The Relationship of ESG to Financial Performance in a Bibliometric Review

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Abstract

Empirical studies on the relationship between ESG and Financial Performance have been numerous and interesting, but there is still a literature gap related to a brief review of the importance of ESG for improving financial performance. This study attempts to summarize the literature on the relationship between ESG and Financial Performance. In this study, the authors used the PRISMA and VOSViewer protocols, to be applied to the scopus database for the period 2015 to 2025. As a result, a significant increase in research occurred in 2024 & 2025. This is due to the development of sustainability standards, and easily accessible ESG information. Especially in developing Asian countries with developing markets, ESG is one way to increase competitiveness and attract investors. These bibliometric results show that the relationship between ESG and financial performance is one of the themes in the financial accounting and sustainability literature which is characterized by the abundance of literature on this topic.

Keywords: ESG, ROA, ROE, Tobin's Q, Bibliometric

INTRODUCTION

The ESG (Environmental Social Governance) performance disclosed by the company is a concern, especially for investors and the government as policymakers (Azizah and Haron, 2025). Through corporate ESG issues, the government formulates regulations to protect public interests that may clash with the interests of the company, while investors view ESG as a parameter of corporate sustainability whether the company can be long-lived or not in terms of non-financial performance. This is a concern because ESG implementation requires costs that can reduce profits for investors while the benefits are difficult to measure in monetary units.

ESG implementation plays a role in improving the company's sustainability performance through increasing competitive advantages and green innovation so that it can support the long-term success of the company (Vuong and Bui, 2026). The company's commitment to sustainability and eco-friendly products can strengthen the reputation and trust of stakeholders (Iftikhar, Bagh and Nadir, 2025). Thus, ESG is not only a corporate responsibility but also has an impact on added value through increased competitiveness, sustainable innovation and public and investor support which is an aspect of non-monetary benefits.

Several studies show that ESG performance has a positive effect on the company's financial performance based on ROA indicators (Rahman, Zahid and Al-Faryan, 2023; Veeravel, Prabhagar and Narayanamurthy, 2024; Tahtamoni, Hassan and Sohag, 2025). These findings suggest that a company's involvement in environmental aspects can achieve higher financial returns and benefit from favorable capital market perceptions (Handoyo, 2026). Although the benefits are not monetarily measurable, this positive relationship is enough to show that ESG does provide benefits to the company through financial returns.

High ESG performance can be associated with high stock returns, has significant potential and should not be ignored

by investors in the decision-making process (Kyei-mensah, 2026). The link between ESG performance and stock returns raises expectations by investors regarding the amount of return after spending on ESG-supporting activities. Thus, ESG is a consideration for investment decision-making because it can reflect the company's performance prospects in the long term.

Although several studies have shown a positive relationship between ESG performance and financial performance, the research studies above focus more on quantitative empirical approaches with financial performance indicators such as ROA, ROE and Tobin's Q. The results in the above research are diverse and there are differences in contexts, methods, and financial performance indicators that show that the relevant literature is still fragmented. Therefore, a bibliometric approach is needed to map the development of ESG research on financial performance as well as find research opportunities that have not been explored by many researchers.

This study aims to analyze the trend of ESG performance research on financial performance in the scopus database from 2015 to 2025. This research will also attempt to map countries, their author networks, and their documents to provide an overview of the growth patterns of the ESG performance literature on financial performance. To analyze the bibliometrics in this study, there are several research questions as follows:

RQ 1: what are the trends in ESG performance research on financial performance from 2015 to 2025 ?

This research contributes to the literature related to the relationship between ESG and financial performance. Using the bibliometric method, this study identifies pubic trends, authors, institutions and countries that contribute a lot of research on this topic. Therefore, this study helps researchers and academics in understanding the development of ESG studies with financial performance and can be a reference for future research.

Financial performance describes a company's ability to generate profits. In many financial performance studies, it is often defined as ROA, ROE, or Tobin's Q. ROA refers to the profitability generated by the use of a company's assets, while ROE is based on the availability of the company's equity (Siminica *et al.*, 2019). A company with a higher ROA is a sign that the company is successfully managing resources in its operations (Zhu, Li and Chen, 2025). Tobin's Q is a combination of market expectations of the company's future growth with intangible assets which provides a comprehensive view of the company's value (Hussain, Alsayegh and Boshnak, 2025).

ESG describes the integration of companies and investors with social responsibility and good corporate citizenship (Gillan, Koch and Starks, 2021). The score used to measure ESG is actually complementary information for non-financial aspects that aims to improve the accuracy of the company's performance and risk assessment (Vitto, Marazzina and Stocco, 2023). This information helps investors gain a more accurate picture of a company's ability to manage sustainability risks and create long-term value, so that the higher the ESG score indicates the better the quality of sustainability and corporate governance practices. ESG-related disclosures have three components, namely environmental, social, and governance can affect all company operations and need to be communicated with the company's stakeholders (Oluwakemi and Mishelle, 2025).

RESEARCH METHODOLOGY

This study uses bibliometric analysis methods to provide an understanding of the relationship between ESG and financial performance. The above research questions were answered by following the stages of the PRISMA protocol, namely identification, screening, eligibility, and inclusion (Hansen,

Steinmetz and Block, 2022). The scopus database is used as a reference in the preparation of this bibliometric by taking into account factors such as the period of the article, category, language, and keywords and the type of document used is only journal articles (Setiawan, Rahmawati and Santoso, 2023). The author uses the analysis period of 2015 to 2025. Keywords used in finding documents include : "ROA" or "ROE" or "Financial Perfomance" and "ESG".

After applying the keyword, 478 documents were found. Furthermore, it was carried out by filtering subjects limited to economics, econometrics, and finance as well as business, management, and accounting, restrictions on article documents and restrictions on English in the range of 2015 to 2025, so 215 documents were found. The feasibility study stage is carried out by reviewing documents based on titles and abstracts to ensure that the article is relevant to the discussion in this study.

Feasibility studies assess the relevance of the article to these bibliometrics. The article is said to be feasible if there is a discussion about the influence of ESG on financial performance. At the feasibility study stage, the final results were 56 articles. Furthermore, bibliometric analysis uses VOSViewer as a tool to visualize the article. The last query used in this study is (TITLE-ABS-KEY (roa) OR TITLE-ABS-KEY (roe) OR TITLE-ABS-KEY (financial AND perfomance) AND TITLE-ABS-KEY (esg)) AND PUBYEAR > 2015 AND PUBYEAR < 2026 AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (DOCTYPE , "ar")) at 8 June 2026.

RESULTS AND DISCUSSION

An analysis of the number of publications by year in Figure 2 shows that research on the relationship between ESG and financial performance increased significantly during the observation period. Publications in 2021 amounted to only 2 articles and increased to 5 articles in 2022. Despite a slight decline in 2023, the number of publications increased drastically in 2024 to 17 articles and reached 27 articles in 2025. This trend shows the increasing attention of academics to ESG implementation as a factor that has the potential to affect a company's financial performance. This increase is driven by the development of sustainability reporting regulations, increasing investor attention to ESG aspects, and the increasingly wide availability of ESG data, thus facilitating empirical research in this field. Thus, ESG and financial performance can be categorized as emerging research themes and have high research prospects in the future.

The analysis in figure 3 by country shows that Indonesia is the largest contributor with 6 publications, followed by India with 5 publications, Saudi Arabia and Malaysia with 4 publications each, and Poland, South Korea, Thailand, the United Kingdom, Vietnam, and China with 3 publications each. The dominance of Asian countries shows that the relationship between ESG and financial performance is a very relevant issue in *emerging markets*. Increased sustainability reporting regulations, investors' demands for sustainable business practices, and the development of capital markets in these countries are the main factors driving the growth of ESG research. These findings indicate that the ESG literature is no longer dominated by developed countries, but is growing significantly in developing countries that are seeking to improve competitiveness and attract global investment through sustainability practices.

The results of the analysis of figure 4 show that research on ESG and financial performance is dominated by journals in the fields of finance, banking, and corporate governance. The Journal of Risk and Financial Management became the most prolific journal, followed by AABFJ and the Journal of Corporate Finance Research. These findings indicate that ESG is primarily studied in relation to profitability, corporate value,

risk management, and sustainability of the banking sector, while also showing that ESG has evolved into an important and multidisciplinary topic in business and financial research.

The author's mapping using VOSViewer in Figure 5 shows that the network of researchers' collaboration on ESG and financial performance topics is still fragmented and dominated by small groups that have limited connectivity. There are no authors who significantly dominate the research network, which indicates that the development of literature in this field is still spread across various institutions and countries. Some writers such as George Giannopoulos, Naufal Muhammad Aksah, Ali Ahmadi, and Paolo Agnese have relatively more central positions than other writers, but have not yet formed an extensive network of collaborations. These findings show that the field of ESG and financial performance is still in a growth stage with the structure of the scientific community that has not been consolidated, so the opportunity to develop cross-country and cross-institutional research collaborations is still very large to strengthen the integration of knowledge in these fields.

The results of the visualization in Figure 6 of the keyword co-occurrenc*e* show that ESG and financial performance are the main themes that dominate the research, shown by the position of the two that are the most central and have a connection with almost all other keywords. The keyword ROA emerged as the most frequently used financial performance indicator, indicating the dominance of the profitability approach in measuring the impact of ESG on companies. In addition, the environmental dimension has a strong relationship with financial performance, showing that the environmental aspect is the main focus in ESG research. Meanwhile, ESG disclosure is the most up-to-date topic, characterized by lighter overlay colors, which shows the increasing attention researchers pay to the role of ESG transparency and disclosure in improving a company's financial performance. These findings indicate that ESG research continues to evolve from a focus on ESG performance in general to a more specific analysis of ESG disclosures and their implications for firm value.

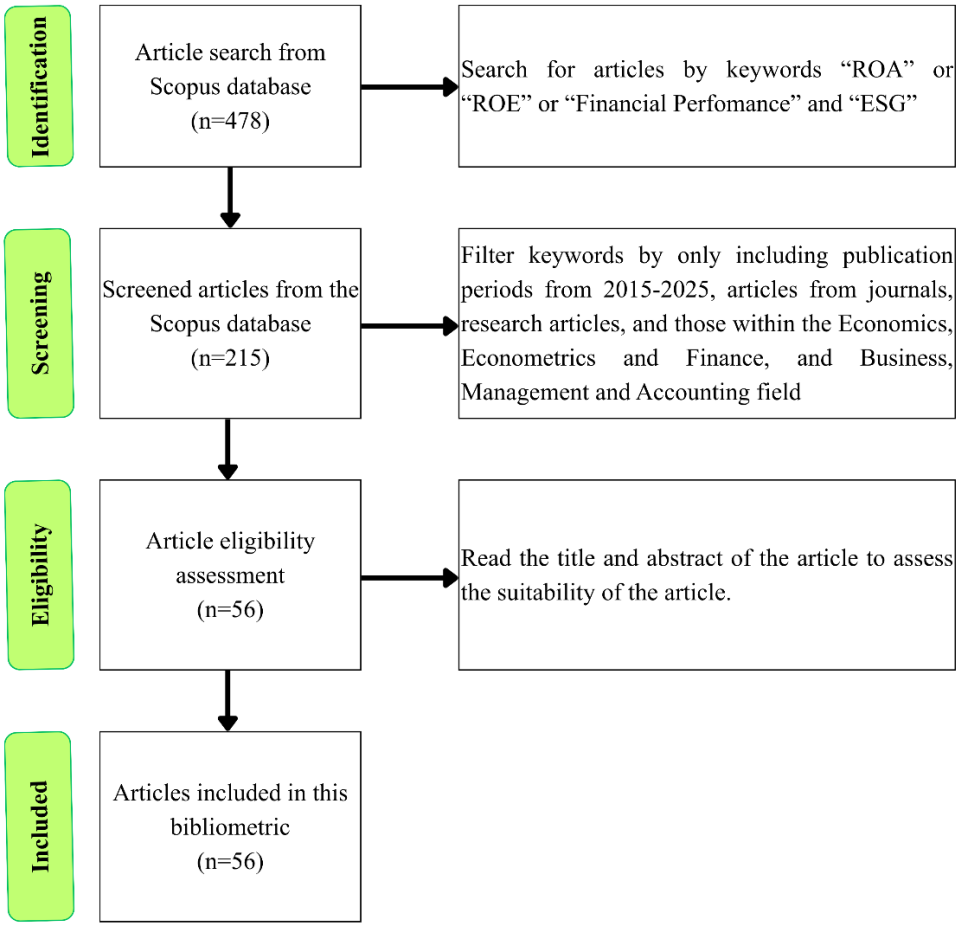


Figure 1. PRISMA Procedures

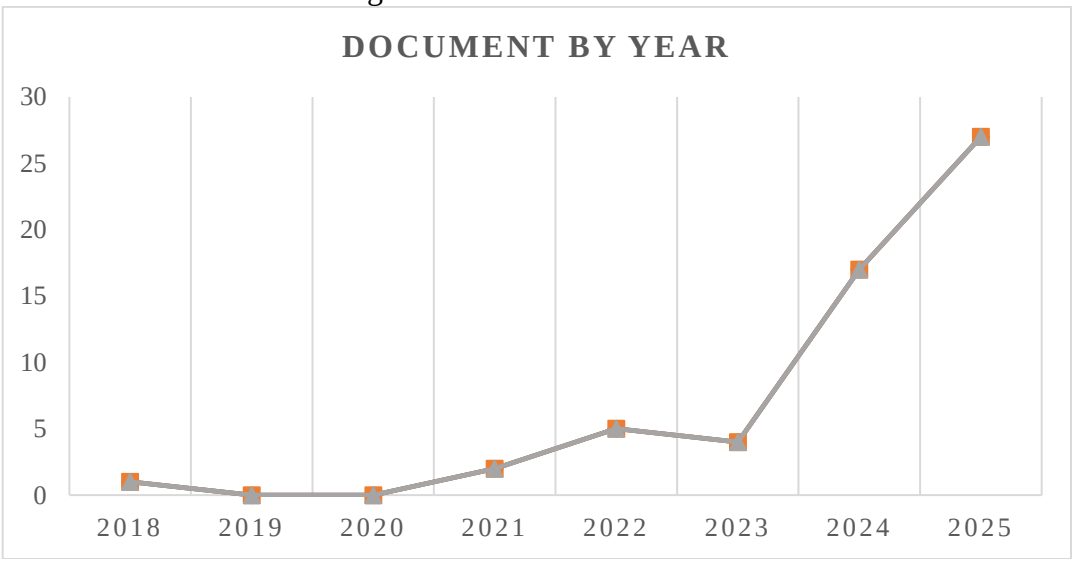


Figure 2. Documents by year

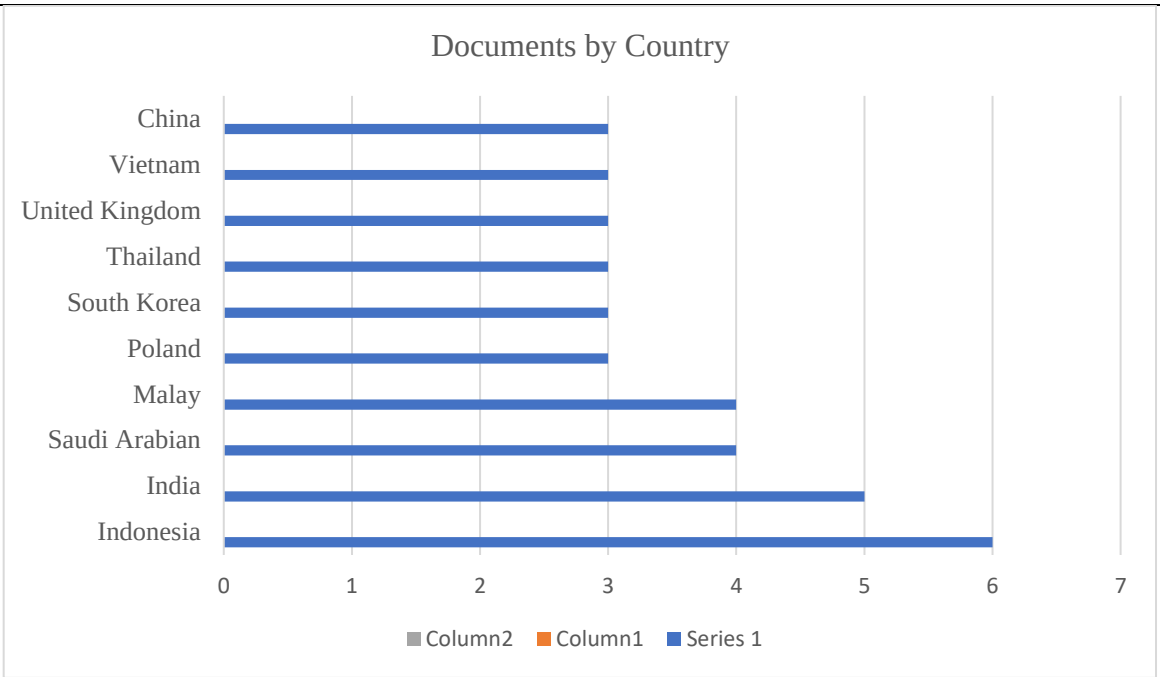


Figure 3. Documents by Country

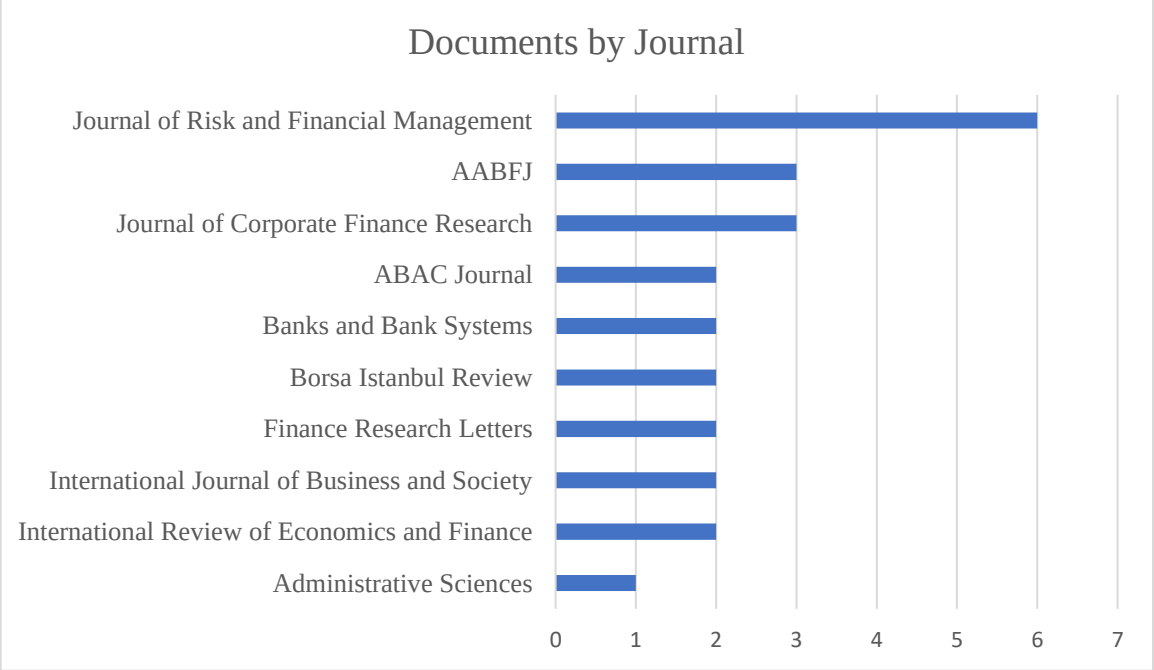


Figure 4. Documents by Journal

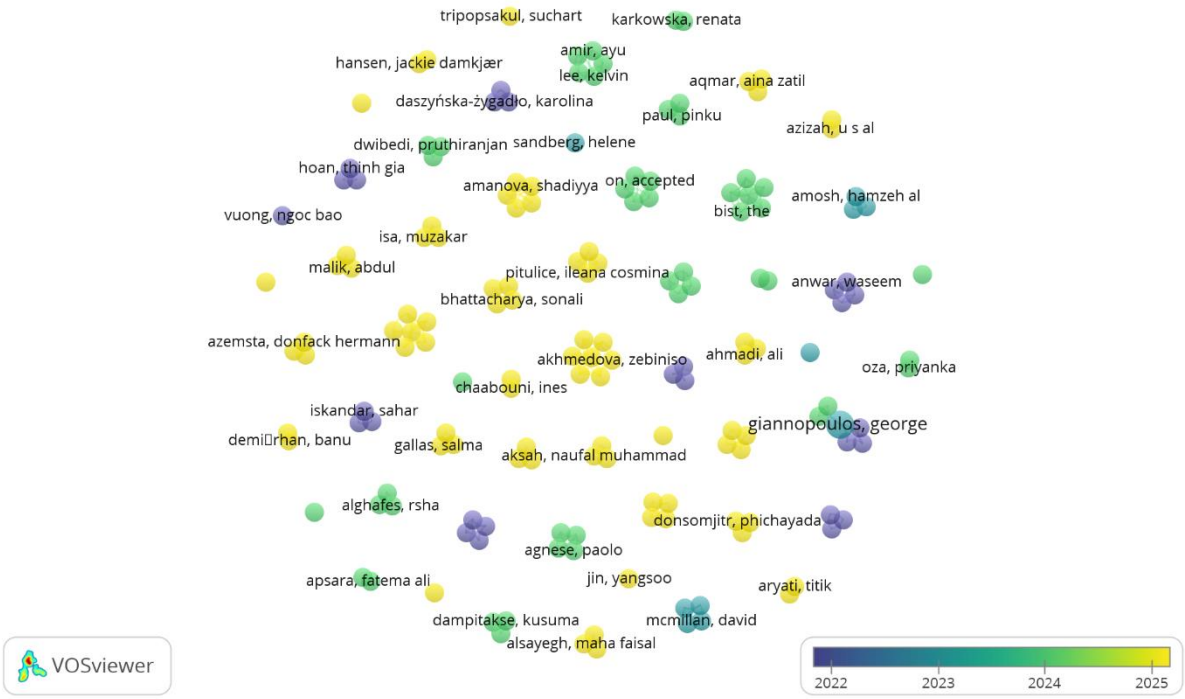


Figure 5. Author Overlay Visualization

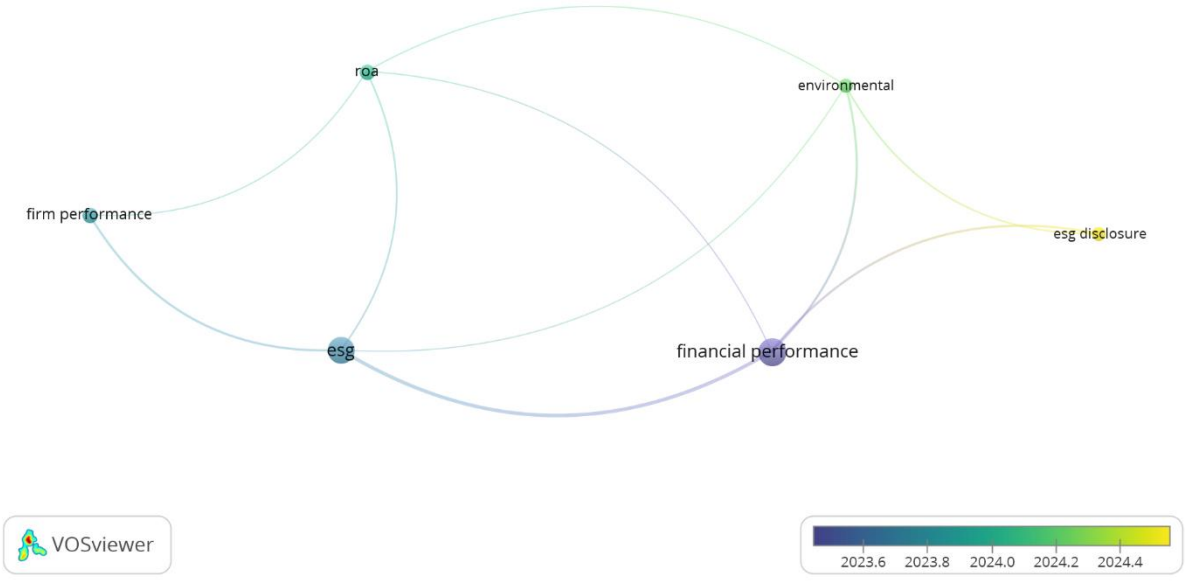


Figure 6. Keyword Connection

CONCLUSION

Based on the results of bibliometric analysis, research on the relationship between Environmental, Social, and Governance (ESG) and financial performance shows significant developments and is becoming an increasingly relevant theme in the business and financial fields. The increase in the

number of publications from year to year shows the increasing attention of academics to the influence of ESG on company performance, driven by the development of sustainability reporting regulations, increasing investor attention to ESG aspects, and the increasing availability of ESG data. In addition, the dominance of developing countries, especially in the Asian region, shows that ESG issues are no longer only the focus of developed countries, but also rapidly developing in emerging markets.

From the characteristics of the literature, ESG research is widely published in journals in the fields of finance, banking, and corporate governance, with a primary focus on profitability, corporate value, and risk management. The author's analysis shows that collaboration networks are still fragmented, while keyword analysis confirms that ESG and financial performance are the main themes with ROA as the most widely used indicator. The emergence of ESG disclosure as a more up-to-date topic also shows the development of research direction towards transparency and sustainability disclosure, so that this field still has great opportunities for research development in the future.

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