International Research Journal of Multidisciplinary Scope (IRJMS),2026;7(1):503-517

Review Article | ISSN (O): 2582-631X DOI: 10.47857/irjms.2026.v07i01.08431

CSR and Financial Performance: A Narrative Review of Shifting Paradigms and Future Research Agenda

Ruchi Shukla*, Ashish Ranjan Sinha

Department of Humanities and Social Sciences, National Institute of Technology, Patna, India. *Corresponding Author's Email: ruchis.hs19.phd@nitp.ac.in

Abstract

The relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP) has been one of the most debated topics in finance and management literature. While earlier research generally suggested a positive relationship, findings remain inconsistent due to differences in measurement, methodology, and context. This narrative review synthesizes evidence from 43 peer-reviewed studies published between 2015 and 2025 to provide a thematic understanding of the CSR-CFP relationship. The review identifies five major themes: CSR as a value-enhancing investment, CSR as a financial burden, the non-uniformity of CSR-CFP relationships, CSR and specific financial dimensions, and CSR-CFP linkages in emerging economies. By distinguishing financial performance into shareholder value, profitability, cost of capital, risk, and capital structure, this study presents a multidimensional view of how CSR affects firm financial outcomes. Evidence suggests that strategically aligned and authentic CSR practices generally enhance financial performance by building reputation, stakeholder trust, and risk reduction, whereas mandatory or symbolic CSR initiatives often yield neutral or negative impacts. Special emphasis is placed on the evolving CSR provisions in the Indian economy following the Companies Act (2013), which institutionalized CSR as a mandatory requirement. By integrating thematic insights into a coherent structure, this review clarifies the conditions under which CSR strengthens or weakens financial performance and offers insights into key methodological and contextual moderators, while also proposing a structured framework for future research across varied institutional settings.

Keywords: Corporate Social Responsibility, Emerging Economies, Financial Performance, Narrative Review, Profitability.

Introduction

As a result of globalization, rising stakeholder expectations and fight for sustainability, Corporate Social Responsibility (CSR), which was initially considered as a philanthropic obligation is now being considered a strategic pillar for corporate governance (1-4). Today's firms mostly view CSR as a mechanism to enhance financial outcomes, manage risks, and sustain competitive advantage rather than as a purely moral or philanthropic duty (5-7). Although the CSR-CFP relationship has always been a matter of interest to scholars, this shift from CSR as a philanthropic activity to becoming one of the reasons behind business sustainability has intensified scholarly and policy interest in examining whether CSR enhances or burdens firm performance. Meta-analyses and systematic reviews (8-11) confirm that although CSR often correlates with improved firm outcomes, effect sizes and directions vary substantially depending on measurement choices, sample selection, and contextual moderators. Recent theoretical advances, particularly institutional complexity theory, argues that firms increasingly operate within multiple and sometimes conflicting institutional logics, which shape how CSR initiatives translate into financial outcomes (12). In parallel, paradox theory explains why CSR can simultaneously create value and impose costs, enriching the framework to interpret the contradictory CSR-CFP findings (13). The CSR-CFP relationship is one of the most studied themes in finance and management and still remains one of the most contested (8, 9). This debate has gained more momentum in both developed as well as emerging nations, with some economies making CSR a mandatory contribution such as India's Companies Act (2013). Prior studies on mandatory CSR regimes, particularly in India, show mixed compliance behaviors and heterogeneous financial outcomes across industries (14), highlighting the importance of institutional context. Moreover, the geographic

This is an Open Access article distributed under the terms of the Creative Commons Attribution CC BY license (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted reuse, distribution, and reproduction in any medium, provided the original work is properly cited.

(Received 29th September 2025; Accepted 06th December 2025; Published 15th January 2026)

distribution of CSR-CFP studies is uneven: several emerging-market studies (notably India and China) have examined mandatory or quasi-mandatory regimes, while many developed-market studies emphasize voluntary CSR and market reactions (15, 16). Methodologically, the literature spans event studies, panel regressions, and a limited number of quasi-experiments, but causal identification and standardized measurement of CSR remain sparse (10, 17).

There has been extant literature providing evidence on the fragmented CSR-CFP relationship. Several studies and meta-analyses report that CSR contributes positively to financial performance by enhancing stakeholder trust, reducing operational risks, improving access to capital, strengthening reputation, and generating marketing or operational synergies (8, 9, 18-21). However, research from mandatory CSR contexts and firms with weak governance often reports neutral or negative financial outcomes, with compliance costs, agency problems, and implementation deficiencies identified as key explanations (22, 23). Meta-analyses also document weak or context-dependent associations, suggesting that CSR does not uniformly translate into financial gains (24, 25). These inconsistent findings align with insights from institutional complexity theory, which highlights competing societal, regulatory, and market demands that shape heterogeneous CSR responses (12), and paradox theory, which emphasises the simultaneous pressures for social value creation and financial performance that may pull firms in opposite directions (13).

The research problem of this study originates from the lack of unidirectional results and the limitations of the previous reviews. Earlier literature reviews have identified several conceptual and empirical gaps in CSR-CFP research, particularly regarding measurement inconsistencies, endogeneity concerns, and limited cross-country evidence (26-28). Firstly, most overviews treat CFP as one single block, which groups different results into one broad accounting or market-based indicator. Treating CFP as a single construct covers up its multidimensional nature, as shareholder value, profitability, risk, cost of capital, and capital structure are different financial outcomes that may respond differently to CSR initiatives (20, 29). Secondly, the geographic and institutional coverage of primary studies is uneven, producing a spatial concentration bias that limits global generalizability (30). Thirdly, due to methodological limitations such as neglect of lag effects, cross-sectional designs, and insufficient differences between symbolic CSR and substantive CSR have restricted ability to establish when, how, and why CSR influences financial outcomes (31, 32).

These gaps motivate the present PRISMA-based synthesis that (a) disaggregates CFP into multiple financial dimensions, (b) explicitly considers institutional and regulatory contexts (including mandatory CSR), and (c) assesses methodological rigor across studies. To provide a consolidated and context-sensitive synthesis and understand the recent developments of CSR-CFP research, studies published between 2015 and 2025 have been considered. The objective is to map the dominant patterns, contradictions, and contextual contingencies in the CSR-CFP relationship, examine how different financial dimensions respond to CSR initiatives, and identify the institutional and methodological conditions under which CSR strengthens or weakens firm performance. By offering a structured and thematically organized assessment, the review seeks to clarify unresolved inconsistencies and propose a forward-looking agenda for future research.

By achieving these objectives, the review provides a refined, context-sensitive understanding of how CSR influences financial performance across sectors and institutional settings. Its distinctive contribution lies in the systematic integration of CSR-CFP evidence using the PRISMA framework, ensuring transparency and replicability. Unlike prior narrative or semi-structured reviews, this study synthesizes cross-country findings with attention to institutional environments, mandatory versus voluntary CSR regimes, and firm-level moderators such as managerial ability. Together, these contributions offer a nuanced explanation of the boundary conditions under which CSR strengthens or weakens firm performance.

Methodology

Search Strategy

To ensure a comprehensive and systematic identification of relevant studies, a structured search strategy was employed using Scopus, which has one of the largest databases of abstracts and citations of peer-reviewed literature. The aim of this review is to examine the relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP), with special emphasis on economic, business and social perspectives. The Boolean search query used was as follows:

```
(TITLE-ABS-KEY ("Corporate social responsibility" OR "CSR" OR "Corporate financial performance" OR
"CFP" OR "profitability" OR "firm performance" )
 AND PUBYEAR > 2014 AND PUBYEAR < 2026
 AND (LIMIT-TO (SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) OR LIMIT-TO ( SUBJAREA ,
"SOCI" ) )
 AND (LIMIT-TO ( DOCTYPE , "ar" ) )
 AND ( LIMIT-TO ( LANGUAGE , "English" ) )
 AND ( LIMIT-TO ( EXACTKEYWORD , "Corporate Social Responsibility" )
    OR LIMIT-TO ( EXACTKEYWORD , "Profitability" )
    OR LIMIT-TO ( EXACTKEYWORD , "Firm Performance" )
    OR LIMIT-TO ( EXACTKEYWORD , "Csr" )
    OR LIMIT-TO ( EXACTKEYWORD , "Financial Performance" )
    OR LIMIT-TO ( EXACTKEYWORD , "Corporate Social Responsibility (csr)" )
    OR LIMIT-TO ( EXACTKEYWORD , "India" )
    OR LIMIT-TO ( EXACTKEYWORD , "Investment" )
    OR LIMIT-TO ( EXACTKEYWORD , "Corporate Financial Performance" )
    OR LIMIT-TO ( EXACTKEYWORD , "Economic Development" )
    OR LIMIT-TO ( EXACTKEYWORD , "Cost Benefit Analysis" )
    OR LIMIT-TO ( EXACTKEYWORD , "Stakeholder Engagement" )
    OR LIMIT-TO ( EXACTKEYWORD , "Liquidity" )
    OR LIMIT-TO ( EXACTKEYWORD , "Profit" )
    OR LIMIT-TO ( EXACTKEYWORD , "Leverage" )
    OR LIMIT-TO ( EXACTKEYWORD , "Stakeholder Theory" )
    OR LIMIT-TO ( EXACTKEYWORD , "Finance" ) )
 AND ( LIMIT-TO ( PUBSTAGE , "final" ) )
 AND ( LIMIT-TO ( AFFILCOUNTRY , "India" ) OR LIMIT-TO ( AFFILCOUNTRY , "United States" ) )
```

Inclusion and Exclusion Criteria

Timeframe: Articles published between 2015 and 2025 were included to capture the most recent decade of scholarly contributions.

Document Type: Only peer-reviewed journal articles were considered to maintain academic rigor, excluding conference papers, book chapters, and reviews.

Language: Only publications in English were included for consistency.

Subject Area: Articles indexed under Business, Economics, and Social Sciences were prioritized, ensuring contextual alignment with the objectives of the study.

Geographical Scope: The search was restricted to studies affiliated with institutions in India and the United States, limiting the context to one emerging economy where CSR is mandatory and one developed economy where CSR is still a philanthropic activity.

Keywords: To maintain thematic relevance, only articles tagged with at least one of the following keywords were retained: Corporate Social Responsibility, Corporate Financial Performance, Profitability, Firm Performance, Financial Performance, Stakeholder Engagement, Liquidity, Leverage, Profit, Finance, among others.

Screening Process

The search initially yielded a pool of 2,339 studies. Given this large number, a citation threshold was applied as a quality control measure to ensure that the review focused on impactful and widely recognized works without compromising rigor. Accordingly, studies with fewer than 50 citations, though potentially interesting, were excluded. This resulted in a refined pool of 308 documents. After removing duplicates, titles and abstracts were screened for relevance to CSR-CFP linkages, which further narrowed the selection to 68 documents. Finally, full-text articles were assessed based on their conceptual, theoretical, or empirical contributions to the theme. Studies that did not explicitly examine the CSR-CFP relationship in any context were excluded, leaving a final set of 43 documents for review. While the citation threshold helped ensure scholarly credibility, it may have excluded recent but high-quality studies that had not yet accumulated sufficient citations. The study selection process has been summarised in the PRISMA flowchart (Figure 1). This multi-stage filtering ensured both quality and relevance.

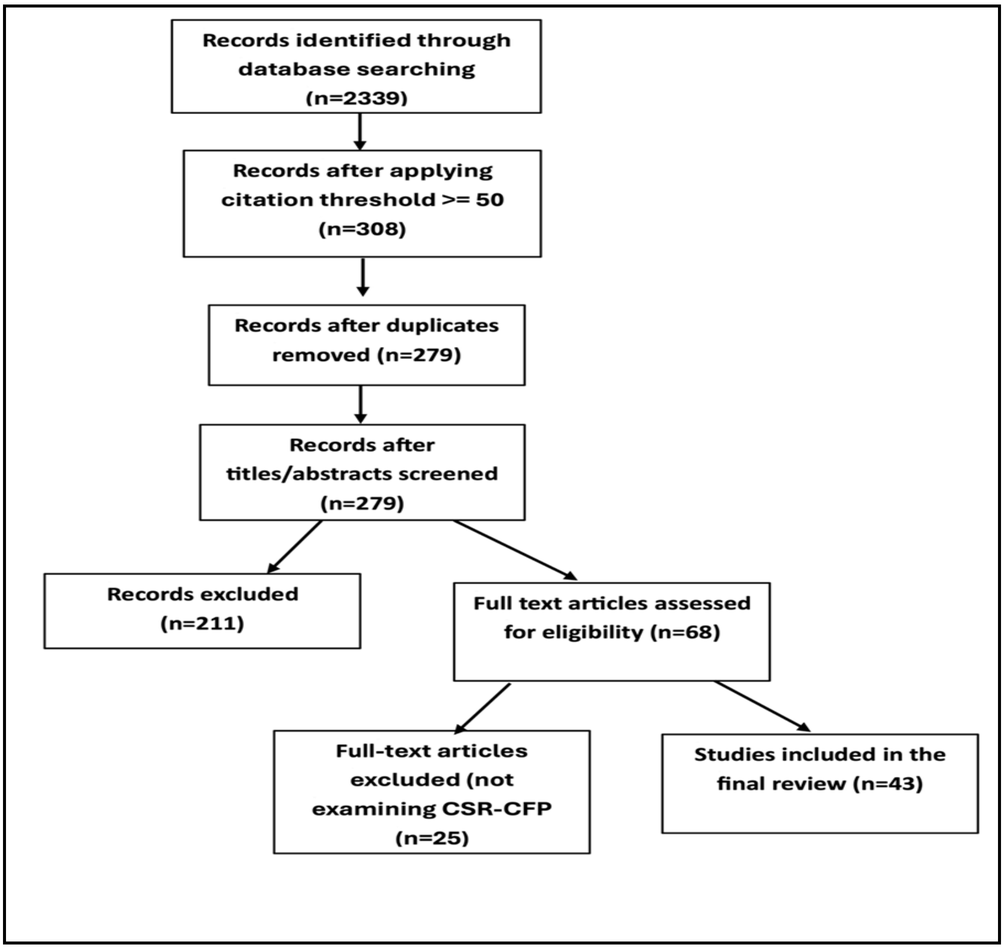

Figure 1: PRISMA Flowchart Illustrating the Multi-Stage Screening and Inclusion Process Used to Select the Final 43 Studies for the CSR-CFP Review

Descriptive Analysis of Literature

The bibliometric profiling (see Figures 2-5) reveals important trends justifying the methodology:

Temporal Growth

As shown in Figure 2, CSR-CFP publications increased steadily from 2015, peaking in 2023 with over 300 papers, reflecting the growing relevance of CSR in corporate strategy.

Subject Area Focus

As shown in Figure 3, a significant share of studies (35.2%) belongs to Business, Management, and Accounting, followed by Social Sciences (15.9%) and Economics (13.5%), aligning with the interdisciplinary nature of CSR-CFP research.

Geographic Contribution

The United States and India dominate publication outputs (over 2,500 papers combined), justifying their selection as focal countries for this review as shown in Figure 4.

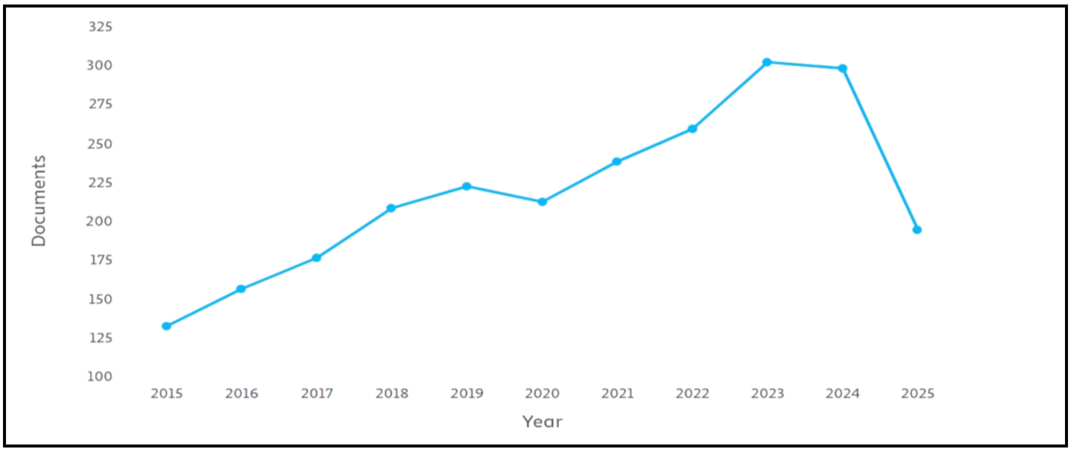

Figure 2: Publication Trends in CSR-CFP Research (2015-2025) Showing the Annual Growth in The Number of Peer-Reviewed Studies Analysed (Based on Collected Data from Scopus Database, Elsevier)

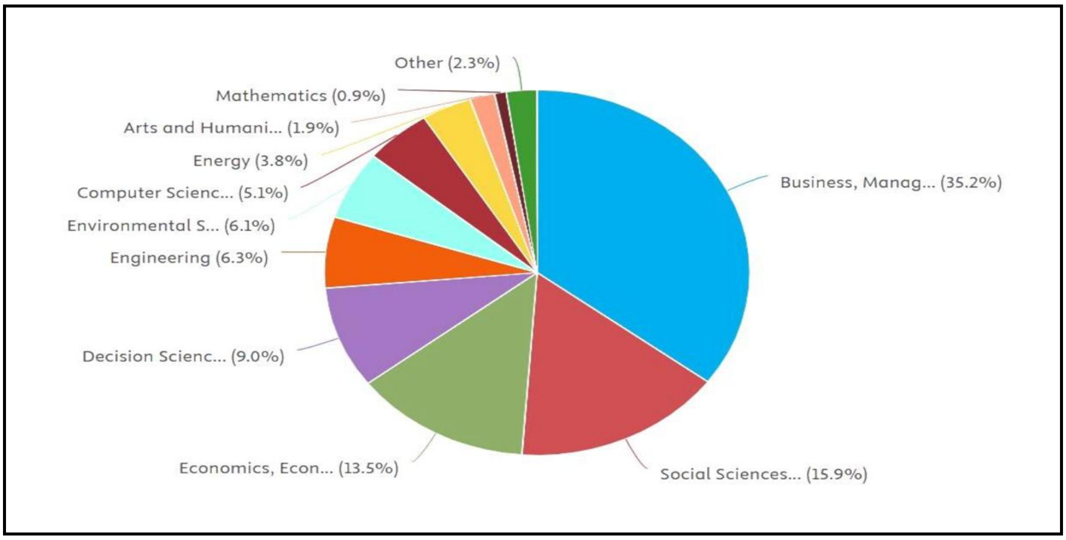

Figure 3: Subject-Area Distribution of CSR–CFP Publications, Illustrating the Interdisciplinary Nature of the Field Across Business, Economics, and Social Sciences (Based on Collected Data from Scopus database, Elsevier)

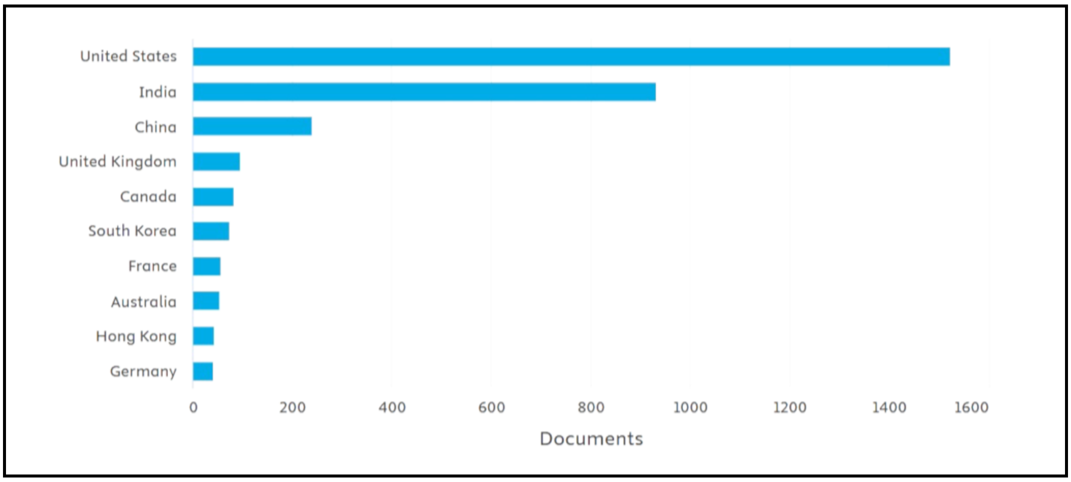

Figure 4: Country-wise Distribution of CSR-CFP Publications (2015–2025), Highlighting India and The United States as The Leading Contributors to CSR-CFP Scholarship (Based on Collected Data from Scopus database, Elsevier)

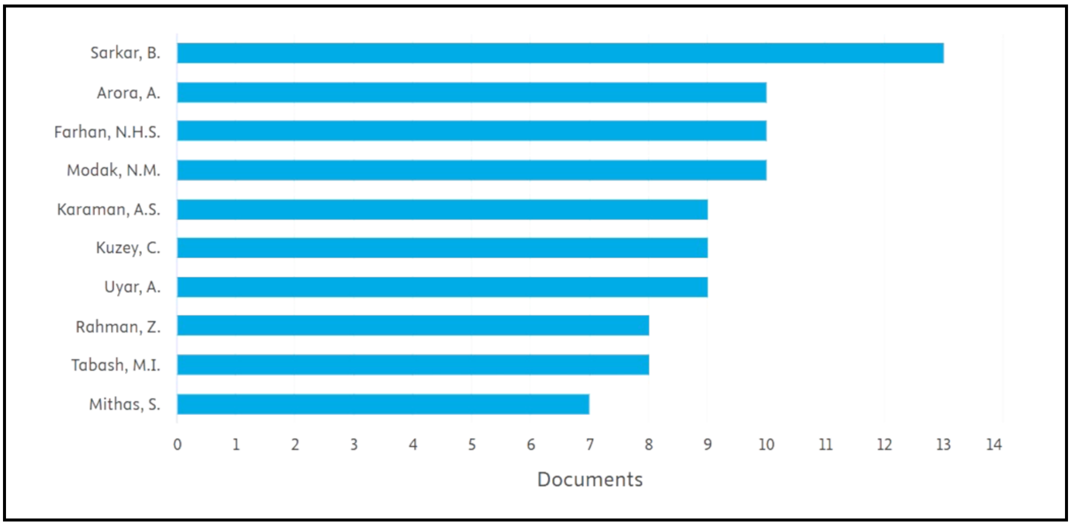

Figure 5: Authorship Pattern in CSR-CFP Research Showing Frequent Contributors and Collaborative Networks among Leading Scholars (2015-2025) (Based on Collected Data from Scopus database, Elsevier)

Authorship Patterns

Figure 5 shows frequent contributions by leading scholars (e.g., Sarkar, Arora, Farhan) indicate active and established research communities shaping this field.

These detailed insights show both the diversity and volume of research, which reinforces the need for a narrative compilation rather than a meta-analysis.

Data Extraction and Synthesis

For each included article, bibliographic details (Title, Authors, year, journal, Country of Affiliation), methodological orientation (quantitative, qualitative, mixed methods), data source, sample size, and key findings were extracted. A thematic synthesis approach was then applied to identify recurring patterns, theoretical frameworks (e.g., stakeholder theory, resource-based view), and empirical findings regarding the CSR-CFP relationship.

Rationale for Narrative Review

The CSR-CFP relationship has been under aggressive debate for many decades but still findings remain scattered and inconclusive (2, 9). Some studies show positive relationship while others conclude negative, neutral or contingent results based upon the industry, methodology and geography where these studies were performed (8, 33). These differences highlights the need for a research methodology that is capable of unifying varied offerings and findings that offers a comprehensive and conceptual understanding.

The narrative review approach is the most suitable for this purpose as it allows theme-based unification across several disciplines and contexts without restricting to strict statistical compilation (34). Narrative reviews adjust methodological multiplicity and provides scope for interpreting findings in the light of cultural, sectoral and institutional differences, unlike meta-analyses, which emphasizes effect sizes (35). As CSR is multidimensional, a narrative review provides the flexibility to include such complexity in the literature (36).

Results

General Findings

Across the included studies, the core focus consistently lies in examining the relationship between corporate social responsibility (CSR) (or related ESG/disclosure constructs) and corporate financial performance (CFP), which is operationally defined through accounting returns, market returns, cost-of-capital measures, or risk indicators. When the results in Table 1 are categorized by the direction and clarity of effect, the distribution is as follows: 27 studies report a clear positive association between CSR and CFP, 3 studies indicate negative associations (often linked to mandatory CSR or poorly implemented programs), 11 studies reveal mixed, conditional, or complex relationships (effects that depend on moderators such as governance, CSR type, or institutional context), and 2 entries could not be neatly classified due to atypical reporting formats. The prevailing theme is thus a positive CSR-CFP link, but one that frequently relies on contextual and firm-level factors rather than being universal.

The table also highlights recurring moderating factors that influence whether CSR leads to financial benefits. Common moderators include: (a) CSR modality, such as voluntary/strategic CSR and high-quality disclosure versus perfunctory or mandated spending; (b) corporate governance and ownership structure, where strong governance, institutional ownership, or family-firm characteristics often enhance CSR's positive effects; (c) country/institutional context, with several studies indicating stronger positive effects in emerging-market settings; and (d) measurement and disclosure quality, as transparency in CSR reporting correlates with stronger market responses. Industry differences and firm risk profiles also emerge as recurring themes, with CSR's value-preserving and risk-buffering roles being more pronounced for firms in high-exposure sectors.

Regarding measurement, the studies reveal significant heterogeneity. CSR is defined through various indicators, such as CSR spending/expenditure, CSR scores or indices, third-party ESG ratings, and disclosure/transparency measures. Similarly, CFP metrics are diverse, encompassing accounting measures (Return on Assets (ROA), Return on Equity (ROE), profit margins), market-based outcomes (stock returns, abnormal returns, Tobin's Q), and financing/risk measures (cost of debt, credit spreads). This variety in both CSR and CFP measurement complicates the straightforward aggregation of effect sizes and highlights the importance of carefully considering construct definitions when comparing findings across studies.

In terms of methodology, the table predominantly features panel-data econometric techniques and event-study frameworks, highlighting a focus on longitudinal variation and market responses. A smaller number of studies employ experimental or quasi-experimental identification strategies, such as natural experiments and instrumental variables, which offer stronger causal inference; however, these robust identification designs are still relatively uncommon. The diversity in designs and measures indicates that some of the variability in results can be attributed to methodological differences as much as to substantive heterogeneity across firms and contexts.

Finally, the thematic synthesis presented in Table 1 which highlights the summary of reviewed studies resulted in two practical implications consistently emphasized by the primary studies: (i) strategically managed, well-governed, and transparently disclosed CSR is more likely to generate measurable financial value; and (ii) mandated or poorly executed CSR, especially when viewed merely as a compliance cost without strategic alignment, may result in neutral or negative financial outcomes. These general findings are robust across various study types, but should be interpreted considering the measurement heterogeneity and the limited number of studies employing high-certainty causal identification.

Table 1: Summary of 43 Empirical and Conceptual Studies Examining The CSR-CFP Relationship (2015–2025), Categorized by Context, Methodology, and Key Findings

S. No.	Citations	Title of the Study	Country	Methodology	Key Finding	Theme
1.	(1)	CSR Historical Review	Global	Conceptual Review	Contextual factors shape CSR thinking over time	Mixed Evidence and Moderators
2.	(10)	CSR and Economic Cycles	Global	Meta-analysis	CSR-CFP link is affected by economic conditions	Mixed Evidence and Moderators
3.	(11)	CSR and ESG Performance	Global	Systematic Review	Positive CSR-CFP strengthened by ESG integration	CSR as Value Enhancer
4.	(15)	CSR Act in India	India	Conceptual	Hybrid voluntary and mandatory CSR model	CSR in Emerging Economies
5.	(16)	CSR and Financial Performance in India	India	Empirical	Profitability and growth are positively influenced by CSR	CSR in Emerging Economies
6.	(17)	CSR and CFP Systematic Review	Global	Review	Generally positive relationship; context matters	CSR as Value Enhancer
7.	(19)	CSR, Reputation and CFP	Global	Empirical	Reputation mediates CSR-CFP outcomes	Mixed Evidence and Moderators
8.	(21)	Marketing Capability and CSR	Global	Quantitative	CSR impact on return and risk is improved by strategic marketing	CSR as Value Enhancer

					efforts	
9.	(22)	Mandatory CSR and Stock Returns	India	Event Study	Mandatory CSR increases volatility and reduces value	CSR as Financial Burden
10.	(23)	Mandatory CSR and Cost of Capital	India	Empirical	Mandatory CSR raises cost of equity and debt	CSR as Financial Burden
11.	(37)	CSR and Procurement Contracts	Global	Empirical	CSR spending improves trustworthiness and improves competitiveness for getting contracts	CSR as Value Enhancer
12.	(38)	CSR in the Restaurant Industry	US	Empirical	Stakeholder awareness of CSR activities improves financial performance	CSR as Value Enhancer
13.	(39)	CSR and For-Profit Efficiency	Global	Formal Model	When aligned with consumer demand, CSR can outperform similar activities carried by Nonprofit organizations	CSR as Value Enhancer
14.	(40)	Local CSR and Media Coverage	Korea	Empirical	Firm value is enhanced by local CSR activity and positive media publicity	CSR as Value Enhancer
15.	(41)	CSR and Reputation	Global	Empirical	Reputation, stakeholder attitudes, and performance is improved by CSR	CSR as Value Enhancer
16.	(42)	CSR Communication and Brand Equity	Global	Empirical	CSR communications enhance brand loyalty and perceived quality	CSR as Value Enhancer
17.	(43)	CSR Mandate in India	India	Empirical	Mandated CSR often neutral or negative	CSR as Financial Burden
18.	(44)	CSR and SMEs in India	India	Empirical	Intellectual capital mediates CSR-CFP relationship	CSR as value enhancer
19.	(45)	Managerial Ability and ESG	Global	Empirical	Greter value is extracted from high-ability managers from CSR projects	CSR as Value Enhancer
20.	(46)	CSR and Internal Controls	Global	Empirical	Transparency and performance is improved by CSR plus strong controls	CSR as Value Enhancer
21.	(47)	CSR and Political Turnover	China	Empirical	Stable political conditions strengthens CSR-CFP impact	CSR in Emerging Economies
22.	(48)	CSR Authenticity Scale	Korea	Scale Development	Genuine CSR spending strengthens stakeholder response	Mixed Evidence and Moderators
23.	(49)	CSR Communication and Scepticism	Global	Empirical	Authenticity of CSR messaging shapes consumer response	Mixed Evidence and Moderators
24.	(50)	CSR and Market Liquidity	US	Empirical	Transparent CSR improves equity liquidity	Mixed Evidence and Moderators
25.	(51)	Strategic CSR and Profitability	Multi-industry	Empirical	When CSR is strategically aligned, then profits are highest	Profitability
26.	(52)	CSR in Supply Chains	Global	Empirical	Profit division and goodwill is improved in supply chain through CSR spending	Profitability
27.	(53)	CSR in Financial Sector	Global	Empirical	In finance firm value is enhanced by CSR activities	Profitability
28.	(54)	Sustainability Indices and Firm Value	Global	Event Study	Investor have mixed reactions; CSR significance is evolving in markets	CSR as Value Enhancer
29.	(55)	CSI and Credit Risk	Europe	Empirical	Negative CSR publicity tends to increase credit risk	Risk Reduction
30.	(56)	CSR and Leverage	Global	Empirical	CSR mitigates leverage risks and lowers debt costs	Cost of Capital
31.	(57)	CSR under SEC Regulation SHO	US	Natural Experiment	To avoid stock price crash risk firm increase CSR	Risk Reduction
32.	(58)	ESG and Bond Spreads	Global	Empirical	High ESG decreases bond spreads and improves access to debt	Cost of Capital
33.	(59)	CSR and Brand Equity	Global	Empirical	Strong CSR creates goodwill reservoir, improving brand value	CSR as Value Enhancer
34.	(60)	CSR, Governance and Risk	Global	Empirical	CSR influences CEO incentives and risk-taking	Mixed Evidence and Moderators
35.	(64)	Corporate social responsibility and financial performance in SMEs: A structural	India	Empirical	CSR impact weak, driven by informal motives	CSR in Emerging Economies

		equation modelling approach. Global Business Review.				
36.	(65)	Peer CSR and Firm Value	Thailand	Empirical	CSR influenced by peer effects enhances firm value	CSR as Value Enhancer
37.	(66)	Family Firms and CSR	Global	Empirical	Under visibility family firms gain greater returns from CSR	Profitability
38.	(67)	CSR and Governance Moderators	Global	Empirical	CSR improves accounting and market performance; moderated by governance	Mixed Evidence and Moderators
39.	(68)	Ownership and ESG Value	Global	Empirical	Ownership moderates CSR-CFP link	Mixed Evidence and Moderators
40.	(69)	CSR Types and Competence	Global	Empirical	CSR outcomes depend on firm competence and strategy	Mixed Evidence and Moderators
41.	(70)	The buffering effects of CSR reputation in times of product-harm crisis.	Global	Empirical	CSR buffers reputation losses in crises	Risk Reduction
42.	(71)	CSR and Idiosyncratic Risk	China	Empirical	CSR reduces risk but nonlinear U-shaped effects	Risk Reduction
43.	(72)	CSR as Insurance in Uncertainty	Global	Empirical	Firm value is preserved by CSR thereby creating social capital	Risk Reduction

Theme 1: Patterns and Inconsistencies in the CSR-CFP Relationship

Across the 43 studies reviewed (see Table 1), a positive relationship between CSR and corporate financial performance (CFP) emerges as the predominant pattern. Evidence from various contexts indicates that CSR can boost profitability, brand value, shareholder returns, and access to capital (21, 37-41). Studies also emphasize mechanisms through which CSR generates value, such as reputation building (19), stakeholder engagement (42), and media visibility (40). However, inconsistencies remain. A smaller yet consistent subset of studies report neutral or negative effects, particularly when CSR is mandatory or compliance-driven rather than voluntary and strategic (22, 23, 43). Meta-analyses and systematic reviews confirm the general positive trend but stress that outcomes vary based on measurement choices, institutional settings, and methodological approaches (10, 11, 17). Thus, while the overall pattern is positive, the CSR-CFP relationship is conditional and heterogeneous.

Theme 2: The Role of Contextual Moderators

The influence of CSR on financial outcomes is significantly shaped by contextual and organizational factors. At the firm level, elements such as marketing capability (21), intellectual capital (44), and governance quality (45, 46) enhance the financial returns of CSR. At the industry level, CSR proves particularly valuable in sectors vulnerable to reputational and regulatory risks, where it serves as "insurance" against crises (18, 47). The institutional context also plays a crucial role. In emerging markets like India and China, political stability and regulatory changes significantly affect CSR's effectiveness (16, 47). Mandatory CSR regimes, such as India's Companies Act 2013, often impose costs unless firms have previously engaged voluntarily (15, 43). Moreover, the authenticity and transparency of communication are essential: perceived sincerity enhances positive stakeholder responses, while inauthentic CSR messaging heightens skepticism (48-50).

Theme 3: Financial Dimensions Affected by CSR

Recent scholarship has moved from using aggregate CFP measures to focusing on specific financial dimensions.

Profitability: When CSR aligns with firm strategy and integrates into the supply chain, it enhances profitability, particularly in the service and tourism sectors (51-53).

Market Valuation and Shareholder Returns: Investors often reward CSR announcements and Environmental Social and Governance (ESG) improvements with positive abnormal returns and increased firm valuations (40, 45, 54).

Risk and Cost of Capital: CSR acts as a risk-management tool during economic uncertainty by lowering firm risk and reducing the cost of debt (55-58). However, some evidence suggests a higher cost of equity under certain conditions (23).

Brand Equity: CSR investments contribute to long-term brand value and goodwill, boosting customer loyalty and competitive advantage (42, 59).

Overall, market valuation and risk reduction consistently yield positive outcomes, while profitability and accounting returns vary more across different contexts.

Theme 4: Remaining Gaps for Future Research

Despite the extensive evidence available, significant research gaps persist. Firstly, the heterogeneity in measurement hampers comparability: CSR is variously defined as spending, disclosure, ESG scores, or stakeholder perceptions, while CFP is captured through accounting, market, or risk measures (11, 17). Secondly, only a few studies employ causal identification strategies such as natural experiments, quasi-experiments, or difference-in-differences designs (10). Thirdly, the evidence is geographically concentrated, with numerous studies conducted in India and China, but fewer in developed markets, which limits generalizability (16, 43). Fourthly, the long-term impacts of CSR remain underexplored, as most event studies focus on short-term market reactions. Lastly, the role of mediating mechanisms (e.g., reputation, disclosure quality, managerial incentives) and the varying effects of CSR sub-dimensions (environmental vs. social vs. governance) require further investigation (19, 60).

Synthesis

The thematic synthesis of the literature reviewed is shown in Table 2. In summary, while CSR generally boosts financial performance, its impact depends on context, governance, and authenticity. Voluntary, well-communicated, and strategically aligned CSR initiatives tend to create value, whereas mandated or symbolic CSR efforts may diminish it. Although the evidence base is growing, methodological and contextual gaps need to be addressed to transform descriptive correlations into robust, actionable insights for managers and policymakers.

Table 2: Thematic Synthesis of CSR-CFP Literature (2015-2025) Summarizing Dominant Research Themes, Representative Studies, Methodological Approaches, and Principal Findings Across Regions and Financial Performance Measures

S. No.	Theme	Representative Studies	Key Findings
1	CSR as Value Enhancer	(10), (11), (17), (19), (21), (37), (38), (39), (40), (41), (42), (44), (45), (46), (47), (51), (52), (53), (54), (59), (65), (66), (67), (72)	Strategic, visible and authentic CSR enhances reputation, consumer loyalty, market valuation and resilience. Managerial ability, marketing capability and intellectual capital amplify these gains. Meta-reviews confirm overall positive CSR-CFP relationship but note heterogeneity.
2	CSR as Financial Burden	(22), (23), (43)	Mandatory CSR often seen as a compliance cost, raising financing costs or reducing firm value, particularly where firms lacked prior CSR orientation.
3	Mixed Evidence and Moderators	(1), (48), (49), (50), (60), (64), (68), (69), (70)	CSR and CFP relation depends on moderators: governance quality, ownership, authenticity of communication, industry risk, and institutional context. Authentic CSR strengthens outcomes; symbolic or poorly governed CSR weakens them.
4	Profitability	(11), (16), (17), (51), (52), (53), (67)	Strategically aligned CSR often increases profitability (ROA/ROE, margins), especially in service/tourism/SMEs. Effects vary by sector and firm size.
5	Market Valuation and Shareholder Returns	(54); (40); (45); (37); (19)	CSR announcements and credible disclosures yield positive abnormal returns and valuation multiples when investor perceptions and managerial quality are favourable.
6	Risk Reduction and Crisis Resilience	(55), (56), (57), (58), (71), (72), (70)	CSR reduces firm-specific risk, lowers cost of debt and strengthens crisis resilience. Some nonlinearities exist (e.g., U-shaped effects).
7	Cost of Capital and Financing Effects	(23), (56), (57), (58)	Voluntary CSR and high ESG performance lower bond spreads and cost of debt. Mandated CSR may increase perceived agency costs and financing burdens.
8	Capital Structure and Financing Access	(56), (58)	CSR linked to more favourable debt terms and mitigates leverage risks, but findings remain mixed depending on institutional setting.
9	CSR in Emerging	(15), (16), (22), (23), (43), (64)	Indian CSR Act institutionalized CSR but often led to

Economies	compliance-driven spending. Value creation occurs when CSR is strategic and contextually aligned. Institutional maturity and political turnover critically shape outcomes.

Discussion

The synthesis of 43 studies (see Table 1) reveals that the CSR-CFP relationship is neither consistently positive nor negative; instead, it is conditional, heterogeneous, and context-specific. Predominantly, evidence supports a positive connection, where CSR serves as a catalyst for improved financial outcomes through mechanisms like enhanced reputation, market trust, and risk mitigation (21, 37-42). Several studies highlight CSR's role as a strategic investment that signals reliability in procurement markets (37), increases consumer awareness and loyalty in service industries (38), or fosters goodwill in capital markets (40).

Simultaneously, a smaller yet significant body of evidence highlights negative or neutral outcomes, especially in the context of mandatory CSR regimes or when CSR is implemented superficially. For example, research on India's Companies Act 2013 indicates that mandatory CSR expenditures were often viewed as compliance burdens, leading to increased cost of equity or reduced firm value, unless firms had prior CSR engagement (22, 23, 43). This divergence underscores that CSR is not universally beneficial; rather, its outcomes are heavily contingent on the institutional environment, managerial intent, and strategic alignment. Another explanation for the heterogeneity in CSR-CFP findings is the spatial concentration bias in existing literature, where empirical evidence is clustered in a small set of countries, limiting the generalizability of results across diverse institutional settings (36). In addition to these geographic constraints, the heterogeneity observed in CSR-CFP effects also reflects deeper methodological issues identified in prior reviews, such as endogeneity, inconsistent ESG metrics, and selective publication practices (10).

An important insight from the literature is the role of moderators and mediators. Internal governance structures, disclosure quality, and managerial ability enhance the financial returns of CSR (45, 46). Complementary firm resources, such as marketing capability and intellectual capital, further amplify CSR's impact (43, 44). Reputation consistently mediates the CSR-CFP link, acting as an intangible asset that converts social investments into economic value (19). Contextual moderators further refine outcomes: institutional stability in emerging markets (10), media visibility (40), and consumer perceptions of authenticity (48, 49) each influence the magnitude of returns.

The review emphasizes a transition in the literature from general measures of CFP to more specific financial aspects. Research consistently reveals CSR's effect on profitability (51, 52, 55), shareholder value (45), and risk mitigation (55-58). Although CSR is known to decrease the cost of debt, it might, under certain governance scenarios, lead to an increase in the cost of equity (59). Additionally, CSR bolsters brand equity and cultivates long-term goodwill, which in turn enhances consumer loyalty and investor confidence (42, 59). These detailed findings underscore the need to break down financial outcomes, as CSR can simultaneously improve certain dimensions (such as risk reduction and market value) while leaving others unchanged or adversely affected.

Together, these empirical findings highlight the need for theoretical perspectives capable of explaining why CSR produces divergent financial outcomes. The findings are consistent with stakeholder theory (61), which suggests that firms gain value by genuinely addressing stakeholder concerns, and with the resource-based view (62), where CSR becomes valuable when bolstered by complementary capabilities. The observations also resonates with institutional complexity perspectives, which highlight the influence of competing institutional demands (12), and with paradox theory, which frames CSR as a domain where firms must manage simultaneous pressures for social responsibility and financial performance (13). Additionally, the notion of creating shared value supports the view that CSR generates financial benefits when integrated into core strategy rather than treated as an external obligation (5). On the other hand, agency theory offers insight into why mandatory CSR can sometimes lead to increased costs, as it limits managerial discretion and indicates higher agency risks (23, 43). This diverse theoretical foundation emphasizes the necessity for integrated frameworks that capture the multifaceted nature of CSR.

Limitations

While this review provides a comprehensive and context-sensitive synthesis, certain limitations should be acknowledged to guide future research. The studies that have been analysed, has employed a broad range of CSR measure which includes spending, ESG scores, and disclosure indicators and assess financial performance through profitability, market valuation, risk metrics, and cost of capital measures (11, 17). Although this diversity shows the ever evolving dynamism of this field, it makes direct comparison challenging and limits how broadly the findings can be applied. The evidence base is also geographically uneven, with a considerable concentration of studies in India and China, which restricts the global applicability of current CSR-CFP findings and emphasizes the need for broader cross-country examination (36, 63). In addition, exploring of CSR-CFP relationship is still facing methodological challenges that affect comparability and causal interpretation, including inconsistencies in ESG rating methodologies, endogeneity arising from the bidirectional nature of CSR and financial outcomes, context-specific institutional effects, and publication bias favouring significant results (10, 11, 17). Finally, as qualitative synthesis has been adopted in this review, which enables thematic depth but does not perform statistical research which is required to give one combined numerical effect. Thus, meta-analysis can be conducted to obtain pooled effect sizes. Addressing these limitations through standardized measurement approaches, stronger causal identification methods, and more geographically diverse samples would further strengthen the empirical rigor and external validity of future CSR-CFP research.

Future Research Agenda

Future research should advance beyond correlational evidence by utilizing causal designs such as natural experiments, difference-in-differences, and instrumental variable approaches, which can more reliably isolate the effects of CSR on financial performance (10). Equally important are longitudinal studies that monitor firms over time, as the financial returns from CSR often develop gradually and cannot be fully captured through short-term analyses. Scholars should address methodological limitations, that will account for institutional, sectoral, and regulatory differences; use appropriate strategies to mitigate endogeneity; standardize or triangulate ESG rating sources to reduce measurement inconsistency; and conduct unbiased reporting through pre-registration or inclusion of nonsignificant results to counter publication bias. Studies should also undertake cross-national comparative analyses to examine how institutional, cultural, and regulatory differences shape the CSR-CFP relationship, thereby addressing geographic and contextual biases in the current evidence base (16, 43). Finally, paying closer attention to mediating and moderating mechanisms, such as reputation, disclosure quality, governance, and managerial incentives would help explain why CSR yields varying outcomes across different firms and contexts. Collectively, these directions can foster a more robust and context-sensitive understanding of both the immediate and long-term financial implications of CSR.

Conclusion

This review synthesizes evidence from 43 empirical and conceptual studies to offer a comprehensive understanding of the CSR-CFP relationship. The overall trend is positive (as shown in Table 2). CSR frequently boosts firm performance by enhancing reputation, building market trust, reducing risk, and facilitating competitive differentiation (37, 40, 41, 45). In contrast, the review also highlights that CSR does not universally enhance value. Its financial benefits are highly dependent on contextual factors such as institutional stability (47), governance quality (46), firm resources (21, 44), and the authenticity of CSR communication (48, 49).

The analysis highlights three main conclusions. First, CSR should be regarded as a conditional investment rather than a guaranteed enhancer of financial performance. Second, market-based and risk-related outcomes, such as valuation, cost of debt, and crisis resilience, are the areas most consistently improved by CSR. Third, mandatory or symbolic CSR regimes may undermine financial performance unless firms incorporate them into broader strategic and reputational goals (22, 43).

This review advances the academic debate by clarifying that CSR-CFP relationships are inherently context-dependent. By systematically mapping evidence across different regulatory contexts and institutional environments, the study contributes a more structured understanding of why CSR produces positive, neutral, or negative outcomes. The emphasis on moderating factors, such as managerial ability, governance quality, and mandatory CSR legislation, differentiates this review from previous literature.

For managers, the findings indicate that CSR is most effective when it is strategically designed, communicated with authenticity, and bolstered by governance and complementary capabilities. For policymakers, the results advise that regulation should encourage quality and transparency rather than simply mandating expenditure.

Abbreviations

CFP: Corporate Financial Performance, CSR: Corporate Social Responsibility, ESG: Environmental, Social, and Governance, ROA: Return on Asset, ROE: Return on Equity.

Acknowledgement

The authors express their sincere gratitude to the Department of Humanities and Social Sciences, National Institute of Technology Patna, Indian, for providing academic guidance and institutional support throughout this research work. Figure 1 was prepared by the authors. Figures 2-5 were generated using the Scopus "Analyze Search Results" tool (Elsevier) based on data retrieved in 2025. These figures are included for academic and non-commercial research purposes. No third-party copyrighted material has been reproduced without acknowledgment.

Author Contributions

Ruchi Shukla: Conceptualization, data collection, analysis, manuscript writing, Ashish Ranjan Sinha: Supervision, review, final approval of the manuscript.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

Declaration of Artificial Intelligence (AI) Assistance

The authors acknowledge that OpenAI's ChatGPT (GPT-5, 2025) and Perplexity AI were used solely for language editing, formatting, and improving clarity. The literature review and data retrieval were conducted using the Scopus database and Google Scholar. All conceptualization, analysis, interpretation, and conclusions are the original work of the authors.

Ethics Approval

Not applicable. This study is based on a review of existing literature and does not involve human participants or animals.

Funding

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

References

1. Carroll AB. Corporate social responsibility: Perspectives on the CSR construct's development and future. Business & Society. 2021 Jul;60(6):1258-78.
2. Aguinis H, Glavas A. What we know and don't know about corporate social responsibility: A review and research agenda. Journal of management. 2012 Jul;38(4):932-68.
3. Carroll AB. Corporate social responsibility: Evolution of a definitional construct. Business and Society. 1999 Sep;38(3):268-95.
4. McWilliams A, Siegel D. Corporate social responsibility: A theory of the firm perspective. Academy of management review. 2001 Jan 1;26(1):117-27.
5. Porter ME, Kramer MR. Creating shared value: How to reinvent capitalism—And unleash a wave of innovation and growth. In Managing sustainable business: An executive education case and textbook. Dordrecht, Netherlands: Springer; 2018. p. 323–346.
6. Eccles RG, Ioannou I, Serafeim G. The impact of corporate sustainability on organizational processes and performance. Management science. 2014 Nov;60(11):2835-57.
7. Nollet J, Filis G, Mitrokostas E. Corporate social responsibility and financial performance: A non-linear and disaggregated approach. Economic Modelling. 2016 Jan 1;52:400-7.
8. Orlitzky M, Schmidt FL, Rynes SL. Corporate social and financial performance: A meta-analysis. Organization studies. 2003 Mar;24(3):403-41.
9. Margolis JD, Walsh JP. Misery loves companies: Rethinking social initiatives by business. Administrative Science Quarterly. 2003 Jun;48(2):268-305.
10. Huang K, Sim N, Zhao H. Corporate social responsibility, corporate financial performance and the confounding effects of economic fluctuations: A meta-analysis. International Review of Financial Analysis. 2020 Jul 1;70:101504.
11. Coelho R, Jayantilal S, Ferreira JJ. The impact of social responsibility on corporate financial performance: A systematic literature review. Corporate Social Responsibility and Environmental Management. 2023 Jul;30(4):1535-60.
12. Greenwood R, Raynard M, Kodeih F, Micelotta ER, Lounsbury M. Institutional complexity and organizational responses. Academy of Management Annals. 2011 Jun 1;5(1):317-71.
13. Smith WK, Lewis MW. Toward a theory of paradox: A dynamic equilibrium model of organizing. Academy of Management Review. 2011 Apr;36(2):381-403.
14. Bansal M. Do CSR practices affect perceived market performance through compliance status? Evidence from a quasi-natural experiment in India. International Journal of Productivity and Performance Management. 2025 May 28;74(5):1828-50.
15. Gatti L, Seele P, Rademacher L. Grey zone in–greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. International Journal of Corporate Social Responsibility. 2019 Dec;4(1):1-5.
16. Sekhon AK, Kathuria LM. Analyzing the impact of corporate social responsibility on corporate financial performance: evidence from top Indian firms. Corporate Governance: The International Journal of Business in Society. 2020 Jan 22;20(1):143-57.
17. Galant A, Cadez S. Corporate social responsibility and financial performance relationship: A review of measurement approaches. Economic research-Ekonomska istraživanja. 2017 Jan 1;30(1):676-93.
18. Lins KV, Servaes H, Tamayo A. Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. the Journal of Finance. 2017 Aug;72(4):1785-824.
19. Fourati YM, Dammak M. Corporate social responsibility and financial performance: International evidence of the mediating role of reputation. Corporate Social Responsibility and Environmental Management. 2021 Nov;28(6):1749-59.

20. Cheng B, Ioannou I, Serafeim G. Corporate social responsibility and access to finance. Strategic Management Journal. 2014 Jan;35(1):1-23.
21. Mishra S, Modi SB. Corporate social responsibility and shareholder wealth: The role of marketing capability. Journal of Marketing. 2016 Jan;80(1):26-46.
22. Bhattacharyya A, Rahman ML. Mandatory CSR expenditure and firm performance. Journal of Contemporary Accounting and Economics. 2019 Dec 1;15(3):100163.
23. Prasad K, Kumar S, Devji S, Lim WM, Prabhu N, Moodbidri S. Corporate social responsibility and cost of capital: The moderating role of policy intervention. Research in International Business and Finance. 2022 Apr 1;60:101620.
24. Wang H, Tong L, Takeuchi R, George G. Corporate social responsibility: An overview and new research directions: Thematic issue on corporate social responsibility. Academy of Management Journal. 2016 Apr;59(2):534-44.
25. Raza A, Rather RA, Iqbal MK, Bhutta US. An assessment of corporate social responsibility on customer company identification and loyalty in banking industry: a PLS-SEM analysis. Management Research Review. 2020 Nov 13;43(11):1337-70.
26. Schreck P. Reviewing the business case for corporate social responsibility: New evidence and analysis. Journal of Business Ethics. 2011 Oct;103(2):167-88.
27. Peloza J. The challenge of measuring financial impacts from investments in corporate social performance. Journal of Management. 2009 Dec;35(6):1518-41.
28. Garcia-Castro R, Aguilera RV. Incremental value creation and appropriation in a world with multiple stakeholders. Strategic Management Journal. 2015 Jan;36(1):137-47.
29. Malik M. Value-enhancing capabilities of CSR: A brief review of contemporary literature. Journal of Business Ethics. 2015 Mar;127(2):419-38.
30. Rajesh R, Rajeev A, Rajendran C. Corporate social performances of firms in select developed economies: A comparative study. Socio-Economic Planning Sciences. 2022 Jun 1;81:101194.
31. Barnett ML, Salomon RM. Does it pay to be really good? Addressing the shape of the relationship between social and financial performance. Strategic Management Journal. 2012 Nov;33(11):1304-20.
32. Wang DH, Chen PH, Yu TH, Hsiao CY. The effects of corporate social responsibility on brand equity and firm performance. Journal of Business Research. 2015 Nov 1;68(11):2232-6.
33. Wang WK, Lu WM, Kweh QL, Lai HW. Does corporate social responsibility influence the corporate performance of the US telecommunications industry? Telecommunications Policy. 2014 Aug 1;38(7):580-91.
34. Snyder H. Literature review as a research methodology: An overview and guidelines. Journal of Business Research. 2019 Nov 1;104:333-9.
35. Baumeister RF, Leary MR. Writing narrative literature reviews. Review of General Psychology. 1997 Sep;1(3):311-20.
36. Jamali D, Karam C. Corporate social responsibility in developing countries as an emerging field of study. International Journal of Management Reviews. 2018 Jan;20(1):32-61.
37. Flammer C. Competing for government procurement contracts: The role of corporate social responsibility. Strategic Management Journal. 2018 May;39(5):1299-324.
38. Rhou Y, Singal M, Koh Y. CSR and financial performance: The role of CSR awareness in the restaurant industry. International Journal of Hospitality Management. 2016 Aug 1;57:30-9.
39. Kaul A, Luo J. An economic case for CSR: The comparative efficiency of for-profit firms in meeting consumer demand for social goods. Strategic Management Journal. 2018 Jun;39(6):1650-77.
40. Byun SK, Oh JM. Local corporate social responsibility, media coverage, and shareholder value. Journal of Banking and Finance. 2018 Feb 1;87:68-86.
41. Jeffrey S, Rosenberg S, McCabe B. Corporate social responsibility behaviors and corporate reputation. Social Responsibility Journal. 2019 May 3;15(3):395-408.
42. Muniz F, Guzmán F, Paswan AK, Crawford HJ. The immediate effect of corporate social responsibility on consumer-based brand equity. Journal of Product and Brand Management. 2019 Nov 5;28(7):864-79.
43. Garg A, Gupta PK. Mandatory CSR expenditure and firm performance: Evidence from India. South Asian Journal of Business Studies. 2020 May 22;9(2):235-49.
44. Jain P, Vyas V, Roy A. Exploring the mediating role of intellectual capital and competitive advantage on the relation between CSR and financial performance in SMEs. Social Responsibility Journal. 2017 Mar 6;13(1):1-23.
45. Welch K, Yoon A. Do high-ability managers choose ESG projects that create shareholder value? Evidence from employee opinions. Review of Accounting Studies. 2023 Dec;28(4):2448-75.
46. Akisik O, Gal G. The impact of corporate social responsibility and internal controls on stakeholders' view of the firm and financial performance. Sustainability Accounting, Management and Policy Journal. 2017 Jul 3;8(3):246-80.
47. Huang J. Corporate social responsibility and financial performance: The moderating role of the turnover of local officials. Finance Research Letters. 2022 May 1;46:102497.
48. Joo S, Miller EG, Fink JS. Consumer evaluations of CSR authenticity: Development and validation of a multidimensional CSR authenticity scale. Journal of Business Research. 2019 May 1;98:236-49.
49. Moreno F, Kang J. How to alleviate consumer skepticism concerning corporate responsibility: The role of content and delivery in CSR communications. Corporate Social Responsibility and Environmental Management. 2020 Nov;27(6):2477-90.
50. Egginton JF, McBrayer GA. Does it pay to be forthcoming? Evidence from CSR disclosure and equity market liquidity. Corporate Social Responsibility and Environmental Management. 2019 Mar;26(2):396-407.
51. Bhardwaj P, Chatterjee P, Demir KD, Turut O. When and how is corporate social responsibility profitable?. Journal of Business Research. 2018 Mar 1;84:206-19.

52. Panda S, Modak NM, Pradhan D. Corporate social responsibility, channel coordination and profit division in a two-echelon supply chain. International Journal of Management Science and Engineering Management. 2016 Jan 2;11(1):22-33.
53. Kuzey C, Uyar A, Nizaeva M, Karaman AS. CSR performance and firm performance in the tourism, healthcare, and financial sectors: do metrics and CSR committees matter?. Journal of cleaner production. 2021 Oct 15;319:128802.
54. Hawn O, Chatterji AK, Mitchell W. Do investors actually value sustainability? New evidence from investor reactions to the Dow Jones Sustainability Index (DJSI). Strategic Management Journal. 2018 Apr;39(4):949-76.
55. Kölbel JF, Busch T, Jancso LM. How media coverage of corporate social irresponsibility increases financial risk. Strategic Management Journal. 2017 Nov;38(11):2266-84.
56. Bae KH, El Ghoul S, Guedhami O, Kwok CC, Zheng Y. Does corporate social responsibility reduce the costs of high leverage? Evidence from capital structure and product market interactions. Journal of Banking and Finance. 2019 Mar 1;100:135-50.
57. Jia Y, Gao X, Julian S. Do firms use corporate social responsibility to insure against stock price risk? Evidence from a natural experiment. Strategic Management Journal. 2020 Feb;41(2):290-307.
58. Amiraslani H, Lins KV, Servaes H, Tamayo A. Trust, social capital, and the bond market benefits of ESG performance. Review of Accounting Studies. 2023 Jun;28(2):421-62.
59. Agus Harjoto M, Salas J. Strategic and institutional sustainability: Corporate social responsibility, brand value, and Interbrand listing. Journal of Product & Brand Management. 2017 Sep 18;26(6):545-58.
60. Chakraborty A, Gao LS, Sheikh S. Managerial risk taking incentives, corporate social responsibility and firm risk. Journal of Economics and Business. 2019 Jan 1;101:58-72.
61. Freeman RE. Corporate views of the public interest. Academy of Management Review. 1984; 9(4): 584–592.
62. Barney J. Firm resources and sustained competitive advantage. Journal of Management. 1991 Mar;17(1):99-120.
63. Frynas JG, Yamahaki C. Corporate social responsibility: Review and roadmap of theoretical perspectives. Business Ethics: A European Review. 2016 Jul;25(3):258-85.
64. Jain P, Vyas V, Chalasani DP. Corporate social responsibility and financial performance in SMEs: A structural equation modelling approach. Global Business Review. 2016 Jun;17(3):630-53.
65. Chintrakarn P, Jiraporn P, Jiraporn N, Davidson T. Estimating the effect of corporate social responsibility on firm value using geographic identification. Asia-Pacific Journal of Financial Studies. 2017 Apr;46(2):276-304.
66. Combs JG, Jaskiewicz P, Ravi R, Walls JL. More bang for their buck: Why (and when) family firms better leverage corporate social responsibility. Journal of Management. 2023 Feb;49(2):575-605.
67. Khan I, Jia M, Lei X, Niu R, Khan J, Tong Z. Corporate social responsibility and firm performance. Total Quality Management and Business Excellence. 2023 Apr 3;34(5-6):672-91.
68. Fatemi A, Glaum M, Kaiser S. ESG performance and firm value: The moderating role of disclosure. Global Finance Journal. 2018 Nov 1;38:45-64.
69. Chen X, Huang R, Yang Z, Dube L. CSR types and the moderating role of corporate competence. European Journal of Marketing. 2018 Jun 21;52(7/8):1358-86.
70. Kim Y, Woo CW. The buffering effects of CSR reputation in times of product-harm crisis. Corporate Communications: An International Journal. 2019 Feb 4;24(1):21-43.
71. Li G, Li N, Sethi SP. Does CSR reduce idiosyncratic risk? Roles of operational efficiency and AI innovation. Production and Operations Management. 2021 Jul;30(7):2027-45.
72. Borghesi R, Chang K, Li Y. Firm value in commonly uncertain times: the divergent effects of corporate governance and CSR. Applied Economics. 2019 Sep 14;51(43):4726-41.

How to Cite: Shukla R, Sinha AR. CSR and Financial Performance: A Narrative Review of Shifting Paradigms and Future Research Agenda. Int Res J Multidiscip Scope. 2026;7(1):503-517. DOI: 10.47857/irjms.2026.v07i01.08431