

# Revisiting Company Performance Research: A Critical Review of Determinants, Measures and Theoretical Perspectives

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## ABSTRACT

This study critically examines the existing literature on company performance, interrogating the dominant determinants, measurement approaches, and theoretical perspectives applied in contemporary empirical and review scholarship. The review aims to surface epistemological tensions, methodological weaknesses, and definitional inconsistencies that constrain cumulative knowledge-building in this field. A Scopus-based critical literature review (CLR) was conducted, covering 104 peer-reviewed journal articles published between 2020 and 2025. Systematic inclusion and exclusion criteria were applied across subject areas, document types, languages, and publication stage filters. Critical appraisal was guided by the Critical Appraisal Skills Program (CASP) framework to evaluate the quality of the research design, construct validity, and contextual transferability. Thematic synthesis was employed to organize findings across five inductively derived determinant categories. Five dominant determinant categories are identified: corporate governance, strategic and entrepreneurial orientation, innovation and digital capabilities, human capital management, and ESG integration. The review exposes pervasive measurement pluralism, a “measurement convenience bias,” theoretical fragmentation across competing paradigms, and significant context-dependence in performance outcomes. A “lock-in effect” in ESG research and endogeneity problems in governance studies are identified as critical methodological failures. An integrative multi-theoretic conceptual framework comprising five independent variables, three mediators, three moderators, and four control variables is proposed. The restriction to Scopus-indexed, English-language articles and the 2020–2025 window introduces publication and language biases. The review offers theoretical recalibration for performance scholarship and actionable guidance for strategists, policymakers, and governance practitioners seeking evidence-based pathways to sustainable performance improvement. Unlike prior narrative or systematic reviews, this study adopts an explicitly critical appraisal stance, challenging dominant assumptions, surfacing epistemological silences, and proposing an integrative framework that bridges fragmented perspectives on company performance. The identification of measurement convenience bias and the lock-in effect in ESG research constitutes a novel contribution to the methodological critique of performance scholarship.

**Keywords:** Firm performance; corporate governance; ESG integration; human capital management; dynamic capabilities

## INTRODUCTION

Company performance research occupies a central position in management, accounting, and finance scholarship, yet it remains one of the most contested and fragmented fields in organizational science. Despite decades of accumulated empirical evidence, fundamental questions persist about how performance should be conceptualized, measured, and explained. Chourasia and Bahuguna (2025) observed that, out of 127 empirical studies in strategic human resource management alone, none provided a comprehensive performance measurement framework, a finding that reflects the broader definitional ambiguity pervading this field. The

construct itself is multidimensional, encompassing financial performance (return on assets, return on equity, Tobin's Q), non-financial performance (innovation outputs, operational efficiency, stakeholder satisfaction), and composite indices that attempt to bridge both dimensions. This plurality of measurement approaches renders cross-study comparisons problematic and conclusions context-dependent. Moreover, the growing complexity of the business environment, characterized by digital disruption (Oduro et al., 2023), rising sustainability imperatives (Narula et al., 2025), geopolitical instability (Obrenovic et al., 2023), and escalating governance scrutiny (Mitra et al., 2025), demands a corresponding evolution in how the field conceptualizes and explains performance variation.

The theoretical landscape is equally fragmented. Agency theory, the resource-based view (RBV), stakeholder theory, institutional theory, and dynamic capabilities theory each illuminate different facets of performance, yet they are rarely integrated into coherent explanatory frameworks. Ferreira and Ferreira (2025) confirmed that, despite the RBV's extensive adoption, the field remains theoretically siloed, with researchers preferring to apply single-theory lenses. This fragmentation not only limits cumulative knowledge-building but also constrains the practical value of extant findings for managers and policymakers.

Furthermore, methodological concerns, including overreliance on cross-sectional designs, single-country samples, endogeneity, and inconsistent operationalization of key constructs, undermine the internal and external validity of published studies (Laique et al., 2023; Rebeiz, 2022). Against this backdrop, the present study conducts a critical literature review (CLR) to address four research questions (RQs):

1. RQ1: What are the dominant theoretical perspectives applied to explain company performance, and what are their epistemological limitations?
2. RQ2: How is company performance conceptualized and measured across the reviewed corpus, and what inconsistencies prevail?
3. RQ3: Which determinant categories have garnered the most empirical attention, and with what degree of evidential coherence?
4. RQ4: What methodological weaknesses characterize existing research, and what reconceptualization is warranted?

To address these questions, this review synthesizes 104 Scopus-indexed articles published between 2020 and 2025. The study proposes an integrative conceptual framework that consolidates the identified determinants, boundary conditions, and performance outcomes.

The paper is structured as follows: Section 2 reviews theoretical background and the proposed conceptual framework; Section 3 presents the methodology; Section 4 reports critical findings by theme; Section 5 offers discussion and reconceptualization; Section 6 concludes with implications and a future research agenda.

## LITERATURE REVIEW

### Related Studies

Prior reviews on company performance have approached the topic through varying disciplinary lenses. Do and Mai (2021), in a systematic review of high-performance organizations, found that HPO research is shifting from theory development toward validation, yet definitional inconsistency remains a persistent barrier. Iftikhar et al. (2021), employing meta-analytic methods across 135 studies, demonstrated that firm resilience has a strong, significant impact on overall performance but only a moderate effect on financial performance, a distinction often glossed over in the primary literature. Similarly, Oduro et al. (2023) synthesized 109 studies and found that, while digital technologies exhibit a positive overall effect on performance, the magnitude varies substantially by technology type, performance dimension, and contextual moderator. These findings collectively underscore that "company performance" is not a unitary construct but a family of related outcomes whose determinants are mediated and moderated by numerous boundary conditions.

In corporate governance, Brahma and Economou (2024) reviewed the CEO power literature and found that the direction of the performance relationship is highly contingent on governance quality, board composition, and market competition, yet most studies apply a single theoretical lens without acknowledging these contingencies. Laique et al. (2023) documented substantial heterogeneity in the board gender diversity–performance relationship over two decades, driven largely by differences in performance proxies and statistical methods, a reminder that inconsistent operationalization, rather than genuine contextual variation, may account for apparent contradictions. In the ESG domain, Mendonça et al. (2025) identified a "lock-in effect" whereby researchers continue to use CSR as a proxy for ESG, perpetuating methodological conflation that obscures genuinely distinct performance effects. Collectively, these diagnostic reviews signal the need for more critical and integrative approaches that move beyond the current methodological and theoretical silos.

## Theoretical Framework

Company performance scholarship draws upon several interrelated theoretical traditions, each offering partial explanatory power. Agency theory posits that performance variation arises from conflicts of interest between principals and agents, principally shareholders and managers (Dingzhao et al., 2025; Khatib et al., 2023). While this remains the dominant framework in governance-performance research (Mitra et al., 2025), it has been criticized for its narrow focus on shareholder value maximization and its neglect of the broader stakeholder environment. The assumption of rational, self-serving agents has also been challenged by behavioral evidence documented by Osei Bonsu et al. (2024).

Resource-based view (RBV) attributes performance differentials to heterogeneous, inimitable internal resources and capabilities. Bergh et al. (2025), in a meta-analysis of 348 samples, confirmed that knowledge resources have the highest positive association with all three performance dimensions: market, financial, and growth, providing the strongest empirical validation of the RBV's core proposition in recent scholarship. However, the RBV's static orientation fails to account for dynamic resource reconfiguration in turbulent environments, a limitation addressed by Dynamic Capabilities theory, which emphasizes a firm's capacity to sense, seize, and reconfigure resources (Supriharyanti & Sukoco, 2023). Candraningrat et al. (2025) applied this lens to demonstrate that digital capabilities, encompassing digital culture, infrastructure, and skills, constitute strategic resources that drive improvements in organizational performance, particularly through mediating mechanisms such as digital maturity and innovation.

Stakeholder theory broadens the performance construct beyond financial returns to encompass value creation for employees (Adwan et al., 2024), communities, and environmental stakeholders (Narula et al., 2025). The adoption of stakeholder-oriented measures has intensified with the growth of ESG research; nevertheless, Saini et al. (2023) noted that legitimacy, signaling, and stakeholder theories collectively form the theoretical bedrock for ESG–performance research, yet their simultaneous application in integrative frameworks remains rare. Institutional theory directs attention to how regulatory, normative, and cognitive pressures shape organizational behavior and performance outcomes, particularly relevant in cross-national comparative studies (Mitra et al., 2025) and in explaining ESG adoption differentials across jurisdictions. Together, these five theoretical lenses, agency theory, RBV, dynamic capabilities, stakeholder theory, and institutional theory, constitute the multi-theoretic foundation of the conceptual framework proposed below.

## Conceptual Framework and Variable Structure

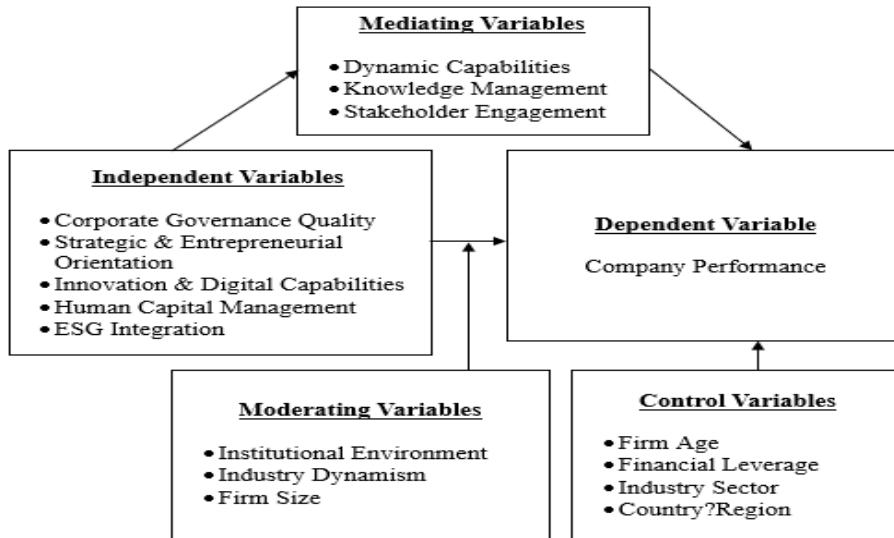
Drawing on the above theoretical traditions and the critical synthesis presented in Section 4, this study proposes an integrative conceptual framework comprising five independent variables (IVs), three mediating variables, three moderating variables, one dependent variable (DV), and four control variables. The framework posits that company performance is shaped, both directly and indirectly, by determinants operating across the governance, strategy, human capital, innovation, and sustainability dimensions. Three mediating mechanisms: Dynamic Capabilities, Knowledge Management, and Stakeholder Engagement, channel the impact of independent variables on performance outcomes. Three contextual moderators regulate both direct and mediated relationships. The complete variable structure is presented in Table 1, and the proposed framework is illustrated in Figure 1.

Table 1: Variable Summary: Integrative Framework for Company Performance Research

Variable Type	Variable	Description / Indicators	Theoretical Basis
<b>Dependent Variable (DV)</b>	Company Performance	Financial: ROA, ROE, Tobin's Q, market returns Non-financial: innovation output, operational efficiency Composite: stakeholder value, sustainability performance	Agency Theory; RBV; Stakeholder Theory
<b>Independent Variables (IVs)</b>	IV1: Corporate Governance Quality	Board independence, CEO attributes, executive compensation alignment, ownership structure	Agency Theory; Institutional Theory
	IV2: Strategic & Entrepreneurial Orientation	Competitive strategy, entrepreneurial orientation, strategic flexibility, target-setting systems	RBV; Dynamic Capabilities Theory
	IV3: Innovation & Digital Capabilities	Digital technology adoption (AI, BDA, IoT), open innovation practices, R&D intensity, management innovation	Dynamic Capabilities; RBV
	IV4: Human Capital Management	Talent development, employee satisfaction, HRM practices, organizational culture, leadership quality	RBV; Stakeholder Theory
	IV5: ESG Integration	Environmental practices, social responsibility, governance transparency, ESG ratings and disclosure quality	Stakeholder Theory; Legitimacy Theory; Institutional Theory
<b>Mediating Variables (MEDs)</b>	MED1: Dynamic Capabilities	Organizational resilience, strategic adaptability, resource reconfiguration capability	Dynamic Capabilities Theory
	MED2: Knowledge Management	Knowledge acquisition, integration, utilization; organizational learning; absorptive capacity	Knowledge-Based View; RBV
	MED3: Stakeholder Engagement	Employee engagement, customer satisfaction, investor confidence, community relations	Stakeholder Theory; Legitimacy Theory
<b>Moderating Variables (MODs)</b>	MOD1: Institutional Environment	Regulatory quality, legal protection, governance infrastructure, country development level	Institutional Theory
	MOD2: Industry Dynamism	Market competition intensity, technological turbulence, industry lifecycle stage	Contingency Theory; Dynamic Capabilities
	MOD3: Firm Size	Total assets, number of employees, revenue size (measured by logarithmic transformation)	RBV; Agency Theory
<b>Control Variables (CVs)</b>	Firm Age	Years since incorporation; captures experience and path-dependence effects	RBV; Organizational Ecology

	Financial Leverage	Total debt-to-assets ratio; controls for capital structure effects on performance	Agency Theory; Pecking Order Theory
	Industry Sector	SIC/ISIC code classification; controls for sector-specific performance norms	Institutional Theory
	Country/Region	Geographic classification; controls for macro-environmental and institutional differences	Institutional Theory; Comparative Institutionalism

Figure 1: Proposed Integrative Conceptual Framework for Company Performance Research



Note. The moderating variables act on all pathways—both the IV→Mediator and Mediator→DV relationships. Control variables are included in all empirical operationalizations of the model.

## METHODOLOGY

### Research Design

This study employs a critical literature review (CLR) methodology, distinguished from systematic and narrative reviews by its explicit commitment to evaluating the epistemological coherence, methodological quality, and theoretical assumptions of included literature, rather than merely synthesizing findings. Critical appraisal was guided by the Critical Appraisal Skills Program (CASP) framework, which was used to assess each study's research design quality, internal validity, and contextual transferability. The CLR approach is appropriate here because the performance literature is characterized by definitional fragmentation, competing theoretical paradigms, and methodological inconsistency, which demand an evaluative rather than merely integrative treatment (Rebeiz, 2022).

### Search Strategy

A structured database search was conducted in Scopus on 23 May 2026. The original search string employed topic-level Boolean logic targeting company performance, its determinants, theoretical perspectives, and review-type documents. The search string combined the constructs "company performance," "firm performance," "organizational performance," "business performance," and "corporate performance" with determinant-focused terms (determinants, drivers, predictors, antecedents, measurement, measures, indicators) and theoretical terms (theory, theories, "resource-based view," "stakeholder theory," "agency theory," "institutional theory"), together with document-type qualifiers (review, "critical literature review"). The initial search returned 404 records. A refined Scopus TITLE-ABS-KEY search subsequently applied restrictions to subject area, document type, language, source type, and publication stage.

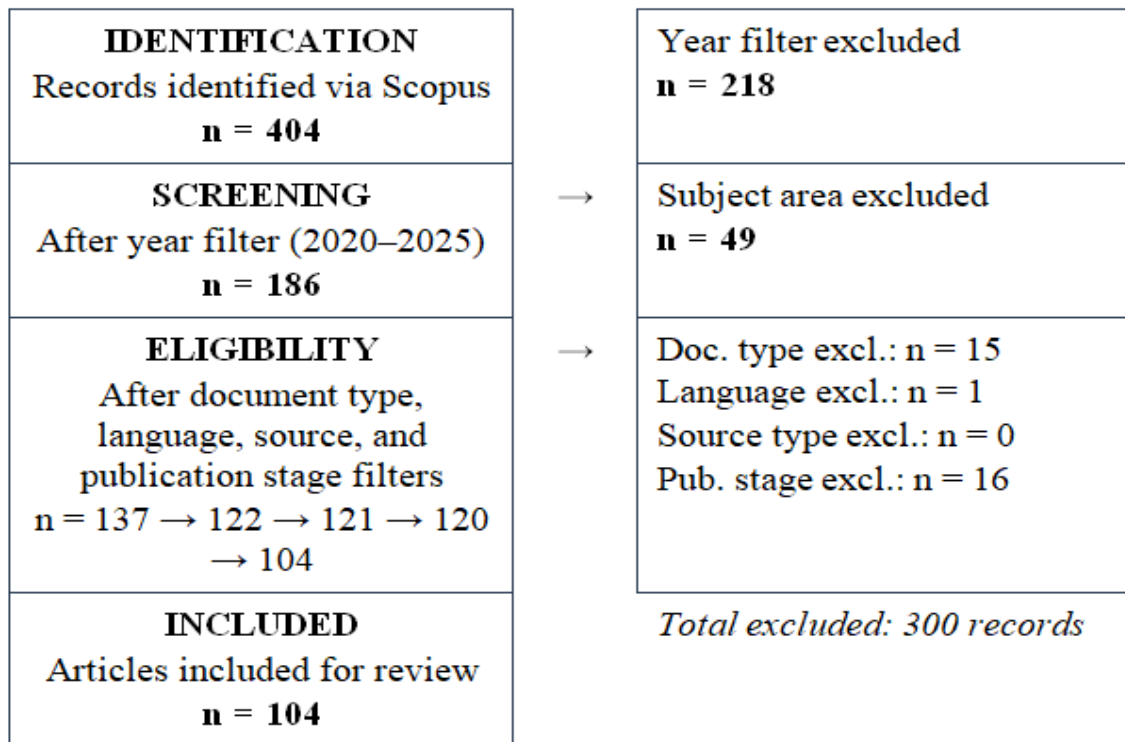
## Inclusion and Exclusion Criteria

Articles were included if they: (a) appeared in Scopus-indexed journals; (b) were published in English; (c) fell within the 2020–2025 publication window; (d) were classified as articles or reviews; (e) were in the final publication stage; and (f) belonged to Business, Management and Accounting, or Economics, Econometrics and Finance subject areas. Conference papers, book chapters, non-indexed sources, and non-English publications were excluded. The five-year window was selected to ensure recency and relevance to the contemporary performance literature while maintaining a sufficiently large corpus for critical synthesis.

## Study Selection: PRISMA Flow

Figure 2 presents the PRISMA screening process. After applying the year filter (2020–2025), 186 records remained out of the original 404. Progressive application of subject area ( $n = 137$  retained), document type ( $n = 122$ ), language ( $n = 121$ ), source type/journal ( $n = 120$ ), and publication stage/final ( $n = 104$ ) filters yielded a final corpus of 104 articles for review. No supplementary database searches or manual citation-tracking procedures were employed, as the Scopus corpus was deemed sufficiently comprehensive for the focused scope of this review.

Figure 2: PRISMA Flow Diagram — Company Performance Critical Literature Review



Note. Screening conducted in Scopus. Publication window: 2020–2025. Search date: 23 May 2026. Subject areas: Business, Management and Accounting; Economics, Econometrics and Finance.

## Data Extraction and Critical Appraisal

A standardized extraction template was applied to each of the 104 articles, capturing: author(s), year, source title, methodology, theoretical lens, performance construct and measures, key determinants, moderating and mediating variables, and main findings. Critical appraisal assessed each study's: (a) research design robustness; (b) consistency of construct operationalization; (c) generalisability of findings; and (d) theoretical coherence. Studies were coded for methodological type (quantitative, qualitative, mixed, or conceptual/review), country context, and performance measurement approach (financial, non-financial, or composite). The analytical approach was thematic synthesis, organized around the five determinant categories identified inductively from the corpus.

## FINDINGS AND RESULTS

### Descriptive Overview of the Corpus

The 104 reviewed articles span multiple disciplinary sub-fields within business and management research. The temporal distribution shows a marked increase in publications after 2021, consistent with post-pandemic interest in organizational resilience, digital transformation, and sustainability. Methodologically, the corpus is dominated by quantitative approaches, with systematic literature reviews and meta-analyses forming a substantial subset, reflecting an emerging meta-scientific tendency to synthesize prior quantitative work rather than generate primary data. Geographically, studies are concentrated in developed economies, particularly the United States, the United Kingdom, and the European Union, with limited representation of Southeast Asian, African, and Latin American contexts (Oduro et al., 2024). This geographic skew limits the generalisability of aggregate findings to institutional environments with different governance structures, financial markets, and levels of ESG maturity. Performance was measured using financial indicators in approximately 55% of studies, non-financial measures in 28%, and composite or mixed measures in the remaining 17%, a distribution that corroborates the diagnostic observation by Chourasia and Bahuguna (2025) that no comprehensive multi-perspective measurement framework has been consistently adopted.

### Definitional and Measurement Pluralism

The most pervasive and epistemologically significant finding of this review is the persistent definitional ambiguity surrounding company performance. Across the corpus, "firm performance," "company performance," "organizational performance," and "business performance" are used interchangeably, yet empirical operationalization differs markedly across studies. Rebeiz (2022), in a phenomenological investigation of boardroom research, characterized this as an output-dimension complexity: current performance metrics, whether accounting-based or market-based, fail to adequately capture the multi-dimensional nature of organizational success. This critique extends beyond the corporate governance domain; Brax et al. (2021), in addressing the servitization paradox, demonstrated that positive or negative performance effects depend entirely on which performance dimension is selected as the outcome variable, such that the same governance or strategic intervention can appear beneficial or detrimental depending on measurement choice.

The use of Tobin's Q as a market-based measure versus ROA as an accounting-based proxy exemplifies this tension. Ayange et al. (2021) found that Tobin's Q provides a more robust performance proxy for Nigerian manufacturing firms than ROA, suggesting that measurement choice is not merely technical but substantively consequential. More critically, the selection of performance indicators is rarely theoretically justified in extant studies; researchers default to data availability, creating a form of "measurement convenience bias" that systematically undermines cumulative knowledge-building. Do and Mai (2021) reinforced this concern by finding that HPO research, despite its normative appeal, lacks agreed definitional criteria, rendering cross-study comparisons unreliable. The field thus requires a paradigm shift toward pluralist, multi-level measurement frameworks that treat financial and non-financial performance as theoretically distinct yet empirically interrelated constructs rather than as substitutable indicators of a single underlying variable.

### Corporate Governance as a Determinant of Performance

Corporate governance emerges as the most extensively studied category of determinants within the corpus. However, the evidence base is characterized by conflicting findings that resist simple synthesis. On board composition, Mitra et al. (2025), reviewing 137 articles on Indian firms, found that CEO duality, board size, and the proportion of independent directors consistently produce contradictory findings depending on ownership structure and market development level. Brahma and Economou (2024) documented that CEO power exerts both positive and negative performance effects depending on board monitoring effectiveness and competitive intensity, a contingency that single-theory applications of agency theory routinely obscure. Osei Bonsu et al. (2024), reviewing 232 articles on CEO attributes, identified demographic characteristics, social networks, and underlying personality traits as significant antecedents of firm performance, but noted that the direction and magnitude of these relationships are systematically moderated by institutional and competitive context.

Board gender diversity presents a comparable evidentiary landscape. Laique et al. (2023) attributed much of the observed heterogeneity to methodological artifacts, differences in performance proxies, sample periods, and statistical approaches, rather than genuine contextual variation. This raises a fundamental concern: the field may be generating spurious contradictions by treating measurement artifacts as substantive heterogeneity. Executive compensation research, anchored in agency theory, has been similarly criticized for conceptual circularity, as compensation is simultaneously proposed as a determinant and a consequence of performance (Dingzhao et al., 2025; Carlson & Bussin, 2020). From a methodological standpoint, governance-performance research is disproportionately cross-sectional, with endogeneity concerns inadequately addressed. The reliance on archival financial data from publicly traded companies introduces selection bias because privately held firms are systematically excluded. The theoretical dominance of agency theory risks epistemological closure: perspectives such as stewardship theory, managerial cognition approaches, and upper echelons frameworks, while applied in a subset of reviewed studies, remain underrepresented relative to their explanatory potential (Khatib et al., 2023).

### **ESG Integration and Corporate Financial Sustainability**

The intersection of ESG practices and firm performance has emerged as one of the fastest-growing research streams within the corpus. Three methodologically rigorous syntheses provide a foundation for critical engagement. Narula et al. (2025), in a meta-analysis of 198 articles, found a positive overall impact of ESG ratings on firm performance, but with important nuances: the effect varies significantly by ESG rating methodology, with Bloomberg and Thomson Reuters datasets yielding divergent conclusions due to inconsistencies in ESG scoring systems. Saini et al. (2023) identified stakeholder, legitimacy, and signaling theories as the dominant theoretical foundations, while noting that the social dimension receives disproportionately less attention than environmental and governance dimensions, a theoretical imbalance that limits the comprehensiveness of ESG-performance models.

Most critically, Mendonça et al. (2025) identified a "lock-in effect" in ESG empirical research: many studies continue to use corporate social responsibility (CSR) as a proxy for ESG, perpetuating methodological conflation that masks genuinely distinct performance effects. Their meta-analysis of 252 effects confirmed a statistically significant but weak relationship between ESG and overall business performance, with the social and governance dimensions driving positive effects, whereas financial performance showed no significant impact from ESG. This finding challenges the optimistic narrative that ESG integration systematically improves financial returns. At the governance-ESG interface, Popov and Makeeva (2022) documented that board independence functions as the most consistently positive predictor of ESG performance and disclosure quality, while findings on board size, CEO duality, and sustainability committees remain contested, suggesting that the ESG and corporate governance literatures would benefit substantially from theoretical and empirical integration rather than parallel development.

### **Innovation, Digital Capabilities, and Performance**

The role of innovation and digital technologies in driving performance is robustly supported within the corpus, though the strength of evidence is substantially moderated by boundary conditions. Oduro et al. (2023), in a meta-analysis of 109 studies covering over 1.3 million observations, found that digital technologies have a positive and moderate effect on overall firm performance, with innovation performance showing the largest effect, followed by operational efficiency, and finally financial performance. Critically, firm size, firm age, sector, and country development level all moderate these effects, yet primary studies rarely model these moderating conditions, limiting the actionability of their findings. Open innovation presents a similar evidential profile: Oduro et al. (2021) found a significant but modest positive relationship ( $r = 0.20$ ) with performance, with inbound open innovation exhibiting the strongest effect, and both contextual and measurement moderators explaining much of the apparent contradictions in the primary literature.

Henao-García and Cardona Montoya (2024) identified management innovation as an emerging yet undertheorised research area, observing that its relationships with performance remain underexplored at higher levels of analysis: team, sector, and economy. The field also exhibits a technology-centric bias: while AI, big data analytics, and IoT receive considerable empirical attention, the human and organizational preconditions for successful digital capability development, including talent, culture, and absorptive capacity, are systematically

undermodelled (Candraningrat et al., 2025). Kafetzopoulos (2023) demonstrated a positive pathway from talent development to strategic flexibility, innovativeness, and financial performance, but the single-country Greek context limits cross-national transferability. These findings collectively suggest that the innovation–performance relationship is mediated by organizational capabilities and moderated by institutional and firm-level characteristics, precisely the architecture embedded in the proposed framework in Section 2.3.

### **Human Capital Management and Organizational Performance**

Human capital determinants of performance span talent management, employee satisfaction, and HRM practices. Adwan et al. (2024), using a sample of 302 UK-listed companies and over 164,000 employee reviews from Glassdoor, found that employee satisfaction positively affects labor investment efficiency, with this effect strengthening in firms with higher labor intensity and in more competitive environments. Lee and Choi (2024), applying job demand–resource theory to a panel of 182 US R&D-intensive firms, demonstrated that collaborative and innovation-oriented organizational cultures positively affect employee satisfaction, which in turn positively affects organizational performance. The study's topic modeling methodology, applied to nearly 300,000 employee reviews, represents a methodological advance beyond conventional survey-based approaches. However, the US context and R&D-intensive sample constrain generalization.

From a critical standpoint, the HRM–performance literature exhibits a documented bias toward quantitative, survey-based, cross-sectional designs (Anshima et al., 2025). This methodological monoculture limits causal inference and reduces ecological validity. Furthermore, the construct of "human capital" is operationalized inconsistently, sometimes referring to formal skills and education, elsewhere to tacit organizational knowledge, and in some studies to aggregate employee well-being scores, rendering cross-study comparison unreliable. The finding by Iftikhar et al. (2021) that non-financial performance (which includes employee-related outcomes) is more strongly influenced by resilience-type capabilities than financial performance is particularly instructive: it suggests that human capital interventions may generate performance benefits that are captured inadequately or with a time-lag by standard financial metrics. This temporal mismatch between human capital investments and the realization of financial performance constitutes a persistent methodological challenge that future research should explicitly address.

## **DISCUSSION**

### **Theoretical Implications and Reconceptualization**

This critical review challenges several prevailing assumptions in company performance scholarship. First, the assumption that performance can be adequately captured by a single financial ratio is epistemologically untenable, given the breadth of evidence reviewed. The field requires multi-dimensional performance frameworks that jointly model financial returns, non-financial outcomes, and stakeholder value creation. The proposed integrative framework advances this reconceptualization by treating performance as a multidimensional dependent variable, consistent with Chourasia and Bahuguna's (2025) expanded taxonomy of performance perspectives, while acknowledging that different dimensions may respond differently to the same determinant (Oduro et al., 2023; Iftikhar et al., 2021).

Second, the theoretical fragmentation documented across the five determinant themes indicates the need for integrative theoretical synthesis rather than the application of a single theory. The proposed framework responds by drawing simultaneously on RBV (Bergh et al., 2025; Ferreira & Ferreira, 2025), dynamic capabilities theory (Candraningrat et al., 2025; Supriharyanti & Sukoco, 2023), stakeholder theory (Narula et al., 2025), agency theory (Dingzhao et al., 2025; Brahma & Economou, 2024), and institutional theory (Mitra et al., 2025). This multi-theoretic architecture responds to the calls from Laique et al. (2023) for more theoretically plural frameworks that acknowledge the multi-causal complexity of performance variation. The identification of Dynamic Capabilities, Knowledge Management, and Stakeholder Engagement as mediating mechanisms is theoretically grounded: Iftikhar et al. (2021) confirmed that resilience, a dynamic capability, functions as a strong mediator between strategic capabilities and performance, while Bergh et al. (2025) established that knowledge resources augment other strategic assets, supporting the Knowledge Management mediator.

## Practical Implications

For practitioners and policymakers, this review generates several actionable insights. First, governance structures, particularly board independence, CEO accountability mechanisms, and executive compensation alignment, require contextual calibration rather than universal prescription. The consistent finding that governance–performance relationships are moderated by institutional environment and firm size (Mitra et al., 2025; Brahma & Economou, 2024) implies that regulatory frameworks should incorporate context-specific provisions. Second, the positive but weak ESG–performance relationship documented by Mendonça et al. (2025) and Narula et al. (2025) challenges the simplistic "business case" narrative: ESG initiatives should be evaluated on their long-term strategic value, including reputational capital, stakeholder engagement, and risk mitigation, rather than on short-term financial returns alone. Third, investment in digital capabilities, knowledge management, and employee-centered HRM practices represents an evidence-supported pathway to sustainable performance improvement, particularly in innovation-intensive and knowledge-based industries (Adwan et al., 2024; Oduro et al., 2023; Kafetzopoulos, 2023). Managers should treat these investments as complementary rather than substitutable, given the mediating role of Knowledge Management and Dynamic Capabilities in channeling their performance effects.

## Limitations

This review is subject to several limitations. First, restriction to Scopus-indexed, English-language journal articles introduces publication and language bias; grey literature, working papers, and non-English scholarship are excluded. Second, the five-year temporal scope (2020–2025) excludes foundational empirical contributions published before 2020 that continue to exert theoretical influence. Third, the critical appraisal process, conducted by a single reviewer, is subject to interpretive subjectivity that dual-reviewer designs would mitigate. Fourth, the geographic skew of the reviewed corpus toward developed economies limits the proposed framework's applicability to emerging market contexts, where governance institutions, financial markets, and ESG infrastructure differ substantially from those in OECD economies. These limitations define the boundaries of the review's contributions and simultaneously identify priorities for future research.

## CONCLUSION

This critical literature review has systematically synthesized and critically evaluated 104 Scopus-indexed articles on company performance published between 2020 and 2025. Five major determinant categories: corporate governance, strategic and entrepreneurial orientation, innovation and digital capabilities, human capital management, and ESG integration were identified, empirically assessed, and critically appraised. The review exposed persistent measurement pluralism, theoretical fragmentation, and methodological limitations that collectively constrain cumulative knowledge-building in this field. A "measurement convenience bias", whereby indicator selection is driven by data availability rather than theoretical justification, was identified as a pervasive structural problem that systematically distorts cross-study comparisons.

This review contributes to the literature in four ways: (1) conducting an explicitly critical appraisal that distinguishes genuine empirical heterogeneity from methodological artefacts; (2) challenging the prevailing assumption that single-theory frameworks adequately explain performance variation; (3) proposing an integrative multi-theoretic conceptual framework that consolidates five determinant categories, three mediating mechanisms, and three moderating conditions into a coherent architecture; and (4) surfacing the "lock-in effect" in ESG-performance research and the "measurement convenience bias" in governance-performance research as two epistemological challenges requiring urgent methodological response.

Based on the critical gaps identified, five specific research directions are proposed for future scholarship. First, future studies should adopt theoretically justified, multi-dimensional performance batteries that simultaneously model financial, innovation, and stakeholder outcomes. Second, the dominance of cross-sectional, endogeneity-prone designs calls for investment in longitudinal panel studies, natural experiments, and quasi-experimental designs that enable stronger causal inference. Third, purposive inclusion of studies from Southeast Asian, African, and Latin American contexts is needed to test the generalisability of existing frameworks across diverse institutional environments. Fourth, the parallel development of ESG and governance-performance literatures

should be integrated into unified frameworks that model board characteristics as both antecedents of ESG adoption and moderators of the ESG–performance relationship. Fifth, future research should examine the complementarities and tensions between digital technology adoption, knowledge management capability, and human capital development as a jointly mediated pathway to sustainable performance improvement. Sixth, the integrative multi-theoretic conceptual framework proposed in this review should be empirically tested using quantitative, qualitative, or mixed-methods approaches across different industries, firm sizes, and geographic regions, including emerging market contexts, to validate its structural pathways and boundary conditions.

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