



A Note on Perceptions of Finance Journal Quality

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Abstract. Finance journal quality is a critical issue for faculty annual elevations, for the tenure and promotion process, and for the administration of faculty workload plans. Unlike other studies that use objective measures (such as citation frequencies) to rate journals, this study focuses on the opinions of chairpersons about the relative quality of 55 finance, insurance, and real estate journals. A sample of 218 finance department chairpersons at AACSB accredited business schools were surveyed, and 125 responses were received (57.34% response rate). Besides overall aggregate scores, responses are segregated and tested for differences across several dimensions. The results offer interesting and current insight on general perceptions of journal quality.

Key words: journal, quality, rating, survey, evaluation

The rating of finance journals is a critical issue for faculty annual elevations, for the tenure and promotion process, and for the administration of faculty workload plans. However, much of the recent literature on this topic seems to focus on issues other than academics' collective perception and opinion of relative journal quality. The goal of this study is to determine how one element of the "market" views journals by surveying finance department chairpersons of business schools that are accredited by the American Assembly of Collegiate Schools of Business (AACSB). Unlike other studies that use objective measures (such as citation frequencies) to rate journals, this study focuses on the opinions of chairpersons about relative journal quality.

While objective measures and subjective opinions by chairpersons are somewhat related, perhaps the best measure of an author's marketability resulting from publications is to determine how the "market" views the journals. While there is no perfect method to efficiently capture the market's perception of each journal, the opinions of chairpersons should serve as a reasonable representation. Chairpersons often have experience in writing and reviewing articles for academic journals, and they typically have administrative power to screen job applicants and make hiring decisions. Thus, the results from this survey should offer insights to faculty about their marketability based on publications in specific journals.

Literature Review

Several studies have assessed various issues surrounding journal quality in various ways. Henderson, Ganesh, and Chandy (1990) assess scholars' familiarity with journals in the various fields taught in a college of business. They find that even well-read scholars are less knowledgeable about journals that are outside of their fields. The respondents seemed to know the top two or three journals in other fields and perceived those journals to be of high quality; however, the respondents indicated that they had no knowledge of journals below the top ones in fields other than their own.

Cudd and Morris (1988) study the potential for bias in finance journal ratings by examining the association between faculty publication records and their point-based evaluations of finance journals. They find no significant relationship between the merit points given to finance journals and the journal-specific success of the faculty member rendering the journal ratings. However, they do find a significant negative relationship between the general publication success of faculty and the merit points they assign to lower-level journal publications.

Coe and Weinstock (1983) surveyed business schools' finance department chairs for their opinions on relative journal quality, as measured by perceived journal acceptance rates and an achievement rating. They argue that because perceived acceptance rates play a pivotal role in evaluating faculty publications, there is a need for finance chairpersons to know the relative difficulties of publishing in leading finance and related journals. However, the results of their study indicate that perceived acceptance rates are not correlated with actual acceptance rates.

Mabry and Sharplin (1985) assess the relative importance of four major finance journals through citation analysis. On this basis, their journal rankings differ significantly from those of Coe and Weinstock (1983), but they contend that citation analysis is a more objective method of ranking journals. Alexander and Mabry (1994) measured the "significance" of finance journals by citations over a recent period. Their study controls for the average number of articles published by each journal per year. Fishe (1998) studies the research standards of a sample of recently promoted full professors, and in the process he uses relative impact factors that are derived from citation analyses.

Several other studies have focused on the contributions of authors in finance journals. Zivney and Bertin (1992) provide a comprehensive review of this literature, and Borokhovich, Bricker, and Simkins (1994) study streams of financial research and their interrelationships. However, these studies are focused on authors or finance topics rather than the measurement of finance journal quality.

Data and Methodology

A survey questionnaire was developed and sent to a sample of chairpersons of finance departments in business schools that are accredited by the AACSB and appear in Haselback's 1995 edition of the *Wiley Guide to Finance Faculty*. While it is recognized that some non-AACSB-accredited universities may pay close attention to research, the sample

was restricted to those universities that are more likely to focus on research. The survey was sent to 218 universities that met this screening criterion, and a copy of the results of this study was promised to chairpersons as an inducement to respond to the survey. Two follow-up requests with additional copies of the survey were sent to chairpersons who did not respond to the initial request.

In the questionnaire, additional information was sought to provide information about respondents so that the results could be analyzed across several dimensions. Respondents were asked to rate the 55 finance, insurance, and real estate journals listed in Heck's 1995 *McGraw-Hill Finance Literature Index*. A rating scale was provided on the questionnaire which ranged from "A" (Very High Quality) to "D" (Low Quality). A decision was made to include a "No Opinion" rating option "N" to allow respondents to express no opinion with respect to unfamiliar journals. Including this option provided additional information regarding chairpersons' familiarity with each journal. The "No Opinion" option was also necessary since the 55 journals included 8 journals that primarily publish in the insurance and real estate areas.

Results

Overall, 125 responses were received, which represents a 57.34 percent response rate. Before describing the results, some background information about the survey respondents is provided. The respondents had an average of about five years experience as chairperson. Ninety-two percent of the responding chairpersons have had some experience as a journal editor or reviewer or both. Eighty percent of respondents were from public universities. Thirty-five percent of the chairpersons stated that their department offers Ph.D. level courses. Sixty-nine percent of the respondents indicated that their department offers a lower teaching load for faculty members who have higher research output.

Overall Rating Results

The results of the survey are disclosed in Table 1, which presents a list of the 55 journals included in the survey, rank ordered by mean rating. Respondents' qualitative ratings were converted to numerical values, where the highest quality "A" journals were assigned a value of four, "B" journals were assigned three, "C" journals were assigned two, and "D" journals were assigned one. Those journals with a "no opinion" rating were not assigned a numerical value and therefore remained a missing value.

When assessing all journals together, it appears that four journals are distinguished from the rest in terms of perceived quality: *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Financial Economics*, and *Journal of Business*. However, none of the differences between any two juxtaposed journals in this upper group of four are significantly different when using a non-parametric rank sum two-sample (Mann-

Table 1. Journal ratings in descending order of perceived quality

JOURNAL NAME	ACRONYM	N	MEAN	STD. DEV.
Journal of Finance	JF	125	3.9600	0.1967
Journal of Financial and Quantitative Analysis	JFQA	125	3.8240	0.4763
Journal of Financial Economics	JFEC	123	3.7805	0.5362
Journal of Business	JB	118	3.7712	0.4963
Review of Financial Studies	RFS	90	3.4667	0.7961
Journal of Money, Credit and Banking	JMCB	119	3.4454	0.6338
Journal of Risk and Insurance	JRI	84	3.2619	0.6608
Journal of the American Real Estate and Urban Eco. Assn.	AREUEA	80	3.2500	0.6656
Journal of Banking and Finance	JBF	116	3.1466	0.6885
Financial Management	FM	123	3.0569	0.7163
Geneva Papers on Risk and Insurance Theory	GENEVA	27	2.9259	0.6752
Financial Analysts Journal	FAJ	123	2.8780	0.6725
Journal of Financial Research	JFR	112	2.8750	0.6022
Journal of Portfolio Management	JPM	116	2.8621	0.6028
Journal of International Money and Finance	JIMF	67	2.8358	0.7092
Journal of Risk and Uncertainty	JRU	40	2.8250	0.5943
Journal of Financial Intermediation	JFI	77	2.7922	0.7316
Journal of Business Finance and Accounting	JBFA	103	2.7476	0.7634
Journal of Future Markets	JFM	93	2.7312	0.5737
Journal of Real Estate Research	JRER	57	2.7193	0.7259
Mathematical Finance	MATHFIN	51	2.7059	0.7292
Review of Quantitative Finance and Accounting	RQFA	72	2.6944	0.6846
Journal of Real Estate Finance and Economics	JREFE	61	2.6885	0.7425
Financial Review	FR	115	2.6870	0.6929
Journal of Applied Corporate Finance	JACF	99	2.6263	0.6938
Journal of Financial Services Research	JFSR	89	2.6180	0.6991
International Journal of Finance	IJF	62	2.5161	0.6712
Journal of Financial Engineering	JFENG	75	2.4800	0.7418
Journal of Fixed Income	JFINC	64	2.4688	0.6659
Journal of Economics and Finance	JEF	91	2.4615	0.8070
International Review of Economics and Finance	IREF	62	2.4355	0.7601
Review of Future Markets	RFM	71	2.3803	0.6838
Journal of Bank Research	JBR	90	2.3778	0.8014
Advances in Futures and Options Research	AFOR	51	2.3333	0.6831
Applied Financial Economics	AFE	55	2.3091	0.6905
Journal of Housing Research	JHR	36	2.3056	0.7099
International Review of Financial Analysis	IRFA	43	2.2791	0.7012
Financial Services Review	FSR	76	2.2763	0.7042
Review of Financial Economics	RFE	63	2.2540	0.7613
Global Finance Journal	GFJ	67	2.2388	0.6983
Financial Markets, Institutions, and Instruments	FMII	55	2.2182	0.7623
Advances in Quant. Analysis of Finance and Accounting	AQAFA	54	2.2037	0.7862
Journal of Multinational Financial Management	JMFM	55	2.2000	0.7552
Journal of Int'l Financial Markets, Institutions & Money	JIFMIM	48	2.1875	0.7043
Advances in Working Capital Management	AWCM	55	2.1818	0.8626
Research in Finance	RIF	41	2.1707	0.7714
Journal of Real Estate Literature	JREL	36	2.1667	0.6547

Table 1. (Continued).

JOURNAL NAME	ACRONYM	N	MEAN	STD. DEV.
Financial Practice and Education	FPE	113	2.1593	0.7742
Advances in Investment Analysis and Portfolio Management	AIAPM	51	2.1569	0.7314
Journal of Financial Education	JFED	99	2.0404	0.8071
Journal of Small Business Finance	JSBU	65	2.0154	0.8002
Research in Financial Services	RFSER	37	2.0000	0.6667
Advances in Financial Planning and Forecasting	AFPF	53	2.0000	0.6794
Recent Developments in International Banking and Finance	RDIBF	33	2.0000	0.5590
Journal of Investing	JINV	53	1.9434	0.6910

This study is based on a survey of 218 finance department chairpersons (125 respondents) at AACSB-accredited business schools in 1996.

Rating scale: 4 = very high quality, 3 = high quality, 2 = moderate quality, 1 = low quality, and a "no opinion" rating remained a missing value.

Whitney) test. Similarly, a statistical "break point" is observed between *Journal of Business* and *Review of Financial Studies*, as manifested by a p-value of 0.0251 for normal approximation.

While the mean ratings for the remaining 51 journals were not extremely high, this may partially be explained by the effort of many survey respondents to separate the top four journals from the others. This may force the other journals to be rated by some respondents as a "B" (valued as 3.0) or lower. If a broader rating scale was used, more differences within the range of the "high quality" journals may have been uncovered. However, the use of a broad range also has its limitations because more distant outliers would tend to distort the mean.

Beyond the top four rated journals, there are six other journals that have a rating of 3.0 or higher. Eleven journals have a mean rating that lies between 2.7 and 3.0, while another six journals are rated between 2.5 and 2.7. Twenty-four journals have a mean rating that is above a value of 2.0 but below a value of 2.5. Most of the lower ranked journals are relatively new and therefore may lack name recognition.

Those journals that specialize in financial education are ranked relatively low. This result may be attributed to the interpretation of the survey request by respondents that they rate journals according to research quality. To the extent that they interpret research quality to reflect new theories and empirical findings on finance concepts, it is not surprising that education journals would be rated low. The education journals tend to focus more on the methods of communicating theories and empirical findings on finance concepts rather than on developing theories or empirical tests. If the survey had asked about the impact of journals on their ability to teach, the education journals would likely be rated much higher.

Further insight may be gained from comparing journals that are classified according to a specific discipline. With respect to journals that focus on international finance, the *Journal of International Money and Finance* is rated the highest. The *Journal of Business* is the highest rated multi-disciplinary journal, although other multi-disciplinary journals (such as *Journal of Business, Finance, and Accounting*, *Review of Quantitative Finance*

and Accounting, and *Journal of Economics and Finance*) fared relatively well. The *Journal of Risk and Insurance* is the highest rated insurance journal, and the *Journal of the American Real Estate and Urban Economic Association* is rated highest among real estate journals.

It is also interesting to note the journals that received a large "No Opinion" response. For example, only 22 percent (27 of 125) of chairs were willing to rate *Geneva Papers on Risk and Insurance Theory*, and only 29 percent (36 of 125) rated *Journal of Housing Research* and *Journal of Real Estate Literature*. With the exception of *Journal of Risk and Insurance* and *Journal of the American Real Estate and Urban Economics Association*, the remaining six insurance and real estate journals were only rated, on average, by 34 percent (43 of 125) of the respondents. In contrast, the remaining 49 "finance" journals were rated by 80 percent (100 of 125) respondents. Four of the "international journals" (*Journal of International Money and Finance*, *International Review of Financial Analysis*, *Journal of International Financial Markets Institutions and Money*, and *Recent Developments in International Banking and Finance*) also had a relatively large percentage of "No Opinion" responses. This result is consistent with the findings of Henderson, Ganesh, and Chandy (1990) that were discussed earlier.

The four highest rated journals from this survey are generally rated in the very highest tier in other articles that have assessed finance journal quality. However, the ordering of the remaining journals does not correspond very closely with some of these other articles. Since some related articles are primarily based on citation frequencies, this difference suggests that the perceptions of chairpersons in finance departments about journal quality are not necessarily driven by the frequency with which a journal was cited.

Rating Variations Across Responses

When responses were segregated based on whether respondents' universities offer Ph.D. level courses, statistically significant differences at the 0.05 level emerged, when using a non-parametric rank sum two-sample (Mann-Whitney) test, with respect to sixteen of the fifty-five journals analyzed. Specifically, *Journal of Financial Economics* was rated higher (3.9556) by those with Ph.D. programs than those without (3.6625). A similar difference appeared within responses regarding *Review of Financial Studies* (3.7692 versus 3.2115). Conversely, responders with Ph.D. programs rated fourteen journals lower than those without. These journals are *Financial Analysts Journal* (2.6667 versus 2.9875), *Journal of Portfolio Management* (2.6270 versus 2.9867), *Financial Review* (2.4103 versus 2.8077), *Journal of Applied Corporate Finance* (2.4324 versus 2.7500), *International Review of Economics and Finance* (2.0500 versus 2.6279), *Journal of Bank Research* (2.0606 versus 2.5690), *International Review of Financial Analysis* (1.8571 versus 2.4667), *Review of Financial Economics* (1.9583 versus 2.4250), *Advances in Quantitative Analysis of Finance and Accounting* (1.8571 versus 2.4118), *Advances in Working Capital Management* (1.7619 versus 2.4286), *Advances in Investment Analysis and Portfolio Management*

(1.8421 versus 2.3333), *Journal of Financial Education* (1.7097 versus 2.2000), *Recent Developments in International Banking and Finance* (1.6923 versus 2.1905), and *Journal of Investing* (1.6471 versus 2.0811).

When responses were segregated based on whether respondents assign lower teaching loads to those faculty members who produce more research output, only one statistically significant difference at the 0.05 level emerged, when using a non-parametric rank sum two-sample (Mann-Whitney) test. *Journal of Applied Corporate Finance* was generally rated higher by those who have flexible teaching loads (2.7324) than those without (2.4063).

When responses were segregated based on whether respondents were from public universities, only one statistically significant difference at the 0.05 level was evident, when using a non-parametric rank sum two-sample (Mann-Whitney) test. *Review of Financial Economics* was rated lower by respondents in public universities (2.1538) than those in private institutions (2.6667).

These results seem interesting and surprising in some instances. However, caution should be exercised when interpreting these differences, as some of these differences may be spurious. Furthermore, other limitations apply, as discussed next.

Limitations

There are several obvious limitations to studies that measure the research quality of journals that should be recognized before drawing inferences from these results. It should be emphasized that the results shown here simply reflect the views of a sample of university chairpersons. These results are not intended to suggest how any university should rate journals.

There are also some obvious limitations in valuing the research productivity of a faculty member based on these results. Thus, readers are discouraged from appraising research performance based simply on a study of perceived journal quality. First, any survey such as this does not account for the specific "quality" of articles placed in any journal. That is, a chairperson and other faculty members may rate one article higher than another, based on the "quality" of each article, even if both articles were published in the same journal. Second, a chairperson and other faculty may rate one author's contribution higher for a sole-authored article than another author's contribution on an article with two or more authors, even if the two articles are rated the same. Third, chairpersons and faculty members may consider the degree to which the article relates to the subject matter that is taught by the author, which may indicate potential for using research to enhance classroom performance. Fourth, chairpersons and faculty members may consider whether the article provides name recognition for the university in the specific discipline for which that person was hired. For example, an article in an insurance journal may be perceived as more meaningful for authors who were hired to teach and conduct research in the insurance discipline than for authors who were hired to focus on other disciplines. Similarly, an article in a real estate journal may be perceived as more meaningful for authors who were hired to develop name recognition within the real estate discipline. Fifth, a few journals

were rated by a relatively small number of respondents (the lowest number is 27 for *Geneva Papers on Risk and Insurance Theory*), which implies that the mean ratings for these journals may be more subject to error. Another implication is that those journals that were rated by relatively few respondents may be less well known than the other journals.

The results of this survey may not necessarily represent the views towards an article that was published in a journal several years ago. A journal's perceived quality may have changed in either direction in the interim. Furthermore, turnover in chairpersons may create a systematic shift in the perceptions of journal quality.

Concluding Comments

Despite the limitations, the results of this study offer some general perceptions of how chairpersons perceive various journals from a research perspective. However, because perceptions vary across finance department chairpersons, the generalized results can not be used in any way to draw inferences about the actual views by any single department or department chair. Furthermore, presentation of these results is not intended to dictate to department chairs what their views should be with respect to journal quality. Nevertheless, these results offer interesting and current insight on general perceptions of journal quality.

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