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**The Impact of Shareholders' Types on Corporate Social Responsibility:
Evidence from Japanese firms**

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Abstract

Purpose

The purpose of this study is to use an empirical model to investigate the effects of eight types of shareholders on CSR investments in terms of the monetary amount and ratio of each investment.

Design/Methodology/approach

We used cross-sectional data obtained from Japanese companies in 2010 and estimated three equations which reflect the effects of various shareholders on three types of CSR using OLS.

Findings

The effects of shareholders on CSR investment are different depending on shareholder types. Investment funds and top management shareholders decrease each CSR investment, while the government, foreign companies and individuals, financial institutions, brokerages, and domestic companies and individuals increase CSR investments. Moreover, different shareholder types are interested in different CSR. Most shareholders are concerned with environmental policies, while foreign shareholders are also concerned with work-life balance policies. Investment funds shareholders pay attention to all kinds of CSR. In addition, most outside shareholders are only concerned about individual CSR investments rather than a company's entire CSR resource allocation strategy.

Originality/Value

This study empirically analyzes various types of shareholders, determining which hypothesis is valid and what type of shareholder increases or decreases CSR investment. This study considers shareholders' effects not only on each CSR action, but also in terms of an overall CSR strategy. Our study provides guidance for managers that they should take into account in order to respond to each type of shareholder when they make decisions on CSR.

Keywords: Corporate Social Responsibility; Corporate Governance; Investment Strategy; Shareholders; Japanese Firms

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