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# On the relation between intellectual collaboration and intellectual output: Evidence from the finance academe

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## ABSTRACT

This paper tests the relation between intellectual collaboration and the quality of the intellectual output using academic papers published in prestigious finance journals during 1988–2005. We use the number of authors of a paper to measure the extent of intellectual collaboration and the number of citations that a paper receives (adjusted by the number of years since the paper's publication) as a measure of its intellectual value. Based on empirical tests, we find that papers with more authors are cited more often. This relation does not hold for purely theoretical papers. Coauthoring with a prolific author leads to higher quality papers, but coauthoring with colleagues at the same institution leads to neither higher nor lower quality papers. Papers with four authors are cited most often. Overall, when it comes to intellectual collaboration, our results counter the notion that “too many cooks spoil the broth.”

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## 1. Introduction

Consider the following two American sayings, “the more the merrier” and “too many cooks spoil the broth.”<sup>1,2</sup> Both sayings are equally well known and both are largely regarded as conventional wisdom, but yet they convey *opposite* messages. Which message is correct? The obvious answer is that there is probably some middle ground, and where that middle ground can be found is likely to depend on

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<sup>1</sup> See *The new dictionary of cultural literacy*, which is available online at <http://www1.bartleby.com/59/>.

<sup>2</sup> Another opposite saying to “too many cooks...” is “there is safety in numbers.”

the task at hand. What about tasks that involve intellectual pursuits, such as the general pursuit of knowledge? Is it more productive to pursue intellectual endeavors individually or with others? This question is obviously of tremendous importance, as the intellectual pursuit of knowledge is largely regarded as one of the important endeavors of humankind.<sup>3</sup> Our study contributes some empirical evidence to this important question. We examine the relation between intellectual collaboration and its intellectual output. Specifically, we study academic papers published in prestigious finance journals to see if coauthored papers have more intellectual value than solo-authored papers.

The academic study of finance and financial economics is clearly indicative of an intellectual pursuit of knowledge. For example, the academic organization that publishes the *Journal of Finance* states that its aim is “devoted to the study and promotion of knowledge. . .”<sup>4</sup> Much has already been written about academic collaboration and its output, not only in the finance profession (e.g., see [Holder, Langrehr, & Schroeder, 2000](#) and numerous references therein), but also in other academic fields including economics (e.g., [Barnett, Ault, & Kaserman, 1988](#); [Hudson, 1996](#); [Laban & Tollison, 2000](#); [Sauer, 1988](#)), political science (e.g., [Fisher, Cobane, Vander Ven, & Cullen, 1998](#)), criminology (e.g., [Fisher, Vander Ven, Cobane, Cullen, & Williams, 1998](#)), library science (e.g., [Bahr & Zemon, 2000](#)), education (e.g., [Fox & Faver, 1984](#)), psychology and social psychology (e.g., [Over, 1982](#); [Presser, 1980](#)), accounting (e.g., [Brown, 2005](#)), and management and organizations (e.g., [Acedo, Barroso, Casanueva, & Galan, 2006](#)). Almost all of these papers on academic collaboration focus on the nature of coauthoring, its determinants, the allocation of work and credit among coauthors, and coauthoring trends.

According to group decision-making theory, the tradeoff between working as an individual versus working as a team is considered straightforward. Larger teams combine the wisdom and talents of individuals, so teams may be more productive than individuals. However, coordination and process problems increase with team size.<sup>5,6</sup> [Hudson \(1996\)](#) proposes tradeoffs that are specific to coauthoring in economics, which is a field for which finance is largely regarded as a subset.<sup>7</sup> He states that the advantage to coauthoring is that it allows for an efficient division of labor. Publishing in the top economics journals has become increasingly more difficult as the subject area has grown and techniques have become more advanced. As stated by [Hudson \(1996\)](#), a good economics paper nowadays usually contains at least two, if not all three, of the following three elements: good and/or novel idea, high-powered theory/math, and/or high-powered empirics/econometrics. Synergistic coauthoring can facilitate the process of producing a good economics paper. Many other economists have also contended that coauthoring leads to better quality intellectual output (e.g., see [Barnett et al., 1988](#)). Members of the finance academe seem to share this sentiment. In a survey of successful authors in the finance profession, the top reason given for coauthoring is that it increased the quality of the output (see [Holder et al., 2000](#)).

The disadvantages of coauthoring, according to [Hudson \(1996\)](#), are that it involves coordination and, perhaps most importantly, coauthors may have to make compromises when working with one another that lead to reduced risk-taking and thus quality. That is, “too many cooks spoil the broth.” [Hudson \(1996\)](#) also suggests that authors may simply put in  $1/n$ th amount of work into coauthored papers, where ‘ $n$ ’ is the number of authors on a paper, as opposed to the 100 percent of the work obviously needed for solo-authored papers. It may be that ‘ $n$ ’ authors collectively put in just enough efforts to make the paper acceptable by journal referees and/or editors. If this were the case, synergies and value-added contributions from having additional authors may not materialize from coauthorship. It is worth mentioning that it is also entirely possible that as ‘ $n$ ’ gets larger, then an author might do less than  $1/n$ th of the work, which is indicative of the well-known free-rider problem.

<sup>3</sup> The importance of the intellectual pursuit of knowledge to humankind dates back at least to the Greek philosophers. See [http://en.wikipedia.org/wiki/Greek\\_philosophy](http://en.wikipedia.org/wiki/Greek_philosophy) and links therein.

<sup>4</sup> <http://www.afajof.org/>.

<sup>5</sup> In studies of group decision-making, teams are found to be more productive than individuals at accomplishing tasks, however, as teams increase in size the disadvantages outweigh the advantages (e.g., see [Hackman, 1990](#); [Steiner, 1972](#)).

<sup>6</sup> The academic literature on the size of corporate board of directors is pertinent. Board size has been found to be negatively correlated to its firm value (e.g., [Yermack, 1996](#)).

<sup>7</sup> However, we should mention that [Zivney and Sundaram \(1999\)](#) find that while the citation behavior in the academic finance profession is similar to the citation behavior in economics, they also find important differences.

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