Breaking deals, counting the cost: CSR shortfall and M&A deal failure in the mandatory CSR framework

Journal of Asian Business and Economic Studies

Sulagna Bhattacharya
Department of Business Studies, NSHM Business School, NSHM Knowledge Campus, Kolkata, India

Received 7 October 2025
Revised 4 January 2026
7 March 2026
17 April 2026
28 April 2026
Accepted 29 April 2026

Abstract

Purpose – Existing M&A research predominantly focuses on deal success as an important outcome. This study investigates the underexplored phenomenon of deal failure by examining whether corporate social responsibility (CSR) shortfall by acquirers and targets and acquirer-target CSR asymmetry impacts the likelihood of deal abandonment within the unique setting of India's mandatory CSR regime. Reversing the conventional lens from deal success to deal failure, it highlights how CSR shortfall shapes the risk of broken deals in emerging markets.
Design/methodology/approach – Logistic and probit regressions are employed with year- and industry-fixed effects for 310 Indian M&A transactions (2015–2020). CSR shortfall is defined as the extent to which a firm's actual CSR spending falls below the statutory requirement.
Findings – CSR shortfall by private acquirers reduces deal failure likelihood, whereas it increases failure risk of publicly listed firms. Moreover, greater CSR asymmetry between acquirers and targets heightens the probability of deal abandonment, indicating that misaligned CSR orientations elevate the risk of M&A failure.
Practical implications – Managers should recognize CSR shortfall as a strategic risk factor. Aligning CSR spending levels and accounting for public visibility during deal planning can mitigate the risk of deal failure.
Originality/value – The author provides the first examination of CSR shortfall and CSR asymmetry as drivers of M&A failure in a mandatory CSR regime and shifts the focus from deal success to deal failure. This study extends CSR-M&A research beyond voluntary frameworks to a statutory spending environment.

Keywords Mergers and acquisitions, Corporate social responsibility, CSR shortfall, M&A failure, Mandatory CSR, India, CSR asymmetry
Paper type Research article

1. Introduction

Globally, corporate social responsibility (CSR) has become a key element of firms' sustainability-oriented strategies. India, a major emerging economy, exemplifies this trend; between financial years (FY) 2014–15 and 2022–23, Indian firms tripled their CSR spending [1]. Evidence suggests that CSR enhances stakeholder relationships and firm value (Hill and Jones, 1992), mitigates systematic and firm-specific risks and information asymmetry and bolsters firm performance (Becchetti *et al.*, 2015; Cui *et al.*, 2018; Ho *et al.*, 2024; Lins *et al.*, 2017). At the same time, excessive CSR spending may induce financial strain, divert resources from shareholders (Cronqvist *et al.*, 2009; Friedman, 2007) and heighten deal-related risks

JEL Classification — G34, G38, M48

Funding: The author did not receive any external funding for the research, authorship, and/or publication of this article.

Declaration of interest: The author declares that there are no known competing financial interests or personal relationships that could influence the work reported in this paper. There are no potential conflicts of interest with respect to the research, authorship, and/or publication of this article. There are no competing interests related to this work.

Journal of Asian Business and Economic Studies
Vol. 33 No. 2, 2026
pp. 67-80
Emerald Publishing Limited
2515-964X
DOI 10.1108/JABES-10-2025-0554

(Krüger, 2015). These contrasting potential benefits and costs of CSR make mergers and acquisitions (M&A) a suitable context for examining how CSR behavior influences M&A outcomes.

Prior research predominantly examines the linkage between CSR and M&A outcomes in voluntary CSR settings, where CSR spending is discretionary. However, within the Asian business landscape, India provides a distinctive institutional context: effective FY 2014–15, eligible firms are legally mandated to spend at least 2% of their average net profit on CSR [2]. Nevertheless, many firms spend less than the mandated amount, generating a measurable shortfall equal to the gap between required and actual CSR spending. The co-existence of a binding mandate and widespread shortfall offers a unique setting to study how compliance-linked CSR behavior affects M&A dynamics.

This study focuses specifically on pre-completion deal failure, defined as initiated M&A transactions that are withdrawn, terminated, or remain incomplete during the sample period. While prior studies often link CSR investment to deal completion (Bereskin *et al.*, 2018; Gomes, 2019), such an approach implicitly treats non-completion as a residual category, potentially overlooking the distinct processes that drive early termination. Deal failure represents a distinct event occurring between deal announcement and consummation and is typically driven by heightened risk perceptions, regulatory hurdles, or breakdowns in stakeholder alignment. In a mandatory CSR regime, a CSR shortfall can indicate weak governance, constrained financial flexibility, or limited regulatory commitment, factors that are particularly salient for firms under high investor scrutiny. Such signals are likely to influence withdrawal decisions during deal negotiations, making deal failure a meaningful outcome reflecting pre-completion informational and bargaining dynamics beyond what is observed in studies focusing solely on completed deals.

Against this backdrop, this study examines whether CSR shortfall by acquirers and targets, along with their CSR misalignment, influences deal failure. This misalignment is quantified through a measure called CSR asymmetry, calculated as the absolute difference between the acquirer's and target's CSR shortfalls, scaled by prior-year profits. Higher values indicate higher asymmetry between acquirer and buyer CSR activity. To the author's best knowledge, this is the first study to operationalize CSR asymmetry using CSR shortfalls within a legal compliance framework.

This study analyzes a sample of 310 domestic, non-financial M&A transactions (covering private-private, private-public and public-public ownership combinations) initiated between FY 2015–16 and FY 2019–20, using logistic and probit models. Our results reveal ownership-specific effects: CSR shortfall by private acquirers reduces the likelihood of deal failure, whereas shortfall by publicly listed firms increases failure risks, which potentially reflects greater visibility and stakeholder scrutiny. Furthermore, higher CSR asymmetry significantly raises the probability of deal failure, consistent with the challenges posed by strategic and cultural misalignment. These findings remain robust across a battery of additional tests.

Our research makes three primary contributions. First, it extends the CSR-M&A literature to the context of mandatory CSR regulation. While prior studies, including those examining the role of CSR in influencing M&A outcomes, have predominantly focused on voluntary CSR environments, this study examines how CSR behavior affects deal outcomes when CSR spending is legally required. This provides new insights into CSR's role in shaping strategic corporate decisions under a binding regulatory framework. Second, it introduces a novel measure of CSR shortfall. By capturing the gap between required and actual CSR expenditure, this measure reflects firms' compliance behavior and potential governance or financial constraints, providing a new lens through which CSR engagement can be analyzed in regulated contexts. Third, it demonstrates that CSR asymmetry significantly influences M&A outcomes in a mandatory CSR framework. Our findings highlight how differences in CSR compliance may signal strategic and cultural misalignment between firms, thereby shaping the likelihood of deal failure.

The remainder of the paper is organized as follows: Section 2 develops the theoretical framework and hypotheses, Section 3 describes the data and variables, Section 4 presents empirical results, Section 5 reports robustness checks and Section 6 concludes.

2. Theoretical background and hypotheses development

M&A outcomes are traditionally attributed to deal-specific and organizational factors, including transaction size, payment structure and cultural fit (Caiazza and Pozzolo, 2016). This study extends this literature by introducing CSR behavior, specifically CSR shortfall, as a novel determinant of deal failure.

The theoretical impact of CSR on firm value remains a subject of scholarly debate. One school of thought views CSR as an intangible resource that fosters reputation and stakeholder trust (Brammer *et al.*, 2006; Chen *et al.*, 2023; Godfrey, 2005), acting as an "insurance-like" mechanism that mitigates risk during high-stakes corporate events (Becchetti *et al.*, 2015; Lins *et al.*, 2017). Conversely, the shareholder expense theory (Friedman, 2007) posits that CSR spending can be value-destructive if it diverts critical resources from core business operations (Cronqvist *et al.*, 2009). Furthermore, some empirical evidence suggests a neutral or context-dependent relationship between CSR and performance (Karwayati *et al.*, 2020; Vishwanathan *et al.*, 2020), necessitating a more granular examination of institutional settings.

To explain how CSR shortfall influences M&A outcomes, this study draws on signaling theory (Spence, 1973), which posits that observable firm actions convey information about unobservable characteristics to external stakeholders. In the context of M&As, CSR-related decisions may function as signals reflecting firms' financial discipline, resource allocation decisions and underlying constraints, thereby shaping stakeholder perceptions of deal-related risk.

2.1 CSR shortfall and deal failure

The overinvestment perspective argues that excessive CSR spending may reflect managerial "empire building," where managers pursue social reputation at the expense of shareholder wealth (Barnea and Rubin, 2010; Cronqvist *et al.*, 2009). In a mandatory CSR regime, this concern is amplified, since CSR spending represents a legally binding cash outflow rather than a discretionary investment.

Emerging research suggests that the benefits of CSR diminish and may even turn negative beyond certain thresholds (Shi *et al.*, 2022; Utz, 2018). Within India's mandatory framework, evidence indicates that spending beyond the statutory requirements can reduce shareholder returns (Beloskar and Rao, 2022). Such excessive commitments may impose financial rigidities. These constraints are particularly pronounced during M&As, where financial slack is vital for absorbing negotiation costs, regulatory delays and integration uncertainties.

Existing research indicates that acquiring targets with high CSR spending reduces acquirers' abnormal returns (Meckl and Theuerkorn, 2015). It suggests that heavy CSR commitments may signal reduced capacity to manage deal-related risks as internal capital available for financing the transactions declines, potentially increasing execution risk and shareholder opposition (Crisóstomo *et al.*, 2011; Luypaert and De Maeseneire, 2015). Therefore, a CSR shortfall may be perceived as a form of resource optimization. By limiting non-core expenditures, firms preserve the liquidity required to facilitate complex negotiations and reduce the likelihood of deal abandonment (Dikova *et al.*, 2010; Fairhurst and Greene, 2022). From a signaling perspective, such a shortfall may convey prudent capital allocation and financial flexibility to external stakeholders, thereby reducing perceived deal-related risk.

Based on the preceding discussion, our first hypothesis follows.

H1A. CSR shortfall by acquirers and targets is negatively associated with the likelihood of deal failure.

However, the implications of a shortfall may be moderated by ownership structure. According to signaling theory (Spence, 1973), stakeholders rely on observable indicators to infer unobservable firm characteristics. For private firms, which operate under lower visibility and limited public monitoring, a CSR shortfall is likely interpreted as a pragmatic internal resource-allocation decision. This allows them to benefit from capital preservation without incurring reputational penalties.

In contrast, publicly listed firms face rigorous disclosure requirements and heightened visibility (Boone and Mulherin, 2007). In this context, a shortfall may be scrutinized as a signal of suboptimal governance or underlying financial distress (Cui *et al.*, 2018; Waqar and Ma, 2024). Such negative interpretations can exacerbate stakeholder anxiety, trigger regulatory scrutiny and heighten execution risk (Dikova *et al.*, 2010). Thus, for public firms, the signaling costs of a shortfall are likely to outweigh the liquidity advantages.

Consistent with these signaling considerations, our next hypothesis follows.

H1B. The negative association between CSR shortfall and deal failure reverses for publicly listed acquirers and targets, such that CSR shortfall by public firms is positively associated with deal failure likelihood.

2.2 CSR asymmetry and deal failure

Extending the discussion from individual firm CSR behavior, the alignment of CSR practices between acquirers and targets is considered next, which may signal cultural and strategic compatibility and influence deal outcomes. CSR is often viewed as a reflection of corporate culture and organizational values (Kreps, 1990). Building on this perspective, similar CSR practices between an acquirer and its target serve as a proxy for cultural and strategic alignment (Gao *et al.*, 2014; Hoi *et al.*, 2013). In voluntary settings, cultural alignment facilitates trust, reduces integration frictions and improves the likelihood of deal completion (Alexandridis *et al.*, 2012; Bereskin *et al.*, 2018; Li, 2016). Conversely, CSR asymmetry, reflecting divergence in CSR practices between acquirers and targets, can impede coordination and heighten stakeholder uncertainty (Chatterji *et al.*, 2009; Hawn and Ioannou, 2016). In line with signaling theory, such asymmetry may convey misalignment in organizational values and strategic priorities to external stakeholders.

On the other hand, during M&As, greater asymmetry may signal misalignment in risk preferences, governance standards and strategic priorities. This complicates deal negotiations and increases perceived integration risks (Bereskin *et al.*, 2018; Stahl and Voigt, 2008), leading stakeholders to view the transaction as high-risk and susceptible to conflict.

Given these potential coordination and integration challenges, this study hypothesizes that greater CSR asymmetry between an acquirer and its target increases the likelihood of deal failure.

H2. Acquirer-target CSR asymmetry is positively associated with the likelihood of deal failure.

3. Data and variables

3.1 Sample and data sources

M&A transaction data were obtained from the London Stock Exchange Group's (LSEG) Eikon M&A database. CSR and financial data were hand-collected from the National CSR Portal (Government of India) and the Centre for Monitoring Indian Economy (CMIE) ProwessIQ database, consistent with established literature on the Indian corporate sector. Indian economic growth data were drawn from the Reserve Bank of India.

The sample spans FY 2015–16 to FY 2019–20, covering M&A activity immediately following the implementation of India's mandatory CSR regulation while excluding the

COVID-19 period to mitigate pandemic-related structural distortions. From an initial set of 5,473 domestic deals, several filters were applied: 733 government-led transactions and joint ventures, and 168 buybacks, tender offers and recapitalizations were excluded. Furthermore, deals where acquirers or targets were not subject to the CSR mandate (see Endnote 2) were eliminated. After matching the remaining deals with available CSR and financial data, 372 transactions were identified. Finally, consistent with the standard M&A literature, 62 financial-sector deals were excluded, yielding a final sample of 310 domestic non-financial M&A transactions. Since the mandate applies across ownership structures, our sample includes both private and public firms.

3.2 Variable definitions

3.2.1 Dependent variable. The dependent variable, *Fail*, is a binary indicator equal to 1 if an initiated M&A transaction was abandoned, terminated, or withdrawn; and 0 otherwise. Deal outcomes are identified using the "Deal Status" field in the LSEG Eikon database.

3.2.2 Independent variables. The primary predictors capture CSR shortfall and asymmetry in the year preceding deal initiation (t−1). *Tgt_Shortfall* and *Acq_Shortfall* denote the CSR shortfall for targets and acquirers, respectively. Each is calculated as the gap between mandated and actual CSR spending, scaled by the firm's prior-year net income. *Asymmetry* quantifies the misalignment between the target and acquirer, calculated as the absolute difference between *Tgt_Shortfall* and *Acq_Shortfall*. This metric focuses on the magnitude of cultural and strategic divergence rather than the direction of the shortfall.

3.2.3 Control variables. Consistent with the CSR-M&A literature, both macroeconomic and firm-level factors are controlled. *Eco_Growth* reflects India's annual real GDP growth rate (Kumar *et al.*, 2023). *Deal_Size* is measured as the natural logarithm of the announced transaction value (in INR billion) to account for the scale of the transaction (Hark and Schneider, 2025).

Firm-level controls include leverage (*Tgt_Lev*, *Acq_Lev*), return on assets (*Tgt_ROA*, *Acq_ROA*) and firm size (*Tgt_Size*, *Acq_Size*), measured as the natural logarithm of total assets in INR billion. Finally, ownership structure is accounted for using binary variables for public listing status (*Tgt_Pub*, *Acq_Pub*) (Masulis *et al.*, 2007; Travlos, 1987).

4. Results and analysis

4.1 Univariate analysis

The sample description, summary statistics and the correlation matrix are detailed in Tables A1–A3 in the Online Appendix. The variance inflation factors (VIF), as reported in the result tables, remain below the threshold of 10, indicating that multicollinearity is not a concern (Kennedy, 2008).

4.2 Multivariate analysis

The likelihood of deal failure is estimated using logistic and probit regression models with industry- and year-fixed effects to account for unobserved heterogeneity. Robust standard errors were used to mitigate potential heteroskedasticity. The binary dependent variable, *Fail*, equals 1 for abandoned or terminated transactions and 0 otherwise. Subscripts *i*, *j* and *t* denote the acquirer firm, target firm and deal-initiation year, respectively. All independent and control variables, defined in Section 3.2, are lagged by one year (t−1) relative to the deal announcement.

4.2.1 CSR shortfall and deal failure. Hypotheses H1A and H1B are tested using the following empirical specification:

$$
\begin{aligned}
\mathbf{Fail_t} = {} & \beta_0 + \beta_1\,\text{Tgt\_Shortfall}_{j,t-1} + \beta_2\,\text{Acq\_Shortfall}_{i,t-1} \\
& + \beta_3\,\text{Tgt\_Shortfall}_{j,t-1} \times \text{Tgt\_Pub}_{j,t-1} + \beta_4\,\text{Acq\_Shortfall}_{i,t-1} \times \text{Acq\_Pub}_{i,t-1} \\
& + \beta_5\,\text{Tgt\_Pub}_{j,t-1} + \beta_6\,\text{Acq\_Pub}_{i,t-1} + \beta_7\,\text{Eco\_Growth}_t + \beta_8\,\text{Deal\_Size}_t \\
& + \beta_9\,\text{Tgt\_Lev}_{j,t-1} + \beta_{10}\,\text{Tgt\_ROA}_{j,t-1} + \beta_{11}\,\text{Tgt\_Size}_{j,t-1} + \beta_{12}\,\text{Acq\_Lev}_{i,t-1} \\
& + \beta_{13}\,\text{Acq\_ROA}_{i,t-1} + \beta_{14}\,\text{Acq\_Size}_{i,t-1} + \mu\,(\text{Year FE, Industry FE}) + \varepsilon_{i,j,t} \qquad (1)
\end{aligned}
$$

The interaction terms (*Tgt_Shortfall* × *Tgt_Pub*) and (*Acq_Shortfall* × *Acq_Pub*) examine whether the effect of CSR shortfall on deal failure is moderated by the public listing status of the target or acquirer. These terms capture whether a shortfall poses heightened execution risk when either firm is publicly listed, focusing on the marginal effects of public visibility rather than modeling all possible ownership combinations (public-public, public-private, private-private). This specification isolates the key signaling and visibility mechanisms relevant to our hypotheses while keeping the model parsimonious and interpretable.

Table 1 presents the logistic and probit estimates. The negative and significant coefficient of *Acq_Shortfall* indicates that for private acquirers, a greater CSR shortfall is associated with a significantly lower probability of deal failure. Specifically, a one-unit increase in private acquirers' shortfall reduces the odds of deal failure by 12.2% [3]. This finding aligns with the inherent financial characteristics of privately held firms, which typically face higher costs of

Table 1. CSR underinvestment and deal failure likelihood

DV: *Fail*	Logistic Coeff.	S.E.	Probit Coeff.	S.E.	VIF
Tgt_Shortfall	−0.416	(0.265)	−0.257*	(0.145)	1.070
Acq_Shortfall	−0.130**	(0.064)	−0.077**	(0.037)	1.060
Tgt_Pub	0.401	(0.349)	0.259	(0.211)	1.190
Tgt_Shortfall × Tgt_Pub	0.452*	(0.267)	0.280*	(0.146)	–
Acq_Pub	−0.541	(0.395)	−0.327	(0.232)	1.080
Acq_Shortfall × Acq_Pub	0.900**	(0.366)	0.548**	(0.217)	–
Eco_Growth	−3.220***	(0.989)	−2.001***	(0.604)	1.050
Deal_Size	−0.040**	(0.016)	−0.025***	(0.009)	1.100
Tgt_Lev	0.078	(0.106)	0.048	(0.066)	1.050
Tgt_ROA	0.001	(0.011)	0.001	(0.007)	1.170
Tgt_Size	−0.070	(0.080)	−0.047	(0.048)	1.470
Acq_Lev	0.081	(0.154)	0.049	(0.092)	1.180
Acq_ROA	−0.001	(0.014)	−0.001	(0.008)	1.100
Acq_Size	0.158	(0.072)	0.099**	(0.044)	1.370
Constant	20.316***	(6.977)	12.682***	(4.285)	–
Model diagnostics					
Observations	310		310		
Pseudo-R^2	0.123		0.124		
Log-pseudolikelihood	−185.430		−185.213		
LR-χ2 (df = 14)	145.360***		145.790***		
Prob > LR-χ2	0.000		0.000		
Wald-χ2 (df = 14)	47.450***		51.820***		
Prob > Wald-χ2	0.000		0.000		
Industry and year FE	Yes		Yes		

Note(s): Table 1 presents the effects of CSR underinvestment on M&A deal failure for non-financial deals, estimated using equation (1). VIF scores not reported for interaction terms and intercepts. Robust standard errors are reported in parentheses. *, ** and *** indicate significance of 10%, 5% and 1% respectively

Source(s): Author's calculations

external financing and greater sensitivity to liquidity constraints than their public counterparts (Brav, 2009). Consistent with Farre-Mensa (2011), who posits that private firms prioritize internal liquidity to fund growth opportunities, our result suggests that CSR shortfall may serve as a discretionary mechanism for internal capital preservation. By reducing non-core cash outflows, private acquirers maintain the financial slack necessary for deal execution. In a setting characterized by lower public visibility, this liquidity benefit appears to outweigh reputational costs, thereby mitigating execution risk.

Conversely, the positive and significant coefficients for the interaction terms suggest that a CSR shortfall by publicly listed targets and acquirers increases the odds of deal failure by 57.1% and 116.0%, respectively [4]. These asymmetric effects are consistent with the heightened informational visibility and signaling costs associated with public firms (Dikova *et al.*, 2010). For these firms, any deviation from regulatory mandates, such as a CSR shortfall, is highly observable. In M&A negotiations, such deviations may be interpreted by counterparties as signals of governance weakness or inherent financial distress (Cao *et al.*, 2023; Servaes and Tamayo, 2013), ultimately undermining deal credibility and risking completion.

Among control variables, the negative coefficients for *Eco_Growth* and *Deal_Size* indicate that deal failure is less likely during stronger economic growth and for larger transactions, corroborating prior evidence (Aktas *et al.*, 2011; Harford, 2005; Moeller *et al.*, 2004). Probit estimates further reveal that larger acquirers are more susceptible to deal failure (*Acq_Size* > 0), likely reflecting greater integration complexity and organizational frictions (Haleblian *et al.*, 2009). The non-significance of other financial controls suggests that under India's mandatory regime, deal completion is more sensitive to non-financial signals such as CSR behavior and ownership visibility than to traditional accounting metrics (Chakrabarty and Wang, 2012; Ott, 2020).

Model diagnostics, including the Likelihood Ratio (LR) and Wald Statistic ($p < 0.001$), confirm the model's strong joint explanatory power and overall fit. In sum, the results support H1, demonstrating that the impact of CSR shortfall on deal failure is contingent on the firms' public listing status.

4.2.2 CSR asymmetry and deal failure. The following empirical specification is used to test H2.

$$\begin{aligned}\mathbf{Fail_t} = {} & \beta_0 + \beta_1\,\text{Asymmetry}_{i,t,t-1} + \beta_2\,\text{Eco\_Growth}_t + \beta_3\,\text{Deal\_Size}_t + \beta_4\,\text{Tgt\_Lev}_{j,t-1} \\ & + \beta_5\,\text{Tgt\_ROA}_{j,t-1} + \beta_6\,\text{Tgt\_Size}_{j,t-1} + \beta_7\,\text{Acq\_Lev}_{i,t-1} + \beta_8\,\text{Acq\_ROA}_{i,t-1} \\ & + \beta_9\,\text{Acq\_Size}_{i,t-1} + \beta_{10}\,\text{Related}_{i,j,t-1} + \mu\,(\text{Year FE}, \text{Industry FE}) + \varepsilon_{i,j,t} \qquad (2)\end{aligned}$$

To ensure that CSR asymmetry captures firm-level misalignment rather than systematic differences across industries, the acquirer-target industry-relatedness is controlled for (Bereskin *et al.*, 2018; Li, 2016) using the dummy variable *Related*, coded as 1 if the last two digits of the National Industrial Classification (NIC) codes [5] of the targets and acquirers match, and 0 otherwise. Prior research suggests that industrial relatedness significantly influences strategic fit and value creation (Ho *et al.*, 2025), making it a relevant control for assessing the impact of CSR-specific misalignment.

Table A4, presented in the Online Appendix, reports the results. The coefficient of *Asymmetry* is positive and statistically significant, indicating that greater divergence in CSR behavior between the acquirers and the target increases the probability of deal failure. Economically, a one-unit increase in CSR asymmetry raises the odds of deal failure by 1.2%.

This finding aligns with the perspective that CSR serves as a proxy for organizational values and strategic orientation (Li, 2016). High CSR asymmetry signals a misalignment in sustainability priorities, which can complicate deal negotiations and heighten concerns regarding post-acquisition integration. Consequently, greater CSR asymmetry increases the risk of pre-completion withdrawal or abandonment (Bereskin *et al.*, 2018; Stahl and Voigt, 2008). Conversely, lower CSR asymmetry reflects aligned CSR orientations, which mitigate strategic and cultural frictions, facilitate stakeholder coordination and enhance integration prospects, thereby mitigating deal failure risk (Li, 2016).

The effects of the control variables remain consistent with the patterns observed in the testing of H1. Model diagnostics, including the Likelihood Ratio and Wald tests ($p < 0.001$), indicate robust overall fit and joint explanatory power.

Collectively, these results provide strong support for H2, demonstrating that both the magnitude of the CSR shortfall and the alignment of CSR practices are crucial determinants of M&A outcomes within India's mandatory regulatory framework.

5. Robustness check

To ensure the stability and validity of our primary findings, several sensitivity analyses were performed. The logistic and corresponding probit estimates are presented in Tables A5–A7 and A10–A12, respectively (Online Appendix).

5.1 Generalization: inclusion of financial-sector deals

While our baseline analysis excludes financial firms due to their distinct regulatory environment, India's mandatory CSR regulation applies uniformly across industries. Equations (1) and (2) are re-estimated after including financial-sector transactions [6] in the sample. The results, reported in Table A5 (Online Appendix), remain consistent with baseline estimates: CSR shortfalls among public firms and CSR asymmetry continue to be positively and significantly associated with deal failure. This confirms that ownership-based heterogeneity and CSR alignment act as key determinants of M&A failure across industries.

5.2 Sub-sample analyses

To further evaluate the robustness of our results, several sub-sample analyses were performed, focusing on structural and firm-specific heterogeneity. First, the subsample of only acquisitions is examined to account for potential structural differences between mergers and acquisitions (Alexandridis *et al.*, 2012). Table A6 (Online Appendix) reveals that the results align with our baseline estimates.

Second, transactions involving "young" firms, defined as those with an operating age below the sample median (23 years for targets and 24 years for acquirers) are analyzed. Younger firms typically face both higher information asymmetry and integration uncertainty due to limited disclosure history (Cefis and Marsili, 2005). The results in Table A7 (Online Appendix) remain robust: CSR shortfalls by public acquirers and CSR asymmetry significantly elevate the risk of deal abandonment. These findings suggest that CSR misalignment exacerbates integration challenges even when firms are in earlier stages of their organizational lifecycle.

5.3 Endogeneity

Potential endogeneity is addressed using a combination of lagged predictors (Jan *et al.*, 2021) and a two-stage residual inclusion (2SRI) approach, which is appropriate for nonlinear models such as logistic regression (Terza *et al.*, 2008).

In the first stage, target and acquirer CSR shortfalls (*Tgt_Shortfall* and *Acq_Shortfall*) are estimated using OLS regressions, instrumented by firm age (*Tgt_Age* and *Acq_Age*, respectively). Prior evidence suggests that firm age is unlikely to directly influence M&A outcomes (Tunyi and Ntim, 2016) but can significantly impact CSR engagement. Older firms are typically more profitable (Warusawitharana, 2018) and possess greater financial resources to allocate toward CSR, which may reduce the likelihood of a shortfall.

Table A8 (Online Appendix) reports the first- and second-stage results. The 2SRI estimates are consistent with the baseline results, with the CSR shortfall and its interaction terms retaining their sign and statistical significance.

In the first stage, both instruments are positive and significant predictors of CSR shortfall. The corresponding F-statistics exceed the conventional threshold of 10, confirming instrument relevance (Staiger and Stock, 1997). In the second stage, deal failure (*Fail*) is estimated using a logistic model that includes the CSR shortfalls, their interaction with public status (*Tgt_Shortfall* × *Tgt_Public* and *Acq_Shortfall* × *Acq_Public*) and the corresponding first-stage residuals. The first-stage residuals are statistically insignificant, suggesting that endogeneity does not substantially bias our primary estimates.

5.4 Directional CSR asymmetry

To examine whether the impact of CSR asymmetry is contingent upon whether the target or the acquirer has a greater shortfall (Li, 2016), a binary variable, *Acq_Higher,* is constructed, which equals 1 if the acquirer's CSR shortfall exceeds the target's shortfall, and 0 otherwise. This variable interacts with *Asymmetry.*

Table A9 (Online Appendix) reveals that the main effect of *Asymmetry* remains positive and significant, confirming that the magnitude of CSR misalignment contributes to deal failure risk. The positive and significant interaction term further suggests that deal failure is more likely when the acquirer's shortfall is greater than the target's. Consistent with Graebner (2009), a substantial CSR shortfall by the acquirer may be interpreted by the target's board as a signal of weak commitment to social or regulatory norms. Within India's mandatory regime, such deviations are viewed as adverse indicators of governance quality, increasing stakeholder caution and precipitating pre-completion withdrawal.

6. Conclusion and future research

This study investigates how CSR shortfalls by acquirers and targets, and the resulting misalignment in their CSR practices influence the likelihood of M&A deal failure within the unique institutional context of India's mandatory CSR regime. Unlike most prior research, which focuses on deal completion, this study focuses on pre-completion deal failure, defined as initiated transactions that are withdrawn, terminated, or remain incomplete during the sample period. Crucially, deal failure is not merely the inverse of completion but reflects distinct breakdowns in negotiation, coordination and stakeholder alignment that occur prior to transaction closure. By examining failure as a separate outcome, capture these pre-completion informational and bargaining frictions are captured more directly, offering insights that complement studies focused on completed deals. This distinct outcome embodies counterparties' assessments of execution risk, governance and strategic alignment following deal announcement, highlighting that under regulatory scrutiny, both the magnitude and alignment of CSR compliance are pivotal in shaping M&A outcomes.

Our findings reveal that the impact of a CSR shortfall is contingent on a firm's public listing status. For publicly listed entities, stringent disclosure requirements and heightened visibility render shortfalls more conspicuous to external stakeholders. Consistent with signaling theory, these deviations are associated with higher perceived deal-related risk and an increased probability of failure. Conversely, for private firms, where CSR behavior is less observable, the signal is weaker and more likely to be interpreted as a liquidity-preserving decision, which is associated with a lower likelihood of deal failure.

Furthermore, the results demonstrate that CSR asymmetry, defined as the divergence in compliance levels between the acquirer and target, significantly elevates the probability of deal abandonment. Our directional analysis indicates this effect is particularly pronounced when the acquirer exhibits a larger shortfall than the target. This suggests that substantial CSR misalignments may undermine the target board's confidence and complicate negotiations during the critical pre-completion phase. Robustness checks, including alternative specifications, sub-sample analyses and endogeneity adjustments using the 2SRI approach, confirm the stability of these results.

From a managerial perspective, our results highlight CSR spending as a strategic consideration in M&A negotiations. Managers should assess CSR alignment with potential partners and consider both firm-level CSR shortfall and misalignment early in the deal process, as these factors can shape counterparties' risk perceptions and affect deal credibility. For policymakers, the study demonstrates that India's mandatory CSR framework influences corporate behavior not only through formal compliance requirements but also via stakeholder scrutiny, reinforcing the governance role of mandated CSR in strategic corporate decisions.

Despite its contributions, this study has limitations. First, deal failure can be influenced by unobservable factors, such as valuation disagreements or competing bids. Second, our focus on pre-deal CSR spending may not fully capture short-term adjustments following deal announcements. Third, while examining the role of the public listing status of firms, this study does not explicitly differentiate between distinct ownership combinations, such as public-public or mixed-ownership deals. Future research could explore whether signaling effects vary across these ownership combinations. Finally, while India provides the first such setting for studying mandatory CSR regimes, future studies could investigate whether these mechanisms operate in cross-border M&As or in other emerging markets with comparable regulatory frameworks.

Declaration of AI usage

The author used ChatGPT (GPT-5.3 model) and Gemini (Version 1.5/3.0) to copy-edit the manuscript for language clarity, academic tone, spelling, and grammatical precision. The AI tools were used solely to refine the authors' original existing work; no part of the manuscript, including the abstract, literature review, or data analysis, was generated by the AI. The author has reviewed and edited all outputs and takes full responsibility for the accuracy and integrity of the final work.

Declaration of prior presentation/pre-print

An earlier version of this manuscript was presented at the International Conference on Financial Markets and Corporate Finance (ICFMCF 2025), hosted by the Indian Institute of Technology (IIT) on 28–29 June 2025. This work has not been published in any conference proceedings, nor is it available in any preprint repository.

Notes

1. Data source: National CSR Portal, Government of India. https://www.csr.gov.in/content/csr/global/master/home/home.html.
2. Eligibility criteria for mandatory CSR (effective FY 2014–15): Firms with a minimum net worth of INR 5 billion, turnover of INR 10 billion, or net profit of INR 50 million must spend 2% of the preceding three years' average net profits on CSR.
3. Coefficient of *Acq_Shortfall* $= -0.130$ with odds ratio (OR) $= e^{-0.130} = 0.878$. A one-unit increase in the acquirer's shortfall reduces the odds of deal failure by $(1 - 0.878) = 12.2\%$.
4. Net logistic coefficient for (*Acq_Shortfall* $\times$ *Acq_Pub*) $= -0.130 + 0.900 = 0.770$. Corresponding net OR $= e^{0.770} = 2.160$. A one-unit increase in public acquirers' shortfall increases deal failure likelihood by $(2.160 - 1) = 116.0\%$. Other calculations are derived similarly.
5. The National Industrial Classification (NIC) system in India classifies firms into standardized industry categories, allowing us to identify whether the acquirer and target operate in similar industries.
6. Financial-sector transactions are defined as those involving one or more parties from the banking, insurance, or financial services industries.

Supplementary material

The supplementary material for this article can be found online.

References

Aktas, N., De Bodt, E. and Cousin, J.G. (2011), "Do financial markets care about SRI? Evidence from mergers and acquisitions", *Journal of Banking and Finance*, Vol. 35 No. 7, pp. 1753-1761, doi: 10.1016/j.jbankfin.2010.12.006.

Alexandridis, G., Mavrovitis, C.F. and Travlos, N.G. (2012), "How have M&As changed? Evidence from the sixth merger wave", *The European Journal of Finance*, Vol. 18 No. 8, pp. 663-688, doi: 10.1080/1351847X.2011.628401.

Barnea, A. and Rubin, A. (2010), "Corporate social responsibility as a conflict between owners", *Journal of Business Ethics*, Vol. 97 No. 1, pp. 71-86, doi: 10.1007/s10551-010-0496-z.

Becchetti, L., Ciciretti, R. and Hasan, I. (2015), "Corporate social responsibility, stakeholder risk, and idiosyncratic volatility", *Journal of Corporate Finance*, Vol. 35, pp. 297-309, doi: 10.1016/j.jcorpfin.2015.09.007.

Beloskar, V.D. and Rao, S.N. (2022), "Corporate social responsibility: is too much bad?-Evidence from India", *Asia-Pacific Financial Markets*, Vol. 29 No. 2, pp. 221-252, doi: 10.1007/s10690-021-09347-3.

Bereskin, F., Byun, S.K., Officer, M.S. and Oh, J.M. (2018), "The effect of cultural similarity on mergers and acquisitions: evidence from corporate social responsibility", *Journal of Financial and Quantitative Analysis*, Vol. 53 No. 5, pp. 1995-2039, doi: 10.1017/S0022109018000716.

Boone, A.L. and Mulherin, J.H. (2007), "How are firms sold?", *The Journal of Finance*, Vol. 62 No. 2, pp. 847-875, doi: 10.1111/j.1540-6261.2007.01225.x.

Brammer, S., Brooks, C. and Pavelin, S. (2006), "Corporate social performance and stock returns: UK evidence from disaggregate measures", *Financial Management*, Vol. 35 No. 3, pp. 97-116, doi: 10.1111/j.1755-053X.2006.tb00149.x.

Brav, O. (2009), "Access to capital, capital structure, and the funding of the firm", *The Journal of Finance*, Vol. 64 No. 1, pp. 263-308, doi: 10.1111/j.1540-6261.2008.01434.x.

Caiazza, S. and Pozzolo, A.F. (2016), "The determinants of failed takeovers in the banking sector: deal or country characteristics?", *Journal of Banking and Finance*, Vol. 72, Supplement, pp. S92-S103, doi: 10.1016/j.jbankfin.2016.04.011.

Cao, Y., Kiesel, F. and Leung, H. (2023), "The information value of M&A press releases", *Journal of Corporate Finance*, Vol. 82, 102465, doi: 10.1016/j.jcorpfin.2023.102465.

Cefis, E. and Marsili, O. (2005), "A matter of life and death: innovation and firm survival", *Industrial and Corporate Change*, Vol. 14 No. 6, pp. 1167-1192, doi: 10.1093/icc/dth081.

Chakrabarty, S. and Wang, L. (2012), "The long-term sustenance of sustainability practices in MNCs: a dynamic capabilities perspective of the role of R&D and internationalization", *Journal of Business Ethics*, Vol. 110 No. 2, pp. 205-217, doi: 10.1007/s10551-012-1422-3.

Chatterji, A.K., Levine, D.I. and Toffel, M.W. (2009), "How well do social ratings actually measure corporate social responsibility?", *Journal of Economics and Management Strategy*, Vol. 18 No. 1, pp. 125-169, doi: 10.1111/j.1530-9134.2009.00210.x.

Chen, X., Liang, X. and Wu, H. (2023), "Cross-border mergers and acquisitions and CSR performance: evidence from China", *Journal of Business Ethics*, Vol. 183 No. 1, pp. 255-288, doi: 10.1007/s10551-021-05025-6.

Crisóstomo, V.L., de Souza Freire, F. and Vasconcellos Cortes de, F. (2011), "Corporate social responsibility, firm value and financial performance in Brazil", *Social Responsibility Journal*, Vol. 7 No. 2, pp. 295-309, doi: 10.1108/17471111111141549.

Cronqvist, H., Heyman, F., Nilsson, M., Svaleryd, H. and Vlachos, J. (2009), "Do entrenched managers pay their workers more?", *The Journal of Finance*, Vol. 64 No. 1, pp. 309-339, doi: 10.1111/j.1540-6261.2008.01435.x.

Cui, J., Jo, H. and Na, H. (2018), "Does corporate social responsibility affect information asymmetry?", *Journal of Business Ethics*, Vol. 148 No. 3, pp. 549-572, doi: 10.1007/s10551-015-3003-8.

Dikova, D., Sahib, P.R. and van Witteloostuijn, A. (2010), "Cross-border acquisition abandonment and completion: the effect of institutional differences and organizational learning in the international business service industry, 1981-2001", *Journal of International Business Studies*, Vol. 41 No. 2, pp. 223-245, doi: 10.1057/jibs.2009.10.

Fairhurst, D.D. and Greene, D.T. (2022), "Too much of a good thing? Corporate social responsibility and the takeover market", *Journal of Corporate Finance*, Vol. 73, 102172, doi: 10.1016/j.jcorpfin.2022.102172.

Farre-Mensa, J. (2011), "Why are most firms privately held?", *Paper Presented at the 38th Annual Meetings of the European Finance Association (EFA)*, Stockholm, 17 August-20, available at: http://efa2011.efa-online.org/fisher.osu.edu/blogs/efa2011/files/CFE_9_2.pdf (accessed 15 April 2026).

Friedman, M. (2007), "The social responsibility of business is to increase its profits", in Zimmerli, W.C., Holzinger, M. and Richter, K. (Eds), *Corporate Ethics and Corporate Governance*, Springer, Berlin Heidelberg, pp. 173-178, doi: 10.1007/978-3-540-70818-6_14.

Gao, F., Lisic, L.L. and Zhang, I.X. (2014), "Commitment to social good and insider trading", *Journal of Accounting and Economics*, Vol. 57 Nos 2-3, pp. 149-175, doi: 10.1016/j.jacceco.2014.03.001.

Godfrey, P.C. (2005), "The relationship between corporate philanthropy and shareholder wealth: a risk management perspective", *Academy of Management Review*, Vol. 30 No. 4, pp. 777-798, doi: 10.5465/amr.2005.18378878.

Gomes, M. (2019), "Does CSR influence M&A target choices?", *Finance Research Letters*, Vol. 30, pp. 153-159, doi: 10.1016/j.frl.2018.09.011.

Graebner, M.E. (2009), "Caveat venditor: trust asymmetries in acquisitions of entrepreneurial firms", *Academy of Management Journal*, Vol. 52 No. 3, pp. 435-472, doi: 10.5465/amj.2009.41330413.

Haleblian, J., Devers, C.E., McNamara, G., Carpenter, M.A. and Davison, R.B. (2009), "Taking stock of what we know about mergers and acquisitions: a review and research agenda", *Journal of Management*, Vol. 35 No. 3, pp. 469-502, doi: 10.1177/0149206308330554.

Harford, J. (2005), "What drives merger waves?", *Journal of Financial Economics*, Vol. 77 No. 3, pp. 529-560, doi: 10.1016/j.jfineco.2004.05.004.

Hark, P.F. and Schneider, C. (2025), "Does the CAPM drive misvaluations in M&As?", *Journal of Business Economics*, Vol. 95 No. 2, pp. 427-463, doi: 10.1007/s11573-024-01216-5.

Hawn, O. and Ioannou, I. (2016), "Mind the gap: the interplay between external and internal actions in the case of corporate social responsibility", *Strategic Management Journal*, Vol. 37 No. 13, pp. 2569-2588, doi: 10.1002/smj.2464.

Hill, C.W.L. and Jones, T.M. (1992), "Stakeholder-agency theory", *Journal of Management Studies*, Vol. 29 No. 2, pp. 131-154, doi: 10.1111/j.1467-6486.1992.tb00657.x.

Ho, L., Nguyen, V.H. and Dang, T.L. (2024), "ESG and firm performance: do stakeholder engagement, financial constraints and religiosity matter?", *Journal of Asian Business and Economic Studies*, Vol. 31 No. 4, pp. 263-276, doi: 10.1108/JABES-08-2023-0306.

Ho, K.Y., Zhang, Z. and Zhou, L. (2025), "IJV announcements and shareholder value creation: do industrial diversification and relatedness matter?", *Journal of Asian Business and Economic Studies*, Vol. 32 No. 4, pp. 240-251, doi: 10.1108/JABES-05-2025-0242.

Hoi, C.K., Wu, Q. and Zhang, H. (2013), "Is corporate social responsibility (CSR) associated with tax avoidance? Evidence from irresponsible CSR activities", *The Accounting Review*, Vol. 88 No. 6, pp. 2025-2059, doi: 10.2308/accr-50544.

Jan, N., Karn, A.L., Li, Z. and Liu, X. (2021), "The relationship between corporate social responsibility reporting and firm performance and the moderating role of firm life cycle stages: evidence from China", *Sustainability*, Vol. 13 No. 18, 10038, doi: 10.3390/su131810038.

Karwayati, P.G., Subroto, B., Sutrishno, T. and Saraswati, E. (2020), "Explaining the complexity relationship of CSR and financial performance using neo-institutional theory", *Journal of Asian Business and Economic Studies*, Vol. 27 No. 3, pp. 227-244, doi: 10.1108/JABES-10-2019-0106.

Kennedy, P. (2008), *A Guide to Econometrics*, 6th ed., John Wiley & Sons, New Jersey, NJ.

Kreps, D.M. (1990), "Corporate culture and economic theory", in Alt, J.E. and Shepsle, K.A. (Eds), *Perspectives on Positive Political Economy*, Cambridge University Press, Cambridge, pp. 90-143.

Krüger, P. (2015), "Corporate goodness and shareholder wealth", *Journal of Financial Economics*, Vol. 115 No. 2, pp. 304-329, doi: 10.1016/j.jfineco.2014.09.008.

Kumar, D., Sengupta, K. and Bhattacharya, M. (2023), "Macroeconomic influences on M&A deal outcomes: an analysis of domestic and cross-border M&As in developed and emerging economies", *Journal of Business Research*, Vol. 161, 113831, doi: 10.1016/j.jbusres.2023.113831.

Li, X. (2016), "Empirical investigations into the impacts of corporate responsibility on the market for corporate control: from deal initialization to finalization", Doctoral thesis, University of Reading, available at: https://centaur.reading.ac.uk/68288/1/20017639_Li_thesis.pdf (accessed 15 April 2026).

Lins, K.V., Servaes, H. and Tamayo, A. (2017), "Social capital, trust, and firm performance: the value of corporate social responsibility during the financial crisis", *The Journal of Finance*, Vol. 72 No. 4, pp. 1785-1824, doi: 10.1111/jofi.12505.

Luypaert, M. and De Maeseneire, W. (2015), "Antecedents of time to completion in mergers and acquisitions", *Applied Economics Letters*, Vol. 22 No. 4, pp. 299-304, doi: 10.1080/13504851.2014.939370.

Masulis, R.W., Wang, C. and Xie, F. (2007), "Corporate governance and acquirer returns", *The Journal of Finance*, Vol. 62 No. 4, pp. 1851-1889, doi: 10.1111/j.1540-6261.2007.01259.x.

Meckl, R. and Theuerkorn, K. (2015), "Corporate Social Responsibility as a success factor for M&A transactions", *European Journal of Business and Social Sciences*, Vol. 4 No. 1, pp. 213-226, available at: https://epub.uni-bayreuth.de/id/eprint/3144/1/ejbss-1554-15-corporatesocialresponsibility.pdf (accessed 15 April 2026).

Moeller, S.B., Schlingemann, F.P. and Stulz, R.M. (2004), "Firm size and the gains from acquisitions", *Journal of Financial Economics*, Vol. 73 No. 2, pp. 201-228, doi: 10.1016/j.jfineco.2003.07.002.

Ott, C. (2020), "The risks of mergers and acquisitions–analyzing the incentives for risk reporting in Item 1A of 10-K filings", *Journal of Business Research*, Vol. 106, pp. 158-181, doi: 10.1016/j.jbusres.2019.08.028.

Servaes, H. and Tamayo, A. (2013), "The impact of corporate social responsibility on firm value: the role of customer awareness", *Management Science*, Vol. 59 No. 5, pp. 1045-1061, doi: 10.1287/mnsc.1120.1630.

Shi, J., Yu, C. and Li, Y. (2022), "Beyond linear: the relationship between corporate social responsibility and market reactions to cross-border mergers and acquisitions", *Emerging Markets Finance and Trade*, Vol. 58 No. 3, pp. 638-654, doi: 10.1080/1540496X.2020.1829409.

Spence, M. (1973), "Job market signaling", *The Quarterly Journal of Economics*, Vol. 87 No. 3, pp. 355-374, doi: 10.2307/1882010.

Stahl, G.K. and Voigt, A. (2008), "Do cultural differences matter in mergers and acquisitions? A tentative model and examination", *Organization Science*, Vol. 19 No. 1, pp. 160-176, doi: 10.1287/orsc.1070.0270.

Staiger, D. and Stock, J.H. (1997), "Instrumental variables regression with weak instruments", *Econometrica*, Vol. 65 No. 3, pp. 557-586, doi: 10.2307/2171753.

Terza, J.V., Basu, A. and Rathouz, P.J. (2008), "Two-stage residual inclusion estimation: addressing endogeneity in health econometric modeling", *Journal of Health Economics*, Vol. 27 No. 3, pp. 531-543, doi: 10.1016/j.jhealeco.2007.09.009.

Travlos, N.G. (1987), "Corporate takeover bids, methods of payment, and bidding firms' stock returns", *The Journal of Finance*, Vol. 42 No. 4, pp. 943-963, doi: 10.1111/j.1540-6261.1987.tb03921.x.

Tunyi, A.A. and Ntim, C.G. (2016), "Location advantages, governance quality, stock market development and firm characteristics as antecedents of African M&As", *Journal of International Management*, Vol. 22 No. 2, pp. 147-167, doi: 10.1016/j.intman.2016.01.005.

Utz, S. (2018), "Over-investment or risk mitigation? Corporate social responsibility in Asia-Pacific, Europe, Japan, and the United States", *Review of Financial Economics*, Vol. 36 No. 2, pp. 167-193, doi: 10.1016/j.rfe.2017.10.001.

Vishwanathan, P., van Oosterhout, H., Heugens, P.P., Duran, P. and Van Essen, M. (2020), "Strategic CSR: a concept building meta-analysis", *Journal of Management Studies*, Vol. 57 No. 2, pp. 314-350, doi: 10.1111/joms.12514.

Waqar, W.T. and Ma, Y. (2024), "Acquirers' corporate governance ratings and the likelihood of deal completion: do stakeholders care about the agency hazards of European cross-border acquirers?", *Review of Managerial Science*, Vol. 18 No. 10, pp. 2815-2848, doi: 10.1007/s11846-023-00693-2.

Warusawitharana, M. (2018), "Profitability and the lifecycle of firms", *The BE Journal of Macroeconomics*, Vol. 18 No. 2, 20170124, doi: 10.1515/bejm-2017-0124.

Further reading

Cahyono, S., Ardianto, A., Noman, A.H.M. and Djajadikerta, H.G. (2025), "CEO social capital, board gender diversity and environmental disclosures of public companies in Southeast Asia", *Journal of Asian Business and Economic Studies*, Vol. 32 No. 4, pp. 227-239, doi: 10.1108/JABES-11-2024-0528.

Ha, H., Wong, M.C. and Loh, H.S. (2024), "Corporate social responsibility initiatives of banks and customers' selection of banks in Hong Kong", *Journal of Asian Business and Economic Studies*, Vol. 31 No. 2, pp. 124-136, doi: 10.1108/JABES-08-2023-0289.

Kim, S. and Kim, K. (2024), "The compounding effect of mandatory GHG emissions disclosure and voluntary ESG disclosure on firm value in Korea", *Journal of Asian Business and Economic Studies*, Vol. 31 No. 5, pp. 378-391, doi: 10.1108/JABES-12-2023-0519.

Murashima, M. (2024), "Understanding how investors respond to different social responsibility communications: an empirical analysis of Japan", *Journal of Asian Business and Economic Studies*, Vol. 31 No. 2, pp. 137-148, doi: 10.1108/JABES-08-2023-0309.

Tekin, H. and Polat, A.Y. (2025), "Does corporate sustainability matter for the capital structure puzzle in OIC countries? Evidence from the COVID-19 pandemic", *Journal of Asian Business and Economic Studies*, Vol. 32 No. 1, pp. 2-14, doi: 10.1108/JABES-01-2024-0029.

Zheng, Xiaoyu and Wenzhen Li (2024), "Government environmental attention and enterprise greenwashing behavior: evidence from China", *Journal of Asian Business and Economic Studies*, Vol. 31 No. 5, pp. 392-403, doi: 10.1108/JABES-03-2024-0144.

Corresponding author
Sulagna Bhattacharya can be contacted at: sulagna01@gmail.com