DOI 10.70906/20221603052065

Article

Nexus between Corporate Sustainability and Financial Performance – A Theoretical Outlook

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Abstract

The purpose of our study is to review empirical papers that have analysed the importance of the idea of corporate sustainability and its aftermath on financial performance and vice -versa. The study has undertaken the empirical studies conducted during the period 2009 to 2019. The studies in the area of Corporate Sustainability and financial performance are ample in the context of the developed country. Still, they are very few concerning developing countries and research in this field has taken growth in recent years only. The empirical studies meant for developed and developing countries are considered in the present study for constructing a theoretical outlook. The unique part of the study is that it is headed forfinding the individual impact of financial ratios with different parameters. Grounded on the sampled empirical findings, both the accounting and market-based ratio analysis positively and significantly impact the Sustainability score. Still, the present study is inconclusive about which financialmeasures among accounting and market-based measures are appropriate. The limitations of the study are a small sample, limited period, and limited economic variables. The study's findings reduced the ambiguity in empirical research results that took up the impact of sustainability on the firm's value.

***Key Words**: Sustainability, financial performance, corporate social responsibility, corporate Sustainability.*

How to cite: Kalra, S., Seth, A., & Rani, P. (2022). Nexus between corporate sustainability and financial performance: A theoretical outlook. Journal of Management and Entrepreneurship, 16(3), 52–65

DOI 10.70906/20221603052065

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Introduction

In the present era of industrialisation, the corporate is responsible for society and accountable for their practices. It is evident from industrial history that the firm's longevity is the outcome of its concern for the community. A lot of discussions have already been done about whether it pays off to society. Whether an organisation should be concerned more about profit or be responsible for the organisation? There are various points of view, and thereby diverse literature is also available enumerating multiple concepts. With time, the meaning of being responsible for society has taken different names. Earlier responsibility for society was limited to social issues prevailing in the society. With the growth of industries, the problem of the harmful impact of initiatives and the extinction of resources kept increasing. This problem became a major issue worldwide. Since being responsible for society requires a lot of investment. Whether this investment is merely a cost for a firm or can add strategic value and give a competitive advantage to the firm is a topic for discussion over the past few years.

Being responsible for society has been named differently by different practitioners. Some had called it an act of philanthropy. While others had responded by giving the logic that if the business is taking profit from society, then its responsibility is to give back to the community. Although in various developed countries it is mandatory norms to spend out of profit some amount on society's welfare. India has also mandated 2% profit to spend on the community by 2013. Stakeholders and various government organisations are also putting pressure on companies about keeping society safe from the negative impact of various industrial activities (Aggarwal,2013). To answer how companies manage societal and environmental issues and their business performance, companies have started incorporating the concept of sustainability pillar in their business report. (Özçelik & Öztürk, 2014) .

Following this, Industrialist and researchers started identifying the benefit of adopting sustainable development at corporate level. Academician started finding study on best way of how they can incorporate the principles of sustainable development at corporate level. Adoption of principlesof sustainable development at corporate level led to invention of new term called "Corporate Sustainability". Afterwards, numerous researches

evolved into finding impact of corporate sustainability in business decision model. Theories of business firms started exploring the benefit of corporate sustainability with enhancing firms value which ultimately led to shift in myopic view of firm into creating long term shareholder value.

On that note in late 20th century, empirical studies finding relationship of corporate sustainability and firm's performance evolved. Initially the movement started in developed countries later on developing countries also started paying attention on long-term view of business being responsible. This leads to witnessing growing upsurge of literature finding impact of corporate sustainability on firms' performance. However, result of the study is so splintered that generalisation of result both in developed and developing country is inconclusive (Laskar,2014) Some researchers have argued that lack of standardisation of measuring corporate sustainability parameter could be one of the reasons. This contributed to generating various indices and framework for measuring parameter of corporate sustainability (Alshehi,2018)

Failure to establish relationship between corporate sustainability and financial performance has called numerous researcher to identify the potential reason and establish a theoretical framework underpinning corporate sustainability with firm's value. Therefore this study contributed in finding ongoing tendency and path of underlying relationship between corporate sustainability and financial performance. Meanwhile, going through various literature, we have also noticed that most of the research on corporate sustainability aspect mainly focus on environment dimensions of sustainability. The integrated part of sustainability, i.e., considering all three dimensions of sustainability, is less studied. Studies that have taken a single dimension of sustainability to all three sizes are a part of our review paper. We have considered all accounting ratios to the market ratio for firm performance as a part of our study. Hence, in the present article, we have reviewed corporate sustainability (CS) and financial performance (FP) papers and tried to find out the path and ongoing tendency of the relationship along with this we attempted to find out the association of financial performance variable with sustainability parameter and control varoables used in past studies.

Theoretical framework:

The theoretical framework defines the significant theories developed supporting different arguments on corporate sustainability and financial performance relation later on used for doing empirical studies (Bodhanwala,2018) Major theories developed are Stakeholder, Agency, Legitimacy, and Resource-based theory. These theories depicts how a firm can benefiited by engaging themselves into sustainability (Aggarwal,2013). Studies have also stated less theoretical support about direction and relation between corporate sustainability and financial performance . Although different arguments and perspectives are there in significant theories, which are as given below:

Stakeholder theory:

Stakeholder theory talks about the interest and needs of stakeholders. This theory says that stakeholders have a right to be informed and voice out about his interest also. It claims that meeting the needs of stakeholders helps to have a better relationship with shareholders and improved reputation, which ultimately helps in improved financial performance (Freeman,2001)

Legitimacy theory:

Legitimacy theory states that to operate in society firm needs a license. The firm will get that license only when its compliance with the rules made by society. These norms and rules are known as the social contract. Hence, this theory promotes the idea of disclosing sustainability report compliance by law to the public (Lindblom,1993)

Agency theory:

This theory believes that the relationship between the firm and the manager is like an agent. Shareholders want to take such a decision for a firm that enhances the firm value, whereas the manager always thinks of personal benefit. In some cases, the manager's decision is influenced by political parties. This always creates conflict between the firm and the manager. Hence, Agency theory promotes enhancing transparency and accountability and reducing the friction of interest, thereby enhancing firm value.

Resource-based theory:

This theory is a combination of both stakeholder and legitimacy theory. According to this theory, a firm has tangible and intangible resources. Combinations of these resources are helpful to a firm in creating a sustainable strategy and competitive advantage, thereby fulfilling stakeholders' demands (Alshehi,2018) Hence, combinations of resources help in fulfilling shareholders demands and legitimising their actions in the report.

The Objective of the Study:

- To review the literature of empirical studies that have analysed the association between Corporate Sustainability and Corporate financialperformance.
- To document the personal impact of the measures of financial performance, control variables on sustainability practices.

Methodology

The study has made use of 2 databases to have related finding in the dimension of CSR, CS, i.e., holistic aspect of sustainability, namely environmental sustainability, economic sustainability social sustainability. The papers on the similar and allied themes were extracted by making use of Scopus, Emerald databases. The total number of articles that appeared in the search was 428 on the Scopus platform. For the Emerald database, the study used Keyword Corporate sustainability and financial performance; the total count of 1296 searches appeared first hand. Finally,232 relevant papers were retrieved from the emerald database.

To find out the most relevant papers, we limited our study to the subject of business, management& accounting, finance, and economics. The study also determined the timeline from 2009 to 2019. After an exhausting search, our study left with a handful of 143 papers from the Scopus database and 51 documents from the emerald database.

In the second round of elimination, our study made an inclusion and exclusion criterion table for finding the most relevant papers to get more insight. This same method has been applied in the Study of Goyal. et al. (2014) and Alshehi et al. (2018) study. This method is considered one of the standard methods of reviewing papers. Hence the present study is based on the same methodology.

The papers which were common in both of the selected databases were excluded. Hence, we were left with 17 and 18 documents from the Scopus and Emerald database in the second round of elimination.

To have a more authentic framework for reviewing the findings, the following criterion followed for inclusion and exclusion of the past research work. Database search protocol is as given below in table no 2.

Table no. 1: Inclusion and Exclusion Criterion

Included Studies	Excluded Studies
Empirical Research Showing association between Corporate Sustainability and Financial	Sustainability as a subject used in the agriculture and energy sector
Full text available in English	Corporate sustainability alone used in strategic management
Performance / Firm value	
Empirical Research Showing link between Environment performance And Financial Performance/ Firm value	sustainability used in Production Management and Supply chain management
Empirical Research Showing link between Corporate social responsibility and Financial Performance/ Firm value	The financial performance or Firm value is not included with Corporate Sustainability

Table 2. The Data base search protocol				
Database	Scope	No of items after thefirst round of elimination	No unique items afterthe second round ofelimination	Cumulativeitem
Scopus	Title, keyword and abstract	143	17	17
Emerald	Title, keyword and abstract	51	18	35

Hence it is clear from the table that, in total, 35 studies are unique.. By doing backward searching from literature , we have included three more studies in our total sample. In short, the discussion revolves around these sampled 38 studies.

Analysis and Discussion:

Distribution of Related Study based on the Journal:

This classification represents the most reputed publication of our study. Social Responsibility journal and Willey published most articles with 4 and 3 publications, respectively. Other reputable journals include the cleaner production journal, Journal of global responsibility, and Journal of Business Ethics. The table showing Journal wise distribution is given below in table 3.

Table no. 3: Journal–wise distribution

Journal	Frequency
Int. J. of Business and Social Science	1
J. of Cleaner Production	2
Int. J. of Productivity and Performance	1
International Journal of Accounting and Information Mgmt.	1
Social Responsibility Journal	4
Journal of Asia Business Studies	1
EuroMed Journal of Business	1
Asia-Pacific J. of Business Administration	1
Journal of Indian Business Research	1
Asian Review of Accounting	1
Management of Env. Quality	1
American J. of Business	1
Accounting and Finance	1
Journal of Accounting in Emerging Economies	1
Smart and Sustainable Built Environment	1
Journal of Global Responsibility	2
Willey	3
World Review of Entrepreneurship, Mgmt and Sustainable Development	1
Australian Journal of Management	1
Journal of Southeast Asian Research	1
J Bus Ethics	2
Journal of Advanced Research in Dynamical and Control Systems	1
ABACUS	1
Int. J. Production Economics	1
Management Decision	1
Business ethics: A European review	1
Sustainability accounting, mgmt &policy journal	1
Sus. development	1
Business strategy &environment	1
Global research of finance and business research	1
Total (n)	38

Distribution of Related Study based on the year:

This paper also categorised relevant articles over a different period. The primary purpose of doing year-wise distribution is to understand the trendof our study. We have identified that significant research papers published was in recent years, i.e., 2018 and 2019. From 2009 to 2017 study waslimited to 2 or 3 articles. As shown below study took a surge in 2018. By doing year-wise categorisation, we also identified advancements in our research.

Table no 4: Distribution of the publication in between 2009-19.

Year	Frequency
2009	1
2010	3
2011	2
2012	2
2013	2
2014	3
2015	2
2016	3
2017	3
2018	9
2019	8
Total (n)	38

Country-wise distribution of related study:

The classification of studies based on country helps us to determine the global status of research. It gives us an idea about which economic analysis is more prevalent. We have noticed that our research is shifting from the most developed nation to a developing economy also. This shows that the research result can easily be generalised if the developing economy also practices sustainable action. The highest number of research publications is in the USA, followed by Australia.

Along with a developed economy, developing economy like Malaysia and India is also working in this field. Significant research in developing economies showing upward movement is in the Year 2018. The table showing the result of country distribution is given below in table 5.

Table no 5: Country-wise distribution

Country	Frequency
USA	9
India	2
Egypt	1
Malaysia	5
Australia	6
Hong kong	1
Jordan	2
Italy	3
United Kingdom	3
Spain	1
Vietnam	1
Iran	1
Ghana	1
China	1
Kenya	1
Total (n)	38

The trend of related studies:

The trend of the study shows that significant changes occur in a related topic. It shows how slowly the study has added different dimensions intoits meaning. We have described substantial changes in its dimensions in this section.

Lee (2009) documented the finding of special corporate social responsibility and improved financial performance. His study used CSP proxy as aDow Jones Sustainability Index and found a negative relation with Market-based ratio and no association with accounting-based ratio. Here finding of the author leads to new research dimensions of looking into differences in accounting and market-based ratio.

Artiach et al. (2010) study compared leading sustainable and lagging sustainable firms. His study found that leading sustainable firm has a higherreturn on equity and growth than crawling sustainable firm.

In 2010, the study on the same theme came in a developing country like Malaysia also examined. Aras et al. (2010) empirically documented the finding of corporate social responsibility and financial performance in the Turkish company. His study found no significant relation between CSRand FP. He recorded CSR has an association with firm size only. Hence, the study on CSR and FP in the developing country shows no significantrelation.

Oeyono et al. (2011) analysed the top 50 Indonesian firms whose reporting is based on GRI guidelines and found positive but weak relation between CSR and FP as only 11 % of firms reported on all themes of GRI.

Saleh et al. (2011) also examined CSR and FP relations in Malaysian public listed firms. His comprehensive empirical research found a positive association of CSR and FP only with two dimensions of CSR, namely employee and community.

Nayak (2011) also explored the relation between triple bottom line reporting and firm size and found that a large firm has positive and higher outcomes in environmental performance.

Ameer (2011) added one more direction to the research by examining the top 100 sustainable global firms. He found out bi-directional relation between CSR and FP, indicating that more financially successful firms are more sustainable.

Arafat et al. (2012) analysed CSR, profitability, and strong value relationship. His study found positive and insignificant relations with profitability and significant association with firm value. This study documented the simultaneous effect of CSR, Profitability, and Firm Value. The earlier study was limited only up to the link between CSR and profitability.

Arshad et al. (2012) studied the Malaysian public listed firm. His study examined the effect of CSR and Market orientation on firm performance. According to his Study, market-oriented firms take proactive action for being competitive in the market. They are more aware of the stakeholders' needs. His study revealed that CSR has significantly affected firm performance, whereas MO does not affect substantial performance. The insignificant impact of MO on firm performance indicates that CSR and MO both together are not creating a synergistic effect. This has also created a new dynamic in the study.

Walker (2014) examined the relationship between the level of sustainable disclosure and performance. He measured sustainability disclosure by developing a scorecard on the sustainability index. The study documented positive relations and a different approach to measuring the level of sustainability.

Zhao (2015) measured the link between sustainability and firm value. The study documented positive relations after controlling the effect of size,leverage, and capital expenditure.

Bezares (2016) used a holistic approach to measuring sustainability. His study proposed a new method of developing a sustainability index by coding. However, the previous literature used rating agencies for measuring sustainability.

Al-Samman (2016) empirically evaluated the link of CSR with the non-financial organisational performance of public and private enterprises. His study indicates that CSR and NFOP significantly impact private enterprises and have a non-significant impact on public enterprises.

Feng et al. (2017) compared the link between CSR activity and firm performance across different industries. This research advanced our knowledge about which industrial sector gain more by spending on which CSR category.

Famiyeh (2017) looked into the impact of CSR on operational competitiveness indicated by cost, quality, delivery, and flexibility. His research proposed a model by stating that increasing operational competitiveness would improve overall organisation performance by increasing market share and profitability.

As we have already seen, the sustainability issue came into the researcher's eyes more in 2018. It was the year when we witnessed a study on a similar theme in both developed and developing economies. Salehi (2018) conducted a study in Iran that considered an emerging market by looking forward to the impact of CSR on future financial performance. His future financial performance is indicated by an increase in asset return and a change in operating cash flow measured by total assets. His findings support a positive and significant impact on the firm's future financial performance. It indicates that the firm will incline towards CSR activity if they look for future benefits into it.

Husain (2018) explored the link between sustainability and financial performance in a developed economy like the USA. His analysis showed that the environment and the social dimension of sustainability have positive and significant. On the contrary economic extent showed a weak correlation with financial performance.

Mukherjee (2018) examined the impact of voluntary reporting of CSR on financial performance. His study used a proxy of financial performance as a risk and information ratio. These ratios were new and unique.

Landi et al. (2018) studied the impact of corporate ethics assessment on a firm's performance. He looked at whether ESG rating performance impacts a firm's financial performance. His study added one more concept of socially responsible investors.

The personal impact of measures of financial performance with different parameters:

Our study also clubbed the individual impact of the financial variable used in these reviewed papers. The primary purpose of clubbing these variables is to see how a particular variable affects different independent and control variables. This will also help in reducing the ambiguity of other results in various studies. While clubbing variables, we have identified significant financial variables are ROA, ROI, EPS, TOBIN'S Q. ROA is a majorly used variable.

Return on Asset (ROA):

Return on assets tells how an organisation is effectively using its assets to generate earnings. It ensures to the shareholders about their wealth maximisation. In the sampled studies, most of the studies have considered it as a dependent variable. The ESG score embraces Environmental,

Social, and Governance (**ESG**) factors, and these three are the central factors that can measure sustainability. An index of ESG is used to characterise sustainability. After clubbing the ROA variable, we conclude that ROA has **a Positive and significant** impact on ESG scores with different control variables like leverage ,revenue growth, debt to equity, total assets growth as a measure of financial performance in 9 studies out of 38 sampled studies. In 7 studies, we found that ROA exhibited a positive and significant impact with ESG score. While ESG index, namely environment, community, ethical, and governance index in Jo.Kim(2014) study revealed that the ROA negatively impacts environment cost withcontrol variable MBR, total cost, and stock return. In addition to this, we accumulated the effect of control variable like firm size, leverage and revenue growth with our major variable ROA. Firm size and leverage has been used as a control variable in six studies exhibiting positive relationmajorly. Whereas, Risk and Revenue growth showing negative relation with ROA used in one study only.

Table No 6: Clubbed Impact of ROA on different parameters found in several studies out of sampled studies

										TOTAL
VARIABLE	P1	P2	P3	P4	P5	P6	P7	P8	P9	N
ESG score	(+)	(+)	(+)	(+)	(+)	(+*)	(+*)	(-)		N=8
FIRM SIZE	(+)	(+*)	(+*)	(+*)	(+*)			(-)		N=6
LEVERAGE	(+)		(-)	(+*)		(+*)	(-)			N-=6
CSR									(+)	N=1
REVENUE GROWTH							(-)			N=1
RISK										
									(-)	N=1

Note: (+)

signifies positive impact, (+)* represents positive and significant impact, (-) signifies negative impact, (-)* signifies the negative and significant impact, Pdenotes the numberof studies

Finally, it is concluded that implementing sustainable activity as a part of business strategy gets affected positively and significantly by ROA. It rarely affects negatively.

Return on Investment (ROI)

Return on investment tells us how effective the utilisation of investment is being done in the organisation. Out of 38 studies, three studies used ROI as a dependent variable with ESG score, ESG index and CSR. The study found that ROI is showing positive relation with ESG score and CSR .In the Study of Bodhanwala (2018), ROIC showed **Positive and significant** relation with ESG score while showing a negative association with Revenue Growth and firm's leverage. Siew (2013) studied the impact of ESG score of reporting and non-reporting firms on ROI andfound **positive** relation, whereas he documented a weak association with other accounting measures. Famiyeh (2017) also reported a positive relationship between CSR and ROI. Hence it is held ROI also affects positive with ESG score and CSR.

Table no. 7: Clubbed effect of ROI on different parameters found in the number of studies out of sampled studies

VARIABLES	P1	P2	P3	N
ESG score	(+*)	(+)		n=2
Total assets	(+)			n=1
Leverage	(-)			n=1
Revenuegrowth	(-*)			n=1
CSR			(+)	n=1

Note: (+) signifies positive impact, (+)* represents positive and significant impact, (-) signifies negative impact, (-)* signifies adverse and powerful effects, (#) indicate no impact, p denotes number of studies.

Return on Equity (ROE):

ROE is the second most popular ratio used as a proxy for measuring firm's value. Return on equity is a good indicator of shareholder wealth.ROE was used in 11 studies to measure financial performance out of the total number of sampled studies. Out of 11, 7 studies have poisted positive relation between ESG score and ROE, two studies have used CSR as a proxy for sustainability and showed mixed impact between CSR-ROE of firm. Bodhanwala (2018) found that the ESG score has a positive and significant relation with ROE, whereas the Study of Herbohn (2014) experienced a positive relationship between sustainability disclosure and ROE. A study conducted by Artiach (2010) also showed a positive and significant relation between CSP and ROE. Kutlu (2010) found that ROE has a positive impact on CSR. Lee (2009) also differentiated between leading and lagging CSP's firm's performance, and his study found no significant difference between ROE of leading and lagging firms.

Table no.8: Clubbed effect of ROE on different parameters found in the number of studies out of the total number of sampled studies

VARIABLE	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	TOTAL
ESG SCORE	(+*)	(+)	(+)		(+)	(+*)	(+)	(-)			(+)	N=8
FIRM SIZE			(+*)		(+)	(+*)	(+)		(-)			N=5
LEVERAGE	(+*)							(+)	(-)			N=3
REVENUE GROWTH			(+*)									N=1
CSR				(+)						(-)		N=2
TOTAL ASSETS GROWTH			(+*)									N=1

Note: (+) signifies positive impact, (+)* represents positive and significant impact, (-) signifies negative impact, (-)* signifies the negative and significant impact, p denotes the number of studies.

Earnings Per Share (EPS) :

EPS has been used in 4 studies, out of 4 studies, studies have used ESG score as a proxy for sustainability and one study has used CSR for the same. All 4 studies have shown positive impact with EPS. In Bodhanwala's (2018) study, EPS impacts positively and significantly on corporate

sustainability and negatively affects leverage ratio. Similarly, in Wang (2016) study, EPS impacts positively with CSP and firm size but negatively with leverage. In Oeyono's (2011) study, EPS has a positive relation with CSR. Therefore, it holds that impat of EPS on sustainabilityin our sampled study is positive.

Table no.9: Clubbed effect of EPS on different parameters found in the number of studies out of a total number of sampled studies

VARIABLE	P1	P2	P3	P4	TOTALN
ESG SCORE	(+*)		(+*)	(+)	N=3
CSR SCORE		(+)			N=1
LEVERAGE	(+)		(-)		N=2
TOTAL GROWTH ASSETS	(+)				N=1
FIRM SIZE		(+)	(+)		N=2

***Note**: (+) signifies positive impact, (+)* represents positive and significant impact, (-) signifies negative impact, (-)* signifies the negative and significant impact , pdenotesthe number of studies.*

Tobin's Q ratio

Q ratio describes a firm's market performance. This is also the most widely used variable representing the market performance of the firm. It has been used in 5 studies using ESG score and CSR score as a proxy for sustainability. In 4 studies it has shown positive impact.Taylor (2018) evaluated the firm's environmental performance and firm value. His study found a negative and no significant relation between EP and FP. He kept firm size, sales growth, ROA, cash flow, and capital intensity as a control variable. He documented no relation between firm value and environmental performance. Zhao (2015) found a positive and significant impact of Tobin's q and firm listed in the Dow Jones sustainability index.Atan's (2018) study found a negative effect with the ESG factor, keeping leverage, assets, and fit size as a control variable. Muhamad's (2011)

study also found a negative relation between Q ratio and CSR. Thus, the finding shows that the Q ratio impacts negatively on sustainability scoring.

Table no. 10: Clubbed effect of Q ratio on different parameters found in the number of studies out of the total number of sampled studies

VARIABLE	P1	P2	P3	P4	P5	TOTAL N
ESG SCORE		(+*)	(+)	(-)	(+*)	N=4
CSR SCORE	(+*)					N=1
LEVERAGE	(+*)			(+*)	(-*)	N=3
SIZE	(+*)	(+*)	(+)	(-*)	(+*)	N=5
GROWTH			(+)			N=1

Note: (+) signifies positive impact, (+)* represents positive and significant impact, (-) signifies negative impact, (-)* signifies the negative and significant impact,p denotes number of papers.

Conclusion:

Along with the main finding of our literature review, we also have identified some issues, like the Effect of Sustainability on the firm's performance is not immediate. It took years for a firm to build a reputation and take competitive advantage of incorporating sustainable practices. For example, In Salehi's (2017) study impact of the previous Year's CSR expenditure is seen on future financial performance, i.e., ROA, cash flow, and stock return. His study showed CSR expenditure positive and significantly affected future financial performance.

The second issue which we have identified is the bi-directional relationship between corporate sustainability and financial performance. It means that since the firm is engaging in sustainable activity so it is improving its monetary value. It has also been seen that since the firm is financially capable enough that it can allocate more resources and take advantage of indulging in CSR activity. It is a two-way cycle.

The third main issue we have identified is that most studies have focused on looking into the financial aspect of sustainability. Studies looking for non-financial factors like the impact of incorporating sustainability on the firm's reputation, brand value, operational efficiency, and employee or shareholders satisfaction are less.

The fourth issue which has also been identified in Hussain (2002) paper is that most study has focused upon the traditional measure of gauging financial performance. Studies looking at impact with a modern method of calculating financial performance like EVA, MVA is also less.

The fifth issue we have identified is that impact of sustainability practices should be seen on a non-financial measure like organisational performance, brand goodwill, etc.

The last issue is that all studies have mainly focused on manufacturing organisations; a study in service sectors like education and healthcare is also limited. This paves the way for future research.

Limitations of the Study

The study has been reviewed with the utmost patience; still, it has some limitations. Two databases were taken for the study. It could have been increased to get more generalised results.

Second, the study has taken the personal impact of only five significant financial performance variables with different parameters. This could also be increased for finding the differentiated result of accounting and market-based ratios.

Third, we also have limited our research area by excluding the sustainability score used in context with a different non-financial measure. The table showing inclusion and exclusion criteria could also be broad.

Fourth, bifurcation of related sample study could also be done based on methodology and theoretical aspect used. This would represent a clear picture of the association between corporate sustainability and financial performance.

Last, the Individual impact of more control variables could also be seen. We have taken only significant control variables like age, capital size, leverage, and risk. Control variables like R&D expenses, cash flow, and working capital has not been taken. Future studies can use these directions for a more explicit representation.

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