSR+C(9)*Size+C(10)*Mtb+C(11)*Prof
\end{align*} \]

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C(1)</td>
<td>0.382</td>
<td>0.032</td>
<td>11.717</td>
</tr>
<tr>
<td>C(2)</td>
<td>0.092</td>
<td>0.019</td>
<td>4.763</td>
</tr>
<tr>
<td>C(3)</td>
<td>0.024</td>
<td>0.015</td>
<td>1.512</td>
</tr>
<tr>
<td>C(4)</td>
<td>0.024</td>
<td>0.002</td>
<td>10.081</td>
</tr>
<tr>
<td>C(5)</td>
<td>0.0016</td>
<td>0.007</td>
<td>0.084</td>
</tr>
<tr>
<td>C(6)</td>
<td>0.0003</td>
<td>0.0005</td>
<td>3.367</td>
</tr>
<tr>
<td>C(7)</td>
<td>0.055</td>
<td>0.032</td>
<td>1.711</td>
</tr>
<tr>
<td>C(8)</td>
<td>0.504</td>
<td>0.098</td>
<td>5.124</td>
</tr>
<tr>
<td>C(9)</td>
<td>0.003</td>
<td>0.002</td>
<td>1.616</td>
</tr>
<tr>
<td>C(10)</td>
<td>0.02</td>
<td>0.008</td>
<td>2.338</td>
</tr>
<tr>
<td>C(11)</td>
<td>0.009</td>
<td>0.005</td>
<td>1.721</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depended variables</th>
<th>R-Squared</th>
<th>Adjusted R-Squared</th>
<th>Durbin-Watson stat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.20</td>
<td>0.19</td>
<td>1.66</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R-Squared</th>
<th>Adjusted R-Squared</th>
<th>Durbin-Watson stat</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25</td>
<td>0.24</td>
<td>1.57</td>
</tr>
</tbody>
</table>
5. Discussion and Conclusions

In a situation that firms continue to move rapidly toward globalization, they can no longer be able to maintain their value and credibility on the scene of the competition only by economic activities and maximizing shareholder value. Changes in public expectations and beliefs during the 1960s and 1970s caused companies to pay attention to other aspects of individuals and stakeholders’ expectations in addition to the economic domain, and social responsibility is one that has been given special attention (Heidari et al., 2018). Social responsibility, in one sentence, means the investigating the influence of organization activities on society, and is in the relationship with unemployment, poverty, environmental pollution and other social issues. Therefore, due to the importance of corporate social responsibility and its associated disclosure in financial reports, adequate care must be made. Supervision and care in this area may require the existence of corporate governance mechanisms. Gramling et al. view corporate governance mechanisms as four factors, one of them is board and management (Sepasi and Kazempour, 2017). In recent years, more attention has been paid to the presence of women in the board of directors and there are types of researches done in this regard. For instance, Arfken et al. (2004) found that female managers’ opinions and ideas are a vital source and female membership on the board led to a rise in strategic decisions. Some researchers found that female managers on the board positively affect corporate social responsibility (Alonso-Almeida et al., 2015; Seto-Pamies et al., 2015; Hyun et al., 2016). But the important point in previous research that has been neglected in the previous studies is that firms with greater social responsibility do not discriminate between men and women and will use women on the board. For this reason, there is a mutual relationship between social responsibility and the presence of women on the board of directors, which has been addressed in this study. Therefore, 110 companies accepted in Tehran stock exchange during the period of 2012 to 2017 were analyzed using the Simultaneous equations system. The results show that board gender diversity has a significant positive effect on corporate social responsibility and is consistent with the results of Hyun et al (2016) and Alonso et al. (2015). Also, the results of the study indicate that corporate social responsibility has a significant positive effect on the board gender diversity, which is consistent with the theoretical basics in this regard. According to the results of the study, we recommend companies to pay more attention to the presence of women in the board because of the importance of social responsibility in the current competitive markets and by increasing the presence of women in their board prove their social responsibility. In addition to discussing the spiritual benefits for the company, it can send positive marks to the market according to signaling theory and may have financial implications for the company. Researchers have also been suggested to comprehensive examine the impact of various factors on social responsibility so that they can provide a broad view of social responsibility areas. They can also examine the communication domains of social responsibility and the impact it has on other internal and external elements of the firm.

References


30) Heidari, M; Alikhani, R; and Maranjori, M. (2018). The Effect of the board's independence on the quality of social information disclosure in Annual Reports, Management Accounting and Auditing Knowledge, 7(27), 51-62.


