

Corporate Social Responsibility and Earnings Management: Between Ethical Commitment and Managerial Opportunism

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ABSTRACT

This study examines why corporate social responsibility (CSR) is associated with both lower and higher earnings management (EM). A structured integrative literature review was conducted using a curated corpus of 25 publications published between 2012 and 2026. The data were collected through a purposive selection of relevant empirical and review studies, and analyzed using descriptive mapping, thematic coding, and comparative synthesis. The studies were coded according to CSR construct, EM measure, theoretical mechanism, research design, reported direction, and contextual conditions. The synthesis distinguishes CSR performance from CSR disclosure, substantive commitment from symbolic communication, and accrual-based earnings management (AEM) from real earnings management (REM). The evidence supports two competing pathways. In the ethical-integrity pathway, substantive CSR strengthens stakeholder accountability, long-term orientation, reporting transparency, and accounting conservatism, thereby constraining EM. In the symbolic-obfuscation pathway, managers use CSR activity, disclosure intensity, or optimistic narrative tone to build legitimacy, divert scrutiny, and conceal opportunistic reporting. The apparent contradiction is partly methodological: disclosure-based CSR measures are more likely to capture symbolic behavior, while AEM and REM may move in different directions because managers substitute between techniques with different visibility and economic costs. Corporate governance, investor protection, legal enforcement, external assurance, accounting conservatism, CEO incentives, industry exposure, and economic shocks determine which pathway dominates. The review develops a dual-pathway framework and concludes that CSR cannot be treated automatically as evidence of financial reporting integrity. Future studies should jointly measure substantive and symbolic CSR, examine AEM and REM simultaneously, and employ longitudinal and endogeneity-aware designs.

Keywords: *Corporate Social Responsibility, Earnings Management, Corporate Governance, Greenwashing, Financial Reporting Quality*

1. INTRODUCTION

Corporate social responsibility has become an increasingly visible indicator of corporate accountability, yet its expansion raises a fundamental financial-reporting question: do socially responsible firms also provide more reliable earnings information? Firms now communicate environmental, social, and governance commitments through sustainability reports, ratings, expenditures, and stakeholder programs. At the same time, managers retain discretion over accounting estimates and operating decisions that can be used to alter reported performance. The coexistence of visible social engagement and opaque reporting creates a credibility problem because CSR may either reflect an ethical organizational orientation or provide reputational protection for managerial opportunism. This issue has become increasingly evident in recent years, as several high-profile corporate scandals have shown that companies

recognized for their CSR initiatives were still involved in financial reporting irregularities and earnings manipulation. These cases highlight that extensive CSR activities do not necessarily guarantee transparent financial reporting, reinforcing the need to examine whether CSR reflects genuine ethical commitment or merely serves as a strategic tool to conceal opportunistic managerial behavior (Ehsan et al., 2020; Jhunjhunwala & Fatima, 2025).

Earnings management refers to the strategic use of reporting or operating discretion to influence reported earnings. Accrual-based earnings management (AEM) changes accounting estimates and accruals without immediately changing underlying business activity, whereas real earnings management (REM) alters sales, production, or discretionary expenditure to reach reporting targets (Chen & Hung, 2020; Mutuc et al., 2019). The distinction matters because the two techniques differ in visibility, reversibility, auditability, and economic cost. A firm may reduce one technique while increasing another, meaning that a single discretionary-accrual measure cannot capture the overall integrity of reporting.

The CSR-EM relationship contains two competing theoretical pathways. Stakeholder theory and the long-term perspective hypothesis suggest that substantive CSR aligns managers with broader stakeholder interests, protects relational capital, and creates incentives for transparent financial reporting. Consistent evidence from Asian and Pakistani firms and a broader meta-analysis associates stronger CSR with lower EM (Ehsan et al., 2021; Scholtens & Kang, 2012; Shi et al., 2022). By contrast, agency and legitimacy perspectives predict that managers may use CSR to build moral capital, reduce scrutiny, or entrench themselves. Studies from Bangladesh and China show that intensive CSR disclosure, CSR activism, and optimistic report tone can coexist with income-increasing accruals (Li et al., 2023; Muttakin et al., 2015; Pasko et al., 2021).

The empirical conflict is intensified by construct heterogeneity. CSR has been measured through ESG ratings, disclosure indices, monetary expenditure, socially responsible investment membership, environmental disclosure, and narrative tone. These measures do not distinguish consistently between actual performance and communication. EM is likewise captured by different discretionary-accrual models, abnormal operating activities, or composite measures. Jordaan et al. (2018) and Mutuc et al. (2019) demonstrate that CSR may coincide with higher AEM but lower REM, indicating that contradictory results can arise because studies observe different managerial choices rather than the same underlying behavior. These inconsistencies reveal a significant research gap, as previous studies have not provided a comprehensive framework that simultaneously distinguishes between CSR performance and CSR disclosure, as well as between accrual-based earnings management (AEM) and real earnings management (REM). Addressing this gap is important because a clearer understanding of these distinctions can help explain the conflicting findings reported in prior studies. Therefore, this study contributes by developing a dual-pathway framework that provides a more comprehensive explanation of whether CSR reflects genuine ethical commitment or serves as a mechanism for managerial opportunism, offering valuable implications for researchers, practitioners, investors, and policymakers.

Existing literature therefore requires integration beyond a simple count of positive and negative coefficients. This review asks four questions: what mechanisms explain the ethical and opportunistic pathways; how do CSR and EM measurement choices affect conclusions;

which governance, institutional, managerial, and industry conditions determine the dominant pathway; and how can research distinguish substantive CSR from symbolic CSR or greenwashing? The article contributes a dual-pathway framework that connects CSR orientation, reporting mechanisms, EM strategy, and contextual constraints. By separating performance from disclosure and AEM from REM, the framework explains when CSR signals financial-reporting integrity and when it becomes managerial camouflage.

2. METHODS

2.1. Research Design and Review Scope

This study employs a **structured integrative literature review** to synthesize evidence on the relationship between corporate social responsibility (CSR) and earnings management (EM). The integrative approach enables the comparison of diverse empirical and conceptual studies through common theoretical mechanisms without assuming equivalent measures or effect sizes. The review is structured by clearly defining the literature corpus, eligibility criteria, data extraction, and synthesis procedures. Unlike a PRISMA-based systematic review, the corpus was curated from selected literature rather than generated through a fully documented database search.

The review includes **25 publications published between 2012 and 2026**. The unit of analysis is each study's conclusions regarding CSR/ESG activities, disclosure, performance, earnings management, reporting quality, or relevant moderators and mediators. This period captures the evolution of research from early evidence on the CSR–EM relationship to recent studies examining AEM, REM, greenwashing, CEO incentives, financing costs, and other contextual factors.

2.2. Eligibility, Evidence Classification, Data Extraction and Analytical Procedure

Publications were included as direct evidence when they examined the relationship between CSR/ESG and earnings management (EM), including accrual-based earnings management (AEM), real earnings management (REM), earnings quality, or financial reporting integrity. Studies investigating moderators, mediators, reviews, or meta-analyses were also included. Research focusing only on CSR and firm performance was retained as supporting evidence when EM was explicitly incorporated as an explanatory mechanism.

The evidence was classified into three analytical dimensions: (1) CSR performance versus CSR disclosure, (2) substantive versus symbolic CSR, and (3) AEM versus REM. These distinctions were maintained throughout the analysis to better explain the heterogeneous findings reported in previous studies.

Each publication was coded according to research context, CSR and EM constructs, theoretical perspective, research design, direction of findings, moderators, mediators, and reported limitations. The data were then analyzed through descriptive mapping, thematic coding, and comparative synthesis. The analysis identified recurring patterns, contextual differences, and explanatory mechanisms, which were subsequently integrated into a dual-pathway conceptual framework describing the relationship between CSR and earnings management.

Table 1. Review protocol and analytical dimensions

Stage	Procedure	Output
Corpus definition	Curated set of 25 publications (2012-2026) addressing CSR/ESG and earnings management, reporting quality, or relevant boundary mechanisms.	Defined scope and transparent methodological boundary.
Eligibility assessment	Direct CSR-EM evidence retained as primary; firm-performance and leadership studies retained only when EM or CSR was an explicit mechanism.	Separation of direct and supporting evidence.
Data extraction	Context, CSR construct, EM construct, theoretical pathway, research design, direction, moderator, mediator, and limitation.	Study-level analytical matrix.
Synthesis	Conceptual coding, AEM/REM classification, dual-pathway thematic synthesis, and contextual comparison.	Integrated framework and research agenda.

2.3. Reliability and Methodological Boundaries

Analytical reliability was strengthened in four ways. Associations were not interpreted as causal unless the original design warranted that inference. Negative, positive, mixed, and insignificant findings were retained. Review and meta-analytic evidence was used to identify broad patterns, while country studies were used to explain contextual variation. Finally, the synthesis avoided treating ESG scores, CSR expenditures, disclosure volume, and social performance as interchangeable constructs.

The review remains limited by the curated corpus, heterogeneous publication quality, and the absence of a pooled meta-analytic estimate. Several studies rely on discretionary-accrual models that contain measurement error, while others use aggregate ESG indicators that can obscure dimension-specific effects. The analysis therefore identifies mechanisms and boundary conditions rather than a universal causal sign.

3. RESULTS

3.1. Conceptual Boundaries: What Is Being Related?

The review shows that the CSR-EM debate is partly a construct-definition problem. CSR performance refers to realized social or environmental conduct, whereas CSR disclosure refers to what the firm communicates. A company can disclose extensively while delivering limited substantive outcomes, or it can perform responsibly without producing elaborate reports.

Jordaan et al. (2018) demonstrate that performance and disclosure have different associations with AEM and REM. Muttakin et al. (2015) and Li et al. (2023) further show that disclosure volume or optimistic tone can be used strategically. Consequently, disclosure should not be interpreted automatically as evidence of ethical conduct.

The substantive-symbolic distinction refines this boundary. Substantive CSR is embedded in operations, resource allocation, and stakeholder relationships. Symbolic CSR concentrates on image, narrative, and legitimacy without equivalent internal change. Sial et al. (2018) show that EM weakens the performance benefits associated with CSR and connect high manipulation with symbolic CSR. Pasko et al. (2021) likewise distinguish firms that actively produce CSR reports from firms that are genuinely responsible. The value of CSR as a governance signal therefore depends on consistency between communication, social outcomes, and financial-reporting quality.

EM must also be disaggregated. AEM uses reporting discretion and usually has a smaller immediate operating effect, while REM changes actual transactions and can destroy future cash flow or stakeholder value. Chen and Hung (2020) caution that discretionary accruals alone provide an incomplete picture. Neither technique is synonymous with fraud in every case, but both become opportunistic when used to misrepresent underlying performance. The analytical question is therefore not only whether EM exists, but which strategy is used, in what direction, and at what economic cost.

3.2. Evidence for the Ethical-Integrity Pathway

The broadest empirical pattern is a negative association between CSR and EM. Scholtens and Kang (2012) find that firms with stronger CSR across ten Asian economies engage less in EM and that investor protection reinforces reporting discipline. Ehsan et al. (2021) report a negative relation in Pakistan using multiple CSR and EM measures, although the strength is asymmetric across specifications. Shi et al. (2022), synthesizing 51 studies from 35 papers, confirm an overall negative association and show that its magnitude varies with culture, CSR measurement, and sample period. The convergence of country evidence and meta-analysis suggests that CSR can be a credible marker of ethical orientation, but only conditionally.

Accounting conservatism provides one mechanism. Alqatan and Hichri (2024) find that conservatism mediates the CSR-EM relationship in Finnish firms, implying that responsible firms may translate ethical commitments into more cautious recognition of gains and losses. The same study shows that governance conditions the effect. Chen and Hung (2020) similarly find that weaker CSR performance is associated with greater AEM and REM and that manipulation reduces firm value. These results connect ethical orientation with both accounting policy and economic consequences.

Environmental and ESG evidence also supports a constraining pathway in some contexts. Gerged et al. (2021) find a negative association between corporate environmental disclosure and EM in Jordan, with board and ownership mechanisms producing heterogeneous moderating effects. Nagy et al. (2022) identify a relationship between CSR policy and discretionary accrual behavior in Visegrad firms. The heterogeneity indicates that environmental or ESG indicators cannot be assumed to operate identically to broader CSR, but they can contribute to reporting discipline when supported by governance.

3.3. Evidence for the Symbolic-Obfuscation Pathway

A substantial body of evidence supports the view that CSR can shield opportunism. Muttakin et al. (2015) find that Bangladeshi firms with greater CSR disclosure use more income-increasing discretionary accruals, although powerful international buyers constrain the effect in export-oriented industries. Pasko et al. (2021) report that CSR-active Chinese firms engage more heavily in discretionary-accrual management than inactive firms. These findings suggest that visibility and disclosure activity can generate moral capital that managers use to reduce scrutiny.

Narrative evidence makes the obfuscation mechanism more explicit. Li et al. (2023) show that Chinese firms with higher abnormal accruals and marginally positive earnings changes issue CSR reports with a more optimistic tone. The association is weaker when reports are assured, accounting is more conservative, financing demand is lower, and the disclosure environment is stronger. Tone therefore becomes a managerial tool when external verification is limited, demonstrating why content quality matters more than the mere presence of a CSR report.

Greenwashing also affects capital-market interpretation. Lestari and Muthmainnah (2025) find that strong ESG performance can obscure investors' assessment of managed earnings. Amarna et al. (2024) show that ESG disclosure is evaluated differently by equity investors and lenders and that REM changes those financing effects. These results imply that CSR or ESG signals can alter stakeholder perception even when the underlying earnings process remains compromised.

3.4. AEM, REM, and Managerial Strategy Substitution

The strongest reconciliation of conflicting evidence comes from distinguishing AEM and REM. Jordaan et al. (2018) find that firms with better CSR performance are more likely to use income-increasing discretionary accruals but less likely to engage in REM. Mutuc et al. (2019) similarly conclude that CSR can conceal AEM while constraining REM, with results varying by market economy, country, and sector. These findings do not mean that CSR simultaneously improves and worsens integrity in a simple sense; they indicate that managers select among techniques with different consequences.

REM directly affects customers, employees, suppliers, production quality, innovation, or future cash flow. A firm with substantive stakeholder commitments may therefore avoid cutting discretionary expenditure or distorting operations. AEM may appear less damaging because it does not immediately alter stakeholder-facing activity and can reverse over time. Managers may consequently preserve a responsible operating image while using accrual discretion to meet reporting targets.

The opposite substitution can also occur. Strong audit scrutiny over accruals may push managers toward real activities that are harder for auditors to challenge. A reduction in AEM is therefore not definitive evidence of improved reporting unless REM is measured simultaneously. Chen and Hung (2020) explicitly recommend joint examination, and the integrated evidence supports models that treat AEM and REM as a portfolio of strategic choices rather than independent outcomes.

3.5. Measurement Architecture as a Source of Heterogeneity

CSR measurement shapes the observed relationship. Rating-based ESG or CSR scores combine multiple dimensions and facilitate comparison, but aggregation can hide whether governance quality, environmental performance, or social investment drives the result. Disclosure indices capture transparency but may reward boilerplate communication. CSR expenditure measures observable resources but not the effectiveness of outcomes. SRI-index membership provides an external classification but may reflect selection rules rather than current performance. Narrative tone captures communication strategy but not necessarily substantive activity.

Ehsan et al. (2021) reduce this problem by combining disclosure and monetary-spending measures. Jordaan et al. (2018) separately measure CSR performance and disclosure. Their results demonstrate that different constructs generate different inferences. Ahmad et al. (2024), using CSR spending in India, find that firms engaged in EM have little encouragement to spend on CSR and that EM reduces performance. By contrast, studies using report intensity can identify positive CSR-EM associations. Measurement is therefore not a neutral technical choice; it determines which part of the CSR system is observed.

EM measurement creates parallel concerns. Discretionary-accrual estimates vary with model specification, industry estimation, performance matching, and the direction of accruals. REM proxies capture distinct decisions and can have different timing. Meta-analytic heterogeneity reported by Shi et al. (2022) and the systematic mapping of Jhunjhunwala and Fatima (2025) indicate that measurement and sample design explain a significant portion of inconsistent results.

3.6. Governance, Institutional, and Managerial Boundary Conditions

Corporate governance determines whether CSR supports accountability or camouflage. Monitoring by independent boards, institutional owners, and effective audit processes can validate substantive CSR and constrain both AEM and REM. Gerged et al. (2021) show that specific governance mechanisms do not all operate in the same direction, demonstrating that an aggregate governance score can conceal different incentives. Mahrani and Soewarno (2018) likewise position EM as a mechanism linking governance, CSR, and financial performance, emphasizing the need to model direct and indirect effects carefully.

Legal enforcement and investor protection are equally important. Scholtens and Kang (2012) find lower EM under stronger investor protection. Jordaan et al. (2018) argue that investors in common-law systems are less vulnerable to greenwashing than those in weaker legal environments. These results suggest that CSR becomes a more credible signal when legal institutions increase the expected cost of misleading communication and earnings manipulation.

Assurance, accounting conservatism, and information quality directly weaken symbolic obfuscation. Li et al. (2023) find that assurance and a stronger disclosure environment reduce the association between optimistic CSR tone and EM. Alqatan and Hichri (2024) identify conservatism as a mediator. Together, these mechanisms convert CSR from a self-authored narrative into a more verifiable accountability process.

CEO incentives and attributes provide another boundary. Dakhli and Houcine (2025) find that CSR partially mediates the association between CEO compensation and EM in France. Bouzouitina et al. (2026) report that CSR reinforces the negative relation between selected CEO demographic attributes and EM in European firms. Baskaran et al. (2020) place ethical orientation at the center of managerial perceptions of manipulation. These studies imply that organizational CSR cannot be separated from the incentives and moral orientation of decision makers.

Industry and economic shocks further alter the relationship. Stakeholder visibility is higher in consumer-facing, environmentally sensitive, or export-oriented industries, but visibility can create both discipline and stronger incentives for symbolic reporting. Alharasis (2025) shows that COVID-19 affected the association between EM and sustainability reporting in Jordanian family businesses. Aqabna et al. (2023) find that ESG performance remains positively associated with ROA in MENA firms around COVID-19, while the moderating effect of EM is mostly insignificant. External shocks therefore change both reporting pressure and the resources available for substantive CSR.

Table 2. Integrated interpretation of the CSR-earnings management evidence

Analytical issue	Ethical-integrity interpretation	Symbolic-obfuscation interpretation	Key conditions
CSR construct	Substantive performance reflects embedded ethical practices.	Disclosure volume or positive tone can create a legitimacy shield.	Performance-disclosure alignment and assurance.
AEM	Lower accrual discretion reflects conservative reporting.	Accruals can be used because they are less visible to stakeholders.	Audit scrutiny, accounting conservatism, financing targets.
REM	Responsible firms avoid operating decisions that harm stakeholders.	Managers may switch to REM when accruals are constrained.	Operational cost, auditor focus, stakeholder visibility.
Governance and law	Monitoring reinforces the credibility of CSR commitments.	Weak enforcement enables CSR-based distraction and entrenchment.	Board effectiveness, investor protection, common/civil law.

Analytical issue	Ethical-integrity interpretation	Symbolic-obfuscation interpretation	Key conditions
Economic outcomes	Credible CSR and low EM support value and lower information risk.	Greenwashing and EM weaken performance and distort financing signals.	Detection risk, investor sophistication, crisis conditions.

3.7. CSR, Earnings Management, and Economic Outcomes

The CSR-EM relationship matters because it changes the economic value of social engagement. Sial et al. (2018) find that CSR improves performance in Chinese firms, but EM weakens the relationship, suggesting that symbolic CSR cannot sustain value creation. Chen and Hung (2020) similarly report that CSR supports firm value while both AEM and REM reduce it. When manipulation is detected, the reputational asset created by CSR can become a liability because stakeholders reinterpret prior disclosures as misleading.

Financing consequences are more differentiated. Amarna et al. (2024) find that ESG disclosure can increase the cost of equity while reducing the cost of debt, and that REM moderates these effects. Lenders may value risk-related disclosure differently from equity investors, while sophisticated investors may discount disclosures when manipulation is suspected. Aqabna et al. (2023) show that ESG scores support accounting performance in MENA firms, but EM does not consistently alter the relationship. The economic consequence therefore depends on who evaluates the information and which risk is most relevant.

Innovation and resource allocation add a reverse pathway. Abdelbaky et al. (2024) find that REM is inversely related to ESG performance in China and that corporate innovation mediates part of the relationship. Real manipulation can reduce innovation investment, which subsequently weakens ESG capacity. Ahmad et al. (2024) also show that EM is associated with lower performance and limited CSR-spending incentives. EM is therefore not only an outcome conditioned by CSR; it can erode the resources and capabilities required for future responsibility.

4. DISCUSSIONS

4.1. Competing Theoretical Pathways

The findings demonstrate that the relationship between CSR and earnings management is complex and context-dependent. This section discusses the synthesized evidence by relating the empirical findings to the underlying theoretical perspectives and highlighting their implications for research and practice.

No single theory explains the evidence. Agency theory predicts opportunism because managers may manipulate earnings for compensation, career, financing, or entrenchment objectives and then use CSR to reduce external scrutiny. Legitimacy theory adds that symbolic social reporting can preserve a social license to operate even when internal reporting quality is

weak. These perspectives support the managerial-opportunism pathway identified by Ehsan et al. (2020), Pasko et al. (2021), and Li et al. (2023).

Stakeholder theory and the long-term perspective hypothesis support the opposite pathway. Firms that depend on durable relationships with employees, customers, investors, regulators, and communities face reputational costs if manipulation is revealed. Substantive CSR can internalize those stakeholder claims, encourage accounting conservatism, and make reliable reporting part of the same ethical orientation. Ehsan et al. (2021), Scholtens and Kang (2012), and Shi et al. (2022) provide evidence consistent with this ethical-integrity pathway.

The multiple-objectives perspective provides an intermediate explanation. CSR expands the number of objectives used to assess management and can make performance evaluation less precise. This ambiguity may give managers additional discretion even when social engagement is genuine. Thus, CSR can reduce conventional shareholder-manager conflict while creating a more complex accountability structure. The resulting relationship depends on whether stakeholder monitoring becomes stronger or performance criteria become easier to manipulate.

4.2. Integrated Dual-Pathway Framework and Research Agenda

Figure 1 integrates the findings. CSR orientation enters through either substantive ethical commitment or symbolic legitimacy management. Substantive CSR activates stakeholder discipline, conservatism, and transparency, which reduce EM and strengthen earnings quality. Symbolic CSR activates optimistic communication, distraction, and greenwashing, which increase or conceal AEM and REM. Corporate governance, legal enforcement, assurance, CEO incentives, industry exposure, and shocks determine which pathway dominates. The framework also allows feedback: detection of greenwashing damages reputation and raises future monitoring, while credible reporting strengthens stakeholder support and the resources available for substantive CSR.

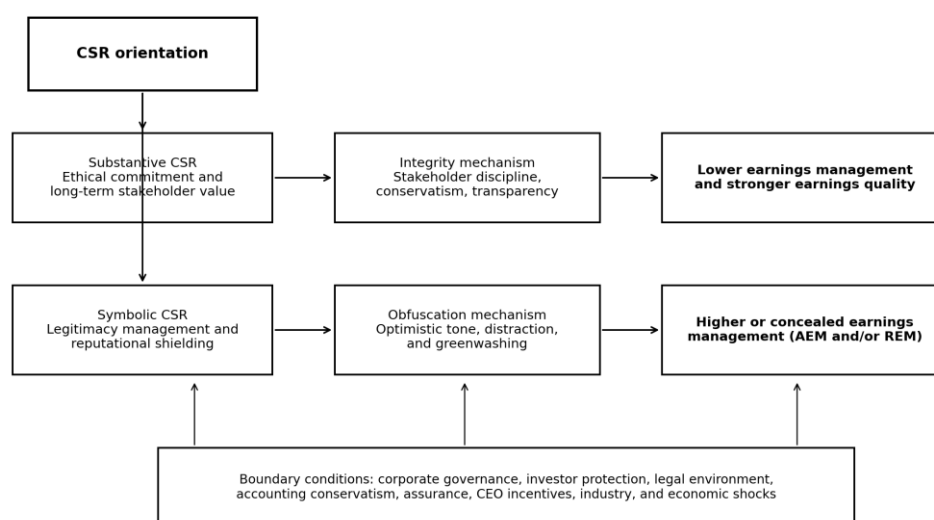


Figure 1. Dual-pathway framework linking CSR and earnings management

Future research should first measure CSR performance, disclosure, spending, and report tone separately and examine their alignment. Second, AEM and REM should be estimated simultaneously to identify strategy substitution. Third, longitudinal and quasi-experimental designs are needed to distinguish whether CSR reduces EM or whether firms with stronger reporting cultures adopt CSR. Fourth, external assurance, narrative credibility, and digital text analysis should be integrated with financial models. Fifth, research should test how CEO compensation, personal ethics, board power, and ownership influence the choice between substantive and symbolic CSR.

Additional comparative work is needed across common-law and civil-law systems, industries with different stakeholder salience, crisis and non-crisis periods, and emerging-market or Islamic governance settings. Studies of family businesses, MENA firms, Asian economies, and European companies show that institutional labels alone do not determine the result. More precise measures of enforcement, investor sophistication, assurance quality, and stakeholder power are required. Finally, future work should examine the consequences of detected greenwashing for cost of capital, innovation, litigation, executive turnover, and the long-term credibility of sustainability reporting.

5. CONCLUSIONS

This review explains the heterogeneous CSR-EM literature through two competing but context-dependent pathways. In the ethical-integrity pathway, substantive CSR reflects a long-term stakeholder orientation that supports transparency, accounting conservatism, and lower earnings manipulation. In the symbolic-obfuscation pathway, managers use CSR activity, disclosure intensity, or optimistic narrative tone to accumulate legitimacy and distract attention from opportunistic reporting. CSR therefore cannot be treated automatically as proof of earnings quality.

The apparent contradiction among studies is substantially reduced when constructs are separated. CSR performance is not equivalent to CSR disclosure, substantive responsibility is not equivalent to symbolic communication, and AEM is not equivalent to REM. Responsible firms may avoid REM because it damages operations and stakeholder relationships while still using accrual discretion. Conversely, strong audit control over accruals may shift manipulation toward real activities. Research and practice must therefore assess the full portfolio of reporting and operating choices.

Governance and institutions determine which pathway dominates. Investor protection, effective boards, external assurance, accounting conservatism, and credible information environments make CSR more difficult to use as camouflage. CEO incentives, industry visibility, financing pressure, and external shocks can strengthen either ethical discipline or opportunistic motivation. For investors and regulators, the practical implication is to evaluate consistency among CSR claims, verified outcomes, reporting tone, accrual quality, and real operating decisions.

The study is limited by its curated corpus of 25 publications, heterogeneous measures, mixed research designs, and the absence of a new meta-analysis. Several results are associations rather than causal estimates, and the corpus contains both primary studies and

synthesis papers. Even so, the dual-pathway framework provides a coherent explanation for conflicting evidence and identifies a clear methodological agenda: align constructs, measure AEM and REM jointly, validate CSR substance, and model governance and institutional conditions explicitly.

Overall, the dual pathway framework offers a coherent explanation for the conflicting evidence in the CSR earnings management literature and points to a clear methodological agenda. Future research should align CSR and earnings management constructs, measure AEM and REM jointly, validate CSR substance independently of disclosure, and explicitly model governance and institutional conditions. For practice, investors and regulators are encouraged to assess consistency among CSR claims, verified outcomes, reporting tone, accrual quality, and real operating decisions, rather than relying on CSR performance or disclosure alone as an indicator of earnings quality.

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