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Impact of Corporate Social Responsibility on the Effectiveness of Companies' Business Activities

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Abstract

Background: Corporate social responsibility (CSR) has a great influence on the sustainability of company development, so it can be considered a business model for business effectiveness. *Objective*: The objective of the research is to determine the mutual influence of real-estate companies' activities and CSR effectiveness in different countries. This study examines indicators for assessing companies' financial stability, CSR, and working capital management's influence on the activity effectiveness of real-estate companies. *Methods/Analysis*: Questionnaires, the principal component method, the Sobel test, and linear regression analysis are used to evaluate the relationship between CSR and the business performance of autocratic management-style companies. The authors' algorithm for assessing a company's financial stability, CSR, and capital management, which affect the efficiency of companies, is proposed. *Findings*: Empirical analysis has shown that management has no mediating effect on CSR and enterprise performance relationships for companies with high financial stability and working capital, though it has a stimulating effect for low financial stability companies. CSR and business performance have positive relationships in companies, but despite financial stability growing, the autocratic leadership style reduces interest in CSR development. This paper conceptualizes the impacts of CSR on the effectiveness of companies. *Novelty*: The novelty of this study is to create theoretical and practical provisions aimed at laws and regulations.

Keywords:

Sustainable Management;
Corporate Social Responsibility;
Financial Sustainability;
Working Capital Management;
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1- Introduction

Corporate social responsibility (CSR) signifies the idea of companies willingly and consciously investing their effort in business activities that stretch beyond the key focus of their business and considerably influence the natural and social environment. The idea of being a socially responsible business has now turned into a conventional practice in modern-

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day business efforts, as the involved parties predominately benefit from it [1, 2]. Presently, CSR implies the obligation of management to consider certain activities and practices for improving the business operations of the company along with bringing continuing benefit not only to their stakeholders but also to the entire society [3]. The practice of CSR has now become common globally; however, in terms of countries, it may differ based on their practices and systems. For example, CSR practices in Russia are studied and examined a bit differently. Scholars such as Stojanović et al. [4] observed that with the opening to the global market and the change of system in Russia in the post-Soviet-Union era, the situation has changed significantly. The society of Russia has started to change its ways and has been involved in addressing societal problems, expecting a level of business righteousness from the market and business entities. A highly significant fact behind the changed behavior of Russian firms is their internationalization of business. Russian companies have shifted toward CSR practices, knowing that they want to excel and do business in the international market, which provides strong business relationships, and helps improve their reputation. Therefore, CSR in Russia has advanced and changed in a way, integrating the form of inherited values and social responsibility, existing social establishments, and socially and globally responsible principles [5].

In terms of CSR, the interest of Russian companies in certification and the standardization of non-financial reporting is increasing gradually. The focus is more on being socially, ethically, and environmentally responsible and taking care of the interests of societies and communities while maintaining the competitiveness and effectiveness of their businesses [6]. Studies have shown that CSR and its dimensions (voluntariness, stakeholder, ecological, social, and economic) are well-received by companies and their employees, and serious efforts have been observed to implement CSR practices to develop business ties and increase business effectiveness [7]. Evidence shows the socially responsible behavior of Russian companies toward business practices, and it has been found that environmental care is the key motive behind the socially responsible behavior of Russian companies; however, their priority for customers and employees is lower [8]. Likewise, it has been reported that Russian companies are increasingly focusing on CSR disclosure to ensure a good reputation in the market and maintain their business effectiveness. However, they are found to be more conservative regarding financial reporting practices [9].

Companies operating across various sectors are increasingly investing in CSR to enhance their organizational performance in the market. Nonetheless, financial performance remains a fundamental criterion for a company's credibility, reputation, and business success, as opposed to the utility of society and responsible environmental stewardship. However, despite the rising popularity of CSR in the business realm, its role in business performance and its activities have remained a topic of content in previous literature [10, 11]. On the one hand, it is argued that CSR can positively contribute to the market performance of companies via an increase in market appeal and customer engagement that generate financial gains for the company [12]. With the increasing pace of sustainable development, the company must invest more and more in CSR, hire specialists to perform quality CSR reports, buy environmental equipment and technology, etc., which often reduces the financial return of the business [13]. This viewpoint reflects the concept of the shareholder approach and appears in many studies on the relationship between CSR and the financial performance of companies [13, 14]. However, it is highlighted that the involvement of the companies may have a negative effect on the financial performance of the company as it adds to the expenditure of the company, thereby demonstrating a negative impact on the effectiveness of business activities [15]. Most companies hold the view that CSR incurs significant financial costs and requires a certain amount of material and human resources to be diverted from the core production process [14]. From the perspective of management's self-interest, CSR spending is prone to overinvestment [16, 17], raises the risk of stock price collapse and other adverse economic consequences [18], and mandatory CSR can also have a negative impact on EP [19]. Additionally, Awaysheh et al. [20] raised doubts about the causality between CSR and financial indicators. Thus, the implications of CSR for business activities and the performance of companies remain an unclear phenomenon with no consensus.

Similar to other sectors, the engagement of companies with CSR has also increased in the real estate sector. It is worth noting that the real estate developers have been criticized for the negative effects of their real estate activities on the environment and society in terms of the questionable legality of the sector's products, their contribution to an increase in waste production, and the degradation of the environment [21]. Specifically, in developing countries such as Russia, China, India, and Mexico, there has been a rapid increase in the growth of high-end property sales. This consequently has contributed to the wasting of resources and damage to the environment, which has raised serious concerns related to CSR practices in the real estate sector of developing countries [21]. In the context of the Russian real estate sector, the industry witnessed a decline in 2021 due to a lack of demand, possibly due to the socio-economic situation of the country. The imposition of restrictions by the government due to the COVID-19 pandemic has badly affected real-estate companies, resulting in consumer activity and financial losses [22]. Nonetheless, the sector recovered from the losses in the post-pandemic period, accompanied by rising real estate activity [21]. Thus, the companies operating in the sector attempt to address these concerns by actively investing in CSR initiatives.

1-1- Problem Statement and Research Objectives

The authors found that most of the studies in the previous literature were based on a theoretical and conceptual framework. The research has more often focused on companies operating in developed markets with a democratic management style and in countries with democratic political regimes [23, 24]. Few studies have focused on the empirical analysis of the impact of companies' financial performance and sustainable business development, but these studies have specialized in the study of companies in different industries of different importance to the national economy with different levels of capital intensity [25]. Only a limited number of recent studies discuss the impact of CSR on the business effectiveness of registered Russian real estate companies. This knowledge gap provides academics and scholars with a direction to investigate CSR in the context of such firms and herein determine the relationships, if any, that CSR practices might have on the effectiveness and financial performance of Russian real estate companies.

This indicates a fragmentation of the scientific results and cannot serve as a conceptual framework. Our study investigates the financial performance and CSR indicators for real estate listed companies, which are essential for the country. This research estimates that property and industries related to real estate account for more than a ¼ of China's GDP as well as the bulk of household spending [26]. As a pillar of the national economy, the real estate industry involves a long industrial chain and has a significant driving economic effect on the growth and wealth of related industries. Real estate is a capital-intensive industry; thus, the active introduction of CSR principles can have both negative and positive effects on companies. Recently, the business environment of the real economy has tightened, as private enterprises and small and medium-sized real estate enterprises have faced more severe financing difficulties, which reiterates the relevance of the research topic for this industry. Also, CSR, as applied to this industry, has not been duly investigated.

In pursuit of the aforementioned research aim, the following objectives have been formulated.

- To investigate the impact of the CSR initiatives on the effectiveness of the business activities of Russian real estate firms;
- To delineate the impact of investments in CSR initiatives on the financial performance of Russian real estate companies.

The remainder of this paper is structured as follows. Part 2 is a literature review of efficiency, financial stability, and CSR in business. Part 3 presents the methodology, variable selection, and model setting. Part 4 presents the hypothesis testing and result analysis. Part 5 discusses the research findings and insights.

2- Literature Review and Hypothesis Development

2-1- Corporate Social Responsibility (CSR)

A clear and generalized definition of CSR is lacking; however, it is understood from studies and discussions that CSR is a practice that covers almost all aspects of corporate governance. For example, Rezaeinejad et al. [27] explain that CSR is about the way companies conduct business ethically and consider the impact of social, environmental, economic, and human rights factors. The objective of CSR is to maximize profit and simultaneously secure the interests of society, the community, and stakeholders. The notion of CSR is based on the idea that, as a part of society, firms are obliged to play a constructive role for the benefit of society and the environment. It is also asserted that CSR relates to the business practices that companies incorporate to benefit all stakeholders in the business [3]. It is also seen as a commitment by the companies to ensure compliance with morally and ethically accepted business conduct while making a significant contribution to society and the environment [1, 2].

The global transformation of socio-economic development caused by the transition to a knowledge-based economy and ambitious measures to combat dynamic climate change is forcing businesses to step up their efforts to achieve sustainable development goals. The current economic model, based on the concept of economic growth, has provoked destructive consequences for the environment. Therefore, many business structures are forced to pay attention to issues of corporate social responsibility. More and more companies around the world are interested in balancing their long-term interests with the social needs of society and preserving the quality of the environment [28]. Ethical conduct of business on the principles of sustainable development, especially in the last decade, has become relevant for companies. Unlike in Europe, where the evolution of CSR dates back to the 1800s [29], in Russia, China, and Indonesia, the idea of CSR is relatively new, stemming from the massive loss of life in the 2008 Sichuan earthquake [30, 31].

Generally, the practice of CSR is somewhat similar in all countries, however, in the case of Russia, this practice is linked with the peculiarities of the country, and the best practices of Europe are relied upon and considered by Russian firms. Russian big corporations have realized the significance of CSR and are already conducting CSR programs at different levels. At present, society and businesses in Russia are realizing that to achieve sustainable growth, it is significant to have a strong relationship and mutual contribution between the state and business [32]. Nevertheless, there is limited information on CSR practices followed by large Russian companies, indicating a lack of involvement by companies in social and environmental reporting. Unlike the USA and western countries, Russia, China, and Indonesia started introducing corporate social responsibility (CSR) rather late; however, it has been developed for more than ten years at this moment. Therefore, the development process of CSR reporting, which is the most important instrument for reflecting information related to the CSR of companies listed on the stock exchange, deserves to be studied. The efficiency of companies significantly contributes to the national economy. Simultaneously, the development of corporate social responsibility (CSR) in companies and the achievement of sustainable business development goals in the country may improve the quality of the environment and public welfare globally. Most companies focus on increasing business profitability at the expense of social goals. As most researchers have mostly studied the interaction of CSR and business performance using the Anglo-Saxon model of management that implies democratic leadership conditions, it proves difficult to implement the findings in developing and Asian countries, which highlights the literacy gap.

2-2- Business Activities

The concept of business activities is about making profits. Business activities themselves are not a single term; rather, they are a combination of activities divided into financial activities, investing activities, and operating activities [33]. Out of these, operating activities are highly important as they directly and positively affect the performance of the company. Moreover, business activities are also linked to providing services and goods [34]. For example, they may involve extracting resources, harvesting agricultural products, or manufacturing sectors for processing [35]. Presently, business activities have changed considerably, largely due to the advancement of technology, globalization, stiff market competition, and the high demands of customers. On the one hand, innovation and technological development are helping companies make a profit and create a competitive advantage in the market [36]. However, on the other hand, government regulations and policies, societal pressures, responsibilities, and concerns, and environmental challenges hinder and may adversely affect business plans and activities, contributing to reducing profitability. The business activities of companies from any sector, whether it is manufacturing, services, real estate, healthcare, etc., must comply with corporate standards and sustainability practices, which may improve the reputation of the company and increase market share and profitability as well [37].

2-3- Impact of CSR on Business Activities

CSR practices, both internal and external, such as being responsible toward society, and the environment by following ethical and moral practices and taking care of the interests of stakeholders, i.e., customers and suppliers, can help to positively impact the business activities of the company and help increase profitability and ranking [38]. Shanyu [39] argued in this aspect that the disclosure of CSR is a key factor inducing a positive and significant impact on the stock market and business performance. In Russia, for instance, Ievdokymova [40] adds that contemporary leaders of CSR understand that social practices have a positive impact on society; however, they do not use them as a key instrument for socially responsible activities, as they are highly recognized, and what is significant is that they are practiced, which relates the strategy of the company to creating stakeholder value. The approach to CSR in Europe compared to Russia is viewed differently, representing a mature approach to CSR. Matters related to CSR have evolved more recently in Russia, and therefore, the impact of it on businesses, markets, and activities is although positive, but other aspects such as the environment and society have not been considered. At present, companies are focusing on fully integrating CSR practices for their own business interests and to benefit themselves socially and economically [40].

For example, in China during 2006, the corporate law was revised to permanently introduce CSR [41]. This did not trigger the active development of CSR but served to prove that sustainability has become an integral part of doing business in China. For example, after a less destructive earthquake in the same province in 2013, some multinational companies provided immediate, timely support for the region's population [42]. The legislative regulation of CSR in Chinese business has contributed to a 6% year-on-year increase in the number of CSR reports in 2021 [43–47]. However, despite the positive trend in business sustainability, the CSR performance of Chinese companies remains ambiguous, as the quality and level of CSR reports published remain highly differentiated. The number of quality reports with reliable data on environmental compliance and the implementation of socially-oriented, non-profitable activities has been steadily decreasing [47]. Although the Communist Party has repeatedly called for socio-economic growth since 2012 [48], local companies (predominantly characterized by autocratic management) are focused on boosting regional GDP and openly neglecting sustainable business development and effective CSR policies [49]. Especially considering recent events, when the Chinese economy has suffered huge negative consequences from the spread of the COVID-19 pandemic, fewer and fewer companies are focusing on CSR and more and more on building business profitability [50].

Many researchers argue that in today's environment, when a good business requires a good reputation, CSR serves as a driver of the company's economic performance [51]. From the perspective of shareholder value and social exchange theory, CSR can help companies obtain strategic resources such as capital, and through the transmission mechanism, companies reduce transaction costs with the help of a good reputation [52], enhance the turnover rate of accounts receivable, and increase the days of accounts payable, which in turn improves the efficiency of WCM and mitigates the impact of FC on investment efficiency [51, 53]. From the perspective of signaling theory, active CSR sends signals to the stock market that managers are responsible and competent, thus reducing the risk of stock price crashes [54–56]. Corporate experience clearly demonstrated that in Europe and the United States [57]. It is also asserted that companies have alluded to CSR as an effective strategic action to conserve their resources while effectively maintaining good relationships with all stakeholders that positively affect their market reputation and ultimately their market performance [58].

2-4- CSR and Real-Estate Market

The growth of the real estate market brings challenges and the risk of uncertainties, and therefore it is argued that companies involved in the real-estate industry need to improve social responsibility and sustainability and follow a sustainable model of development by integrating corporate culture and promoting sustainable leadership [20]. Since 2008, countries like Russia have seen significant growth in the real estate market due to large construction projects. This nevertheless has created the need to comply with principles of sustainable development and socially and environmentally responsible behavior to reduce the negative impact of infrastructure development on the environment, to be precise. Besides, studies have shown that real-estate companies complying with environmental regulations and CSR practices are found to have a good reputation in the market, which positively affects their business performance [21, 59]. As per Shanyu [39], the impact of CSR on the sustainable performance and activities of businesses is found to be positive in BRICS countries. In the real estate market, the profitability of BRIC companies is positively affected by corporate governance and sustainable policies that endorse stock returns. However, concerns regarding still exist regarding the environmental challenges and risks associated with the massive books in the real-estate sector [59].

2-5- CSR and EP under Financing Constraints

The concept of sustainable development implies the achievement of three mutually dependent outcomes: financial sustainability, social well-being, and environmental safety. All components of the framework interact in order to balance interests and levels of responsibility, which determine the value of business. With environmental degradation, humanitarian crises, and increasing poverty, more and more companies realize that their business goals expand in scale and go beyond economic efficiency to consider the interests of all stakeholders. The concept of CSR is increasingly attracting the attention of businesses, as it requires companies to go beyond the traditional concept of making profits as their only goal. It emphasizes paying attention to the human value of the production process, the quality of the environment, consumers, and society as a whole. However, the implementation of CSR entails a certain number of additional costs for the company. For example: changing business processes to meet environmental standards; funding social programs for consumers and employees; social protection; and others [60]. Therefore, there was a need to assess the impact of CSR expenditure and investment in companies to understand the economic feasibility, impact, and relationship of CSR with financial results, the benefits that it can bring to the business or damage, and how it affects the overall business performance and financial stability of the company. Therefore, since 1971, the relationship between business financial performance and CSR has been at the head of scientific research on sustainable business development.

Several scholars have studied the direct effect of CSR on enterprise performance, verifying that there is a significant positive correlation between CSR and enterprise performance. CSR not only improves the social value and reputation of companies but also improves profitability and performance [61]. If a company can consider and meet the needs of such interested parties as customers, society (the company does no harm to society and meets customer needs), stakeholders (all company employees have social guarantees), and the government (the company meets all requirements), it positively affects its competitiveness [62]. Many studies have empirically confirmed a directly proportional relationship between the financial results of the company and the productivity of employees, less employee turnover, reputation and customer loyalty, and the level of business competitiveness [63]. For instance, Fourati & Dammak [64] explored the direct and indirect effects of CSR on corporate financial performance, which showed that corporate reputation mediates the relationship between CSR and corporate financial performance: CSR has a significant positive effect on corporate reputation, and corporate reputation has a significant positive effect on corporate financial performance. Yoo et al. [65] examined the potential process of the mechanism of CSR impact on corporate financial performance. The results show that CSR indirectly affects firms' accounting profitability by enhancing employee commitment and directly affects firms' profitability. CSR disclosure has a negative effect on the share price collapse of listed companies in Vietnam, as confirmed by Thuy et al. [66]. Listed companies should perform CSR practices and disclosures to improve enterprise performance and reduce the risk of share price collapse.

McGuire et al. [67, 68] and Ho et al. [69] studied the positive impact of CSR on minimizing the company's financial risks, empirically proved that a company with a low level of social responsibility is unattractive to many investors. A low level of CSR development indicates poor quality of company management, which leads to volatility in company value and increases financial risks. From the perspective of shareholder value, the capital supply hypothesis is that abundant financial capacity is an important prerequisite for CSR activities [15]. CSR fulfillment is costly, and different financing constraint intensities can inhibit the CSR performance of real estate companies. Companies investing a large amount of funds in social responsibility under high-financing constraints intensity will aggravate their financial difficulties, causing them to be unable to invest more funds in projects that can directly bring them economic profits in the short term, thus reducing the economic benefits generated by CSR [70]. Additionally, long-term costs for developing social responsibility and reducing the benefits to shareholders negatively affect the competitiveness of the company as a result [71].

An empirical study of the impact of CSR on the financial performance of companies in the financial and energy sectors listed on the Warsaw Stock Exchange confirmed the negative relationship between CSR and ROA/ROE [72]. This study proves the negative impact of CSR on the financial stability of companies from the perspective of stakeholder satisfaction. Since the main stakeholders of business are employees, the state, represented by the tax authorities, inverters, and shareholders, it seems logical that the main social responsibility of business is to maximize profits. But these results were obtained in short-term CSR initiatives, while the reaction of CSR stakeholders to the consequences is manifested over a long time and the impact of the implementation of social goals is seen more often from a strategic perspective [73].

As part of the rationale for CSR and EP under financing constraints, the analysis of research results when a company operates under financial constraints deserves special attention. Hopkins [74] argued that in cases of various financial constraints, a company should still continue to develop CSR. If the company has a high level of financial stability, it is assumed that with higher CSR, there will be a more significant positive impact on performance. For companies with the risk of reduced financial stability because of financial constraints, the possibility of actively developing CSR decreases, as CSR in the tactical period is an additional direct expense of the company [70]. Numerous studies dwell on CSR and enterprise performance under financing constraints. For example, Zhu et al. [75] found that there is a negative relationship between financing constraint intensity and CSR performance and that high financing constraint intensity can inhibit the contribution of CSR to enterprise performance. Zhang et al. [76] took a sample of Chinese listed pharmaceutical companies' financial data and found that the financing constraints did not inhibit the contribution of CSR to the enterprise's performance. In contrast, financing constraints played a positive moderating role. Ronald et al. [77] applied regression and path analysis methods to study the effect of CSR on the financial performance of manufacturing companies in Indonesia, which not only confirmed that CSR has a significant effect on the increase in firm value but also confirmed that financing constraints and financial risk play a positive mediating role in the relationship between CSR and firm value.

Scholars have adopted different grouping criteria for financing constraints to study the relationship between working capital management and enterprise performance. Kang et al. [78] adopted the interest coverage ratio as the grouping criterion of the financing constraints for real estate-listed companies, and the results showed that the improvement of inventory turnover, accounts receivable turnover, and account payable turnover are beneficial for improving the enterprise performance under high-financing constraint intensities and that working capital management has an insignificant effect on the enterprise performance under low financing constraint intensities. Jabbouri et al. [79] adopted the generalized method of moments (GMM) to verify that companies with financing difficulties are forced to actively apply working capital management practices to reduce investment in working capital, minimize financing costs, and improve financial performance. They have asserted that the intensity of financing constraints largely determines the optimal working capital management approach for companies. Altaf & Ahmad [80] and Brigita & Widjaja [81] used the generalized method of moments (GMM) to confirm that working capital financing has a positive effect and an inverted U-shaped relationship on enterprise performance and that financing constraints have a positive effect on the nonlinear relationship between working capital financing and enterprise performance. Cheng et al. [82] used external financing cost (ratio of finance cost to total debt) as the grouping criterion of the financing constraints, and the results show that account-receivable turnover has a significant positive correlation with the enterprise performance under high-financing constraint intensity, while inventory turnover and account payable turnover have a negative effect on the enterprise performance; under low-financing constraint intensity, each indicator correlates negatively with the enterprise performance.

Under high-financing constraint intensity, due to financing difficulties, firms must improve their working capital management and follow prudent principles to reduce investment in risky projects, thus reducing overall financial risk [83]. Firms under low-financing constraint intensity are prone to inefficient use of capital and blind investment, resulting in the loss of corporate profits. The help of a good corporate image and reputation provide an opportunity for companies to use other people's money, extend accounts payable turnover days, and improve account receivable and inventory turnover. The reduction of external financing costs can improve enterprise performance; thus, the authors developed several scientific hypotheses based on the contradictory views of the interaction between business financial performance and CSR when the company operates under pressure from financial constraints as part of the study:

H1: The CSR has a significant positive correlation with the efficiency of enterprise, and the correlation differs significantly under a different level of financial stability.

H2: Working capital management has a mediating effect on the relationship between CSR and enterprise performance.

2-6- Impact of Leadership on CSR Interactions and Business Financial Performance

Sood & Arora [84] argued that business motivation and financial performance in achieving social goals depend primarily on the leader in the organization. In the conditions of an intensively growing competitive business environment, the efficiency of leadership style and company management becomes more and more important. Social business practice in different countries of the world testifies that the development of CSR requires democracy in its management, which implies public discussion and the achievement of unity in the realization of social goals. De Ruiter et al. [23] argued that only a democratic management style in an organization can provide a positive interaction between CSR and the financial performance of the company.

Collegial leaders in a democratic organizational management style encourage teamwork in the company and share responsibility for shared decision-making among all. As a rule, the democratic management style considers social activity not as a separate task of a separate organizational link but as a component of the organizational mission and corporate strategy. In the strategic management of the company, ethical principles of doing business, according to Loan [85], are considered not only an obligation of the company but primarily an obligation of an individual: a co-worker, the leader of the company.

According to Carroll [86], the pyramid model differentiates the levels of economic responsibility of leaders. The lowest level of economic responsibility implies meeting the needs of society only by creating a solid financial and economic foundation for business. The highest level of economic responsibility (the so-called philanthropic responsibility of the leader) implies that the goal of the economic agent is to increase social welfare. It assumes voluntary acceptance of business responsibility for the environment, whose implementation is carried out even with economic losses and financial instability. A similar interpretation of the relationship between the democratic management of an organization and CSR can be found in the work of De Ruiter et al. [23], based on stakeholder theory. According to this theory, the collegial leaders of companies may find an ethical balance between the static business goals and the interests of different stakeholder groups that influence the company's business decisions. A balance of interests has a positive impact on the financial performance of the business and its social well-being.

However, note that research on the relationship between CSR, business financial performance, and democratic leadership style is in its infancy. For example, McGuire et al. [66, 67] studied the relationship between the level of competence of collegial leaders and CSR and could not confirm any substantive relationship between them. Thomas and Simerly [87], Simerly [88] proved that even when a company's peer leaders are actively focused on social goals, their high salary levels offset the effect of CSR and reduce the company's financial performance. Paine [89] generally singled out negative and positive motivations for the ethical behavior of democratic leaders. If leaders are focused on avoiding the publicity of wrongdoings or scandals, avoiding penalties through CSR, this negatively affects the financial efficiency of businesses and the long-term effect of CSR on businesses. If leaders are focused on improving reputation and establishing strong trust among stakeholders through CSR, on creating value growth not only for investors but also for all stakeholders, this has a positive effect on the business. But most of the cited studies were focused on the Anglo-Saxon model of business functioning in a political democracy. This makes it difficult to generalize the conclusions and implement the results in the practices of companies in different countries of the world. According to Gorski [90], not only endogenous organizational factors (managerial sense, nature of business, organizational culture, etc.) but also exogenous ones characterizing the external business environment (political and financial systems of the country, market orientation of the economy, national and cultural environment, etc.) do influence the relationship between leadership and CSR. These factors not only ensure or hinder the development of CSR but also determine its specific impact on the financial stability of the company, its mission, and the scale of the social effect of business.

Unlike political democracy, an autocratic leadership style accumulates power in its hands and implies centralized management decision-making. This type of leadership is predominantly characteristic of countries with political autocracies, where ruling elites restrict corporate activity and focus primarily on satisfying the political interests of authorities at the expense of economic and social well-being [91]. In autocracies, political participation and public deliberation are repressed by state authorities, and businesses are shaped through a particular political economy that is clearly dominated by ruling elites. Scholars such as Bryan et al. [91] and Dyczkowska & Dyczkowski [92] argued that autocratic leaders focused primarily on economic benefits in business and that ethical norms of sustainable development are met only in forced situations (elimination of various risks for the company or at the urging of the government). This practice of CSR negatively affects the financial stability of the business, as additional expenses entail financial risks for the company and the loss of investors. Additionally, CSR does not have a significant effect on the quality of life and the environment.

The opposite perspective is also in place. Wang and Guan [93] substantiated that an autocratic management style has a positive effect on CSR development and business sustainability. In authoritarian countries, as a rule, multinational corporations are the leaders in the field of CSR. This is because, firstly, these companies are vulnerable to state intervention, and secondly, they are vulnerable to international CSR requirements. The main reason why CSR requirements are imposed on state-owned enterprises and multinational companies is that CSR indicators are central to assessing an enterprise for the international community. Also, CSR helps maintain the image of countries that as being responsibly developing. Multinational companies are leading and setting an example of CSR for other developing national companies. Therefore, if the government of a country decides that sustainable business development is necessary to the current political and economic course of the country, businesses (transnational companies) will be forced to act within the interests of the government and develop CSR. At the level of national companies, CSR will be implemented to maintain competitiveness in the market as well as to suppress the autocratic leader, which in the long term can have a positive effect on the financial performance of companies. CSR is an important research domain in the field of business ethics. Existing CSR theories imply that a company's survival, continuity, and growth are all dependent on society. Several existing studies are dedicated to studying CSR in China and Vietnam [94–98], but they do not analyze trends in development, financial sustainability, and CSR in companies properly.

To summarize, the authors may state that if there are opposing points of view on the influence of leadership on the interaction of CSR and the company's financial efficiency, it is worth exploring this issue in more detail and conducting further research. However, it should be considered that an authoritarian leader has a clear vision of the general picture; the remaining employees take part in it only for the performance of individual tasks on an as-needed basis. So, it is difficult to talk about any motivation for the implementation of social objectives by businesses. And because CSR is primarily a voluntary will and not mandatory, an autocratic management style cannot achieve the benefits of CSR for the company's financial performance that are achievable with collegial leaders. Therefore, the authors developed the following hypothesis as part of this research:

H3: The autocratic leadership style limits the positive impact of CSR on the company's financial results.

3- Descriptive Data and Model Specifications

3-1- Sample Selection and Data Sources

For research purposes, the authors selected the annual statistics of 79 real estate-listed companies in A-shares from 2016 to 2021 as the research object, with 474 valid observations. Companies with incomplete data were also removed. The rating of "*https://fbss.ru"* discloses data on CSR development in companies. This rating is composed of 20% performance indicators for solvency, which can act as a financial basis for CSR but cannot be measured. Other indicators included in the rating include employee income and working conditions, product quality, innovation development, and environmental protection measures. Public donations in this rating are allocated only 10% of the contribution to the integral indicator of CSR. The rating of "*https://fbss.ru"* focuses mainly on CSR scores for employees and does not consider most of the sustainability goals aimed at community development. In this regard, the CSR Development Index (CSR) has been proposed to assess the CSR of companies. The values of the variables for this index were obtained through a questionnaire that was conducted during 2016–2021. The survey involved managers of the lower, middle, and upper levels of the companies under study (40 representatives from each company).

Managers were offered to evaluate the participation of their company in the implementation of the Sustainable Development Goals by using the Google Form in the range of "1" to "10" points (the higher the score, the higher the degree of implementation of the goal). The questionnaire [99] consisted of questions that characterized each of the 17 Sustainable Development Goals [100]. Scores characterizing the implementation of each goal of sustainable development by companies were calculated as an arithmetic average of respondents who are representatives of the company on the questions within the framework of this goal. The survey results are representative, as evidenced by the anonymity of the questionnaire, voluntary participation, and consistency of manager assessments, with the variation coefficient for a single company for each question not exceeding 8.9%.

3-2- Variable Identification and Sample Description

This paper chooses return on net assets (ROE) as the explanatory variable for evaluating the impact of CSR on the performance of companies.

Explanatory variables include:

1. *CSR index,* calculated using the principal component method in Statistics 12 by dimension reduction. The index is calculated based on the sum of the values of the principal components, adjusted for the percentage of their variances. It was the Kaiser criterion that helped determine the number of principal components [100]. Using the variance contribution of the selected j principal components as weights was used to make a comprehensive evaluation model of CSR assessment for real estate enterprises with the following formula:

$$PC_{ij}^{t} = \lambda_{1j} \times x_{i1}^{t\prime} + \lambda_{2j} \times x_{i2}^{t\prime} + \ldots + \lambda_{ij} \times x_{ii}^{t\prime} \tag{1}$$

$$CSR_{i}^{t} = \alpha_1 \times PC_{11}^{t} + \alpha_2 \times PC_{22}^{t} \ldots + \alpha_j \times PC_{ij}^{t} \tag{2}$$

where CSR_i^t is the CSR index of the i^{th} real estate company in the t^{th} year; PC_{ij}^t is the j^{th} principal component value of the i^{th} real estate company in the t^{th} year; λ_{ij} is the j^{th} principal component factor loading of the i^{th} sample set, t=1,2. . . t; j=1,2. . . j; and I =1,2. . . i.

2. ***The Financial Sustainability Index:*** The authors constructed a financial sustainability index system by selecting quantitative indicators that characterize the availability of internal and external financial resources, the efficiency of their use, and independence from external creditors and investors (Table 1) [101-103]. The value of the financial stability index is calculated similarly to the CSR index using the principal component method (Equations 1–2).

3. ***Working Capital Management:*** The level of working capital management is mainly reflected in the management of accounts receivable, inventory, and accounts payable. Therefore, the ratio of net working capital turnover is used as a proxy variable to measure working capital management capability.

Other factors also affect corporate performance, so to analyze the influencing factors on corporate performance more comprehensively and objectively, this paper selects indicators characterizing company management and CSR, the values of which were obtained on the basis of the analysis of company reports (the shareholder with the largest stake in the authorized capital, the number of shareholders with more than 25% of the share value, the company publishing a CSR report, questionnaires, and the level of democracy in company management).

The definitions of the specific variables involved in this paper are shown in Figure 1 [101-103].

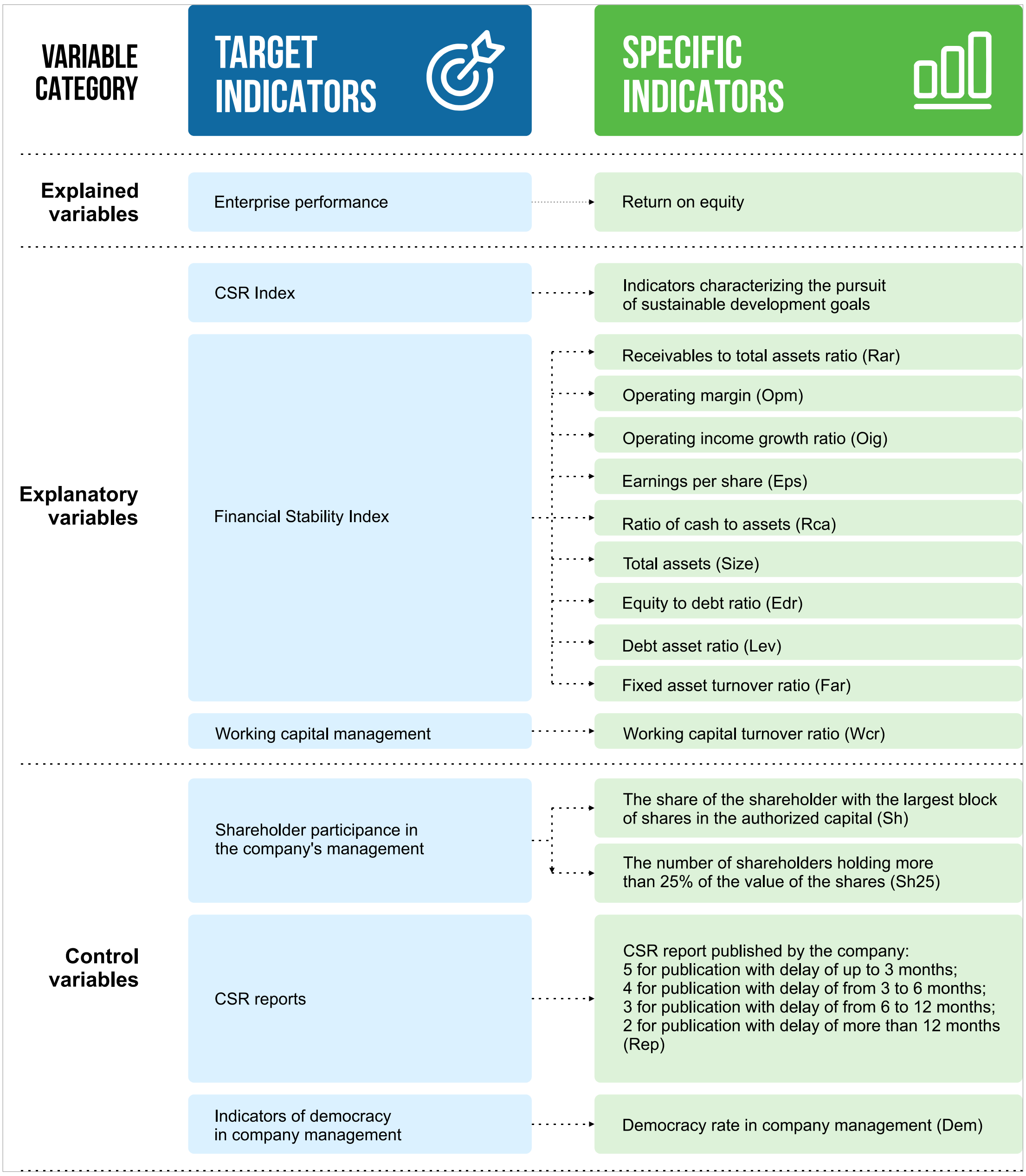

Figure 1. Indicators for assessing the impact of financial stability of companies, CSR, working capital management on the efficiency of real estate listed companies

3-3- Model Building

The model for assessing the impact of companies' financial stability, CSR, and efficiency, built using a linear regression method in the program Statistics 12, has the following form Equation 3:

$$Roe_i^t = \beta_0 + \beta_1 \times CSR_i^t + \beta_2 \times FSI_i^t + \beta_3 \times Wcr_i^t + \beta_4 \times Controls_i^t + Fixedeffects + \varepsilon_i^t \tag{3}$$

where i is the i^{th} enterprise; t is the t^{th} year; β is the variable coefficient; $Controls$ is the set of control variables; Fixed effects is the entity and time-fixed effects; and ε_i^t is the residual.

This study uses the modified algorithm K-means++ to set the financial stability of companies' grouping criteria. The clustering was performed out on the basis of the values of the financial stability component.

The methodological approach to assessing the impact of companies' financial sustainability, CSR, and capital management on companies' efficiency is shown in Figure 2.

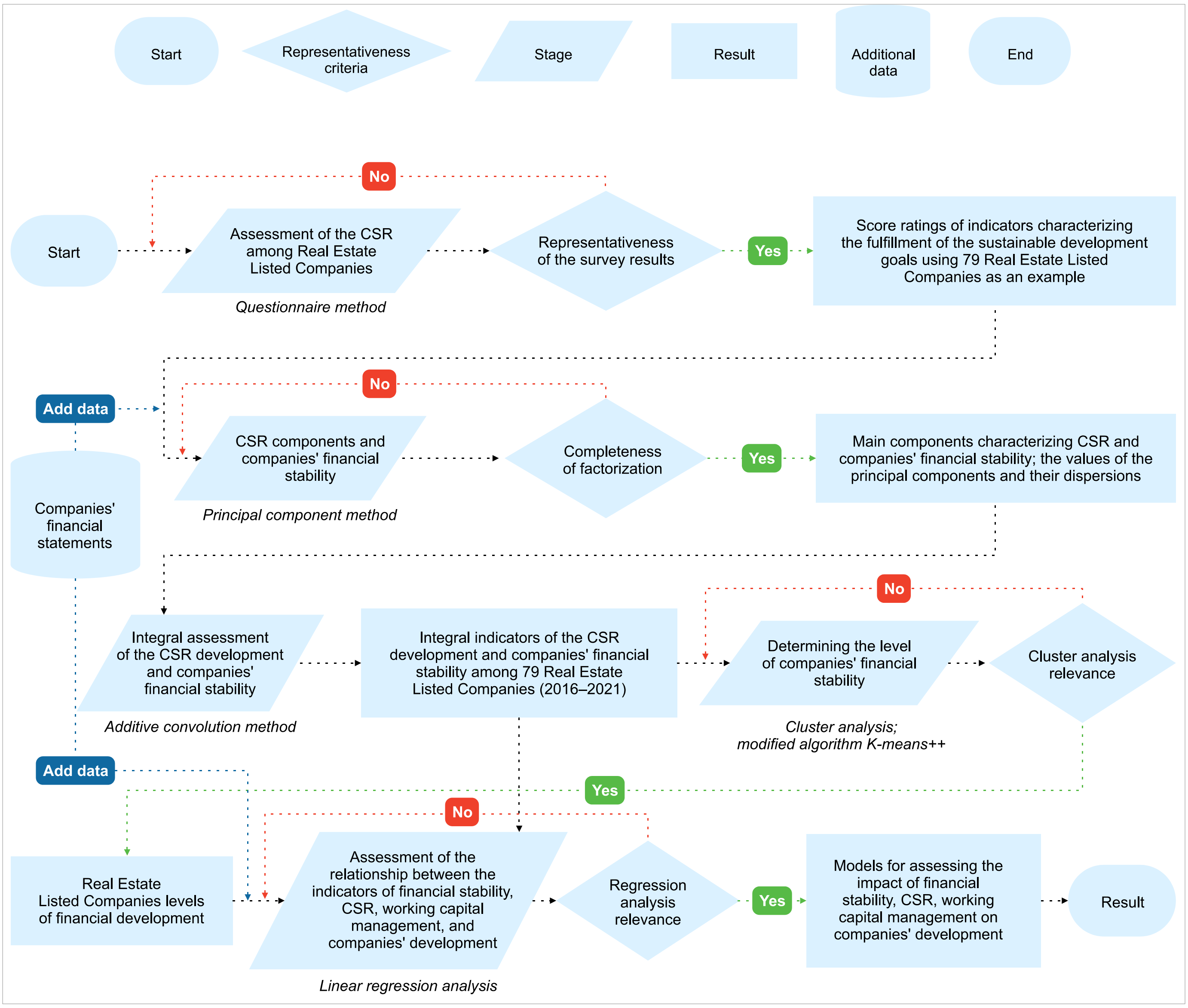

Figure 2. Algorithm of assessing the impact of financial stability of companies, CSR, and capital management on the efficiency of real estate listed companies

4- Empirical Examination and Result Analysis

4-1- CSR and Financial Stability of Companies

The results of the validity test show that the Kaiser-Meyer-Olkin (KMO) value is 0.70 for the sample of sustainability indicators and 0.55 for the sample of financial stability indicators (Normally >0.5), which indicates a high correlation between the indicators. Meanwhile, Bartlett's Sphericity test shows that the value is 0.000 (Normally ≤0.05), and there is significance, which indicates that the indicators are independent of each other. Therefore, the data selected for this paper are suitable for analysis using the principal component method.

As shown in Figures 3 to 5, the cumulative variance of the extracted principal components of sustainable development was 91.19%, and the variance of the principal components of financial stability was 89.20%. A cumulative variance exceeding 80% indicates the completeness of factorization [94]. The obtained principal components were interpreted on the basis of the indicators, which formed them (these are indicators, factor loadings of which with the corresponding principal component are not lower than |0.7|).

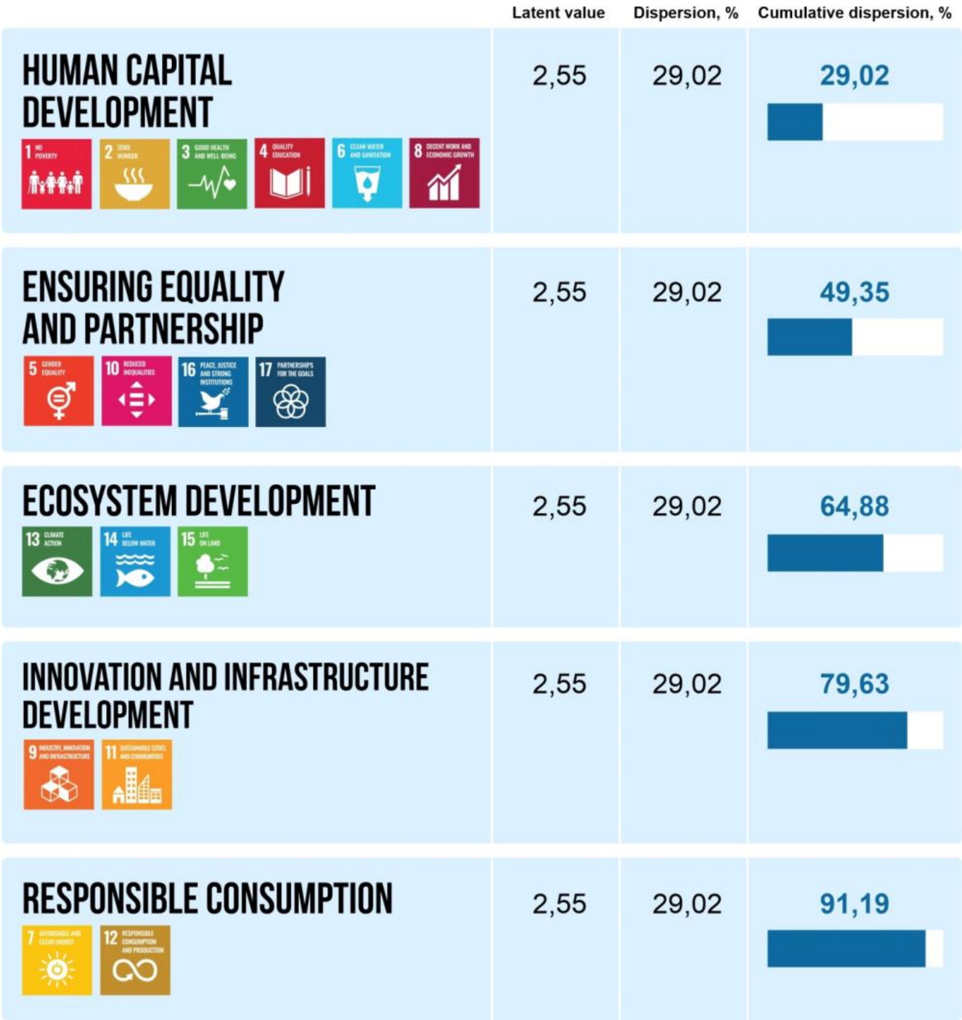

Figure 3. **Characteristics of the main components characterizing CSR and financial stability of real estate listed companies**

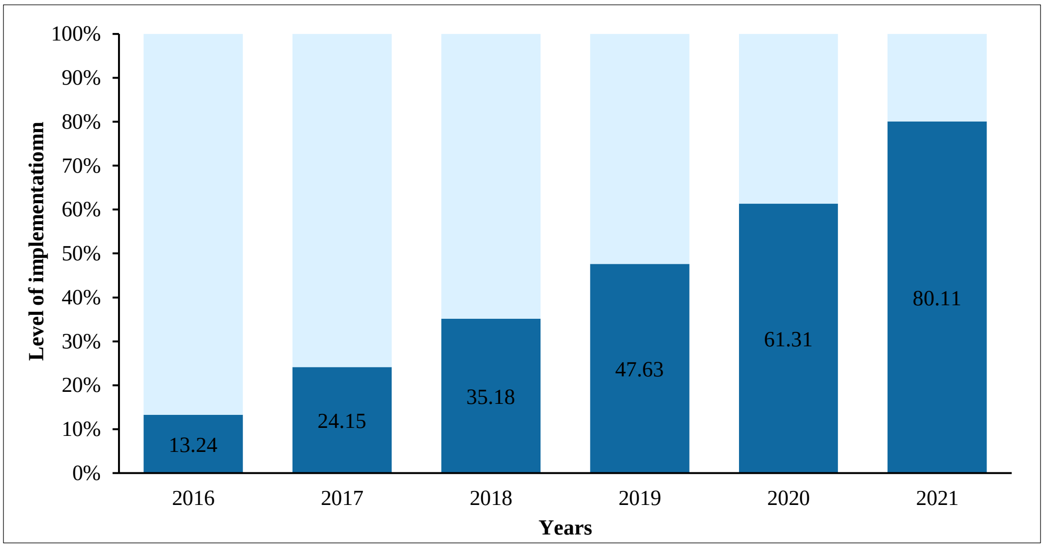

Figure 4. **CSR development level of real estate-listed companies, the percentage of the potential level**

	Latent value	Dispersion, %	Cumulative dispersion, %
THE EFFICIENCY OF THE OPERATIONAL ACTIVITIES	2,84	34,37	34,37
FINANCIAL INDEPENDENCE	1,75	21,18	55,56
LIQUID ASSETS	1,67	20,21	75,77
ASSETS	1,11	13,44	89,20

Figure 5. Characteristics of the main components characterizing the financial stability of real estate listed companies

An empirical evaluation allowed us to determine the fundamental components that underlie the development of CSR in companies:

- The development of human capital, which implies the fight against poverty, hunger, assistance of companies to medical and educational institutions to improve health and provide quality education of the population, providing decent working conditions and wages, providing the necessary sanitary conditions;
- Ensuring equality and partnership; guaranteeing companies gender equality, non-discrimination on any grounds, promotion of peace and justice;
- The ecosystem development component is aimed at combating climate change, preserving marine and terrestrial ecosystems;
- Innovative development, infrastructure development is manifested in the introduction of innovative technologies, digitalization, financing of urban development activities, including the innovative one;
- Responsible consumption implies the use of renewable energy sources, energy-intensive technologies, minimization of environmental pollution during the business activities of a companies.

Artificial addition to the research sample of observation from the maximum possible scores on the questions the questionnaire (Appendix I) allowed us to assess the degree of implementation of sustainable development goals by the study companies compared with the potential level (Figure 4).

Applying the method of principal components made it possible to establish the following components of the financial stability of companies (Figure 5):

- Operating margin, operating income growth ratio, earnings per share, and fixed asset turnover ratio helped determine the operating efficiency. This component characterizes the presence of self-financing sources, which is a guarantee of financial stability;
- The financial independence component is formed from the ratios of equity and debt capital, the ratio of the company's debt to its assets. The second indicator characterizes the financial dependence, but it has a negative value of factor load with the main component, while the indicator of the ratio of equity and debt capital is positive. Therefore, the component is identified as financial independence;
- The component of liquid assets provision is represented by ratio of receivables to total assets and ratio of cash to assets, which characterizes the availability of the most liquid assets of the company: cash and receivables. The availability of liquid funds allows the company to pay debts on time, including unexpected ones, which demonstrates the financial stability of the company;
- Asset security component. Provision with assets when used effectively allows maximizing income and profit of the company, ensuring financial stability in the long-term period.

The index of the financial stability of listed companies in the real estate industry is as follows:

$$FSI_i = 0.34 \times Oper_i + 0.21 \times Ind_i + 0.20 \times Liq_i + 0.13 \times Asset_i \tag{4}$$

where *FSI* is the financial stability index; *Oper* is the value of the component of operating efficiency; *Ind* is the value of the component of financial independence; *Liq* is the value of the liquid assets provision component; *The asset* is the value of the asset security component.

Based on the values of the components of financial stability, clustering of enterprises on the level of financial stability was conducted (Table 1). The authors applied internal evaluation metrics, the Davies-Bouldin Index (DBI), the Calinski Harabasz Index (CHI), and the Silhouette Coefficient (SIC), to evaluate the clustering effect. The boundaries between clusters are obvious, and within the same cluster, they are tight, so the clustering performance is excellent. After fine-tuning the clustering results based on the financial stability composite index, it is appropriate to use 0.5 as the financing constraint grouping criterion.

Table 1. Financial stability, grouping criteria and clustering performance evaluation

Grouping criteria	Financial stability	Share of companies (%)	Clustering performance evaluation		
			DBI	CHI	SIC
>0.5	High	55. 67	1. 40	23. 97	0.21
<0.5	Low	44. 30			

4-2- Assessing the Impact of Factors on the Implementation of Sustainable Development Goals and the Effectiveness of Companies

In Table 2, models (1), (3), (5), and (7) are built on a sample of companies with high financial stability, while models (2), (4), (6), and (8) - on a sample of companies with low financial stability. Models (1) and (2) reflect the results of the effect between CSR and Enterprise Performance. The regression result shows that CSR has a significant positive effect on return on equity, which indicates that the better the CSR performance, the higher the return of the company. The results show that there is a significant positive correlation between CSR and return on equity for companies with high and low levels of financial stability (β=0.13 and β=0.14 accordingly, p<0.01). Models (3), (4) indicate a positive interaction between the financial stability index and CSR, and the higher the financial, the better the CSR performance of companies. The results confirm the H1 hypothesis that CSR has a statistically significant positive relationship with firm performance. To a large extent, the efficiency of the company depends on the availability of a CSR publication (which is statistically significant at p<0.01), which is the main source of informing clients and counterparties about the implementation of sustainable development goals, a source of forming a positive corporate reputation.

Table 2. Regression models to assess the impact of factors on the realization of sustainable development goals and the efficiency of companies

	Model							
	(1)^H	(2)^L	(3)^H	(4)^L	(5)^H	(6)^L	(7)^H	(8)^L
Deep. Variable	*Roe*	*Roe*	*CSR*	*CSR*	*Roe*	*Roe*	*Roe*	*Roe*
CSR	0.13***	0.14***	-	-	0.14***	0.15***	-	-
	(2.60)	(2.68)			(2.69)	(2.74)		
War	-	-	-	-	0.05	0.12***	-	-
					(1. 55)	(2.61)		
CSR×War	-	-	-	-	-	-	0.14***	0.18***
							(2.68)	(3.13)
FSI	0.09**	0.11**	0.07**	0.09**	0.07**	0.08**	0.07**	0.08**
	(2.12)	(2.31)	(2.06)	(2.11)	(2.05)	(2.09)	(2.06)	(2.11)
Sh	-0.07*	-0.06*	-0.11**	-0.08*	-0.09*	-0.09*	-0.09*	-0.08*
	(-1. 86)	(-1.72)	(-2.10)	(-1. 91)	(-2.01)	(-2.04)	(-2.02)	(-2.00)
Sh25	0.07*	0.06*	0.06*	0.05*	0.07*	0.06*	0.06*	0.05*
	(1.78)	(1.65)	(1.64)	(1.60)	(1.77)	(1.75)	(1.74)	(1.70)
Rep	0.03***	0.04***	0.06***	0.05***	0.03***	0.03***	0.03***	0.04***
	(2.63)	(2.71)	(2.88)	(2.83)	(2.61)	(2.62)	(2.60)	(2.65)
Dem	0.03**	0.03**	0.04**	0.04**	0.04**	0.03**	0.03**	0.02**
	(2. 29)	(2.30)	(2.39)	(2.37)	(2.35)	(2.30)	(2.32)	(2.21)
Intercept	-0.22	-0.24	-0.64	-0.62	-0.28	-0.30	-0.18	-0.20
No. Observations	471	471	471	471	471	471	471	471
F-criterion	5.73	7.42	8.25	6.82	9.25	5.88	7.35	7.52

Notes: *, **, *** Significant at 10%, 5%, and 1% confidence levels, respectively, with t-stats in parentheses. H is the sample of companies with a high level of financial stability, L is the sample of companies with a low level of financial stability.

Models (5) and (6) reflect the results of the effects of working capital management and the Enterprise Performance. The regression results show that the working capital turnover ratio has a positive but insignificant effect on return on equity (β=0.05, p>0.1) at a high level of financial stability. At a low level of financial stability (Model 6), an increase in the efficiency of working capital management increases Enterprise Performance (β=0.12, p<0.01). Companies with a high level of financial stability exhibit the efficiency of operational activity, provision with assets, and liquid assets, under such conditions, a decrease in working capital management, for example, due to stale stocks or short-term failures in the supply of materials, will not lead to failures in the production process, default on obligations to counterparties, a decrease in the efficiency of companies will not be as significant as for companies with a low level of financial stability, which has no sufficient reserve of financial stability. The normal law of data sampling distribution, which exceeds the empirical values of the F-criterion over the critical ones, proves the adequacy of the models built. To test the mediating effect of working capital management on the relationship between CSR and enterprise performance, the authors used the Sobel test (Table 3).

Table 3. Conditional indirect effects of CSR on receivables to total assets ratio at the moderators

Mediator	Financial stability level	Effect	Boot SE	Boot LLCI	Boot ULCI
War	Low	0.0005	0.0002	0.0002	0.0011
	High	0.0001	0.0001	-0.0009	0.0013

Note: Boot LLCI is the 95% lower confidence limit, Boot ULCI is the 95% upper confidence limit

The results of the test in Table 3 show that when financial stability is taken at a high level, the confidence interval includes 0 (-0.0009 to 0.0013), indicating that the mediating role of the Working Capital Turnover Ratio in the relationship between CSR and Return on Equity does not work; when financial stability is taken at a low level, the confidence interval excludes 0 (0.0002 to 0.0011), indicating that the mediating role of Working Capital Turnover Ratio in the relationship between CSR and return on equity work. The results obtained correlate with models (5)-(8) of Table 2. For companies with a low level of financial stability, the $CSR \times War$ variable has a more statistically significant impact on return on equity (model 8) than the impact of the CSR variable (model 6). For companies with a high level of financial strength, the calculated value of the t-criterion reflecting the impact of CSR variables on return on equity and $CSR \times War$ on return was 2.69, 2.68, respectively (models 5, 7), indicating no difference in the strength of the impact of these variables on firm performance. Therefore, for companies with high financial stability, working capital management has not a mediating effect on the relationship between CSR and enterprise performance, for companies with low financial stability, it has a stimulating effect.

5- Discussion

The results of the empirical study showed that while the concept of an ethical business approach is not widespread in the economies of the countries considered in the article, companies are increasing their capacity to improve social well-being. The dynamics of the developed cumulative evaluation index of CSR development on the sample under study of companies show the activity of companies in the development of CSR and business sustainability. Over the period 2016–2021, the index value increased by 2.17 times, the degree of implementation of sustainable development goals from 13.24% of the potential level in 2016 to 80.11% in 2021. The index growth is due to the cumulative increase in the number of activities and financing for all areas of sustainable development of real estate-listed companies, especially the priority fight against poverty and innovative development. The obtained results confirm the H1 hypothesis that CSR has a statistically significant positive relationship with the efficiency of companies, which confirms the results that scientists obtained for countries with the Anglo-Saxon model [95]. This particular finding of the study supports the previous findings from previous literature that suggested CSR disclosure can improve the market performance of a company by making its activities more transparent. CSR disclosure ultimately elevates a company's market reputation in terms of credibility, trust, and customer engagement, thereby positively impacting the effectiveness of the company's business activities, as evident by its financial gains [12].

Note that under financial constraints, companies are more motivated to implement the principles of sustainable business development. The effect of CSR on return on equity is more statistically significant at lower levels of financial stability of companies, although companies with higher levels of financial stability have a positive effect on company performance. The reason for this is that although most real estate companies are privately owned, unlike other countries, real estate companies apply the model of off-plan sales, and presale revenues generally account for nearly half of the developers' cash flows in the real estate market [104–106]. As a result, despite the impact of fiscal austerity, the ultrahigh accounts receivable turnover rate has resulted in abundant cash flow. Therefore, the overall financing environment for real estate companies is better. These findings support the stakeholder theory that the FC affects the economic consequences of CSR. Companies with high financial constraint intensity may have higher error rates in decisions due to incomplete information, which reduces the efficiency of converting socially responsible performance into corporate capital and competitive advantage. Therefore, FC can inhibit the positive effect of CSR on business financial efficiency.

This finding corresponds to Tang [107], who suggested that financial constraints have a mediating role in the effect of CSR on business performance because of insufficient resources for disclosing CSR information to the market. Still, the disclosure of non-financial CSR information can neutralize information asymmetries between a company and its investors and therefore increase transparency and stakeholder engagement. In other words, CSR information disclosure emits positive signals to capital markets, gains stakeholders' recognition and support, and allays market suspicion that originally resulted from the lack of access to essential information by investors and stakeholders [12, 108].

Thus, for companies with a high level of financial stability, working capital management has no mediating effect on the relationship between CSR and enterprise performance, for companies with a low level of financial stability, it has a stimulating effect. More effective management of current assets creates an additional positive reputation, strengthens trust in such companies, and contributes to greater receptivity to socially responsible acts of the company on the part of clients and investors. According to the previous literature, financial constraints can contribute to information asymmetry. Also, it was found that high CSR performance and positive CSR implications are typical for companies with low costs of capital and high credit ratings [109]. Thus, following these findings, the H2 hypothesis is confirmed for financially unstable companies. Companies with a high level of financial stability are characterized by the efficiency of operating activities, the provision of assets, and liquid assets, under such conditions, a decrease in the efficiency of capital management, for example, the accumulation of reserves or short-term failures in the supply of materials, will not lead to disruptions in the production process, default on obligations to counterparties. The decline in the efficiency of the company will not be as significant as for companies with low financial stability, which have insufficient reserves. Therefore, for companies with a high level of financial stability, working capital management has no statistically significant impact either on efficiency or on the relationship between CSR and enterprise performance.

The authors also confirmed the H3 hypothesis. The constraints for sustainable business development and CSR development include an autocratic leadership style in companies, which is consistent with the results of studies [91, 92] obtained from the experience of other countries. Empirically, the authors substantiated that with the growth of financial stability in the companies being studied with a positive corporate reputation, the leaders lose interest in CSR development and the focus is shifted to profit maximization and the improvement of shareholders' welfare. The higher the degree of authoritarianism, the lower the management's interest in CSR development, especially if everything is good in the company and there is no acute need to look for investors (for financially stable companies). As the authors mentioned above, the autocratic management style is characterized by a lack of motivation and awareness of the need to develop CSR, which prevents active and systematic CSR development and hence neutralizes the positive impact on business performance that can be achieved in a democratic management style of an organization. In the context of business, it can be assumed that the effectiveness of CSR development under authoritarian leadership can be achieved through legislative regulation of mandatory CSR disclosure in the countries considered in the article and fines or administrative penalties for failure to submit CSR reports. This certainly cannot contribute to the emergence of sustainable development motivation, but it will at least promote the loyalty of autocratic leaders to progressively develop CSR, regardless of the level of financial stability, the qualifications of company leaders, external factors wagging on the business, and so on.

6- Conclusions and Recommendations

6-1- Findings of the Study

The empirical research suggests that companies benefit from sustainable business development and actively implement the CSR strategy. CSR has a positive effect on business performance and financial sustainability, which coincides with the practice of the Anglo-Saxon model of management. In view of the fact that the low level of financial stability of companies acts as a driver in the development of CSR and the loss of motivation to build capacity for financial sustainability, it is advisable for the government to expand support for various social initiatives in business. Whether large or small, enterprises should consistently pursue corporate social responsibility in line with the government's core strategy. The social responsibility of enterprises must be in line with the national strategy and serve the overall situation so that corporate social responsibility can be integrated into the new development model in the new stage of development. The positive energy of corporate social responsibility needs more publicity, promotion, and dissemination so that more enterprises, consumers, partners, and other stakeholders can follow the example and be motivated to implement social activities on a continuous basis. The effectiveness of CSR in real estate-listed companies with low financial strength depends greatly on the efficiency of working capital management, which is due to the financial constraints that companies have had to face today. Therefore, it is advisable for real estate-listed companies to improve the efficiency of working capital management by, for example, adopting a more deliberate policy of accounts receivable management (to minimize the amount of uncollectable receivables), a balanced approach to the selection of suppliers (so there were no delays in the supply of raw materials), and the formation of optimal stocks (so, on the one hand, in case of delays in raw material supply, not to stop the production process, and on the other, it was not unreasonably high stocks, which is a major factor of sustainable business development.

An important factor of sustainable business development in the countries considered in the article should be a gradual transition to a democratic style of management in companies, reducing the influence of autocratic leaders on management decisions. Its strong point is its comprehensive elaboration of decisions. Therefore, the staff should be more and more involved in the decision-making process. This will enable the staff not only to feel a part of the company but also to increase their social responsibility. This will achieve the benefit of CSR for companies with different levels of financial stability as it allows them to retain and gradually increase gains, create internal stability in the firm, and integrate and form an organic and systematic system of CSR strategy to create a CSR brand effect.

6-2- Limitations and Suggestions for Future Research

The results obtained in our study can serve as a good basis for balancing company financial performance and CSR, but they are limited to the sample of companies under study and can only be disseminated in the practice of real estate-listed companies and only in the countries considered in the article. The authors also used fewer sample companies in the panel data due to insufficient disclosure of financial data, which makes financial data more difficult to obtain. Studying the experiences of companies in other industries may show other results of the relationship between CSR and the financial sustainability of companies. Especially considering that the companies under study are obliged by law to submit CSR reports, while the unlisted ones do not. These issues are critical for the sustainable development of the countries' economies discussed in the article and will be discussed in the following articles with a focus on the modern corporate governance style.

7- Declarations

7-1- Author Contributions

Conceptualization, M.V.V. and A.N.S.; methodology, M.V.V.; validation, V.V.P., E.V.K., and A.O.Z.; formal analysis, I.M. and N.V.K.; investigation, I.M. and M.I.I.; resources, N.N.S. and A.L.E.; data curation, I.M. and V.V.P.; writing—original draft preparation, all authors contributed equally; writing—review and editing, A.N.S.; visualization, N.V.L.; supervision, M.V.V.; project administration, M.V.V. All authors have read and agreed to the published version of the manuscript.

7-2- Data Availability Statement

Data sharing is not applicable to this article.

7-3- Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

7-4- Institutional Review Board Statement

Ethical review and approval were waived for this study because human interaction was limited to the anonymous questionnaire.

7-5- Informed Consent Statement

All the study participants signed an informed consent agreeing to provide data and availability for the survey.

7-6- Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this manuscript. In addition, the ethical issues, including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancies have been completely observed by the authors.

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Appendix I: Questionnaire

Rate your company's participation in pursuing the sustainable development goals on a scale of "1" to "10" (the higher the score, the greater the degree of goal commitment):

SDG 1

1. Does your company provide additional financial assistance for lower-income categories of employees?
2. Does your company provide financial assistance to disadvantaged people?
3. Does the company make donations to improve the welfare of the community?

SDG 2

4. Does the company make a donation to buy food for those in need?
5. Does the company fund food supplies for those in need?

SDG 3

6. Does your company provide for additional payments to employees for examination, treatment, and health improvement?
7. Does your company provide assistance to medical institutions?
8. Does your company provide health resort treatment to your employees?

SDG 4

9. Does your company provide additional payments to employees for professional development and training?
10. Does your company provide assistance to educational institutions?
11. Does your company cooperate with educational institutions in terms of providing students with opportunities for internships in the company to improve their competence?
12. Does the company's management welcome additional education among the staff, passing courses, and trainings?

SDG 5

13. Does the company not discriminate on the basis of gender?
14. Is the company policy aimed at gender equality in society?

SDG 6

15. Does the company provide employees with the necessary sanitary conditions to work?
16. Does the company implement finance activities to ensure appropriate sanitary conditions for the public?

SDG 7

17. Does the company use renewable energy?
18. Does the company's strategy include switching to renewable energy sources?
19. Does the company participate in the development of renewable energy (develops such technologies, finances them, conducts explanatory work on the necessity of using renewable energy)?

SDG 8

20. Does your company provide an adequate level of remuneration to its employees?
21. Is the company's staff provided with a sound social package?
22. Does your company provide employees with safe working conditions not harmful to their health?
23. Does the company take part in the implementation of projects for the economic development of the region and the country?

SDG 9

24. Does the company use innovative approaches in the production process, management, marketing, etc. ?
25. Does the company participate in the implementation of projects to develop innovations?
26. Does the company implement finance activities aimed at the development of the infrastructure of the region and the country?

SDG 10

27. Does the company suppress any manifestations of discrimination against employees, customers, and colleagues?

28. Does the company oppose any manifestations of social discrimination?

SDG 11

29. Does the company implement finance activities for the sustainable development of the region and the country?

30. Is the company's product of economic, social, or environmental importance to the region and country?

SDG 12

31. Is the company focused on improving the energy efficiency of its business operations?

32. Does the company make rational use of natural resources through available technologies?

33. Does the company's business activity involve recycling?

34. Does the company finance the technologies for recycling facilities?

SDG 13

35. Does the company's activity have no negative impact on the climate or cause it to change?

36. Does the company finance climate action at the regional or national level?

SDG 14

37. Are the company's activities not threatening marine ecosystems?

38. Is the conservation of marine ecosystems provided for in the business environment?

SDG 15

39. Are the company's activities not threatening terrestrial ecosystems?

40. Does the company participate in financing activities to preserve terrestrial ecosystems?

SDG 16

41. Are the activities of the company and its management not creating the prerequisites for violating peace and justice in the region, the country, the world?

42. Is the company's activity based on fair treatment of personnel (in remuneration, provision of working and rest conditions)?

43. Does the company and its management not finance any terrorist organizations?

SDG 17

44. Does the company participate in local (regional and/or national) sustainability organizations?

45. Does the company participate in international organizations aimed at combating climate change, preserving ecosystems, fighting poverty and hunger, and preserving peace?