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Corporate Social Responsibility and Corporate Misconduct: A Review of Empirical Research and Future Research Recommendations

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ABSTRACT

This study reviews 54 empirical-quantitative (archival) articles on the relationship between corporate social responsibility (CSR) outcomes and corporate misconduct. Based on the moral licensing and moral track hypotheses, we distinguish between CSR performance, reporting, and assurance on the one hand and between financial and CSR-related misconduct (restatements, fraud, and enforcement actions) on the other hand. We find that most studies analyzed the impact of CSR on corporate misconduct for Chinese and US firms. There are indications that CSR performance decreases the level of financial fraud in these regimes. Other variables are either low in number or lead to inconclusive results. In discussing potential future research, we stress the need for analyzing a potential dynamic and non-linear link, focusing on CSR reporting and assurance, CSR-related misconduct and cross-country designs. Our study is also highly relevant for standard setters to decrease the probability of corporate misconduct by extended CSR regulations.

1 | Introduction

Prominent corporate financial and sustainability scandals (e.g., Wirecard) led to decreased levels of stakeholder trust (Bentley-Goode et al. 2025). Corporate misconduct is linked with significant negative consequences for investors, employees, customers, suppliers, and the public. In line with Amiram et al. (2018), we define corporate misconduct as violations of (inter)national financial and CSR reporting and related business law regulations and standards. This leads to a clear separation between corporate misconduct and earnings management.[1] However, earnings management may be a major predictor of corporate financial misconduct (Amiram et al. 2018), leading to a "grey zone" between earnings management and financial misconduct. During recent years, controversial discussions have referred to the question which determinants and consequences may be related to this kind of unethical and opportunistic management behavior (e.g., Brazel et al. 2009; Cao et al. 2012). Moreover, since the financial crisis of 2008–09, stakeholders pressure public interest entities (PIEs) to publish extended corporate social responsibility (CSR) reports, related CSR performance figures and to recognize CSR assurance services (Chen 2024; Ghosh and Sahu 2025). CSR reports are a major complement to traditional financial reports, based on the triple-bottom-line concept or the environmental, social and governance (ESG) concept (Du and Wu 2019). These CSR outcomes are confronted with a decreased level of objectivity, which have a huge impact on CSR decoupling and information overload (Reitmaier et al. 2025). Firms may either use CSR outcomes as a tool for self-impression management or signal substantive sustainability management to their stakeholders (Michelon et al. 2019). While many researchers used CSR and ESG as synonyms in their studies, we stress major differences between the two concepts. While the CSR concept refers to the triple-bottom-line and the balanced recognition of environmental, social, and economic performance, the ESG concept includes environmental, social, and governance issues (Dahlsrud 2008). To increase the readability of our literature review, we refer to the term CSR in all studies, as corporate misconduct is an inverse measure of corporate governance quality. In view of potential endogeneity concerns, most researchers excluded the governance pillar and focused on the environmental and social subpillars of ESG (e.g., Harjoto 2017).

Based on the major connectivity between CSR and corporate misconduct, many studies have analyzed the link between CSR outcomes and various proxies of corporate financial and CSR-related misconduct (e.g., Liao et al. 2019; Li et al. 2024). The complex relationship between these variables was stressed in heterogeneous results within empirical research. However, we did not identify any literature review on the CSR-misconduct link. Prior reviews summarized the literature on financial misconduct (Sievers and Sofilkanitsch 2019), financial restatements (Sellers et al. 2020), accounting fraud (Tutino and Merlo 2019), or relied on the link between restatements and boards (Street and Hermanson 2019), corporate governance and financial misconduct (Velte 2023), and boards and corporate misconduct (Paruchuri et al. 2024). Prior meta-analyses were linked to corporate governance-related determinants of financial restatements (Habib et al. 2021), the link between board independence and misconduct (Neville et al. 2019), and between external corporate governance and misconduct (Braun and Mueller 2025). Moreover, the relationship between CSR and earnings management was analyzed in meta-analyses (Shi et al. 2024) and literature reviews (Jhunjhunwala and Fatima 2025; Velte 2024; Deng et al. 2024; Ehsan et al. 2020; Kumar et al. 2023; Santos-Jaén et al. 2021). The link between CSR and corporate misconduct was solely mentioned in a few conceptual papers (Alcadaipani and Rodrigues de Oliveira Medeiros 2020; Kurpierz and Smith 2020), while we still miss a systematic review on the link between CSR and corporate misconduct.

The objective of this study is to structure and summarize prior empirical-quantitative research on the relationship between CSR outcomes and corporate misconduct. We separated CSR performance, reporting, and assurance as major CSR outcomes as well as restatements, fraud, and enforcement actions as main categories of corporate financial and CSR-related misconduct. We also recognize the bi-directional link between CSR and corporate misconduct. Heterogeneous results are explained by the moral licensing and moral track hypotheses, whereas we also included legitimacy and institutional aspects to explain country effects. This leads to the following research questions (RQs):

RQ1. *Do CSR outcomes (CSR reporting, performance, assurance) impact corporate misconduct?*

RQ2. *Does corporate misconduct impact CSR outcomes?*

RQ3. *What are the major limitations of prior research, leading to recommendations for future research?*

This literature review is most relevant for researchers, business practice and regulators to strengthen the connectivity between CSR outcomes and corporate misconduct. The literature review indicates that most of the studies concentrated on the impact of CSR on corporate financial misconduct, while other proxies and the inverse relationship were recognized to a lower extent. There are clear indications that CSR performance leads to a lower probability of financial fraud in line with the moral track hypothesis. As this relationship was stressed for Chinese and US firms, we do not find indications for country effects, based on the development level, the Organisation for Economic Co-operation and Development (OECD) membership status, and country-related environmental scores. Other relationships are either too low in number or lead to heterogeneous relationships. These inconclusive results correspond to the controversial moral licensing versus moral track hypotheses, whereas either a positive or negative relationship between CSR and corporate misconduct is possible. The external validity of our results is limited in view of the concentration of prior research on two regimes (China and USA). Regulatory and institutional settings in these countries may dominate the sample. Relying on these major results, we stress key limitations of prior studies and show selective recommendations for future research opportunities.

Our analysis is structured as follows. First, we include a theoretical framework of the relationship between CSR and corporate misconduct, based on the moral licensing and moral track hypotheses and institutional and legitimacy theories (Section 2). Section 3 is linked with our research framework and research design. Section 4 includes the results of the literature review, whereas we start with the descriptive analyses of the included studies (4.1), and then focus on the impact of CSR on corporate misconduct (4.2), the inverse impact of corporate misconduct on CSR (4.3) and major results of the literature review (4.4). Section 5 includes a summary of the main research results of the study (5.1), some practical and regulatory implications (5.2), recommendations for future research (5.3) and limitations of the literature review (5.4).

2 | Theoretical Framework

2.1 | Moral Licensing Hypothesis

The link between CSR and corporate misconduct is controversial in view of its direction and the respective sign. In the following, we distinguish between the moral licensing and moral track hypotheses, based on Shi et al. (2024). According to the *moral licensing hypothesis*, CSR and corporate misconduct are *positively* connected. The moral licensing hypothesis refers to the principal agent theory (Ross 1973; Jensen and Meckling 1976), assuming that managers like to gain a license from something good they have done (Shi et al. 2024). CSR performance, reporting, and assurance practices may mask the opportunistic manager behavior, leading to an increased level of corporate misconduct (Wu et al. 2021; Zhu et al. 2023). In this context, CSR outcomes reflect a mechanism of self-impression management to satisfy different stakeholders without any substantial sustainability management tools (Du 2015). Information overload and CSR decoupling (e.g., greenwashing) may be the result of this opportunistic behavior (Mahoney et al. 2013). CSR outcomes are often subjective and hard to supervise, which increases the level of information asymmetries and conflicts of interest between managers and their stakeholders (Ross 1973; Jensen and Meckling 1976). CSR outcomes are major signals to markets (reputation insurance) and they can lead to higher levels of stakeholder awareness. The probability of corporate misconduct, which contrasts with the demands of stakeholders, will be higher if major agency conflicts occur.

2.2 | Moral Track Hypothesis

In contrast to the *moral licensing* hypothesis, the moral track hypothesis assumes a *negative* relationship between CSR and corporate misconduct (Shi et al. 2024). The moral track hypothesis can be linked with stakeholder theory (Freeman 1984), assuming that PIEs act in the best interests of their stakeholders. In contrast to managerial opportunism and agency conflicts, firms implement substantive sustainability management tools to decrease the risk of CSR decoupling and information overload (Freeman 1984). The strict reference to ethical leadership leads to sound supervision of CSR and financial reporting and related performance figures in line with stakeholder demands (Liao et al. 2019). Socially responsible firms have a lower probability of corporate misconduct, such as fraud and restatements (Harjoto 2017). The moral track hypothesis is also linked with the signaling theory to publish private information about major financial and CSR efforts of the firm on a voluntary basis (Shi et al. 2024).

2.3 | Dynamic Link Between CSR and Corporate Misconduct?

Literature assumes that the relationship between CSR outcomes and corporate misconduct is complex, leading to heterogeneous directions (Guo et al. 2025). While most studies included in this literature review have analyzed the influence of CSR on corporate misconduct (e.g., Wang et al. 2025; Saeed et al. 2025), an inverse or even a bi-directional link is also possible (Zhang et al. 2021; Li et al. 2023). Management decisions on CSR and financial goals as well as related performance and reporting figures are conducted simultaneously in business practice (Guo et al. 2025). Thus, CSR outcomes may contribute to the probability of corporate misconduct and vice versa. The first direction is based on the notion that firms react to specific CSR outcomes by an increased or decreased probability of corporate misconduct (Du and Wu 2019). The second direction is that an existing case of corporate misconduct pressures executive directors to change their CSR efforts (Li et al. 2023). Both directions may be present simultaneously, leading to a potential dynamic link between CSR and corporate misconduct.

2.4 | Country Effects of the CSR-Corporate Misconduct Relationship

In the following, we extend moral licensing and moral track mechanisms by institutional and legitimacy aspects (DiMaggio and Powell 1983; Deegan 2002) to explain cross-country heterogeneity. CSR reporting and related CSR performance measures are adopted by organizations over time mainly on a voluntary basis as an institutional "best practice" (Deegan 2002). In this vein, isomorphism as one dimension of institutional theory illustrates how CSR practices among PIEs supported by different drivers become similar over time (DiMaggio and Powell 1983). Three types of institutional isomorphic mechanisms exist: *mimetic, coercive, and normative* (DiMaggio and Powell 1983). *Mimetic isomorphism* describes the process of how PIEs are imitating common CSR practices, for example, by internationally operating companies and industry-specific standards, which is of particular relevance in an institutional setting characterized by a high degree of uncertainty (DiMaggio and Powell 1983). *Coercive isomorphism* describes the standardization of CSR activities related to external factors and regulatory developments—for example, stakeholder demands and the government—leading to a pressure on PIEs to conform with these expectations (DiMaggio and Powell 1983; Fernando and Lawrence 2014). *Normative isomorphism* describes the pressure resulting from common values and the professionalization of a particular field leading to a harmonization of CSR practices. Regulatory pressure on CSR should lead to increased levels of political CSR and governance-based CSR frameworks. Moreover, stakeholder pressure is linked with increased legitimacy activities of top managers regarding CSR issues, leading to lower degrees of greenwashing and corporate misconduct (Deegan 2002). Consequently, country effects explain the heterogeneity of empirical research results on this topic. Referring to institutional and legitimacy aspects, the positive (negative) relationship between CSR outcomes and corporate misconduct should be weaker (stronger) in firms with headquarters in countries with increased regulatory and stakeholder pressure on CSR.

As empirical research on the relationship between CSR and corporate misconduct is mainly focused on two regimes (the USA and China), we stress major differences between these countries. First, in contrast to China, the USA is a member of the OECD, a forum of mostly developed, democratic nations with market economies that collaborate on economic and social policy, share data, identify best practices, and set international standards to promote sustainable growth and global well-being. These countries cooperate on issues such as taxation, climate change, education, and development. Compared with other countries, OECD countries refer to higher levels of socio-economic and enforcement conditions, which should promote proper monitoring activities by independent board members regarding CSR. Moreover, the USA is a developed country with a high environmental performance score (Block et al. 2024). This leads to higher regulatory and stakeholder sensitivity regarding CSR practices. China is not an OECD member state, referring to the most important developing country with significantly lower environmental scores than the USA (Block et al. 2024). We assume that the increased economic and sustainable development in the USA positively affect the ethical behavior of the top management of PIEs. In line with institutional and legitimacy aspects, regulatory and stakeholder pressure on CSR should be higher in the USA compared with China. Thus, we assume that the positive (negative) relationship between CSR outcomes and corporate misconduct is weaker (stronger) in firms with headquarters in the USA, whereas inverse country effects are assumed for firms with headquarters in China.

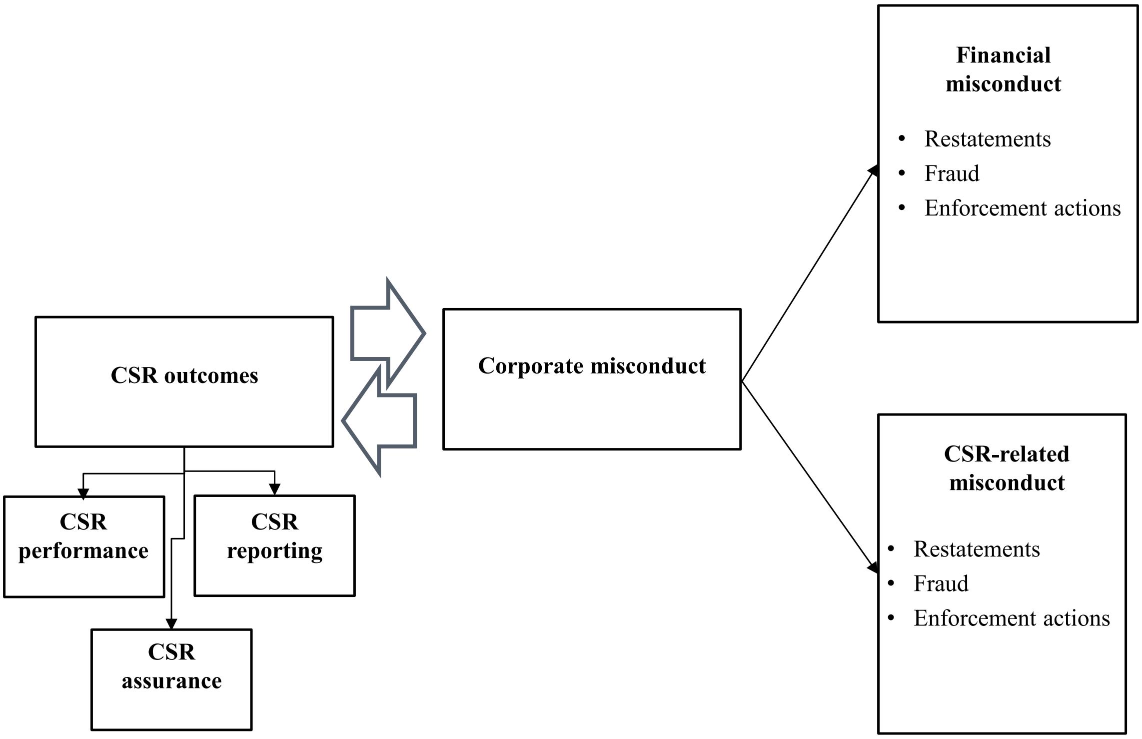

FIGURE 1 | Research framework.

The next section introduces the research framework, methodology, and the sample selection process. Then, we present the major research results on the CSR-corporate misconduct link.

3 | Research Framework and Research Design

3.1 | Research Framework

Figure 1 gives an overview of our research framework. The major goal of our study is to summarize the empirical research on the relationship between CSR outcomes and corporate misconduct. First, we include prior research on the impact of CSR on corporate misconduct. Second, the inverse relationship on the influence of corporate misconduct on CSR is addressed, illustrating potential endogeneity concerns (reversed causality). CSR outcomes are structured into CSR performance, CSR reporting, and CSR assurance in line with prior studies (e.g., Velte 2025). CSR performance proxies are quantitative measures of CSR efforts, which are regularly recognized in external databases, such as the former Kinder, Lyndenberg, Domini, and Do (KLD) database or LSEG workspace (formerly known as Refinitiv). CSR reporting is the external communication tool of CSR efforts, either within a separate CSR report or integrated in business or management reports. Depending on the specific regime, CSR reporting can be voluntary or mandatory for listed corporations. While some researchers conduct content analyses of CSR disclosures and individual quality scores, others referred to specific databases for CSR reporting, such as the Bloomberg terminal (Wang et al. 2025; Saeed et al. 2025). CSR assurance is the external verification of CSR reports, which can be voluntary or mandatory. CSR assurance quality is measured by engaging a (big four) audit firm as the assurance provider, the joint provision of financial audit and CSR assurance, the recognition of a reasonable assurance level instead of limited assurance, and an informative CSR assurance statement (Du and Wu 2019; Dal Maso et al. 2020).

Corporate misconduct is separated into financial and CSR-related issues and further structured into restatements, fraud, and enforcement actions in line with prior research (Velte 2023). Earnings management proxies are excluded from this literature review to realize a higher comparability of our results and in view of prior literature reviews on the CSR-earnings management link. Restatements can be classified as corporate acknowledgment of former reporting failures and correction of intentional and/or unintentional misreporting (Sievers and Sofilkanitsch 2019). Restatements can be the consequence of an error, fraud, or misapplication of specific reporting standards. Most restatements can be linked to unintentional misreporting, such as errors in contrast to fraud or manipulation (Velte 2023). US-American studies heavily recognized the Government Accountability Office (GAO) Audit Analytics (AA) databases (Karpoff et al. 2017). In comparison with restatements, the occurrence of corporate fraud events is another possibility to measure corporate misconduct. Among others, researchers included securities class action lawsuits (Chakraborty et al. 2023), abnormal R&D expenses (Chen 2024), fraud fines (Du 2015), and financial surrogates, such as the M-score (Hong and Young 2021). Finally, corporate misconduct can be measured by enforcement actions. In the USA, the Securities and Exchange Commission (SEC) has issued Accounting and Auditing Enforcement Releases (AAER) during or at the conclusion of an investigation against firms, auditors, or officers. Similar releases also exist for other regimes, for example, the China Stock Market and

Accounting Research Database (CSMAR). These databases are also used to gather information on corporate fraud events.

3.2 | Research Design

We follow established guidance for structured and systematic reviews, including PRISMA 2020, to enhance transparency and reproducibility.[2] Research on corporate misconduct and CSR spans diverse datasets, contexts, and empirical specifications, and it operationalises the two dimensions in multiple, partly non-comparable ways. We adopt a systematic review with structured narrative synthesis, which allows us to (i) map how corporate misconduct is operationalised, (ii) distinguish CSR outcomes consistently into CSR performance, reporting, and assurance, and (iii) identify where evidence is comparatively robust versus thin, including methodological limitations that inform future research agendas.

We systematically searched two databases, EBSCO Business Source Complete and Web of Science. Searches were conducted in October 2025 using database-specific field settings. We searched titles, abstracts, and keywords. Examples of Boolean search strings for each database, the fields searched, and all search dates are reported in Appendix A. We recognized the following keywords: "Sustainability," "CSR," "Corporate Social Responsibility," "ESG," "CSR performance," "CSR reporting," "CSR disclosure," "CSR assurance," "ESG performance," "ESG reporting," "ESG assurance," "sustainability reporting," "sustainability performance," and "sustainability assurance" in combination with "corporate misconduct," "fraud," "restatement," "enforcement," "violation," "misstatement," "misreporting," "manipulation," "irregularity," "error," and "wrongdoing."

We started with 178 studies identified from EBSCO and 210 records identified from Web of Science. One hundred fifty-three duplicate studies were removed. Another 51 studies were excluded after screening and another 21 studies after careful reading as they did not address your research question. One hundred sixty-three studies were assessed for eligibility. We only included archival-based (quantitative) empirical studies due to comparability reasons. Furthermore, archival research is the dominant research method to analyze the relationship between CSR and corporate misconduct. Consequently, 31 non-archival studies were deleted. Moreover, we only addressed prior studies on corporate misconduct. Papers with an inclusion of earnings quality measures, such as earnings management, were dropped (49 studies). We also focused on articles published in peer-reviewed journals in English language based on international journal rankings, such as Journal Citation Reports, ABDC Journal Quality List, Financial Times Research Rank, Journal Quality List, TI Journal List, and SCImage Journal Rank. This led to a reduction of 29 studies. We stress a total of 54 studies as our final sample. Figure 2 reports the PRISMA flow diagram with PRISMA 2020 heading and corresponding counts.

Screening proceeded in three stages: title screening, abstract screening, and full-text screening. One reviewer conducted all screening and eligibility decisions. To enhance procedural transparency, we used a pre-specified codebook that maps each included study to (i) the heterogeneity attribute(s) examined and (ii) the CSR output dimension (CSR performance, reporting, and assurance). An overview of all included studies can be found in Appendix D.

The significant results and their indicators of the studies were measured in line with vote-counting technique (Light and Smith 1971). Significant coefficients were marked with a (+), negative coefficients with a (−), and insignificant results with a (+/−). The sum of significant positive, negative, and insignificant results was collected (Appendices B and C). We coded the metadata (researchers/authors, journals, research methods and theories) and themes to address the three research questions. We recognize the limitations of vote counting, including its reliance on statistical significance rather than effect magnitude and precision (Light and Smith 1971). To partially mitigate this limitation, included studies are grouped by their respective sample size. We measured the average of firm-year observations of the studies ($n = 11{,}194$) and double counted 20 studies with higher levels of firm-year observations than the average. Thirty-four studies with decreased levels of firm-year observations than the average were single counted.

4 | Results of the Literature Review

4.1 | Content Analysis

Table 1 gives an overview of the studies included in the literature review by publication year (Panel A), region (Panel B), journal (Panel C), corporate misconduct variable (Panel D), CSR outcome (Panel E), and the link between CSR and corporate misconduct (Panel F). Panel A stressed a relatively young research history and a significant increase in recent years. Moreover, in line with Panel B, most studies conducted country-specific research for Chinese (24 studies) and US firms (22 studies). Panel C illustrated that most studies have been published in accounting and finance journals (33 studies), while the 'Journal of Business Ethics' (6 studies) represented the most attractive outlet. Regarding corporate misconduct variables (Panel D), we stress a dominant inclusion of financial misconduct (37 studies) with a focus on fraud (25 studies) in comparison to CSR-related misconduct (19 studies). Panel E illustrated that most researchers included CSR performance (40 studies), while CSR reporting (10 studies) and CSR assurance (6 studies) had a lower importance. Panel F indicated that most studies analyzed the impact of CSR on corporate misconduct (43 studies) and not a potential inverse relationship (13 studies). Finally, 20 studies included a high volume of firm-year observations (higher than the average) and 34 studies recognized a low volume (lower than the average).

4.2 | The Impact of CSR Outcomes on Corporate Misconduct

4.2.1 | Financial Misconduct

Financial fraud represents the most attractive variable of corporate misconduct in this literature review. In line with the moral track hypothesis and stakeholder theory, there are tendencies that *CSR performance* and financial fraud are

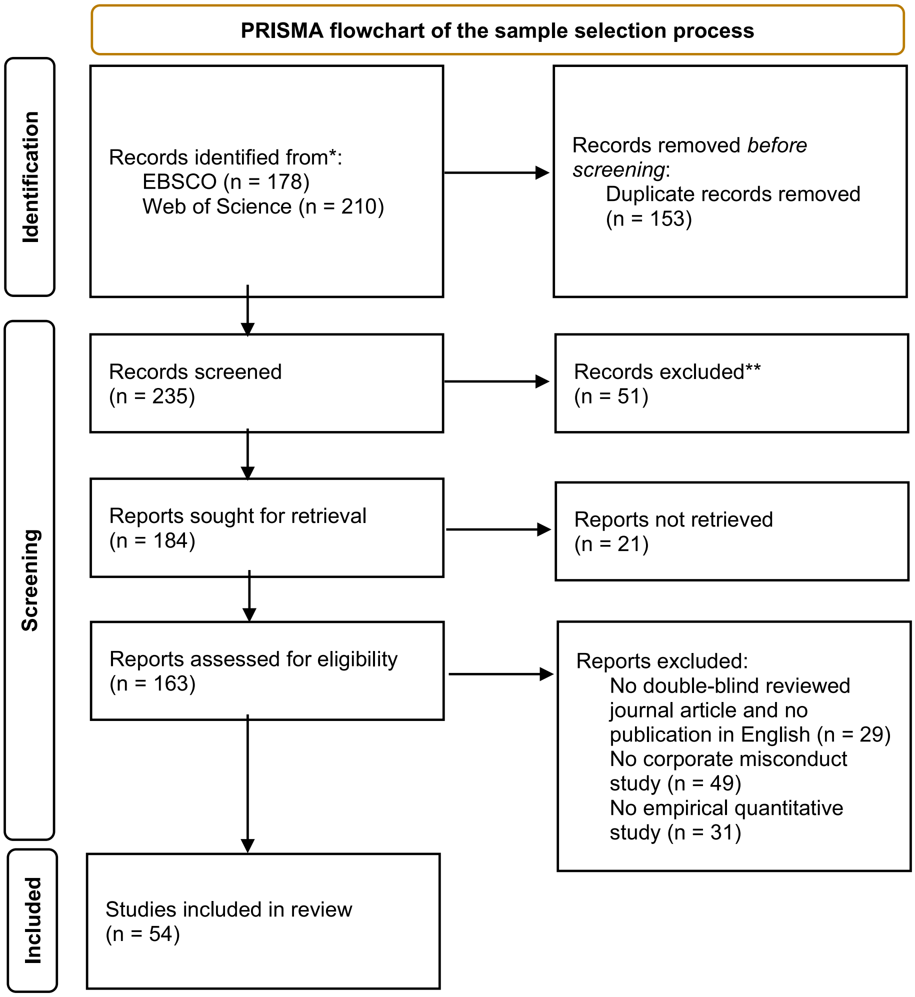

FIGURE 2 | PRISMA flow chart of the sample selection process. *: consider, if feasible to do so, reporting the number of records identified from each database or register searched (rather than the total number across all databases/registers). **: if automation tools were used, indicate how many records were excluded by a human and how many were excluded by automation tools.

negatively connected (15 studies). In contrast to our theoretical assumptions, these results can be found for *Chinese* firms (Chen 2024; He et al. 2022; Khalid et al. 2026; Li et al. 2024; Liao et al. 2019; Su et al. 2024; Sun et al. 2025; Wang and Liu 2025; Wang, Chen, and Wang 2024; Wang, Tai, and Pang 2024; Zhou and Lei 2025) and US firms (Chakraborty et al. 2023; Harjoto 2017; Hong and Young 2021; Tran and O'Sullivan 2020; Wans 2020; Brazel et al. 2009). A few studies stressed a positive link between CSR performance and financial fraud (Wu et al. 2021; China; Guo et al. 2025; USA). Studies on the impact of *CSR reporting* on financial fraud are low in number and lead to inconclusive results, as a positive (Wang et al. 2025; China; Saeed et al. 2025; USA), negative (Yuan et al. 2022; China; Christensen 2016; USA), and an insignificant link can be found (Liao et al. 2019).

Other financial misconduct proxies have been recognized rarely. A negative impact of CSR performance on *financial restatements* was found for Chinese firms (Chu et al. 2023) and US firms (Cao et al. 2012; Chepurko et al. 2018; Garrett et al. 2014; Hogan and Reid 2022; Wans 2020), whereas another Chinese study stressed a positive relationship (Zhu et al. 2023). Based on an international sample of firms, dual provision of financial audit and CSR assurance decreases the probability of financial restatements (Dal Maso et al. 2020). Moreover, CSR performance and *enforcement actions* were found to be negatively related for Chinese firms (Dong et al. 2018; He et al. 2024) and US firms (Kim et al. 2012; Tran and O'Sullivan 2020). This slight tendency of a negative link between CSR outcomes, financial restatements, and enforcement actions corresponds with the moral track hypothesis and stakeholder theory.

4.2.2 | CSR-Related Misconduct

Prior research on the impact of CSR outcomes on CSR-related misconduct is rather fragmented, and its results are inconclusive. A few studies stressed that *CSR performance* and *CSR fraud* are negatively (Habib and Bhuiyan 2017; international; Shahab et al. 2024) or positively related (Du 2015; China). *CSR reporting* increases the level of CSR fraud in cross-country studies (Habib and Bhuiyan 2017; Reitmaier et al. 2025), whereas Du and Wu (2019) found an insignificant relationship for CSR reporting, CSR assurance, and fraud in Taiwan. Moreover, CSR

TABLE 1 | Descriptive statistics of the included studies of the literature review.

Panel A: by publication year	
Total: 54	2026: 1 2025: 12 2024: 9 2023: 3 2022: 5 2021: 6 2020: 3 2019: 4 2018: 3 2017: 2 2016: 1 2015: 2 2014: 1 2012: 1 2009: 1
Panel B: by region	
Total: 54	• Cross-country setting: 7 • USA: 22 • China: 24 • Taiwan: 1
Panel C: by journal	
Total: 54	• *Accounting & Finance Journal*: 33 *Accounting & Finance*: 4 *Auditing*: 1 *Contemporary Accounting Research*: 3 *Economics Letters*: 1 *European Accounting Review*: 1 *Finance Research Letters*: 3 *Global Finance Journal*: 1 *International Review of Economics and Finance*: 2 *International Review of Financial Analysis*: 4 *Journal of Accounting and Public Policy*: 1 *Journal of Accounting Research*: 2 *Journal of Accounting, Auditing & Finance*: 2 *Journal of Banking and Finance*: 1 *Journal of Corporate Accounting and Finance*: 1 *Managerial Finance*: 1 *Research in International Business and Finance*: 1 *Review of Accounting and Finance*: 1 *Review of Accounting Studies*: 1 *The Accounting Review*: 2 • *Sustainability and Management Journal*: 21 *Business Ethics, the Environment & Responsibility*: 2 *Business Strategy and the Environment*: 3 *Corporate Social Responsibility and Environmental Management*: 3 *Journal of Business Ethics*: 6 *Journal of Business Research*: 2 *Journal of Cleaner Production*: 1 *Journal of International Business Studies*: 1 *Social Responsibility Journal*: 1 *Society and Business Review*: 1 *Sustainable Development*: 1

(Continues)

TABLE 1 | (Continued)

Panel D: by corporate misconduct variable	
Total: 56*	• Financial misconduct: 37 - Restatements: 8 - Fraud: 25 - Enforcement actions: 4 • CSR-related misconduct: 19 - Restatements: 4 - Fraud: 15
Panel E: by CSR outcome variable	
Total: 56*	• CSR performance: 40 • CSR reporting: 10 • CSR assurance: 6
Panel F: the link between CSR and corporate misconduct	
Total: 56*	• CSR-corporate misconduct: 43 • Corporate misconduct-CSR: 13
Panel G: by sample size	
Total: 54	• High number of firm-year observations (higher than the average): 20 • Low number of firm-year observations (lower than the average): 34

Note: * some studies include more than one variable.

performance increases the probability of *CSR restatements* in an international study (Pinnuck et al. 2021). Finally, regarding *CSR assurance*, a positive influence on *CSR restatements* was found in cross-country studies (Ballou et al. 2018; Bentley-Goode et al. 2025; Pinnuck et al. 2021) and for US firms (Michelon et al. 2019), indicating a stricter CSR assurance process and higher assurance quality.

4.3 | The Impact of Corporate Misconduct on CSR Outcomes

4.3.1 | Financial Misconduct

In comparison to prior research on the impact of CSR outcomes on corporate misconduct, the inverse relationship was recognized to a smaller extent and research results are heterogeneous. A few studies stressed a positive relationship between *financial fraud* and *CSR performance* for US firms (Ferres and Marcet 2021; Guo et al. 2025; Li et al. 2021), while others reported a negative link (El Shlmani et al. 2025). Only one study analyzed the impact of *financial restatements* on *CSR reporting*, stressing a positive relationship for US firms (Zhang et al. 2021). Moreover, enforcement actions and CSR performance were found to be positively related (El Shlmani et al. 2025). These heterogeneous results are in line with our controversial theoretical foundation based on the moral licensing and moral track hypotheses.

4.3.2 | CSR-Related Misconduct

In line with our remarks on financial misconduct, the impact of *CSR-related misconduct* on CSR outcomes has been addressed rarely. In detail, *CSR fraud* increases the level of *CSR performance* in an international sample of firms (Li and Cuervo-Cazurra 2024) and for US firms (Rayfield and Unsal 2022; Thosuwanchot and Lee 2025), whereas two studies stressed a negative relationship (Zou et al. 2015; China; Shevchenko 2021; USA). Moreover, *CSR fraud* and *CSR reporting* were found to be positively connected in an international study (Reitmaier et al. 2025) and for Chinese firms (Li et al. 2023; Li et al. 2025). This slight positive connection between CSR-related misconduct and CSR outcomes can be explained by moral licensing theory, as firms mask their unethical behavior by some symbolic CSR efforts.

4.4 | Results

Our literature review indicated that most studies have concentrated on the impact of CSR outcomes on financial misconduct, while the inverse relationship was recognized to a lower extent. A possible bi-directional relationship was rather neglected in prior research designs, while the inclusion of endogeneity checks, based on dynamic panel regressions, was quite common. Based on the moral track hypothesis and stakeholder theory, we stress a tendency of a *negative* relationship between *CSR performance and financial fraud*, which is also illustrated in Figure 3. In contrast to our theoretical assumptions, this relationship was stressed for Chinese and US firms. Studies on the impact of CSR outcomes on financial restatements and enforcement actions are few and inconclusive in results. Similar results occurred for prior research on the influence of corporate misconduct on CSR outcomes. The heterogeneous link between CSR outcomes and corporate misconduct can be explained by the moral licensing and moral track hypotheses, indicating a complex relationship in business practice. While most studies focused on Chinese and US firms, country-related differences are not obvious.

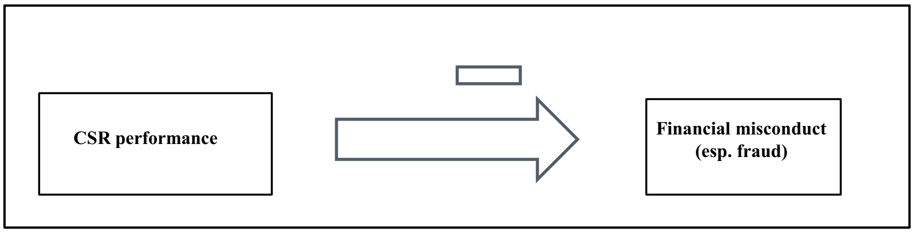

FIGURE 3 | Major results of the literature review.

5 | Conclusion

5.1 | Summary of Major Results

Since the financial crisis of 2008–2009, stakeholders increasingly demand higher levels of CSR outputs, such as CSR reporting quality, and a prevention of corporate misconduct (Pareek et al. 2025; Ghosh et al. 2025). The relationship between CSR outcomes and corporate misconduct is complex in business practice. On the one hand, CSR outcomes may represent symbolic tools for self-impression management (Mahoney et al. 2013), leading to a higher probability of corporate misconduct and vice versa. On the other hand, CSR may signal substantive sustainability management, assuming a lower probability of misconduct events in the future and vice versa (Ghosh and Sahu 2025; Ghosh et al. 2025). In view of the huge connectivity, this systematic review summarized the empirical quantitative research on the link between CSR outcomes and corporate misconduct. To the best of knowledge, we do not identify any prior literature review on that economic relationship. Prior literature reviews referred to financial misconduct (Sievers and Sofilkanitsch 2019), financial restatements (Sellers et al. 2020), accounting fraud (Tutino and Merlo 2019) without any reference to CSR outcomes and CSR-related misconduct or they relied on the link between restatements and board governance (Street and Hermanson 2019), corporate governance and financial misconduct (Velte 2023), and board governance and corporate misconduct (Paruchuri et al. 2024). The relationship between CSR and corporate misconduct was solely addressed in a few conceptual papers (Alcadaipani and Rodrigues de Oliveira Medeiros 2020; Kurpierz and Smith 2020). In view of comparability reasons and due to prior literature reviews (Jhunjhunwala and Fatima 2025; Velte 2024; Deng et al. 2024; Ehsan et al. 2020; Kumar et al. 2023; Santos-Jaén et al. 2021), we exclude the link between CSR and earnings management in this study.

In our literature review, CSR outcomes were separated into CSR reporting, reporting, and assurance. Both corporate financial and CSR-related misconduct were structured into fraud, restatements, and enforcement actions. Based on 56 archival studies in correspondence with the moral track hypothesis and stakeholder theory (Freeman 1984), we find that CSR performance and financial fraud are negatively related. In contrast to our theoretical assumptions, this negative link was stressed for Chinese and US firms. Country effects, based on the development level, the OECD membership status, and country-related environmental scores do not tend to play a major role. Moreover, research on other dimensions of CSR and corporate misconduct is either too low in number or leads to inconclusive results. As prior research was mainly restricted to two regimes (China and USA), we stress a limited external validity of our research results. Regulatory and institutional settings in these countries may have a major impact on the relationship between CSR outcomes and corporate misconduct. Our literature review makes key contributions to literature. We stress the major research gaps and limitations of prior research. Among others, we recommend analyzing possible dynamic and non-linear links between CSR and misconduct, and focusing on CSR reporting, CSR assurance, and CSR-related misconduct.

5.2 | Practical and Regulatory Implications

Our study is not just important for researchers, but also relevant for regulators and business practice. From a practical perspective, we stressed that successful CSR efforts may decrease the probability of corporate misconduct in line with stakeholder demands. Top managers should implement substantive CSR processes and avoid symbolic use of CSR to decrease the risks of greenwashing and information overload (Pareek and Sahu 2024). Furthermore, CSR, compliance, and accounting departments should increase their cooperation, leading to integrated financial and CSR reporting processes. From a regulatory perspective, corporate sustainability regulations, such as the European Corporate Sustainability Reporting Directive (CSRD), should be strengthened in both developing and developed countries in view of the significant connectivity between CSR outcomes and corporate misconduct. Mandatory CSR reporting, related performance measures, and assurance practices can mainly increase stakeholder trust and overall public welfare.

5.3 | Research Recommendations

While research activities on the relationship between corporate misconduct and CSR outcomes have increased in recent years, we stress major limitations of prior studies, leading to various research recommendations. First, future research designs should recognize a possible dynamic relationship between corporate misconduct on CSR outcomes, as most studies have concentrated on the one-sided impact of CSR on corporate misconduct. Second, as non-linear relationships are neglected in prior studies, the linear relationship between CSR and corporate misconduct should be questioned. A U-shaped or inverted u-shaped relationship may be more realistic in business practice. Second, as prior studies dominantly included CSR performance and financial fraud variables, we encourage researchers to use CSR reporting and CSR assurance proxies to a greater extent. Future research designs should address CSR reporting quality and related subpillars, such as environmental/social disclosure and

CSR decoupling (Talpur et al. 2024). In view of the huge discussions on corporate climate transformation and increased regulatory sustainability initiatives, the relationship between carbon reporting quality and corporate misconduct represents an innovative topic. Regulatory effects, for example, the introduction of mandatory sustainability reporting in many countries, should be included in future research designs. Future research on the link between CSR assurance and corporate misconduct should recognize various attributes of assurance quality, such as CSR assurance provider, assurance level, and assurance statement quality. Third, we know rather little about the relationship between CSR outcomes and CSR-related misconduct (fraud and restatements). This may be related to database problems, as CSR reporting is still voluntary in many countries, lacks comparability over time and between specific countries, and is not connected with enforcement actions compared with financial reporting. The recent regulatory developments of mandatory CSR reporting in many countries will lead to improvements in empirical research on CSR-related misconduct. Fourth, we stress a low number of cross-country studies and a restriction on two regimes (China und the USA) in our literature review. Research on other developing and developed countries should be conducted, such as EU member states in view of the EU Green Deal project and the ambitious corporate sustainability regulations. Moreover, more cross-country studies should be conducted to include country-specific moderator effects, such as governance (e.g., shareholder rights and stakeholder orientation) and cultural factors (e.g., uncertainty avoidance, feminism). Fifth, firm-specific moderator and mediator analyses contribute to the complex relationship between CSR outcomes and corporate misconduct in cross-country and country-specific studies. In this context, the CSR-misconduct link may be moderated or mediated by other firm variables, such as earnings management, corporate governance attributes and financial performance. Thus, a possible positive or negative link between CSR and corporate misconduct may be dependent on specific firms' contextual factors similar to the CSR-earnings management link (Velte 2024).

5.4 | Limitations of the Literature Review

Finally, we stress some limitations of our research. The major limitation is linked with our vote counting methodology, which restricts the validity of our research. Vote counting only analyzes the number of significances and does not recognize sample or effect sizes. While we recognized the sample size of included studies and weighted the significances of research results based on high versus low volume of firm-year observations, a quantitative meta-analysis can overcome these restrictions, although the included CSR and misconduct variables in our literature review are too heterogeneous to conduct a useful meta-analysis. Moreover, a meta-analysis on specific subcategories, such as the impact of CSR performance on financial fraud, is not useful yet due to the restricted number of studies. As we expect increasing research activity in the future, a meta-analysis will be possible then.

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Conflicts of Interest

The author declares no conflicts of interest.

Endnotes

[1] In this literature review, we exclude any study with a focus on earnings management as a major proxy of financial reporting quality. Earnings management includes legal options to impact financial statements and other financial reporting information from a quantitative and/or qualitative way. In contrast, our definition of corporate misconduct solely refers to violations of recent reporting standards and related regulations.

[2] The PRISMA 2020 Checklist can be found at: https://www.prisma-statement.org/.

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Appendix A

Examples of Boolean Search Strings

Corporate misconduct AND sustainability (01/10/2025).

Corporate misconduct AND CSR (01/10/2025).

Corporate misconduct AND Corporate Social Responsibility (01/10/2025).

Corporate misconduct AND ESG (01/10/2025).

Corporate misconduct AND CSR performance (01/10/2025).

Corporate misconduct AND CSR reporting (01/10/2025).

Corporate misconduct AND CSR assurance (01/10/2025).

Corporate misconduct AND ESG performance (01/10/2025).

Corporate misconduct AND ESG reporting (01/10/2025).

Corporate misconduct AND ESG assurance (01/10/2025).

Corporate misconduct AND sustainability performance (01/10/2025).

Corporate misconduct AND sustainability reporting (01/10/2025).

Corporate misconduct AND sustainability assurance (01/10/2025).

Appendix B

Research Results on the Impact of CSR Outcomes on Corporate Misconduct

	Financial misconduct			CSR misconduct	
	Fraud	**Restatements**	**Enforcement**	**Fraud**	**Restatement**
CSR performance (+)	China: Wu et al. (2021); Zhou and Lei (2025; uncertainty)[a] USA: Brazel et al. (2009; differences between FP and CSRP); Guo et al. (2025)	China: Zhu et al. (2023)		China: Du (2015)	International: Pinnuck et al. (2021)
(−)	China: Chen (2024)[a]; He et al. (2022)[a]; Khalid et al. (2026); Li et al. (2024)[a]; Liao et al. (2019); Su et al. (2024)[a]; Sun et al. (2025)[a]; Wang and Liu (2025)[a]; Wang, Chen, and Wang (2024); Wang, Tai, and Pang (2024)[a] USA: Chakraborty et al. (2023); Harjoto (2017); Hong and Young (2021)[a]; Tran and O'Sullivan (2020)[a]; Wans (2020)	China: Chu et al. (2023)[a] USA: Cao et al. (2012); Chepurko et al. (2018); Garrett et al. (2014); Hogan and Reid (2022); Wans (2020)	China: Dong et al. (2018); He et al. (2024) USA: Kim et al. (2012)[a]; Tran and O'Sullivan (2020)[a]	International: Habib and Bhuiyan (2017) China: Shahab et al. (2024)	
CSR reporting (+)	China: Wang et al. (2025)[a] USA: Saeed et al. (2025; decoupling)[a]			International: Habib and Bhuiyan (2017); Reitmaier et al. (2025)	
(−)	China: Yuan et al. (2022) USA: Christensen (2016)[a]				
(+/−)	China: Liao et al. (2019)			Taiwan: Du and Wu (2019)	
CSR assurance (+)					International: Ballou et al. (2018; dummy and audit firm); Bentley-Goode et al. (2025; dual provision); Pinnuck et al. (2021) USA: Michelon et al. (2019)
(−)		International: Dal Maso et al. (2020; dual provision)[a]		Taiwan: Du and Wu (2019)	

[a] These studies were double counted in view of their sample size.

Appendix C

Research Results on the Impact of Corporate Misconduct on CSR Outcomes

	CSR performance	CSR reporting	CSR assurance
Financial misconduct			
Fraud (+)	USA: Ferres and Marcet (2021); Guo et al. (2025); Li et al. (2021)		
(–)	USA: El Shlmani et al. (2025)		
Restatements (+)		USA: Zhang et al. (2021)	
Enforcement (+)	USA: El Shlmani et al. (2025)		
CSR misconduct			
Fraud (+)	International: Li and Cuervo-Cazurra (2024) USA: Rayfield and Unsal (2022)[a]; Thosuwanchot and Lee (2025; fraud in the industry)	International: Reitmaier et al. (2025) China: Li et al. (2023)	
(–)	China: Zou et al. (2015) USA: Shevchenko (2021)[a]	China: Li et al. (2025; greenwashing)	

[a] These studies were double counted in view of their sample size.

Appendix D

Overview of Included Studies of the Literature Review

Year	Author(s)	Journal	State, year(s), and sample	Independent variable(s)	Dependent variable(s)	Significant results
2009	Brazel et al.	*Journal of Accounting Research*	• USA • 1987–2007 • 2000 firm-year observations	Difference between changes in financial and CSR performance	Financial Fraud (dummy; COSO; AAER; press)	+
2012	Cao et al.	*Contemporary Accounting Research*	• USA • 1995–2009 • 8081 firm-year observations	CSR performance (Fortune's America's Most Admired Companies List score)	Financial restatement (dummy; audit analytics database)	–
2012	Kim et al.	*The Accounting Review*	• USA • 1991–2009 • 23,391 firm-year observations	CSR performance (total; strengths and concerns)	Financial enforcement actions (AAER database)	– (total; strengths)
2014	Garrett et al.	*Journal of Accounting Research*	• USA • 2005–2010 • 860 firm-year observations	• Employee performance (GPTW survey) • Moderator: decentralized firms; manager equity incentives	Financial restatements (dummy; audit analytics)	– Mod.: strengthened

Year	Author(s)	Journal	State, year(s), and sample	Independent variable(s)	Dependent variable(s)	Significant results
2015	Du	*Journal of Business Ethics*	• China • N.A. • 3008 firm-year observations	• CSR performance (givings in family firms, scaled by sales revenues) • Moderator: politically connected family-owned firms	Environmental fraud (fines scaled by sales revenue; dummy; survey)	+ (!) Moderator: –
2015	Zou et al.	*Business Strategy and the Environment*	• China • 2006–2010 • 238 firm-year observations	• Environmental fraud (CSMAR database) • Moderator: state ownership; domestically owned firms	CSR performance (media reputation)	– Mod.: strengthened
2016	Christensen	*The Accounting Review*	• USA • 1999–2010 • 13,466 firm-year observations	• CSR reporting (dummy) • Moderator: organizational complexity; GRI framework	CSR-related fraud (dummy; audit analytics)	– Mod.: strengthened
2017	Habib and Uddin	*Business Strategy and the Environment*	• International (EU) • 2004–2014 • 748 firm-year observations	• Environmental performance (C02 emissions; waste emissions as inverse; green supply chain practices) • Environmental reporting (quality) • CSR investments	Environmental fraud penalties (dummy; amount; Bloomberg database)	– + +
2017	Harjoto	*Social Responsibility Journal*	• USA • 2000–2010 • 11,318 firm-year observations	CSR performance (total; strengths; concerns; subpillars)	Financial fraud (dummy; number; US Department of Justice)	– (total; strengths); +(concerns)
2018	Ballou et al.	*Journal of Accounting and Public Policy*	• International • 2011 and 2013 • 2339 firm-year observations	• CSR assurance (dummy) • CSR assuror (audit firm)	CSR-related restatements (dummy; error and non-error; KPMG survey)	+ +
2018	Chepurko et al.	*Global Finance Journal*	• USA • 1997–2012 • 1927 firm-year observations	CSR performance (total; strengths and concerns; subpillars)	Financial restatements (dummy; GAO; audit analytics)	– (total; strengths) + (concerns)
2018	Dong et al.	*Journal of Business Ethics*	• China • 2006–2012 • 11,350 firm-year observations	• CSR performance (social trust in the province where company is headquartered) • Moderator: media coverage	Financial enforcement action (dummy; disclosure-related versus others; CSMAR database)	– Mod.: strengthened
2019	Dal Maso et al.	*Contemporary Accounting Research*	• International • 2002–2017 • 28,661 firm-year observations	Joint CSR assurance and financial audit (dummy)	Financial restatements (income-decreasing; Thomson Reuters database)	–
2019	Du and Wu	*Auditing*	• Taiwan • 2005–2013 • 6289 firm-year observations	• CSR reporting (dummy) • CSR assurance (dummy)	CSR-related fraud exposed by media (dummy; number; TEJ CSR Database)	+/– –

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2019	Liao et al.	*Accounting & Finance*	• China • 2009–2014 • 2742 firm-year observations	• CSR performance • CSR reporting • Moderator: voluntary CSR, continuous CSR engagement, financial pressure, internal control weaknesses	Financial fraud (dummy; disclosure versus other cases; CSMAR database)	– +/– Moderators: strengthened
2019	Michelon et al.	*European Accounting Review*	• USA • 2010–2014 • 372 firm-year observations	CSR assurance (dummy; consultant versus audit firm as provider)	CSR-related restatements (dummy; errors versus methodological updates; non-material; self-created)	+ (stronger for error restatements than due to methodological updates; methodological only by consultants) + (non-material restatements only by consultants)
2020	Tran and O'Sullivan	*Accounting & Finance*	• USA • 1995–2012 • 20,514 firm-year observations	CSR performance	• Financial fraud (M-score) • Enforcement actions (dummy; AAER)	– –
2020	Wans	*Journal of Accounting, Auditing & Finance*	• USA • 2002–2010 • 1128 firm-year observations	• CSR performance	• Financial restatements (dummy; income-decreasing; audit analytics) • Financial fraud (class action lawsuits)	– –
2021	Ferres and Marcet	*Journal of Banking and Finance*	• USA • 1998–2012 • 665 firm-year observations	• Financial fraud (illegal price fixing schemes as cartel firm; dummy; private international cartels database) • Moderator: main cartel members; competition	• Post-collusion CSR performance (total; strengths and concerns) • CSR performance immediately after the first notice of an official antitrust investigation	+ + (mainly improving CSR strengths than reducing CSR concerns) Mod: strengthened
2021	Hong and Young	*Journal of Corporate Accounting and Finance*	• USA • 2000–2013 • 29,595 firm-year observations	CSR performance	Financial fraud (dummy; M-score; F-score; materiality; income-increasing) Detection of financial fraud (dummy)	– – (only when there are salient indicators of misstatement engagement)
2021	Li et al.	*Journal of Business Ethics*	• USA • 1995–2016 • 3015 firm-year observations	• Financial fraud (dummy; fraud length; audit analytics) • Moderators: weak corporate governance (management entrenchment index); firm's headquarters are in a state with a high level of religiosity	CSR performance	+ (stakeholder- and third party pillars; strengths) Moderators: governance –; religiosity +

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2021	Pinnuck et al.	*Contemporary Accounting Research*	• International • 2006–2013 • 779 firm-year observations	• CSR performance • CSR assurance	CSR-related restatements (dummy; errors or metric changes; self-created)	+ + (errors)
2021	Shevchenko	*Business Strategy and the Environment*	• USA • 2000–2019 • 20,335 firm-year observations	Environmental fraud (dummy; size; violation tracker by Good Jobs First)	Environmental performance (strengths; concerns)	–
2021	Wu et al.	*Journal of Business Research*	• China • N.A. • 2019 firm-year observations	• CSR performance (givings as dummy; volume) • Moderator: advertising expenses; political connection	Environmental fraud (number of pollution fines; Chinese Academy of Social Science)	+ Mod.: strengthened
2021	Zhang et al.	*Journal of Business Ethics*	• USA • 2000–2017 • 593 firm-year observations	• Financial restatements (dummy; audit analytics database) • Moderator: post restatement year	CSR reporting (quality)	+
2022	He et al.	*International Review of Financial Analysis*	• China • 2010–2020 • 23,741 firm-year observations	• CSR performance • Mediator: analyst coverage • Moderator: low information transparency, low institutional ownership, voluntary CSR reporting	Financial fraud (number; CNRDS database)	– Med.: fully Moderator: strengthened
2022	Hogan and Reid	*Review of Accounting and Finance*	• USA • 2004–2014 • 762 firm-year observations	• Corporate employee performance • Moderator: customer orientation; dedicated institutional ownership	Financial restatement transparency (high as filed with a form 8-K; low as filed with a 10-K form; audit analytics)	– Mod.: strengthened
2022	Rayfield and Unsal	*Managerial Finance*	• USA • 2000–2015 • 20,146 firm-year observations	Environmental fraud (dummy; Good Jobs First database)	Green innovation (patent; dummy)	+
2022	Yuan et al.	*Journal of Cleaner Production*	• China • 2010–2020 • 7143 firm-year observations	• CSR reporting • Moderator: internal supervision; institutional ownership; high legal environment; high marketization; low-carbon city policy	Financial fraud (dummy; CSMAR database)	– Mod: strengthened
2023	Chakraborty et al.	*Accounting & Finance*	• USA • 1999–2016 • 4520 firm-year observations	• CSR performance (total and subpillars) • Moderator: lower financial distress; institutional investors; internal CSR	Financial fraud (Securities class action lawsuit as dummy; at least two; Stanford Law School & Securities Class Action Clearinghouse database)	– Mod: strengthened

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2023	Chu et al.	*International Review of Economics and Finance*	• China • 2010–2019 • 23,169 firm-year observations	• CSR performance (total; subpillars) • Moderator: board gender diversity; regimes with higher gender equality, higher female representation of the government; higher GDP per capita	Financial fraud (dummy; number; CSMAR database)	– (total; shareholder and social-related CSR) Mod.: strengthened
2023	Li et al.	*Sustainable Development*	• China • 2014–2020 • 4601 firm-year observations	• Environmental fraud (dummy; number; IPE database) • Moderator: media coverage; weak political connections; less industry competition	Environmental reporting (quality; substantive versus symbolic)	+ Mod.: strengthened
2023	Zhu et al.	*Corporate Social Responsibility and Environmental Management*	• China • 2011–2018 • 530 firm-year observations	• CSR performance • Moderator: market concentration; ROA; R&D expenses	Financial restatement (non-fraudulent reasons; dummy; CSMAR database)	+ Mod.: strengthened (except for concentration)
2024	Chen	*Economics Letters*	• China • 2010–2022 • 23,792 firm-year observations	CSR performance	Financial fraud (abnormal R&D expenditures)	–
2024	He et al.	*Journal of Business Ethics*	• China • 2012–2021 • 10,872 firm-year observations	• CSR performance (participation in government-initiated CSR projects) • Moderator: earnings management; non-state ownership; low administrative expense ratio	Financial enforcement actions (dummy; number; CSMAR database)	– Mod.: strengthened
2024	Li et al.	*Finance Research Letters*	• China • 2012–2022 • 31,268 firm-year observations	• CSR performance • Mediator: low financial constraints; information transparency	Financial fraud (dummy; CSMAR database)	– Med.: fully
2024	Li and Cuervo-Cazurra	*Journal of International Business Studies*	• International • 2008–2018 • 8765 firm-year observations	• CSR-related subsidiary and supplier fraud (number; RepRisk database) • Moderator: home-country CSR mandates	CSR performance	+ Mod.: strengthened
2024	Shahab et al.	*Journal of Business Ethics*	• China • 2007–2022 • 5970 firm-year observations	• CSR performance (firms in regions with high social trust) • Moderator: media coverage, analyst coverage, big four audit, institutional investor site visits	• Environmental fraud (dummy; CRDS database) • Environmental remedial actions after violations	– + Mod.: strengthened (except for institutional investors)
2024	Su et al.	*International Review of Financial Analysis*	• China • 2014–2021 • 14,620 firm-year observations	• ESG performance (total and subpillars) • Moderator: non-state ownership; voluntary CSR reporting	Financial fraud (dummy; financial; management; disclosure; other; CRDS database)	– Mod.: strengthened

Year	Author(s)	Journal	State, year(s), and sample	Independent variable(s)	Dependent variable(s)	Significant results
2024a	Wang et al.	*Finance Research Letters*	• China • 2010–2020 • 18,626 firm-year observations	• CSR performance • Mediator: analyst attention • Moderator: state ownership	Financial fraud (dummy; number; CSMAR database)	– Mediator: partial Mod.: strengthened
2024b	Wang et al.	*Corporate Social Responsibility and Environmental Management*	• China • 2010–2020 • 29,023 firm-year observations	• CSR performance • Moderator: non-state ownership; low firm size • Mediator: information transparency; lower financial constraints; media attention	Financial fraud (dummy; disclosure and general; CRDS database)	– Mod: strengthened Mediator: fully
2024	Zhao et al.	*International Review of Financial Analysis*	• China • 2011–2022 • 33,734 firm-year observations	• Environmental protection tax law for heavy polluting firms • Mediator: information transparency; manager pressure • Moderator: digitization; executives' equity incentives; pollution-intensive industry	Financial fraud (dummy; number; CSMAR database)	– Med.: fully Mod.: strengthened
2025	Bentley-Goode et al.	*Accounting & Finance*	• International • 2011 and 2013 • 1781 firm-year observations	CSR assurance (dummy); assurance provider (audit firm; dual audit)	CSR-related restatements (dummy; KPMG survey)	+ (dual audit)
2025	El Shlmani et al.	*Corporate Social Responsibility and Environmental Management*	• USA • 2018–2022 • 1925 firm-year observations	• Financial enforcement actions (number; violation tracker database) • Financial fraud (size of lawsuits; violation tracker database) • Moderator: institutional ownership; insider ownership; family ownership	CSR performance	+ – Mod.: strengthened
2025	Guo et al.	*Journal of Accounting, Auditing & Finance*	• USA • 2000–2013 • 964 firm-year observations	• Financial fraud (dummy, GAO; audit analytics) • CSR performance (strengths)	• CSR performance (change of strengths) • Fraud detection (duration)	+ +
2025	Li et al.	*Business Ethics, the Environment & Responsibility*	• China • 2014–2020 • 4039 firm-year observations	• Environmental fraud (dummy; number; IPE database) • Moderator: financial slack; internal; controls; political connections; life cycle (growth and mature stage)	Greenwashing (environmental reporting – environmental performance)	Mod.: strengthened
2025	Reitmaier et al.	*Review of Accounting Studies*	• International • 2003–2013 • 4499 firm-year observations	• CSR reporting (GRI dummy; quality) • CSR-related fraud	• CSR-related fraud (dummy; number; severity; CCRD database) • CSR reporting	+ +

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2025	Saeed et al.	*Research in International Business and Finance*	• USA • 2006–2018 • 15,993 firm-year observations	CSR decoupling (CSR reporting – CSR performance)	Financial fraud (dummy; AAER, audit analytics; GAO; SSCAC)	+
2025	Sun et al.	*International Review of Financial Analysis*	• China • 2009–2020 • 24,922 firm-years observations	• CSR performance • Moderator: non-state ownership; CEO uncertainty perception	Financial fraud (dummy; information disclosure versus operation; CSRC database)	– Mod.: strengthened
2025	Thosuwanchot and Lee	*Society and Business Review*	• USA • 2009–2013 • 1467 firm-year observations	• CSR-related fraud in the industry (Audit Analytics litigation database) • Moderator: CEO equity ownership; dedicated institutional ownership	CSR performance	+ Mod.: strengthened
2025	Wang and Liu	*International Review of Economics and Finance*	• China • 2011–2023 • 32,644 firm-year observations	CSR performance (also as mediator of managerial short-termism)	Financial fraud (number; CSMAR database)	–
2025	Wang et al.	*Finance Research Letters*	• China • 2010–2023 • 38,868 firm-year observations	• Environmental reporting (fund flows in green projects; dummy) • Moderator: digital transformation	Financial fraud (self-created)	+ Mod.: weakened
2025	Zhou and Lei	*Journal of Business Research*	• China • 2010–2020 • 17,788 firm-year observations	• CSR performance uncertainty • Mediator: financial constraints; lower institutional ownership • Moderator: heavily polluting industries; competition; weak board governance, low marketization; no Confucian culture	Financial fraud (number; CSMAR database)	+ Med.: fully Moderator: strengthened
2026	Khalid et al.	*Business Ethics, the Environment & Responsibility*	• China • 2009–2020 • 2892 firm-year observations	• Environmental performance (green investments ratio) • Moderator: CEO ability; board gender diversity; environmentally sensitive industry; state ownership; no internal controls for ESG	Environmental fraud (dummy; China Research Data Services database)	2025