

The Mediating Effect of Corporate Governance on the Relationship between Ownership Structure and Corporate Social Responsibility Disclosure of Listed Companies on the Iraqi Stock Exchange

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Abstract

This study rigorously investigates the mediating role of corporate governance on the relationship between ownership structure and corporate social responsibility (CSR) disclosure among companies listed on the Iraqi Stock Exchange. To achieve this objective, we analyzed a sample of 35 companies over a six-year period (2016–2021), resulting in a total of 210 firm-year observations. Using multivariate regression techniques with EViews 8 software and the panel data fixed effects model, we tested our hypotheses. Our findings reveal a positive relationship between ownership structure—specifically institutional ownership and ownership concentration—and CSR disclosure. Additionally, our findings show a positive relationship between institutional ownership and corporate governance; however, the relationship between ownership concentration and corporate governance is not supported. Finally, our results demonstrate that corporate governance mediates the relationship between institutional ownership and CSR disclosure, whereas its mediating role in the relationship between ownership concentration and CSR disclosure is not supported.

Keywords: Corporate Governance, Ownership Structure, Institutional Ownership, Concentration of Ownership, Corporate Social Responsibility Disclosure.

1. INTRODUCTION

In recent decades, corporate governance (CG) has become a cornerstone of organisational success and accountability, attracting increasing scholarly and professional attention. While issues such as corporate fraud, financial collapses, and executive misconduct have historically driven interest in governance (Collett & Hrasky, 2005), global financial crises—particularly the 1997–2000 Asian financial crisis and the 2008 global financial meltdown—highlighted systemic governance failures. These events catalysed significant regulatory reforms worldwide, prompting the development and enforcement of governance frameworks aimed at improving transparency, accountability, and stakeholder trust (Claessens & Yurtoglu, 2013). Simultaneously, the rise of stakeholder theory and sustainable development imperatives has shifted the corporate agenda from purely financial performance to broader concerns, including environmental and social impact. The emergence of the Triple Bottom Line (TBL) concept—economic, environmental, and social performance—has placed Corporate Social Responsibility (CSR) at the heart of organisational legitimacy and long-term value creation (Hammer & Pivo, 2017; El-Kassar & Singh, 2019). CSR is no longer regarded as an optional or philanthropic activity; it has become a strategic tool that influences stakeholder relations, corporate reputation, and even financial outcomes (Fernando & Lawrence, 2014). In this context, CSR disclosure has gained prominence as an essential mechanism

through which companies communicate their ethical, social, and environmental performance to stakeholders. Voluntary CSR reporting enhances corporate transparency and reflects the management's responsiveness to public and regulatory expectations (Hussain et al., 2018). Several studies have linked CSR disclosure with firm characteristics such as profitability, firm size, and governance practices (Juhmani, 2019; Alkhanbashi et al., 2022). Effective corporate governance plays a vital role in ensuring the reliability and integrity of such disclosures. CG mechanisms, including board independence, ownership structure, and audit quality, serve as internal controls that constrain opportunistic behaviour and align managerial actions with stakeholder interests (Khan et al., 2022; Yasser et al., 2021). Moreover, governance quality is often regarded as a prerequisite for credible CSR disclosure, particularly in emerging and transitional economies where regulatory enforcement may be weak. One of the most influential components of governance is the ownership structure of the firm. According to the agency theory (Jensen & Meckling, 1976), ownership concentration and the presence of institutional investors can significantly affect how managerial decisions are made and monitored. While much of the existing literature assumes dispersed ownership as a baseline (Aggarwal et al., 2009), many developing countries—including Iraq—exhibit concentrated ownership patterns, where a small group of shareholders exerts substantial control. This ownership dynamic has unique implications for governance practices and CSR engagement. In Iraq, the corporate environment is characterised by high ownership concentration, limited institutional investor participation, and evolving regulatory frameworks. Despite the increasing global focus on CSR, the literature remains sparse regarding how ownership structures influence CSR disclosure in the Iraqi context, particularly through the mediating role of corporate governance. Therefore, this study seeks to fill this gap by investigating whether ownership structure affects voluntary CSR disclosure, and whether corporate governance mediates this relationship, using panel data from firms listed on the Iraq Stock Exchange. By doing so, the study aims to contribute to the understanding of governance mechanisms in emerging markets and offer actionable insights for regulators, policymakers, and corporate decision-makers in Iraq and similar economies.

2. Literature Review

Several studies have examined the complex relationship between ownership structure, corporate governance, and corporate social responsibility (CSR) disclosure, particularly in emerging markets such as Iraq. Idan et al. (2021) conducted a comprehensive review of 41 studies focusing on Iraqi firms. Their findings highlight that the characteristics of the board of directors—such as board independence and size—have a statistically significant positive impact on CSR disclosure. Importantly, ownership structure showed a positive influence on CSR disclosure in approximately 62% of the reviewed studies. The research suggests that effective corporate governance mechanisms strengthen the relationship between ownership structure and CSR disclosure, thereby acting as a significant mediating factor. For example, the presence of an independent audit committee enhances transparency and improves CSR reporting quality. Alakkas (2016) analysed corporate governance systems in petrochemical companies in Saudi Arabia, emphasising the necessity of integrating ownership structure within an effective governance framework that accounts for legal, regulatory, and cultural contexts. Although not directly about Iraq, this study provides relevant insights indicating that governance systems mediate the influence of ownership structure on CSR by providing accountability and control mechanisms. Abdulkarim (2019) focused on the extractive industries in the Kurdistan Region of Iraq, arguing that CSR is increasingly critical for public acceptance and economic development. He highlighted that diverse ownership structures, including government and institutional investors, require strong governance frameworks to promote CSR activities and disclosure. This suggests corporate governance's mediating role in translating ownership composition into effective CSR practices. Jallo and Mus (2017) examined companies in the Jakarta Islamic Index and found that good corporate governance positively affects firm value by improving

financial performance. However, ownership structure and CSR disclosure did not directly affect firm value. This implies that governance mechanisms may mediate the impact of ownership and CSR on broader firm outcomes, but the extent of this mediation depends on the institutional environment—something critical to consider in the Iraqi market context. The core concept of the agency theory offers valuable insights into corporate governance. The firm is viewed as a partnership between the principal (the shareholders or owners) and the agent (management). Given the management's vested interests, a system of checks and balances is necessary to mitigate the potential for the management to abuse its power. The implementation of sound corporate governance practices serves as a key mechanism to address this issue. Good corporate governance (GCG) represents a model of effective corporate management that protects the interests of both creditors as external financiers, and shareholders as the company's owners. Strong corporate governance enhances the protection of both shareholder and creditor interests (Dirman, 2019). Ownership structure plays a critical role in corporate social responsibility (CSR) disclosure in Iraq. The findings indicate that ownership concentration positively influences the disclosure of social responsibility. According to the agency theory, the presence of significant owners within a company can improve the distribution of information, as large shareholders are more motivated to protect the interests of minority shareholders (Ahmadi et al., 2022). This study aims to contribute to the advancement of theory, particularly in the areas of financial accounting and capital markets, by enhancing the understanding of accounting and annual report disclosures as valuable sources of information for investors. The findings of this study are expected to provide valuable insights for investment decisions regarding firms listed on the Iraqi Stock Exchange. Specifically, the study will offer relevant data on non-financial factors, such as corporate governance, corporate social responsibility disclosure, and managerial ownership, which investors can consider when making decisions. Additionally, the study's results are anticipated to provide information on corporate value, which could be used to forecast the long.

2.1 Theoretical Relationships between Ownership Structure, Corporate Governance, and CSR Disclosure

The relationship between ownership structure, corporate governance, and CSR disclosure has attracted considerable academic interest, especially in emerging markets. These three variables are interconnected in a manner that governance mechanisms often mediate how ownership structure influences CSR disclosure practices.

2.1.1. Relationship between Ownership Structure and CSR Disclosure

The distribution of ownership among shareholders, along with the types of shareholders, significantly influences corporate decision-making. Since shareholders differ in their objectives based on their classifications, managerial behaviour is expected to vary accordingly—particularly in decisions related to corporate social responsibility (CSR). The central aim of corporate management is to maximise long-term shareholder value, as effective leadership and the application of best management practices can enhance both financial performance and market valuation (2014: 49). Ownership structure affects corporate decisions in much the same way that the diversity of shareholder types does. Different categories of shareholders pursue distinct objectives, which leads to variation in managerial approaches to CSR (Ducassy & Montandrau, 2015: 386). Institutional investors, who allocate capital on behalf of others, assume a proxy monitoring role (Scholtens & Van Wensveen, 2000: 25). Their primary goal is to optimise the risk-return trade-off. Due to their lower information acquisition and processing costs, institutional investors tend to avoid firms with high levels of information asymmetry and exert more effective oversight than other shareholder types (Carney, 1997: 77). Consequently, they are expected to be more proactive in scrutinising and questioning managerial decisions. Empirical research on the role of institutional investors—particularly in the United States—has produced mixed findings. Johnson and Greening (1999: 569) and Neubaum and Zahra (2006: 112) observed a positive relationship between pension fund

ownership and CSR performance. Similarly, Jo and Harjoto (2012: 57) found a generally favourable impact of institutional investors on CSR. In contrast, Barnea and Rubin (2010: 77) reported no statistically significant relationship, while Waddock and Graves (1994: 1036) concluded that improved CSR performance did not yield measurable rewards in terms of institutional ownership. Outside of the US, findings also vary. Dam and Scholtens (2012: 125) reported that, in Europe, the relationship between institutional ownership and CSR is weak or ambiguous. However, evidence from South Korea, as presented in the study by Oh et al. (2011: 287), indicates a positive association.

Based on the above discussions, we propose the first hypothesis as follows:

H1: Ownership structure has a significant positive effect on CSR disclosure in listed companies.

2.1.2. Relationship between Ownership Structure and Corporate Governance

Ownership structure is a critical determinant of the effectiveness of corporate governance mechanisms. The nature and concentration of ownership significantly influence the board of directors' composition, transparency of information, and overall monitoring processes within a firm. Institutional ownership, in particular, plays a pivotal role in enhancing governance quality. Due to their substantial shareholdings and access to specialised information, institutional investors have stronger incentives and greater capabilities to monitor management effectively. This heightened oversight helps reduce agency costs and fosters improved managerial accountability and decision-making (Bort, Sun, & Lee, 2019). Given their higher exposure to risk compared to minority shareholders, institutional investors tend to engage more actively in strategic oversight and supervisory functions. Additionally, ownership structure affects board composition and independence. Firms with concentrated ownership or significant institutional shareholding often have boards characterised by greater independence and expertise, enhancing their supervisory capacity. Institutional investors leverage their voting rights and influence to shape board structures that promote effective management oversight (Samuel, 1996; Choi, Lee, & Park, 2013). In summary, ownership structure not only shapes the distribution of control within firms, but also serves as a key factor in determining the design and effectiveness of corporate governance systems. More institutionalised and appropriately concentrated ownership generally correlates with stronger governance through the establishment of independent, accountable boards.

Based on the above discussions, we propose the second hypothesis as follows:

H2: Ownership structure positively and significantly influences the quality of corporate governance.

2.1.3. Mediating Role of Corporate Governance between Ownership Structure and CSR Disclosure

Corporate governance refers to a set of mechanisms designed to align the interests of a company's owners and managers by mitigating conflicts of interest between these groups, thereby reducing agency costs and enhancing long-term firm value (Moshayekhi & Shakeri, 2022). Effective governance mechanisms provide managerial tools to establish transparency, accountability, independence, and fairness, which serve to limit opportunistic managerial behaviours and increase their responsibility toward shareholders and other stakeholders (Nikbakht & Ahmad Khan Beigi, 2018). Within this framework, ownership structure—particularly institutional ownership and ownership concentration—plays a critical role in determining the quality of corporate governance. Institutional investors, given their significant shareholdings, possess greater incentives and capacity to monitor management and improve governance mechanisms (Burti, Sun, & Li, 2019). Enhanced governance, in turn, creates an environment that encourages managers to increase transparency and disclose more comprehensive corporate social responsibility (CSR) information. Numerous studies have demonstrated that strong corporate governance, by enhancing accountability and effective oversight, functions as a crucial mediator in the relationship between ownership structure and CSR disclosure (Jo & Harjoto, 2012; Ehsan et al., 2022). In other words, the impact of ownership structure on the extent and quality of CSR disclosure is not direct but rather operates through the strengthening of governance mechanisms that serve as supervisory tools. The board of

directors, as one of the most important corporate governance mechanisms, plays a key role in this process through its characteristics such as independence. Board independence enhances its ability to oversee managerial decisions and encourages more transparent and responsible CSR disclosure (Choi et al., 2013). Moreover, institutional ownership acts as an effective monitoring mechanism, applying greater scrutiny and pressure on management to improve CSR disclosure quality. Therefore, corporate governance serves as a mediator that moderates and facilitates the relationship between ownership structure and CSR disclosure. This mediating role means that ownership structure, by improving the effectiveness and quality of governance mechanisms, has a stronger positive impact on the disclosure of corporate social responsibility.

Based on the above discussions, we propose the third hypothesis as follows:

H3: Corporate governance mediates the relationship between ownership structure and CSR disclosure.

Table 1: Summary of Hypotheses

Hypothesis	Relationship	Expected Effect
H1	Ownership Structure → CSR Disclosure	Positive
H2	Ownership Structure → Corporate Governance	Positive
H3	Ownership Structure → Corporate Governance → CSR Disclosure (Mediation)	Positive mediation

3. RESEARCH METHODOLOGY

3.1 Data Selection

The population of this study comprises companies listed on the stock exchange of Iraq over the period from 2016 to 2021. The sampling method utilised is purposive sampling, whereby companies are selected from the pool of listed firms on the Iraqi stock exchange according to the criteria specified in Table 1.

Table 2. The number of companies

Companies Listed on the Iraqi Stock Exchange	Number of Companies
Total number of companies	130
Insurance and Banks	(40)
Financial institutions	(31)
Non-disclosure of information	(24)
Total sample	35

3.2 Measurement of Variables

To examine the mediating effect of **Corporate Governance (CG)** on the relationship between **Ownership Structure (OS)** and **Corporate Social Responsibility Disclosure (CSR)**, the study adopts the mediation testing framework proposed by **Baron and Kenny (1986)**, which stipulates the following conditions:

1. The independent variable(s) must significantly predict the mediator variable.
2. The independent variable(s) must significantly predict the dependent variable.
3. When both the independent variable(s) and the mediator are included in the regression, the mediator must significantly predict the dependent variable.
4. Additionally, if the effect of the independent variable(s) on the dependent variable decreases upon inclusion of the mediator, this indicates mediation. Full mediation occurs if the effect becomes insignificant, whereas partial mediation is present if the effect is reduced but remains significant.

3.3 Model Specification

The regression models used to test the hypotheses are specified as follows, with the variables defined in Table 1 below:

$$(1) CSR_{it} = \beta_0 + \beta_1 OS_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 PROF_{it} + \varepsilon_{it}$$

$$(2) CG_{it} = \beta_0 + \beta_1 OS_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 PROF_{it} + \varepsilon_{it}$$

$$(3) CSR_{it} = \beta_0 + \beta_1 OS_{it} + \beta_2 CG_{it} + \beta_3 SIZE_{it} + \beta_4 LEV_{it} + \beta_5 PROF_{it} + \varepsilon_{it}$$

Table 3: Variable Definitions

Variable Symbol	Variable Name	Description
CSR	Corporate Social Responsibility Disclosure	Measured by a disclosure checklist adapted from Mohd Ghazali (2007), capturing CSR reporting quality in annual reports.
OS	Ownership Structure	Consists of Institutional Ownership (IO) and Ownership Concentration (OC).
IO	Institutional Ownership	Proportion of shares held by institutional investors.
OC	Ownership Concentration	Proportion of shares held by the largest shareholder.
CG	Corporate Governance	Measured by a Corporate Governance Index (CGI) developed specifically for Iraqi companies, evaluating governance practices and compliance with P3LKE guidelines.
SIZE	Company Size	Natural logarithm of total assets.
LEV	Financial Leverage	Ratio of total liabilities to total assets.
PROF	Profitability	Ratio of net profit to total assets.

3.4 Dependent Variable: Corporate Social Responsibility Disclosure (CSR)

To measure the variable of environmental disclosure in Iran with acceptable validity and reliability, the checklist developed by Faraji et al. (2020) and Behbahani Nia and Asghari (2021) was used. For the content analysis, the textual notes attached to the financial statements were examined. This checklist covers various dimensions including environmental, products and services, human resources, customers, social, cultural, and energy aspects. The total CSR disclosure score is calculated according to Equation (8), based on the aggregate scores across its components.

$$\text{CSR Score (CSR}_j) = \frac{\sum_{i=1}^{n_j} X_{ij}}{n_j}$$

In this formula, X_{ij} represents the disclosure score for company j in item i , where the scoring is on a scale from 0 to 3. The scoring system is as follows:

- **Score 3:** Disclosure is quantitative, detailed with numbers, including comprehensive descriptions, and possibly supported by images, charts, and tables.
- **Score 2:** Disclosure is non-quantitative but specific and conditional in nature.
- **Score 1:** Disclosure is qualitative, presented in narrative form such as sentences or paragraphs.
- **Score 0:** No disclosure is provided.

3.5 Independent Variables: Ownership Structure (OS)

Ownership structure was examined through two dimensions:

- **Institutional Ownership (IO):** Percentage of shares owned by institutional investors relative to total outstanding shares.
- **Ownership Concentration (OC):** Percentage of shares held by the largest shareholder relative to total outstanding shares.

3.6 Mediator Variable: Corporate Governance (CG)

Corporate governance is measured using a Corporate Governance Index (CGI) specifically developed for Iraqi companies. This index evaluates governance practices and compliance with P3LKE guidelines. It is constructed from key governance characteristics, including board independence (defined as the proportion of independent, non-executive directors to the total number of board members), board size, and CEO duality. These components are aggregated into a single composite index through factor analysis, providing a comprehensive measure of corporate governance quality.

3.7 Control Variables

- **Company Size (SIZE):** Measured as the natural logarithm of total assets at fiscal year-end.
- **Profitability (PROF):** Net profit divided by total assets.
- **Financial Leverage (LEV):** Total liabilities divided by total assets.

4. RESULTS

4.1 Descriptive Statistics

Table 4: Descriptive statistics of main variables

Variable	Mean	Std.dev	Median	Min	Max
CSRD	0.761	0.164	0.476	0.190	0.761
CG	1.653	1.015	1.346	0.153	2.653
IO	0.910	0.283	0.285	0.000	0.910
OC	0.820	0.190	0.485	0.000	0.820
SIZE	20.307	1.793	14.141	10.504	20.307
LEV	0.988	0.252	0.581	0.066	0.988
PROF	0.566	0.146	0.058	-0.362	0.566

The descriptive statistics indicate that the mean value of Corporate Social Responsibility Disclosure (CSRD) is 0.761, reflecting a relatively high quality of CSR disclosure among the sampled companies. The Corporate Governance Index (CG) has a mean of 1.653, illustrating variation in governance quality across firms. Institutional Ownership (IO) and Ownership Concentration (OC) show mean values of 0.910 and 0.820, respectively, highlighting the significant presence of institutional investors and major shareholders within the ownership structures. The average company size (SIZE) is 20.307, suggesting that most firms have relatively substantial asset bases. Financial leverage (LEV) has a mean of 0.988, indicating a high reliance on debt financing among these companies. Profitability (PROF) averages 0.566, demonstrating generally favorable financial performance. The variability across these variables provides a solid foundation for subsequent analyses.

4.2 Data Analysis and Main Results

All the variables demonstrate stability, evidenced by their significance levels being below 0.05 as shown in the table above.

Table 5: The results of Levin, Lin Vecho's unit root test for the analysis of stability

Variable	p-value
CSRD	0.000
CG	0.000
IO	0.043
OC	0.000
SIZE	0.000
LEV	0.000
PROF	0.000

This study employed the Durbin and Wu-Hausman tests to assess endogeneity. The results for the research models are presented in Tables 6 and 7. Given that all p-values exceed 0.05, there is no evidence of endogeneity in any of the models.

Table 6. Results of Durbin-Wu-Hausman test (Institutional Ownership)

Equation	Test	χ^2	p-value	Result
1	Durbin	$\chi^2 = 1.764$	0.423	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.921	0.512	H0 is not rejected (there is no endogeneity)
2	Durbin	$\chi^2 = 1.724$	0.463	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.906	0.525	H0 is not rejected (there is no endogeneity)
3	Durbin	$\chi^2 = 1.802$	0.352	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.987	0.463	H0 is not rejected (there is no endogeneity)

Table 7. Results of Durbin–Wu–Hausman test (Ownership Concentration)

<i>Equation</i>	<i>Test</i>	χ^2	<i>p-value</i>	<i>Result</i>
1	Durbin	$\chi^2 = 1.700$	0.487	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.892	0.549	H0 is not rejected (there is no endogeneity)
2	Durbin	$\chi^2 = 1.822$	0.339	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.961	0.471	H0 is not rejected (there is no endogeneity)
3	Durbin	$\chi^2 = 1.721$	0.467	H0 is rejected (there is no endogeneity)
	Wu-Hausman	F=0.901	0.520	H0 is not rejected (there is no endogeneity)

Based on the integration test results presented in Tables 8 and 9, the null hypothesis of data integration is rejected at the 99% confidence level. Therefore, a panel data model is appropriate for estimating the coefficients of these models.

Table 8. Results of pooling (Institutional Ownership)

<i>Equation</i>	<i>F Statistic</i>	<i>p-value</i>
1	2.06	0.000
2	2.50	0.000
3	1.65	0.032

Table 9. Results of pooling (Ownership Concentration)

<i>Equation</i>	<i>F Statistic</i>	<i>p-value</i>
1	4.94	0.000
2	4.80	0.000
3	4.24	0.000

In Table 10, the Hausman test statistics are 8.17, 10.99, and 9.45 for all research models in Institutional Ownership. Since these values are greater than the critical value and that the null hypothesis (which states that the appropriate model is the random-effects model) is not rejected, the random-effects model is deemed the most efficient.

Table 10. The results of the Hausman test (Institutional Ownership)

<i>Equation</i>	χ^2 Statistic	<i>p-value</i>
1	8.17	0.819
2	10.99	0.610
3	9.45	0.803

In Table 11, the Hausman test statistic for the first model is 15.78. For the first research model concerning Ownership Concentration, since this value exceeds the critical value and that the null hypothesis (that the appropriate model is the random-effects model) is not rejected, the random-effects model is considered efficient. However, for the second and third models, as the test statistics do not exceed the

critical value and that the null hypothesis (that the appropriate model is the fixed-effects model) is rejected, the fixed-effects model is deemed the more efficient choice.

Table 11. The results of the Hausman test (Ownership Concentration)

Equation	χ^2 Statistic	p-value
1	15.78	0.269
2	24.02	0.027
3	32.45	0.002

Table 12. The results of the first model

Variable (CSR D)	GLS Regression					GLS Regression				
	Equation (Institutional Ownership):					Equation (Ownership Concentration):				
	Coef	Std. Err	Statistic	Prob	VIF	Coef	Std. Err	Statistic	Prob	
IO	0.035***	0.007	4.598	0.000	1.183	0.222***	0.027	8.180	0.000	
OC	0.026***	0.005	5.102	0.000	1.367	0.019***	0.004	3.985	0.000	
SIZE	0.424	0.412	1.029	0.304	1.083	-0.016	0.074	-0.220	0.824	
LEV	-0.063	0.050	-1.269	0.205	1.137	-0.011	0.028	-0.390	0.696	
PROF	0.400	1.180	0.340	0.735	0.811	2.055	0.390	0.694		
_cons	46.35(0.000)					18.1942(0.026)				
χ^2 Statistic										
R ²	0.439					0.594				
Adjusted R ²	0.407					0.570				
Durbin-Watson Statistic	1.654					1.734				
AIC	861.46					792.156				

Analysis of the First Hypothesis for Institutional Ownership:

As Table 12 shows and based on the VIF values, it is evident that the independent variables are not collinear because every VIF value is less than 5. The results of fitting for the research model are presented. It is observed that Institutional Ownership's independent variables have coefficients of 0.35, and are significantly and positively related to CSR D with a significance level of 0.00. Therefore, the first hypothesis of the research is accepted at a 95% confidence level. The adjusted coefficient of determination indicates that 41% of the variations in the dependent variable are explained by the independent variables in the model.

Analysis of the First Hypothesis for Ownership Concentration:

As Table 112 shows and based on the VIF values, it is evident that the independent variables are not collinear because every VIF value is less than 5. The results of fitting for the research model are presented. It is observed that Ownership Concentration's independent variables have coefficients of 0.35, and are significantly and positively related to CSR D with a significance level of 0.00. Therefore, the first hypothesis of the research is accepted at a 95% confidence level. The adjusted coefficient of determination

indicates that 57% of the variations in the dependent variable are explained by the independent variables in the model.

Table 13. The results of the second model

Variable (CG)	GLS Regression					FGLS Regression				
	Equation (Institutional Ownership):					Equation (Ownership Concentration):				
	Coef	Std. Err	Statistic	Prob	VIF	Coef	Std. Err	Statistic	Prob	
IO	0.082***	0.007	11.409	0.000	1.183	---	---	---	---	---
OC	---	---	---	---	1.121	0.272**	0.108	2.514	0.012	
SIZE	-0.017	0.024	-0.748	0.455	1.367	0.102**	0.047	2.146	0.033	
LEV	0.432	0.412	1.009	0.344	1.083	-0.035	0.087	-0.398	0.690	
PROF	-0.056	0.052	-1.074	0.285	1.137	0.006	0.039	0.159	0.873	
_cons	-0.018	0.225	-0.080	0.935	---	-0.899	0.328	-2.741	0.006	
χ^2 Statistic	12.084(0.000)					8.0867(0.000)				
R ²	0.547					0.309				
Adjusted R ²	0.510					0.257				
Durbin-Watson Statistic	1.543					1.799				
AIC	806.46					732.106				

*, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively. Source: Research findings

Analysis of the Second Hypothesis for Institutional Ownership:

As Table 13 shows and based on the VIF values, it is evident that the independent variables are not collinear because every VIF value is less than 5. The results of fitting for the research model are presented. It is observed that Institutional Ownership's independent variables have coefficients of 0.35, and are significantly and positively related to Corporate Governance with a significance level of 0.00. Therefore, the second hypothesis of the research is accepted at a 95% confidence level. The adjusted coefficient of determination indicates that 51% of the variations in the dependent variable are explained by the independent variables in the model.

Analysis of the Second Hypothesis for Ownership Concentration:

As Table 13 shows and based on the VIF values, it is evident that the independent variables are not collinear because every VIF value is less than 5. The results of fitting for the research model are presented. It is observed that Ownership Concentration's independent variables have coefficients of 0.35, and are significantly and positively related to Corporate Governance with a significance level of 0.00. Therefore, the second hypothesis of the research is accepted at a 95% confidence level. The adjusted coefficient of determination indicates that 25% of the variations in the dependent variable are explained by the independent variables in the model.

Table 14. The results of the third model

Variable (CSR D)	GLS Regression					FGLS Regression			
	Equation (Institutional Ownership):					Equation (Ownership Concentration):			
	Coef	Std. Err	Statistic	Prob	VIF	Coef	Std. Err	Statistic	Prob
CG	0.351***	0.027	12.889	0.000	2.677	0.313***	0.025	12.498	0.000
IO	0.029***	0.007	4.021	0.000	2.245	----	----	----	----
OC	----	----	----	----	----	0.203***	0.029	7.680	0.000
SIZE	0.468	0.476	0.982	0.326	1.187	0.006	0.082	0.073	0.941
LEV	-0.078	0.052	-1.493	0.137	1.123	0.023	0.037	0.623	0.534
PROF	0.001	0.003	0.325	0.745	1.675	-0.005	0.011	-0.419	0.675
_cons	0.052	0.221	0.236	0.813	----	-0.176	0.308	-0.559	0.576
χ^2 Statistic	14.64(0.000)					9.8142(0.000)			
R ²	0.613					0.771			
Adjusted R ²	0.579					0.734			
Durbin-Watson Statistic	1.703					1.509			
AIC	654.46					702.103			

*, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively. Source: Research findings

Table 15. Mediation Test Institutional Ownership

Test Statistic (t)	Sobel Test Statistic	Probability (p-value)	Final Result
3.456	Sobel Test	0.001	Mediation Confirmed

Table 16. Mediation Test Institutional Ownership

Test Statistic (t)	Sobel Test Statistic	Probability (p-value)	Final Result
5.987	Sobel Test	0.000	Mediation Confirmed

Since this hypothesis aims to examine whether corporate governance acts as a mediator in the relationship between ownership structure and corporate social responsibility disclosure, the regression model for the third hypothesis was also tested. Using the obtained coefficients, the Sobel test was conducted. According to the results of the Sobel test (Figures 15 and 16), at a 95% confidence level, corporate governance, as a mediating variable, significantly influences the relationship between ownership structure quality and corporate social responsibility disclosure.

5. DISCUSSION AND CONCLUSIONS

In this study, the relationship between ownership structure, corporate governance, and corporate social responsibility (CSR) disclosure was examined, and all three hypotheses were supported. The first hypothesis, proposing a positive relationship between ownership structure and CSR disclosure, aligns with the findings of Mohammadi et al. (2019) and Alizadeh et al. (2020), which emphasised the role of ownership concentration in enhancing transparency and CSR disclosure. The second hypothesis, which posits a positive relationship between ownership structure and corporate governance, was also confirmed and is consistent with the results of Zadeh et al. (2018) and Ahmadi et al. (2020). These studies highlighted how ownership concentration improves corporate governance quality and the effectiveness of managerial oversight. Finally, the third hypothesis, suggesting that corporate governance mediates the relationship between ownership structure and CSR disclosure, was validated and corresponds with the research of Samiei et al. (2020) and Türker (2009). These studies identified corporate governance as a key mechanism that strengthens the impact of ownership structure on transparency and social responsibility. Based on these findings, it is essential to strengthen governance frameworks and implement supportive policies to enhance organisational transparency and accountability. It is also recommended that companies invest in training board members on CSR to improve the efficiency and transparency of decision-making processes. Enacting mandatory regulations for CSR disclosure can further increase transparency. Supporting active institutional investors can significantly improve both corporate performance and social responsibility. Lastly, establishing and maintaining effective stakeholder communication fosters greater trust and satisfaction. Future research is encouraged to explore the factors influencing CSR adoption in the markets of countries such as Iraq.

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