

# Mechanisms of Management Adaptation to Sustainable Development Goals under the Condition of Global Changes

## Mechanizmy dostosowania zarządzania do Celów zrównoważonego rozwoju w warunkach globalnych zmian

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### Abstract

Companies play an important role in attaining sustainability, which stipulates the relevance of the search for mechanisms of management adaptation to sustainable development standards. The work aims at analysis of the available mechanisms of management adaptation to sustainable development standards with the use of financial stimuli. The main methods used in the work were regression analysis, ranking method, and descriptive method. A subset of the indicators of evaluation of the implemented sustainable practices in companies' strategies was formed based on the work results. Using regression analysis, the influence of these indicators on the Sustainability Pay Link Variable Ratio was evaluated. This allowed us to verify whether executive compensation systems represent actual results in the area of sustainable development and whether their influence on these systems is significant. We also evaluated how evenly compensation planning considers economic, social and ecological aspects of sustainability. This enabled an analysis of the effectiveness of management adaptation mechanisms, which consider financial stimuli for attaining sustainability. The results showed that the approaches of the leading world companies mostly consider economic sustainability aspects. Herewith, social and ecological aspects are left without attention. The work presents formulated recommendations for management, which will enable enhancing the effectiveness of the available mechanisms of its adaptation to sustainable development principles. Balancing all sustainability aspects plays an important role in executive compensation planning.

**Key words:** management, adaptation, sustainable development, financial stimuli, corporate social responsibility, global changes, innovations

## Streszczenie

Przedsiębiorstwa odgrywają ważną rolę w osiąganiu zrównoważonego rozwoju, co stanowi o istotności poszukiwania mechanizmów adaptacji zarządzania do standardów zrównoważonego rozwoju. Celem pracy jest analiza dostępnych mechanizmów adaptacji zarządzania do standardów zrównoważonego rozwoju przy wykorzystaniu bodźców finansowych. Głównymi metodami zastosowanymi w pracy były analiza regresji, metoda rankingowa i metoda opisowa. Podzbiór wskaźników oceny wdrożonych praktyk zrównoważonego rozwoju w strategiach przedsiębiorstw został utworzony na podstawie osiągniętych wyników. Wykorzystując analizę regresji, oceniono wpływ tych wskaźników na wskaźnik Sustainability Pay Link Variable Ratio. Pozwoliło to nam zweryfikować, czy systemy wynagrodzeń kadry kierowniczej odzwierciedlają rzeczywiste wyniki w obszarze zrównoważonego rozwoju i czy ich wpływ na te systemy jest znaczący. Oceniliśmy również, w jaki sposób równomierne planowanie wynagrodzeń uwzględnia ekonomiczne, społeczne i ekologiczne aspekty zrównoważonego rozwoju. Umożliwiło to analizę skuteczności mechanizmów adaptacji zarządzania, które uwzględniają bodźce finansowe w celu osiągnięcia zrównoważonego rozwoju. Wyniki pokazały, że podejścia wiodących światowych firm uwzględniają głównie aspekty zrównoważonego rozwoju ekonomicznego. Tym samym aspekty społeczne i ekologiczne pozostają na marginesie. W pracy przedstawiono sformułowane rekomendacje dla kadry zarządzającej, które umożliwią zwiększenie skuteczności dostępnych mechanizmów jej dostosowania do zasad zrównoważonego rozwoju. Zrównoważenie wszystkich aspektów zrównoważonego rozwoju odgrywa ważną rolę w planowaniu wynagrodzeń kadry zarządzającej.

**Słowa kluczowe:** zarządzanie, adaptacja, zrównoważony rozwój, bodźce finansowe, społeczna odpowiedzialność biznesu, zmiany globalne, innowacje

## 1. Introduction

Global transformations of the world order, stipulated by climate change, aggravation of social contradictions, economic crises and other issues, require appropriate response of states to new challenges (Stukalo et al., 2020). This gave a push to the global adoption of sustainable development standards as the basis for regulating present problems and further prosperity (Mattera et al., 2021; Ozili, 2022). Hence, it is generally recognized that present challenges cannot be solved without the participation of other stakeholders, except for state governments (Wang et al., 2022). In particular, the private sector, including companies of different economic fields, plays an important role in achieving Sustainable development goals (SDGs) (Mio et al., 2020; Rashed & Shah, 2021).

Companies' management is responsible for important tasks in developing strategies facilitating stability and expansion (Barbosa et al., 2020; Lăzăroiu et al., 2020). Still, under conditions of global transformations, these strategies cannot focus on economic stability aspects only (Settembre-Blundo et al., 2021; Mio et al., 2022). The world's leading companies actively introduce SDGs into their own development strategies, the success of which significantly depends on making substantiated managerial decisions and motivation (Fonseca et al., 2023). This stipulates the topicality of the search for effective mechanisms for management adaptation to sustainable development standards.

Financial stimuli are known to be an important element of adaptation mechanisms and management personnel motivation (Alnsour & Kanaan, 2021; Bykova et al., 2024). Executive compensation system planning can provide compensation for effective solutions or achievements in the area of sustainable development (Noja et al., 2020). Herewith, the influence of the approaches to executive compensation planning on the effectiveness in attaining economic, social, and ecological goals is understudied. There is also little information on the balanced consideration of these directions in financial compensation management. The works aimed to analyse available mechanisms of management adaptation to sustainable development standards with the use of financial stimuli. For this, the following tasks were set and solved within the study:

- to define key indicators, assessing implementation of sustainable practices in companies' strategies;
- to conduct regression analysis of such indicators on Sustainability Pay Link Variable Ratio for evaluation of the relation between executive compensation systems with actual results in sustainable development area;
- to conduct a ranking of the studied indicators to define which indicators make the largest contribution in planning executive compensation of companies.

## 2. Literature Review

Numerous researches focus on the study of the interrelation between corporate management and companies' sustainable development. Besides the other, these works explore management adaptation to sustainable development

standards. Conclusions of scientists describe different approaches to such adaptation, being mostly based on the analysis of the variables, influencing key directions of sustainable development: economic, ecological, and social. The relationship between the goals of sustainable development and corporate social responsibility (CSR) is noted in many works. In evaluating CSR (Serafimova, 2016) or developing CSR implementation models (Fatima & Elbanna, 2023), scientists use SDGs as the foundation of responsible management, which considers social, ecological and economic aspects. This approach is reasonable because, under modern conditions, responsible management cannot be oriented on the growth of the market value of the company only. Exploring the interrelation between CSR and SDGs, Lu et al. (2021) emphasise the importance of considering all SDGs. The scientists also underline the necessity of evaluating both the positive and negative influences of CSR. Researchers' work demonstrates the complex approach to assessment, which is important within the context of balancing economic, social and ecological aspects. This is also confirmed by the ideas of ElAlfy et al. (2020) and van Zanten and van Tulder (2021), who emphasised the necessity of a complex approach to goal integration in companies' corporate strategies. Herewith, some works underline the advantages of the approach, providing prioritisation of SDGs by each separate company. In particular, Ike et al. (2019) noted that the introduction of SDGs at the level of a specific company with the use of corporate stability remains understudied. The scientists offer to conduct prioritisation of SDGs, which will ensure focus on the goals, which are the most important for each specific company. It is worth agreeing with this, as prioritisation will contribute to enhancing attention to the goals, which consider specifics of activity and possibilities of specific companies.

The own framework of SDGs introduction is offered in Beyne's work (2020). This framework consists of the following stages: informing, activation, innovations, and transformations. Informing provides enhancing awareness of SDGs, activation - cooperation with stakeholders, innovations - establishing measurable goals, and transformation covers reporting and communication. While underlining the advantages of the approach from the position of the effectiveness of information flow and communication, it is possible to note the lack of more practical stages. In this regard, it is worth presenting the views of Grainger-Brown and Malekpour (2019), who studied available instruments and frameworks for the implementation of SDGs in company activity. The researchers noted that available approaches mostly relate to mapping and reporting, without paying sufficient attention to the actual influence on strategies' development. In turn, Berrone et al. (2023) expressed the idea that modern companies mostly use recommendations from leading companies, ignoring scientific approaches. While agreeing with deficiencies of SDGs introduction by the companies, which were found in the works, it is possible to conclude that available frameworks lack effective instruments of influence and scientific substantiation.

Many authors focus on the evaluation of the quality of corporate reporting of companies, which provides information on their activity in the sustainable development field. Almagtome et al. (2020) studied the relationship between corporate governance quality, reporting on sustainable development, and stakeholders' pressure. The scientists believe that sustainable development strategies base on the interaction of the variables as corporate governance quality and stakeholders' pressure. Tsalis et al. (2020) offered their own approach to the evaluation of the quality of information, provided by companies in reports on sustainable development. In the example of Greek companies, the scientists found that information in reports does not sufficiently reveal companies' policies on combating corruption and protecting human rights. Silva's (2021) work characterised four stages of legitimization of SDGs, companies use. The scientist found that these strategies mostly indicate insufficient information revealing in reports, without providing significant changes to the regular order. We should agree that corporate reporting quality plays an important role in ensuring transparency and counteracting abuses, in particular, greenwashing. Approaches, offered by the scientists, can serve as valuable guidelines for evaluation of the quality of corporate reporting, depending on their specific goals.

The study extends the available understanding of the use of financial mechanisms for attaining SDGs by corporate governance, which other works lack. It offers a new view, as it focuses on a specific aspect of management adaptation to sustainable development standards. The lack of relevant works and the need to better understand the influence of corporate financial stimuli on achievements in the sustainable development field stipulated the necessity for expanding studies in the mentioned field.

### 3. Methodology

#### 3.1. Study procedure

In the first stage of the study, a sample of indicators for the analysis was formed. CSR was the key concept, considered in the process of indicators sampling. This concept is a connecting link between sustainable development principles and the management activity of organizations. The role of CSR may be explained by consideration of the needs of all stakeholders - from local communities to shareholders, focusing on social and ecological responsibility, enhancing transparency and ensuring ethics. The mentioned proves the relevance of the use of the indicators, presented in Global 100 ranking, in the study. Assessment of companies by each of the indicators and their influence on management processes represent results of the use of the best world practices.

In the second stage of the study, the analysis of the influence of indicators, assessing the implementation of sustainable practices, on the indicator, demonstrating governance practices, and motivating managers to attain sustainable goals, was conducted. Executive compensation systems were verified for representation of actual results in the area of sustainable development, as well as the significance of their influence on these systems. Moreover, this enabled determining whether compensation planning is balanced and complete, considering all aspects of sustainability - economic, social and ecological.

The third stage included ranking of indicators with consideration of their regression coefficients and statistical significance. This enabled the generalisation of regression analysis results by defining the single evaluation, which represented the influence of each indicator. This stage aimed at determining indicators, making the largest contribution to companies' executive compensation planning.

### 3.2. Sample

The general set of indicators of the sample consisted of 77 indicators, presented in Global 100 ranking. After processing the initial list of indicators (in particular removal of constant variables and removal of variables with high multicollinearity, etc.), the study sample was formed. Indicator sampling was conducted based on the criterion of representation of the studied activity aspects. In such a way, the sample included six indicators related to economic activity aspects, five indicators - to social aspects and four indicators - to ecological aspects. This number of indicators is sufficient for analysis, as they cover the main sustainable development aspects, ensuring their comparison. Selected indicators are presented in Table 1 with a reference to which SDGs they are associated with and contribute to their achievement.

Table 1. Sample of indicators for the study, construed by the authors

Activity sphere	Indicators	SDG Contribution
Economic field	USD Purchasing Power Parity Revenue	SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation, and Infrastructure
	Cash Taxes Paid Score	SDG 16: Peace, Justice, and Strong Institutions
	Retirement contributions FTE Percentrank	SDG 1: No Poverty, SDG 8: Decent Work and Economic Growth
	Projected benefit obligation FTE Percentrank	SDG 1: No Poverty, SDG 10: Reduced Inequalities
	Sustainable Revenue Score	SDG 12: Responsible Consumption and Production
	Sustainable Investment Score	SDG 12: Responsible Consumption and Production, SDG 13: Climate Action
Social field	CEO Average Worker Pay Score	SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities
	Injury Rate Score	SDG 3: Good Health and Well-being, SDG 8: Decent Work and Economic Growth
	Employee Turnover Score	SDG 8: Decent Work and Economic Growth
	Non male Boards Score	SDG 5: Gender Equality, SDG 10: Reduced Inequalities
	Racially Diverse Among Boards Score	SDG 10: Reduced Inequalities
Ecological field	Energy Productivity Score	SDG 7: Affordable and Clean Energy, SDG 13: Climate Action
	Carbon Productivity Score	SDG 13: Climate Action
	Water Productivity Score	SDG 6: Clean Water and Sanitation, SDG 12: Responsible Consumption and Production
	Waste Productivity Score	SDG 12: Responsible Consumption and Production, SDG 13: Climate Action

Sustainability Pay Link Variable Ratio (SPLVR) indicator was introduced into the study along with the mentioned indicators. Its values are also in Global 100 ranking. In general, this indicator represents mechanisms, by using which remuneration of company management as an important element of management stimulation and adaptation is related to sustainable development aspects. In other words, SPLVR shows management practices, motivating managers to achieve sustainable goals.

The analysis covered 100 companies from Global 100 ranking according to the data of 2024. According to rating evaluations, these companies are the most sustainable in the world, which justifies their selection for analysis goals. Companies conduct their activity in the following regions: Australia, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Norway, Singapore, South Africa, Spain, Sweden, Taiwan, Turkey, United Kingdom, United States. In such a way, the sample included companies from different world regions, functioning in different industries (from banking to engineering). Accordingly, evaluation indicators for these companies are the most demonstrative and adequate for the evaluation of CSR aspects, which makes the offered approach universal.

### 3.3. Methods

Regression analysis – in the processes of analysis, indicators evaluating the implementation of sustainable practices in companies' strategies were used as independent variables; SPLVR was a dependent variable. Evaluation of the influence of independent variables on SPLVR enabled demonstration of the integration of SDGs in the course of executive remuneration planning by companies. Within the context of the work, this provided the evaluation of management adaptation to sustainable development standards by mechanisms, which involve financial stimuli. The focus of the study on mechanisms, which involve financial stimuli, may be explained by their directing of managers' activity on achievement of specific goals. The level of financial compensation enables quantitative measurement of achievements in the sustainable development field. On the one side, this demonstrates the efficiency of management decisions, and on the other side motivates managers for further results improvement. Thus, linking executive remuneration to attaining certain levels of sustainability indicators indicates companies' desire to be socially responsible and to respond to sustainable development principles. The linear regression model was used for the analysis. Control variables were not applied in the process of analysis, as its main focus was on the detection of direct relations between the variables.

- Indicator ranking - the method provided evaluation for each indicator, which generalised regression analysis by considering regression coefficients and statistical significance by formula 1.

$$\text{Score} = \text{regression coefficient} \times \frac{1}{p\text{-value}} \quad (1)$$

- The descriptive method enabled detailed characterization of the idea of the work and received results. Additionally, it enabled the interpretation of the collected data, description of general trends and characterising interrelations, detected as a result of regression analysis.

## 4. Results

As already noted, the sample of companies which differ by the best world practices in the sustainable development field was used. Therefore, it is possible to assume that their mechanisms of measurement of executive remuneration are highly effective and reflect SDGs. Herewith, this requires verification and confirmation by quantitative analysis, which enables potential advantages and disadvantages of available mechanisms.

Results of regression analysis of economic, social and ecological indicators and SPLVR are presented in Table 2. The correlation coefficient for the received model is 0,87882737, which indicates a high positive correlation between independent variables and the dependent indicator. Thus, the received model has a high explanatory capacity, as the determination coefficient is 0,77233755, thus, above 77% variation for the independent variable which may be explained by changes in independent variables.

Table 2. Results of regression analysis for dependent variable SPLVR, calculated by the author based on the data of Corporate Knights (2024)

	BETA	Standard error of BETA	B	Standard B error	t(9)	p-value
Intercept			0,749712	0,628661	1,19255	0,267214
USD Purchasing Power Parity Revenue	0,540791	0,310465	0,000000	0,000000	1,74187	0,119703
Energy Productivity Score	0,798702**	0,403074	1,055348	0,532593	1,98153	0,082852
Carbon Productivity Score	-0,054279	0,321497	-0,087303	0,517098	-0,16883	0,870119
Water Productivity Score	-0,670049**	0,304918	-0,860085	0,391397	-2,19748	0,059227
Waste Productivity Score	-0,273825	0,309721	-0,304191	0,344068	-0,88410	0,402429
Cash Taxes Paid Score	-0,938169*	0,286236	-0,998693	0,304703	-3,27760	0,011228
Sustainable Revenue Score	0,266063	0,244879	0,368394	0,339063	1,08651	0,308905
Sustainable Investment Score	-0,006643	0,272486	-0,009917	0,406766	-0,02438	0,981147
CEO Average Worker Pay Score	0,601906	0,386189	0,681248	0,437095	1,55858	0,157713
Retirement contributions FTE Percentrank	-0,200033	0,244913	-0,182910	0,223949	-0,81675	0,437715
Projected benefit obligation FTE Percentrank	-0,505002**	0,270338	-0,475982	0,254803	-1,86804	0,098704
Injury Rate Score	-0,086511	0,282984	-0,107676	0,352216	-0,30571	0,767628
Employee Turnover Score	0,390366	0,238088	0,415222	0,253247	1,63959	0,139722
Non male Boards Score	-0,042615	0,229052	-0,073262	0,393784	-0,18605	0,857039
Racially Diverse Among Boards Score	0,307562	0,369530	0,211502	0,254117	0,83230	0,429381

Note: \* statistical significant variables at the level  $p < 0,05$ ; \*\* statistical significant variables at the level  $p < 0,05$

By the results of the conducted regression analysis, it is possible to note that Cash Taxes Paid Score is the only statistically significant variable at  $p < 0,05$ . Statistically significant variables with somewhat lower significance levels ( $p < 0,1$ ) are Energy Productivity Score, Water Productivity Score and Projected benefit obligation FTE Percentrank. Herewith, only Energy Productivity Score variable demonstrates positive influence. Before forming final conclusions about the work, an evaluation of the indicators was conducted. The aim was to determine indicators, making the largest contribution to companies' executive compensation planning. Such evaluation generalises regression analysis results, as it considers not only coefficients but also the level of statistical significance. The following approach was offered for indicators ranking (Table 3). It is worth noting that either indicators with the positive influence or with the negative can be of priority, thus, the evaluation is determined based on the module.

Table 3. Ranking of studied indicators, calculated by the author based on the data of Corporate Knights (2024)

Parameter	BETA	p-value	Weighting coefficients (1/p value)	Evaluation (Beta*weighting coefficient)
USD Purchasing Power Parity Revenue	0,540791	0,119703	8,35400935	4,51777246
Energy Productivity Score	0,798702	0,082852	12,0696443	9,64005286
Carbon Productivity Score	-0,054279	0,870119	1,14926812	-0,06238131
Water Productivity Score	-0,670049	0,059227	16,8843015	-11,3133103
Waste Productivity Score	-0,273825	0,402429	2,48491176	-0,68043057
Cash Taxes Paid Score	-0,938169	0,011228	89,0632206	-83,5563158
Sustainable Revenue Score	0,266063	0,308905	3,2372421	0,86130986
Sustainable Investment Score	-0,006643	0,981147	1,0192154	-0,00677078
CEO Average Worker Pay Score	0,601906	0,157713	6,34062497	3,81646139
Retirement contributions FTE Percentrank	-0,200033	0,437715	2,28459098	-0,45699327
Projected benefit obligation FTE Percentrank	-0,505002	0,098704	10,1313389	-5,11634703
Injury Rate Score	-0,086511	0,767628	1,3027137	-0,11269955
Employee Turnover Score	0,390366	0,139722	7,15709247	2,79388617
Non male Boards Score	-0,042615	0,857039	1,16680832	-0,04972296
Racially Diverse Among Boards Score	0,307562	0,429381	2,32893261	0,71629004

Note: Rank 1 in this case indicates the highest influence of the indicator of management remuneration planning, and 15 - the lowest.

Evaluation reinforced regression analysis results, as Cash Taxes Paid Score received the highest score and its module value is approximately 83,6. To compare, the module value of the closest highest grade is 11,3. Based on this, it is possible to conclude that the Cash Taxes Paid Score is a priority when determining management compensations. The relationship between SPLVR and Cash Taxes Paid Score is of a reverse nature, thus, an increase in tax expenses leads to the reduction in executive compensation. It is possible to assume that such interdependence is explained by the inability of managers to effectively manage tax liability, which leads to remuneration reduction. This can stimulate managers to seek more effective approaches and strategies in tax management.

In such a way, the available compensation mechanism for companies' executives is mostly oriented on economic aspects, namely - optimization of tax expenses. As noted in the research paper, this indicator is associated with SDG 16: Peace, Justice, and Strong Institutions. From this, we can conclude that the social and ecological aspects of sustainable development are not sufficiently represented in companies' mechanisms for the determination of executive compensation. In other words, these mechanisms are not determinative in the process of executive remuneration planning, which can cause lower executives' motivation to implement sustainable practices in companies' strategies.

Additionally, it is worth emphasising that the most sustainable companies in the world were represented in the sample. Based on the work results, it is worth assuming that high results in the sustainability field were achieved not only by mechanisms of management adaptation by financial stimuli. At the same time, enhancing executives' motivation to attain SDGs may be an effective approach for further results improvement.

## 5. Discussion

The author's work offers a unique approach, which considers specific financial aspect of management adaptation to SDGs. The use of this approach enables identifying priorities and disadvantages of the available approaches to defining financial stimuli of executives to attain SDGs. At the same time, the approach developed by the author was based on the authoritative works of scientists, which enables combining innovation and scientific validity. In particular, the approach of van der Waal and Thijssens (2020), who used corporate reporting data of companies for the evaluation of the engagement of organisations in SDGs, was used in the author's work. Global 100 ranking, which uses public reports of companies for evaluation, was used by the author.

We also adopted an approach to indicators sample formation, offered in the work by Khaled et al. (2021). The scientists explored the interrelation between all 17 SDGs and sustainable development practices, which are represented in evaluations of ecological, social and governance (ESG) spheres. The specific indicators of evaluation in the author's work partially correspond to those offered by Campanella et al. (2021) with consideration of financial variables such as corporate governance indicators. The author's work is different from the mentioned ones by the focus on the detection of the relationship between sustainable development practices and executive remuneration as an important stimulus for achieving sustainability.

Evaluation of the influence of certain CSR indicators on executive compensation planning, offered by the author, was inspired by the work by Serafimova (2016). In this work, 10 key indicators, forming the model of CSR evaluation, for which point grade was determined, were used. The grade could have only two values - 0 or 1, which described the subject's correspondence to the conditions, provided by the indicator. The author has used another approach to evaluation, which considered regression coefficients and statistical significance of indicators.

The work of the author based on the conclusions of Ike et al. (2019) and Berrone et al. (2023) concerning the importance of prioritization of sustainable development indicators. In particular, the results of the mentioned works were considered in the part of the evaluation of the studied variables with consideration of weighting coefficients. Using analysis of recommendations of the leading companies, researchers found four priority processes, which ensure the integration of SDGs in management strategies. They involve prioritization of SDGs, goals adaptation and contextualization, cooperation with stakeholders and innovations in business processes.

We accommodated the views of van Zanten and van Tulder (2021), who noted that companies should deal with SDGs not in isolation, but in conjunction. In other words, companies should promote several SDGs at the same time, not focusing on a single one. The regression analysis conducted in the author's study corresponds to the mentioned idea, as it considers the influence of many variables at the same time.

The validity of the author's calculation results may be reinforced by the reference to the work by Almagtome et al. (2020). The scientists found that indicators of reporting on sustainable development positively correlate with indicators of company size and corporate governance size. Herewith, economic, ecological, and social indicators are not the result of corporate governance practice and stakeholders' pressure exclusively, as other related factors affect them. This idea is represented in the author's work, which describes the role of financial stimuli as a part of corporate governance mechanisms. Moreover, the two works underline the influence of other factors, except corporate governance, in achieving sustainability.

The author's study did not provide the evaluation of the quality of information in the reporting of studied companies on sustainable development. This may be explained by the author's use of the data of the most sustainable world companies, due to which it is possible to assume the high quality of the information provided by them in the reports. At the same time, this assumption can require additional verification, for example using methods offered by Tsalis et al. (2020 and Silva (2021). Verification of information quality could be used to improve the accuracy and reliability of analysis results.

### *5.1. Limitations*

The key limitation of the work is the lack of verification of the quality of information, presented in the results of companies, used in forming Global 100 ranking. In the study, we assumed that reporting of the most sustainable and leading companies is a reliable data source. Herewith, such an assumption does not exclude the presence of certain deficiencies in the reports of some companies. Nevertheless, the results shall be considered representative and appropriate for the use by companies' management for balancing all sustainability aspects in forming executive remuneration.

### *5.2. Recommendations*

To optimise mechanisms of management adaptation to the principles of sustainable development, it is necessary: To strengthen the role of ecological and economic sustainability indicators in planning the system of companies' management remuneration. This will contribute to increasing attention and providing priorities to long-term and ecological goals;

To engage stakeholders - beginning from shareholders to local communities in determining companies' priorities in the sustainable development field;

To extend educational activity concerning enhancing awareness of companies' management of the necessity of sustainability ensuring;

To improve methods of evaluation of managers' efforts in achievements in the sustainable development field, ensuring correlation with the remuneration system;

To develop a system of long-term stimuli for managers, when remuneration is received after achieving certain sustainable development goals.

## 6. Conclusions

Such phenomena as climate change, changes in priorities and preferences of the population, conflicts, and economic crises are global issues. These problems shall be considered not only at the state level but also at the level of specific companies. Therefore, under the condition of global changes, the adaptation of management of the world companies to sustainable development principles acquires a priority role.

The work has focused attention on the mechanisms of management adaptation, which consider financial stimuli for sustainability attaining. The sample of indicators of evaluation of implementation of sustainable practices in companies' strategies was formed for the analysis of the effectiveness of such mechanisms, and their influence on SPLVR was evaluated. SPLVR represents the consideration of sustainable aspects in the determination of executive remuneration in practice. Accordingly, the influence of SPLVR on real results achieved in practice was checked, as well as how evenly it considers different sustainability aspects. Analysis of the data of the most sustainable world companies enabled detection that their approaches to managers' stimulation mostly consider economic aspects, in particular, optimization of tax expenses. Still, ecological and social sustainability aspects are left without attention, they are less represented in plans of management remuneration determination. Such a conclusion was made, as the only statistically significant indicator in the regression analysis was Cash Taxes Paid Score. This indicator received the highest grade according to ranking results. It is worth noting that the relationship between SPLVR and Cash Taxes Paid Score is of a reverse nature, thus, an increase in tax expenses is accompanied by a reduction in executive remuneration.

Further studies should involve analysis of mechanisms of management adaptation to sustainable development principles, which provide the use of non-financial stimuli. Besides educational initiatives, such mechanisms can involve social motivation and social projects, the provision of certain perspectives, etc. This will contribute to improving managers' motivation in sustainability achievement by integration of financial and non-financial stimuli remuneration.

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