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Peer Review

Review of: "ESG Performance and Firm Financial Outcomes: A Cross-Country Analysis of Developed and Emerging Markets"

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The topic has been greatly investigated in the past 5 years. However, the manuscript in its current form falls well below the standards expected for publication. It lacks a rigorous engagement with existing research, does not convincingly demonstrate the stated moderating effects, and is weakened by an underdeveloped theoretical foundation, poor organization, and serious writing problems. Substantial revision is required.

Major Concerns

1. Misrepresentation of scope

The Abstract claims to examine moderating effects of institutional context, economic development, and regulatory structures. Yet the analysis presented does not actually test these moderators. This discrepancy is misleading and undermines the paper's credibility. The authors should remove these claims from the abstract and main text.

1. Weak Introduction

The Introduction suffers from several critical weaknesses. It frequently presents arguments and assertions without support from empirical studies or theoretical frameworks, which undermines credibility and scholarly rigor. The background discussion is overly simplified and descriptive, failing to situate the study within current academic debates or to critically synthesize existing literature. As a result, the section does not clearly establish the study's motivation, lacks a well-defined rationale, and does not identify specific, researchable gaps. The authors should restructure the Introduction to include a concise overview of current debates, a critical synthesis of past findings, a clear statement of gaps and research motivations, a brief cue to the methodology, the paper's key contributions, and a short roadmap of its structure.

1. Literature review and theoretical foundation

The relationship between ESG and corporate financial performance (CFP) has been extensively investigated over the past five years. The manuscript cites only a small number of studies (12 references) and does not critically engage with current debates or conflicting findings. The Introduction reads as a descriptive overview rather than an analytical synthesis.

- Conduct a thorough and up-to-date literature review, especially of recent studies, to identify unresolved tensions and research gaps.
- Clearly articulate how this study addresses those gaps.
- Develop a coherent theoretical framework that links ESG dimensions to firm performance and explains cross-country differences. Explicitly state how the chosen framework underpins the proposed relationships.

3. Hypotheses development

The hypotheses section is superficial and abrupt. Hypotheses are not built from clear mechanisms or supported by recent literature. Rewrite each hypothesis lead-in to show the causal logic, boundary conditions, and expected direction based on theory.

3. Methodological justification

Although the paper uses 2SLS to address endogeneity, the rationale for selecting this approach and for the choice of instruments is not explained. Provide a clear justification for the methodology, showing why it is appropriate for the research questions and how it aligns with the theoretical framework.

3. Presentation of tables and results

Table 1 is awkwardly presented with two totals one after another; reformat for clarity. Table 4 needs to be cleaned up, and Tables 5–8 are confusing and difficult to follow. Study how high-quality articles present panel characteristics and regression results, and reorganize your tables accordingly.

3. Writing quality

The manuscript contains numerous grammatical errors, unnecessary use of capital letters, awkward phrasing, and structural inconsistencies. Short, fragmented paragraphs disrupt the flow. A thorough language edit is required to achieve an academic tone, coherence, and clarity.

3. Discussion and Conclusion

The Discussion section is underdeveloped and mostly descriptive. It simply reiterates results without interpreting mechanisms or relating them back to theory and prior research.

- Rename and separate the “Discussion” and “Conclusion” sections.
- Critically interpret findings in light of your theoretical framework and the literature.
- Deliberate on study limitations and offer a future research agenda in the Conclusion.
- Add a distinct subsection on theoretical and managerial implications in the Conclusion.

References

Having only 12 references is grossly inadequate for a study of this scope. Expand and update the reference list, focusing on high-quality, recent studies. Also, correct incomplete references and avoid unnecessary capitalization of common terms.

Declarations

Potential competing interests: No potential competing interests to declare.