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REVIEW ARTICLE

Determinants and consequences of corporate social responsibility decoupling—Status quo and limitations of recent empirical quantitative research

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Abstract

This study reviews recent empirical quantitative research on firm- and country-related determinants of corporate social responsibility (CSR) decoupling and the consequences on firm value. Based on legitimacy theory and agency theory, top managers use CSR decoupling for self-impression management and stakeholder attraction. Our review indicates that low (high) corporate governance quality increases (decreases) CSR decoupling and it has negative financial consequences for firms. We identify major research gaps and stress research recommendations for future CSR decoupling studies. Solid measures of CSR decoupling should compare quantitative performance measures and qualitative descriptions on CSR reports on strategies and processes. There is a great need to include automated text analyses of sustainability reports for future research designs. Due to extended regulations on CSR reporting from an international perspective, CSR decoupling remains a hot topic for researchers, business practice, and standard setters.

KEYWORDS

corporate governance, CSR decoupling, CSR washing, greenwashing, legitimacy theory

1 | INTRODUCTION

Since the financial crisis 2008–2009, on a global level, unethical organizational behavior has been criticized in many ways (e.g., Miao et al., 2013; Mishra et al., 2022; Moore et al., 2012). Many firm- and country-specific reasons for unethical management practices can be found. Prominent cases of unethical top management strategies in business practice can be found, for example, the famous “dieselgate scandal” of Volkswagen or the scandals of Starbucks, Walmart, and Shell (Talpur et al., 2022). To gain legitimacy toward society, most public interest entities (PIEs) publish separate corporate social responsibility (CSR) reports as a main complement to traditional financial reports (KPMG, 2022). Stand-alone CSR reports should increase the attraction of shareholders and other stakeholders and should signal an

ethical top management behavior (Mishra et al., 2022). As CSR reporting is still voluntary in many regimes, its comparability and decision usefulness are restricted (Mahoney et al., 2013). While the standards of the Global Reporting Initiative (GRI) represent the most important guidelines for voluntary CSR reporting (KPMG, 2022), many others exist (e.g., Sustainability Accounting Standards Board [SASB] or Carbon Disclosure Project [CDP]). Recent stakeholder skepticism about the quality of CSR reporting is linked with CSR decoupling (Ballou et al., 2018; Clarkson et al., 2019), that lowers the information value of CSR data (Mahoney et al., 2013). This also relates to the fact that the quality of external assurance and enforcement of CSR reports is lower in comparison to financial reporting (Garcia-Sanchez et al., 2020). Public awareness of CSR decoupling is linked with destroyed firm reputation and firm values, for example, for PIEs (Garcia-Sanchez et al., 2020).

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In line with CSR decoupling, there are similar concepts in the literature, for example, CSR washing, greenwashing, and CSR hypocrisy (Talpur et al., 2022). As those concepts have similarities, we refer to the broader term CSR decoupling in this analysis and define CSR decoupling as the difference between external CSR efforts (reporting/“talk”) and internal CSR actions (performance/“walk”) in line with other researchers (Sauerwald & Su, 2019; Walker & Wan, 2012). In this context, we differentiate between an absolute difference (CSR decoupling), a positive difference (greenwashing), and a negative difference (brownwashing). Thus, greenwashing and brownwashing can be classified as two major subgroups of CSR decoupling. In line with agency theory, CSR decoupling leads to information asymmetries and conflicts of interest between the firm and external stakeholders. CSR decoupling mainly deals with self-impression management as a reaction to either regulatory or stakeholder pressure in line with legitimacy theory (Du & Wu, 2019) and can be concentrated on either environmental (greenwashing) or social aspects or be related to broader CSR aspects.

From a regulatory perspective, many (inter)national standard setters have criticized the current practice of CSR decoupling within CSR reports. Therefore, many regimes increased the management duties on CSR efforts, for example, the EU Green Deal project of the EU Commission. In line with stricter CSR reporting regulations, increased (sustainable) corporate governance rules (e.g., legal female quota on the board of directors) and sustainable finance practices are implemented. In line with the ambitious EU project to realize climate neutral economy till 2050, other regimes have implemented or discussed CSR disclosure duties for listed firms (e.g., the U.S. American Securities and Exchange Commission [SEC]).

From a research perspective, as we recognize a great variety of research on CSR decoupling, comparability of research results is low due to different research methods (Wang et al., 2023). During the last years, in line with overall CSR research, we note an increased amount of empirical quantitative research on possible drivers and consequences of CSR decoupling (e.g., Shahab et al., 2022). Our main goal is to identify the most important determinants and consequences of CSR decoupling from prior quantitative research. Our present study mainly contributes to prior studies and close this important research gap as follows. First, existing reviews (Khan & Lockhart, 2022; Lyon & Montgomery, 2015; Pope & Waeraas, 2016; Talpur et al., 2022) did not set a focus on statistical relationships between specific drivers and firm consequences of CSR decoupling. However, they included other research methods that are not comparable to our primary research question, leading to decreased comparability. Second, prior reviews did not explicitly differentiate between CSR decoupling, greenwashing, and brownwashing research. Thus, we present a more detailed and useful research structure, as recent studies have also addressed brownwashing as an important management strategy (e.g., Huang et al., 2022). Finally, precise research recommendations on empirical-quantitative studies are missing in this context in prior reviews. Consequently, we stress the two main research questions in our review:

1. Which firm- and country-related determinants increase or decrease CSR decoupling (green- and brownwashing)?

2. Is CSR decoupling (green- and brownwashing) related to positive or negative consequences on firm value?

This literature review is not only relevant for researchers, but also for business practice and regulatory bodies to prevent CSR decoupling and strengthen substantive CSR efforts. Regarding firm- and country-related drivers, we differentiate in board composition, ownership structure and stakeholder pressure (=corporate governance), financial and CSR determinants (=other firm variables), and country effects. Moreover, in view of the consequences on firm value, we separate in financial and CSR performance. We list the various independent and dependent variables and compare the main statistical outputs of the archival research. While empirical quantitative studies on CSR decoupling are limited due to specific topics, there are clear indications that low (high) corporate governance quality increases (decreases) the extent of CSR decoupling and that CSR decoupling leads to negative financial consequences. Relying on this structure, we show the limitations and research gaps and guide future researchers for useful research designs. In this context, we stress the need for increased quality of CSR decoupling proxies.

Our analysis structured as follows. First, we present a legitimacy- and agency theoretical framework of our major determinants and consequences on firm value of CSR decoupling (Section 2). Then, we give an overview of our research framework and included variables (Section 3). Section 4 deals with the results of the literature review, whereas we start with a bibliometric and descriptive content analyses (Section 4.1) and follow with a review on determinants (Section 4.2) and consequences (Section 4.3). Moreover, in Section 5, the limitations of prior research and explicit research recommendations are mentioned. Our paper ends with a summary (Section 6).

2 | LEGITIMACY THEORY AND AGENCY THEORY

Most studies in our literature review have relied on legitimacy theory (Suchman, 1995) as a basic theoretical framework to explain corporate incentives to conduct CSR decoupling (see also Talpur et al., 2022). Thus, we also rely on this theory in the following. Legitimacy theory assumes that social acceptance and survival of firms rely on the degree to which corporate structures and behaviors are in line with socially constructed norms and principles (Garcia-Sanchez et al., 2022). If the value system of the firm and society are balanced, firms will reach the legitimacy status. According to Suchman (1995, p.574), legitimacy describes “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” and can be separated in institutional and strategic legitimacy. To reach legitimacy, firms may follow either a substantive or symbolic stakeholder management and CSR approach. Substantive CSR management requires real transformation to sustainability due to objectives, strategies, structures, processes, and practices. In contrast to this, symbolic CSR management is not linked with real changes in the firm, but it is

focused on the use of symbols to create a positive corporate image in line with social expectations to attract stakeholders (Garcia-Sanchez et al., 2022). As CSR reporting is still unregulated in many regimes and lacks comparability due to several (inter)national reporting frameworks and guidelines, we stress an increased degree of management discretion and lack of objectivity (Mahoney et al., 2013). These increased risks of CSR decoupling can be attributed to self-impression management, for example, the overstatements of positive CSR information and the neglect of CSR risks and negative externalities of corporate practices on environment or society (Talpur et al., 2022). This reporting strategy relates to a difference between CSR reports (talk) and real CSR performance (walk) (Garcia-Sanchez et al., 2022). CSR decoupling can be instrumentalized by top managers to create a corporate image that contrasts with their actual environmental or social outputs. The famous “dieselgate” scandal by Volkswagen a few years ago can be classified as a major prominent example of CSR decoupling, as Volkswagen created very detailed and positive CSR reports while the environmental performance or their cars were problematic and they thus manipulate their emission rates (Talpur et al., 2022). Prior theoretical and conceptual papers have mainly addressed greenwashing as over-reporting of CSR aspects. Legitimacy theory assumes that many firms will use over-reporting to attract new stakeholders and increase CSR awareness of the public. However, recent studies also stress the probability of brownwashing as under-reporting to decrease or even avoid an expectation gap by different stakeholder groups (Huang et al., 2022). Moreover, competitive reasons may lead to the goal of top management to hide specific CSR information. Thus, CSR decoupling (green- and brownwashing) can be explained by legitimacy theory.

In line with legitimacy theory, we extend our theoretical framework by agency theory (Hill & Jones, 1992; Jensen & Meckling, 1976; Ross, 1973). Based on the separation of ownership and control, Jensen and Meckling (1976) have characterized the overarching problem of information asymmetries between management and shareholders, resulting in moral hazards and self-serving actions. Hill and Jones (1992) presented an extended stakeholder agency model. To decrease these agency conflicts, there is a need to implement strong monitoring mechanisms by the board of directors, its shareholders, and other stakeholders. Information asymmetries arise in the CSR reporting documents, as CSR reporting quality may be reduced by decoupling strategies. The real CSR performance of the firm is not obvious in these situations and impair the information function of the stakeholders. According to agency theory, conflict of interests between management and stakeholders and information asymmetry can have a main impact on CSR decoupling practices. Greenwashing and brownwashing can be explained by significant agency conflicts. Both CSR reporting strategies (over- and under-reporting) can be classified as management opportunism to realize an unbalanced description of CSR performance, either too positive or too negative. Effective corporate governance systems should pressure top management to prevent or at least reduce CSR decoupling (Jensen & Meckling, 1976). Corporate governance can be classified as a monitoring tool in line with stakeholders' interests of ethical management behavior. We expect

that increased corporate governance quality is linked with lower CSR decoupling (Gull et al., 2023). To reduce CSR decoupling behavior, corporate and country-related governance tools, for example, board gender diversity or institutional ownership, should pressure top management not to carry out CSR decoupling. In line with prior literature (Shleifer & Vishny, 1997), traditional corporate governance mainly differentiates between board composition, executive compensation, and ownership structure. Nowadays, next to capital providers, also other stakeholders have a main impact of corporate sustainability efforts, for example, media or NGOs. Moreover, relying on cross-country research, country effects may also influence CSR decoupling, for example, strength of enforcement or cultural aspects. Other firm characteristics may also have an impact on top managers awareness on CSR decoupling. This relates to either financial determinants, for example, market competition, or CSR issues, for example, environmental sensitive industries (Khan & Lockhart, 2022). In summary, we assume that low (high) quality of corporate and country governance will increase (decrease) CSR decoupling and other (non) financial firm drivers impact CSR decoupling.

Referring to consequences on firm value, in line with legitimacy theory and the business case argument for CSR (e.g., Qian & Schaltegger, 2017), substantive (symbolic) CSR strategies should lead to positive (negative) consequences on firm value (Dowling & Pfeffer, 1975). Shareholders and other stakeholders need reliable CSR reports and quantitative performance measures. Decision useful CSR reports will decrease the value gap between balanced equity and real firm value. CSR decoupling, that will be identified by investors, should imply lower financial performance because of impaired firm reputation. Moreover, other stakeholders should also react negatively, for example, decreased customer satisfaction or employee turnover.

3 | RESEARCH FRAMEWORK AND INCLUDED VARIABLES

Figure 1 illustrates our research framework. The aim of this literature review is to present a detailed analysis of archival research on CSR decoupling. First, we are interested in the firm context and consider the firm-related drivers and consequences of CSR decoupling. Legitimacy theory and agency theory are connected with potential firm determinants, which might have an impact of the degree of CSR decoupling. Second, we are also interested on country-specific drivers, as legitimacy theory stresses the major impact of the institutional environment of the firm. Two major contents of the literature review can be stated:

1. Firm- and country-related determinants of CSR decoupling and
2. Consequences of CSR decoupling on firm value.

Regarding firm- and country-related determinants, we differentiate between board composition, ownership structure and stakeholder pressure (=corporate governance), financial and CSR drivers (=other firm determinants), and country effects. The consequences of CSR

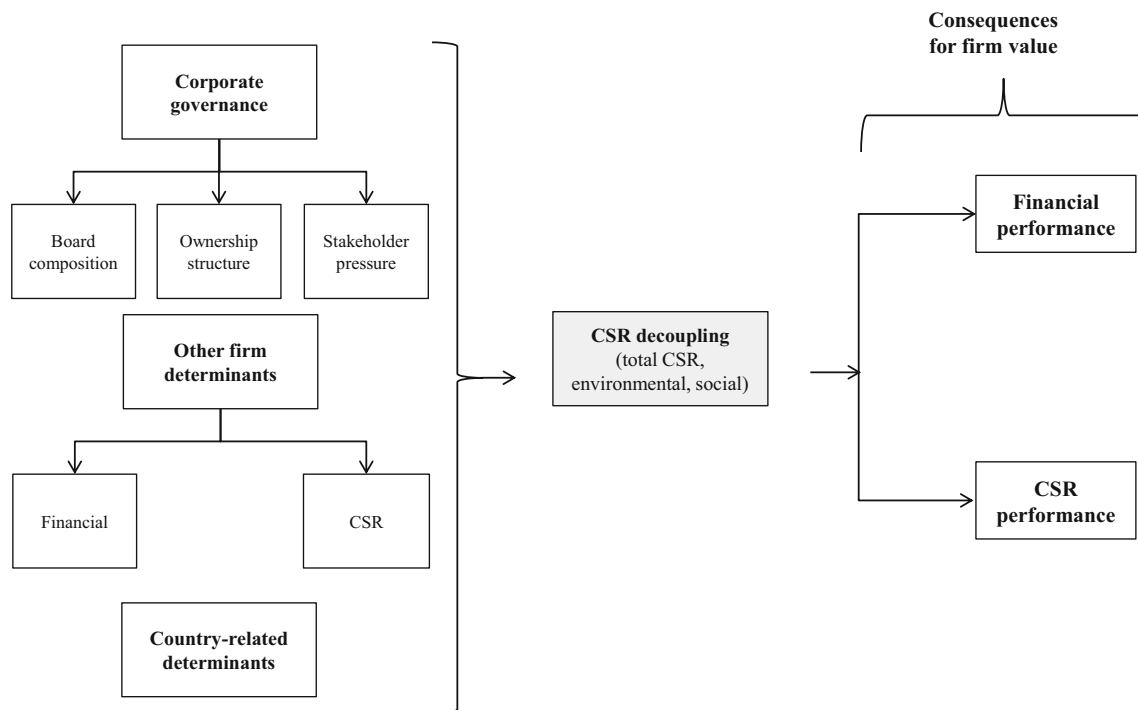


FIGURE 1 Research framework on determinants and consequences of CSR decoupling.

decoupling on firm value are separated in financial performance and CSR performance.

Empirical research on CSR decoupling relates to a complexity of collected data, research designs, theoretical frameworks, and methods. Thus, the comparability of prior research is limited. To guide researchers with innovative research questions, a structured literature review on this topic seems to be useful. It may not only support researchers, but also business practice and regulatory bodies (Torraco, 2005; Webster & Watson, 2002). We mainly contribute to former literature reviews on CSR decoupling and related topics (Khan & Lockhart, 2022; Lyon & Montgomery, 2015; Pope & Waeraas, 2016; Talpur et al., 2022) as follows. As our intention is to focus on archival CSR decoupling and to analyze the main determinants and consequences on firm value, our focus is different to prior research. Pope and Waeraas (2016) have focused on a conceptual and theoretical framework of CSR decoupling. Lyon and Montgomery (2015) have included empirical and non-empirical studies on greenwashing in their review without focusing on quantitative research. Similarly, Talpur et al. (2022) also took a broader view on CSR decoupling due to various research methods. This also relates to Khan and Lockhart (2022), whereas the study has concentrated on developing countries. In contrast to prior studies, we are interested in the main research questions which firm- and country-related determinants may either increase or decrease CSR decoupling and whether CSR decoupling leads to negative consequences for firm value.

We recognized established methods and processes (Denyer & Tranfield, 2009) to prepare our literature review. First, to deduce the research gap and the focus, we note an increased amount of CSR decoupling studies. As already stated, we are interested to select the

economic relationships between CSR decoupling and specific determinants and consequences. Second, by screening the core theories and referring to legitimacy theory, we list the included variables. Third, we used the following databases to select relevant studies: Web of Science, Google Scholar, the Social Science Network (SSRN), EBSCO, and Science Direct. In this context, the following keywords are used: “CSR decoupling,” “CSR washing,” “CSR hypocrisy,” “greenwashing,” “CSR talk and walk” in connection with “corporate governance,” “board of directors,” “board composition,” “ownership,” “ownership structure,” “financial performance,” “CSR performance,” “CSR reporting,” “ESG reporting,” “sustainability reporting,” and related topics. This leads to an initial sample of 106 studies. Fourth, as inclusion and exclusion criteria, we focus on quantitative empirical studies on CSR decoupling. Consequently, we included archival studies, experiments, and surveys with quantitative methods and excluded normative, conceptual and qualitative designs. This led to a reduction by 34 studies. Moreover, we only included articles published in English journals with double-blind review processes, leading to a reduced sample of 12 studies. Fifth, after scanning the titles of the studies, abstracts, theories, and method sections, we deleted the ones that matched the exclusion criteria. We note a final sample of 41 studies for our literature review. Sixth, referring to vote-counting methodology (Light & Smith, 1971), we compared and list the significant results of the studies.

Referring to included CSR decoupling proxies, three main categories can be separated. First, some researchers referred to Hawn and Ioannou (2016) and measured CSR decoupling as the absolute difference between *external* CSR actions (reporting) and *internal* CSR (performance), based on one external CSR database. *Refinitiv* represents

TABLE 1 Included variables of the literature review.

Firm- and country-related determinants (independent variable(s))	CSR decoupling proxies (absolute, positive (greenwashing) and negative (brownwashing) difference	Consequences for firm value (dependent variable(s))
<ol style="list-style-type: none"> 1. <i>Board composition</i>: <ul style="list-style-type: none"> • Board independence • Board size • Board network centrality • Managerial entrenchment • Board gender diversity • Sustainability board committee • CEO narcissism • CEO power • CEO overconfidence • CEO holds positions as government official 2. <i>Ownership structure</i>: <ul style="list-style-type: none"> • Institutional ownership • Mutual fund investors' distraction • Institutional linkage to the central government • Family ownership 3. <i>Stakeholder pressure</i>: <ul style="list-style-type: none"> • CSR assurance • Supervision effect of media reports • Internal and external normative stakeholder pressure 4. <i>Financial determinants</i>: <ul style="list-style-type: none"> • Product market competition • Output growth; net income • Industries with close proximity to customers and high visibility • Internationalization • Cross listings • Financial constraints (leverage) • Political connections • Analyst coverage 5. <i>CSR determinants</i>: <ul style="list-style-type: none"> • Environmental sensitive industry • GRI reporting • UN Global Compact participation • Corporate reputation risk score • Corporate environmental costs 6. <i>Country effects</i>: <ul style="list-style-type: none"> • Deregulation legislation • Profit under deregulation • Provinces where local governments give high priority to GDP growth • Firms headquartered in more institutional developed regions • Pervasiveness of country institutional voids • Country-corruption index • Countries with absence of political rights 	<ol style="list-style-type: none"> 1. Difference between CSR (environmental; social) reporting (external items; symbolic; policy) and CSR (environmental; social) performance (internal items; substantive implementation) (Refinitiv) 2. Difference between external CSR actions (database) and internal CSR actions (automated text analyses of CSR reports or manual content analysis) 3. Difference between CSR reporting tone (Python) and CSR performance (database) 4. Difference between reported emissions and actual emissions reductions 5. Difference between absolute (symbolic) and weighted (substantive) reporting (Trucost; self-created) 6. Ratio between symbolic (qualitative) and substantive (quantitative) environmental reporting (content analysis) 7. Difference between CSR (environmental) reporting (Bloomberg) and CSR (environmental) performance (Refinitiv; KLD) 8. Other measures: CSR-related incidents, firm issued its first report early within the first 2 years after the announcement of the guidelines and report quality was below firm average, CSR media list, CSR reporting substantiveness (RKS), greenwashing list published in the newspaper, serious environmental penalties 	<ol style="list-style-type: none"> 1. <i>Financial performance</i>: <ul style="list-style-type: none"> • Cost of equity • Access to finance • Interest rate • Fraction of collateral loans • Economic performance; ROA, Tobin's Q • Cumulative abnormal returns • Analyst forecast error • Stock price crash risk • Earnings management 2. <i>CSR performance</i>: <ul style="list-style-type: none"> • Customer satisfaction • Employee turnover • Green trust • Environmental performance • CSR donations (during the COVID crisis) • Product and service quality • Perceptions of corporate hypocrisy • Stakeholder perceptions of corporate environmental responsibility and greenwashing • Stakeholder reactions to environmental scandals

the most prominent database in this context (e.g., Garcia-Sanchez et al., 2020, 2022; Hawn & Ioannou, 2016). Few studies used the *Trucost* database and measure the difference between absolute and weighted disclosure ratio (Arouri et al., 2021; Marquis et al., 2016). When a firm's absolute disclosure ratio is higher than its weighted disclosure ratio, the corporation conducts greenwashing by reporting its less harmful indicators and not fully report its most harmful ones (Arouri et al., 2021). The recognition of one database is linked with a restricted validity as multicollinearity concerns may arise.

Second, to decrease those problems, other researchers recognized the difference between CSR reporting, based on manual content analyses, and CSR performance, based on external CSR databases (*Bloomberg*, e.g., Ruiz-Blanco et al., 2022; *Morgan Stanley Capital International*, Tashman et al., 2019), as CSR decoupling. Next to manual content analyses, automatized textual analyses to measure tone management in CSR reporting, for example, based on python and wordlists, are used. CSR performance is selected by the help of *Hexun CSR* (Zhang, 2022b) or *KLD database* (Sauerwald & Su, 2019). As manual

content analyses are limited in scope and range, automated text analyses can mainly increase the precision and volume of sample size.

Third, we also note some studies which included two databases in their research to measure the gap between CSR reporting, based on *Bloomberg*, and CSR performance, based on *Refinitiv* (e.g., Gull, Hussain, Khan, Khan, & Saeed, 2022; Yu et al., 2020; Zhang, 2022a). While this strategy leads to lower multicollinearity concerns, it has to be pointed out that the descriptions of related CSR measures are rather vague (“black box character”) and the separation between CSR reporting and performance database is rather superficial.

Few researchers focused on one external database as CSR decoupling indicator without any gap analysis, for example, based on ESG-related incidents (*RepRisk*; Li & Wu, 2020) and CSR reporting substantiveness (*RKS*; Marquis & Qian, 2014). According to Luo and Wang (2017), CSR decoupling exists if firm issued their first CSR report early within the first 2 years of the implementation of new CSR guidelines and the reporting quality is below the firm average (Luo et al., 2017). This strategy is also linked with some challenges, as CSR performance should be simultaneously addressed.

In comparison to total CSR decoupling as a neutral firm strategy, some studies differentiated between greenwashing (positive difference between external CSR actions [reporting] and internal CSR actions [performance]) and brownwashing (negative difference) (Gull, Hussain, Khan, Khan, & Saeed, 2022). This strategy increases the validity and preciseness of empirical research on CSR decoupling and should be promoted. In this context, Kim and Lyon (2015) calculated the difference between *reported* emissions reductions, based on DOE’s voluntary reporting of GHG programs, and *actual* reductions, based on FERC Form 1 electric utilities reports. Du (2015) used the Chinese greenwashing list, published by the South Weekend newspaper. According to Cao et al. (2022), the simultaneous firm inclusion in the CSR media list (China Research Center) and the inclusion of environmental credit evaluations as blue and yellow grades indicate greenwashing behavior. Based on manual content analyses, Wang et al. (2023) and Walker and Wan (2012) differentiated between symbolic (qualitative) and substantive (quantitative) descriptions within the environmental report. Similarly, Gull et al. (2023) included the difference between external and internal environmental actions. In contrast to this, Schons and Steinmeier (2006) focused on *social washing* as the difference between symbolic and substantive social activities.

Table 1 summarizes the included variables.

4 | LITERATURE REVIEW

4.1 | Descriptive and bibliometric analysis

Table 2 gives an overview about the included studies per publication year (Panel 1), country (Panel 2), journal (Panel 3), and topic (Panel 4). As Panel 1 illustrates, empirical quantitative CSR decoupling research is a rather young discipline (starting in 2012) and reached a peak in 2022 (13 studies). Most of included studies referred to cross-country designs (15 studies). We also stress that only few regimes (USA:

TABLE 2 Count of cited included studies.

Panel 1: By publication year	
2023:	7
2022:	13
2021:	3
2020:	4
2019:	4
2017:	2
2016:	3
2015:	2
2014:	1
2013:	1
2012:	1
Total: 41	
Panel 2: by country	
Cross-country: 15	
Canada:	1
China:	11
Taiwan:	1
USA:	11
N.A.:	2
Total: 41	
Panel 3: by journal	
Accounting and Finance Journals: (5)	
•	<i>Abacus</i> : 1
•	<i>Applied Economics Letters</i> : 1
•	<i>Finance Research Letters</i> : 1
•	<i>Research in International Business and Finance</i> : 1
•	<i>Journal of International Financial Management and Accounting</i> : 1
Management and Sustainability Journals: (36)	
•	<i>Academy of Management Journal</i> : 1
•	<i>Administrative Sciences</i> : 1
•	<i>British Journal of Management</i> : 1
•	<i>Business & Society</i> : 1
•	<i>Business Ethics</i> : 1
•	<i>Business Strategy and the Environment</i>: 6
•	<i>Corporate Governance</i> : 1
•	<i>Corporate Social Responsibility and Environmental Management</i>: 7
•	<i>Environment, Development and Sustainability</i> : 1
•	<i>Frontiers in Psychology</i> : 1
•	<i>Journal of Business and Technical Communication</i> : 1
•	<i>Journal of Business Ethics</i>: 6
•	<i>Journal of Business Research</i> : 1
•	<i>Journal of International Business Studies</i> : 1
•	<i>Management Science</i> : 1
•	<i>Organization Science</i> : 3
•	<i>Strategic Management Journal</i> : 1
•	<i>Sustainability Accounting, Management and Policy Journal</i> : 1
Total: 41	
Panel 4: by topic^a	
•	<i>Determinants of CSR decoupling</i>: 27
•	Consequences of CSR decoupling on firm value: 16
Total 43 ^a	

^aTwo studies address both topics.

11 studies; China: 11 studies; Canada: 1 study; Taiwan: 1 study) were focused yet. According to Panel 3, most studies were published in Management and Sustainability journals (36 studies), whereas the

Journal of Business Ethics (6 studies), the journal *Business Strategy and the Environment* (6 studies), and *Corporate Social Responsibility and Environmental Management* (7 studies) were often used as publication outlet. As indicated in Panel 4, most studies relied on firm- and country-related determinants of CSR decoupling (27 studies) in comparison to consequences on firm value (16 studies).

4.2 | Firm- and country-specific determinants of CSR decoupling

4.2.1 | Included variables

Literature stresses that CSR can be classified as a function of corporate governance (Garcia-Sanchez et al., 2020). In line with agency theory, good (bad) corporate governance quality with related incentive and monitoring tools should decrease (increase) the likelihood and extent of CSR decoupling. In more detail, corporate governance can be separated into board composition, ownership, and other stakeholder pressure. Regarding *board composition*, managerial entrenchment (Garcia-Sanchez et al., 2020), sustainability board committees (Gull, Hussain, Khan, Khan, & Saeed, 2022), board gender diversity (Eliwa et al., 2023; Gull, Hussain, Khan, Nadeem, & Zalata, 2022), board independence and size (Yu et al., 2020), board network centrality (Zhao et al., 2022), CEO with positions as government officials (Marquis & Qian, 2014), CEO power (Gull et al., 2023; Shahab et al., 2022), CEO overconfidence (Sauerwald & Su, 2019), and CEO narcissism (Al-Shammari et al., 2019) were included. *Ownership structure* was recognized as institutional ownership, (Yu et al., 2020), family ownership (Parra-Dominguez et al., 2021), mutual fund investors' distraction (Liu et al., 2023) and institutional shareholder linkage to the central government and chair/CEO served as delegate to the two most important national political councils (Luo et al., 2017). Moreover, internal and external normative stakeholder pressure was included (Hyatt & Berente, 2017). Voluntary CSR assurance (Garcia Sanchez et al., 2022; Ruiz-Blanco et al., 2022) and monitoring effects of media reports (Wang et al., 2023) can be interpreted as *stakeholder pressure*.

Next to corporate governance, as *financial* determinants, industry (Ruiz-Blanco et al., 2022), product market competition (Arouri et al., 2021), financial performance (output growth, net income; Kim & Lyon, 2015), financial constraints and leverage (Xia et al., 2023; Zhang, 2022a), analyst coverage (Zhang, 2022b), internationalization (Tashman et al., 2019), political connections (Xia et al., 2023) and cross-listings (Yu et al., 2020) were recognized. Related to *CSR factors*, researchers relied on voluntary adoption of GRI reporting (Garcia-Sanchez et al., 2022; Ruiz-Blanco et al., 2022), UN Global Compact participation (Li & Wu, 2020), corporate environmental damage costs (Marquis et al., 2016), and corporate reputation risk score (Huang et al., 2022).

Country-specific determinants were rarely included: deregulation legislations (Kim & Lyon, 2015), provinces where local governments give high priority to GDP growth (Luo & Wang, 2017; Marquis & Qian, 2014), pervasiveness of country institutional voids (Tashman

et al., 2019), corruption index, and regimes with absence of political rights (Yu et al., 2020) can be found.

4.2.2 | Results

Positive impact on CSR decoupling

First, we stress the results of those drivers, which have a *positive* influence on CSR decoupling. In line with legitimacy theory, agency theory and prior literature reviews (Sauerwald & Su, 2019), most included studies found that *low corporate governance quality* increases CSR decoupling. This relates to international samples (e.g., Garcia-Sanchez et al., 2020), developed countries (e.g., USA: Gull et al., 2023) and developing countries (e.g., China: Marquis & Qian, 2014). Moreover, a positive impact of low corporate governance on CSR decoupling remains for time frames before and after the financial crisis 2007–2008. A low quality of corporate governance increases agency conflicts between management and stakeholders. Top management may be more motivated to conduct CSR decoupling as opportunistic behavior will be observed by the board to a lower degree. Low corporate governance quality, that is linked with more CSR decoupling activities, relates to managerial entrenchment (Garcia-Sanchez et al., 2020), CEO power (Gull et al., 2023, moderated by low corporate governance quality and environmental sensitive industries; Shahab et al., 2022), CEO overconfidence (mitigated by outside director CSR expertise and outside director ownership; Sauerwald & Su, 2019), CEOs with positions as governments officials (Marquis & Qian, 2014) and centrally owned firms (if they are headquartered in provinces with higher GDP growth priority; Luo & Wang, 2017). According to Al-Shammari et al. (2019), CEO narcissism increases externally oriented CSR practices, whereas there is no significant impact on internally oriented CSR actions. Zhao et al. (2022) found a positive relationship between board network centrality and greenwashing in the pre-adoption period of new environmental regulations. Liu et al. (2023) documented that mutual fund investors' distraction increases CSR decoupling, more pronounced by negative shocks. Shareholder attendance mediates this relationship. Moreover, Hyatt and Berente (2017) found a positive impact of internal normative stakeholder pressure on substantive environmental strategies, whereas external pressure mainly drives symbolic use of environmental actions as greenwashing.

Second, *financial aspects* also increase CSR decoupling in line with legitimacy theory, agency theory and prior research (Xia et al., 2023). Results relied on international samples (e.g., Zhang, 2022a) and developed countries (USA; Ruiz-Blanco et al., 2022). Moreover, results remain constant before and after the financial crisis of 2007–2008. In line with empirical research on financial reporting quality, increased financial pressure promotes the opportunistic use of CSR reporting (Huang et al., 2022). According to Zhang (2022a) and Xia et al. (2023), financial constraints and greenwashing are positively related. Moreover, industries with close proximity to customers and high visibility (Ruiz-Blanco et al., 2022) increase greenwashing decisions. Corporate growth as financial performance foster greenwashing but has no



impact on brownwashing (Kim & Lyon, 2015). Huang et al. (2022) documented a positive impact of corporate reputation risk on brownwashing, negatively moderated by the inclusion of environmental issues into corporate strategies.

Finally, referring to *country* aspects, pervasiveness of country institutional voids (Tashman et al., 2019), country corruption index (Yu et al., 2020) and firms headquartered in more institutional developed regions (Marquis & Qian, 2014) lead to increased CSR decoupling (Tashman et al., 2019), CSR reporting substantiveness (Marquis & Qian, 2014) and greenwashing (Yu et al., 2020). Kim and Lyon (2015) also stated a positive impact of deregulations on brownwashing.

Negative impact on CSR decoupling

In line with our former remarks, there are also indications that *good corporate governance quality* reduces CSR decoupling. This is in line with our theoretical framework and prior research results (Yu et al., 2020). These results were related to international samples (e.g., Yu et al., 2020) and developed countries (USA: Gull, Hussain, Khan, Nadeem, & Zalata, 2022); moreover, time frames before and after the financial crisis of 2007–2008 were included. Increased monitoring activities will promote a better relationship between CSR reporting and performance measures in line with legitimacy and agency theory. First, addressing *board compensation*, board independence and greenwashing are negatively related (Yu et al., 2020). CSR board committees decrease CSR decoupling, greenwashing and brownwashing, moderated by firm level of CSR orientation and corporate governance quality (Gull, Hussain, Khan, Khan, & Saeed, 2022). Moreover, board gender diversity and CSR decoupling are negatively related, moderated by weak corporate governance performance and accruals-based management (Gull, Hussain, Khan, Nadeem, & Zalata, 2022). Similarly, firms with a more gender-diversified board engage less in CSR decoupling and greenwashing, whereas this link is more pronounced in countries with low level of religiosity (Eliwa et al., 2023). Referring to *ownership structure*, institutional ownership decreases greenwashing (Yu et al., 2020). Moreover, private firms significantly reduce their negative CSR incident levels after UN Global compact engagements (Li & Wu, 2020). There are also indications that family firms relate to lower CSR decoupling and brownwashing (Parra-Dominguez et al., 2021). Moreover, *stakeholder pressure*, recognized as CSR assurance (quality) reduces CSR decoupling (Garcia-Sanchez et al., 2022) and greenwashing (Ruiz-Blanco et al., 2022).

In contrast to our former remarks, *financial aspects* also decrease CSR decoupling in international samples (Yu et al., 2020), developed countries (USA: Arouri et al., 2021) and developing countries (China: Zhang, 2022b). This relates to product market competition and greenwashing, moderated by environmental costs (Arouri et al., 2021), environmental sensitive industries and greenwashing (Ruiz-Blanco et al., 2022), and analyst coverage and CSR decoupling (moderated by non-state ownership and information asymmetry; Zhang, 2022b). A negative impact on CSR decoupling (greenwashing) can be also found by firm internationalization (Tashman et al., 2019) (cross-listings) (Yu et al., 2020).

Finally, relying on *CSR-related* determinants, voluntary adoption of GRI reporting increases CSR decoupling (Garcia-Sanchez et al., 2022) and greenwashing (Ruiz-Blanco et al., 2022). Furthermore, Garcia-Sanchez et al. (2022) documented that application of GRI reduces greenwashing, but not brownwashing. Corporate environmental damage costs and greenwashing were also found to be negatively related; the link was more pronounced in countries with more exposure to scrutiny and global norms and foreign stock exchanges (Marquis et al., 2016). Cross-country studies also found that countries with an absence of political rights (Yu et al., 2020), deregulation legislations and low profits under deregulation (weakened by external scrutiny; Kim & Lyon, 2015) reduce greenwashing.

4.3 | Consequences of CSR decoupling on firm value

4.3.1 | Included variables

Research on firms' consequences of CSR decoupling is of lower relevance yet. Possible reasons for this unbalanced research activity could be methodological factors, personal interests of management and CSR researchers to rely on corporate governance determinants, and a lower attraction in corporate finance research. Prior studies addressed both financial and CSR performance. In line with the business case argument for CSR, a solid CSR management system should lead to positive market reactions. Agency problems and symbolic use of CSR issues may lead to impaired firm reputation. Regarding *financial* consequences, included studies recognized ROA as accounting-based performance (Walker & Wan, 2012), interest rates and collateral loans (Cao et al., 2022), stock price crash risk (Liu et al., 2023), Tobin's Q (Chen & Dagestani, 2023; Hawn & Ioannou, 2016; Liu et al., 2023), cumulative abnormal returns (Du, 2015), economic performance score (Schons & Steinmeier, 2006), analyst forecast errors, cost of capital, and access to finance (Garcia-Sanchez et al., 2021). Relying on *CSR performance*, CSR donations during the COVID-19 crisis (Zhong et al., 2022), customer satisfaction (Ioannou et al., 2022), green trust (Chen & Chang, 2013) and firms' actual employee turnover and intentions (Robertson et al., 2023; Scheidler et al., 2019) were recognized. Moreover, as other firm variables, earnings management was included in one study (Garcia-Sanchez et al., 2020).

4.3.2 | Results

Overall, researchers stressed that CSR decoupling leads to *negative corporate financial consequences*. This is in line with the business case argument, legitimacy theory and agency theory, assuming a decreased stakeholder trust and lack of firm reputation (Hawn & Ioannou, 2016; Liu et al., 2023). If CSR decoupling behavior is obvious, firms are confronted with increased stakeholder concerns, decreased firm reputation and impaired financial performance. Results were reported in international settings (Schons & Steinmeier, 2006), developed

TABLE 3 Included studies of the literature review.

Determinants of CSR decoupling		Independent variable(s)		CSR decoupling as dependent variable		Significant results	
Year of publication	Author(s)	Journal					
2021	Aroui et al.	<i>Finance Research Letters</i>	<ul style="list-style-type: none"> State Sample Years USA 324 firms 2005–2015 OLS 	Product market competition (Herfindahl–Hirschman-Index, TNIC similarity and fluidity measures) moderator: environmental costs (Trucost)	Greenwashing: positive difference between absolute (symbolic) and weighted (substantive) CSR reporting (Trucost database)	Negative impact of product market competition on CSR washing in the case of firms featuring a high level of environmental costs	
2019	Al-Shammeri et al.	<i>Journal of Business Research</i>	<ul style="list-style-type: none"> USA 134 firms 2008–2013 panel 	CEO narcissism (four indicators)	External CSR actions (community relations; environmental policies; KLD) internal CSR actions (employee relations; diversity; KLD)	CEO narcissism is positively related to externally oriented CSR; relationship between CEO narcissism and internally oriented CSR is negative but not significant	
2023	Eliwa et al.	<i>Business Strategy and the Environment</i>	<ul style="list-style-type: none"> International 26,176 firm-year observations 2005–2019 OLS; 2SLS/IV; PSM 	Board gender diversity (ratio; Blau index; critical mass of at least three) moderator: country with low level of religiosity (World Values Survey)	CSR decoupling: absolute difference between CSR reporting (Bloomberg) and CSR performance (Refinitiv) additional analyses: greenwashing (CSR reporting > CSR performance) brownwashing (CSR reporting < CSR performance)	Firms with a more gender-diversified board of directors engage less in CSR decoupling and greenwashing, and this relationship is more pronounced among firms domiciled in countries with a low level of religiosity board gender diversity and brownwashing are positively related (but no moderating effect)	
2020	Garcia-Sanchez et al.	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> International 2007–2016 9746 firm-year observations GMM 	Managerial entrenchment	CSR decoupling: absolute difference between CSR reporting (external items) and CSR performance (internal items) (Refinitiv)	Entrenched managers decouple CSR disclosure and performance.	
2022	Garcia-Sanchez et al.	<i>Business Ethics</i>	<ul style="list-style-type: none"> International 2002–2017 1939 firms OLS 	CSR assurance (dummy: quality score by professional accountant, experience, specialization) GRI reporting compliance (dummy) (also as moderator)	CSR decoupling: absolute difference between CSR reporting (external items) and CSR performance (internal items) (Refinitiv) additional analyses: greenwashing (CSR reporting > CSR performance) brownwashing (CSR reporting < CSR performance)	Application of GRI and specific characteristics of the assurance provider (accountant, experience and specialization, but not dummy) reduce CSR decoupling application of GRI reduces greenwashing, but no impact on brownwashing	
2022a	Gull et al.	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> International 25,629 firm-year observations 2003–2017 OLS; tobit; PSM; GMM; 2SLS/IV 	Presence and composition of CSR board committees (size, independence, tenure; gender; boardex database) moderator: industry, firms level of CSR orientation, corporate governance quality	CSR decoupling: absolute difference between CSR reporting (Bloomberg) and CSR performance (Refinitiv) greenwashing (CSR reporting > CSR performance) brownwashing (CSR reporting < CSR performance)	CSR board committees reduce CSR decoupling (green- and brownwashing); nature of the industry, level of CSR orientation, and corporate governance quality strengthen this link; larger CSR committee size, greater independence and longer tenure of its members reduce CSR decoupling	

(Continues)



TABLE 3 (Continued)

Determinants of CSR decoupling			
Year of publication	Author(s)	Journal	Independent variable(s)
2022b	Gull et al.	<i>British Journal of Management</i>	<p>Board gender diversity (ratio); Blau index; Shannon index) independent female directors critical mass moderator: weak corporate governance performance; accruals based earnings management</p>
			<p>CSR decoupling as dependent variable Significant results</p> <p>Board gender diversity reduced CSR decoupling: effect is stronger for balanced boards than for skewed and tilted boards; independent female directors are more effective monitors of CSR decoupling than executive female directors relationship between board gender diversity and CSR decoupling is stronger when the overall governance is weak</p>
2023	Gull et al.	<i>Business Strategy and the Environment</i>	<p>CEO power (pay slice; index) moderator: corporate governance quality (Refinitiv); environmental sensitive industries</p>
			<p>Environmental decoupling: absolute difference between external and internal environmental actions (Refinitiv) additional analyses: difference between environmental reporting (Bloomberg) and performance (Refinitiv) greenwashing (CSR reporting > CSR performance) brownwashing (CSR reporting < CSR performance)</p> <p>Powerful CEOs decouple firm's environmental performance from environmental reporting (slightly increase of greenwashing and main decrease of brownwashing); link is influenced by low corporate governance quality and environmental sensitive industries</p>
2022	Huang et al.	<i>Business Strategy and the Environment</i>	<p>Corporate reputation risk score (legitimate firms; RepRisk) moderator: Integration of environmental issues into corporate strategies; environmental management system; CSR board committee</p>
			<p>Brownwashing (difference between environmental policies and environmental implementation (Refinitiv)</p> <p>Industry leaders brownwash their environmental performance to avoid peer pressure and excessive stakeholder attention; moderators weaken this link</p>
2017	Hyatt and Berente	<i>Business Strategy and the Environment</i>	<p>Internal normative stakeholder pressure external normative stakeholder pressure</p>
			<p>Substantive environmental strategies symbolic environmental strategies</p> <p>Internal (normative) stakeholder pressures primarily drive substantive commitments to environmental practices; external (normative) pressures instead primarily drive symbolic commitments to environmental practices</p>

TABLE 3 (Continued)

Determinants of CSR decoupling		Independent variable(s)	CSR decoupling as dependent variable	Significant results
Year of publication	Author(s)	Journal		
2015	Kim and Lyon	<i>Organization Science</i>	<ul style="list-style-type: none"> • State • Sample • Years • USA • 1995–2003 • 396 firm-year observations • Panel (fixed) 	<p>Output growth deregulation legislation (dummy) low profits under deregulation moderator: external scrutiny (enforcement actions; Sierra Club environmental NGO membership; League of Conservation Voters score)</p> <p>Greenwashing (brownwashing): positive (negative) difference between reported emissions reductions (DOE's Voluntary Reporting of Greenhouse Gases Program) and actual emissions reductions (FERC Form 1 electric utilities report)</p> <p>Output growth, deregulation, and low profits under deregulation significantly affect the choice between greenwashing and brownwashing: corporate growth increases greenwashing; deregulation increases brownwashing: effects of growth and profits are mitigated by external scrutiny.</p>
2020	Li and Wu	<i>Management Science</i>	<ul style="list-style-type: none"> • International • 2007–2015 • 54,599 firms • Event study 	<p>United Nations Global Compact (UNGC) participation moderator: ownership type (public firm versus private firm); proximity to final consumers on the value chain; type of ESG incidents (environmental, social, governance, cross-cutting incidents)</p> <p>ESG-related incidents (RepRisk)</p> <p>Private firms significantly reduce their negative ESG incident levels after UNGC engagements; public firms fail to do so and are more likely to engage in decoupled CSR actions moderator: more pronounced</p>
2023	Liu et al.	<i>Sustainability Accounting, Management and Policy Journal</i>	<ul style="list-style-type: none"> • China • 2017–2019 • 300 firms • OLS; granger causality 	<p>Mutual fund investors' distraction moderator: positive versus negative shocks mediator: shareholder attendance</p> <p>CSR decoupling: absolute difference between external CSR actions (SynTao Green Finance database) versus internal CSR actions (automated text analyses of reports; KI and wordlist)</p> <p>Firms with distracted mutual fund investors engage in more CSR decoupling; this effect is more pronounced by negative shocks; shareholder attendance mediates this link</p>
2017	Luo et al.	<i>Academy of Management Journal</i>	<ul style="list-style-type: none"> • China • 2008–2011 • 2208 firms • Panel (random); Heckman selection mode 	<p>Institutional linkage to the central government (dominant shareholder was linked to the central government; Chair or CEO served as delegate to the two most important national political councils) provinces where local governments give high priority to GDP growth (also as moderator) moderator: firm size</p> <p>Dummy variable: firm issued its first report early (i.e., in 2008 or 2009) within the first two years after the announcement of the guidelines at the end of 2007) and report quality was below the average of all firms in the observation year; RKS (Rankins CSR Ratings)</p> <p>Centrally owned firms are more likely to decouple if they are headquartered in provinces with higher GDP growth priority.</p>
2014	Marquis and Qian	<i>Organization Science</i>	<ul style="list-style-type: none"> • China • 2006–2009 • 5660 firm-year observations • OLS 	<p>CEO hold positions as government officials (dummy) firms headquartered in more institutional developed regions (province's gross domestic product (GDP) per capita)</p> <p>CSR reporting substantiveness versus symbolic reporting (RKS)</p> <p>Firms are more likely to enact substantive CSR actions in situations in which they are likely to be monitored</p>

(Continues)



TABLE 3 (Continued)

Determinants of CSR decoupling			
Year of publication	Author(s)	Journal	Independent variable(s)
2016	Marquis et al.	<i>Organization Science</i>	Corporate environmental damage cost (Trucost) moderator: countries with more exposure to scrutiny and global norms (more environmental NGOs; strong civil liberties and political rights; connection to global society); foreign stock exchange
			<ul style="list-style-type: none"> • State • Sample • Years • International • 2004–2007 • 4750 firms • Mixed-effects regression
2021	Parra-Domínguez et al.	<i>Administrative sciences</i>	Family firms (dummy)
			<ul style="list-style-type: none"> • International • 33,809 firm-year observations • 2011–2019 • panel
2022	Ruiz-Blanco et al.	<i>Environment, Development and Sustainability</i>	Environmentally sensitive industry (dummy); pharmaceutical, chemical, mining, metals, papers, transportation, petroleum, and utilities) GRI adoption (dummy) CSR assurance (dummy) Industries with close proximity to customers and high visibility (dummy); energy utilities, financial services, food and beverages, healthcare, household and personal products, retailers, telecommunications, textiles, and apparel, waste management, and water utilities, commercial services, consumer durables, media, and tobacco)
			<ul style="list-style-type: none"> • USA • 2016 • 360 firms • OLS; logit
2019	Sauerwald and Su	<i>Corporate Governance</i>	CEO overconfidence (held stock options at least twice during the sample period that were at least 100% in the money) moderator: outside director CSR expertise (director served on at least one connected board with positive net CSR performance within 3 years before the CSR report was issued); outside director ownership
			<ul style="list-style-type: none"> • USA • 2006–2014 • Heckman 2-stage

CSR decoupling as dependent variable

Greenwashing: positive difference between absolute disclosure ratio (symbolic) and weighted disclosure ratio (substantive) (Trucost)

Firms that are more environmentally damaging, particularly those in countries where they are more exposed to scrutiny and global norms, are less likely to engage greenwashing.

Family firms are connected with lower CSR decoupling (brownwashing)

Greenwashing: absolute difference between CSR reporting (external actions) and CSR performance (internal actions) (Refinitiv) additional analysis: brownwashing (CSR reporting < CSR performance)

Greenwashing: positive difference between CSR reporting (automated text analysis; wordlist; RapidMiner) and CSR performance (Bloomberg; dummy)

Companies in environmentally sensitive industries greenwash less than their counterparts in other industries, as well as companies following the GRI guidelines. Companies that issue a sustainability report and assure it greenwash less than those that do not do it. Companies in industries with close proximity and high visibility greenwash more than their counterparts.

CEO overconfidence is positively related to the decoupling between the optimistic tone of CSR reporting and the firm's actual corporate social performance; board of directors mitigates the effect of CEO overconfidence on CSR decoupling when outside directors have CSR expertise and ownership incentives

TABLE 3 (Continued)

Determinants of CSR decoupling					
Year of publication	Author(s)	Journal	Independent variable(s)	CSR decoupling as dependent variable	Significant results
2022	Shahab et al.	<i>Applied Economics Letters</i>	<ul style="list-style-type: none"> State Sample Years USA 2002–2017 4693 firm-year observations OLS; panel (fixed); PSM; 2SLS/IV; GMM 	CEO power (pay slice)	CEO power increases CSR decoupling between external (disclosure) and internal CSR actions (performance) (Refinitiv)
2019	Tashman et al.	<i>Journal of International Business Studies</i>	<ul style="list-style-type: none"> International 93 emerging market multinationals 2005–2012 Heckman 2 stage; panel (fixed) 	pervasiveness of country institutional voids (World Bank Governance Indicators (WGI) degree of internationalization (ratio of foreign sales to total sales) (also as moderator)	Pervasiveness of country institutional voids increases and internationalization decreases CSR decoupling
2023	Wang et al.	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> China 2014–2018 441 firms OLS; PSM; 2SLS/IV 	Supervision effect of media reports (J-F Greenwashing: ratio of symbolic coefficient) moderator: government regulation (Urban Pollution Source Supervision Information Disclosure Index Report) mediator: internal supervision (index of nine internal corporate governance proxies)	Internal supervision plays a hiding role in the process of media reports reducing greenwashing, but government regulation has a weakening effect on this hiding effect when cooperation between the government and the media is strengthened, the hiding behavior of the companies is suppressed and the performance of greenwashing governance is improved
2020	Yu et al.	<i>Research in International Business and Finance</i>	<ul style="list-style-type: none"> International 2012–2016 1925 firms Panel 	Institutional ownership independent directors board size country-corruption index countries with an absence of political rights cross listings	Institutional ownership, independent directors, countries with absence of political rights and cross listings decrease greenwashing; country-corruption index increases greenwashing
2022a	Zhang	<i>Journal of International Financial Management and Accounting</i>	<ul style="list-style-type: none"> International 222,096 firms N.A. Panel (fixed); GMM 	Financial constraints (WW index) moderator: financial management ability (efficiencies of cash flow, working capital management, trade credit); leverage	Greenwashing decisions are motivated by financial constraints; link is weakened by financial management ability and more pronounced by leverage
2022b	Zhang	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> China 2010–2019 4757 firm-year observations OLS; 2SLS/IV; Heckman 2 stage; PSM 	Analyst coverage (number of earnings forecasts) moderator: non-state ownership; information asymmetry (earnings quality)	Analyst coverage decreases CSR decoupling; negative association is more pronounced for non-state-owned firms and for firms with high information asymmetry

(Continues)

TABLE 3 (Continued)

Determinants of CSR decoupling			
Year of publication	Author(s)	Journal	Independent variable(s) CSR decoupling as dependent variable Significant results
2023	Xia et al.	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> • State • Sample • Years • China • 2017–2018 • 340 firms • Probit <p>Financial constraints (leverage) political connections areas with high public environmental awareness (environmental complaints per capita)</p> <p>Greenwashing: serious environmental penalties reporting (dummy)</p> <p>Companies choose to greenwash environmental performance mainly due to future demand for investment and financing; companies with higher debt levels are found more likely to engage in greenwashing.</p>
2022	Zhao et al.	<i>Frontiers in Psychology</i>	<ul style="list-style-type: none"> • China • 2009–2018 • 5729 firm-year observations • OLS; Heckman 2 step; 2SLS/IV <p>Board network centrality</p> <p>CSR over-decoupling (positive difference between CSR reporting and CSR performance (RKS database) CSR under-decoupling (negative difference between CSR reporting and CSR performance)</p> <p>Board network centrality is positively related to over-decoupling in the pre-adoption period (2009–2014) of the new environmental law but negatively related to over-decoupling in the post-adoption period (2015–2018); centrality is not related to under-decoupling in the pre-adoption period but a significantly positive related in the post-adoption period</p>
Consequences of CSR decoupling on firm value			
Year of publication	Author(s)	Journal	CSR decoupling as independent variable Dependent variable(s) Significant results
2022	Cao et al.	<i>Abacus</i>	<ul style="list-style-type: none"> • State • Sample • years • China • 113 firms • 2014–2017 • PSM; diff-in-diff <p>CSR media list (China CSR Research Center; dummy) moderator: environmental performance (Corporate Environmental Credit Evaluation; green grade)</p> <p>Interest rate fraction of collateral loans</p> <p>Companies that are riding high on the media CSR ranking lists have greater advertising (sales) expenses and poor environmental performance.</p> <p>Greenwashing firms benefit in the lending market by exploiting the media to achieve a lower cost of debt and to experience lower collateral obligations</p>
2013	Chen and Chang	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> • Taiwan • 252 consumers • N.A. • Survey; SEM <p>Greenwashing (product misleads with words in its environmental features; product misleads with visuals or graphics in its environmental features; product possesses a green claim that is vague or trustworthy; product's environmental reputation is generally reliable; product's environmental performance is generally dependable; product's environmental claims are generally trustworthy; product's</p> <p>Green trust (product's environmental reputation is generally reliable; product's environmental performance is generally dependable; product's environmental claims are generally trustworthy; product's</p> <p>Greenwashing is negatively related to green trust.</p> <p>Green consumer confusion and green perceived risk mediate this link; greenwashing is positively associated with green consumer confusion and</p>

TABLE 3 (Continued)

Consequences of CSR decoupling on firm value						
Year of publication	Author(s)	Journal	State • Sample • Years	CSR decoupling as independent variable	Dependent variable(s)	Significant results
2023	Chen and Dagestani	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> • China • 2010–2019 • 8981 firm-year observations • Panel; 2SLS/IV; PSM/diff-in-diff 	<p>seemingly un-provable; product overstates or exaggerates how its green functionality actually is; product leaves out or masks important information, making the green claim sound better than it is) mediator: green consumer confusion; green perceived risk</p> <p>Greenwashing: positive difference between CSR reporting (Bloomberg) and CSR performance (Refinitiv) moderator: board gender diversity, age diversity, high educational background, shareholder aggregation, local directors, political connections</p>	<p>environmental concern meets your expectations; product keeps promises and commitments for environmental protection)</p> <p>Firm value (Tobin's Q)</p>	<p>green perceived risk which would negatively affect greentrust.</p> <p>Greenwashing increases firm value by improving the quality of CSR reporting, stakeholder concerns and alleviating financing constraints. Gender, age, education and shareholder aggregation inhibit the effect, local directors and political connections promote it moreover, the effect is more pronounced for heavily polluting firms, big four audits and mandatory CSR reporting</p>
2020	De Jong et al.	<i>Journal of Business and Technical Communication</i>	<ul style="list-style-type: none"> • N.A. • 59 participants • N.A. • Experiment 	<p>Behavioral claim greenwashing (telling the truth vs. telling lies or half-lies) and motive greenwashing (acting on its own initiative vs. its taking credit for following legal obligations)</p>	<p>Environmental performance product and service quality financial performance</p>	<p>Compared to true green behavior, lies and half-lies had similar negative effects on reputation taking credit for following legal obligations had no main effect. Only in the case of true green behavior did undeservedly taking credit affect reputation negatively. True green behavior will have the desired positive effects on reputation.</p>

(Continues)

TABLE 3 (Continued)

Consequences of CSR decoupling on firm value						
Year of publication	Author(s)	Journal	State • Sample • years	CSR decoupling as independent variable	Dependent variable(s)	Significant results
2015	Du	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> • China • 2012 and 2013 • 561 firm-year observations • Feasible generalized least squares (FGLS) regression 	Greenwashing list published in the South Weekend newspaper) Environmental reporting (GRI; content analysis)	Market value (CAR; industry-mean-adjusted abnormal returns around the exposure of greenwashing lists)	Greenwashing is significantly negatively associated with CAR; environmental performance is positively associated with CAR around the exposure of greenwashing
2020	Garcia-Sanchez et al.	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> • International • 2007–2016 • 9746 firm-year observations • GMM 	CSR decoupling: absolute difference between CSR reporting (external items) and CSR performance (internal items) (Refinitiv)	Earnings management (AEM) and REM)	CSR decoupling and earnings management are positively related
2021	Garcia-Sanchez et al.	<i>Business & Society</i>	<ul style="list-style-type: none"> • USA • 7681 firm-year observations • 2006–2015 • GMM 	CSR decoupling: absolute difference between CSR reporting (Bloomberg) and CSR performance (KLD) robustness check: difference between external CSR actions and internal CSR actions (Refinitiv) moderator: forecast error	Analysts' forecast errors cost of (equity) capital (PEG; WACC) access to finance (KZ index)	CSR decoupling results in higher analysts' forecast errors; a greater cost of capital; and reduced access to finance; forecast errors enhance the effect of CSR decoupling on cost of capital and access to financial resources; external monitoring, in the form of greater analysts' coverage, reduces CSR decoupling
2016	Hawn and Ioannou	<i>Strategic Management Journal</i>	<ul style="list-style-type: none"> • International • 2002–2008 • 1492 firms • Panel (fixed) 	CSR decoupling: absolute difference between CSR reporting (external items) and CSR performance (internal items) (Refinitiv) moderator: CSR-intensive industries	Market value (Tobin's Q)	CSR decoupling leads to decreased market value, especially in CSR intensive industries
2022	Ioannou et al.	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> • USA • 2008–2016 • 1299 firm-year observations • Panel (fixed); 2SLS/IV 	Greenwashing on product innovation (positive difference between policy and implementation items; Refinitiv) moderator: firm's capability reputation (total value of brands); Fortune America's Most Admired Corporations (FAMA)	Customer satisfaction (American Customer Satisfaction Index ACS)	Greenwashing leads to decreased customer satisfaction, mitigated by firm reputation

TABLE 3 (Continued)

Consequences of CSR decoupling on firm value					
Year of publication	Author(s)	Journal	CSR decoupling as independent variable	Dependent variable(s)	Significant results
2023	Liu et al.	<i>Sustainability Accounting, Management and Policy Journal</i>	<ul style="list-style-type: none"> • State • Sample • Years • China • 2017–2019 • 300 firms • OLS; granger causality <p>CSR decoupling: absolute difference between external CSR actions (SynTao Green Finance database) versus internal CSR actions (automated text analyses of reports; KI and wordlist)</p>	Stock price crash risk Tobin's Q	CSR decoupling and Tobin's Q are negatively related
2023	Robertson	<i>Business Strategy and the Environment</i>	<ul style="list-style-type: none"> • USA • 205 participants (survey) • N.A. <p>Perception of product greenwashing (survey) moderator: employees' level of environmental education</p>	Perceptions of corporate hypocrisy (turnover intentions)	Greenwashing was positively related to perceptions of corporate hypocrisy, which in turn, resulted in higher turnover intentions. Moderated by employees' level of environmental education
2019	Scheidler et al.	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> • International • 1902 firm-year observations • 2002–2011 • OLS <p>CSR decoupling: absolute difference between external CSR reporting (policy) and internal CSR performance (Refinitiv)</p>	Firms' actual employee turnover	CSR decoupling increases turnover intentions and real turnover
2016	Schons and Steinmeier	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> • International • N.A. • 20,644 firm-year observations • OLS <p>CSR decoupling: difference between symbolic and substantive CSR actions (Refinitiv)</p>	Financial performance (economic score; Refinitiv)	Substantive (symbolic) CSR actions have a positive (no) impact on financial performance if directed toward high-proximity stakeholders; opposite is true of actions directed at low-proximity stakeholders
2020	Torelli et al.	<i>Business Strategy and the Environment</i>	<ul style="list-style-type: none"> • N.A. • 201 students (experiment) • N.A. <p>Greenwashing level (corporate, strategic, dark, product)</p>	Stakeholders' perceptions of corporate environmental responsibility and greenwashing stakeholder reactions to environmental scandals	Different levels of greenwashing have a significantly different influence on stakeholders' perceptions of corporate environmental responsibility and stakeholders' reactions to environmental scandals

(Continues)

TABLE 3 (Continued)

Consequences of CSR decoupling on firm value					
Year of publication	Author(s)	Journal	CSR decoupling as independent variable	Dependent variable(s)	Significant results
2012	Walker and Wan	<i>Journal of Business Ethics</i>	<ul style="list-style-type: none"> Greenwashing: positive difference between green symbolic and green substantive actions) (self-created score) green-highlighting: addition of symbolic and substantive actions 	Financial performance (ROA)	Substantive actions of environmental issues (green walk) neither harm nor benefit firms financially; symbolic actions (green talk) are negatively related to financial performance green-washing (discrepancy between green talk and green walk) has a negative effect on financial performance green-highlighting (concentrated efforts of the talk and walk) has no effect on financial performance
2022	Zhong et al.	<i>Corporate Social Responsibility and Environmental Management</i>	<ul style="list-style-type: none"> CSR decoupling (absolute difference between annual donation (CSR performance) and technical dimension scores of CSR rating (RKS); CSR reporting) moderator: private firms 	CSR donations during the COVID crisis (dummy) market reactions	CSR decoupling is negatively related to the possibility and level of Covid crisis donation more pronounced in the earlier period of the COVID-19 crisis; more pronounced in private firms; crisis donation of firms with either strategy obtains no different response from the capital market

countries (e.g., Canada: Walker & Wan, 2012), and developing countries (Liu et al., 2023). In more detail, CSR decoupling is positively related to analyst forecast errors and cost of capital (Garcia-Sanchez et al., 2021). Included studies also stressed that CSR decoupling and greenwashing are negatively related to ROA (Walker & Wan, 2012), Tobin's Q (Liu et al., 2023; Hawn & Ioannou, 2016, more pronounced by CSR intensive industries), cumulative abnormal returns (Du, 2015), and access to finance (Garcia-Sanchez et al., 2021). Moreover, CSR decoupling lowers interest rates and collateral loans for blue and yellow, but not for green grade firms (Cao et al., 2022). However, according to Schons and Steinmeier (2006), CSR decoupling is rewarded by higher financial performance if it is directed at low-proximity stakeholders. Chen and Dagestani (2023) also found a positive impact of greenwashing on market-based financial performance. Moreover, the degree of earnings management increases (Garcia-Sanchez et al., 2020).

Regarding CSR performance, few studies stressed that CSR decoupling increases firm's actual employee turnover (Scheidler et al., 2019), turnover intentions (Robertson, 2023) and thus decreases customer satisfaction (mitigated by firm's capability reputation; Ioannou et al., 2022). Chen and Chang (2013) found a negative relationship between greenwashing and green trust. Similarly, greenwashing behavior leads to negative firm reputation (De Jong et al., 2020). One study in our sample also focuses on corporate behavior during the COVID-19 pandemic. Zhong et al. (2022) documented that CSR decoupling is negatively related to the possibility and level of CSR donations during the crisis, especially in the earlier period.

Table 3 includes all main information of the included studies of the literature review.

5 | LIMITATIONS OF RECENT RESEARCH AND RECOMMENDATIONS

5.1 | Firm- and country-related determinants

During the last decade, archival research on possible determinants and consequences of CSR performance and reporting has massively increased (Gull, Hussain, Khan, Khan, & Saeed, 2022). This relates to corporate and country governance (e.g., board composition, ownership structure), other financial- and sustainability-related firm determinants, and consequences for firm value (e.g., financial performance) (Khan & Lockhart, 2022). There are many possibilities to transfer those well-known determinants and consequences on future CSR decoupling studies. Referring to *board composition*, future researchers should compare “traditional” and “sustainable” corporate board characteristics. Sustainable board characteristics include board diversity (e.g., age, gender, education, foreign), institutionalized CSR expertise via CSR committees and/or Chief Sustainability Officers (CSOs) and CSR-related executive compensation (Velte, 2023a). Interestingly, we do not find any study on the impact of audit committees on CSR decoupling in our literature review. As the audit committee must supervise the financial and CSR reporting processes, future research

on selective items (e.g., financial and sustainability expertise, independence, and related skills of audit committee members) is extremely useful. As prior studies focus on few CEO factors, we know very little about CEO demographics (e.g., gender, age, expertise) and the impact of other executives, for example, the Chief Financial Officer (CFO), the Chief Digital Officer (CDO) or Chief Human Resource Officer on CSR decoupling.

Moreover, we know very little about the impact of *ownership structure* on CSR decoupling. We encourage future researchers to rely on managerial, state, and foreign ownership in line with research on related topics. As recent studies stress the importance of institutional investor heterogeneity (e.g., Velte, 2023b), future studies should address specific characteristics of institutional investors, for example, long-term and sustainable institutions, and types (e.g., pension funds, hedge funds) in detail.

Moreover, regarding *stakeholder pressure*, we do not have any evidence about the impact of specific stakeholder groups, e.g., suppliers, customers, and NGOs on CSR decoupling. As country effects are rarely included yet, future researchers are invited to include cultural dimensions (based on the Hofstede scores and the World Value Survey), CSR performance scores of the regimes and shareholder rights.

5.2 | CSR decoupling proxies

Our literature review illustrates that most studies on CSR decoupling have included one or two external CSR databases to gain the relevant CSR reporting and performance measures (e.g., Gull, Hussain, Khan, Khan, & Saeed, 2022). These researchers mainly compared reporting items as external or symbolic figures with performance scores as internal or substantive aspects. In the following, we stress the major limitations of this strategy. First, researchers assume that CSR proxies of the Refinitiv (former Asset4) database refer to performance, while the Bloomberg database portrays CSR reporting measures (e.g., Gull, Hussain, Khan, Khan, & Saeed, 2022). However, we note huge interdependencies between the databases, as the Refinitiv database also analyzes CSR reports and the Bloomberg database also includes performance measures. A simple comparison between two CSR databases seems to be inappropriate. Second, the approximation of CSR decoupling variables with one database (e.g., Refinitiv) is also questionable due to multicollinearity issues. The CSR decoupling proxy by Hawn and Ioannou (2016), focused on selective CSR items of the former Asset4 (Refinitiv) database, is often used in recent studies. Hawn and Ioannou (2016) included selective environmental, social, and governance items as either internal or external indices with a dominant use of dummy variables (“Does the company report on...?”). As internal proxies, they mainly refer to ESG policies, whereas dummies on specific reporting items, for example, on specific ESG initiatives, are recognized as external measures. If researchers are interested in corporate governance drivers of CSR decoupling, governance indicators of the CSR decoupling score by Hawn and Ioannou (2016) must be deleted. Otherwise, multicollinearity problems may arise, as among others, gender diversity, board independence and executive



compensation are included in the CSR decoupling score by Hawn and Ioannou (2016). Moreover, an unbalanced recognition of environmental and social items can be stated in this CSR decoupling score. Researchers should carefully differentiate between environmental and social decoupling. While current political discussions and regulatory efforts are concentrated on greenwashing, lower awareness can be stated for social decoupling yet. A current paper by Baker et al. (2022) analyzed the impact of diversity washing on ESG performance. Baker et al. (2022) have measured diversity washing as the gap between firms' external commitments to diversity, equity, and inclusion (DEI) in their financial filings (quantity) and their actual employee diversity (ratio of female and non-white employees). Finally, as the CSR items of the Refinitiv database have changed during the last years, the original CSR items of Hawn and Ioannou (2016) cannot be used for recent time periods.

In view of the limited validity of CSR databases, we strongly recommend creating at least one *individual* CSR reporting score. This can be done by manual or *automated textual analyses*. During the last years, an increased number of researchers have included automatized textual analyses of CSR reports by the help of artificial intelligence (e.g., python; rapidminer) to create their own CSR variables (e.g., Zhang, 2022b). In our literature review, Zhang (2022b) included CSR reporting tone as inverse measure of reporting quality and stated that the gap between CSR reporting tone and performance indicates CSR decoupling. In line with tone management, other quality measures, for example, readability and similarity, are useful in this context. Manual content analyses are criticized in prior studies as the analyses are found to be difficult, complex, and time-consuming, and they lack robustness and big volumes. Moreover, manual content analyses are biased as disclosures score vary according to the perception of researchers (Chakraborty & Bhattacharjee, 2020). Subjectivity in coding, measuring of quantity of disclosure instead of quality, and equal weights to reporting items without differences for significance and informativeness of specific items represent main critics. Automated text analyses may increase the quality of CSR variables. The most frequently used automated textual analyses for content analyses refer to the dictionary-based approach and machine learning (Chakraborty & Bhattacharjee, 2020). These are the basic tools used in natural language processing. The dictionary-based approach includes a library as a complex list of words. In more detail, words are categorized into three classes such as—positive, negative, and neutral (“bag-of-words” model). If the number of positive words in a document exceeds the number of negative words, the passage is interpreted as positive and vice versa (Chakraborty & Bhattacharjee, 2020). The second main approach of automated textual analyses is machine learning. Data is analyzed using computational statistics. Automated computer programming is used to classify the data due to specific classes. Major examples of machine learning are, among others, multi-label classification, natural language processing, robot learning and data analytics. In this context, a complete collection of text to be analyzed is entered in a data set. However, we stress the limitations of the use of those methods. The success of the dictionary-based approach is dependent on precise word lists for CSR decoupling (green- and brownwashing). As CSR reporting is very complex, subjective, and qualitative,

comparability and decision-usefulness are reduced. From an international perspective, we do not note a mandatory CSR reporting framework, while the GRI is the most important voluntary guideline.

Future research on CSR decoupling should also include financial data, for example, inconsistencies between financial statement positions and CSR reports. Among other, the capitalization of environmental provisions as part of the balance sheet should be compared with environmental (carbon) risk disclosure in the CSR report. As prior studies have stressed the risks of greenwashing in stand-alone CSR reporting, the integrated reporting movement may lead to an integrated thinking process and a simultaneous analysis of financial and CSR information (Velte, 2022). If environmental risks are neglected while environmental provisions are balanced, there are indications for CSR decoupling behavior. Moreover, during the last years, research on annual CSR reports is complemented by analyses of social media platforms, e.g., CSR tweets on twitter. Future researchers should evaluate whether the annual CSR reporting and the related CSR performance measures differ from firms' CSR tweets and stakeholder tweets. These discrepancies between annual CSR reports, firms' social media communication and stakeholder reactions should be analyzed in future settings. Moreover, a detailed analysis of specific stakeholder groups and their reactions on firms' CSR communication via twitter (e.g., NGOs) should be reflected in future studies.

5.3 | Consequences for firm value

As mentioned above, prior archival research mainly referred to firm- and country-related determinants, whereas studies on the consequences of CSR decoupling on firm value are low (e.g., Walker & Wan, 2012). We encourage future researchers to concentrate on the impact of CSR decoupling on shareholder and other stakeholder reactions. It is relevant to analyze whether capital providers are in the position to detect CSR decoupling of invested firms and thus negatively react to this unethical management behavior. In line with customer and employee satisfaction, there should be future research on the reactions of other stakeholder groups, for example, suppliers and NGOs. NGO reactions on social media platforms represent an interesting and relevant information tool to measure stakeholder reactions on CSR decoupling. Next to firm valuation, future researchers should also analyze the link between CSR decoupling and corporate finance and tax decisions, for example, tax avoidance and dividend payments. A more detailed analysis on the impact on equity and debt capital is also useful. Moreover, a more nuanced comparison between accounting-based performance (e.g., ROA) and market-based proxies (Tobin's Q) seems to be justified, as executives may use earnings management to manipulate accounting-based proxies of financial performance.

6 | SUMMARY

Since the financial market crisis of 2008–2009, stakeholder and regulatory pressure on corporate social responsibility (CSR) massively

increased. From a traditional perspective, stand-alone CSR reports as a complement to financial reports represented a voluntary communication tool, for example, based on the GRI standards (KPMG, 2022). Limited comparability and reliability of CSR information relates to the risk of CSR decoupling. CSR decoupling, in a narrow sense, can be defined and measured as the difference between CSR reporting and real CSR performance (Talpur et al., 2022; Tashman et al., 2019). As CSR decoupling contrasts the information needs of shareholders and other stakeholder groups, many standard setters have implemented or recently discuss extended regulations on corporate sustainability reporting, sustainable finance and sustainable corporate governance. Among others, the ambitious EU Green Deal project to reach climate neutrality till 2050 or the plan of the U.S. American Securities and Exchange Commission (SEC) to include mandatory climate-related financial disclosure can be stressed. However, it is unclear, which mechanisms may decrease or even prevent CSR decoupling and whether CSR decoupling leads to negative consequences for firm value in business practice.

In view of the increased importance of CSR decoupling in business practice, regulatory discussions and research, we presented a structured literature review on empirical-quantitative (archival) research on CSR decoupling. In more detail, we focused on firm- and country-related determinants and consequences on firm value. In comparison to prior reviews on CSR decoupling and similar concepts (Khan & Lockhart, 2022; Lyon & Montgomery, 2015; Pope & Waeraas, 2016; Talpur et al., 2022), we are interested in archival research on that topic, economic relationships and like to guide researchers in this dominant research method. Based on legitimacy theory, we differentiate between board composition, ownership structure and stakeholder pressure (=corporate governance), financial and CSR determinants (=other firm characteristics), and country effects. Relying on the consequences for firm value, we separate between financial and CSR performance. Overall, in line with our theoretical assumptions, we find that *low (high) corporate governance quality increases (decreases) CSR decoupling and CSR decoupling relates to negative financial consequences* for PIEs. After stressing the major results of prior studies, we explain the limitations and gaps on archival CSR decoupling research. Among others, we criticize the low validity of included proxies of CSR decoupling, referring to one or two external CSR databases. Automated textual analyses of CSR reports should be the future “best practice” to deduce more valid CSR decoupling proxies, based on reporting tone, readability, and similarity.

Our analysis is most evident for researchers, regulatory bodies, and business practice. Top managers, board of directors and stakeholders should find useful mechanisms to decrease or even prevent CSR decoupling. Top management must have significant intrinsic and extrinsic motivations to substantially integrate CSR missions, strategies, and related processes. This guarantees stakeholder satisfaction, social legitimacy, and a successful sustainable transformation of business. Our research results are also important for future evidence-based regulation on CSR issues. We stress that regulations on CSR reporting must be strongly connected with sustainable corporate governance as solid monitoring and incentive mechanism to decrease

CSR decoupling. In this context, we mention the recent global discussions on corporate sustainability due diligence referring to the supply or the total value chain. Thus, we expect an increased empirical research activity on CSR decoupling during the next years.

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