

The Comparison Issues Corporate Social Responsibility and Firm Performance: The Case of China

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Abstract

The main goal of our study is explained about relationship between Corporate Social Responsibility (CSR) and firm performance. Corporate Social Responsibility (CSR) involves companies taking responsibility for their impact on society and the environment beyond profit-making, including ethical practices, sustainability, and community engagement. Firm Performance refers to how well a company achieves its financial and non-financial goals, including profitability, market share, reputation, and long-term sustainability. We analyzed and concluded that the research trend indicated that interest in CSR and firm performance in China remained modest and steady from 2015 to 2025, with occasional peaks. The year 2024 emerged as a peak period, likely driven by external factors such as regulatory changes or increased academic focus on CSR. After 2024, publication levels reverted to previous trends, suggesting that major spikes are linked to specific events rather than continuous growth. Finally, CSR continues to be a relevant topic but experiences fluctuations tied to policy shifts and external developments.

Keywords: Corporate Social Responsibility (CSR), Firm Performance, Research Trends, Regulatory Impact.

1. Introduction

Jones, Comfort, Hillier, Eastwood (2005) defined that Corporate social responsibility stands for a conjunction with ethical, eco-environment and other factors [1]. Recently social endeavors of companies become one popular topic when talking about the company operation management.

McWilliams and Siegel (2006) define corporate social responsibility as a company's contribution to the society beyond the basic requirement of government [2]. Lin, Yang, and Liou (2009) regard the social welfare as one main point of corporate social responsibility and the profitability of a company as representative of firm performance [3]. The social welfare is described as companies' methods to appeal the attention from the outside. To some extent, the appearance of corporate social responsibility is to maintain companies' business strategies and earn profit, in terms of money, as much as possible.

Lynes and Andrachuk (2008) suggest that the relationship between corporate social responsibility and firm performance is influenced by many factors, such as environment, society-related issues, employment problems and so on [4]. An outstanding corporate social responsibility pushes certain companies to a higher level. Jones et al. (2005) also expressed that the meeting of ethics, unemployment rate and eco-environment result in corporate social responsibility [1]. In this situation, environment factor acts an active role when talking about the motivations of the companies to achieve better firm performance.

2. Literature Review and Theoretical Framework

Xinwu He, Zhuo Si, Xiak Yu (2025), the development of CSR reporting in China has triggered academic research in this area [7]. There is a body of literature exploring CSR reporting in China, which is linked to the country's unique sociopolitical context, regulatory environment, and globalization. There were lots of scholars studied about Corporate Social Responsibility and Firm Performance in China. We collected some evidences and source

best practices and good performance of Chinese cases in our study as below:

Yang Qiu (2012), reviewed the development of corporate social responsibility and literatures which focused on related researches; used the stakeholder theory as the theoretical basis and content analysis as the method basis; chose the accounting indicators of 839 Chinese listed companies in 2010 as samples; then did regression analysis to measure the relationship between Chinese companies' social responsibilities and their financial performance [8].

Chakraborty (2015) does research related to the concept of corporate social responsibility on the basis of the phenomenon that CSR is widely defined. Chandler (2001) also expresses that there is no specific concept meaning of corporate social responsibility [9].

Muhammad Safdar Sial, Chunmei Zheng, Nguyen Vinh Khuong, Tegmina Khan and Muhammad Usman (2018), studied to investigate whether firm performance influences corporate social responsibility reporting of Chinese listed companies. They have used the sample of all A-share listed firms on Shenzhen and Shanghai stock exchanges for the period 2008 to 2015. The authors used pooled ordinary least squares (OLS) regression as a baseline methodology. To control the possible problem of endogeneity we use one year lagged and two-stage least squares regression. They found that firm performance has a statistically significant impact on CSR reporting. Moreover, they saw that firms with high performance are more likely to report CSR activities than low-performance firms.

Yuanyuan Hu, Shouming Chen, Yuexin Shao, Su Gao (2018), examined how corporate social responsibility (CSR) influences firm value, using stakeholder theory and the resource-based view to argue that CSR generally enhances firm value by fostering positive stakeholder responses. Analyzing data from Chinese manufacturing firms listed on the Shanghai and Shenzhen Stock Exchanges between 2010 and 2015, the research finds a positive relationship between CSR and firm value. However, they concluded that positive effect diminishes for firms with higher advertising intensity, as their CSR efforts tend to elicit negative stakeholder reactions.

Naveed Jan, Arodh Lal Karn, Zeyun Li and Xiyu Lui (2021), investigated the relationship of firm performance and corporate social responsibility reporting and the moderating role of a firm's life cycle stages in Chinese listed companies [13]. They used the sample of all A-share listed firms on the Shanghai and Shenzhen stock exchanges for the period 2010 to 2020. The scholars used pooled ordinary least squares (OLS) regression as a baseline methodology. Their regression results of study argued that positive Corporate social responsibility (CSR) activity significantly reduces the performance of the firm.

Jahidur Md Rahman, Fang Yu (2020), studied to investigate the relationship between corporate social responsibility and firm

performance in China [14]. They had used the sample of A-share listed firms from Shenzhen and Shanghai Stock Exchange for the period 2011 to 2017. They used pooled ordinary least squares (OLS) regression as a baseline methodology. We found that corporate social responsibility has a significantly positive effect on firm performance in China. Their results suggest that Chinese companies having better financial performance undertake more CSR reporting. Their study contributed to the existing literature by investigating the effect of firm performance on CSR reporting of Chinese listed companies.

We concluded main concepts as allow reviewed studies on CSR and firm performance are many factors as follows:

CSR on financial performance, Yang Qiu (2012) found that CSR directed toward shareholders and employees positively impacts financial performance, while CSR toward other stakeholders shows no significant effect, indicating that CSR's overall influence in China remains limited. Similarly, some scholars argue CSR enhances firm value by fostering positive stakeholder responses (Yuanyuan Hu et al., 2018), whereas others find CSR can reduce firm performance depending on context and firm characteristics (Naveed Jan et al., 2021) [8,12,13].

Firm performance influences CSR reporting, studies by Muhammad Safdar Sial et al. (2018) and Jahidur Md Rahman and Fang Yu (2020) show that firms with better financial performance are more likely to engage in CSR reporting, suggesting a reciprocal relationship where financial success enables greater CSR disclosure [14].

Regulatory drivers, research highlights the significant role of government regulations, legal requirements, and financial profitability as key drivers of CSR implementation in China (GRIN thesis, 2024) [15]. State ownership also strengthens the positive impact of CSR on firm survival, as seen in evidence that CSR activities improve survival prospects especially for State-Owned Enterprises (SOEs) (Filipa Da Silva Fernandes et al., 2021).

Overall, these allow studies underscore that the relationship between CSR and firm performance in China is complex and influenced by stakeholder focus, firm financial health, regulatory environment, and ownership structure. CSR practices benefit firms socially and economically, but their effects vary by context and measurement.

3. The Comparison Analysis of our Study

We chose for studying CSR and firm performance of research work between 2015 and 2025. Corporate social responsibility (CSR) in China plays a dual role, impacting firms both socially and economically, but its effects vary significantly depending on the context and measurement approaches. CSR in China is shaped by strong political and regulatory pressures, with government policies encouraging firms—especially large state-owned enterprises and major private companies—to contribute to social goals such as “common prosperity” and environmental sustainability. This has

turned CSR into a strategic tool for firms to gain legitimacy, manage stakeholder expectations, and align with national development priorities.

Economically, CSR can enhance firm reputation, stakeholder trust, and long-term competitiveness, particularly when integrated with innovation and governance improvements. However, the relationship between CSR and firm performance is complex; some firms experience positive financial outcomes from CSR, while others, especially those under heavy regulatory scrutiny or with certain industry characteristics, may see limited or even negative effects. Measurement differences—such as focusing on CSR reporting, stakeholder perceptions, or financial indicators—also influence findings on CSR’s impact.

Overall, CSR in China reflects a unique blend of political strategy, cultural values, and economic development needs, requiring context-sensitive evaluation to understand its true social and economic effects on firms.

Between 2015 and 2024, the rate of Corporate Social Responsibility (CSR) reporting in China has grown significantly across various industries, driven largely by government policies and stakeholder pressures. The manufacturing sector, particularly high carbon-emitting and labor-intensive industries such as mining, has shown a high adoption rate of CSR reporting due to environmental and social concerns, with companies disclosing more greenhouse gas emissions and sustainability practices to enhance legitimacy and comply with regulations. State-owned enterprises (SOEs), however, tend to report less environmental information compared to private firms, partly due to their hybrid ownership and lower responsiveness to minor stakeholders.

The banking and financial sectors also rank highly in CSR reporting, reflecting their close ties to public welfare and scrutiny. Overall, the number of CSR reports published by Chinese companies increased dramatically from just a few reports in the early 2000s to thousands by 2022, with the reporting landscape transitioning

from voluntary to mandatory following updated stock exchange listing requirements in 2024. This shift aligns with China’s broader goals of sustainable economic development and adherence to United Nations Sustainable Development Goals (SDGs).

Quality of CSR reports varies by industry, with the electronics sector noted for higher report quality, followed by construction and logistics. The government’s strong role in steering CSR practices ensures companies align their responsibilities with national priorities such as poverty alleviation and environmental protection. This unique sociopolitical context has been a major factor in the rapid growth and evolving nature of CSR reporting in China during this period.

There are sectors experienced notable growth in CSR disclosures as urbanization and infrastructure development accelerated, bringing increased scrutiny on environmental and social impacts. Between 2015 and 2024, the industries in China that showed the most growth in CSR disclosures as below:

Manufacturing and heavy industry sectors such as mining, steel, chemicals, and other high carbon-emitting industries saw significant increases in CSR reporting. This growth was driven by stricter environmental regulations, stakeholder expectations, and the need to address pollution and sustainability concerns.

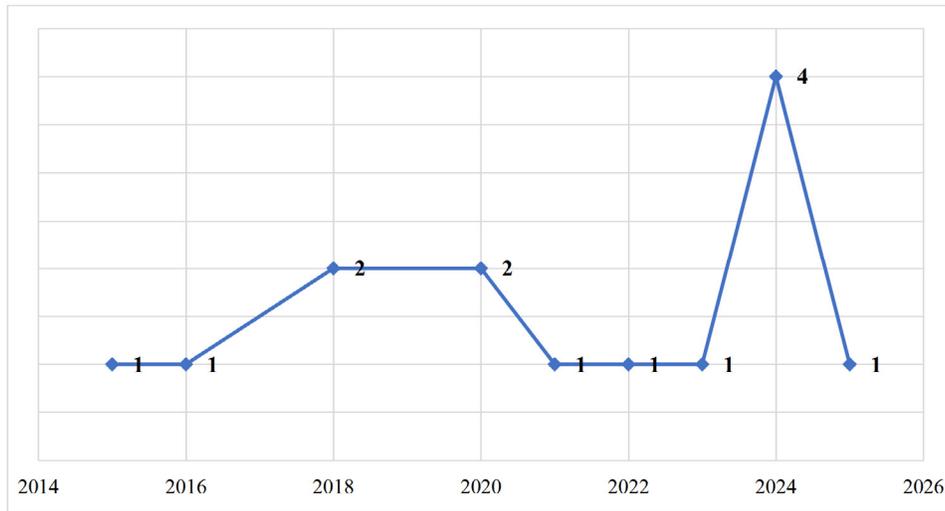
Banking and financial services, the financial sector, including banks and insurance companies, also demonstrated strong growth in CSR disclosures. This was largely due to regulatory requirements and the sector’s central role in supporting green finance and sustainable development initiatives.

Electronics and technology as electronics industry, including major technology and telecommunications companies, not only increased the quantity of CSR reports but also improved their quality. These companies responded to both global supply chain pressures and domestic sustainability goals. The comparisons of theoretical concepts of CSR and firm performance on table 01.

Scholar(s)	Title	Journal Name	Year	The result of study
Su-Yin Cheng, Kenny Z. Lin, William Wong	Corporate social responsibility reporting and firm performance: evidence from China ¹	Journal of Management and Governance	2015	CSR reporting positively influenced firm performance in Chinese listed companies, indicating that transparent CSR disclosures enhance financial outcomes.
Zhu Qinghua, Liu Junjun, Lai Kee-hung	Corporate social responsibility practices and performance improvement among Chinese national state-owned enterprises ²	Journal of Production (Industrial Management)	2016	CSR practices among Chinese state-owned enterprises significantly improved firm performance by fostering better stakeholder relationships and operational efficiency.
Muhammad Safdar Sial, Chunmei Zheng	Firm performance and corporate social responsibility reporting of Chinese listed companies ³	Journal of Management	2018	Firm performance had a statistically significant positive impact on CSR reporting, with high-performing Chinese firms more likely to disclose CSR activities.

Filipa Da Silva Fernandes, Yang Zhao et al.	Corporate social responsibility and firm survival: Evidence from Chinese listed firms ⁴ .	Journal of Business Ethics	2018	CSR activities increased the survival probability of Chinese listed firms, especially for state-owned enterprises.
Yang Qiu	The development of corporate social responsibility and its relationship with financial performance in China ⁵ .	GRIN Publishing (Academic Thesis)	2018	CSR development in China shown a positive but limited relationship with financial performance, particularly when CSR targets shareholders and employees.
Ng Peggy M. L., Wut Tai Ming, Lit Kam Kong Cheung, Cherry T. Y.	Drivers of Corporate Social Responsibility and Firm Performance for Sustainable Development—An Institutional Theory Approach ⁶ .	Corporate Social Responsibility and Environmental Management	2020	Institutional factors drive CSR engagement, which in turn positively affected firm performance and sustainable development in China.
Liu et al.	Incorporating Instrumental and Political Views of Corporate Social Responsibility: Evidence from China ⁷ .	Pacific-Basin Finance Journal	2020	Both instrumental and political motivations shaped CSR practices in China, influencing firm performance variably across industries.
Qianqian Hu, Tianlun Zhu et al.	Corporate Social Responsibility and Firm Performance in China's Manufacturing: A Global Perspective of Business Models ⁸ .	Journal of Management and Governance	2021	CSR positively affected firm performance in Chinese manufacturing firms by enhancing business model innovation and stakeholder trust.
Jiménez, A., Lee, J.Y., Du, S.-Y., Shao, X.-C.	Corporate Social Responsibility of Chinese Multinational Enterprises: A Review and Future Research Agenda ⁹ .	Asian Economic and Social Society (AESS)	2022	Chinese multinational enterprises' CSR practices contributed to firm reputation and competitive advantage, though challenges remain in standardizing CSR approaches.
Wu Jing	Revisiting the nexus between corporate social responsibility and corporate value: Evidence from China ¹⁰ .	Corporate Social Responsibility and Environmental Management	2023	CSR positively correlated with corporate value in China, but the effect is moderated by firm-specific factors such as advertising intensity.
Chengzhe Cao, Renhong Wu, Md. Alamgir Hossain, Huaihai Zhang	Exploring the multifaceted influencing factors of corporate social responsibility in Chinese-listed manufacturing enterprises ¹¹ .	Asian Economic and Social Society (AESS)	2024	Multiple factors including ownership structure, firm size, and industry type influenced CSR engagement and its impact on firm performance in Chinese manufacturing firms.
Liew Chee Yoong	Corporate Social Responsibility and Firm Performance: Case of China ¹² .	Journal of Cleaner Production	2024	CSR activities had a mixed effect on firm performance in China, depending on firm characteristics and external environmental factors.
Chengzhe Cao, Renhong Wu et al.	Exploring the multifaceted influencing factors of corporate social responsibility in Chinese-listed manufacturing enterprises ¹³ .	Asian Finance and Governance Review	2024	State-owned enterprises (SOEs) in China tend to engaged more actively in CSR due to government regulations and social welfare objectives, and factors such as ownership structure, leverage ratio, and auditing by Big Four accounting firms significantly influence CSR practices in Chinese-listed manufacturing firms
Yin et al. (Systematic Review)	The Influential Factors of CSR Reporting in China: A Systematic Literature Review and Future Research Agenda ¹⁴ .	Accounting, Finance and Governance Review	2025	CSR reporting in China is influenced by political, economic, and organizational factors, with complex effects on firm performance that require further research.
<i>Noted by: The results of our study.</i>				

Table 01. The comparisons studies of CSR and firm performance



Noted by: The results of our study.

Graph 01: The comparison published articles list (2015-2025)

We summarized and compared the main concepts and results by year that Su-Yin Cheng, Kenny Z. Lin, and William Wong (2015) found that transparent CSR reporting enhances firm financial performance among Chinese listed companies. Zhu Qinghua, Liu Junjun, and Lai Kee-hung (2016) concluded that CSR initiatives improve performance in Chinese state-owned enterprises by strengthening stakeholder relations and operational efficiency.

Muhammad Safdar Sial, Chunmei Zheng, and colleagues (2018) showed that better-performing firms are more likely to engage in CSR reporting, indicating a positive feedback loop between firm performance and CSR disclosure. Filipa Da Silva Fernandes, Yang Zhao, and others (2018) demonstrated that CSR activities increase the survival chances of Chinese listed firms, especially state-owned enterprises. Yang Qiu (2018) reported that CSR has a positive but modest impact on financial performance, primarily when CSR efforts target shareholders and employees.

Ng Peggy M. L., Wut Tai Ming, Lit Kam Kong Cheung, and Cherry T. Y. (2020) found that institutional contexts significantly drive CSR engagement, which supports improved firm performance and sustainable development in China. Liu et al. (2020) revealed that CSR in China is shaped by both instrumental and political motives, resulting in varied effects on firm performance across different industries.

Qianqian Hu, Tianlun Zhu, and colleagues (2021) concluded that CSR fosters innovation and stakeholder trust, thereby positively impacting firm performance in Chinese manufacturing firms. Jiménez, Lee, Du, and Shao (2022) observed that CSR strengthens reputation and competitive advantage for Chinese multinational enterprises despite challenges in standardizing CSR approaches.

Wu Jing (2023) found that CSR improves corporate value in China, but firm-specific factors such as advertising intensity can

weaken this effect.

Chengzhe Cao, Renhong Wu, Md. Alamgir Hossain, and Huaihai Zhang (2024) reported that ownership, firm size, and industry type critically influence CSR engagement and its effect on firm performance in Chinese manufacturing firms. Liew Chee Yoong (2024) noted that the impact of CSR on firm performance in China is mixed and depends on firm-specific characteristics and external environmental factors. Chengzhe Cao, Renhong Wu, and colleagues (2024) found that state-owned enterprises engage more actively in CSR due to government policies, with ownership structure, leverage, and auditing significantly influencing CSR practices.

Yin et al. (2025), in a systematic review, concluded that CSR reporting in China is complexly influenced by political, economic, and organizational factors, requiring further research to fully understand its effects on firm performance.

We concluded and summarized that the trend shows that research interest in CSR and firm performance in China was modest and steady from 2015 to 2025, with occasional increases. However, 2024 stands out as a peak year, possibly due to increased regulatory changes, heightened academic focus, or new developments in CSR practices in China. After this peak, the publication count returns to previous levels. This pattern suggests that while CSR remains a relevant research topic, major spikes in publication are likely driven by significant external or policy events rather than a steady upward trend.

4. Conclusion

Our study shows that interest in CSR and firm performance in China has remained relatively stable over a decade, with occasional surges. Corporate social responsibility is increasingly seen as vital to company success and reputation. Ethical, environmental, and

social factors are central to understanding CSR's role in business strategies. The motivation behind CSR often aligns with maintaining competitiveness and maximizing profits. External influences such as societal issues and environmental concerns significantly shape CSR practices. A company's commitment to social welfare can serve as a key indicator of its overall performance.

CSR practices in China are influenced by a mix of political, economic, and organizational factors. The impact of CSR on firm performance varies depending on industry, ownership, and external environment.

Engagement in CSR activities tends to enhance stakeholder trust and innovation within Chinese firms. External policy changes often trigger increased research interest and shifts in CSR focus. Firm-specific characteristics like size and ownership structure critically shape the effects of CSR on performance. The peak in 2024 suggested external factors like policy changes can temporarily boost research activity.

Overall, fluctuations in CSR research were closely linked to external events rather than a steady increase in academic or corporate focus in our study.

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Footnotes

1. <https://doi.org/10.1007/s10997-015-9307-7>
2. <https://doi.org/10.1016/j.jclepro.2015.12.018> (via ScienceDirect)
3. <https://doi.org/10.3390/su13042388>
4. <https://www.grin.com/document/1010308>
5. <https://doi.org/10.1007/s10551-018-3851-0> (accepted 2018, published later)
6. <https://doi.org/10.1002/csr.2241>
7. <https://doi.org/10.1016/j.pacfin.2020.101283>

8. <https://doi.org/10.3390/su142316199>
9. <https://doi.org/10.1177/21582440231152123>
10. <https://doi.org/10.1002/csr.2681>
11. <https://archive.aessweb.com/index.php/5002/article/download/5015/7892>
12. <https://www.sciencedirect.com/science/article/pii/S2405844024076114>
13. <https://archive.aessweb.com/index.php/5002/article/download/5015/7892>
14. <https://doi.org/10.52399/001c.134077>

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