The Gavin C. Reid Prize for the Best Paper by an CBR Early Career Researcher

Thanks to a generous donation, the CBR has established the Gavin C. Reid Prize for the Best Paper by a CBR Early Career Researcher. The prize is named in honour of Professor Gavin C. Reid, a long- time supporter of the Centre and currently one of its Senior Research Associates. The £400 cash prize, to be awarded annually, is open to early career research staff and research associates of the Centre for Business Research.

Gavin C. Reid

The 2020 Prize has been awarded jointly to Marco Nerino for his paper 'Do corporate governance ratings change investor expectations? Evidence from announcements from Institutional Investor Services' *Review of Finance* vol. 24 pp. 891-928 (2020) (co-authored with Paul Guest), and Senhu Wang for his paper 'A shorter working week for everyone?' How much paid work is needed for mental health and well-being' *Social Science and Medicine* vol. 241 (2019) https://doi.org/10.1016/j.socscimed.2019.06.006 (co-authored with Daiga Kamerāde, Brendan Burchell, Sarah Balderson and Adam Coutts).

Gavin comments:

'The paper by Marco Nerino and his colleague is a very pleasing forensic piece of work in corporate finance. It concerns the market role of governance analysts. At its simplest, research in this area asks whether ratings really tell you anything, given what seems a startling arbitrariness behind index construction and the apparent appetite for purchasing ratings just to have access to the governance data. The received wisdom is that ratings cannot predict performance, and do not affect stock prices. This paper is a model of scientific enquiry. Without prejudice, the paper re-visits this received wisdom with great thoroughness, giving precise attention to all the problem that beset enquiry in this area: causality, contamination, counterfactuals, event-clustering, cross-correlation, event windows etc. The key finding of this fastidious piece of work by Dr Nerino and colleagues is that ratings (notably downgrades) do indeed have price impact. The reasons for this are to be further investigated, but the speculation is that specifically downgrades embody independent information content. I have had the privilege of participating in a CBR open discussion on this paper and it was all that a seminar should be - totally engaging, such was the lucidity of the presentation; and totally absorbing, to judge by the long and detailed participation of the audience, which contained academics and practitioners alike. I am sure this paper will be read and re-read, and widely cited.

'The paper by Dr Senhu Wang and colleagues on the shorter working week, exemplifies the interdisciplinary and multidisciplinary approach of the CBR. It is up to date in its embracing of big

data, in that over eighty thousand individuals are contained in the UK Household Longitudinal Study, which is the basis for the empirical work. The econometric estimation is carried out with skill. Its key finding – that even small hours of work per week are beneficial in terms of mental health and well-being, for those previously unemployed or economically inactive – is so solidly grounded that it is a safe basis for policy action. It is also a vital part of the new learning on the workplace, and its importance to self-esteem. It will no doubt be frequently referenced in the new post-Covid-19 scenario that beckons. As an economist by background, I am not disappointed to see that there is no optimum here. But there is something better: a sound guide to future policy on what will be one of the most important issues of the 'new normal'. In supporting this research, the funding of the Cambridge Political Economy Society Trust has reaped a handsome reward.'

Marco comments:

'Thank you so much for this award. I am truly honoured to receive a prize named after Professor Gavin C. Reid. This recognition represents the culmination of a fantastic research period at the CBR. I am very grateful to Professor Simon Deakin for giving me the opportunity to carry out this research at the CBR. I would also like to thank my PhD supervisor and co-author Professor Paul Guest for his fundamental contribution to this paper.'

Marco Nerino

Senhu comments:

'I am very pleased to receive this award. I want to dedicate this award to other team members of the Employment Dosage Project who also made significant contributions to this paper including Daiga Kamerāde, Brendan Burchell, Ursula Balderson and Adam Coutts.'

Senhu Wang