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Original Research

Effects of Various Influential Factors in the Realization of Social Responsibilities Based on Corporate Governance with an Emphasis on Financial Transparency

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ABSTRACT

Social responsibilities could meet the needs of stakeholders invariably. Financial transparency is a key component of social responsibility and the mechanism of corporate leadership principles. The present study aimed to assess the effects and levels of various influential factors in realizing social responsibilities based on the mechanism of corporate leadership principles with an emphasis on financial transparency. We attempted to validate and grade four main factors in this research, including mandating, monitoring, infrastructural, and structural factors. For this purpose, a questionnaire was developed to assess the data of 256 corporate managers and determine the associations between these factors in the form of four main hypotheses using path analysis. According to the findings, the four mentioned factors were confirmed in terms of their impact on the realization of social responsibilities based on the mechanism of corporate leadership principles with an emphasis on financial transparency. In addition, infrastructural factors had the most significant effect on the realization of social responsibilities based on corporate governance then, Monitoring, Structural, and Mandating factors are influential, respectively. Research findings are consistent with the theoretical framework of the stakeholder theory.

1 Introduction

Corporate social responsibility is defined as a strategic decision, which enables social responsibility-oriented organizations to resolve social issues to the benefit of community members, aiming to positively influence the individuals outside the organization [26]. Commercial organizations acknowledge the key role of financial and non-financial performance (e.g., corporate social performance) in the overall outcomes of their activities [2]. While traditional financing focuses on the stakeholder theory in corporations, the social responsibility approach is considered a modern, stakeholder-oriented concept in organizations [22]. Social responsibility prompts every business and corporation to achieve public

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and social goals and benefits. The evolution of business repertoire toward attaining information disclosure to the benefit of stakeholders and shareholders indicates the attention paid to the arena of social responsibility. An important aspect of social responsibilities is attention to information disclosure and creating financial transparency to the benefit of all community members, particularly stakeholders. Effective corporate governance is attained through an advanced legal framework, an active capital market, or centralized ownership, plays a pivotal role in the process of financial transparency. By accommodating and adjusting conflicts of interest and minimizing opportunistic and fraudulent behaviours, effective corporate governance enhances the performance of corporations, improves the quality of the available information for investors of the capital market, and reduces possible corruption within the system, thereby prompting the system toward transparency. Transitioning economies have benefitted from advancement in expanding the framework of corporate governance, moving toward conformity with the principles of the Economic Development Organization optionally or mandatorily [11]. With regard to the integration of corporate governance and corporate social responsibility, the latter encompasses the economy, regulations, behaviors, and humanistic expectations of the commercial sector, which is generalized to all the stakeholders and shareholders of the corporation within a network. In this case, a stakeholder refers to every individual or group who can affect the activities, decisions, policies, strategies, and goals of the organization. Transparency International publishes an annual report on the corruption status of every country across the world. According to the 2019 report [38], Iran's ranking is 146 among 180 countries, which indicates the poor state of transparency in governance processes, corruption within the structure of national decision-making, as well as financial institutions and corporations. This rank is 149 and 150 in 2020 and 2021, respectively. Transparency in the mechanisms of a country's institutions and organizations is a key indicator of the mentioned report. Therefore, transparency within the national government is considered a significant challenge. This issue was investigated in the current research as a research gap given a lack of previous studies in Iran to assess the determinants of the correlation between corporate governance and social responsibility with an emphasis on financial transparency. If this issue remains unresolved, corruptive infrastructures will prevail, confirmed by a lack of financial transparency. Furthermore, the influential factors in the association between corporate governance and social responsibility, which may affect the decision-making of social responsibility managers, will remain unidentified. Our findings could primarily aid senior corporate managers, boards of directors, and supreme organizations such as the Ministry of Industry, Mine, and Trade, the Securities and Exchange Organization, and the Central Bank of Iran. In addition, the findings of the present study should be considered by researchers and university professors. The globalization process has empowered corporations, which are under social pressure to adopt an inclusive approach to their goals and activities socially and environmentally. Pressure on corporations to develop a more responsible approach as opposed to an economic approach and maximize profit and value has become a new challenge in the decision-making of corporations. Currently, the impact of the economy on society is a global concern, and stakeholders have growing expectations of the commercial sector and its role in society. Guidance, principles, rules, and regulations regarding corporate performance in society are expanding due to the increased demand for financial transparency about the operations of corporations and their effects on society. Therefore, corporations are publishing reports on their social, ethical, and environmental performance voluntarily or mandatorily in different formats [8]. Attention to the social responsibility approach and its key role in the growing participation of the commercial sector in society is considered essential to address concerns and controversies and direct the social capital through various mechanisms of corporate governance, which is associated with benefits such as financial transparency, information access, creating accountability, centralism in strategic decision-making in financial domains, and the promotion of social responsibility within corporations. The innovation of the present study is to measure the effects of Various Influential Factors in the Realization of Social Responsibilities Based on Corporate Governance with an Emphasis on Financial Transparency, which has not been studied in the country. Also, ranking these factors that can help company managers in better decision-making and proper management of resources in order to fulfil social responsibilities.

2 Theoretical Framework and Research Background

Recent studies regarding corporate social responsibility have mainly been based on the legitimacy theory and the stakeholder theory, both of which are rooted in the political economy theory. The legitimacy theory and the stakeholder theory both represent approaches with a shared goal to report on corporate social responsibility within the framework of the political economy theory. The political economy theory, the legitimacy theory, and the stakeholder theory could be used to clarify and elaborate on corporate social responsibility reports. Various approaches and theories are used to justify and explain the reasons behind specific disclosures regarding corporate social responsibility. The normative approach describes how corporations are ought to disclose information, while the stakeholder theory could be considered the dominant approach in this regard, as well as the legitimacy theory. These theories constitute a theoretical framework for the normative approach. Adopting the legitimacy theory, corporations appear favourable to society by becoming involved in social responsibility and complying with social values and norms; as a result, they will attain legitimacy in society. While the legitimacy theory is focused on the entirety of society, the stakeholder theory focuses on specific social groups. The legitimacy and stakeholder theories have been widely favoured by researchers in recent years and are both used to justify information disclosure in the liaisons between organizations, the government, and social individuals and groups. Nevertheless, numerous academicians consider the concept of corporate social responsibility to be underdeveloped, believing that every theory has a specific approach, and there are no general theories regarding corporate social responsibility. Several studies have investigated the theories regarding corporate social responsibility, proposing different results depending on the expansive scope of the studied variables. Experimental research has also identified a set of factors to be influential in the content and essence of corporate social responsibility. Some of these factors are classified as the characteristics of corporations (e.g., size and industry), general structural factors (e.g., media pressure and religion), and intrinsic structural factors (e.g., components of corporate governance). Three theories have mainly been incorporated into the research regarding the causes and motivations behind information disclosure associated with social performance. As mentioned earlier, the legitimacy theory and the stakeholder theory are based on the political economy theory. The political economy theory has been proposed by Gary et al. as an economic, political, and social framework of human life, stating that society, politics, and economy are indivisible. Corporate leadership refers to the relationship between managers and shareholders, which is based on the automorphic representation theory. In a wider sense, corporate leadership denotes the relationship of a corporation with all the stakeholders based on the stakeholder theory. Other definitions and perspectives regarding corporate leadership fall on a spectrum between these two views. Corporate governance is a system that controls and adjusts both domestic and foreign corporations to ensure that corporations are held accountable toward their shareholders and assume their social responsibility in all their trade activities in society. In 2004, the International Federation of Accountants defined corporate governance as a set of responsibilities and approaches used by the board of directors and executive managers to determine a strategic direction that ensures achieving the goals of proper risk control and responsible consumption. The mentioned definitions encompass two spectra: A) limited definitions focused on corporations and their shareholders, which are based on the representation theory and B) comprehensive definitions that encompass the accountability of corporations toward a large number of shareholders, individuals, and stakeholders, which are based on the stakeholder theory [25]. Today, corporations are formed based on the endeavours of groups such as managers, employees, shareholders, and creditors. By concluding various binding and non-binding contracts, these groups assemble within a corporation. In recent years, there have been several cases of conflicting interests between these groups, and economists have suggested different approaches for corporations to manage such conflicts. These issues are often addressed as the representation theory, which was developed gradually since 1970 and introduced by Freeman in 1984. He proposed the general of the corporation, suggesting corporate accountability toward large groups of stakeholders. The theory is based upon the fact that corporations have expanded beyond measure, and their impact is so vast that apart from shareholders, they should also focus on and address the mutual interests of many other social sectors. The corporations that hold themselves accountable to observe the right of all the stakeholders and are responsible for all the stakeholders are more successful in the long run and significantly more likely to reach their predetermined goals [25]. Regarding transparency, it can be said that access to comprehensive, timely, comprehensible and globally comparable information on government activities (both inside and outside the public sector), so that citizens and financial markets can accurately assess the situation. Evaluate government finances and measure the performance of governments well and realistically on the basis of cost-benefit in micro and macro (national) dimensions for the present and future and in terms of optimizing the allocation of resources in the social and economic spheres.

One of the important aspects of social responsibilities is to pay attention to information disclosure and create financial transparency for the benefit of the whole society, especially the stakeholders. Attitude and model of social responsibility management in companies, given the dynamic nature of businesses and the existing complexities, requires identifying changes and meeting the needs of different stakeholders with continuous monitoring and a comprehensive approach. In order to align the organization responsibly with the laws, decisions, policies and goals of the organization as examples of corporate governance, it can be stated that corporate governance with a view to social responsibility in order to create financial transparency, a comprehensive approach and is integrated in the direction of convergence of the organization through the application of restrictions, laws, requirements, rules and tools in order to play the role of social responsibilities and financial transparency.In a study in this regard, HassasYeganeh et al. in the year 2020 evaluated the correlation between social responsibility reports and company value, observing a positive correlation between company value and the advantage of reports [10]. In addition, RostamiMazouei et al. In 2020 evaluated the role of technical and human actors in the functions of management accounting systems using the actor-network theory, reporting that technical and human actors played a more significant role in improving the functions of management accounting systems. Therefore, it was concluded that programming, control, and evaluation patterns as the responsibilities of management accounting are far more important than transformed and developed financial sectors, and using the concept of the actor-network theory and a better interpretation process could help supervise the multidimensional essence of the relationships between various actors [28].Allahyari et al. indicated that corporate governance is a set of approaches and strategies that control and direct a corporation and may also influence financial transparency [3].In another study, Ramezani and Barzegar investigated the correlation between the level of corporate social responsibility disclosure and cash retention, as well as the effect of corporate governance on these variables, in the Tehran Stock Exchange (TSE). According to the findings, the level of corporate social responsibility disclosure and corporate governance were positively correlated with cash retention. Moreover, corporate governance had a significant impact on the association between the level of corporate social responsibility disclosure and cash retention [27]. Hajiha and Shakeriin 2019 also evaluated the correlation between corporate governance, social responsibility disclosure, and company value. The obtained results indicated a significant correlation between the ownership concentration criterion and social responsibility. However, no significant correlation was reported between the bullish percent index of major shareholders and social responsibility. In addition, no significant association was observed between social responsibility and company value [7]. Saboohi and Mohamadzadeh in 2018 Invested the relationship between social performance, ownership structure and corporate governance and emphasize the key role of corporate decision-making in line with proper goal-setting to attain financial transparency[29].Hosseini and Haghighat investigated the correlation between corporate governance and assuming social responsibility in TSE companies, reporting a significant correlation between the number of board meetings, the dual responsibility of CEOs, and commitment to corporate social responsibility. However, no correlations were observed between the independence of the board of directors, expert committees of the board of directors, and institutional shareholders with corporate social responsibility [12]. In another study, Talezare and Bokhraeian reported significant positive correlations between social responsibility disclosure, level of disclosing the information of staff relations, and level of disclosing the information on the production and performance of companies. On the other hand, no significant correlation was observed between social responsibility disclosure of the environment and society with corporate performance [34]. Talebnia et al. evaluated the quality and quantity of disclosing environmental and social information, concluding that Iranian corporations prefer disclosing environmental and social information in the board report in the form of news information. Furthermore, it has been reported that environmental and social disclosure mainly occurs in the HR department, and Iranian corporations tend to disclose impartial and good news more than bad news [33]. Abdelfatth and Aboud in 2020 assessed the correlation between tax evasion, corporate governance, and social responsibility disclosure, as well as the effect of social responsibility on stock market returns. According to the findings, tax evasion of companies was associated with social responsibility disclosure. Moreover, complex board jobs that are measured with the presence of family members or external members are associated with increased social responsibility disclosure. The mentioned study also indicated that companies with higher social responsibility disclosure have higher returns, and social responsibility has incremental value [35].

In another study, Ullah et al. in 2019 evaluated corporate governance and social responsibility disclosure in insurance companies, reporting that the independence of the board of directors and the ratio of female directors are positively correlated with the level of social responsibility disclosure [20]. Jean et al. studied relationship between corporate social responsibility and governance and concluded that the stabilization of integrated systems is effective in attaining financial transparency [16]. Furthermore, Wang and Sarkis investigated the effect of the mediating role of corporate social responsibilities on the correlation between corporate governance and financial performance, and companies tend to successfully perform the management of social responsibilities in regard to financial performance [30].Goel studied Implications of corporate governance on financial performance and indicated that developing the structures of the corporation based on the realization of social responsibility could facilitate financial transparency [24]. In another study, Sila and Chek used regression analysis to assess the impact of the social responsibility performance of corporations on economic performance, observing that social responsibility performance continuously enhanced economic performance. To a lesser extent, environmental performance also had a positive impact on economic performance, while the effect size was significantly smaller compared to social performance. Nevertheless, evidence is scarce regarding the significant correlation between governance and economic performance [32].Pradana et al. studied relationship between Social Responsibility Disclosure, Corporate Governance and Cost of Equity Capital and considers the restriction and control of corporate measures to be effective in financial transparency [13].

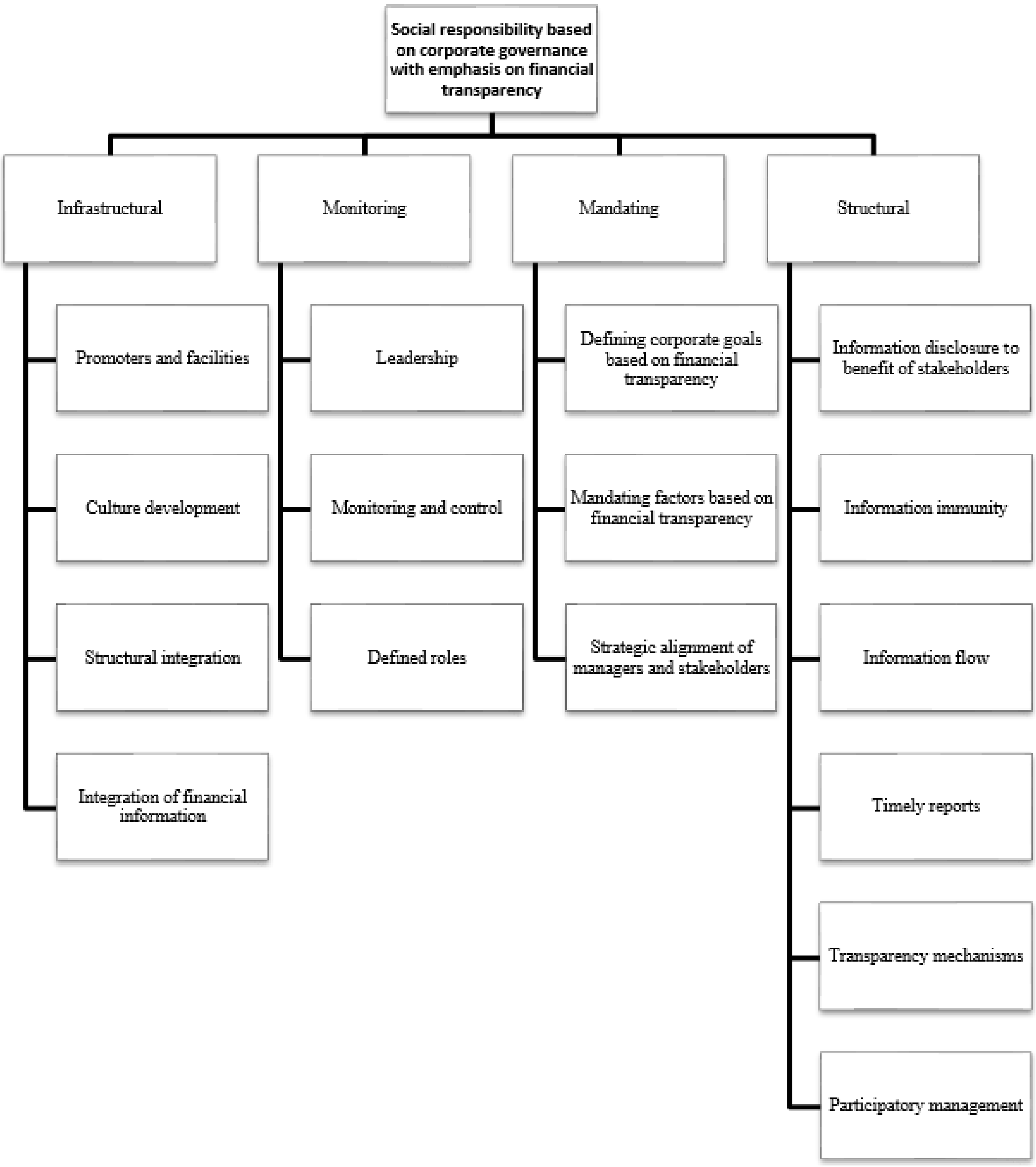

Fig. 1: Network Themes Social Responsibility Based on Corporate Governance with Emphasis on Financial Transparency

Liu and Zhang assessed the level of social responsibility information disclosure in the companies listed as polluting industries, reporting that several factors associated with corporate governance partially affect the social responsibility information disclosure of these companies. Social responsibility information disclosure does not benefit the short-term profit of a company, while it could increase its long-term value. A high level of corporate management is considered appropriate for legitimacy management and social responsibility information disclosure [19].

Zhu et al. also investigated the effects of corporate social responsibility in China, reporting a positive correlation between this variable and the financial performance of companies [37]. In another study, Sheikh in 2019 concluded that in the presence of high-level competition, corporate social responsibility positively influences company values [31]. Similarly, Mwangi and Gerotich stated that corporate social responsibility positively affects the performance of corporations [21]. Furthermore, Torugsa et al. investigate the effect of corporate social responsibility on the financial performance of small- and medium-sized companies in the production industry of Australia, observing that corporate social responsibility had a positive impact on financial performance, and company size had a positive significant impact on financial performance [36]. Lin et al. also analyzed the effect of corporate social responsibility on financial performance, concluding that corporate social responsibility had a positive impact on financial performance [18]. Furthermore, Abdussalam Mahmoud Abu-Tapanjeh studied corporate governance from the Islamic perspective and claims that proper monitoring by the board of directors and their accountability to the corporation and the shareholders could contribute to financial transparency [1].

Karagiorgos also evaluated the correlation between corporate social responsibility and financial performance in Greek companies, claiming that these variables are affected by industry risk, size, and type [17]. In another research, Islam et al. studied the banking sector of Bangladesh based on the corporate social responsibility index and concluded that corporate social responsibility positively affects banking performance [14]. In another study regarding social responsibility and corporate governance, the researchers proposed a social responsibility model based on corporate leadership mechanisms with an emphasis on financial transparency.

The mentioned research was conducted by Zanjirdar, Rafiee and Ghasemi in 2022, and four components were identified in the described model, including mandating, structural, monitoring, and infrastructural components. The researchers used content analysis to review 15 foreign and domestic studies and identify the influential factors in the realization of social responsibilities based on corporate leadership mechanisms. In total, 16 organizational factors and four comprehensive factors were recognized (i.e., mandating, structural, monitoring, and infrastructural). Figure 1 depicts the proposed model of the mentioned research.

3 Research Hypotheses and Methodology

With this background and based on the theoretical framework of the research, the following hypotheses were posed:

- H1: Mandating factors affect the realization of social responsibility based on corporate governance with an emphasis on financial transparency.
- H2: Structural factors affect the realization of social responsibility based on corporate governance with an emphasis on financial transparency.
- H3: Monitoring factors affect the realization of social responsibility based on corporate governance with an emphasis on financial transparency.

- H4: Infrastructural factors affect the realization of social responsibility based on corporate governance with an emphasis on financial transparency.

Since the present study aimed to evaluate the effects of the variables associated with social responsibility, corporate governance, and financial transparency, it could be considered a type of applied research. The sample population consisted of corporate senior managers and social responsibility experts. To obtain the views of elites regarding the questionnaire items considering the sample population (i.e., corporate senior managers and social responsibility experts with a minimum education level of bachelor's degree and a minimum related work experience of five years), 256 participants were selected using Morgan's table as the statistical samples. Data were collected using a questionnaire consisting of 49 items, which were scored based on a five-point Likert scale (range: Highly-Slightly) to assess the fitness of the model and the validity, impact, and effectiveness of the variables in a cross-sectional manner. The questionnaire had two sections, including demographic characteristics and professional questions. The reliability of the questionnaire was measured using the Cronbach's alpha coefficient, which is commonly used to determine the internal consistency of instruments, such as the questionnaires for measuring different variables. Data analysis was performed using the PLS software to assess the impact of each factor on the research model using the partial least-squares method proposed by Haaland. At the first stage, we applied confirmatory factor analysis (CFA), followed by path analysis to determine the correlations between the constructs. In the first stage, the fitness of the measurement model was assessed using CFA. In the second stage, the structural model was determined using structural equations, coefficients of determination, and path analysis in the PLS software.
As mentioned earlier, CFA was performed in the first stage, by which specific hypotheses are tested regarding the structure of factor loads and correlations between different variables. In the current research, CFA was employed to determine whether the questionnaire items clearly showed the factors (constructs). In general, CFA is used to determine the reliability and validity of measurement tools. If the factor load is close to one, the items in a questionnaire are considered to have stronger correlations with latent variables. In the method proposed by Haaland, the second stage involves the use of fitness indices, coefficients of determination, and the path analysis model. Model fit shows the extent to which a model corresponds to data, which is further discussed in the Results section. The partial least-squares method was considered the main indicator of the current research, which is known as the GOF. The indicators of this index are within the range of 0-1 and are divided into absolute, relative, intrinsic, and extrinsic model indices. Absolute and relative indices are descriptive and qualitative; in other words, the statistical significance of their values is not determined by judgment-based inference. Therefore, we used the partial least-squares method and fitness model indices in the second stage of the study.
The results of path analysis could be applied after confirming the validity of a model. Since a coefficient of determination is an index used to determine the correlation between two independent variables, the values of the determination coefficients were calculated for the research variables in the present study, and four main influential factors were determined accordingly.

4 Findings

To evaluate the impact of mandating, structural, monitoring, and infrastructural factors on the realization of social responsibilities based on the mechanisms of corporate leadership principles with an emphasis on financial transparency, we used a questionnaire consisting of 49 items, which was completed by the participants. Table 1 shows the descriptive data of the participants.

The collected data by the questionnaire were analyzed based on a five-point Likert scale and are described below. Initially, the appropriateness of the data for CFA was evaluated using Bartlett's test; the value of this statistic is within the range of 0-1. The value is higher than 0.5 if the sample is appropriate, and the estimated value in the present study was 0.891, indicating that CFA could be used for the analysis of our dataset. According to the CFA results, the factor load of all the items was approximately equal to or higher than 0.5. In addition, Cronbach's alpha coefficient, which indicates internal consistency or validity, was higher than 0.6 for all the items. Therefore, it was concluded that the questionnaire items properly assessed the factors.

Table 1: Descriptive Data of Participants

		N	%
Gender	Female	59	23
	Male	197	77
Age (year)	<35	75	29.3
	36-45	94	36.7
	>46	87	34
Work experience (year)	5-10	58	22.7
	11-20	104	40.6
	>21	94	36.7

Reliability is measured using an index known as the reliability coefficient. Table 2 shows our findings regarding the reliability assessment of the questionnaire.

Table 2: Cronbach's Alpha Coefficient

Factor	Number of Items	Cronbach's Alpha Coefficient
Mandating	9	0.789
Structural	17	0.861
Infrastructural	12	0.761
Monitoring	11	0.782
Total	49	0.912

According to the results of the present study, Cronbach's alpha coefficient was higher than 0.6 for the research constructs. Furthermore, the Cronbach's alpha coefficient of the entire questionnaire was estimated at 0.912, which confirmed the reliability of the questionnaire. The fitness indices of the research model were analyzed using the PLS software (Table 3).

Table 3: Fitness Indices of Research Model

Index	Value	
Goodness of fit indices	Absolute	0.654
	Relative	0.781
	Extrinsic model	0.951
	Intrinsic model	0.817

The primary objective of using structural equation modelling is developing a statistically significant theoretical model with significant theoretical and practical implications. Such a model is interpreted in two stages; the first stage involves the evaluation of the measurement model (extrinsic model) in terms of case reliability. In fact, the extrinsic model shows the correlations between latent variables or the path coefficients. In the second stage, we evaluated the structural model (intrinsic model), while also performing model analysis and the measurement of each construct based on the related indicators. In addition, the correlations between the manifest variables with other manifest variables were assessed. An extrinsic model provides an estimation of factor loads and factor analysis. In the current research (Table 4), the numerical value of the intrinsic model was estimated at 0.817.

Moreover, the relative and absolute goodness of fit indices were both descriptive, and each index is measured within the range of 0-1; if the value is closer to one and higher than 0.5, model fit is considered favourable. In general, these four indices determine the fitness quality of a model. Therefore, it could be concluded that the relative goodness of fit index is more appropriate for this model compared to the absolute index. According to the information in Table 3, the value of model fit indices indicated the appropriate fitness of the model in the current research, thereby confirming the tested research model. According to the results of the PLS software, the determination coefficients of the model were mainly related to the variable of social responsibility based on corporate governance with an emphasis on financial transparency (0.581), as well as the main factors, including mandating factors (0.671), structural factors (0.751), monitoring factors (0.766), and infrastructural factors (0.817) (tables 4 & 5).

Table 4: Determination Coefficients of Research Model

Index	**Value**	
Determination coefficient	Identified factors	0.861
	Social responsibility based on corporate governance with an emphasis on financial transparency	0.581
	Mean	0.561

Table 5: Determination Coefficients of Components

Index	Value	
Coefficient of determination	Mandating	0.671
	Structural	0.751
	Monitoring	0.766
	Infrastructural	0.817
	Mean	0.698

In path analysis, correlations between the variables move in one direction, which is considered to be a distinct path. Optimally, the concepts of path analysis are determined based on the path analysis diagram, which is the main characteristic of the concepts and determines the possible causative correlations between variables. Figure 2 illustrates the overall structural equation model and the path analysis diagram.

In this section, conclusions are drawn based on the obtained results from the questionnaires and the Statistical analysis of the results to confirm or reject the research hypotheses. To test all the hypotheses, the path coefficient was initially calculated, and the significance of the path coefficient was evaluated using the test statistic. If the calculated significance was lower than the significance level of the test (5%), the hypothesis would be confirmed. If the value was higher than 5%, the hypothesis would be rejected. Table 6 shows the statistical analysis of the research hypotheses.

Regarding the first hypothesis (Table 6), the path coefficient was estimated at 0.406, which indicated that the coefficient was significant at the error rate of 0.05 given the probability of 0.026 (less than 0.05). Therefore, it could be concluded that mandating factors have a significant, positive effect on social responsibility based on corporate governance with an emphasis on financial transparency (95% CI). According to the information in Table 7, hypotheses 2-4 were also confirmed based on a similar analysis. Therefore, it was concluded that structural, monitoring, and infrastructural factors also have significant, positive effects on the realization of social responsibilities based on the mechanisms of corporate leadership with an emphasis on financial transparency.

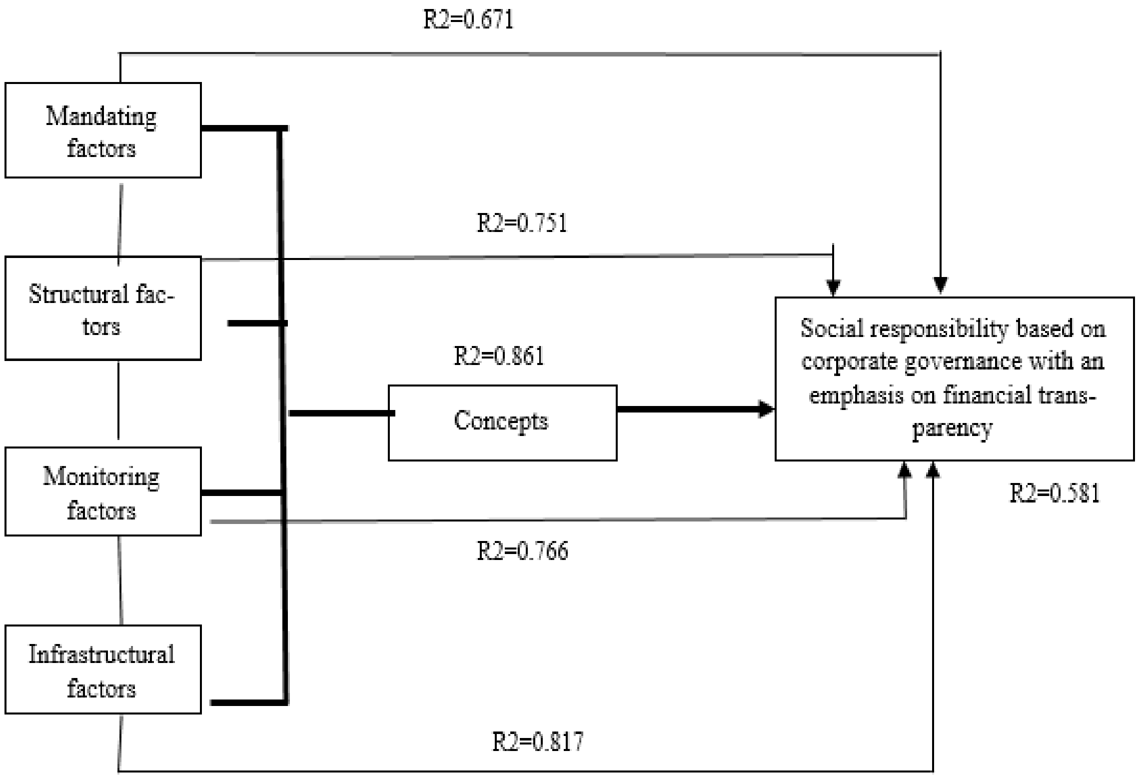

Fig. 2: Path Analysis

Table 6: Direct Path Coefficient of Social Responsibility Based On Corporate Governance with an Emphasis on Financial Transparency

Hypothesis	Direct Path	Path Coefficient	Test Statistic	Significance	Result
H1	Mandating factors of social responsibility based on corporate governance with an emphasis on financial transparency	0.406	4.356	0.026	Confirmed
H2	Structural factors of social responsibility based on corporate governance with an emphasis on financial transparency	0.871	5.675	0.001	Confirmed
H3	Monitoring factors of social responsibility based on corporate governance with an emphasis on financial transparency	0.652	2.134	0.001	Confirmed
H4	Infrastructural factors of social responsibility based on corporate governance with an emphasis on financial transparency	0.578	3.459	0.001	Confirmed

5 Discussion and Conclusions

The present study aimed to evaluate the effects of different factors on the realization of social responsibilities based on the mechanisms of corporate leadership with an emphasis on financial transparency and determined the level of each factor in this regard. To this end, we investigated the four factors identified by Zanjirdar and Rafiee (i.e., mandating, structural, monitoring, and infrastructural factors), which were described within a social responsibility model. In the current research, four hypotheses were tested by developing a questionnaire and the analysis of the obtained results using the PLS software and path analysis, and the findings confirmed all the hypotheses.

In other words, the realization of social responsibilities based on the mechanisms of corporate leadership with an emphasis on financial transparency is affected by mandating, structural, monitoring, and infrastructural factors. Therefore, it could be stated that the model proposed by Zanjirdar and Rafiee is valid, and its components positively affect the model. Furthermore, we determined the levels of the mentioned factors regarding the independent research variable using coefficients of determination for each factor (Table 7).

Table 7: Levels of Influential Factors on Realization of Social Responsibility Based on Corporate Governance with an Emphasis on Financial Transparency

Influential Factors	Level
Infrastructural factors	1
Monitoring factors	2
Structural factors	3
Mandating factors	4

According to the results of the present study, infrastructural factors had the highest coefficient of determination and were considered the most significant influential factor compared to the other factors, followed by monitoring, structural, and mandating factors, respectively. This finding could help researchers and corporate managers focus their social responsibility goals on these factors so that they could recognize the most significant influential factors in the realization of social responsibility for investment in this domain. In addition, they could exploit their resources properly, prevent resource waste, and decrease costs, which will, in turn, result in the satisfaction of shareholders. Since the research model was confirmed, corporate managers will also recognize proper investment opportunities to assume their social responsibilities so that financial transparency would ensue. An important outcome of the current research is aiding corporations to become actively involved in assuming their social responsibilities to attain financial transparency to the benefit of stakeholders, shareholders, and clients. In policymaking, our findings could be directive, provide insight, contribute to proper planning, and help stabilize software systems for the strategic leadership of shareholders and clients and guarantee financial transparency. The results of the present study are consistent with the research by Allahyari et al., which indicated that corporate governance is a set of approaches and strategies that control and direct a corporation and may also influence financial transparency [3]. In another study, Hosseini and Haghighat also concluded that communication and interaction with clients could effectively align the benefits and goals of a corporation [11]. Furthermore, Saboohi and Mohammadzadeh emphasize the key role of corporate decision-making in line with proper goal-setting to attain financial transparency [29], while Yeganeh and Pakmaram consider the adoption of financial transparency and information disclosure to be effective in attaining financial transparency [9]. The results obtained by Goel also indicated that developing the structures of the corporation based on the realization of social responsibility could facilitate financial transparency [24]. Pradana et.al also considers the restriction and control of corporate measures to be effective in financial transparency [13]. Furthermore, Abdussalam claims that proper monitoring by the board of directors and their accountability to the corporation and the shareholders could contribute to financial transparency [1]. In another study, Jean concluded that the stabilization of integrated systems is effective in attaining financial transparency [16]. The results of the present study are consistent with the aforementioned findings, as well as the basic theoretical framework of the research. In conclusion, the following recommendations are presented:

- Development of strategic documents to determine the goals of financial transparency to the benefit of corporate managers;
- Development and improvement of proper infrastructures to foster communication between stakeholders;
- Creating discourse and making extrinsic controls of corporate governance socially acceptable;
- Designing the structure of corporate governance in line with the suggested committees in this research;
- Providing a desirable perspective to implement social responsibilities based on transparency;
- Developing effective mechanisms to create evaluation systems for corporate governance performance to assume social responsibilities

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