

Interview with Prof. Raj Aggarwal, Departmental Editor of Finance and Accounting of Journal of International Business Studies (JIBS) during AIB 2005 conference July 9-11, 2005

Prof. Hoshino: Here we have Professor Raj Aggarwal of Kent State University, departmental editor of Finance, JIBS. How do you review papers submitted to JIBS?

Prof. Aggarwal: Generally, I need three reviewers to make a decision, sometimes I make a decision on the basis of two reviewers. If both are very bad or both are very good then I will go with only two reviewers, but if the two are mixed then I will go for a third review.

Prof. Hoshino: So two at the same time and then third may be later?

Prof. Aggarwal: Well, two at the same time, but if I think that two are not clear, positive or negative, then it will need the third one, that's the way I make any decision.

Prof. Hoshino: Do you make any decision before three reviewers?

Prof. Aggarwal: Yes I do. First thing I do is, I look at the paper and see if it is suitable for JIBS. If the topic and structure of the paper has nothing to do with international business then I do what some call "desk reject".

Prof. Hoshino: "Desk reject"?

Prof. Aggarwal: Yes desk reject. I say basically to the author it's a fine paper but it has nothing to do with international business, so please send to some other journal, maybe a finance journal may be an economic journal but not to international business journal. Because, for publication in JIBS, it should have some implications for international business.

Prof. Hoshino: Well it is quite natural, some authors don't understand the characteristics of the journal.

Prof. Aggarwal: Yes, they don't understand the

characteristics of the journal. They basically just send them. I receive for example a paper on the economic restoration process of, for example Japan, that is not our interest. It may be a very fine paper. But should go to an economics journal or international economics journal but not in international business journal. Because unless there are some implications of the results for international business, it is not of interest to us.

Prof. Hoshino: Some time you publish papers in the area of accounting?

Prof. Aggarwal: Oh actually, that has to be international accounting. It has to be some paper that provides fresh insight, basic contribution in the fields of international business. It may be from economic perspective or finance perspective, but it has to make a contribution to some fields of international business, not just economy, not just finance.

Prof. Hoshino: I just have some discussion with Professor Arie, about the online submission, that authors can select the reviewers.

Prof. Aggarwal: Yes.

Prof. Hoshino: How do you arrange that?

Prof. Aggarwal: Basically when you submit the papers By the way all the manuscripts are handled electronically, so what happens is you submit the papers electronically to Duke University, where JIBS is based. They will be logged into the system at that time you will be asked to pick the area editor that you think is appropriate, and you will be asked to pick three reviewers that you think will provide good reviews for your paper and that are knowledgeable, and you also want to describe what is your relationship with these people. And when I logon to my editor's webpage of JIBS, with my password. I can logon but nobody else. I look at the manuscript and the selected three reviewers, then it is up to me to decide whether I want one of those reviewers, two of those reviewers or none of those reviewers. It is up to me to decide whether I want to use the author's nominated reviewers. And if I feel that one or none of those reviewers is somebody who is well-

known in the field, is credible, then I may decide to include the author's nominated reviewers also. But I try to pick my own reviewers also, and then I usually decide to include one of the author's nominated reviewers, if they are reasonable. But if there are people, that may be related to the author in some way, I will decide not to include them.

Prof. Hoshino: How is the acceptance ratio in the area of finance and accounting?

Prof. Aggarwal: I don't know the ratio in Finance and accounting, but for JIBS overall the acceptance ratio, I think is, between four and seven percent. Only four or seven percent. Something like that.

Prof. Hoshino: It is very strict.

Prof. Aggarwal: Yes it is very strict, we are the top journal in the field of international business, and we like to publish really good papers.

Prof. Hoshino: How is the process of reviewing and how much time does it take?

Prof. Aggarwal: That is a very good question. Usually speaking when you send the paper in, it is sent to reviewers, and reviewers send the comments back, and I look at the comments, and I will send my decision to the author, that's one round. Usually many get rejected in the first round. Then if get a second chance, then you gets a chance to revise, you are going to have the same process again. The average numbers of rounds, I am guessing now, I don't have statistics, are about two or three. More papers go to two rounds and some go for three rounds. In each round it takes maybe three months.

Prof. Hoshino: So three times. Three is nine months?

Prof. Aggarwal: Nine months or ten months. And assuming, if every thing goes very smoothly. Some time I send the papers back to the authors for the revision, the revision require lots of work. So authors may keep them for six months or eight months or for a year or three months. So this is assuming no time for authors. So

usually authors take some time to make the revision, and so the actual decision to acceptance is usually more than a year, it is very strange to be less than a year. It can happen but not very frequently.

Prof. Hoshino: Some time three to four years?

Prof. Aggarwal: Yes some time, sometime three to four years, unfortunately. It depends on how much time reviewers take; it depends for how long the authors keep it for revision.

Prof. Hoshino: How long it is for authors, maximum?

Prof. Aggarwal: Well it's a good question; I don't know the maximum time we allow, but usually, it turns up to the respond within a few months.

Prof. Hoshino: Oh, a few months.

Prof. Aggarwal: Yes. And if they can't respond and have some good reason which can be: that they are collecting more data and then we make decision whether to extend that usually if it takes sometime reasonable time. I can even extend that, it's not a major issue. But you cannot take two years or more for a revision

Prof. Hoshino: Two years.

Prof. Aggarwal: It would be the limit of reasonable time.

Prof. Hoshino: And if they don't resubmit, then it's same just as rejection?

Prof. Aggarwal: Yes, it's author initiated rejection.

Prof. Hoshino: Author can refuse to resubmit, and then go to some other journal?

Prof. Aggarwal: Yes, they can. But they have to refuse us. You cannot submit to two journals at the same time.

Prof. Hoshino: Yes of course. So authors can refuse and then change to another journal of course.

Prof. Aggarwal: Yes, it's possible.

Prof. Hoshino: How long you give to the reviewers?

Prof. Aggarwal: Well we give reviewers generally speaking five weeks to respond, but some of them don't respond in five weeks, some of them respond in less than five weeks, but many of them we have to remind.

Prof. Hoshino: So, if a reviewer does not respond a reminder, say more than five weeks?

Prof. Aggarwal: Then we have to remind them again, saying, Hey! review is due, can you do it please.

Prof. Hoshino: If still reviewer does not respond then?

Prof. Aggarwal: We may do a phone call.

Prof. Hoshino: Phone call? You do phone calls?

Prof. Aggarwal: Yes.

Prof. Hoshino: Even overseas calls ,say to Japan?

Prof. Aggarwal: Yes, and if even then no response then we have to look for another reviewer.

Prof. Hoshino: Oh, then change?

Prof. Aggarwal: Yes, change the reviewer.

Prof. Hoshino: So have you ever changed the reviewer?

Prof. Aggarwal: Yes.

Prof. Hoshino: How is the ratio? How many times you have the experience of changing the reviewer ?

Prof. Aggarwal: I don't know. What is your question?

Prof. Hoshino: You have some experience of changing ?

Prof. Aggarwal: Yes, yes, yes. We try to take the reviewers, those who are well-known in the field, and those well-known people, highly published people, are very busy, so we do have such a situation many times.

Prof. Hoshino: You are the departmental editor, when did AIB decide about the awards. Do you have some authority to decide who will assume the award?

Prof. Aggarwal: Well, some how, but basically best paper award is based on the citations.

Prof. Hoshino: Oh citations?

Prof. Aggarwal: By other people.

Prof. Hoshino: So "SSCI" may be?

Prof. Aggarwal: Yes on the basis of that. We have to find out which author has maximum number of citations.

Prof. Hoshino: SSCI is it a name of company?

Prof. Aggarwal: Yes it is name of a company, Social Science Citation Index is published by the Institute for Scientific Information. It is a private company.

Prof. Hoshino: You use that one only?

Prof. Aggarwal: No, that's the main one we use.

Prof. Hoshino: What about other awards?

Prof. Aggarwal: Other?

Prof. Hoshino: Other awards. There are several awards by AIB, I saw some here.

Prof. Aggarwal: Oh there is dissertation award for doctoral student that is not connected to the journal. I was the chair of the dissertation award. That is a separate part. And then we also have a "Haynes Prize" for young scholars that is a separate part.

Prof. Hoshino: But best paper award is based on citations?

Prof. Aggarwal: Yes.

Prof. Hoshino: That is very logical.

Prof. Hoshino: You also taught at some universities of Japan?

Prof. Aggarwal: I have done some lectures at different universities in Japan.

Prof. Hoshino: The members of AIB from Japan may be one hundred, and we don't see too many papers by Japanese scholars. Do you guess the reason why?

Prof. Aggarwal: Well I don't know the reason but there could be two or three reasons. One that AIB is not well known in the minds of Japanese scholars. That may be one possibility. Maybe more Japanese scholars need to know about AIB and JIBS and maybe this interview will help to publicize this and I thank you for that.

And I think the second reason may be that there are only a hundred Japanese members of AIB and global membership of AIB is 2000 or more. So there are many more members in US and we can naturally expect more from US. Thirdly, the research culture is quite established in US universities for quite some time, where in Japan it is somewhat new. Fourthly, I think it is very hard for Japanese scholars to write in English, and it's a different language, it is a more difficult language for them I think, so that may be another reason why we don't see many papers being submitted by Japanese scholars. And lastly I think it is some times difficult for the people to understand what is the nature of the manuscript that JIBS will like to accept as I said I have to reject many manuscript that are not acceptable for the JIBS. So may be we need to explain more clearly, to Japanese scholars what kind of papers we are going to publish in JIBS.

Prof. Hoshino: So, have you ever published any paper in JIBS with some Japanese author?

Prof. Aggarwal: No I have not published in JIBS with a Japanese author.

Prof. Aggarwal: And so most of my publications as you know, I am in finance and in international finance, and I have published with Japanese scholars in finance Journals, in the journal of financial research and so forth. But International business is a slightly different field. So my contributions mainly from international finance. I had

some knowledge of international business. But it seems as I was studying that article that came out in the recent issue of JIBS, someone seems to think I know something about international business. I don't know what it is about as I don't think of myself as a top scholar in the international business.

Prof. Hoshino: But you were ranked number one.

Prof. Aggarwal: I am not going to say that.

Prof. Hoshino: In this volume 36 you were among the best publications.

Prof. Aggarwal: I was surprised.

Prof. Hoshino: Congratulations!!

Prof. Aggarwal: Yes, well, I would like to say I don't think of myself as a top scholar in the international business.

Prof. Hoshino: How do they decide it?

Prof. Aggarwal: They basically look at the editorial board positions, and look at the impact factor based on the citations of the journals, so it is all citation based.

Prof. Hoshino: Not only your papers in JIBS but also in finance journals, including all those published papers then they decide?

Prof. Aggarwal: Yes, I assume.

Prof. Hoshino: In what kind of finance journals you have published your papers?

Prof. Aggarwal: Oh, they include Financial Management, Journal of Business, Journal of Financial Research, Financial Review, Journal of International Money and Finance, and others.

Prof. Hoshino: You have also been in the Financial Management Association?

Prof. Aggarwal: Yes FMA.

Prof. Hoshino: You used to be a member of the board.

Prof. Aggarwal: Yes, I have been in the FMA board, as directors and other board members, and these days I am vice president of global services for FMA.

Prof. Hoshino: That is a part of Financial Management Association?

Prof. Aggarwal: It is Financial Management Association that for I am the vice president. Nothing to do with AIB. Separate organization.

Prof. Hoshino: Separate organization.

Prof. Hoshino: My doctoral student may have some questions for you.

Hamid: Being the editor of finance section of a very reputed journal, what do you think is the contribution of research in finance in the business strategy?

Prof. Aggarwal: Well I think Finance is very important part of corporate strategy and business strategy. And also finance is very important part of economic development of countries. So I really believe quite sincerely that finance is very very important field both for business and for the countries, and its a very critical field in my opinion, but then you should understand that I teach finance.

Hamid: Thank you.

Prof. Hoshino: So you were talking about the fellows of AIB. Would you explain about it?

Prof. Aggarwal: AIB fellows are elected by other fellows, and basically there are about 40 fellows currently. So these are the people that have made the most contributions to international business. I was elected as fellow in the 1990s, I don't know why. So that is another position to have with AIB and to contribute to AIB, and it's a nice honor. My fellow colleagues and scholars have recognized my contributions and elected me as a fellow of AIB.

Prof. Hoshino: Do you have some meetings of fellows here in this AIB conference?

Prof. Aggarwal: Yes first we have a dinner of fellows, tonight, and then we have a business meeting, and we have to organize some sessions. Plenary session for the program, and we also do executive development programs and all the money we raise goes to the AIB. For the scholarship, for the people from developing countries. So these are some of the things that fellows do. We also elect a scholar of the year, to give him award too, and we also elect an executive of the year and then we also elect a dean of the year. So these are three or four activities in which we are engaged as fellows. And fellows are usually considered senior scholars in the field with some experience.

Prof. Hoshino: Can you name some of the fellows?

Prof. Aggarwal: Yes. For example, Nancy Adler, Robert Hawkins, Paul Beamish.

Prof. Hoshino: Some Japanese AIB fellows such as Professor Kobayashi?

Prof. Aggarwal: Yes, Professor Kobayashi.

Prof. Hoshino: Is there any one else?

Prof. Aggarwal: I think there is only one.

(Actually, there is another one. "Kotabe, Masaaki", a Japanese professor from Temple university)

Prof. Hoshino: Only one?

Prof. Hoshino: He is not here today?

Prof. Aggarwal: No, he is not here I have not seen him. So may be he is not coming this year.

Prof. Hoshino: In Stockholm, he was there.

Prof. Aggarwal: Yes he was in Stockholm, I saw him, he and his wife both were in Stockholm. So there are some very nice scholars in that group and purpose of fellows is

to provide some fellowship. It is social event actually we don't talk about business too much.

Prof. Hoshino: Yes, so it is very nice and you are only one from India, originally from India?

Prof. Aggarwal: Yes originally from India, and I think at this point there is another one from India, Professor Contractor.

Prof. Hoshino: And only one from Japan and some from other Asian countries?

Prof. Aggarwal: Yes there are AIB Fellows from Korea, from Taiwan, and from Singapore. I don't think Australia is considered in Asia, so people from Australia, and yes many from Asian countries.

Prof. Hoshino: Quite international.

Prof. Aggarwal: Yes it is very international. Its nice company of fellows and it is global organization and most of the people that have been the presidents of AIB are Fellows.

Prof. Hoshino: Most of the previous presidents?

Prof. Aggarwal: Yes, but there are others, I have never been president of AIB, I was vice president for a program. I did a program for AIB some years ago, I was a program chairman, but I was never a president, but they elect such people, for example Oded Shenkar, who was elected last year, he was never president, but he was elected because of his great contributions to international business. So, fellows are elected basically not on their position in AIB, but their contribution to the field, that's the criteria.

Prof. Hoshino: That's a very good system which we don't have in Japanese Association of Administrative Sciences, for the honor of the members, participants, may be we need to bring some fellowship.

Prof. Aggarwal: O yes, fellowship is interesting. I think, as I was heavily involved in AIB at one time. I was a director and vice president of a program. So, I was

involved in it quite heavily, but being a fellow gives you some added incentive for you to keep coming to AIB to participate. It's a way for you to recognize some senior scholars and a way to keep them involved.

Prof. Hoshino: Some of the authors that are interested to publish in JIBS may want to know the details of your criteria of selecting the paper for publication?

Prof. Aggarwal: Ok, so as you know, when I got author's papers there is only limited number of papers that can be published. Our acceptance is quite low. So some of the readers may wonder how I select the papers that should be acceptable for the publication. Well, first of all I think, that paper should make a major or significant contribution to an understanding of international business, it should have a major or fresh insight, I think that is very important and key criteria for being published in JIBS.

You obviously must also satisfy the reviewers, and after you have satisfied all receivers' objections, then it is technically qualified for publication but it still may not be published because I like to publish papers that are likely to be heavily cited. Because, if my published papers are heavily cited then the ranking of the journal will go up. So, my goal is to improve the ranking of my journal, so I will like to publish papers that are likely to be heavily cited, by other people, and so the kind of papers that are likely to be heavily cited or the kind of papers usually speaking make a major contribution, have a fresh insight. Maybe a methodological insight, may be structural insight, fortified by empirical evidence that is quite solid. So, we include some theories and some strong empirical tests, which solve a major puzzle or fill a major gap in the research, and provide a fresh insight, that's the kind of papers we like to publish.

Then of course the paper must be well written, in other words it should be unambiguous. In their specialty of research, they should be clear as to what they are saying, the paper should not make claims that cannot be supported by the evidence presented. It should be clearly written, it should not make extraordinary claims, and it always helps to have somebody edit the paper for English, before you send it. Also a good idea is important, and the understanding of international business field is

important. So those are the criteria that I use to decide whether the paper should be published or not.

Prof. Hoshino: How do you compare this journal with the other journals in this field?

Prof. Aggarwal: JIBS is clearly the top journal in this field. It is the “A” journal as far as international business is concern, there is no doubt about it. Everybody agrees JIBS is a top journal.

However when we compare JIBS with lets say, Journal of Marketing, Journal of Finance, Journal of what ever, accounting, you know some specific field journals, it depends on what university you are in, in George Washington University for example they consider JIBS an “A” journal. In some other universities they may consider it as “A-” journal, and may be at some basis they even consider it “B+”, but usually, in most of the places that I know, it is considered as “A” or “A-”, compared to other major journals, and we are trying to move it up so that it should be considered “A+” journal every where. That is our goal.

Prof. Hoshino: So, can you name any “A+” journal from any university?

Prof. Aggarwal: For example, if you think of marketing , Journal of Marketing is “A+”, and so you know, it depends on the field. Accounting, then Accounting Review is an “A+” journal. And every field have three or four “A+” journals, and then they have some other journals that are “A” and then some other journals that are “A-” journals. Then of course “B” or “C”. But this ranking depends on the university where you are. Each university has its own ranking I don’t know why, because every body should use citation based ranking, in my thinking. But, JIBS is, if you think on citation based ranking, it is clearly an “A” journal.

Prof. Hoshino: Thank you very much

Prof. Aggarwal: Thanks you, it was nice, I enjoyed it.

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Raj Aggarwal’s business expertise includes finance/accounting, international business, and strategic analysis in the financial, retail, and industrial sectors. He has lived and worked in Japan, Singapore, India, Australia, Ireland, and Sweden, and is widely traveled in Europe and Asia.

A Fellow of the Academy of International Business, he is among the top fifty contributors globally to the field of international business. He has been a Senior Fulbright Research Scholar in Southeast Asia, and has received many teaching and research honors including university-wide distinguished scholar and distinguished faculty awards and a Larosiere award for an essay in global finance presented at the 2000 Prague World Bank/IMF annual meetings.

He has been the President, an elected officer, or a board member of civic and professional groups like the Cleveland Council on World Affairs, Financial Executives International, Council of International Programs-USA, Financial Management Association, Eastern Finance Association, and the Academy of International Business. He is a graduate of Leadership Cleveland and a member of the Union Club.

He attended the Indian Institute of Technology, Kent State University, and the University of Chicago and earned a degree in Mechanical Engineering, an MBA, and a doctorate in Corporate Finance and International Business. He is also a Chartered Financial Analyst.

