Review of: "Does Intellectual Capital Efficiency Translate in the Post-pandemic Era for Islamic Banks in Indonesia?"

Muhammad Abubakar Siddique[1]

1 International Islamic University

Potential competing interests: No potential competing interests to declare.

Major Comments

……

In econometrics, banking, and economics research, conducting regression analysis with a small sample size can lead to several challenges and limitations. Here are some comments on the scenario you presented:

With only 20 observations, the reliability and robustness of the results may be questionable. Small sample sizes can lead to high variability in estimates and low statistical power, making it difficult to draw meaningful conclusions.

The fact that two out of three independent variables became highly insignificant suggests potential issues with statistical power or model specification. In a panel data context, where you typically have both cross-sectional and time-series dimensions, it's essential to ensure that the chosen variables are appropriate and the model adequately captures the underlying relationships.

Panel data analysis allows for controlling for both individual-specific and time-specific effects, which can improve the efficiency and accuracy of estimates. However, in this case, the small sample size may limit the effectiveness of panel data techniques in addressing omitted variable bias or other model specification issues.

It's crucial to carefully consider the specification of the regression model. Omitted variables, multicollinearity, or functional form misspecification can lead to biased and inconsistent parameter estimates. The insignificance of certain variables may indicate that they are not relevant in explaining the variation in the dependent variable, or it could be a symptom of model misspecification.

Researchers should perform robustness checks to assess the sensitivity of their results to different model specifications, sample selections, or estimation techniques. Given the small sample size, conducting sensitivity analysis becomes even more critical to ensure the reliability of the findings.

With only 20 observations, any conclusions drawn from the analysis should be made cautiously. The results may not be generalizable to a broader population, and the estimated coefficients may lack precision.