Review of: "Qualitative Approach to Analyze Business Disclosures – A Content Analysis Perspective"

Krayyem Al-Hajaya[1]

1 Mutah University

Potential competing interests: No potential competing interests to declare.

Thank you for sharing this nice article and for the invitation to review.

While the article seeks to provide a qualitative approach commonly used in analyzing corporate disclosure using content analysis, it tells everything regarding methods of content analysis except the qualitative methods. That is, the paper indeed describes the quantitative methods of content analysis. Specifically, it focuses on providing details on the disclosure index method. The disclosure index method involves assigning weights in terms of numbers and hence requires statistical analyses. To this end, we are talking about quantitative methods. So, I suggest changing the title to "A Quantitative Approach in Analyzing Business Disclosure." Of course, the paper needs further refinements and improvements to get rid of some contradictions and wrong information included. For example, using Cronbach's alpha to establish internal consistency reliability is not correct because this test is appropriate for multi-anchors perceptual measures. The unweighted disclosure index is a binary scale seeking facts rather than perceptions, so other reliability tests might be useful, such as inter-rater reliability or Kuder-Richardson. The same holds true for using factor analysis to establish construct validity; yet again, this test is suitable for multipoint scales such as the Likert scale.

Otherwise, if the researchers wish to describe qualitative methods in analyzing business disclosure, a different story should be provided. Qualitative analysis of corporate reports involves analysis of narrative and text qualitatively and draws conclusions based on that analysis. One way is to conduct a thematic analysis of narratives supplemented in the reports. Another way is to search for certain words in the report that represent a specific trend or pattern. For example, if you intend to find qualitative forward-looking information about profitability you might look for certain words representing future looking in the CEO's executive summary such as "will, going to, next year, etc.," which are attached to any measure of profitability such as profits, revenues, earnings, and so on. This analysis might be conducted manually or using specialized software like INVIVO.

Indeed, the study represents a mere description of quantitative approaches in analyzing the content of corporate reporting. This is perfect to be a chapter in a book on research methods in accountancy. I did not see any deep analysis or real conclusions drawn based on a critical analysis regarding which methods are more commonly used in financial reporting research, nor which method is more reliable. This might make an original contribution to the study and therefore provides real implications for researchers in this field.

Best regards,

Dr. Krayyem Al-Hajaya