Enhancing CSR disclosure through foreign ownership, foreign board members, and cross-listing: Does it work in Russian context?

The final version of the paper is published in
Emerging Markets Review (2020) pre-proof published on-line

https://doi.org/10.1016/j.ememar.2020.100754

Free access before December, 25, 2020:
https://authors.elsevier.com/a/1c14C5a4WJMf3r

Enhancing CSR disclosure through foreign ownership, foreign board members, and cross-listing: does it work in Russian context?

Tatiana Garanina[1]
University of Vaasa, School of Accounting and Finance,
Vaasa, Finland

Yulia Aray
Graduate School of Management, St.Petersburg University,
St.Petersburg, Russia

This draft: October, 27th, 2020

This paper examines whether foreign shareholders, foreign board members, and cross-listing, are related to corporate social responsibility (CSR) disclosure in Russia. A sample of 223 Russian listed companies is analyzed for the period 2012–2015. In line with legitimacy theory and agency theory, our empirical results demonstrate that foreign board members and cross-listing help companies to raise their accountability through increased CSR disclosure. At the same time we report that foreign ownership does not enhance CSR disclosure, as the majority of foreign shareholders of Russian companies are registered in offshore domiciles that are used for more efficient tax allocation.

Keywords:
Corporate governance
Foreign ownership
Foreign board of directors
Cross-listing
Corporate social responsibility
Russia

[1] Corresponding author, tatiana.garanina@uva.fi

1. Introduction

The concept of corporate social responsibility (CSR) that engages companies in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (McWilliams and Siegel, 2001, p.117) has been developing for decades, and attracts researchers from different perspectives (e.g. Wang et al., 2016; Peters et al., 2011). The authors argue that corporate governance system efficiency may lead to different kinds of improvement in CSR disclosure practices (e.g. McGuinness et al., 2017; Anas et al., 2015; Claessens and Yurtoglu, 2013; Lau et al., 2016). In particular, ownership structure and board composition can be important determinants of CSR disclosure in a company, which is "influenced by the choices, motives and values of those who are involved in taking decisions in organizations" (Khan et al., 2013, p.207). Even though the vast majority of research in this context has been undertaken based on samples from developed markets, Peters et al. (2011) argue that the influence of corporate governance in enhancing CSR practices may be especially beneficial to shareholders in emerging markets.

Globalization has fundamentally realigned the balance of power between countries (Hoogvelt, 1997; Preuss and Barkemeyer, 2011) by boosting the rise of emerging economies. Firms from emerging markets have become strong rivals in the global arena for services, goods, capital and talents (Hoskisson et al., 2000; Aulakh, 2007; Preuss and Barkemeyer, 2011). Russia is not an exception – "Russian MNEs have begun to have a marked impact on global market dynamics in natural resource sectors, primarily in the energy arena due to Russia's emergence as a preeminent global energy power" (Ramamurti, Singh, 2009, p.195). However, emerging economies represent a separate group of countries with "a lack of norms, values of business standards caused by turbulent socio-economic and political conditions and with a weak legal system" (Peters et al., 2011, p.43). Given weak corporate governance systems and a lack of experience in the development of CSR practices in emerging countries, foreign owners and foreign board members could be sources of valuable expertise for companies thinking of enhancing CSR activities (Chapple and Moon, 2005; Huafang and Jianguo, 2007; Lau et al., 2016). Further, CSR disclosure could serve as a signal to stakeholders regarding companies' accountability and trustworthiness, in both domestic and international markets, while being cross-listed (Black, 2001; Boubakri et al, 2016). Disclosing information on CSR could also be used as a proactive legitimating strategy to obtain continued inflows of capital from international markets and to please ethical investors (Khan et al., 2013). Attig et al. (2014) find that increased CSR is connected with decrease in investment-cash flow sensitivity by improving firms' information quality, thus reducing asymmetry of information, mitigating agency costs, which are the central to firm's agency problem.

The last decade reflects an increasing interest in studying the relationship between different international attributes of corporate governance, listing on a foreign stock exchange, and CSR disclosure (e.g. Claessens and Yurtoglu, 2013; Oh et al., 2011; Khan et al., 2013; Iatridis, 2013). The majority of authors conclude that foreign ownership, foreign members of boards of directors, and cross-listing, have a positive influence on reflecting CSR information in countries with strong economies and institutional context (e.g. Boubakri et al., 2016; Brancato, 1997; Claessens and Yurtoglu, 2013). Yet, there is a certain lack of research on this issue in emerging countries where CSR practices started to be implemented just recently. The main constraints on researchers looking to undertake studies in these markets are related to lower involvement of companies in CSR activities and difficulties in collecting data due to a lack of information (Arora and Sharma, 2016). A small number of existing studies devoted to emerging markets argue that the relationship between international aspects of corporate governance and CSR disclosure can be the opposite to that defined for developed countries (e.g. Amran and Devi, 2008; Khan et al., 2013; McGuinness et al., 2017; Meutia et al., 2017). These considerations indicate that the relevance of corporate governance characteristics and their contribution to CSR disclosure in emerging markets might differ from the relationships established in the mainstream of the literature devoted to developed markets, and that there is a need to understand the unique context of emerging markets (El Ghoul et al., 2016; Preuss and Barkemeyer, 2011; Alon et al., 2010; London and Hart, 2004; Maignan and Ralston, 2002). El Ghoul et al. (2017) also argue that CSR as a non-market strategy is greater in countries with weak market-supporting institutions, such as emerging countries are. Given the fact that the absence of market-supporting institutions leads to higher transaction costs and to limited access to resources, companies use CSR for overcoming these barriers. Nevertheless, some authors find the evidence that foreign operations positively influence companies' CSR activity, performance and disclosure as going beyond the national boundaries enhances responsiveness to stakeholder demands (Symeou et al., 2018; Attig et al., 2016; Kang, 2013; Strike et al., 2006).

The purpose of this paper is to examine whether foreign shareholders, foreign board members, and cross-listing are related to CSR disclosure in Russian listed companies. Given that cross-listing as well as the international experience of shareholders and board members brought from developed countries could be of particular importance for emerging markets (Boubakri et al., 2016; Oxelheim et al., 2013; Peters et al., 2011), we assume that these factors may have a positive influence on enhancing CSR disclosure in Russian companies.

We believe that Russia represents an interesting emerging country case for several reasons. First, it combines a fair-sized capital market, including many large publicly traded companies, with notably weak governance at both firm and country levels (Black et al., 2006). At the same time, Russian governance has developed substantially since 1999. During the last 20 years, there have been many changes to Russian legislation. The Federal Law on Joint-Stock Companies was first introduced in 1995, with the most recent changes in 2014, and provides legal insights on corporate governance issues. A voluntary Code of Corporate Conduct was introduced by the Chairman of the Government of the Russian Federation, Dmitry Medvedev, in 2014, to make the corporate governance system more efficient. Despite all the changes, the implementation of the legal norms still leaves much to be desired (Netherlands Enterprise Agency, 2016; Labykin 2014), which is worthy of further investigation.

Our empirical results demonstrate that foreign ownership does not enhance CSR disclosure, evidenced in the Russian context where the majority of foreign shareholders are registered in Cyprus, the Virgin Islands, and other offshore domiciles. This reflects the finding that foreign ownership in Russian companies is used more for efficient tax allocation than long-term value creation characterized by increased CSR activities. At the same time, we document that foreign board members are usually invited in order to maintain and enhance the company's reputation in Russia and abroad through CSR disclosure. The majority of foreign board members represent European countries, the UK, and US, which are known for their serious approach towards the implementation of CSR practices (Huafang and Jianguo, 2007). These members bring their knowledge and experience to Russian companies. We also find support for our hypothesis that cross-listed Russian companies tend to disclose more information on CSR activities in order to overcome "liabilities of foreignness" on international stock exchanges (Boubakri et al., 2016).

The rest of the paper is structured as follows. Section 2 provides an overview of the specifics of the Russian context regarding CSR and corporate governance systems development. Section 3 presents literature overview and hypotheses development. The section documents an analysis of the related literature on the relationship between foreign ownership, foreign members on boards of directors, cross-listing and CSR disclosure. Section 4 describes the data from Russian listed companies and presents the methodological approach employed for further analysis. The empirical results on the hypotheses testing and robustness tests are presented in Section 5. Finally, in Section 6 we summarize our findings, describe implications for theory and practice, reflect the main limitations and provide our concluding outlines.

2. Corporate social responsibility and corporate governance system in Russia

CSR is a rather new phenomenon in Russia in comparison to Western countries. Authors investigating the development of CSR in Russia agree that it has rather significant peculiarities (Bashtovaya, 2014; Polishchuk, 2009; Kuznetsov et al., 2009; Soboleva, 2006), much defined by the historical path of the country itself. Starting from Tsarist period and then in the Soviet Union, the social sphere in the country was totally grasped by the state. As a result, institutions such as civil society, which usually plays a significant role in the development of social and environmental initiatives at national level, were underdeveloped in Russia. So, when Russia took the path to transition to the market economy, and the messy privatizations of the 1990s started, business was obliged by the government to take responsibility for the existing problems in the regions. That "license for operations" for the companies first allowed them protection in terms of property rights from the legal standpoint, and second to gain legitimacy in the eyes of public opinion, following the vulnerability of property rights in Russia during the privatization process (Polishchuk, 2009; Kuznetsov et al., 2009). As a result, in many cities or even regions, especially where there is production concentration around a particular industry, the welfare system is highly dependent on "corporate structures that have the resources and competitive advantages needed to make social investments", and "corporate social activities are often interpreted not as a supplement to relevant government functions, but as a substitute for them" (Soboleva, 2006, p. 89).

Russian companies started adopting practices and approaches to CSR initiatives when they became intensively involved in global operations, as CSR is considered a widely accepted form of legitimization in western countries (Tashman et al., 2019; Pant and Ramachandran, 2017; Marano et al., 2017), and CSR performance is identified as an important criterion for credit rating agencies (Chauhan and Kumar, 2018; Cheng et al., 2014; Attig et al., 2013). Despite the fact that CSR is tightly connected with corporate governance as a part of firm strategy (Bonn and Fisher, 2005), the topic of corporate governance was until recently much neglected in Russia. This was because Russian businessmen paid a great deal more attention to the seizing and redistribution of assets and allocation of costs, so strengthening control over capital outflow, and companies' reports including corporate governance development programs were merely a matter of image improvement (McKinsey, 2003). However, as indicated in the reports on corporate governance in Russia provided by McKinsey (2003) and Deloitte (2012), the situation has begun to change significantly. First, more companies started to implement an efficient management model with separation of ownership and control. Second, for an increasing number of Russian companies, access to foreign capital became an important competitive advantage, especially where companies need to invest in production equipment providing high-quality products that can compete with global brands, and savings on scales that can be achieved through mergers and acquisitions. Moreover, according to Deloitte's analysis (2012), many cross-listed companies face the need to raise corporate governance standards, to meet listing requirements or at least to tackle increased attention paid by analysts and investors to company activities, including corporate governance issues (Coffee and Wang, 1998; Stulz, 1999). Third, the Russian government expressed the need for compliance on the corporate governance standards of state-owned companies, where the presence of external directors on boards of directors has increased since 2008.

Despite all these facts, the development of corporate governance in Russia is still characterized as weak, with poor protection of property rights of investors and minority shareholders, and concentrated ownership structures (Polishchuk, 2009; Black et al., 2006). As a result, Russian companies representing a country with a relatively young market economy tend to seek expertise from abroad. This also applies to the structure of ownership and board of directors in public companies that makes the question of studying the relationship between international aspects of corporate governance and CSR disclosure particularly topical.

3. Literature review and hypotheses development

Enhancing position of Khan et al. (2013, p.221) that "further research may combine these two theories [legitimacy and agency] to develop a more comprehensive explanation about corporate governance attributes affecting the level of CSR disclosures", legitimacy theory and agency theory have been used in this paper to explain the CSR disclosure of Russian companies. Following the idea that institutions as "cultural-cognitive, normative and regulative elements that, together with associated activities and resources, provide stability and meaning to social life" (Scott 2001, p.48; Scott 1995, p.33), organizations try to maintain credibility and legitimacy to become subject to coercive, mimetic, and normative pressures (DiMaggio and Powell, 1983; Scott, 2001). They follow the "best managerial practices" (such as CSR), that "make organizations more similar without necessity making them more efficient" (DiMaggio, Powell, 1983, p. 147). According to the agency theory, transparency through voluntary information disclosure leads to a reduction of agency costs and information asymmetry problems, so "a company with high agency costs will try to reduce them by increasing the extent of voluntary disclosure" (Agyei-Mensah, 2016, p.83).

3.1.Foreign ownership

Prior research suggests that ownership structure is a governance mechanism that affects companies' behavior, strategic decisions, performance, and value (Beiner et al., 2004; Gompers et al., 2003; Joh, 2003; Johnson and Greening, 1999). Foreign shareholders may influence internal corporate practices (Jeon et al., 2011; Yoshikawa et al., 2010), and can create a positive impact on performance (Douma et al., 2006; Filatotchev et al., 2005). Western-style approaches brought by foreign investors may influence trends in CSR implementation in companies from emerging markets (Khan et al., 2013). Strong corporate governance systems and political institutions, and an absence of corruption, are important determinants of socially responsible behavior in companies from emerging countries through foreign ownership (Claessens and Yurtoglu, 2013). The presence of foreign investors leads to the establishment of transparent corporate governance, and consequently encourages companies to engage in CSR activities (Oh et al., 2011). Chapple and Moon (2005) report CSR enhancement in Asian countries due to globalization and foreign ownership. Brancato (1997) and Huafang and Jianguo (2007) support these findings, in showing that investors from the US and Europe tend to pressure international firms to address CSR practices in line with their CSR experience and knowledge in the field.

Moreover, investing in a company hailing from a foreign, especially emerging, country can be quite risky, and investors look to reduce uncertainty in a variety of ways. One option is to invest in companies that "desire to maintain credibility and legitimacy as a responsible societal actor in a shared environment" (Jamali and Mirshak, 2007, p.248). Also foreign investors tend to pick companies that voluntarily disclose more information, including non-financials on CSR (Siegel and Vitaliano, 2007). Thus, firms from emerging markets seek conformity between organizational actions and institutional forces, by recognizing legitimacy gaps and enhancing disclosure to ensure accountability for foreign shareholders (Khan et al., 2013; Amran and Devi, 2008). In this sense, corporate governance structure and ownership composition are very important to understanding companies' behavior in seeking legitimacy through CSR disclosure.

Ownership structure can also be related to implementing CSR policies in companies. Previous research papers observe concentrated ownership in the majority of publicly listed companies in emerging markets, represented by a large shareholder with a controlling interest (Claessens and Yurtoglu, 2013). When ownership is concentrated, shareholders are more often long-term oriented and tend to have a strong incentive to strategically develop a company (Oh et al., 2011). In this case, the introduction of CSR policies can be considered a formalized rule to be respected by each employee. The policies' adoption by the main shareholders signals "a reassurance to minority owners regarding the fairness of the dominant owners' conduct" (Garegnani et al., 2015, p. 609).

On the other hand, given the nature of emerging economies, shareholders of listed companies may seek for CSR activity disclosure to emulate competitors, rather than for the firm's real ethical needs. CSR then becomes a formality to signal ethical commitment to society, positioning the company with a more competitive image (Russo and Mariani, 2013; Peters et al., 2011).

Specific context characteristics may reduce the significance of foreign ownership in emerging markets. For example, McGuinness et al. (2017) argue that the influence of foreign ownership on CSR disclosure in China varies by type of company. For example, the authors find that foreign ownership positively influences CSR disclosure only in state-invested firms. The analysis of the Indian market presented by Meutia et al. (2017) shows that foreign ownership is widespread, so investors from foreign countries have insufficient power to encourage Indian companies to disclose information about the environment.

Starting from 1992 the share of foreign ownership in Russian companies started to increase (Yudaeva et al., 2003). In 2017 Russian companies with international operations abroad were characterized by a meaningful average share of foreign ownership equal to 28.6% even after the imposed sanctions (Katasonov, 2017).

Given the information above, we come to our first hypothesis:

H1: There is a positive relationship between foreign ownership and CSR disclosure of Russian listed companies.

3.2. Foreign board members

Previous research suggests board members' background may influence a firm's strategic decisions (Hung, 2011; Haniffa and Cooke, 2005). Thus, due to their strategic and consultancy functions, members of board of directors may significantly influence changes in CSR activities and further disclosure (Haniffa and Cooke, 2005).

Foreign board members are usually better exposed to CSR practices through their experience of working abroad, especially in developed countries. This helps them in setting high ethical standards and norms at all the companies in which they work (Lau et al., 2016). Their knowledge of foreign countries, combined with broad networks, helps develop connections with other international companies. That leads to a faster adoption of new environmental innovations from foreign to domestic companies in emerging markets, and further disclosure in external documentation (Lau et al., 2016). Board members' foreign experience leads also to firms' internationalization (Sambharya, 1996), which requires addressing different stakeholder interests, and firms from emerging markets tend to become more socially responsible (Hung, 2011).

Coffey and Wang (1998) find that board diversity is positively related to CSR disclosure and increases board members' responsiveness towards different stakeholders. Thus, the inclusion of different nationalities on board of directors positively affects CSR practices and disclosure (Williams, 2003; Moneva and Llena, 2000). The findings of Black et al. (2006), and Chen et al. (2006), suggest that companies whose boards of directors have a higher share of foreign directors usually have a higher valuation and less frequently face fraud issues. The presence of outside foreign board members reinforces the quality of reported CSR disclosures, improving the company's societal image and reducing uncertainty (Guthrie and Parker, 1990).

However, Prado-Lorenzo et al. (2009) state that the relationship between the inclusion of foreign members on board of directors and CSR disclosure can differ depending on how well CSR practices are developed in the country the board members represent. They add that the presence of foreigners on board plays a relevant role in business behavior and corporate information disclosure practices, depending on the cultural characteristics of each board member's country.

There are relatively few studies that analyze the share of foreign members on boards of directors in Russian companies (Ruzhanskaya, 2007; Liuhto, 2017). The authors of these papers conclude that foreigners occupy some 30% of board seats in leading Russian companies. Ruzhanskaya (2007), who analyzed Russian companies operating in the Urals area in 2006, finds almost no international representatives on the boards of directors of medium-sized companies. Ruzhanskaya (2007) and Liuhto (2017) note that foreign board members exercise monitoring function in Russian listed corporations and "act as foreign owners' watchdogs and as the Russian owners' business advisors" (Liuhto, 2017, p.49).

Given the results of the literature review, including Liuhto's (2017) observation that the ten biggest Russian companies operating abroad have foreign board members from Europe, the US, and UK, we come to our second hypothesis:

H2: There is a positive relationship between foreign board members and CSR disclosure of Russian listed companies.

3.3.Cross-listing

Cross-listing or international listing characterizes a strategic choice made by a firm to secondarily list its equity shares trading in a home market exchange on a new overseas exchange (Karolyi, 2012). Institutions in emerging countries are much weaker and characterized by so-called "institutional voids" that lead companies to become more actively engaged in international operations and stock markets (Black et al., 2001). Cross-listing of securities on foreign stock exchanges helps companies from emerging countries gain access to a larger market with more opportunities and cheaper financing (Karolyi, 2012). At the same time, the firms need to respond to institutional pressure from external international stakeholders, as well as the challenges stemming from the "liabilities of foreignness", i.e. suspicions and stereotypes in the host country regarding emerging market companies (Boubakri et al., 2016). In order to gain legitimacy and build trust and reputation in the global arena, companies from emerging countries actively engage in CSR disclosure (Tashman et al., 2019; Ioannou and Serafeim, 2012; Peters et al., 2011; Doh et al., 2016; Marano et al., 2017). The disclosure of additional non-financial information sheds light on potentially uncertain or questionable situations, and reduces investors' skepticism, which is especially important for companies from emerging countries entering international markets (Iatridis, 2013). Thus, cross-listed companies tend to improve the quality of CSR disclosure to influence investors' perceptions and sentiment (Hope et al., 2013; McGuinness et al., 2017).

Blass and Yafeh (2001) find cross-listing signals about a comparatively higher-quality company, due to greater legitimacy further reflected in increased liquidity on the domestic stock exchange. Smoother communication between managers, shareholders and investors reduces agency costs, such as monitoring and bonding, and results in more flexible and favorable financing terms (Karolyi, 2012). Moreover, Won et al. (2011) suggest financial markets in developed countries place a higher value on social investments than do emerging markets, seeking long-term value creation potential.

Crotty (2016) shows that CSR emerged as a business concept from developed economies, where institutions' functioning is underpinned by compliance and regulation. Analyzing 54 countries in 2002–2011, Boubakri et al. (2016) state that firms from emerging countries with weaker institutions, as well as those from countries with lower CSR performance and perception, benefit more from cross-listing on developed markets, as cross-listed firms can overcome their liability of foreignness by improving CSR performance. The majority of Russian publicly traded companies from the sample are cross-listed on the London Stock Exchange (LSE) and only one on the New York Stock Exchange (NYSE). Thus, our third hypothesis is formalized as:

H3. Cross-listing is positively associated with CSR disclosure of Russian listed companies.

4. Data and Methodology

The sample comprises 223 public Russian companies regularly listed on the Moscow Stock Exchange. We collected annual reports for all the sample companies for 2012–2015. The final sample consists of a total of 892 firm-year observations. The data covers a variety of sectors: agriculture (5), business services (15), electric utilities (56), manufacturing industries (69), mining and oil industries (17), real estate (6), retail (17), telecommunications (14), transportation (13), and other (11). We did not include financial institutions in our sample.

In explaining the lack of research on CSR and corporate governance issues in emerging countries, Arora and Sharma (2016) point to data availability issues when information needs to be collected manually due to the lack of databases devoted to the topics. In order to obtain data for our research, we hand-collected annual reports and information on corporate governance from SKRIN and SPARK databases, as well as companies' official websites when information was missing from those databases. Information on corporate boards and ownership was extracted from Q2 reports to the regulator. These are usually prepared in early July and contain data as at June 30. This approach ensures consistency, so that the data reflect the results of the general shareholder meetings, usually held each spring, capturing changes in boards of directors that typically oversee the firm for the rest of calendar year.

There are different approaches to CSR disclosure analysis. Prior literature suggests annual reports represent a prime source of information for potential stakeholders (Gray et al., 1995; Guthrie and Parker, 1990). Even though Amran and Devi (2008) and Unerman (2000) argue there are other sources of communication concerning CSR disclosure, for example CSR reports or company websites, unfortunately due to cultural and national specifics there is "a lack of literature on CSR in Russian firms" (Crotty, 2016, p.13). So, annual reports are almost the only documents to disclose information on CSR practices in Russian firms, available to a broad range of stakeholders. This source of information was used in this paper.

Some authors apply a binary approach, where CSR disclosure is measured with "1" when something is disclosed on the issue and "0" when a company presents no information on CSR in the documents (Khan et al., 2013), while some others use open CSR ratings (Lau et al., 2016; McGuinness et al., 2017).

As no ratings exist for Russian companies, we have adopted a deeper approach to CSR index construction (Wiseman, 1982; Al-Tuwaijri et al., 2004; Anas et al., 2015; Haniffa and Cooke, 2005). CSR disclosure is measured from "0" to "3", based on how deeply different aspects of CSR are disclosed in a company's report. We argue that including a quality measure "might reveal new insights that may otherwise have gone unnoticed" (Dumay and Cai, 2015, p. 139). Following Anas et al. (2015) the initial CSR framework comprises 17 items, on environment (4), community involvement (5), workplace (4), and marketplace (4). In line with Wiseman (1982), a score of "1" was given if some inconcrete information on CSR was disclosed by the company; "2" for more qualitative information but without supporting financial figures; "3" for maximum disclosure supported by financial data; and, "0" for no information on CSR items.

The CSR data collection was an iterative process run by the authors of this paper. First, a pilot test was conducted on ten randomly selected companies, using the original CSR index approach provided by Anas et al. (2015). Individually, two of the authors carefully read the annual reports, calculating the CSR index. They then analyzed and compared the results, and made adjustments to the index calculation approach. The changes to the original CSR index can be explained by the following facts.

Unfortunately Russian economy is characterized by a lack of support of retired people and disabled children (Dowling, 2005) as well as insufficient financing for building kindergartens and schools (Bray and Borevskaya, 2001). At the same time according to EY report (2014) 44% of infrastructure projects in Russia are financed by private investors and companies and not by the government. Infrastructure-related expenses of companies quite often take up to 30-40% of governmental funding and in some cases companies invest equally with the government funding in development of infrastructural projects. All in all a stream of academic literature provides a wide support that on emerging markets big companies can bride institutional weaknesses and voids (Khanna and Palepu, 2004) by providing infrastructure, education or healthcare services and/or better environmental and labour practices. This helps companies to be more ethical directly and indirectly providing wider benefits to others in the host regions (Kolk, 2016) that is later disclosed in their annual reports.

All the changes to the CSR index were discussed until a consensus was reached. The changes were a better fit to the Russian context, in line with the Russian Regulations on Information Disclosure for Securities Issuer and the peculiarities of Russian companies in disclosing information, especially regarding the sections on Community and Workplace.

Our nuanced CSR index contained 22 items in all, on environment (4), community involvement (8), workplace (5), and marketplace (5) (see Appendix for details). At this point, ten companies were coded and reviewed again to ensure consistency with the updated index. Finally, one author worked with all the companies and their reports for 2012–2013, while the other calculated a CSR index for 2014–2015. The results were merged and checked for consistency, with Cronbach's alpha equal to 0.9256.

Using a panel of Russian companies, the analysis of the relationship between board characteristics and CSR disclosure was conducted with the help of the following model (1):

$$QCSD_{it} = \beta_0 + \beta_1 FOWN_{it} + \beta_2 FBOARD_{it} + \beta_3 FSE_{it} + \beta_4 Controls_{it} + \varepsilon_{it} \quad (1)$$

$$i = 1, \dots, 223; \; t = 2012, \dots, 2015$$

The dependent variable represents a quality corporate social disclosure index (QCSD). Following Wiseman (1982), Al-Tuwaijri et al. (2004), Anas et al. (2015), and Haniffa and Cooke (2005), we first accorded from 0 to 3 points to every item in each of the CSR groups (environment, community involvement, workplace, marketplace), based on the degree of information specificity. The overall QCSD index for every company in the sample represents a sum of scores for each CSR group and varies from 0–66.

The independent variables are represented by the following factors. FOWN characterizes a share of foreign ownership of a company's equity, and FBOARD characterizes a share of foreign board members. In particular, foreign members of the board of directors were identified via patronymic names, which in Russian have gender-specific endings (usually –"vich" for men and –"vna" for women). Those members who did not have the patronymic names were classified as foreign. In some cases, we obtained additional information on board members from other sources (e.g., company websites). FSE represents a dummy variable to indicate whether a company is also cross-listed on a foreign stock exchange (LSE or NYSE).

We include a number of firm-level variables which control for different factors that may have an influence on CSR performance. There is a proxy for firm size (SIZE), measured by the logarithm of total assets, as according to Amran and Devi (2008), Khan et al. (2013), and Boubakri et al. (2016), large and visible firms tend to disclose more CSR disclosures in order to avoid attention and negative publicity. Following the previous studies of Lau et al. (2016), and McGuinness et al. (2017), we also control for the size of the board of directors (BOARD), as according to legitimacy theory, larger boards may tend to be more engaged in different activities and programs that influence society. In line with prior studies on the effect of board of directors on CSR disclosure, we also control for gender (GENDER) and independent directors (INDEP) as boards with more female representatives and higher share of independent directors tend to be more receptive to social performance and its further disclosure (Anas et al., 2015; Lau et al., 2016; McGuinness et al., 2017). It was also previously found that profitability is considered a sufficient indicator of the ability of a company to engage in societal needs and meet social pressures (Lang and Lundholm, 1993). Cowen et al. (1987, p.113) suggest to "cite profitability as a factor that allows, or perhaps impels, management to undertake and to reveal to shareholders more extensive social responsibility programs". We capture economic performance with the help of the accounting profitability measure ROA, in line with Iatridis (2013), Amran and Devi (2008), and Oh et al. (2011). Following Boubakri et al. (2016), Khan et al. (2013), Amran and Devi (2008), Haniffa and Cooke (2005), and Oh et al. (2011), we also control for leverage (LEV) measured as a share of debt in total equity and liabilities. We include year and industry fixed effects while conducting analysis.

5. Results

In this section we present the results of our analysis.

5.1. Descriptive statistics and panel data regression

Table 1 shows descriptive statistics for the variables used in the empirical model.

Table 1. Descriptive statistics

Variable	Mean	Std. Dev.	Min.	Max.
QCSD	16.517	13.328	0	57
FOWN	0.195	0.293	0	1
FBOARD	0.048	0.101	0	0.571
FSE	0.161	0.368	0	1
SIZE	23.545	2.189	14.521	30.195
BOARD	8.437	2.277	4	15
GENDER	0.098	0.117	0	0.667
INDEP	0.142	0.166	0	0.818
LEV	0.237	0.219	0	0.997
ROA	0.044	0.128	-0.887	0.825

The average disclosure index is 16.517 with a standard deviation of 13.328. None of the Russian publicly traded companies received the maximum score for the disclosure index equal to 66. In our sample, around 40% of the Russian companies have foreign shareholders. The foreign ownership varies from 0–100% with an average share of 19.49%. Russian companies also invite foreign members to join boards of directors. The average share of foreign members is around 4.8%, with the highest average share of 57,1% in telecommunication company "MegaFon". The board size varies from 4 to 15 people, with an average number of 8 members on the board of directors. The average share of women on board of directors is about 10%. Some 16% of Russian companies trade their shares not only on the Moscow Stock Exchange, but also on the London Stock Exchange. Only one company was cross-listed on NYSE, offering the insight that LSE is the preferred stock exchange for Russian companies to attract external sources of financing. Profitability differs significantly from negative to positive with an average ROA of 4.4% for 2012–2015.

As can be seen from the correlation matrix (Table 2), the CRS disclosure index is positively correlated with the share of foreign board members ($\rho = 0.334$), the fact that the company is traded on a foreign stock exchange ($\rho = 0.455$), and with company size, measured using the logarithm of total assets ($\rho = 0.591$). There is a negative relationship with variables such as leverage ($\rho = -0.048$), and accounting return ROA (ρ= -0.031). The share of foreign ownership is negatively related to CSR disclosure (ρ= -0.079).

Table 2. Pairwise correlation coefficients

	QCSD	FOWN	FBOARD	FSE	SIZE	BOARD	GENDER	INDEP	LEV	ROA
QCSD	1.000									
FOWN	-0.079	1.000								
FBOARD	0.334	0.224	1.000							
FSE	0.455	0.144	0.397	1.000						
SIZE	0.591	0.067	0.359	0.545	1.000					
BOARD	0.519	-0.112	0.135	0.239	0.564	1.000				
GENDER	-0.053	0.016	-0.032	-0.117	-0.173	-0.075	1.000			
INDEP	0.239	0.063	0.286	0.193	0.272	0.198	-0.063	1.000		
LEV	-0.048	0.042	0.049	0.078	0.129	-0.026	-0.055	0.013	1.000	
ROA	-0.031	0.032	0.129	0.049	-0.021	-0.019	-0.002	0.004	-0.102	1.000

To explore the potential collinearity issues, we calculated variance inflation factors (VIF) for all regressors. The results of the test reflect very low values in all cases. None of the correlation coefficients exceed 0.5 to raise concerns over the problem of multicollinearity. The results of the Breusch–Pagan test produced the value of 164.23 with a p-value of 0.000.

Table 3 presents the results of the regression analysis of the relationship between independent variables and CSR disclosure index (QCSD) for Russian publicly traded companies while controlling for year and industry fixed effects.

Table 3. Results of the regression analysis

Variables	(1)	(2)	(3)	(4)	(5)
FOWN		-2.403**			-4.382***
		(1.212)			(1.153)
FBOARD			23.51***		18.65***
			(3.641)		(3.622)
FSE				10.15***	9.226***
				(1.075)	(1.087)

SIZE	2.700***	2.766***	2.327***	1.665***	1.584***
	(0.203)	(0.205)	(0.207)	(0.222)	(0.221)
BOARD	1.182***	1.116***	1.266***	1.255***	1.196***
	(0.186)	(0.189)	(0.183)	(0.178)	(0.177)
GENDER	-0.0994	0.0600	-0.816	-0.470	-0.714
	(3.026)	(3.022)	(2.960)	(2.884)	(2.832)
INDEP	5.262**	5.494***	2.432	3.963**	2.260
	(2.107)	(2.107)	(2.106)	(2.013)	(2.015)
LEV	-1.948	-2.037	-2.006	-1.020	-1.312
	(1.652)	(1.650)	(1.615)	(1.578)	(1.549)
ROA	0.806	0.893	-1.354	-0.221	-1.684
	(2.691)	(2.687)	(2.651)	(2.567)	(2.537)
Year effects	Yes	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	Yes	Yes
Constant	-57.75***	-58.32***	-50.20***	-35.70***	-32.73***
	(4.168)	(4.171)	(4.239)	(4.609)	(4.562)
Observations	892	892	892	892	892
Adj. R^2	0.365	0.368	0.394	0.424	0.447

Table 3 reports the results of our regression analysis. Column (1) reflects the results for the base model that includes only control variables from Model (1). Column (2) documents the coefficients regarding the analysis of a share of foreign ownership (FOWN) as an independent variable and other control variables. Column (3) represents regression coefficients for the model with only a share of foreign board members (FBOARD) and control variables. Column (4) reports the results of the regression analysis with cross-listing dummy variable (FSE) and control variables. The results of the analysis of Model (1) are represented in column (5). Robust standard errors in parentheses, *** $p<0.01$, ** $p<0.05$, * $p<0.1$.

Opposite to some previous studies (e.g. Khan et al., 2013; Haniffa and Cooke, 2005) we find the variable related to the share of foreign ownership (FOWN) is significant and negatively related to CSR disclosure in Russia. Our conclusion, with regard to foreign owners that lead to decrease in the CSR reporting can be explained from the following perspectives. First, our results reflect that the average share of foreign ownership of the companies in the sample is 19.49%. We could, thus, conclude that in many companies foreign ownership is spread and does not reflect a controlling share. This leads to the fact that foreign owners do not focus on CSR disclosure to the public, as they are not too much involved in the company's long-term development (Meutia et al., 2017). Second, and more importantly, is the origin of foreign ownership. Oh et al. (2011) argue that while analyzing the relationship between foreign ownership and CSR disclosure, it is important to note the foreign owners' profiles, which may reflect their experience and preferences. A deeper overview of the sample companies' ownership structure is presented in Table 4.

Table 4. Dynamics of ownership structure change in sample companies over 2012–2015

#	Year	2012		2013		2014		2015	
	Type of ownership and its origin	Number of companies	%	Number of companies	%	Number of companies	%	Number of companies	%
1.	Companies ***without*** foreign ownership	126	56.50	128	57.40	137	61.43	141	63.23
2.	Companies ***with*** foreign ownership registered in:	97	43.50	95	42.60	86	38.57	82	36.77
2.1.	Cyprus and/or the Virgin Islands	61	27.35	61	27.35	58	26.01	56	25.11
2.2.	Bermuda, Panama, Belize, Cayman islands, or Seychelles	5	2.24	6	2.69	4	1.79	4	1.79
2.3.	Cyprus, the Virgin Islands, and the EU countries or UK	12	5.38	9	4.04	6	2.69	6	2.69
2.4	EU countries (the Netherlands, Estonia, Latvia, Hungary), UK, Canada or USA	19	8.52	19	8.52	18	8.07	16	7.17
3.	Total	223	100%	223	100%	223	100%	223	100%

As can be seen from Table 4, about 40% of Russian companies have foreign owners over the period 2012–2015. Also, the number of companies with foreign ownership decreased slightly after 2014, when sanctions were imposed on Russia. At the same time, it is of note that foreign ownership for about 26% of Russian companies is registered in Cyprus and/or the Virgin Islands. Another 2% or so are registered in other offshore domiciles, such as Bermuda, the Cayman Islands, Belize, etc.

Only about 8% of Russian companies have foreign ownership registered in EU countries, the UK, Canada or US.

In formulating our hypotheses, we stated that foreign ownership is an important source of legitimacy, as international shareholders usually have experience in their home markets (Oh et al., 2011; McGuinness et al., 2017). According to Huafang and Jianguo (2007), companies in Europe and the USA are more prominent in CSR activities, as they are more familiar worldwide with the concept of CSR disclosure. Our results are in line with Oh et al. (2011), who argue that foreign owners' profiles are very important in analyzing the relationship between foreign ownership and CSR disclosure. For the majority of Russian publicly traded companies, foreign ownership is represented by Cyprus, the Virgin Islands, and other offshore domiciles, those considered more for efficient tax optimization in "low tax" jurisdictions, rather than the source of increasing intensity in CSR activities, which helps explain the negative relationship in our regression analysis.

We further undertook a more explicit analysis on how the origin of foreign ownership influences CSR disclosure in the Russian context. Based on Model (1) we separately ran the model for those companies that have foreign ownership registered in offshore domiciles. We created a new dummy variable, FOWNOFFSHORE, equal to 1 when foreign ownership was registered in Cyprus, the Virgin Islands, Bermuda, Panama, Belize, Cayman Islands or Seychelles. A second dummy variable, FOWNREAL, is equal to 1 when the foreign ownership origin was in EU countries (the Netherlands, Finland, Estonia, Latvia, Hungary), the UK, Canada, or US.

The results of the regression analysis are presented in Table 5.

Table 5. Results of regression analysis including origin of foreign ownership

Variables	(1)	(2)	(3)
FOWNOFFSHORE	-1.250**		-1.139**
	(0.323)		(0.291)
FOWNREAL		1.372	0.916
		(1.027)	(1.078)
FBOARD	18.16***	17.01***	17.84***
	(5.532)	(5.522)	(5.584)
FSE	8.804***	8.607***	8.720***
	(1.668)	(1.676)	(1.680)
SIZE	2.070***	2.038***	2.054***
	(0.336)	(0.338)	(0.338)
BOARD	1.212***	1.255***	1.221***
	(0.273)	(0.272)	(0.274)

GENDER	-1.704	-1.961	-1.656
	(4.080)	(4.074)	(4.085)
INDEP	3.688	3.751	3.845
	(3.137)	(3.159)	(3.161)
LEV	-0.626	-0.642	-0.596
	(2.353)	(2.355)	(2.356)
ROA	-0.676	-0.818	-0.718
	(3.417)	(3.420)	(3.421)
Year effects	YES	YES	YES
Industry effects	YES	YES	YES
Constant	-43.91***	-43.89***	-43.72***
	(6.963)	(6.980)	(6.982)
Adj. R^2	0.459	0.458	0.459
Table 5 reports the results of regression analysis regarding the origin of foreign ownership. Column (1) reflects the results with a new dummy variable, FOWNOFFSHORE, equal to 1 when foreign ownership was registered in Cyprus, the Virgin Islands, Bermuda, Panama, Belize, Cayman Islands or Seychelles. Column (2) reports the results of the regression analysis with a dummy variable, FOWNREAL, that is equal to 1 when the foreign ownership origin was in EU countries (the Netherlands, Finland, Estonia, Latvia, Hungary), the UK, Canada, or US. The results for Model (1) with two dummy variables (FOWNOFFSHORE and FOWNREAL) instead of FOWN variable are documented in column (3). Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.			

The results presented in Table 5 reflect that the dummy variable for origin of foreign ownership in offshore domiciles is significant and negative. It shows that companies with ownership emanating from Cyprus, the Virgin Islands, Bermuda, Panama, Belize, Cayman Islands or Seychelles on average disclose less CSR information than other companies. The dummy variable for foreign ownership from the EU, the UK, Canada, and US is not significant. That confirms our previous assumption that as the share of Russian companies with foreign ownership not from offshore domiciles is generally quite low, it does not enhance CSR disclosure.

The second research focus was the role of foreign board members in CSR disclosure. Our results are in line with those of Lau et al. (2016), and Haniffa and Cooke (2005), and detect a positive relationship between foreign experience of board directors and firm's CSR performance. Only two companies had a board constituted of more than 50% international members. One represents the telecommunications ("MegaFon"), with a 57,1% share of international board members, and the other is "MVideo" in retail, with a 44% international board membership. All international board members offer diverse managerial experience in leading international companies such as TeliaSonera, Hogia

AB, Home Retail Group, Top Shop International S.A., and FT Holding, as well as international experience of serving on governmental boards, for example in the UK. In every other sample company, the share of foreign board members is less than 50%. The majority of other listed companies in our sample have foreign board members from Europe, the UK, and US. Our results are in line with the findings of Liuhto (2017), who studied Russia's ten largest outbound investors. Liuhto also recognized that in Russia's ten largest non-financial companies, 30% of the board seats are occupied by foreign nationals from the UK, US and Europe. Liuhto (2017) reached the conclusion that foreigners on the board of directors could also act as unofficial foreign spokespersons for the company outside Russia.

Our results reflect the fact that companies who invite international members to their board of directors try to gain as much as they can from those members' international experience in Europe, the UK, and US. International members have beneficial skills and networks that help them improve their consulting function, strategic function, and links to unique resources. On the boards of Russian companies, these members represent not only foreigners by demographic attributes, but also individuals who have real and valuable international experience. Previous researchers have outlined that gaining access to such opportunities is especially valuable for non-European and non-US companies (Lau et al., 2016; Ioannou and Serafeim, 2012; Oxelheim et al., 2013). Thus, we may state that exposure to foreign countries' CSR practices through foreign board members can set a positive example for Russian managers to enhance CSR activities.

The third international aspect we studied in relation to CSR disclosure was the cross-listing of Russian companies. 16% of Russian publicly listed companies were cross-listed abroad, which creates important access to cheaper financing. Our results are in line with Hope et al. (2013), and McGuinness et al. (2017), who note that an overseas listing leads to higher voluntary disclosure and more detailed CSR disclosure, in comparison with the regular approach. The results obtained from the Russian market confirm that extended monitoring from overseas regulators and analysts, in addition to national regulators, enhances disclosure quality and promotes stronger social engagement on the part of companies (see, for example, Karolyi, 2012). We also support the results of Boubakri et al. (2016), that CSR leads companies to "doing well by doing good", and helps Russian companies overcome the problem of foreignness while being listed in London or New York.

The results for our control variables are as follows. The size we measured using a logarithm of total assets is positively related to CSR disclosure, meaning larger companies may have more resources to enhance CSR activities (Khan et al, 2013). We also find that large boards are not symbolic in Russian companies, but represent a real element of corporate governance system that leads to improvements in companies' disclosure practices. The members of the boards of directors' different skills and experience help improve CSR disclosure for long-term company development, in line with Lau et al. (2016), McGuinness et al. (2017), and Ntim and Soobaroyen (2013). The control variables related to share of women and independent directors are non-significant in Model (1) contradicting previous results of Anas et al. (2015) and McGuinness et al. (2017). We can assume that this is because the share of female and independent directors is relatively small on the Russian market not exceeding on average 10% and 15% respectively (that is in line with Garanina and Kaikova, 2016). Control variables related to leverage and ROA are also non-significant.

5.2. Robustness tests

Following previous research (e.g., Khan et al., 2013; Anas et al., 2015), we conducted several tests in order to check the model's robustness (Table 6).

Table 6. Results of robustness tests

Variables	QCSD_17	lnQCSD	QCSD	QCSD	QCSD	QCSD
	(1)	(2)	(3)	(4)	(5)	(6)
FOWN	-3.070**	-0.438***	-0.441***	-0.431***	-5.348***	-3.643**
	(0.833)	(0.0993)	(0.0994)	(0.0996)	(1.487)	(1.766)
FBOARD	12.23***	0.861***	0.849***	0.844***	18.61***	18.80***
	(2.616)	(0.312)	(0.310)	(0.313)	(4.689)	(5.513)
FSE	6.135**	0.515***	0.516***	0.533***	9.362***	8.998***
	(0.785)	(0.0936)	(0.0935)	(0.0937)	(1.389)	(1.666)
SIZE	1.142***	0.104***	0.104***	0.0961***	1.066***	2.102***
	(0.160)	(0.0190)	(0.0190)	(0.0188)	(0.286)	(0.335)
BOARD	0.857***	0.0783***	0.0784***	0.0796***	1.221***	1.167***
	(0.128)	(0.0153)	(0.0153)	(0.0153)	(0.226)	(0.273)
GENDER	-0.521	-0.198	-0.193	-0.227	0.338	-1.556
	(2.045)	(0.244)	(0.244)	(0.245)	(3.931)	(4.060)
INDEP	1.870	0.191	0.187	0.198	1.118	3.629
	(1.455)	(0.174)	(0.174)	(0.174)	(2.549)	(3.122)
LEV	-0.967	-0.339**	-0.334**		-2.611	-0.823
	(1.119)	(0.133)	(0.132)		(2.025)	(2.344)
ROA	-0.286	-0.107		-0.0517	-2.038	-0.731
	(1.832)	(0.218)		(0.218)	(4.083)	(3.404)
ROE			-0.0353			
			(0.0459)			
D/E				-0.0107		
				(0.0107)		

Year effects	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	Yes	Yes	Yes
Constant	-22.84***	-3.709***	-3.714***	-3.614***	-20.23***	-44.01***
	(3.295)	(0.393)	(0.392)	(0.392)	(5.878)	(6.934)
Observations	892	892	892	892	446	446
Adj. R^2	0.425	0.288	0.289	0.284	0.445	0.463

Note: Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.

First, we took the CSR index introduced by Anas et al. (2015) that consists of 17 items (dependent variable QCSD_17, Table 6, column 1). There are no changes in the meaningful results in comparison to the results we obtained previously (Table 3). But we can see that FOWN and FSE variables are less significant when CSR index does not capture contextual features of the Russian market. The overall adj. R-squared is also slightly lower when a generalized approach for CSR index is applied. So we can come to the conclusion that the nuanced CSR index presented in this paper better reflects the specifics of the relationship between foreign aspects of corporate governance and CSR disclosure in an emerging Russian market.

Second, following Khan et al., (2013) we ran regression using the natural logarithm of the CSR disclosure scores (lnQCSD, Table 6, column 2) as the dependent variable. We checked the results of our model, and concluded they do not differ qualitatively from those presented in Table 3. We then replaced firm profitability ROA with ROE coefficient in the model previously suggested by Haniffa and Cooke (2005), and Meutia et al. (2017). We documented the same meaningful results described in Table 3. Fourth, instead of measuring financial leverage as a share of debt in total equity and liabilities, we evaluated it with the debt to equity coefficient (variable D/E), in line with Haniffa and Cooke (2005). The results do not change significantly (Table 6, columns 3 and 4 respectively).

Finally, we divided our sample into two different sub-samples based on the time periods 2012–2013 and 2014–2015, and replicated the original analysis (Table 6, columns 5 and 6). The reason for this sample division is to test the impact of the sanctions imposed on Russia in May 2014. According to an agency theory perspective, voluntary information disclosure leads to a reduction in information asymmetry (Healy and Palepu, 2001). We might assume that Russian companies could have started to disclose more future-oriented information to investors such as CSR aspects (An et al., 2011) that are especially valuable during economic crises (Garanina and Dumay, 2017; Barth and Landsman, 2010). The results we documented for the sub-sample periods are qualitatively similar to the results in respect for the whole sample. Further application of the Chow test showed that the coefficients of explanatory variables demonstrated no significant shifts during the analyzed periods.

In line with other studies regarding CSR issues, one concern can be related to a potential endogeneity problem and a bias of the obtained results due to omitted variables. For example, even though we control for a number of variables in our model, there may be other factors that may influence the relationship between CSR disclosure, foreign ownership, foreigners on board and decision to go to a foreign stock exchange. In Table 7 we present the results of several tests that address this problem. In order to improve the precision of our results, we add variables one by one to previously described Model (1). All the data needed for robustness checks are retrieved from SKRIN database.

First, we took into consideration the age of the company as older firms may have more valuable knowledge on how to introduce new practices like CSR (Jo and Harjoto, 2011). We find that even though the variable AGE is significant, other variables in explaining CSR disclosure practices remained qualitatively unchanged. Second, Mohd Ghazali (2007) and Dam and Scholtens (2012) argue that companies with state ownership engage more often in socially responsible activities and hence more disclose social activities to legitimize their existence in public eyes. We add to Model (1) a binary variable STATEOWN that is equal to 1 for those companies that have a governmental share in their equity. The results were constant to the ones represented in Table 3. Finally, previous research also suggests that company's internationalization can be a factor that enhances CSR activities and disclosure. Islam and Deegan (2008) and Ali et al. (2018) report that companies having subsidiaries abroad have higher social visibility as they need to expose to both home and host countries expectations. From a legitimacy perspective it means that these companies use CSR disclosure in order to conform to the expectations of the societies of both countries. We add to Model (1) a variable SUBSID that is related to the amount of subsidiaries Russian companies from the sample have abroad.

Table 7. Robustness to endogeneity

Variables	(1)	(2)	(3)	(4)
	VAR=AGE	VAR=STATEOWN	VAR=SUBSID	GMM
FOWN	-2.449*	-2.139**	-2.986**	-4.259***
	(1.322)	(1.298)	(1.296)	(1.305)
FBOARD	14.79***	16.77***	12.55***	15.72***
	(4.163)	(4.097)	(4.081)	(4.235)
FSE	8.159***	8.371***	6.132***	6.528***
	(1.248)	(1.226)	(1.249)	(1.250)
SIZE	1.088***	0.904***	0.975***	1.478***
	(0.255)	(0.251)	(0.249)	(0.246)
BOARD	1.093***	0.932***	0.905***	1.331***
	(0.203)	(0.202)	(0.200)	(0.202)
GENDER	-1.193	-1.028	-0.934	1.526

	(3.134)	(3.080)	(3.049)	(3.136)
INDEP	1.954	1.098	1.562	1.954
	(2.311)	(2.270)	(2.245)	(2.353)
LEV	0.562	-0.0115	-0.0746	-3.305*
	(1.791)	(1.740)	(1.726)	(1.728)
ROA	-2.255	-2.330	-1.002	-6.779**
	(2.917)	(2.851)	(2.828)	
VAR	0.0722	4.666***	1.381***	
	(0.0640)	(0.825)	(0.215)	
LagQCSR				-0.120**
				(0.0542)
Year effects	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	No
Constant	-21.54***	-15.99***	-17.02***	
	(5.218)	(5.224)	(5.159)	
Adj. R^2	0.300	0.324	0.322	

Note: Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.

Furthermore, in order to mitigate the issue of reverse causality (i.e., the CSR disclosure in the previous year influences international aspects of corporate governance in Russian companies) we follow El Ghoul et al. (2011) and include the lagged CSR disclosure as an independent variable to our model (variable LagQCSD, Table 7, column 4). This dynamic panel model is estimated using the system GMM technique developed in Blundell and Bond (1998). The results reflect that FOWN continues to load negatively at the 1% level, reinforcing our previous findings of a negative association between foreign ownership in Russian companies and CSR disclosure. The results for other independent variables also are constant – foreign board members and presence at foreign stock exchange are positively related to CSR disclosure in Russian companies. To sum up, the results from these tests indicate that endogeneity concerns are not likely to change our core research evidence.

6. Conclusions

6.1. Closing remarks

Based on a sample of 223 Russian publicly traded companies, this research explores the differences in the relationship between corporate governance characteristics and CSR disclosure, focusing on international aspects. Introduction of a nuanced CSR index that captures the contextual peculiarities of the emerging Russian market helps to increase the explanatory power of the empirical model.

Previous research suggests that many European countries are greatly concerned about the various social issues that lead multinational companies to change their attitude towards CSR, in order to maintain the company's operational and reputational legitimacy (Meutia et al., 2017). This can be explained by the fact that foreign ownership primarily draws legitimacy from domestic operations (Haniffa and Cooke, 2005). We observe that "unique social, political, and economic contexts", reported by Wright et al. (2005, p. 2), led to the results obtained for the Russian market not manifesting in line with firm theory on ownership and control, and legitimacy theory, suggesting outside ownership to enhance CSR disclosure (Chau and Gray, 2002). Foreign ownership in the majority of Russian companies is domiciled in Cyprus, the Virgin Islands, and other offshore places that are not known for their pioneering and leadership in CSR activities around the globe (Huafang and Jianguo, 2007). This offshore ownership is more a matter of greater efficiency in tax allocation for Russian companies, and a more efficient way of sharing financial success, as opposed to a source of long-term strategic development leading to enhanced CSR activities.

At the same time foreign board membership in Russian companies is not "token" but an important facet of corporate governance structure that enhances CSR transparency (Lau et al., 2016). The international experience board members bring from home, mainly in Europe and the US, is a valuable resource for Russian companies in long-term value creation for shareholders (Oxelheim et al., 2013).

This study also shows that cross-listing by Russian companies imparts better reputation and visibility, increases competitiveness, and sends a clear message to potential investors. In line with Li et al. (2015) interpretation of firm-specific information by international investors enhances the issuing entity to show more transparency. Hence, companies consider CSR disclosure a highly valuable mechanism in building reputation on international markets (Boubakri et al., 2016). With increased CSR disclosure, companies tend to extend a "socially constructed system of norms, values and beliefs" to gain legitimacy in foreign markets (Bell et al., 2012, p.117).

While bringing in international board members and cross-listing abroad are sources of increased CSR disclosure, managers should also back it up by putting CSR into practice to ensure long-term value creation for the company.

6.2. Implications for theory and practice

This research contributes to the literature stream on the link between corporate governance and CSR disclosure, here in the specific context of the Russian market. We found that annual reports are a valuable source of significant CSR information, especially in the emerging Russian market where companies rarely engage in other types of reporting.

Our research also contributes to legitimacy theory, and its application in the emerging Russian market. We evidence that Russian companies use CSR disclosure as a strategic tool to attain legitimacy, especially in being traded on international stock exchanges. We show that international board members significantly impact the extent of Russian companies' disclosure, possibly due to the legitimization effect of such mechanisms (Khan et al., 2013; Chau and Gray 2010).

Our findings may have policy implications for the emerging Russian market, as regulators are attempting to make further changes to the Code of Corporate Conduct introduced in 2014, from the perspective of board structure regarding CSR.

Our results may also be relevant to scholars studying legitimacy theory from the foreign ownership perspective. We suggest taking international investors' country of origin into consideration while interpreting the results. The finding can also be of value to policy regulators, who should pay more attention to and more strictly regulate the origin of foreign ownership in Russian companies, which currently does not lead to enhancing a long-term development aspect such as CSR disclosure.

Based on our results, we recommend that managers of Russian companies populate their boards of directors with more international members, especially those with experience from Europe, the UK, and US. Their unique skills may play a positive role in enhancing CSR disclosure, sending a positive signal to a range of stakeholders about a company's transparency and sustainability.

From an information asymmetry and agency theory perspective, we may also state that disclosing CSR information is especially important for companies seeking capital on international stock exchanges. Considering that investors on the London Stock Exchange and New York Stock Exchange will most likely need to wait a considerable amount of time before they can sell their shares due to vesting, it is in their self-interest from the wealth maximization perspective to ensure their money is invested in transparent and value-creating companies in the long run. We consider CSR information disclosure one of the ways managers can reduce information asymmetry and convince potential investors that the company is working for its and their long-term interests.

6.3.Limitations

The main limitation of this study is that regardless of the rigor exercised in applying our research methodology utilizing a predefined disclosure index, it can be criticized for using predetermined categories rather than serving the true purpose of content analysis, which is to "find the hidden meanings of texts" (Krippendorff, 2013, pp. 41-2). However, in this case, the annual reports are the only sources of CSR information from Russian companies. Thus, CSR information in annual reports is overt and not hidden. Using a well-known approach to creating a disclosure index helps us reveal CSR categories. In updating the index to fit the peculiarities of the Russian market, we also exposed the shadowed categories.

We used only annual reports that provided information on CSR, although there may be other sources of communication mechanism (Khan et al., 2013). Thus, future research could be devoted to a deeper analysis of smaller samples of Russian companies disclosing CSR information in sustainability reports, on the Internet, and in the print media that will unfortunately lead to sample limitation.

In this paper, we focused only on international aspects of corporate governance, cross-listing, and their link to CSR disclosure. We acknowledge that other corporate governance attributes may also incentivize CSR disclosure.

While this paper contributes to the investigation of context-specific aspects in Russia, we are aware that there are other emerging countries ripe for study. Thus, the paper provides a solid base for future comparative studies.

Finally, we acknowledge that our sample is limited to just four years of analysis, and only two years before and after the imposition of sanctions. We argue that this period is sufficient to reflect the relationship between corporate governance incentives and CSR disclosure. But it would be possible to deepen the analysis by studying also the period of the Global Financial Crisis of 2008, to check our results for robustness during different economic cycles.

References

Agyei-Mensah, B.K. 2016. Internal control information disclosure and corporate governance: evidence from an emerging market. Corporate Governance, 16(1), 79–95.

Al-Tuwaijri, S. A., Christensen, T. E., Hughes II, K. E. 2004. The relations among environmental disclosure, environmental performance, and economic performance: A simultaneous equations approach. Accounting, Organizations and Society, 29(5–6), 447–471.

Ali, W., Faisal Alsayegh, M., Ahmad, Z., Mahmood, Z., and Iqbal, J. 2018. The relationship between social visibility and CSR disclosure. Sustainability, 10, 1–32.

Alon, I., Lattemann, C., Fetscherin,M., Li, S., Anna-Maria Schneider. 2010. Usage of public corporate communications of social responsibility in Brazil, Russia, India and China (BRIC). International Journal of Emerging Markets, 5(1), 6–22.

Amran, A., Devi, S.S. 2008. The impact of government and foreign affiliate influence on corporate social reporting: the case of Malaysia. Managerial Auditing Journal, 23(4), 386–404.

An, Y., Davey, H., Eggleton, I. R. C. 2011. Towards a comprehensive theoretical framework for voluntary IC disclosure. Journal of Intellectual Capital, 12(4), 571–85.

Anas, A., Majdi, H., Rashid, A., Annuar, H.A. 2015. The effect of award on CSR disclosures in annual reports of Malaysian PLCs. Social Responsibility Journal, 11(4), 831–852.

Arora, A., Sharma, C. 2016. Corporate governance and firm performance in developing countries: evidence from India. Corporate Governance, 16, 2, 420–436.

Attig, N., El Ghoul, S., Guedhami, O., Suh, S. 2013. Corporate social responsibility and credit Ratings. Journal of Business Ethics, 117, 679–694.

Attig, N., Cleary, S., El Ghoul, S., and Guedhami, O. 2014. Corporate Legitimacy and Investment–Cash Flow Sensitivity. Journal of Business Ethics, 121, 297–314.

Attig, N., Boubakri, N., El Ghoul, S., and Guedhami, O. 2016. Firm Internationalization and Corporate Social Responsibility. Journal of Business Ethics, 134, 171–197.

Aulakh, P.S. 2007. Emerging multinationals from developing economies: Motivations, paths and performance. Journal of International Management, 13(3), 235–240.

Bashtovaya, V. 2014. CSR reporting in the United States and Russia. Social Responsibility Journal, 10(1), 68–84.

Barth, M.E., Landsman, W.R. 2010. How did financial reporting contribute to the financial crisis? European Accounting Review, 19(3), 399–423.

Beiner, S., Drobetz, W., Schmid, M.M. and Zimmerman, H. 2004. An integrated framework of corporate governance and firm valuation. European Financial Management, 12(2), 249–283.

Bell, R.G., Filatotchev, I., Rasheed, A.A. 2012. The liability of foreignness in capital markets: sources and remedies. Journal of International Business Studies, 43, 107–122.

Black, B. 2001. The corporate governance behavior and market value of Russian firms. Emerging Markets Review, 2, 89–108.

Black, B.S., Love, I., Rachinsky, A. 2006. Corporate governance indices and firms' market values: time series evidence from Russia. Emerging Markets Review, 7(4), 361–379.

Blass, A., Yafeh, Y., 2001. Vagabond shoes longing to stray: why foreign firms list in the United States. Journal of Banking and Finance, 25, 555–572.

Blundell, R., Bond, S., 1998. Initial conditions and moment restrictions in dynamic panel data models. Journal of Econometrics, 87, 115–143.

Bonn, I., Fisher, J. 2005. Corporate governance and business ethics: insights from the strategic planning experience. Corporate Governance: An International Review, 13(6), 730–738.

Boubakri, N., El Ghoul, S., Guedhami, O., Kwok, C.Y., Wang, H. 2016. Cross-listing and corporate social responsibility. Journal of Corporate Finance, 41, 123–138.

Brancato, C. K. 1997. Institutional investors and corporate governance: beat practices for increasing corporate value. Chicago, IL: McGraw-Hill.

Bray, M., Borevskaya, N. 2001. Financing Education in Transitional Societies: lessons from Russia and China, Comparative Education, 37(3), 345–365.

Chapple, W., Moon, J. 2005. Corporate social responsibility in Asia: A seven country study of CSR website reporting. Business and Society, 44, 415–441.

Chau, G.K., Gray, S.J. 2002. Ownership structure and corporate voluntary disclosure in Hong Kong and Singapore. The International Journal of Accounting, 37, 247–65.

Chauhan, Y., Kumar, S.B. 2018. Do investors value the nonfinancial disclosure in emerging markets? Emerging Markets Review, 37, 32–46.

Cheng B, Ioannou I, Serafeim G. 2014. Corporate social responsibility and access to finance. Strategic Management Journal, 35(1), 1–23.

Chen, G., Firth, M., Gao, D.N., Rui, O.M., 2006. Ownership structure, corporate governance, and fraud: evidence from China. Journal of Corporate Finance, 12, 424–448.

Claessens, S., Yurtoglu, B. 2013. Corporate governance in emerging markets: A survey. Emerging Markets Review, 15, 1–33.

Coffey, B.S., Wang, J. 1998. Board diversity and managerial control as predictors of corporate social performance. Journal of Business Ethics, 17 (14), 1595–1603.

Cowen, S.S., Ferreri, L.B., Parker, L.D. 1987. The impact of corporate characteristics on social responsibility disclosure: a typology and frequency-based analysis. Accounting, Organizations and Society, 12(2), 111–122.

Crotty, J. 2016. Corporate social responsibility in the Russian Federation: A contextualized approach. Business and Society, 55 (6), 825–853.

Dam, L., Scholtens, B. 2012. Does ownership type matter for corporate social responsibility? Corporate Governance: An International Review, 20(3), 233–252.

Deloitte 2012. Survey on Structure of corporate governance in publicly listed Russian companies. Available at: https://economics.hse.ru/data/2013/12/01/1336215358/Deloitte_survey-governance-structures_12_RU.pdf (access August, 31, 2018).

DiMaggio, P.J. and Powell, W.W. 1983. The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48 (2), 147–160.

Doh, J., Husted, BW., Yang, X. 2016. Guest Editors' Introduction: Ethics, Corporate Social Responsibility, and Developing Country Multinationals. Business Ethics Quarterly, 26(3), 301–315.

Dowling, M. 2005. To understand the meaning of disability for children, parents and providers in Bulgaria, Latvia and Russia. In: Proceedings Childhoods 2005 Oslo Conference: Children and Youth in Emerging and Transforming Societies, 2005, University of Oslo, Norway. Available on-line: http://oro.open.ac.uk/105/1/Paper.pdf (access August, 31, 2018).

Dumay, J., Cai, L. 2015. Using content analysis as a research methodology for investigating intellectual capital disclosure: a critique. Journal of Intellectual Capital, 16(1), 121–155.

Douma, S., George, R., Kabir, R., 2006. Foreign and domestic ownership, business groups and firm performance: evidence from a large emerging market. Strategic Management Journal 27, 637–657.

El Ghoul, S., Guedhami, O., Kwok, C. C., Mishra, D. R. 2011. Does corporate social responsibility affect the cost of capital? Journal of Banking and Finance, 35(9), 2388–2406.

El Ghoul, S., Guedhami, O., Wang, H., and Kwok, C. 2016. Family Control and Corporate Social Responsibility. Journal of Banking and Finance 73, 131–146.

El Ghoul, S., Guedhami, O., and Kim, Y. 2017. Country-Level Institutions, Firm Value, and the Role of Corporate Social Responsibility Initiatives. Journal of International Business Studies 48, 360–385.

EY report. 2014. The road to 2030: a survey of infrastructure development in Russia. Available et: https://www.ey.com/Publication/vwLUAssets/EY_-_Infrastructure_in_Russia:_the_road_to_2030/$FILE/EY-the-road-to-2030-survey-of-infrastructure-development-in-russia.pdf (access August, 31, 2018).

Federal Law On Joint-Stock Companies. 2014. Available at: http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=177708 (access August, 31, 2018).

Filatotchev, I., Lien, Y.-C., Piesse, J., 2005. Corporate governance and performance in publicly listed, family-controlled firms: evidence from Taiwan. Asia Pacific Journal of Management, 22, 257–283.

Garanina, T., Dumay, J. 2017. Forward-looking intellectual capital disclosure in IPOs: Implications for intellectual capital and integrated reporting. Journal of Intellectual Capital, 18(1), 128–148.

Garanina, T. and Kaikova, E. 2016. Corporate governance mechanisms and agency costs: cross-country analysis. Corporate Governance, 16(2), 347–360.

Garegnani, G.M., Merlotti, M.P., Russo, A. 2015. Untangling the antecedents of code of ethics quality: does corporate governance matter? Corporate Governance, 15(5), 607–622.

Gompers, P., Ishii, J.L., Metrick, A., 2003. Corporate governance and equity prices. Quarterly Journal of Economics, 118, 107–155.

Gray, R.H., Kouhy, R., Lavers, S. 1995. Corporate social and environmental reporting: a review of the literature and a longitudinal study of UK disclosure. Accounting, Auditing and Accountability Journal, 8(2), 47–77.

Guthrie, J., Parker, L.D. 1990. Corporate social disclosure practice: a comparative international analysis. Advances in Public Interest Accounting, 3, 159–175.

Haniffa, R.M., Cooke, T.E. 2005. The impact of culture and corporate governance on corporate social reporting. Journal of Accounting and Public Policy, 24(5), 391–430.

Healy, P. M., Palepu, K. G. 2001. Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. Journal of Accounting and Economics, 31(1), 405–440.

Hoogvelt, A. 1997. Globalisation and the Postcolonial World: The New Political Economy of Development, Macmillan, Basingstoke.

Hope, O.K., Kang, T., Kim, J.W., 2013. Voluntary disclosure practices by foreign firms cross-listed in the United States. Journal of Contemporary Accounting and Economics, 9, 50–66.

Hoskisson, R.E., Eden, L., Lau, C.M. and Wright, M. 2000. Strategy in emerging economies. Academy of Management Journal. 43(3), 249–67.

Huafang, X., Jianguo, Y. 2007. Ownership structure, board composition and corporate voluntary disclosure: Evidence from listed companies in China. Managerial Auditing Journal, 22(6), 604–619.

Hung, H. 2011. Directors' roles in corporate social responsibility: A stakeholder perspective. Journal of Business Ethics, 103, 385–402.

Iatridis, G.E. 2013. Environmental disclosure quality: Evidence on environmental performance, corporate governance and value relevance. Emerging Markets Review, 14, 55–75.

Ioannou, I., Serafeim, G. 2012. What Drives Corporate Social Performance? The Role of Nation-level Institutions. Journal of International Business Studies, 43(9), 834–864.

Islam, M.A., Deegan, C. 2008. Motivations for an organisation within a developing country to report social responsibility information: Evidence from Bangladesh. Accounting, Auditing and Accountability Journal, 21(6), 850–874.

Jamali, D., Mirshak, R., 2007. Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context. Journal of Business Ethics, 72 (3), 243–262.

Jeon, J. Q., Lee, C., Moffett, C. M. 2011. Effects of foreign ownership on payout policy: Evidence from Korean market. Journal of Financial Market, 14, 344–375.

Jo, H., Harjoto, M. A. 2011. Corporate governance and firm value: The impact of corporate social responsibility. Journal of Business Ethics, 103(3), 351–383.

Joh, S.W., 2003. Corporate governance and firm profitability: evidence from Korea before the economic crisis. Journal of Financial Economics, 68, 287–322.

Johnson, R., Greening, D. 1999. The Effect of Corporate Governance and Institutional Ownership Types on Corporate Social Performance. The Academy of Management Journal, 42(5), 564–576.

Kang, J. 2013. The relationship between corporate diversification and corporate social performance. Strategic Management Journal, 34, 94–109.

Karolyi, G.A. 2012. Corporate governance, agency problems and international cross-listings: A defense of the bonding hypothesis. Emerging Markets Review, 13(4), 516–547.

Katasonov, V. 2017. Russian economy is taken by foreigners (in Russian). Available at: https://goo.gl/Nw581f (access August, 31, 2018).

Khan, A., Muttakin, M.B., Siddiqui, J. 2013. Corporate Governance and Corporate Social Responsibility Disclosures: Evidence from an Emerging Economy. Journal Business Ethics, 114, 207–223.

Khanna, T., Palepu, K. G. 2004. Globalization and convergence in corporate governance: evidence from Infosys and the Indian software industry, Journal of International Business Studies, 35(6), 484–507.

Kolk, A. 2016. The social responsibility of international business: From ethics and the environment to CSR and sustainable development. Journal of World Business, 51, 23–34.

Krippendorff, K. 2013. Content Analysis: An Introduction to its Methodology, Sage, Los Angeles, CA.

Kuznetsov, A., Kuznetsova, O. and Warren, R. 2009. CSR and the legitimacy of business in transition economies: the case of Russia. Scandinavian Journal of Management, 25(1), 37–45.

Labykin, A. 2014. Recomendatory-mandatory code of conduct. Expert Online. Available at: http://expert.ru/2014/02/14/rekomendatelno-obyazatelnyij-kodeks/_(access August, 31, 2018).

Lang, M., Lundholm, R., 1993. Cross-sectional determinants of analyst ratings of corporate disclosures. Journal of Accounting Research, 31, 246–271.

Lau, C., Lu, Y., Liang, Q. 2016. Corporate social responsibility in China: A corporate governance approach. Journal of Business Ethics, 136, 73–87.

Li, S., Brockman, P., Zurbruegg, R. 2015. Cross-listing, firm-specific information and corporate governance: evidence from Chinese A-shares and H-shares. Journal of Corporate Finance, 32, 347–362.

London, T., Hart, S.L. 2004. Reinventing strategies for emerging markets: beyond the transnational model. Journal of International Business Studies, 35(5), 350–370.

Liuhto, K. 2017. Foreign nationals on the board of directors of Russia's ten largest non-financial companies investing overseas. Baltic Region, 9(4), 33–52.

Maignan, I., Ralston, D. 2002. Corporate social responsibility in Europe and the US: insights from business' self-presentations". Journal of International Business Studies, 33(3), 497–514.

Marano V, Tashman P, Kostova T. 2017. Escaping the iron cage: Liabilities of origin and CSR reporting of emerging market multinational enterprises. Journal of International Business Studies, 48(3), 386-408.

McGuinness, P.B., Paulo, J., Vieito, P., Wang, M. 2017. The role of board gender and foreign ownership in the CSR performance of Chinese listed firms. Journal of Corporate Finance, 42, 75–99.

McKinsey, 2003. Corporate governance in Russia: the real competitive advantage. Available at: http://vestnikmckinsey.ru/organizational-models-and-management-systems/korporativnoe-upravlenie-v-rossii-real-noe-konkurentnoe-preimushhestvo/Print (access August, 31, 2018).

McWilliams A, Siegel D. 2001. Corporate social responsibility: a theory of the firm perspective. The Academy of Management Review, 26(1), 117–127.

Meutia, I., Mukhtaruddin, Saftiana, Y., Faisal, M. 2017. CEO's Experience, Foreign Ownership and Corporate Social Responsibility: a Case of Manufacturing Companies. Corporate Ownership and Control, 14(3-2), 377–392.

Mohd Ghazali, N. A. 2007. Ownership structure and corporate social responsibility disclosure: some Malaysian evidence. Corporate Governance: The International Journal of Business in Society, 7(3), 251–266.

Moneva, J.M., Llena, F. 2000. Environmental disclosures in the annual reports of large companies in Spain. European Accounting Review, 9(1), 7–29.

Netherlands Enterprice Agency Report. 2016. Available at: https://english.rvo.nl/sites/default/files/2017/03/Factsheet-Corporate-Social-Responsibility-Russia-2016.pdf (access August, 31, 2018).

Ntim, C. G., Soobaroyen, T. 2013. Black economic empowerment disclosures by South African listed corporations: the influence of ownership and board characteristics. Journal of Business Ethics, 116(1), 121–138.

Oh, W.Y., Chang, Y.K., Martynov, A. 2011. The effect of ownership structure on corporate social responsibility: empirical evidence from Korea. Journal of Business Ethics, 104(2), 283–297.

Oxelheim, L., Gregorič, A., Randøy, T., Thomsen, S. 2013. On the internationalization of corporate boards: the case of Nordic firms. Journal of International Business Studies, 44, 173–194.

Pant, A., Ramachandran, J. 2017. Navigating identity duality in multinational subsidiaries: A paradox lens on identity claims at Hindustan Unilever 1959–2015. Journal of International Business Studies, 48(6), 664–692.

Peters, S., Miller, M., Kusyk, S. 2011. How relevant is corporate governance and corporate social responsibility in emerging markets? Corporate Governance: The International Journal of Business in Society, 11(4), 429–445.

Polishchuk, L. 2009. Corporate social responsibility or government regulation? An analysis of institutional choice. Problems of Economic Transition, 52(8), 73–94.

Preuss, L., Barkemeyer, L. 2011. CSR priorities of emerging economy firms: is Russia a different shape of BRIC?. Corporate Governance: The International Journal of Business in Society, 11(4), 371–385.

Prado-Lorenzo, J.M., Gallego-Álvarez, I., García-Sánchez, I. 2009. Stakeholder engagement and corporate social responsibility reporting: the ownership structure effect. Corporate Social Responsibility and Environmental Management, 16, 94–107.

Ramamurti, R, Singh, J.V. 2009. Emerging Multinationals in Emerging Markets., New York: Cambridge University Press.

Russo, A., Mariani, M. 2013. Drawbacks of a delisting from a sustainability index: an empirical analysis. International Journal of Business Administration, 4(6), 29–40.

Ruzhanskaya, L. S. 2007. Development of the Board of Directors as an internal mechanism of corporate governance. Korporatynye Finansy [Corporate finance], 4, 14–33. (in Russ.)

Sambharya, R.B. 1996. Foreign experience of top management teams and international diversification strategies of U.S. Multinational corporations. Strategic Management Journal, 17, 739–746.

Scott, W. R. 1995. Institutions and Organizations, Sage Thousand Oaks, CA.

Scott, W. R. 2001. Institutions and Organizations. Thousand Oaks, CA: Sage, 2nd ed.

Siegel, D. S., Vitaliano, D. F. 2007. An Empirical Analysis of the Strategic Use of Corporate Social Responsibility. Journal of Economics and Management Strategy, 16, 773–792.

Soboleva, I. 2006. Corporate social responsibility: global context and Russian reality. Problems of Economic Transition, 49(8), 82–95.

Strike, M. V., Gao, J., and Bansal, P. 2006. Being good while being bad: Social responsibility and the international diversification of US firms. Journal of International Business Studies, 37, 254–280.

Stulz, R. M. 1999. Globalization of Equity Markets and the Cost of Capital. Journal of Applied Corporate Finance, 12, 8–25.

Symeou, P.C., Zyglidopoulos, S., Williamson, P. 2018. Internationalization as a driver of the corporate social performance of extractive industry firms. Journal of World Business, 53, 27–38.

Tashman, P., Marano, V., Kostova, T. 2019. Walking the walk or talking the talk? Corporate social responsibility decoupling in emerging market multinationals. Journal of International Business Studies, 50, 153–171.

Unerman, J. 2000. Methodology issues-reflections on quantification in corporate social reporting content analysis. Accounting, Auditing and Accountability Journal, 13(5), 667–681.

Wang, H., Tong, L., Takeuchi, R., George, G. 2016. Corporate Social Responsibility: An Overview and New Research Directions. Academy of Management Journal, 59 (2), 534–544.

Williams, R.J. 2003. Women on corporate boards of directors and their influence on corporate philanthropy, Journal of Business Ethics, 42(1), 1–10.

Wiseman, J. 1982. An evaluation of environmental disclosure made in corporate annual reports. Accounting, Organizations and Society, 7(1), 53–63.

Won, Y., Chang, Y., Martynov, A. 2011. The Effect of Ownership Structure on Corporate Social Responsibility: Empirical Evidence from Korea. Journal of Business Ethics, 104, 283–297.

Wright, M., Filatotchev, I., Hoskisson, R. E., Peng, M. W. 2005. Strategy Research in Emerging Economies: Challenging the Conventional Wisdom. Journal of Management Studies, 42, 1–33.

Yoshikawa, T., Rasheed, A. A., Del Brio, E. B. 2010. The impact of firm strategy and foreign ownership on executive bonus compensation in Japanese firms. Journal of Business Research, 63, 1254–1260.

Yudaeva, K., Kozlov, K., Melentieva, N., Ponomareva, N. 2003. Does foreign ownership matter? The Russian experience. Economics of Transition, 11(3), 383-409.

Comparison of CSR index structure

Category	CSR index from Anas et al. (2015)	Nuanced CSR index constructed for Russia
Environment		
Efficiently using the energy	X	X
How to reduce the way its emissions damage the climate	X	X
The issue of biofuels	X	X
The essential needs to protect flora and fauna	X	X
Total for Environment:	**4 items**	**4 items**
Community		
Contributions to children	X	
Contribution to children from communities (kindergartens, schools, events for kids under 18)		X
Contribution to employee's children		X
Contribution to disabled children		X
Contribution to youth development	X	X
Contribution to underprivileged	X	X
Supporting employee involvement in community	X	X
Supporting education	X	X
Contribution to infrastructure development		X
Total for Communities:	**5 items**	**8 items**
Workplace		
Health and safety	X	X
Human rights issues	X	X
Gender issues–equal employment opportunity	X	X
Quality of work environment	X	X
Supporting retired employees		X
Total for Workplace:	**4 items**	**5 items**
Marketplace		
Supporting green products	X	X
Ethical procurement practices	X	X
Helping to develop supplies and other vendors	X	X
Corporate Governance standards (CG):	X	

CG standards and practices obligatory part		X
CG standards and practices voluntary part		X
Total for Marketplace:	**4 items**	**5 items**
Overall CSR index:	**17 items**	**22 items**