

development is an important issue that every company pays attention to during the development process. In particular, corporate sustainable development has a significant weight in a company's future strategy, which indicates the company's potential for survival and development, and affects the company's future financial performance. The non-implementation of sustainable development by companies has brought many negative effects, including food safety problems, environmental damage, overwork of employees, etc., which obviously violates the goal of sustainable development and severely affects the stock market. This shows that the bad performance of corporate sustainable development, which is reflected by the neglect of companies in protecting the interests of employees and consumers as well as the environment, will have a great impact on the capital market.

On the other hand, the information about the company's sustainable development performance is important for investors, the announcement of sustainable development activities creates positive abnormal returns in periods when investors value sustainable development performance and social responsibility. Therefore, investors' feelings and their trust can affect both the company's performance and the market's performance. Accordingly, this study investigated the relationship between the company's sustainable development performance, investors' sentiments, and management overconfidence.

Hypotheses

According to the theoretical foundations and background of the research, the hypotheses of the research were formulated as follows:

First hypothesis: sustainable development performance has a significant effect on investors' sentiments.

Second hypothesis: investors' feelings have a significant effect on managers' overconfidence.

Research methodology

The current research is based on the practical purpose and in terms of collecting descriptive information. Also, in terms of its nature, it is of the type of quantitative methods and in terms of the method of inference and implementation, it is included in the correlation research group. The statistical population of this research is all the companies admitted to the

Tehran Stock Exchange during the period of 2013 to 2022. In this research, 131 companies were selected as a statistical sample to test the hypotheses through elimination sampling.

The method of collecting information and data in this research is document analysis. The required data is also collected from the audited financial statements and notes of the companies, the activity report of the board of directors of the companies and appropriate databases. For data analysis, multivariable linear regression method and Excel and Eviews software were used.

Results

The obtained results show that all three dimensions of sustainable development performance of companies (economic, social and corporate governance) have a significant impact on Investor Sentiment. Also, the results confirmed the positive and direct impact of Investor Sentiment on Managerial overconfidence. The results of this study show why maintaining good corporate sustainable development performance is beneficial for listed companies from a new perspective.

Discussion and conclusion

The results confirm that improving corporate sustainable development performance, especially in social, economic, corporate governance and environmental dimensions, offers opportunities to increase investors' passion and sentiment, which may improve corporate stock market performance. Sustainable development performance strategies help to ensure an active capital market environment for further development of companies. The findings of this study extend the literature on corporate sustainability performance and market sentiment.

Also, the results showed that the stock market turnover rate index as an index of investor sentiment has a direct and positive effect on management overconfidence. These results show that higher sentiments of investors increase managers' overconfidence. These results are consistent with existing literature on investor sentiment and traditional firm performance, meaning that the source of managerial overconfidence may be improving traditional firm performance. The findings of the present study reveal managers' unusual reactions to investor sentiments, which may be the

driving force behind the sustainable development of firms, as managerial overconfidence may lead to more innovations, more R&D input, and higher predictable performance.

In general, the results of this research state that sustainable development performance activities can be a practical strategy for companies to gain the trust of investors, which in turn can be a source of passion and excitement for managers and accelerate the development of companies. On the other hand, it is also important to prevent managerial overconfidence in the conditions of overinvestment, which may help prevent some irrational risk decisions.

Keywords: Sustainable Development Performance, social responsibility, company's performance, Investors Sentiment, Managerial Overconfidence