 Qeios

Peer Review

Review of: "Analyst Perceptions of Corporate Social Responsibility: A Replication and Extension of Ioannou and Serafeim (2015)"

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I remember reading the original I&S paper and thinking that the econometric setup was somewhat Rube Golbergesque. It wanted to assess whether there was a trend over the years in CSR ratings, but rather than calculating that trendline and seeing whether it was not null, I&S ran a separate model that pooled each year that entered the sample, and then compared coefficients over time (I&S, Table 4). I think the approach set forth here in Model 6 (or 7) is much more intuitive: If we want to test whether an effect is temporal, it makes the most sense to simply add a time variable to the specification and see if it differs from 0. To wit, one specification with a clear statistical test is preferable to a number of independent tests presented in an array.

I also appreciate the point that actually the right unit of analysis for the research question is the analyst recommendations, rather than the companies. I hadn't thought about that before. Good point.

Declarations

Potential competing interests: No potential competing interests to declare.

 doi.org/10.32388/29QNEW