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CORPORATE SOCIAL RESPONSIBILITY AND FIRM PERFORMANCE: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT
CSR refers to a company's commitment to participating in sustainable economic development while remaining mindful of its responsibilities to internal and external stakeholders, such as employees, customers, the community, the environment, and shareholders. CSR is not only about philanthropic activities or donations, but more broadly encompasses ethical policies and practices in conducting business. Several studies have discussed the relationship between Corporate Social Responsibility and Company Value, but there are differences in the results of these studies, which led to this research being conducted. An SLR approach was conducted on 18 articles published between 2017 and 2025. Based on the reviewed literature, the influence of Corporate Social Responsibility (CSR) on company performance is complex and diverse. In many cases, CSR can positively increase company value, reputation, customer satisfaction, and financial performance. However, the impact is not always immediately beneficial, as it depends on the industry context, market conditions, and geographical characteristics where the company operates. Moderating factors such as audit committee expertise, board diversity, and disclosure quality also play an important role in strengthening or weakening the relationship between CSR and company performance.

Keywords: *Corporate Social Responsibility, Corporate Values*

ABSTRAK
CSR mengacu pada komitmen perusahaan untuk berpartisipasi dalam pembangunan ekonomi yang berkelanjutan dengan tetap memperhatikan tanggung jawabnya terhadap pemangku kepentingan internal dan eksternal, seperti karyawan, pelanggan, masyarakat, lingkungan, dan pemegang saham. CSR bukan hanya tentang kegiatan filantropi atau donasi, tetapi secara lebih luas mencakup kebijakan dan praktik etika dalam menjalankan bisnis. Beberapa penelitian telah membahas hubungan antara Tanggung Jawab Sosial Perusahaan dan Nilai Perusahaan, namun ada perbedaan hasil penelitian ini, yang menyebabkan penelitian ini dilakukan. Pendekatan SLR dilakukan pada 18 artikel yang diterbitkan antara 2017 dan 2025. Berdasarkan literatur yang ditinjau, pengaruh Corporate Social Responsibility (CSR) terhadap kinerja perusahaan bersifat kompleks dan beragam. Dalam banyak kasus, CSR dapat secara positif meningkatkan nilai perusahaan, reputasi, kepuasan pelanggan, dan kinerja keuangan. Namun, dampaknya tidak selalu langsung menguntungkan, karena tergantung pada konteks industri, kondisi pasar, dan karakteristik geografis tempat perusahaan beroperasi. Faktor-faktor moderasi seperti keahlian komite audit, keragaman dewan, dan kualitas pengungkapan juga berperan penting dalam memperkuat atau melemahkan hubungan antara CSR dan kinerja perusahaan.

Kata kunci: Tanggung Jawab Sosial Perusahaan, Nilai Perusahaan

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INTRODUCTION

In recent decades, Corporate Social Responsibility (CSR) has become an important aspect of modern business practices. CSR is seen as a strategic tool that can enhance a company's reputation, strengthen relationships with stakeholders, and promote business sustainability (Carroll, 1999; Freeman, 1984). As public awareness of environmental, social, and governance issues has grown, companies have been increasingly encouraged to integrate CSR into their operational activities (McWilliams & Siegel, 2001).

However, despite numerous studies exploring the relationship between CSR and company performance, research findings remain diverse and sometimes contradictory (Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003). Some studies show that CSR can increase company value and financial performance (Eccles, Ioannou, & Serafeim, 2014), while others indicate that investment in CSR can be a cost burden that reduces profitability (Friedman, 1970).

In addition, contextual factors such as industry characteristics, geographical region, company size, and governance structure also influence the effectiveness of CSR on performance (Awaysheh et al., 2020; Surroca, Tribó, & Waddock, 2010). Differences in methodology and variables used in previous studies also make it difficult to generalise the results broadly (Orlitzky et al., 2003).

Given the complexity and inconsistency of these findings, research that systematically integrates the results of various studies is needed to provide a clearer and more comprehensive understanding of the relationship between CSR and company performance. Therefore, this study was conducted with the aim of conducting a systematic literature review (SLR) to summarise and examine the results of previous studies on the influence of CSR on company performance.

LITERATURE REVIEW

Stakeholder theory

Fundamentally introduced by Freeman (1984), who stated that companies are not only responsible to shareholders, but also to all stakeholders who can influence or be influenced by the company's activities. This theory emphasizes the importance of managing relationships with various groups, such as employees, customers, suppliers, communities, governments, and the environment, as part of a long-term sustainability strategy. In its development, Donaldson and Preston (1995) distinguished stakeholder theory into three approaches: normative, which emphasizes the moral basis for companies to consider the interests of all stakeholders; instrumental, which explains how stakeholder management can improve financial and non-financial performance; and descriptive, which describes stakeholder management practices in a real context. In addition, Mitchell, Agle, and Wood (1997) strengthened the theoretical framework by classifying stakeholders based on attributes of power, legitimacy, and urgency, which helps companies determine stakeholder management priorities. Overall, stakeholder theory provides a strong theoretical foundation for research on corporate social responsibility (CSR), governance, and corporate value, emphasizing that value creation is not only oriented towards shareholder profits, but also towards the welfare and expectations of all stakeholders.

Corporate Social Responsibility (CSR)

CSR is a concept that emphasizes a company's responsibility not only in achieving economic profits, but also in its contribution to the environment, society, and sustainable governance. Historically, the concept of CSR developed from Carroll's (1991) thinking, which divided corporate responsibility into four dimensions, namely economic, legal, ethical, and

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philanthropic responsibility. CSR is then seen as a business strategy that can improve a company's relationship with stakeholders and strengthen the organization's legitimacy in the eyes of the public. Various studies show that implementing CSR can improve a company's reputation, consumer trust, and employee loyalty, which ultimately has the potential to increase the company's value and financial performance. On the other hand, CSR can also function as a risk management mechanism, especially in addressing social and environmental issues that impact operational sustainability. Thus, CSR is not merely a social activity, but also part of a company's strategy to create long-term value that balances business interests and community interests.

Firm Performance

Firm performance refers to a company's ability to achieve its operational, financial, and strategic objectives. Company performance is generally measured through financial indicators such as Return on Assets (ROA), Return on Equity (ROE), and profit margin, as well as non-financial indicators such as innovation, customer satisfaction, and operational effectiveness. The literature states that firm performance is influenced by internal factors, including management quality, corporate governance, capital structure, and operational efficiency, as well as external factors such as market conditions, regulations, and industry competition dynamics. According to the resource-based theory, company performance is determined by the company's ability to manage and utilize unique and difficult-to-imitate resources as a competitive advantage. Meanwhile, agency theory emphasizes that firm performance can improve when monitoring and incentive mechanisms are implemented to align the interests of managers and shareholders. Overall, firm performance reflects a company's success in managing resources, strategies, and the business environment to create long-term value.

Previous Research

Corporate Social Responsibility (CSR) shows that although the findings are diverse, there is ample empirical evidence to support the notion that CSR has a positive impact on company performance and value. A number of studies confirm that CSR disclosure can increase company value through mechanisms that enhance trust, reputation, and relationships with stakeholders. Nguyen (2025) found that CSR serves as a positive signal that improves investor perception, especially in institutional environments that support transparency policies. Similarly, Seok et al. (2024) showed that ESG/CSR performance not only has a direct effect on company value but is also reinforced through customer satisfaction mediation, reflecting the role of CSR in building stronger long-term relationships with consumers. In addition, several studies emphasise that CSR contributes to improving a company's reputation and competitive advantage. Ikram et al. (2019) found that CSR encourages employee commitment and enhances company reputation, which then leads to improved organisational performance. Companies with high ESG scores are also proven to be more resilient in facing controversy risks, as found by Brighi et al. (2025), who show that CSR functions as a risk mitigation mechanism to maintain the stability of company value. In the context of companies experiencing a reputation crisis, Sánchez et al. (2025) proved that the use of external assurance in CSR reports can restore a company's image and increase its market value.

Other studies have found that CSR can also increase profitability, especially when implemented strategically and supported by the right organisational structure. Dossa et al. (2025) revealed that ESG performance has a positive impact on the profitability of non-state-owned banks and banks with a stronger market orientation, while Katenova and Qudrat-Ullah (2024) showed that CSR is positively correlated with Net Profit Margin in Kazakhstan due to increased public trust and customer loyalty. The study by Choi and Yoo (2022) adds that technological innovation excellence accompanied by strategic CSR can increase company value, especially when CSR investment is above the average of competitors, thereby highlighting the company's differentiation. Governance factors have been proven to strengthen this positive relationship. Kahloul et al. (2022) show that gender diversity on the board of directors strengthens the relationship between CSR and financial performance, while Abdullah (2024) finds that the expertise of the audit committee plays an important role in improving the effectiveness of CSR implementation.

RESEARCH METHODS

The Systematic Literature Review (SLR) method is a research approach used to systematically identify, evaluate, and synthesise the results of previous studies relevant to a particular topic or research question in the field of accounting and business. SLR differs from traditional literature reviews in that it is planned, structured, and replicable, thereby reducing the possibility of bias in the selection and assessment of literature sources. According to Snyder (2019), SLR is an appropriate method in business research because it provides an in-depth understanding of the theoretical and empirical developments of a phenomenon, while also helping researchers identify open research gaps. In the context of accounting, this method is widely used to review topics such as earnings management, corporate governance, auditing, and sustainability reporting, with the aim of compiling a comprehensive and evidence based synthesis of literature to support the development of modern accounting theory and practice (Massaro, Dumay, & Guthrie, 2016).

The process of conducting a Systematic Literature Review in accounting and business research generally consists of three main stages, namely planning, implementation, and reporting of results. In the planning stage, researchers formulate clear and specific research questions and develop a review protocol that describes the search strategy, keywords, inclusion and exclusion criteria, and data analysis techniques to be used. The implementation stage (conducting the review) includes searching for articles in academic databases. In this study, literature from ScienceDirect and Emerald was used, followed by selection based on relevance, quality, and contribution to the topic under review. Next, data extraction is carried out to obtain important information such as authors, year, methods, variables, and main research results. The final stage, reporting the review, focuses on compiling the synthesis results in narrative or tabular form that displays research trends, main findings, and literature gaps that still need to be studied. Denyer and Tranfield (2009) emphasise that the application of the SLR method in the field of management and business can increase the credibility and reliability of the conclusions produced because it follows transparent and systematic scientific procedures.

This study took articles from the Emerald and ScienceDirect websites. There were 300 articles identified, 49 articles screened, 18 articles accessible to researchers, and a final result of 18 articles for analysis, as shown in Table 1.

Table 1. List of Articles Analyzed

No.	Title	Authors	Year	Publisher
1	Does Corporate Social Responsibility Reporting Improve Financial Performance? The Moderating Role of Board Diversity and Gender Composition	Ines Kahloul, Hicham Sbai, Jocelyn Grira	2022	Elsevier

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2	CSR Disclosure and Firm Performance: Evidence from an Emerging Market	Fahad P., Showkat Ahmad Busru	2021	Emerald
3	Corporate Social Responsibility Disclosure and Firm Value: A Signaling Theory Perspective	Van Ha Nguyen	2025	Emerald
4	Firm Value and Risk: How Relevant Are ESG Factors and ESG Controversies?	Paola Brighi, Antonio Carlo Francesco Della Bina, Valeria Venturelli	2025	Emerald
5	Does the Bank's Nature Heterogeneity Matter? Environmental, Social and Governance (ESG) Performance and Corporate Profitability	Joel Victor Dossa et al.	2025	Emerald
6	Does CSR Influence Firm Performance? A Longitudinal Study of SME Sectors of Pakistan	Muhammad Ikram, Robert Sroufe, Muhammad Mohsin, Yasir Ahmed Solangi, Syed Zulfiqar Ali Shah, Farrukh Shahzad	2019	Emerald
7	The Effect of Mandatory CSR Disclosure on Firm Profitability and Social Externalities: Evidence from China	Yi-Chun Chen, Mingyi Hung, Yongxiang Wang	2018	Elsevier
8	Differentiating the Impact of CSR Strengths and Concerns on Firm Performance	Albi Alikaj, Cau Ngoc Nguyen, Efrain Medina	2017	Emerald
9	ESG Controversies and External Assurance: Examining Their Impact on Firm Value and Image	Isabel-María García Sánchez, Nazim Hussain, Cristina Aibar-Guzmán, Beatriz Aibar-Guzmán	2025	Elsevier
10	ESG Ratings and Firm Performance: The Moderating Role of ESG Rating Disagreement	Chengcheng Liu, Qianhui Wu, Yu-En Lin	2025	Borsa Istanbul Review
11	Local CSR, Local Ownership and Firm Value	Taylan Mavruk	2025	Elsevier
12	Local Boy Does Good: The Effect of CSR Activities on Firm Value	Zicheng Lei, Dimitris Petmezas, P. Raghavendra Rau, Chen Yang	2025	Elsevier
13	The Impact of Technological Innovation and Strategic CSR on	Soohwan Choi, Jaewook Yoo	2022	Elsevier

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	Firm Value: Implication for Social Open Innovation			
14	The Value of CSR During the COVID-19 Crisis: Evidence from Chinese Firms	Yuyang Yi, Zongyi Zhang, Cheng Xiang	2022	Elsevier
15	Corporate Social Responsibility and Firm Performance from Developing Markets: The Role of Audit Committee Expertise	Hariem Abdullah	2024	Elsevier
16	Climate Change Exposure and Firm Value: Evidence from Low and Middle Income Economies	Ömer Tuğsal Doruk	2025	Finance Research Letters
17	Corporate Social Responsibility and Firm Performance: Case of Kazakhstan	Maya Katenova, Hassan Qudrat-Ullah	2024	Heliyon
18	How ESG Shapes Firm Value: The Mediating Role of Customer Satisfaction	Junhee Seok, Yanghee Kim, Yun Kyung Oh	2024	Elsevier

RESULTS AND DISCUSSION

Does Corporate Social Responsibility reporting improve financial performance? The moderating role of board diversity and gender composition

This article explores the relationship between Corporate Social Responsibility (CSR) reporting and financial performance, as well as the moderating effect of gender diversity in the board of directors on this relationship. Using panel data from a sample of French companies listed on the SBF 120 during the period 2008–2015, it finds that CSR reporting has a neutral effect on performance when measured by Tobin's Q variable, while a negative effect is found when performance is measured by ROA variable a finding that supports the trade-off hypothesis. It also finds that CSR reporting improves corporate financial performance through the positive moderating role of gender diversity on the board of directors. Thus, this study provides theoretical and empirical insights into the issue of gender diversity in relation to CSR. Regulators and stakeholders should be aware of the potential effects of involvement in CSR reporting and the benefits of gender-diverse boards of directors.

CSR disclosure and firm performance: evidence from an emerging market

This study aims to investigate the effect of Corporate Social Responsibility (CSR) disclosure on firm performance, considering both firm profitability and firm value in an emerging market, namely India. This study examines the effect of CSR disclosure on corporate performance using panel regression on a final sample of 386 companies listed on India's BSE 500 index. The study covers all major players in the capital market over a ten-year period, from 2007 to 2016.

The results show a negative influence of CSR disclosure on profitability and company value in India; this negative influence is mainly driven by environmental disclosure scores and social disclosure scores. A negative effect of company profitability and company value on CSR disclosure is also observed, confirming the existence of an inverse relationship.

This study has implications for consumers, investors, managers, and policymakers. First, consumers need to be more aware of corporate CSR initiatives and should encourage companies to do more. Second, investors can use ESG disclosure scores as a signal of the level of CSR activity, which has a negative impact on company performance. Third, managers need to take CSR more seriously and spend CSR funds wisely based on adequate research, not just to meet mandatory thresholds. In addition, managers must take the necessary steps to raise public awareness of corporate CSR activities in order to reap future benefits. Finally, policymakers need to place greater emphasis on promoting CSR activities in order to reach end consumers in remote areas and raise their awareness of CSR activities.

Corporate Social Responsibility disclosure and firm value: a signalling theory perspective

This study investigates the impact of Corporate Social Responsibility (CSR) disclosure on firm value and the moderating role of contextual factors that have been less studied, such as mandatory disclosure policies, industry profile, and local institutional environment. Panel data techniques were used to examine the relationship between CSR disclosure and firm value, as well as the role of these intervening factors.

This study finds that CSR disclosure is positively related to firm value, indicating the financial benefits of CSR disclosure. Furthermore, this positive relationship is more pronounced in the period after the implementation of mandatory disclosure policies (CSRD), in industries that are not highly profiled, and in more supportive institutional environments.

This study provides further insight to company managers regarding the benefits of CSR disclosure and the contingency factors that influence the relationship between CSR disclosure and company value. This study also expands existing knowledge regarding the contingency effects on market assessment of CSR reporting from a signalling theory perspective. By developing a theory to explain the relationship between CSR disclosure and company value, this study adds arguments and empirical evidence to show that the effectiveness of CSR disclosure as a signal depends on the signaler, the receiver, and the environment in which the signal is communicated (signalling environment).

Firm value and risk: how relevant are ESG factors and ESG controversies?

This study investigates the impact of ESG (Environmental, Social, and Governance) performance and ESG-related corporate violations on company value and risk. Specifically, this study explores whether strong ESG performance can mitigate the negative consequences of adverse ESG events. The analysis is based on a robust international panel dataset from LSEG, covering 10,212 companies in 42 countries over the period 2002–2021.

Using panel regression techniques, this study examines the impact of ESG scores and ESG controversies on market valuation and risk levels, while controlling for heterogeneity at the company level, type of controversy, and temporal, sectoral, and geographical fixed effects. The findings show that ESG controversies significantly reduce company value and increase risk levels. However, companies with high ESG scores exhibit a moderating effect: the impact they experience tends to be less severe, particularly in terms of risk exposure.

After controlling for variables such as differences in company value and risk, corporate controversies, and different geographical, industry, and period specifications, the study results remain significant. These findings emphasise the strategic relevance of engaging in ESG practices in the context of risk management and corporate value preservation. Companies that invest in ESG practices are better prepared to face the reputational and financial impacts of adverse events and can enjoy competitive advantages in the capital market Does the bank's nature heterogeneity matter? Environmental, social and governance (ESG) performance and corporate profitability

This study explores the impact of Environmental, Social, and Governance (ESG) performance on corporate profitability in commercial banks in China during the period 2012 to 2022, examining how inherent differences in bank types moderate this relationship. Using two-

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way fixed effects, 2SLS (instrumental variables), simultaneity tests, and system GMM, this study analyses the effect of ESG on profitability while addressing endogeneity issues.

To capture heterogeneity, the sample was classified based on ownership (state-owned vs non-state-owned), governance structure (joint-stock vs non-joint-stock), and location (urban vs rural). The results show that ESG performance has a positive impact on profitability in both rural and urban commercial banks, but governance performance has a negative impact on urban banks.

ESG has a negative effect on the profitability of state-owned banks, while non-state-owned banks benefit from positive ESG performance. Environmental performance has a positive impact on profitability in both types of banks, but governance has a negative impact. ESG increases profitability in joint-stock banks, but decreases it in non-joint-stock banks. Social activities have a positive impact on profitability in both types of banks, while environmental activities are not significant. Governance activities increase profitability in joint-stock banks, but decrease it in non-joint-stock banks.

Policymakers should design layered ESG regulations, provide incentives to market-oriented banks, and subsidise ESG compliance costs for state-owned banks. Bank managers need to adjust their ESG investments, focusing on environmental and social initiatives based on location. Investors should also evaluate ESG scores contextually. This study provides an in-depth analysis of the relationship between ESG and profitability in China's heterogeneous banking landscape, highlighting how institutional characteristics such as ownership, governance structure, and geographical focus shape the financial implications of ESG.

Does CSR influence firm performance? A longitudinal study of SME sectors in Pakistan

This study aims to examine whether Corporate Social Responsibility (CSR) activities influence company performance based on a longitudinal survey of small and medium-sized enterprises (SMEs) in Pakistan. Empirical research shows that the SME sector plays an important role in Pakistan's economic development and can be considered the backbone of the economy.

Data for this study was collected from SMEs located in the cities of Karachi, Lahore, and Faisalabad in Pakistan. A well-designed questionnaire was distributed to 240 entrepreneurs to analyse and measure the impact of CSR on financial performance over a 12-month period. The author used econometric analysis of the data with a structural equation modelling approach.

The results of the study reveal a significant relationship between CSR and two determinants of company performance, namely employee commitment and company reputation. These findings are important for policymakers, entrepreneurs, and other professionals in the SME sector, both in less developed countries and, with further application and exploration, in developing countries.

The effect of mandatory CSR disclosure on firm profitability and social externalities: Evidence from China

This study examines how mandatory Corporate Social Responsibility (CSR) disclosure affects company performance and social externalities. The analysis utilises China's 2008 mandate requiring companies to disclose their CSR activities, using a difference-in-differences design. Although the mandate does not require companies to spend money on CSR, this study finds that companies required to report on CSR experienced a decline in profitability after the mandate was implemented. In addition, cities most affected by the disclosure mandate experienced a decline in industrial wastewater and SO2 emissions. These findings suggest that mandatory CSR disclosure changes corporate behaviour and generates positive externalities at the expense of shareholders. Another interesting finding is that the negative impact on profitability is greater for state-owned companies than for private companies. This indicates inefficiencies in the implementation of CSR activities in government-owned companies, where social spending is not always directed productively or in line with community needs. Conversely, greater reductions in pollution occurred in cities dominated by non-state-owned companies, indicating that private companies are more efficient in allocating CSR funds to tangible environmental activities. In addition, this study also found that after the policy was implemented, the number of fatal workplace accidents in companies decreased, indicating an increase in attention to worker welfare.

Differentiating the impact of CSR strengths and concerns on firm performance

The purpose of this article is to assess the dimensions of Kinder, Lydenberg, Domini & Co. (KLD) by differentiating between strengths and concerns in Corporate Social Responsibility (CSR) and examining their respective effects on company financial performance. Furthermore, this study distinguishes between US domestic companies and multinational companies (MNCs) to provide additional insights and explore whether there are differences between the two.

Data from the KLD and Compustat databases were analysed for a sample of 562 US companies, consisting of 359 multinational companies and 203 companies operating only in the US. Path analysis was used to examine the influence of CSR strength and attention on corporate financial performance. The findings show that an increase in CSR strength and a decrease in CSR attention are both positively related to corporate financial performance. The results also suggest that addressing CSR attention will be more beneficial for multinational companies than for domestic US companies.

It should be noted that this study is cross-sectional, thus limiting the confirmation of causality. Future research could confirm causality by conducting longitudinal analysis. In addition, some country-specific regulations require companies to publicly disclose certain information related to CSR. Future research could focus on countries with such regulations and compare them with countries that allow companies to decide for themselves whether to publicly disclose their CSR activities.

ESG controversies and external assurance: Examining their impact on firm value and image

This study analyses whether and under what conditions such negative news drives business decisions aimed at ensuring stakeholder trust, such as using assurance services for ESG information, and determines the impact of these decisions on the image and value of companies that are publicly questioned. This study also explores further how companies allocate funds for CSR activities after the policy is implemented. Based on CSR expenditure data obtained from company annual reports, it was found that the average total CSR expenditure reached 1.16 per cent of shareholder equity. The largest expenditure was allocated to labour protection (0.66 per cent), followed by environmental protection (0.34 per cent) and community relations (0.16 per cent). Political and social factors proved to be the main drivers of CSR expenditure. State-owned enterprises (SOEs) tend to spend more on CSR due to direct pressure from the government, while companies operating in highly polluting industries also show greater spending on environmental activities. Conversely, management's political connections have no significant influence on CSR spending, indicating that compliance with policies is driven more by regulatory pressure than by personal relationships with government officials.

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Results obtained from a sample of 1,149 multinational companies, 888 of which use external assurance services, show that controversy drives these decisions, which enhance the company's reputation, stakeholder engagement, and market value. The negative impact of news related to company actions concerning customers, shareholders and investors, and employees has only a minor effect.

ESG ratings and firm performance: The moderating role of ESG rating disagreement

This study examines the impact of disagreement in ESG ratings on the relationship between ESG ratings and company performance. The study finds that ESG ratings are negatively related to company performance. Furthermore, disagreement in ESG ratings positively moderates the relationship between ESG ratings and company performance, thereby weakening the negative impact of ESG ratings on company performance.

Furthermore, additional tests show that disagreement in ESG ratings only acts as a moderating factor in companies with better disclosure quality and poorer corporate governance, higher levels of prosperity and environmental dynamics, smaller company size, and greater social capital. Additional analysis shows that this moderating role is stronger in companies with good disclosure quality, weak corporate governance, small company size, and a dynamic external environment with high social capital. Thus, ESG assessment disagreements do not always have a negative impact, but can serve as a control mechanism that improves opportunistic behaviour in ESG implementation.

Overall, these findings support agency theory and resource-based views, highlighting the importance of assessment consistency and the role of high ESG assessment scores as intangible resources that indicate agency problems. However, disagreement in ESG assessments also functions as a governance mechanism.

Local CSR, local ownership and firm value

This article examines how local/global CSR activities that encourage local/remote ownership affect company performance. The results show that local CSR activities generate positive externalities for local owners, which in turn increases their ownership, thereby strengthening their supervisory role in local companies. Global CSR activities build public image and attract distant investors to local companies, which increases the diversification and liquidity of company shares.

The shift to local ownership increases company value more in global CSR activities that target a broader stakeholder group. Therefore, oversight by local owners is necessary to prevent excessive investment in CSR that could give rise to agency problems. In the short term, stock returns increase more in response to positive news about global CSR activities, partly due to overreaction. However, in the long term, returns reverse, although stock returns remain positive, indicating that CSR activities not only trigger overreaction but also affect company fundamentals. The results also show differences in effects across industries. In the manufacturing sector, the relationship between GIC, GI, and FP is stronger than in the service sector. This is due to greater resource intensity and environmental impact in manufacturing, so that the implementation of green innovation provides more tangible economic benefits, for example through energy savings and reduced production waste.

Local boy does good: The effect of CSR activities on firm value

This study examines the relationship between local CEOs and Corporate Social Responsibility (CSR). The analysis shows that local CEOs are associated with higher levels of CSR engagement and increased company value. These companies demonstrate higher asset turnover, lower equity costs, increased productivity, sales, and profit margins. Local CEOs are more focused on CSR related to the community, the environment, and employees, as well as carbon emission reduction.

This relationship is stronger in companies with a high concentration of local business and strict investor scrutiny. Companies led by local CEOs have achieved higher returns during the recent crisis. The results of the study show that this increase in value is not primarily due to agency effects and remains strong despite concerns about endogeneity.

This study indicates that CEO attachment to the community can influence the effectiveness of CSR, so that CSR involvement alone may not be sufficient to increase trust and company value. These findings highlight the importance of local ties in corporate leadership and CSR strategies.

The Impact of Technological Innovation and Strategic CSR on Firm Value: Implications for Social Open Innovation

This study was designed to explore the influence of strategic CSR alignment andtechnological innovation activities on the market value of Korean manufacturing companies. This study proposes a research model based on resource-based, stakeholder, and institutional theories to examine the main effects of technological innovation activities and strategic CSR alignment, as well as their interaction on company value.

The results show that technological innovation activities have a significant positive impact on company value, while strategic CSR conformity does not have such an impact. Furthermore, the interaction between technological innovation activities and strategic CSR conformity actually has a negative effect on company value. Interesting findings emerge when analysing the interaction between technological innovation and strategic CSR conformity. Preliminary results indicate that the interaction between these two variables has a negative effect on company value, contrary to the initial hypothesis. In other words, when a company has a high level of technological innovation but its CSR is too uniform or homogeneous with its competitors, the impact on increasing company value actually decreases. This indicates that innovative excellence requires CSR differentiation to highlight the unique character and image of the company.

Therefore, a further analysis was conducted by dividing the sample into two subgroups: the upper group (above average) and the lower group (below average). The results show that the interaction effect between strategic CSR and technological innovation activities has a significant positive impact on the market value of Korean manufacturing companies. These findings indicate that companies should invest in strategic CSR at a level higher than the industry average to strengthen the positive effect of technological innovation activities on company value.

The value of CSR during the COVID-19 crisis: Evidence from Chinese firms

Using a sample of 3,013 listed companies in China, this study examines the impact of Chinese companies' Corporate Social Responsibility (CSR) engagement on their stock returns during the COVID-19 crisis. The study found that companies with higher CSR involvement prior to the crisis experienced worse stock returns during the crisis period. This effect was greater for companies with higher agency problems, more limited access to external financing, or worse financial conditions prior to the crisis.

Companies with higher CSR involvement prior to the crisis also exhibited poorer post-crisis operational performance. The results of this study indicate that agency problems encourage Chinese managers to overinvest in costly CSR practices, which detract from company value during unexpected crises and hinder companies' recovery from such crises.

Corporate Social Responsibility and firm performance from developing markets: The role of audit committee expertise

This study examines the complex relationship between Corporate Social Responsibility (CSR) practices, corporate financial performance, and the moderating role of audit committee expertise in the United Arab Emirates (UAE), a rapidly growing developing market. Using a quantitative research design, this study analyses data from non-financial companies listed on the Abu Dhabi Securities Exchange (ADX) during the period 2008–2022. It evaluates the impact of CSR on financial performance using various regression methods and examines how the experience of audit committee members strengthens or weakens this relationship.

The findings are consistent with the theory that CSR initiatives have a negative impact on corporate financial performance in the UAE. Furthermore, empirical data shows that audit committee expertise strengthens the correlation between financial performance and CSR. In coordinating CSR activities with long-term sustainability goals, the role of the audit committee is crucial.

This study utilises secondary data and focuses exclusively on the UAE, although it has contributed knowledge regarding CSR and corporate performance in emerging markets. Further research is recommended to consider a broader geographical context and a longer time period to improve the generalisation of findings.

These findings offer practical insights for companies operating in emerging markets, highlighting the impact of CSR on performance and the importance of audit committee expertise in maximising that impact. We encourage companies to improve their measurement and reporting levels, with the aim of effectively communicating and realising the potential benefits of CSR.

This study expands the literature on CSR and corporate performance by examining rapidly developing markets and providing guidance for companies operating in similar contexts. It emphasises the crucial role of audit committee expertise in realising the financial benefits of CSR practices.

Climate change exposure and firm value: Evidence from low and middle income economies

This study examines the impact of climate change exposure on firm value in low- and middle-income countries using a cross-country dataset at the firm level. It employs two new firm-level climate change exposure variables to explore the impact of climate change exposure on firm value in financial and physical dimensions.

The results show that climate change exposure significantly affects firm value through both transition risk and physical risk channels. At the same time, a firm's ESG performance can mitigate the impact of climate change exposure on firm value, while performance-based executive compensation linked to corporate social responsibility cannot mitigate this impact. ESG scores are able to moderate the negative relationship between climate exposure and company value. Graphical analysis (Figures 1 and 2 in the article) shows that companies with high ESG scores experience a smaller decline in value due to climate exposure than companies with low ESG scores. This confirms that good ESG performance can be an effective mitigation strategy against the impact of climate change on company value.These findings are consistent across various models and alternative variables. This study is expected to provide new insights into the relationship between climate change exposure and company value, particularly in low- and middle-income countries.

Corporate Social Responsibility and firm performance: Case of Kazakhstan

This study aims to find the relationship between Corporate Social Responsibility (CSR) and company performance. The variables studied were measured and analysed using a sample of companies listed on the Kazakhstan Stock Exchange (KASE). This study used regression models and least squares techniques as the main analytical tools. CSR was examined alongside variables such as Return on Assets, Return on Equity, Market Value, and Net Profit Margin.

The results of the study indicate that company performance and CSR are interrelated in the companies studied. The study found a positive correlation between CSR practices and Net Profit Margin in Kazakh companies. Although this study focuses on one country, its methodology can be applied to research in other developing countries and emerging markets. The positive relationship between CSR and NPM is in line with CSR theories that emphasise that corporate social practices can enhance public trust, brand reputation, and stakeholder relations, which ultimately impact profitability. However, the absence of a significant relationship between CSR and ROA, ROE, and MV can be explained by the unique characteristics of Kazakhstan's economy as a post-Soviet developing country, where CSR is still a new concept that has not been fully integrated into corporate strategy. Many companies implement CSR more as a moral obligation or social demand than as a planned business strategy. This study provides a basis for further research to examine the reciprocal relationship between CSR and financial performance using more in-depth analytical methods, such as the Granger causality test or cross-country analysis to compare the effectiveness of CSR in different economic contexts.

How ESG shapes firm value: The mediating role of customer satisfaction

In the contemporary business landscape, attention to environmental, social, and governance (ESG) issues is increasing. Although public interest in ESG continues to grow, empirical research assessing its effectiveness remains limited. This study examines the subtle relationship between ESG initiatives and company value, highlighting the mediating role of customer satisfaction.

Using an industry fixed effects model, this study analyses an unbalanced panel dataset comprising 168 companies over five years. Based on empirical analysis of a comprehensive secondary dataset, this study yields three conclusions. First, ESG performance enhances company value. Second, customer satisfaction positively mediates this relationship. Third, this relationship is particularly evident in companies in environmentally sensitive industries. This study also highlights the importance of integrating technology, innovation, and transparent ESG reporting. The use of artificial intelligence (AI) and big data analytics in ESG reporting can improve accuracy, transparency, and efficiency in sustainability management. This is an important step for companies to increase public trust and regulatory compliance.

With a distinct focus on ESG performance rather than the broader concept of CSR, this study emphasises the importance of customer satisfaction in determining how ESG performance affects company value and that ESG plays a significant role in creating company value, both directly and through increased customer satisfaction. These findings imply that companies committed to strong and transparent ESG practices will gain competitive advantage, higher customer loyalty, and greater market value.

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CONCLUSION

Based on the reviewed literature, the impact of Corporate Social Responsibility (CSR) on company performance is complex and varied. In many cases, CSR can positively increase company value, reputation, customer satisfaction, and financial performance. However, the impact is not always immediately beneficial, as it depends on the industry context, market conditions, and geographical characteristics where the company operates. Moderating factors such as audit committee expertise, board diversity, and disclosure quality also play an important role in strengthening or weakening the relationship between CSR and company performance.

In addition, mediating variables such as customer satisfaction and company reputation are key in explaining how CSR affects company value and performance. Companies that implement CSR practices well tend to be more resilient to reputational and financial risks, especially when facing controversies related to environmental, social, and governance issues. The successful implementation of CSR depends heavily on strategic management and investment as well as transparency in reporting, rather than merely fulfilling regulatory obligations. Therefore, a holistic and contextual approach is needed for CSR to function as a strategic tool to improve corporate competitiveness and performance. Further research with a broader time and geographical scope is also needed to strengthen understanding of this relationship, while corporate practices and policies must continue to be improved to optimise the benefits of CSR in various market contexts. CSR necessarily reduces profitability but improves social welfare and environmental quality, thus providing evidence that transparency-based regulation can be an effective tool for achieving sustainable and ethical economic development. Planned and integrated sustainability practices can be an important strategy for creating competitive advantage and long-term value.

This study has several limitations that should be noted. First, it relies on published and available literature, so there may be recent studies or important data that are not covered. In addition, publication bias may also affect the results because studies with significant findings tend to be published more often, so the picture obtained may not be representative of the whole phenomenon. This study also faces limitations in terms of context and generalisation, as much of the literature comes from specific regions or industries, so the results may not be universally applicable, especially in developing countries where research is still minimal. Variations in methodology and definitions of CSR and company performance in the literature reviewed also make it difficult to compare results consistently. In addition, the focus of research on the relationship between CSR and financial performance means that other aspects such as social, environmental and governance impacts receive less in-depth attention. Many studies are cross-sectional, making it difficult to draw strong causal conclusions about the long-term impact of CSR. Finally, the dynamic development of regulations and trends in CSR practices means that the results of studies based on historical data may not fully reflect current conditions. Therefore, although this study provides a comprehensive overview, the results need to be interpreted with caution and can be used as a basis for further, more in-depth and contextual research.

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