# Table of Contents

**INTERNATIONAL JOURNAL OF SOCIAL SCIENCE RESEARCH**  
**Volume 2 (2013)**

<table>
<thead>
<tr>
<th>Title . . . .</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome from the Editor . . . .</td>
<td>2</td>
</tr>
<tr>
<td>Advisory Editors . . . .</td>
<td>3-4</td>
</tr>
<tr>
<td>Table of Contents . . . .</td>
<td>6</td>
</tr>
<tr>
<td>Announcements for Mustang Las Vegas Conference . . . .</td>
<td>7</td>
</tr>
<tr>
<td>Announcements for Mustang Journals . . . .</td>
<td>8-13</td>
</tr>
<tr>
<td>Best Paper Award Winners . . . .</td>
<td>14</td>
</tr>
</tbody>
</table>

| Charles M. Vance, Kevin S. Groves, Judith A. White, & George L. Hess . . . . | 16 |
| **The Rational Side of EQ: Illuminating Emotional Intelligence through the Lens of Linear/Nonlinear Thinking Style** | |

| Joseph M. Blake Jr. & Jelena Vucetic . . . . | 27 |
| **The Influence Of Financial Literacy On Faith-Based Epistemology: A Case Study Of Arizona Church Members** | |

| Andrew Campbell . . . . | 53 |
| **Conflict Resolution: Merging Victimology and Leadership to Secure Peace** | |

| James Gadberry & Robert White . . . . | 61 |
| **Companion Animals: A Social History of Anthropomorphism** | |

| Somedev Banik . . . . | 69 |
| **The Stinking Food Stigma: Changing Ethnic Foodways For Acculturation** | |

| Nicholas Jewczyn . . . . | 74 |
| **MODERN PORTFOLIO THEORY, APT, AND THE CAPM: THE YEARS 1952 TO 1986** | |

| Orlando Rivero . . . . | 88 |
| **A Review of Modern Journal Publication Initiatives and How it has Affected Academia** | |

| Shawn Schooley . . . . | 96 |
| **Analysis of the Department of Homeland Security Using the Contextual Themes of Intergovernmental Relations and Information Technology** | |

| L. Vijayashree . . . . | 114 |
| **Benchmarking tool to analyze the role of a Faculty** | |
Call for Papers

2014 Mustang International Academic Conference

Las Vegas, Nevada on Feb. 6-7-8, 2014

HOTEL INFO: Monte Carlo Resort Hotel & Casino, right on the Las Vegas Strip!

Deadline for Submission is January 10, 2014

Our Fourth International Conference will provide a friendly and supportive environment for new and established academicians an opportunity to share their research and works in progress with members inside and outside their disciplines.

The Conference and the Journals invite submissions in all business and social science disciplines, including accounting, anthropology, business, finance, communication, criminology, cultural studies, economics, education, management, international business, marketing, history, political science, psychology, sociology, social work, business ethics, and business law, in all areas domestic and international. Pedagogy, case studies, teaching notes, book reviews, cross-disciplinary studies, and papers with student co-authors are especially welcome.

The Conference is affiliated with our six peer-reviewed journals:

The International Journal of Social Science Research,
The International Journal of Economics and Social Science,
The Mustang Journal of Management and Marketing,
The Mustang Journal of Accounting and Finance,
The Mustang Journal of Business, and
The Mustang Journal of Law and Legal Studies.

All accepted presentation will be published in the Conference Proceedings!

Top 3 Papers will receive a Distinguished Paper Award!

Students receive a discounted registration!


Submit an abstract for quick review to MustangJournals@aol.com

Can't join us in Las Vegas? Our fall, 2014 conference will be announced soon!
Call for Papers

The Mustang Journal of Accounting & Finance

Call for Papers: We are now accepting submissions to Volume 4 of the Mustang Journal of Accounting & Finance. The deadline is October 1, 2013. All submissions undergo a blind, peer-reviewed process. The ISSN is 1949-1794 print and 1949-1786 online. The MJAF is listed in Cabell's Directory and Ulrich's Directory, and is available in full text on Ebsco Host as well as on our website.

The scope of this journal is the discussion of current controversies and trends in all fields of accounting and finance, both teaching and practice, in both the domestic and international sphere.

Papers are welcomed which use original research, add to existing theory, or discuss pedagogical innovations developed for the classroom. Innovative research ideas which span discipline areas or which incorporate other nations or cultures are especially encouraged. In addition, we welcome case studies, teaching tips, book reviews, and multi-disciplinary papers.

The Editor of MJAF is Dr. David Ritter, CPA, JD, and DBA, Texas A&M University - Central Texas.

The Mustang Journal of Accounting & Finance had its premiere issue in 2011.

To submit, email your submission to MustangJournals@aol.com
Call for Papers

The Mustang Journal of Business & Ethics

Call for Papers: We are accepting submissions to volume 5 of the Mustang Journal of Business & Ethics. The deadline is October 1, 2013. All submissions undergo a blind, peer-reviewed process. The ISSN is 1949-1735 print and 1949-1727 online. The MJBE is listed in Cabell’s Directory and Ulrich’s Directory, and is available in full text on Ebsco Host as well as on our website.

The scope of this journal is the discussion of current controversies and trends in all fields of business, including accounting, finance, management, ethics, marketing, and economics in both the domestic and international sphere. Papers are welcomed which use original research, add to existing theory, or discuss pedagogical innovations developed for the classroom. Innovative research ideas which span discipline areas or which incorporate other nations or cultures are especially encouraged. In addition, we welcome case studies, teaching tips, book reviews, and multi-disciplinary papers.

The editor of MJBE is Dr. Marty Ludlum, Legal Studies department, the University of Central Oklahoma.

The Mustang Journal of Business and Ethics was started in 2009. Past authors have been from 25 universities and 12 countries.

To submit, email your submission to MustangJournals@aol.com
Call for Papers

The Mustang Journal of Law and Legal Studies

Call for Papers: We are accepting submissions for volume 5 of the Mustang Journal of Law and Legal Studies. The deadline is October 1, 2013. All submissions undergo a blind, peer-reviewed process. The ISSN is 1949-1751 print and 1949-1743 online. The MJLL is listed in Cabell's Directory and Ulrich's Directory, and is available in full text on Ebsco Host as well as on our website.

The scope of this journal is the discussion of current controversies and trends in all fields of law and legal studies in business, including the domestic and international spheres. Papers are welcomed which use original research, add to existing theory, or discuss pedagogical innovations developed for the classroom. Innovative research ideas which span discipline areas or which incorporate other nations or cultures are especially encouraged. In addition, we welcome case studies, teaching tips, book reviews, and multi-disciplinary papers.

The Editor of MJLL is Dr. Will Mawer, Dean of School of Education, Southeast Oklahoma State University.

The Mustang Journal of Business and Ethics was started in 2009.

Past authors have been from 25 universities and 12 countries.

To submit, email your submission to MustangJournals@aol.com
Call for Papers

The Mustang Journal of Management & Marketing

Call for Papers: We are accepting submissions to volume 3 of the Mustang Journal of Management & Marketing. The deadline is October 1, 2013. All submissions undergo a blind, peer-reviewed process. The ISSN is 1949-176x print and 1949-1778 online. The MJMM is listed in Cabell's Directory and Ulrich's Directory, and is available in full text on Ebsco Host as well as on our website.

Papers are welcomed in all areas of management and marketing which use original research, add to existing theory, or discuss pedagogical innovations developed for the classroom. Innovative research ideas which span discipline areas or which incorporate other nations or cultures are especially encouraged. In addition, we welcome case studies, teaching tips, book reviews, and multi-disciplinary papers.

The interim editor of MJMM is Dr. Marty Ludlum, Legal Studies department, the University of Central Oklahoma.

The Mustang Journal of Management & Marketing had its premiere issue in 2012.

To submit, email your submission to MustangJournals@aol.com
All submissions to the IJESS and IJSSR undergo a blind, peer-reviewed process. Papers are welcomed in all areas of the social sciences, including anthropology, communication, criminology, cultural studies, economics, education, history, human geography, political science, psychology, sociology, and social work which use original research, add to existing theory, or discuss pedagogical innovations developed for the classroom. Innovative research ideas which span discipline areas or which incorporate other nations or cultures are especially encouraged. In addition, we welcome case studies, teaching tips, book reviews, and multi-disciplinary papers. The International Journal of Economics and Social Science and the International Journal of Social Science Research had their inaugural issue in May, 2013. Submissions are accepted now. To submit, email your submission to MustangJournals@aol.com
Distinguished Paper Awards

Mustang International Academic Conferences!

Past winners include:

**Dallas, Texas, Fall 2013 Conference**

**Aimee Tiu Wu, Teachers College, Columbia University**
The Balancing Act of Dr. Mommy

**Thomas Krueger, Texas A&M University - Kingsville**
Paying for Acceptance? A Study of Academic Management Journals

**Richard Hauser, Gannon University & John Thornton, Kent State University**
Dividend Policy and Corporate Valuation

**Las Vegas, Spring 2013 Conference:**

**Joseph Groch, Florida Gulf Coast**
Satisfaction: A Path to Success for the Golf Industry

**Shawn Schooley, Auburn University**
Appreciative Inquiry: Answering the Call of the New Public Service by Creating a Democratic Discursive Space through Positive Storytelling wherein Direct Citizen Participation can Flourish

**Yue Yuan, University of Chicago**
Examining Stock Returns through Anomalous Volume: 1966-2009

**Oklahoma City, Fall, 2012 Conference:**

**Kusum Singh, LeMoyne-Owen College**
Paper: Distance to the Border: The Impact of Own and Neighboring States Sales Tax Rates on County Retail Activity

**Daniel Adrian Doss, Russ Henley & David McElreath, University of West Alabama**

**Ralph Bourret & Dana Roark, Northwest Oklahoma State University**
Paper: Are Routine Retiring CEOs More Closely Monitored in their Last Year?
THE RATIONAL SIDE OF EQ: ILLUMINATING EMOTIONAL INTELLIGENCE THROUGH THE LENS OF LINEAR/NONLINEAR THINKING STYLE

Charles M. Vance*
*Loyola Marymount University

Kevin S. Groves
*Pepperdine University

Judith A. White
*St. Mary’s College of California

George L. Hess
*Loyola Marymount University

ABSTRACT

There has been an overemphasis upon the affective domain in the conceptualization of emotional intelligence, with relatively small attention to the important role of the rational cognitive domain. This study investigated the empirical relationships among managerial linear and nonlinear thinking styles and the four branches of Mayer and Salovey’s (1997) emotional intelligence model. Data from 93 marketing managers demonstrated that (1) linear thinking is associated with regulating emotions, (2) nonlinear thinking is related to utilizing emotions to facilitate thinking, and (3) balanced linear/nonlinear thinking is associated with overall emotional intelligence. Implications for theory, practice, and future research are discussed.

INTRODUCTION

There has been continued to be strong attention to the concept of emotional intelligence (EI) since Goleman’s (1995) bestseller of the same name (Jorfi & Jorfi, 2012; Khalili, 2011; Ravichandran, Arasu and Kumar, 2011; Beigi and Shirmohammadi, 2011; Hur, van den Berg and Wilderom, 2011). These discussions of emotional intelligence (popularly referred to as EQ) as a multi-faceted construct typically deal with internal processes of intuition, emotional self-awareness, full utilization of the senses, self-confidence, optimism, and empathy, and often assert the primacy of emotional intelligence over rational thinking and cognitive intelligence in achieving personal and professional effectiveness (Daus and Ashkanasy, 2005; Ashkanasy and Daus, 2002; Goleman, 1998; Seligman, 1998; Fisher and Goleman, 1998; Cooper and Sawaf, 1996). Moreover, Goleman and other scholars assert that aspects of EI, including nonlinear thinking processes such as utilization of all senses and intuition, distinguish “superstar” leaders from those likely to derail in the senior executive ranks. The importance of EI in achieving performance goals has been discussed in several professional contexts, including leadership, managerial ethics, international adjustment, sales, and entrepreneurship education (Hur, van den Berg and Wilderom, 2011; Groves, McEnrue and Shen, 2008a; Groves, Vance and Paik, 2008b; Sojka and Deeter-Schmelz, 2008; Shepherd, 2004; Gabel, Dolan, and Cerdin, 2005; Goleman, 1998). And as per the popular phrase, “I.Q. gets you hired, but EQ gets you promoted,” often the greater source of personal and professional success is attributed to EI over rational thinking ability and even basic cognitive intelligence (e.g., see Gibbs et al., 1995).

Due to the popularity and wide acceptance of this multifaceted construct, formal education curricula at all levels and practitioner workshops and seminars related to EI have proliferated (Joyner & Mann, 2011; Heydenfeldt, Herkenhoff & Coe, 2011; Kingston, 2008; Boyatzis, 2008; Cobb and Mayer, 2000). The increasing attention to and acceptance of affective aspects of our conscious and unconscious human processes provide a welcome departure from the traditional limiting and still often prevailing restriction to cold logic and reason as championed by the Scientific Method and ancient philosophy of...
stoicism (Pfeffer & Fong, 2002; Mintzberg & Gosling, 2002). Nevertheless, with growing attention on more qualitative nonlinear models including EI, we risk committing a similar error of imbalance that generally favors emotional processes over logic and rationality. However, although often overlooked, even current models of emotional intelligence emphasize an active interplay between middle brain and forebrain—emotional and rational—activities (Goleman, 1995). And in his practical self-help model for changing an explanatory style that is non-productive and even damaging to a more productive and healthful optimistic style, Seligman (1998) encourages the frequent use of rational analysis and logical thinking to actively dispute and minimize the negative impact of our irrational, pessimistic explanations. Yet there has been little empirical research that points to the importance of balance in our cognitive and affective processes in the effective utilization of EI.

The purpose of this study is to empirically examine the important role of linear or rational thought in the full functioning of EI. A widely accepted model of EI is first analyzed in terms of its combined linear and affective or nonlinear components. Then the relationship between two validated measures of EI and linear/nonlinear thinking style is tested using a sample of marketing managers to examine and explicate the roles of linear and nonlinear thought processes in EI, and to assess the importance of linear/nonlinear thinking style balance for fully functioning EI. Finally, implications of the results for future research and practice related to EI and workplace performance are discussed.

EMOTIONAL INTELLIGENCE AND THE INTERPLAY OF LINEAR/NONLINEAR THINKING STYLE

In this study EI is defined using the Mayer and Salovey (1997) ability-based framework conceptualizing EI as consisting of four branches: accurately perceiving emotions, using emotions to facilitate thinking, understanding emotions, and regulating and managing emotions. This widely endorsed model demonstrates strong construct validity vis-à-vis cognitive intelligence, personality, social desirability, and other trait-based variables (e.g., McEnrue and Groves, 2006; Day and Carroll, 2004). The Mayer and Salovey model and its associated measures have clear advantages for criterion-related studies because they focus on observable EI abilities while excluding EI traits and products that make it more difficult to clearly identify the links between EI abilities and work outcomes (Daus and Ashkanasy, 2005).

Thinking style has been defined as one’s preferred manner of using mental abilities to govern daily activities, including understanding and solving problems and challenges (Sternberg, 1997, 1988). Consistent with existing two-part definitions of general thinking style and modes of thinking that involve (1) attending to an information source and (2) processing that information for subsequent decision-making (Zhang, 2002; Sternberg, 1997; Sternberg and Grigorenko, 1995), Vance et al. (2007) define linear thinking style as a preference for attending to external data and facts, and processing this information through conscious logic and rational thinking to form knowledge, understanding, or a decision for guiding subsequent action. Linear thinkers are characterized by a reliance on analytical methodology to solve complex problems by breaking apart a system into distinct pieces so that they can be analyzed and understood separately, and then unified to form a more predictable system. Linear thinkers primarily rely upon logic, objective and verifiable evidence, empirical data, and the deduction process in formulating a decision. When their objective, data-driven, logical analyses conflict with their feelings, emotions, and intuition concerning important workplace decisions, linear thinkers primarily will give precedence to the former when attending to information sources and processing such information for subsequent decision-making.

Vance et al. (2007) further define nonlinear thinking style as a preference for attending to internal feelings, impressions, intuition, and sensations, and processing this information (both consciously and subconsciously) to form insight or understanding for guiding subsequent action. Nonlinear thinkers are characterized by paying sharp attention to feelings, intuition, and physical sensations when making important workplace and career decisions. When their feelings, emotions, and intuitions conflict with their objective, data-driven, and logical analyses concerning important workplace decisions, nonlinear thinkers primarily give precedence to the former when formulating a decision for guiding subsequent action. When successful managers face highly complex decisions that must often be made under fast deadlines after accumulating vast masses of data and raw information, they increasingly rely upon their intuitive judgments and other nonlinear sources to formulate timely decisions and guide subsequent action (Dane and Pratt, 2007; Miller and Ireland, 2005; Sadler-Smith and Shefy, 2004). In describing the relationship between linear and nonlinear thinking, Miller and Ireland argued that intuitive decisions involve “novel
approaches, changes in directions, and/or actions that run counter to prevailing thinking or data” (2005 at 21), and are often described as “gut feelings.” In short, nonlinear thinkers will primarily “go with their gut” when their analysis and intuitions conflict.

There currently appears to be no empirical evidence concerning the relationship between linear and nonlinear thinking styles and the ubiquitous research topic of emotional intelligence, which typically is discussed in terms of nonlinear attributes (e.g., sensing feelings) and linear attributes (e.g., understanding or managing emotion). However, based on Mayer and Salovey’s (1997) model, Vance et al.’s (2007) framework for linear/nonlinear thinking style, and limited past theoretical research, we expect linear and nonlinear thinking to be associated with different EI dimensions. Mayer et al. conceptualize the first two branches, perceiving emotions and using emotions to facilitate thinking, as “experiential EI” such that persons with strong abilities in these dimensions have “…the capacity to feel emotion and … focus on more basic-level processing of emotion as opposed to the rational understanding and management of emotion” (2002 at 5). The other two EI branches, understanding emotions and regulating emotions, are conceptualized as “strategic EI” as they involve high-level, conscious processing of emotions (as opposed to the subconscious information processing characterizing intuition) that requires “reasoning about emotions, how they develop over time, how they may be managed, and how to fit emotional management into social situations” (2002 at 5). Given these important conceptual distinctions among the four EI branches, the strategic EI branches of understanding emotions and regulating emotions should be associated with linear thinking and its emphasis on conscious reasoning and rational decision-making processes. Mayer and Salovey (1997) define understanding emotions as analytical reasoning about emotions such that individuals have an in-depth realization of the causes and consequences of their own emotions and those experienced by others. Such abilities would seem to demand the logic, rational analysis, cause-and-effect predictability, and analytics that comprise linear thinking.

Mayer and Salovey (1997) further define regulating emotions as actively managing and controlling one’s emotions and those of others by staying open to feelings, reflectively engaging emotions depending upon utility and information value, and managing emotions in oneself and others. Managers exercising effective emotional regulation are keenly aware that emotions provide important meaning and focus on appropriate areas, yet they also can interfere with information processing when unmanaged or ignored. Thus, managers with high emotion regulation ability rationally and analytically manage emotions so they do not interfere with effective information processing. Overall, such emotion regulation skills appear to require the rational analysis and cause-and-effect predictability that characterize linear thinking. Thus, the following hypotheses are presented:

**Hypothesis 1a:** Linear thinking style will be positively associated with understanding emotions.

**Hypothesis 1b:** Linear thinking style will be positively associated with regulating emotions.

Based on the Mayer and Salovey (1997) EI model, nonlinear thinking styles are expected to be associated with specific EI dimensions. The experiential EI branches of perceiving/expressing emotions and using emotions to facilitate thinking should be associated primarily with nonlinear thinking and its emphasis on internal information sources and nonlinear decision-making processes, particularly the subconscious synthesis of information across one’s diverse experiences that characterizes intuition (Dane and Pratt, 2007). Mayer and Salovey (2007) define perceiving and expressing emotions as accurately assessing and expressing one’s own emotions, maintaining an awareness of, and appraising the emotions of others. According to Mayer et al., such skills involve “…paying attention to, and accurately decoding, emotional signals in facial expressions, tone of voice, and artistic expressions” (2002 at 6). These skills appear to be closely aligned with nonlinear thinking and decision-making, which require attention to internal feelings, emotions, and sensations to inform decision-making and action.

Mayer and Salovey (1997) also define the use of emotions to facilitate thinking as utilizing emotions and feelings to facilitate cognitive processes. Individuals with advanced skills in this EI branch use emotions to focus attention on important issues, make decisions among competing and similar options, make choices among an unruly number of alternatives, and enhance the flexibility of information processing (Salovey and Mayer, 1990). Zhou and George (2003) argued that several cognitive sub-processes underlying creativity (e.g., problem/opportunity identification, information gathering, idea generation) involve nonlinear information sources and processing. The perception, appraisal, and utilization of emotions to facilitate creative thinking may allow managers to better understand their own and others’ dissatisfaction with the status quo, and channel such emotional energy into improvement opportunities while also accurately perceive and manage their own and others’ frustration during the idea implementation process. These abilities appear closely associated with nonlinear thinking and its emphasis on remaining
attentive to inner information sources (e.g., emotions, feelings, sensations) and utilizing such information to inform decision-making and subsequent action. Given the connections reviewed above, the following hypotheses are presented:

**Hypothesis 2a:** Nonlinear thinking style will be positively associated with perceiving/appraising emotions.

**Hypothesis 2b:** Nonlinear thinking style will be positively associated with using emotions to facilitate thinking.

**BALANCED LINEAR/NONLINEAR THINKING STYLE AND FULL EI UTILIZATION**

Linear/nonlinear thinking style is a bipolar construct: thought processes currently in use are either linear or nonlinear, and the more frequently an individual employs a linear style across different situations, the less frequently he or she employs a nonlinear thinking style. While both linear and nonlinear thinking styles individually play important roles in managerial decision-making and subsequent action, recent research on specific outcomes such as innovative behavior and ethical decision-making suggests that optimal performance and professional practice demand an even versatility or balance in using either thinking style dimension, depending on situational demands (e.g., Ettlie et al., 2008; Groves et al., 2008b).

A high degree of balance would be characterized by a general pattern of even versatility in employing linear and nonlinear styles across several different situations involving the reception and processing of information for decision-making, whereas a moderate or low degree of balance (e.g., moderate or high imbalance) would be reflected by a pattern favoring either a linear or a nonlinear mode across different situations.

Given that managers must alternately apply both logic and nonlinear processes of emotion and intuition in their regular work to clarify objectives, uncover hidden opportunities, and reach difficult decisions and creative solutions complicated by a variety of stakeholders, optimal managerial performance depends on one’s ability to maintain linear and nonlinear thinking balance. When there is thinking style imbalance or predominant use of one mode, managers are not addressing the above highly demanding activities with full strength and flexibility. Just as there are serious performance consequences when ignoring emotions, intuition, and insights related to an important issue, an over-reliance on such nonlinear thinking dimensions also presents serious limitations to professional practice. For example, overconfidence and unfounded optimism underlying a propensity toward excessive risk-taking, lacking adequate rational and factual analysis, have been identified as forms of cognitive bias that can lead to ineffective decision-making (Forbes, 2005; Simon et al., 2000). Other negative consequences of an over-reliance on nonlinear thinking at the neglect of systematic analysis and linear thinking include counterfactual thinking, self-serving bias, self-justification, representativeness errors, and a misguided belief in the "law of small numbers" (Simon et al., 2000; Baron, 1998; Busenitz and Barney, 1997).

Based on the review above concerning the theoretical bases of linear/nonlinear thinking and Mayer and Salovey’s (1997) EI model, it is expected that balanced linear/nonlinear thinking would be associated with overall EI ability. Managers with high EI demonstrate abilities across the four branches that demand both linear and nonlinear thinking and decision-making, which suggests that managers with a balanced emphasis on both thinking styles should also possess high overall EI. Specifically, the ability to understand the subtle variations across emotions and their differing effects on self and others in varying contexts, and to actively manage emotions so they do not interfere with effective information processing, depends on rational and analytical reasoning of the causes and consequences of emotions in intra- and interpersonal relationships. Similarly, the ability to utilize emotions to direct attention to salient issues, make values-based decisions among numerous and competing alternatives, enhance information processing flexibility, and mitigate the “analysis paralysis” syndrome requires careful attention to inner stimuli such as feelings, emotions, and physical sensations (Sadler-Smith and Shefy, 2004; Damasio, 1994). Based on the preceding discussion, the following hypothesis is presented:

**Hypothesis 3:** Balanced thinking style is positively associated with overall emotional intelligence.

**METHOD**

Middle- and upper-level managers from a national US marketing company were recruited as participants. At the company’s annual conference, 110 manager attendees were asked to voluntarily participate in the study. Ninety-three managers agreed to participate for an 84.5% response rate. Forty-nine
(52.7%) of the participants were female. The mean age of the participants was 42.16 years ($SD = 10.37$). The ethnic composition of the sample was as follows: Asian-American ($n = 3$, 3.2%), Hispanic/Latin-American ($n = 1$, 1.1%), Caucasian ($n = 84$, 90.3%), American Indian ($n = 1$, 1.1%) and 4 (4.4%) responding with other ethnic classifications or no response. The participants had been employed at their current employer ($Mean = 8.18$, $SD = 6.89$) and position ($Mean = 5.52$, $SD = 5.92$) for a significant number of years. All conference attendees were administered an informed consent form and a survey that included a series of measures and demographic items. Participation in the study was completely voluntary and there was no incentive to complete the survey.

All participants completed the Linear/Nonlinear Thinking Style Profile (LNTSP) (Vance et al., 2007), a 26-item, four-dimensional, forced-choice self-report measure of thinking style. The LNTSP is comprised of two types of forced-choice items, including five pairs of statements describing alternative behaviors (10 total items) and eight pairs of alternative words or phrases that influence decision-making (16 total items). Using a Likert-type scale (3 = “very often,” 2 = “moderately often,” 1 = “occasionally,” and 0 = “rarely or never”), respondents were asked to allocate exactly three points across each pair of alternative statements according to how frequently they perform such behaviors. An example pair of statements includes, “I primarily rely on logic when making career decisions” and “I primarily rely on feelings when making career decisions.” Also using a Likert-type scale (3 = “very strong influence on how I behave,” 2 = “strong influence on how I behave,” 1 = “moderate influence on how I behave,” and 0 = “little or no influence on how I behave”), respondents again were asked to allocate exactly three points across each pair of alternative words or phrases. Example item pairs include “Feelings” and “Facts,” “Inner Knowing” and “Logic,” and “Felt Sense” and “Reason.”

The four LNTSP subscales include external information sources (EIS), internal information sources (IIS), linear decision-making (LDM), and nonlinear decision-making (NDM). The EIS subscale (eight items) reflects external sources of information, data, and influences that guide an individual’s decision-making and behavior. Internal information sources also consist of eight items representing inner or internal information sources such as feelings, sensations, and impressions that influence an individual’s decision-making and behavior. Linear decision-making (five items) includes linear items that represent the mental processing of external sources of information, including verifiable facts, analytical reasoning, and objective factors, for the purpose of rational decision-making and subsequent action. Finally, NDM contains five nonlinear items that reflect the processing of internal sources of information, such as feelings and intuitive sense, for the purpose of guiding subjective decision-making and subsequent action. Linear thinking style is calculated as the sum score of EIS and LDM, while nonlinear thinking style is calculated as the sum score of IIS and NDM. The degree of thinking style balance is calculated as the absolute mean difference between linear and nonlinear thinking style. High balance, where linear and nonlinear thinking style scores are relatively even, would therefore be reflected by an absolute mean difference score at or close to zero. Alternatively, lower thinking style balance, in which either a linear or nonlinear style is generally more favored and shows a higher score, would be reflected by a higher absolute mean difference score.

Previous LNTSP validation studies indicate that the measure consistently demonstrates a clear four-factor structure (Vance et al., 2007), differentiates the thinking styles among accountants, actors, and entrepreneurs (Groves et al., 2006), and predicts ethical decision-making (Groves et al., 2008b) and innovative behavior (Ettlie et al., 2008). To demonstrate the LNTSP factor structure in the present sample, a confirmatory factor analysis was conducted using AMOS software (Arbuckle and Wothke, 1999). Postulating that each item would load onto its respective dimension, the measurement model fit the data reasonably well ($X^2 = 190.68$ [$df = 36$, $p < .05$]) according to the following conventional fit indices: GFI (.91), AGFI (.89), IFI (.91), CFI (.91), and RMSEA (.06). The Cronbach alpha reliability estimates for EIS, IIS, LDM, and NDM were .84, .86, .76, and .73, respectively.

The Groves et al. (2008a) emotional intelligence self-description inventory (EISDI) was utilized to measure EI. The 24-item, self-report EISDI was selected for the present study in lieu of Mayer et al.’s (2002) 141-item Mayer-Salovey-Caruso emotional intelligence test (MSCEIT) because of (1) its brevity and the need to produce a short overall questionnaire given limited respondent participation time, (2) prior empirical research demonstrating its stable factor structure, strong convergent and discriminant validity estimates, and weak relationship with personality traits and social desirability (Groves et al., 2008a), and (3) its high face validity and emphasis on items that address workplace phenomena (McEnrue and Groves, 2006). The latter of these criteria was particularly important given the present study’s managerial sample and the low face validity of several MSCEIT items (e.g., asking respondents to identify the emotions...
elicit by abstract pictures). The EISDI includes the following six-item scales: perception/appraisal of emotions (PE), facilitating thinking with emotions (FE), understanding emotions (UE), and regulation/management of emotions (RE). Sample items include “I can accurately identify a range of emotions that I feel from day to day” (PE), “I often use how I feel about a problem to define the attention I give to it” (FE), “I can usually detect subtle changes in the emotions of my co-workers” (UE), and “I am usually able to transmit a sense of enthusiasm about a work project onto others” (RE). To demonstrate the EISDI’s factor structure in the present sample, a confirmatory factor analysis was conducted using AMOS software (Arbuckle & Wothke, 1999). Again predicting that each item would load onto its respective dimension, the measurement model fit the data reasonably well ($\chi^2 = 213.45 \ [df = 34, p < .05]$) according to the following conventional fit indices: GFI (.93), AGFI (.90), IFI (.94), CFI (.93), and RMSEA (.05). Internal reliability estimates for the EISDI overall and the PE, FT, UE, and RE scales were .88, .75, .70, .84, and .73, respectively.

RESULTS

Overall, age was not associated with any other variables, while gender was significantly related to linear thinking style ($r = -.27, p < .01$), nonlinear thinking style ($r = .26, p < .01$), and balanced thinking style ($r = -.34, p < .01$). Educational background was positively associated with nonlinear thinking style ($r = .25, p < .05$) and negatively related to linear thinking style ($r = -.24, p < .05$). Emotional intelligence was positively associated with balanced thinking style ($r = .23, p < .05$), AOIC ($r = .29, p < .01$).

Hypotheses 1a and 1b predicted that linear thinking style would be positively associated with the understanding emotions (UE) and regulating emotions (RE) branches of EI, respectively. Using descriptive and correlation analyses of the LNTSP and EISDI scales, external information source ($r = .18, p < .10$) and linear decision-making ($r = .19, p < .10$) were positively but not significantly associated with understanding emotions. Overall, Hypothesis 1a was not supported. Both external information source ($r = .22, p < .05$) and linear decision-making ($r = .25, p < .05$) were significantly associated with regulating emotions. Thus, Hypothesis 1b was supported. Hypotheses 2a and 2b predicted that nonlinear thinking style would be associated with perceiving/appraising emotion (PE) and using emotions to facilitate thinking (FT), respectively. Internal information source ($r = .15, ns$) and nonlinear decision-making ($r = .18, p < .10$) were positively but not significantly associated with perceiving/appraising emotions. Overall, Hypothesis 2a was not supported. Internal information source ($r = .20, p < .05$) and nonlinear decision-making ($r = .23, p < .05$) were strongly associated with using emotions to facilitate thinking. Thus, Hypothesis 2b was supported.

Hypothesis 3 predicted that balanced thinking style would be associated with overall EI. To test this relationship, a regression model was used employing a series of demographic variables (age, gender, and education background) entered as the first step. Step 2 demonstrated that balanced thinking style explained a significant amount of variance in EI ($\Delta R^2 = .11, p < .05$) beyond all variables in Step 1. The final regression model showed that balanced thinking style was a significant predictor of EI ($\beta = .23, p < .05$). Thus, Hypothesis 3 was supported.

DISCUSSION

The present study examined the relationship between linear and nonlinear dimensions of managerial thinking style and emotional intelligence. Results demonstrate that linear thinking style was positively associated with the regulation of emotions, nonlinear thinking was related to utilizing emotions to facilitate thinking, and a balanced use of linear and nonlinear thinking was a predictor of overall EI. These results suggest that individuals adopting a rational, analytical decision-making style predicated on logic and verifiable evidence are more likely to demonstrate a conscious, rational, high-level processing of emotions (“strategic EI”; Mayer et al., 2002), to manage and regulate emotions in self and others in a productive fashion. The effective regulation and management of hostility and repressed negative feelings can have important health benefits (Salovey, 2001). The rational management of emotions also has valuable application in addressing negative feelings and emotional discomfort associated with resistance to needful change and risk-taking involving loss, such as the common yet harmful “sunk cost” cognitive bias rationalization (Yanamandram and White, 2010; Perera and Kim, 2007). The results also indicate that individuals with a predominant nonlinear thinking style that emphasizes sharp attention to intuition, emotions, and physical sensations about workplace phenomena are more likely to demonstrate a basic and
often subconscious processing of emotions ("experiential EI"; Mayer et al., 2002), including the ability to prioritize work tasks and define the attention given to workplace problems according to their feelings and intuitions.

Thus, an important contribution of this study is evidence of a link between linear and nonlinear thinking styles and dimensions of a widely recognized model of EI, providing support for the under-examined and often overlooked conceptualization of EI as involving an important interaction between both cognitive and affective domains (Cote and Miners, 2006). In addition, this emphasis on the importance of linear or rational thinking in EI is necessary to counter a possible overemphasis in practice on the affective domain in EI conceptualizations.

An important implication of the results is the potential benefit for improving EI training, based also on individual thinking style diagnosis, which is directed at developing greater linear/nonlinear thinking style balance and versatility (Vance et al., 2007). It is possible that education and training efforts in EI that neglect attention to the concomitant development of linear/nonlinear thinking style balance may have sub-optimal results. In addition, the finding of the link between linear thinking and emotional regulation has important implications for management education, leadership training, and professional development, particularly in contexts of crisis and high stress, where the ability to resort to linear style logic and controlled reason, amidst emotional distress or impulsive distraction, can lead to sustained positive performance. On the other hand, under these conditions the lack of emotional regulation can lead to disastrous outcomes, broken negotiations, and irreparable professional relationships. Goleman (1998) has identified self-regulation, employing controlled reason and analysis, as an essential competency for leaders in building an atmosphere of trust and fairness and coping well in competitive environments. The present study’s findings support the focus on linear thinking skill development in building the critical leadership competency of self-regulation. Furthermore, especially where diagnostic assessment reveals an over-reliance on linear thinking, the results also support the use of training in various nonlinear thinking skills (e.g., intuition, creativity, imagination, insight) to facilitate and enhance individual and group problem solving and decision-making performance.

A potential limitation of the present study is the possibility that the inconsistent findings concerning thinking styles and EI abilities are due to the relative newness of the LNTSP and EISDI measures. Indeed, the non-significant results, albeit in the expected direction, for Hypotheses 1a and 2a may be attributed, at least in part, to the need for further refinement of the EISDI’s item phrasing and the conceptual structure and distinctiveness of the subscales. Along a similar vein, future research should explore the link between linear/nonlinear thinking style and EI using qualitative research methods in addition to self-report surveys. Qualitative studies can address not only whether but why a given connection occurs and under what circumstances.

Future applied research should be conducted to confirm the value of linear/nonlinear thinking style balance on strategic and experiential EI learning outcomes as well as longer-term career and performance success factors by comparing EI competency training with and without accompanying training for building linear/nonlinear thinking style balance. Future research also should examine the interplay between linear/nonlinear thinking style balance and EI in affecting performance in professional work settings of high stress and emotional labor, such as medical emergencies or crisis situations (Grandey, 2000). Finally, future research should examine the impact of balanced linear/nonlinear thinking on EI at the group and organization levels of analysis, specifically the strategic decision-making process of top management teams (Leonard et al., 2005), and cultural norms associated with information processing and problem-solving (Schein, 1992). In addition, the relationship between linear/nonlinear thinking style balance and the phenomenon of emotional contagion should be explored (Vijayalakshmi and Bhattacharyya, 2012), and particularly on how thinking style balance may serve to arrest an otherwise unproductive spread of negative emotion through an organization.

REFERENCES


**Corresponding Author Contact Information:**

Charles M. Vance, Ph.D.
College of Business Administration
Loyola Marymount University
1 LMU Drive, MS 8385
Los Angeles, CA 90045-2659
Phone: 310-338-4508
FAX: 310-338-3000
cvance@lmu.edu
THE INFLUENCE OF FINANCIAL LITERACY ON FAITH-BASED
EPISTEMOLOGY: A CASE STUDY OF ARIZONA CHURCH MEMBERS

Dr. Joseph M. Blake Jr. and Dr. Jelena Vucetic

ABSTRACT
The purpose of this case study was to depict Arizona church members’ financial literacy in order to understand their economic interest, attitudes, and values. A qualitative methodology allowed the salient influences to fully develop and provided an actionable and participatory inquiry with the intent to solve a social concern. A phenomenological design allowed inductive insights to evolve as the participants describe the tacit discernments and understanding of financial literacy. The participants in this case study were adults who have religious affiliations with selected churches and were willing to assist in this research effort. The NVIVO 9 software was instrumental in the collection and analyzing data pertinent to developing a innovate model for learning financially. The study examined concerns for faith-based organizations seeking to define the influence of religiosity, behavioral economics, and actionable learning pertaining to financial literacy and decision-making.

Introduction
During the years 2007 and 2009, the United States confronted with an economic upheaval of epic proportions that nearly crippling the entire monetary structure of the country. The financial crisis was the most significant occurrence since the Great Depression, and did not stop in the United States (US) alone; it spread throughout the globe, and radically changed the viewpoint of the financial infrastructure (Angelides, 2011). According to Angelides (2011) the conclusion of the matter stemmed from human nature, action, and inaction of the individual as well as societal irresponsibility to account for human weakness. This case study’s effort was to understand the founding premises that defined financial literacy and identify what is necessary to gain a better understanding of the constructs to employ them. Financial literacy is the ability of an individual to gain access to economic information and make use of financial concepts to make effective choices (Servon & Kaestner, 2008).

In the aftermath of the financial crisis, $11 trillion in household wealth has disappeared, and there were more than 26 million people out of work, unemployed, and not being able to find work; some have plainly given up looking for suitable employment (Angelides, 2011). Typically, in times of crisis those who suffer misfortune seek refuge in nonprofit organizations for assistance, but unfortunately these organizations too were affected by the financial debacle (Castaneda, 2004). As a result the churches that faith-based participants generally received assistance from in times of trouble now face a
This scenario is not an isolated incident and in fact the financial crisis affected a broad spectrum of organizations. This case study revealed that the Bible provides the information necessary to the faith-based participants and according to scriptures, those who believe in these concepts have predetermined financial success in their life (Deut. 8:18; Prvb 13:22). According to the Bible, adherents should not have less than needed to survive or live a life of scarcity; Biblical teachings exclude them from the ramifications arising from the financial crisis. However, this was not the case.

LITERATURE REVIEW

The content and context of the foundational literary work began in the early 50’s and reflects attitudes of that time that lacks ethnic or religious censorship and sensitivity. Although this research may depict a stereotypical illustration of certain religious groups, its discoveries are significant to the study, in providing an introductory connection between religion and money. This vital connection helps elicit the keen insights into the thinking of church participants and provides church leaders with the necessary intelligence to help monetarily educate its members.

According to Boulding (1952), the Jewish culture emphasized gaining intellectual capital as a prelude to actuate economic success. Notably, the Jewish community is known for its ability to gain an economic edge on other religious groups. At the opposite side of religious thinking and economic status is the conservative Protestant, who centers his or her foundation for security in building and strengthening the family unit (Boulding, 1952). Moderate Protestants and Catholics are at the middle of this continuum and these groups tend to accumulate a moderate amount of capital with an average sized family unit. During the 1950s the number of religious groups operating on a national level was limited and pale in comparison to the religious groups existing during this study.

The historical underpinning of the literature included in the review provided insight into the interest in the correlation between religion and money. Boulding (1952) initiated the approach with an inquiry designed to discover factors that improve the financial status of certain religious groups. As the resolve to determine the nature of man and society seek to expand, faith and finance are at the core of this understanding. The current research conducted by Lehrer (2008) moves the intrigue on this subject matter into its present state. The 56-year time span, from 1952 and 2008 between the two studies illustrate an interesting quagmire for leaders, especially in the nonprofit industry.

Organizations need active and appreciative learning cultures that introduce financial educational initiatives, enacting a social responsibility to ensure constituent monetary understandings (Barrett & Peterson, 2000). Despite the society moving into a knowledge-based economy, the rule of financial literacy still appears evasive. Drucker (2008) emphasizes the importance of the knowledge worker, and if one were a knowledge worker, self-interest would drive them to find the answer to their economic woes. The study provided the salient topics and associative behavioral patterns necessary to garner information, instituting it into an action that results in a new habit or behavior.

RESULTS

The objective of this phenomenological case study was to build upon actionable knowledge, improve decision-making, and alter unprofitable behaviors of participants. This study further indicated the causal economic behaviors of participants from the harsher reality of not being able to assist their religious community.
interview discussions that formulated potential ideas for an actionable learning model. The results from the Likert-type scale in the survey indicated a belief pattern existed among the participants regarding the relevance of financial matters but the pattern lacked substantive actions or initiatives toward progress by the participants. The NVIVO 9 qualitative software helped visualize the content of the one-on-one interviews with queries, tag clouds, and word-tree’s results. Responses from the survey tool were converted into a Likert-type scale and visually supported a relationship to the descriptive data analysis of the NVIVO 9 interview results.

Survey Results

Seventeen male participants and thirteen female participants took part in the research effort contributing to a comprehensive strategy. The first and third location, were of a nondenominational faith, the second location was more of an inter-denominational faith. The survey participants belong to several age groups: 20 – 30 (13.3 %), 31 – 40 (23.3%), 41 – 50 (30%), and 51 an older (33.3%). The ethnicities of participants were 30% African American, 16.6% Caucasian, 40% Hispanic/Latino, and 13% other. A number of the participants were married (56.6%), divorced participants accounted for 16.6% of the participants, and 26.6% were single participants. Fifty percent of the participants earned $25,000 - $35,000, 10% earned $36,000 - $45,000, 6.6% earned between $46,000 - $50,000 and 33.3% earned $51,000 or more.

The scaling measures for each survey question used a weighted average that was calculated by dividing the sum of all the weighted ratings by the number of total responses to determine the mean score. The scores indicated participants deem ‘important’ as the greater measure with scores much higher on an aggregate basis than ‘progress’. The results meant that people knew what financial items were important but lacked the discipline to do something about them. The importance of investments earned a slightly significant rating of 2.5 out of 5 whereas responses about the importance of life insurance earned a rating of 3.7 out of 5 (see Figure 1). Understanding the difference between fixed and variable interest was moderately significant earning a score of 3.8 out of 5, score and the significance of a retirement plan which earned a 4.0 out of 5 that was the highest of all ratings (see Figure 1).

Scores that related to taking action or performance were noticeably lower on an aggregate basis than scores of that denoted importance. The progress or actions taken by participants was notably lower than the importance of the corresponding vital topics (see Figure 1). Participants slightly read their investment statement with a 2.4 out of 5 rating while reading insurance policy nudge a little higher at 2.8 out of 5 (see Figure 2). The question that refers to the “reading the fine print on credit cards” had a modest measure
with a slightly progressive mean score of 2.7 out of 5 and funding an IRA/401K received a lower score of 2.3 out of 5 (see Figure 2). The topic that received the worst rating for active engagement on both surveys was the use of a written plan or financial coach. The rating for this category was 1.8 out of 5 rating closer to the rating of ‘not at all’ (see Figure 2).

Figure 2 – Measure of the actions taken or ‘Progress’

<table>
<thead>
<tr>
<th>Answer</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Number of Responses</th>
<th>Rating Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you read your investment statements?</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>30</td>
<td>2.4</td>
</tr>
<tr>
<td>Did you read your personal insurance policy?</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>2.8</td>
</tr>
<tr>
<td>Read the fine print on credit card statements?</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>2.7</td>
</tr>
<tr>
<td>Do you fully fund your IRA/401K?</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>2.3</td>
</tr>
<tr>
<td>Do you use a written plan and coach?</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>1.8</td>
</tr>
</tbody>
</table>

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.*

Likert-type Scale

Plotting of the Likert –type scale further solidified the findings from the survey tool and illuminated what economic attributes participants felt were measurably important to them financially but lacked the necessary actions to do something about it. The five Likert-type scale results provided a striking visual of the content and how person’s beliefs can detach themselves from the practices pertinent to economic development (Barro & McCleary, 2003). The contrasting measures show the importance of specific financial questions in direct relationship to the intended actions pale in comparison, taking a reduced role in a participant’s financial decision-making. The traits portray a stark pattern of behavior consistent that is consistent across the plotting results of the five scales (see Appendix).

The plotting results of the, “How Well You know Investment” scale, illustrated the majority of participants did not compare the importance of investments to the need to read investment statements (see Appendix). In the “How Important Is Life Insurance” plotting scale, a clear visual division emerged between the groupings of participants (see Appendix). Participants’ responses were inconsistent showing that life insurance is greatly important but a majority of participants do not read their insurance policy. The knowledge of fixed and variable interest received mixed reviews, as participants had no clear understanding or definitive answer.

The existence of knowledge combined with a lack of actions was a prevalent pattern that evolved from the analysis. The majority of participants thought the subject matter of the survey questions were relevant to them as individuals and to the case study. However, participants failed to realize how ineffective action and a lack of implementing financial programs had an adverse effect on an individual’s future economic endeavors. The inaction was evident, as a majority of respondents understood the importance of retirement planning but considered the importance to be less significant than acquiring an actual retirement program. Lastly, participants indicated that they read the fine print on credit cards statements but reading the fine print does not mean one understands the lending practices of economic entities. Ninety-two percent of the participants rated the importance of having and knowing about a credit score according to the Likert-type scale
as ‘greatly’ or ‘masterly level’ importance while a mere 1% had a plan and worked with a financial professional.

NVIVO 9 Results

The NVIVO 9 qualitative software was instrumental in providing a valid and reliable analysis of the responses to the survey instrument surfacing from the one-on-one interviews. NVIVO 9 gathered the data from extensive queries of ‘word’ frequencies, providing the 1,000 of the top words or phrases most frequently spoken during the interviews. The results appeared in a tag cloud (see Figure 3) in which the most frequently used words appeared in the largest and darkest letters.

Figure 3 – Tag Cloud

Then a text search was performed to refine the analysis based on the top words selected that showed during the referenced interview responses with a brief context relating to the words. The text search isolated the relevant subject matter pertinent or akin to participants’ thoughts, feelings, and actions taken as a determinate to economic performance (Lehrer, 2004).

The word frequencies were further refined and translated into a text search that identified a specific text and expanded on the top two or three most frequent words. In defining words and further expanding on their usage the process isolated the pertinent attributes influencing financial literacy and economic behaviors (Huston, 2010). Responses to each research question identified a logical approach to what was important and what was happening in the economic lives of participants. The data illustrated how the human cognitive systems were categorized into themes or showed the limitations of an inability to cope with the complexity of financial stewardship (Estelami, 2009).

The results of various word frequencies and text search queries continued to shed light on the pervasive thoughts held by the participants. A word frequency search for two of the most important words established the foundation for this study were the words ‘God’ and ‘budget’ that revealed astonishing results. A frequency query for the word ‘God’ found that it permeated throughout the responses of this research endeavor in contrast to the word frequency search for ‘budget’ that did not reveal nearly as many occurrences. The word ‘budget’ (see Figure 4) has a lower frequency rate than the word ‘God’ (see Figure 3). The assumption is that an individual’s religious belief in God has more influence on economic thinking than the importance of a budget. God has the upper hand when it comes to faith-based decision-making (Barro & McCleary, 2003).

Figure 4 – Budget Word Tree
The infrequent use of the word budget implies that participants have a reduced resolve or no use for a budget when it comes to having an economic discussion (see Figure 4). The data further shows how participants describe their use of money or how they would spend cash rather than saving those resources for a specific item, process, or goal. The budget frequency visual considers that the use of a budget from a personal finance perspective is not as important in terms of its usefulness to the participants in the study. How participants use their funds is held loosely together by the need to provide for their family and a desire to make a purchase during a typical financial transactions.

Figure 5 – God Word Tree
pervasive throughout the entire interview process indicating the important role of religion and its imparting influence on financial decision making (Lehrer, 2004).

These graphic visuals provided a viewpoint of the words that were relevant to participants. The study provided a descriptive dialogue for each research question and what influences enhanced participants’ awareness of their economic behaviors toward making changes in their situation. The answers to the following research questions came from the answers provided to the survey responses and the discussion during the one-one interviews. A combination of 52 word frequency and text searches were completed covering the 18 interview questions providing valuable insight as the top 1,000 words retrieve produced numerous texts spoken by the participants. The 52 word frequency and text searches created two or three major tag clouds and the top-three words were further refined with text searches producing a word tree that enriched the context of those conversations. Again, the word frequency and text search query were instrumental in providing clarity to the complex qualitative analysis of words spoken during an interview.

The following descriptions show how financially equipped faith-based participants were and explored the desired skill or confidence necessary to employ informed choices. Discovering the importance and actions participants engage in to improve economic understanding in a faith-environment ensured it was conducive to acquiring the appropriate economic skill (Holzmann, 2010). The study reinforced the awareness of a need for an actionable financial knowledge perspective necessary to increase financial literacy.

Answers to Research Questions

The answers to the research questions explained the insights gained from the survey tool, Likert-type scales, and NVIVO 9 analysis conveying the viewpoints of the participants. The results from the survey tool added to the findings by providing numerical meaning to tacit behaviors. The number of total responses was divided by the sum of all weighted ratings that provided a mean score. This average formed the basis for measurement in the Likert-type scale by describing and explaining the numeric answers to the research questions. One of the purposes of the research was to find answers to the following research questions:

1. What are the sentiments that influence financial literacy and economic success after learning about monetary principles?
   a. What do you know about investment management or investing in the stock and bond markets?

   The purpose of this question was to discover participants’ understanding of what or how a stock purchase is made to accumulate wealth and determine their understanding of bonds and how these purchases provide the security of a fixed return. To describe their understanding of what is a mutual fund and see if it relates the collection of stocks mutually owned by a collective group, or illustrate the importance of real estate as being a fixed asset purchased with the intent to increase in value. The participants spoke of how they were not ‘…too much’ knowledgeable of investments. The participants in the survey answered, ‘it is important’ on average (2.5, slightly) but do not know much about it. In fact, respondents on an average (2.4 slightly) read their investment statements. These
despairing results in respect to the awareness of the market created a situation in
which deceptive or uneconomic decision-making can loom (Estelami, 2009).

b. What do you know about and how important is life insurance?

References to the importance of life insurance included views of being
especially important, very important, and extremely important. Participants felt
insurance was beneficial for the well being their families, but they lack the
academic skill or personal desire to read through a life-insurance policy.

c. What is a credit score? How important is it?

In response to what was a credit score was, participants described the
effect or influence of a particular score but did not identify the components of a
credit score. Participants’ descriptions included how rating agencies attached a
number or score to an individual as a way to measure a persons’ worthiness to
borrow money from a lender. No participant could identify the various
components that make a credit score such as the cumulative amount of debt, the
amount of new credit, payment history, or length of credit history. In fact, only
two female participants revealed that they had a credit score higher than 700 each
participant voluntarily shared their credit scores’ without being asked.

2. How does one transfer the teachings on religious prosperity into the knowledge of
choosing financial products and services by a group who is unknowingly self-
constricted by religious impediments?

a. Which would you prefer $1,000 today or $10,000 in 10 years? Why?

The purpose of this question was to gain evidence or knowledge of mental
accounting or hyperbolic discounting exhibited by group members (Thaler,
Mental Accounting Matters, 1999). The finding was ambiguous with no clear
preference for immediate cash versus waiting later for a much higher payout.
What made the question intriguing were the insights, reasoning, and remarks
participants were glad to share. Participants who preferred the $1,000 today
shared these feelings, “use it today,” “take a vacation,” and “an immediate source
of income.” Those who chose to wait for the $10,000 in ten-years said, “may be
worth more,” “right now I don’t need it,” and “I’d be more mature.” Surprisingly,
the eldest participant and the youngest participant in the study expressed nearly
identical views of not wanting to wait ten-years because they, “might not be
here.” Other participants thought, “wouldn’t be worth,” “seems like too long,” or
“I might be dead” as the uncertainty of a distant future dissuades them. The
emphasis of placing more value on what an individual gains now versus the
rewards of waiting for later is a continuously debatable subject.

b. What do you know about the Dow Jones? What does the Dow Jones do?

Attendance at religious events had no bearing on learning the purpose and
meaning of the Dow Jones Industrial Average (DJIA Index). The typical
response reflected attitudes such as, “I don’t know much,” “I am really not
familiar,” and “I hear it on TV.” There are 29 economic indexes reporting the
monetary movement throughout the world and they include nine indexes in the
U.S./America, eight indexes in European, seven indexes in Asia/Pacific, and five World indexes (CNBC.com). Two participants were nearly close to correctly stating where the DJIA was reporting at the time of the study. Discussing the purpose of the other 28 indices with participants is inconsequential because the level of understanding requires additional instruction.

c. Where is the Dow Jones now?

This question was troubling as participants responded with a resounding, “couldn’t answer that question,” “have no idea,” and “I don’t know where the Dow Jones is.” These responses relate to the progress or action participants have taken to understand market movement. Again, the DJIA is one of 29 indicators used to monitor the economic movement of the world’s economies and participants are unaware of their significance.

d. What are your individual financial strategies?

In respect to financial strategies the comments were, “I put money in certain bank accounts,” “just stay the course,” and “saving fifty-percent of my paycheck.” These thoughts illustrate a worthy attempt to set aside resources or monies for future usage. Other participants expressed, “manage expenses,” and “I have social security, I have an IRA, and I have an apartment house,” clearly some participants enjoy solid financial strategies.

3. Do faith-based participants who discern religious doctrine of wealth know fundamental principles of financial literacy?

a. How often do your read or study your religious text? The response from this query was quite strong, as participants range from not as much to everyday, six days per week or at least weekly. Disciplined study was also prevalent in the responses ranging from weekly, daily, or study sessions during the weekend. However, participants at the second research location preferred reading or studying spirituality documents or books, and not necessarily the Holy Bible itself. Participants fully exhibited behaviors of practical biblical study habits but the content or topics of the study matter were not mentioned. As stated earlier, more than 2,350 scriptures relate to finances in the Bible and it is unclear if the topic of economics was one of the subjects during a given study session.

b. What do you know about fixed and variable interest? Participants described fixed and variable interest within the context of a mortgage or lending situation from the standpoint of a debtor. Participants illustrated how a fixed interest rate is more desirable than the uncertainty of a variable interest rate. A small number of the respondents understood that the concept of fixed or variable interest rates, as a debt measurement was also measurement that exists as an investor. The collective response of the participants could be tainted by the recent housing debacle and the ongoing financial crisis the
world continues to experience. Even so, biblical teachings suggest borrowing is subservient thinking to lending and that those with substance rule those who lack resources (Prv. 22:7). Despite being aware of this spiritual truth participants cannot distinguish between fixed and variable interest as an economic growth axiom. The behaviors of faith-based participants and consequently their mindset gravitate toward that of a borrower more than a one who accumulates wealth.

c. How often do you read your investment statements? Stocks, bonds, mutual funds, or real estate, etc.? The most prominent response to this question was, “I don’t read them, in detail once” and “I don’t think I have ever read them.” The lack of reading an investment statement in detail only once or when the plan change was not sufficient to keep ones pulse on the progress of an active investment program. This is clearly a lack of attention to investment detail exhibited towards an economic precept necessary to change behaviors. The insight confirms that either participant’s do not know how to read an investment statement or they are merely not interested in doing so. Either way the lack of knowledge or the practice of reading an investment statement can lead to economic failure of epic proportions.

4. How important is it that faith-based participants who discern a religious doctrine of wealth know fundamental principles of financial literacy?

a. What are the terms of your personal insurance policy?

The participants did not describe in detail the specifics of their personal programs with only two participants naming an actual life insurance company. The specific two comments, that referenced to an organization were, “through Honeywell,” and “through Minnesota Life,” not necessarily household names in the personal insurance industry. The alarming responses by participants were, “don’t have a separate life,” “I have never read,” and “I don’t have one.” Theses references to not having insurance at all indicate a lack of ability to translate the doctrine of wealth to financial literacy.

b. What does the fine print on your credit card statement indicate?

The responses included that the interest rate was influenced by any late payments and could cause a rate change from single digit into a double-digit repayment rate. Participants’ expressed that the fine print shows the, “company protecting themselves,” “may vary,” and that the interest rates are going to be “jacked up.” The participants knew the potential cost and unfavorable outcome yet continued to exercise the use of credit cards. This is classic hyperbolic discounting as participants ignore the long-term effects of credit usage to gratify immediate needs.

c. What does it mean to fully fund a Tax Shelter? (For example IRA or 401K accounts)?
The respondents mainly stated that the IRA/401K is an important program to establish to secure one’s future. The participants reiterated “definitely important,” “pretty important,” and “extremely important” but actions taken to implement such programs seem to be unclear. In fact participants responded to understanding of what it takes to fully fund a retirement programs as, “am not sure,” “I think,” and “no payments are necessary.” The lack of clarity of what is essential to start a retirement program takes away from the probability of making an effective financial choice (Huston, 2010).

5. Do faith-based believers who understand religious doctrine about building wealth, exhibit behaviors that do not result in economic actions that relate to financial literacy?

a. How often do you read or study your religious text?

The response to this question is significant as it indicates a suggestive basis for faith-based epistemology’s influence on financial literacy. Participants said that they read or studying a bible, religious text, or spiritual books on a consistent basis. There were a few notable responses, “once a week,” “study my bible everyday,” and “a whole lot.” This level of reading should culminate in at least a few specific responses to common questions about biblical prosperity teachings. The topic or title of what was being studied by participants were, “basically study a title,” “probably study information,” or “study based on new thought.” The subject of financial literacy or economic understanding was not mentioned specifically yet no other specific subject surfaced, either. Again, the study habit behaviors were obvious ranging from, “six day’s per week,” and “Friday – Saturday I study.”

b. What are the spiritual scriptures that you adhere to regarding money?

The reply to this question was interesting as participants answers, “as far as trusting him,” “Jesus gave us an example,” and “Faith are my wages.” These are the teleological remarks (God’s way of doing things) participants cling to concerning money. One respondent retorts, “…Stuff is common sense” while another retorts “to be ride of money,” has the understanding of money become a common occurrence.

c. What would you do with $100,000 after giving tithes and offerings?

This question challenged participants’ ideal of budgeting, questioning their planning process for allocating a sudden windfall. This is when the concept of mental accounting surfaced in the answers as participants merely described how the funds would be used. Participants stated a spending pattern, “I would probably go to Europe” or “I would purchase a property”. On the other hand a few ascertain a desire to invest. For example, “I would probably want to invest some” and I would probably put another two – thousand in investments”. The intent was to recognize the influence of how a financial decision was made and defined by how unexpected financial resources received is treated differently by the person who receives the money (Estelami, 2009).

6. How significant is it that faith-based participants who discern religious doctrine of wealth know and exhibit religiosity resulting in economic behaviors that relate to financial literacy?
a. How important is attending church services?

Religiosity is an individual’s active engagement or involvement in religious activities, which affect economic outcomes for the individual as well as for other faith-based participants. Respondents express that attending church as, “very important because it keeps you level,” “very important to fellowship with others,” and “I feel good.” The intrinsic value gained from the involvement in religious programs, along with participation in a church activity provides participants with a sense of togetherness. This accentuates the well being and cognitive health of the individual, ushering in chances of a better outcome in a decision making process (Lehrer, 2004).

The participants describe the answers to this question by expressing the significance of attending church as ‘very important’. The opinions expressed by participants that Church is “a social outlet,” “it feels good”, and “it’s a part of life.” An intrinsic value such as lifestyle and consistent fellowshipping is a part of being Christian and promotes a healthy involvement in social activities. This behavior was a conduit for the exchange of spiritual growth and economic progression.

b. How often do you attend, participate or visit your church?

The amount of time one spends in a religious setting in comparison to a commitment to economic success does differ. The majority of respondents said, “once a week,” some even “three-times per week,” and the true road warrior, “four day’s out of the week,” to “easily five days a week”. The extreme faith-based constituent said they spent, “five to seven days a week” participating or visiting church. Participants spent an average of 2.1 days per week participating in Church activities, which is hardly enough time to be considered an influencer or determining factor for monetary success.

The balance between spiritual involvement and the pursuit of economic endeavors needs to reach a spiritual and natural median. Efforts beyond a certain self-determined point begin to crowd any time set aside to take advantage of learning market activities (Lehrer, 2008, p. 10).

c. Do you have a financial professional? What written financial plans are you following and how often do you refer to their content?

The resultant behavior further confirms Estelami (2009) assertion that behaviors do not reflect a disciplined approach with a well through-out plan or a decision-making process to manage funds. Participants who regularly attend religious services express reluctance to seeing a financial professional. Remarks such as, “I don’t have,” “I don’t use,” or “We’re not following one” could stall one’s economic success. Participants stipulate they, “no longer rely on a financial professional,” “lost me money,” and “paying the financial planner more than what
they are making.” The last few years of ethical and moral misdeeds by corporate executives and financial professionals have taken a toll on the confidence of the consumers as one participant retorts, “My written plan is don’t lose money.”

While other participants express attributes of their current plan as, “not following one right now,” “mine is very short,” and “I read periodicals” a small remnant share, “commitment to work with a financial company,” “a gentleman that works at Fidelity,” and “my Dad is a really, really, good financial guy.” Another participant shared, “I have a financial contact” with this approach participants established a desire to partner with a professional but not to rely solely upon a financial professional. One of the participants shares some interesting insight:

“Most of the people who are financial analyst or financial support people their main motivation is not sell you their time or their expertise. Their main motivation is to sell you something, that’s been my experience. So, if you want an opinion on something very selective, it’s very difficult to get an objective opinion”.

Perhaps as the economy recovers and participants gain confidence in an efficient economic system, consumers can once again seek to employ the skills of a financial professional.

This case study provides salient content validated by insights into the thinking and cognitive behaviors relating to financial choices or resolve concerning monetary solvency. The contrast between what is important financially to participants was surprisingly contrary to the behavioral traits exhibited to achieve the appropriate measure of economic success helping to identify a criterion-related decision model.

The Likert-like scales support construct validity as the results illustrated the weighted average of what participants feel as significant to their fiscal lives versus any progress made to accomplish a monetary realization and clearly identified gaps in financial literacy. Participants have strong feelings for the importance of items relevant to the skill of their financial existence (Huston, 2010, p. 296). The actionable measures taken to achieve economic success need to encompass an ability to implement financial programs (Huston, 2010, p. 296). These models of effectiveness should seed to employ or improve the faith-based participants resolve to obtain financial literacy.
RECOMMENDATIONS

There is a gap between faith-based epistemology and the influence of financial literacy based on cognitive behaviors (Harris, 2001). The faith-based community’s teleological (predetermined outcome) monetary advantage collapsed along with the ongoing financial crisis (Neuman, 2003, p. 158). Religious doctrine has not prevailed any greater than those of non-faith during the economic recession as a majority of congregational members with 2,350 Bible verses discussing the topic of money, living in some form of bondage to debt (Harris, 2001; Wolgemuth, 2008). Church is a viable avenue for adherents to rely on when tough financial challenges infringe upon their existence; however the Church is facing its own harsh economic reality. In fact, banks foreclosed on 200 religious institutions in 2008 whereas only eight suffered this fate eight years earlier and virtually none a decade prior to that (The Wall Street Journal, 2011).

The gap between financial literacy’s influences on faith-based epistemology exists within participants’ economic behavior, as it is not commensurate with obtaining and making use of financial information. A nonprofit organizational sustainability is dependent upon the dexterity, prosperity, and generosity of its participants. Leadership’s responsibility in guiding such organizations should address the key tacit and explicit attributes to maintain corporate performance primarily through the profitability of its constituency. In the case of a nonprofit organization, a key indication of economic health is the encouragement and relationship between the internal and external stakeholders in the economic success. The wealthier cohorts and participants become, the more each individual can give, gain more wealth, and give again to the organization.

The fundamental theory guiding the recommendation is Actionable Knowledge infused with double-loop learning created by circumstances and environments conducive for economic education (Argyris, 1996). Actionable Financial Knowledge employs intent consequential to the success of an individual’s financial solvency compounded with the success of others. The external validity gains support from the causal responses of well-advised actions toward cognitive desires. Simply, this is achieved when participants reach their personal goals, achieve fiscal success, and articulate actions as norms (Lehrer, 2004). However, a participant’s desire to achieve financial success appeared to stall because of the ineffectiveness of their personal actions. Double-loop learning resolves the issue by instituting self-efficacy and bolstering participants’ learning with an innovative decision model exclusively monitoring and guiding monetary deeds (Argyris, 1996).

Biblical text expresses a form of actionable knowledge in reference to the spiritual wisdom of the Creator and the activities of individuals. A biblical scripture reads, “…the Lord is a God of knowledge, and by him actions are weighed.” (1 Sam 2:3, KJV) The answer to filling the financial literacy gap defined by the results was to design a specific model that was retrieval in the minds of participants. The models design specification was directed toward intentional personal actions that produced the desired financial
consequences. The idea relates to economic performances by acknowledging an omnipresence of knowledge and weighing the actions of individuals pursuing sustained growth. Personal choice made by individuals was the sign of achieving a level of accomplishment equated to actionable knowledge. The designs causality renders actions that fill the knowledge gap by consistently replenishing voids resulting from ineffective means to foster individual and organizational economic learning. This learning model exposes and helps correct errors in thinking that leads to actions and deeds creating a vibrant economic learning culture (Argyris, 1996).

This is a viable decision model centering on an individual’s intent to become financially solvent with sustainable economic behaviors (Holzmann, 2010). The constituent must then retain the responsibility of exercising economic choices conducive to positive progress. This resolve is principally sustainable with religious or spiritual underpinnings leaning toward financial literacy. The five point Actionable Financial Decision Model (AFLDM) contains two-spheres of influence, actionable behaviors and actionable knowledge. An Actionable Financial Behavioral Change model (AFBC) overlies the AFLDM exercising inquiry and exploration as a template for addressing each stage in the AFLDM with behavioral changes. The intent of AFLDM is to illustrate a way of thinking that one can share and teach to others not privy to financial counsel or education.

“A financially capable person is one who has the knowledge, skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take action to improve one’s financial well-being within an enabling environment for financial capability building to promote the acquisition of those skills” (Holzmann, 2010).

As participants progress through the five points of the AFLDM, efforts to detect and correct errors evolve from employing the AFBC model addressing constituent thinking. Patterns of thinking need to shift back to the consumer taking personal actions and not allowing participants’ to exercise choices blindly or without ethical professional suggestions. Conditions of personal ineffectiveness combined with professional improprieties help home foreclosures spread like a contagious ailment, participants especially need to alter this social trait (Angelides, 2011).

Actionable Financial Behavior

The agent for managing economic behaviors is human intent in association with actions rendering performances relevant to financial success. The purpose of AFBC is to detect and correct errors in monetary thinking, leading to participants in an organization thriving financially. The research findings confirmed that in order for agents of change to be effective, they must continual measure and evaluate five initiating yet distinctive fiscal activities (Argyris, 1982; Argyris & Schon, 1996).

1. In what way do participants produce the economic actions intended?
2. How do the economic actions produce the intended financial effect?

3. In what way do participants know that the economic answers that they are providing to the first two questions are not monetarily flawed?

4. How much confidence do participants have in the economic answers provided in the first three questions above are not epistemologically distorted?

5. Can participants maintain behaviors in relationship to these questions and then permit and inspire other individuals (or a larger collective) to recreate the same experiences?

Figure 8 – Actionable Behavioral Change (Argyris, 1996)

The purpose of the model is to foster economic behaviors directly relating to sustaining organizational productivity. The intended activities or resolve results in an increase in the corporate bottom-line and profitability. Epistemologically distortions detect any interference with rationality, logical thinking, and faith-based influencers to decision-making defined by the first three stages. The idea is to allow those in positions of influence to become the support of confidence in the recreation of ideals for changing economic behaviors filling the knowledge gap.

The model is a “check and balances” for each of the five points in the AFLDM and ensures the integrity of the entire process. The model serves a recurrent measuring tool for actions, and their perceived or intended resolve to achieve organizational sustainability. As steps are taken to move forward the individual experiences growth and this improvement is necessary for the whole collective in a nonprofit organization. As the individuals get stronger a nonprofit corporation’s ability to provide for the consumer,
satisfies internal, and external stakeholders. The financial resources gained have significance and assurance comes from a purposeful intent to alter corporate norms by actions that lean toward individual profitability (Collins, 2010).

Three Ideological Pillars

Another means of coupling financially literate stakeholders with a fiscal economically successful contributor is to be an Agent of Change. This element recognizes the ‘Three Ideological Pillars’ while implementing the AFLDM. What does it mean to "discern biblical doctrine of wealth"? Biblical doctrine (teaching) on wealth builds on devout (religious) premises and discusses three ideological pillars. Today, nonprofit organizations find themselves as a primary conduit or advocate for addressing financial literacy education for its participants (Collins, 2010). The concept of the “Three Economic Pillars” fosters innovative thinking with relevant contextual meanings pertaining to faith-based instructions on wealth and the premises of measuring monetary achievement in which these pillars encompass:

1. Substance - possessing just enough to satisfy ones needs
   a. No Revolving Debt (minimal assets/cash)

2. Abundance – possessing more than enough to satisfy ones wants and needs.
   a. No Debt and substantial financial resources (Cash).

3. Riches – satisfying wants, needs, and desires while using substance and abundance to empower others.
   a. No Debt, substantial financial resources, and residual income.

The focus is not on the physical aspect of money that is subject to change and is based on approval by the appropriate institution or societal viewpoints. However, the nominal amount of assets gained is merely an indicator to measure and the level of wealth. The Three-pillar is a checkpoint along the journey of financial solvency and participants can relate to the philosophical meaning. However, the intent is to create and sustain the three ideological pillars to ensure the transfer of reverent (spiritual) principles as well as conventional actions for financial literacy.

Actionable Financial Literacy

The Actionable Financial Literacy Decision Model (AFLDM) creates a theory of economic omnipotence (EO), a learning viewpoint that recreates economic learning in classrooms, boardrooms, and administrative offices. EO is a continual cycle of actionable learning, implementation, and evaluation perpetuating the connective behaviors in design causality. Essentially when a constituent say’s, “I don’t know” the implied meaning is either the participant were not able to do so or they do not know how to accomplish the task (Kempson, 2008). As a guiding presence EO encompasses two
spheres of influence and establishes five fundamental revolving precepts to employ. The intent is for participants to progress cognitively from knowledge, to skills, to attitudes, and to new behavior that results in a definitive action leading process of EO (Holzmann 2010; Kempson, 2008).

Figure 9 – EO and Actionable Financial Literacy Decision Model (AFLDM)

Actionable Financial Knowledge – contains the inputs (Information) necessary to apply and create the foundational intent of financial constructs that include ethical economic stewardship and money basics. The onset of double-loop learning creates circumstances and environments in which participants learn financial concepts and lessons conducive to positive monetary productivity (Argyris, 1996).

Stewardship - an individual’s character trait indicative or rooted in religious affiliation refined by a learning or leadership model. A meta-analysis of religious education and knowledge translated into actionable measures that recreate learning experiences was necessary. Guidance based on the teleological influences was common and acceptable to members of the faith-based society. Implementing processes, teachings, and fostering behavioral modifications must be exhibited by the leader to foster change.

Money basics - incorporates comprehending the value of money over time, the purchasing power of current and future dollars, and personal financial accounting models. The issue is that money a tool. People see money differently and it has changed forms and evolved over time. Money, began as a bartering system, then the trading of animals, fabric (silk), coins, and paper; recently plastic (credit cards), now-cell phone applications like Square and PayPal. Understanding the transition of money and the altering state of
money’s existence keeps participants attentive to the appropriate behaviors for creating wealth versus depleting resources.

**Actionable Financial Behaviors** – converts the inputs into outputs (Actions) in a usable form to apply the context of one’s life to include investing, borrowing and protecting. The actions that one takes can infuse learning or it can deplete efforts rapidly in an effort to create and sustain wealth. A Leaders self-maintenance concept includes, considering the efforts of cohorts, participants, and pertinent stakeholders that cause growth. Exhibiting the proper leadership behavioral traits is crucial to the successful implementation of new economic behaviors throughout an organization.

Investing - encompasses saving money now for future expenditures through the practice of investing with vehicles such as stocks, bonds, or mutual funds. The idea of “putting some away” is a tactic espoused by participants in the study, as a means of describing the act of investing. Participants in the study state, “a portion of some sort,” ‘certain things in certain pots,’ and “money away somewhere.” The clear indicator or resolve is to have an amount of money in a particular place when needed.

Participants can gauge what is put away by the ‘three pillars” since there is not a specific amount reference in the study. A specific dollar amount would vary between individuals and corporations per se but the need to reserve some form of cash for the future needs to be accumulated.

Borrowing - brings future income into today through the use of credit cards, consumer loans or mortgages all of which are debt instruments and should be balanced by the amount of ones assets. The effort to remain vigilant of ones thinking in regard to being a lender/investor and not just that of a borrower is necessary for success in reversing a debt mentality. Participants must embrace the nature of creating wealth by employing concepts that enable them to have money set-aside when needed.

Protecting - safeguards resources with the use of insurance or other risk management (mitigation) techniques. The transference of risk is a definition that applies to the concept of insurance and can be confusing. Participants’ need an understanding of the purpose of an insurance programs and how it protects ones assets, which was not necessarily to seek gains.

The results of the study provided a vibrant picture of the phenomenon of financial literacy in the faith-based community. Participants desired an objective understanding of the economy and aspired to take advantage of precepts to improve themselves economically. Meager actions or reluctance while relying on fate, circumstances or the powers to be to reward them for being good was pervasive. Delving into the recommendation, helped drive the answers and provide a template to inspire leaders to create, monitor, and implement financial actions. Participants gained the awareness necessary to influence actionable financial knowledge that consummate in actionable financial behaviors that close the gap in financial literacy (Argyris, 1996).
Future Research

The crux of the Financial Crisis was the result of inordinate human nature confounded by inappropriate actions, individual inactions forged with a societal irresponsibility to account for human weakness (Angelides, 2011). Through this in-depth analysis of personal responses to financial matters, several questions arose for possible future research (Angelides, 2011). The nonuse of a financial professional was a notable subject that stood out in the results that could infer a reluctance to work with a financial expert. Some participants continue to work with financial professionals while the majority has abandoned the idea and retained control of their own economic destiny. It was conceivable that this behavior was becoming a widespread practice as the access to the Internet increased the admittance to economic information (Servon & Kaestner, 2008). One may ask, “How does this increased access to economic data equate to financial literacy?”

Another key subject was the global influence of financial literacy and the guidance of first generation immigrants living in the United States. New US citizens bring with them their customary financial ideologies from their homelands. For instance, one participant remarked, “…life insurance isn’t a product that is purchase or as important in the country were I am from.” These sentiments can permeate through several generations until an unfortunate incident, such as an untimely death forces participants to rethink the logic and purpose of life insurance. How does immigration or international ideologies influence financial literacy for faith-based participants in the United States and abroad?

Future researchers can further delve into the family structure to define the financial principles taught or untaught throughout the generations. Exploring how financial lesson are learned or unlearned and what principles if any are handed down to the next generation? What action is employed to ensure the proper financial step is recreated in the next generation and then the next? The precept of continual learning, evaluating, coupled with discovering financial errors are key to extending wealth creation throughout each generation. Exploring these questions from a qualitative standpoint emphasized the traits from a personal economic behavior standpoint while describing the phenomenology of financial literacy.

The validity of the AFLDM strengthens the resolve to the external faith-based environment as experiences broadly described difficulties and explored effectiveness. Measuring the financial literacy of faith-based participants can be further explored through interpretations of the concepts or methods participants employed to achieve economic solvency (Huston, 2010). Future researchers could delve into the lesson learned from families that employed anchoring or adjustment strategies to maneuver through the economic crisis.

Summary
The AFLDM illustrates a solution for creating a viable financial literacy measuring program or tool. The construct necessary for the appropriate measurement of consumer’s effective decision-making sustains actionable knowledge with the appropriate behaviors. The model provides practitioners and participants with the proper mediums to perform actionable learning endeavors. The two actionable conditions allow the theory to lessen the gap by filling the void with continuity harnessing the precise motives to influence productive actions. These actions are important to leading a learning model that detects and corrects an error or inappropriate modes of motivation of existence in the financial literacy gap (Holzmann, 2010, Huston, 2010).

Continuous replenishing the Financial Literacy gap requires the constant detection and correction of economic errors. The framework for the AFLDM includes Meta values of competence, self-efficacy, and religious purposes (Argyris, 1996). This allows participants to embrace a kinship to financial endeavors that are familiar with individual beliefs, organizational efforts, and a higher purpose. The leaders in the faith community understand that theses Met Values are key to the individual and significant to the faith-based community. As each individual improves financially then the group learns by collectively improving and creating an organization of financially astute believers. This logical and spiritual interconnection is accepted as a viable theory for economic recreation to develop in an organization (Argyris, 1996). The aim of the research endeavor was to create a very enriching and personally rewarding experience that positively changes financial literacy’s influence on faith-based epistemology.
Bibliography


### APPENDIX: LIKERT-TYPE

#### Plotting Results

**How well do you know investments?**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>24</td>
</tr>
<tr>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>19</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>16</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

*“Low Importance/Low Performance”*  
*“Low Importance/High Performance”*  
*“High Importance/Low Performance”*  
*“High Importance/High Performance”*
### Plotting Results

**How important is life insurance?**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Low Importance/High Performance*  
*High Importance/High Performance*

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Low Importance/Low Performance*  
*High Importance/Low Performance*

**Rate your knowledge of fixed/variable interest?**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Low Importance/High Performance*  
*High Importance/High Performance*

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Low Importance/Low Performance*  
*High Importance/Low Performance*
### Plotting Results

**Give the importance of a retirement plan?**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>25</td>
<td>14</td>
</tr>
</tbody>
</table>

*Low Importance/High Performance*  *High Importance/High Performance*

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>1703</td>
</tr>
<tr>
<td>4</td>
<td>2923</td>
</tr>
</tbody>
</table>

*Low Importance/High Performance*  *High Importance/Low Performance*

---

### Plotting Results

**How important is your credit score?**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>24</td>
</tr>
</tbody>
</table>

*Low Importance/High Performance*  *High Importance/High Performance*

<table>
<thead>
<tr>
<th>Importance</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>8 36</td>
</tr>
<tr>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>28</td>
<td>63 914</td>
</tr>
<tr>
<td>2</td>
<td>28 51</td>
</tr>
</tbody>
</table>

*Low Importance/Low Performance*  *High Importance/Low Performance*
RESILIENCE AS PART OF CONFLICT RESOLUTION: MERGING VICTIMOLOGY AND LEADERSHIP TO SECURE PEACE

Andrew Campbell  
Indiana Tech University

Abstract
Researchers contend the root cause of victimology is conflict resulting from ideological, ethnic, tribal, and socio-political differences between cultures (Van Dijk, 2000). This paper discusses the need for scholars to merge leadership and victimology disciplines that creates a theoretical and application framework addressing the influence of state and non-state leaders. The author’s argues that victimology research addresses the victim and offender relationship. However, it lacks the leadership component as a causal relationship and if this is not researched, the cycle of violence will continue.

Additionally, this paper aims to address the challenges global leaders have among failed states to deter victims from offenders, assure the prevention of victims by offenders, employ resilience principles within disarmament demobilization and reconciliation activities in order to ensure stability. Finally, the author argues the need to integrate global leadership traits and competences with victimology and the need for further research.

Human nature really has not changed since the beginning of time (Bass & Bass, 2008). Consequently, one of the challenges for victimology research is the complexity of conflict resolution between the victim and the offender. Comparatively, one of the global leadership challenges is managing the complexity of political and economic change. Additionally, basic human issues of power and control over others remain the same in today’s global complex and uncertain political and economic environments. Therefore, the global environment characterized by regional instability, failed states, increased weapons proliferation, and global terrorism requires greater global understanding. Van Dijk (2000) argues that the root cause of victimology is conflict resulting from ideological, ethnic, tribal, and socio-political differences between cultures. According to Rowe, Wiebelhaus-Brahm and Morgan (2010),

The United Nations Children Fund 2009 10 Year Strategic Review: Children and Conflict in a Changing World estimated that just over 1 Billion children under the age of 18 live in nations or territories that are affected by armed conflict, which is equal to nearly one-sixth of the world’s population. Of these billion children, approximately 300 million are under the age of five. Increasingly, many of them have become involved in contemporary conflicts. As a result, tens of thousands of children remain in the ranks of non-state armed groups in at least 24 different countries or territories. Over 18 million children were displaced by conflict as of 2006. These children’s experiences during wartime have lifelong physical, psychological, economic, social, and political consequences. (p. 129)

Arguably, there is a need for scholars to merge leadership and victimological disciplines that creates theoretical and application frameworks addressing the influence of state and non-state leaders. The author’s point of view is that victimological research addresses the victim and offender relationship. However, it lacks the leadership component as a casual relationship and if this is not researched, the cycle of violence will continue. Principles of resilience requires holding leaders accountable for the worst transgressions of universal human rights, including genocide, war crimes and crimes against humanity. Researchers suggest that principles of resilience is a critical enabler in promoting reconciliation and psychological healing, fostering respect for human rights and the rule of law and establishing conditions for a peaceful and democratically governed country (O’Connell, 2004; Kirchoff, 2005). This paper argues that not only is there a gap in the literature discussing a common lexicon for victimology and global leadership but also there is a need for victimological researchers to develop competencies as global leaders. Additionally, this paper aims to address the challenges global leaders have among failed states to deter the occurrence of victims of human rights abuses, assure its prevention, and secure time and space for disarmament demobilization and reconciliation (DDR) activities in order to ensure stability. From this stand point, the author addresses the need to integrate global leadership traits with resilience as a victimological competence. The author believes, as global leaders come to shift their thinking and understanding of ideological differences, that there is a
commonality of human interests in economic security, political freedom, and protection of human rights, all of which transcend across boundaries.

However, the author argues that basic human issues such as greed, jealousy, envy, racial bias, cultural tension, and self-interest shape the actions generated by the leader’s worldview and cultural lens. Scholars contend that the byproduct of today’s technological era necessitates a paradigm shift of a leader’s worldview to one that integrates domestic interests with the global environment (Hames, 2007; Story, 2011). Literature states that “with the increasingly global environment, leaders are exposed to many complex challenges and what we know about leadership theory and development may no longer be effective in this global context” (Story, 2011, p. 375). Moreover, “leadership today is profoundly different from what it was yesterday” (Hames, 2007, p. 9).

Common Lexicon

The primary question leadership researchers wrestle with is, quite simply, identifying a common lexicon for global leadership and victimology. Researchers argue that both leadership and victimological principles are multi-disciplinary in their approach, lacking, however, a consensually agreed upon definition among disciplines (Bass & Bass, 2008; Dickson, Den Hartog, & Mitchelson, 2003; O’Connell, 2004; Kirchoff, 2005). Despite the lack of literature calling for a common lexicon, there are scholars theoretically framing global leadership and victimology as a conceptual approach to internationalize the level of operations, activities, and actions at various echelons within governmental and non-governmental enterprises. In the “Global leadership: The next generation” article, Greenberg, Goldsmith, Robertson, and Uh-Chan (2003) defined global leadership as “an extraordinary capacity to unify a global workforce around a single purposeful vision, through demonstration of personal mastery, thinking globally, anticipating opportunity and using shared leadership networks” (p. 3).

The author defines global leader as “a person that builds alliances and coalitions to shape shared values through cross-cultural communication; develops mutual economic, diplomatic, political, and security relationships; and balances corporate, national and international interests” (personal definition). Conversely, researchers suggest the politicization of secondary victimization has an impact on the social environment that influences governmental state power structures (Kirchoff, 2005; O’Connell, 2004). According to O’Connell (2008), Karmen defines “victimology as the scientific study of victims of crime; the extent, nature and causes of criminal victimization and its consequences for the persons involved as well as the study of the reactions to and treatment of victims of crime” (p. 91). The author expands Karmen’s victimological definition integrate global leadership traits and competences with victimology and the need for further research to include an “asymmetric interaction between a state or non-state leader resulting in physical and emotional harm among socio-ethnic groups to exploit political, economic, and security relationships” (personal definition).

That said, the author argues that an integration of victimological and leadership disciplines will require a paradigm shift in the global mindset to address the human rights and the “plight of victims of abuse of power, such as victims of corrupt public officials” (O’Connell, 2008, p. 92). Story (2011) defined global mindset “as a highly complex cognitive structure characterized by an openness to and articulation of multiple cultural and strategic realities on both global and local level, and the cognitive ability to mediate and integrate across this multiplicity” (p. 378). The basic challenge for global leadership scholars is recognition of a theoretically integrated and synchronized common lexicon for researchers and educators to shape emerging victimologists as leaders within a complex global environment.

Interestingly, there is a relationship between leadership and victimology associated with responsibility to protect, developing confidence building measures to reduce conflict, and victim assistance measures requires working with leaders. As non-state and state leaders are responsible for conflict and its victims, it will take leadership to cease conflict, reconcile, develop national institutions and secure peace. It is the actions by the state and non-state leaders that will stop or promulgate the need for human rights abuses. The importance is noteworthy that research shows it is difficult to address the victims of armed conflict, transitional justice, and conflict resolution without understanding the leadership component.

Linking Global Leadership with Victimology Challenges

Theoretical Framework

Like any theory, the challenge of linking leadership with victimology has to do with understanding where both disciplines align within the conflict to normalization continuum annotated in Figure 1. The state leader is responsible for the political, economic, and human security of the nation, institutions, and citizenry (Baylis, Smith,
there are circumstances under which it is their function to resort to arms against one another, and in doing so victimological services through resilient cultural and structural confidence building measures (Baylis et al., 2008; developing the leadership competencies in order to collaborate with cooperative and adversarial leaders in preparing, strengthening indigenous capacities (Crocker et al., 2007). Second, the challenge for victimological and leadership respect to establishing governmental legitimacy and monitoring security forces. Under these extreme circumstances, human security, a requirement for building and sustaining stability, is accomplished when the personal security and physiological needs are met (Baylis et al., 2008). It is important to examine three elements that influence the science of victimology and the need for effective leadership to resolve interstate discourse. Figure 1 illustrates a failed state to stable state continuum that influences the condition of human insecurity and victims from nation state conflict. Scholars contend a failed state is unable to effectively protect and govern the population, especially with respect to establishing governmental legitimacy and monitoring security forces. Under these extreme circumstances, human security, ceasing conflict, reestablishing the rule of law, and installing a national transitional authority is fundamental to post-conflict operations, activities, and actions (Baylis et al., 200; Crocker et al., 2007; Dechesne, Van De Berg, & Soeters, 2007). A failing state is still viable; however it has a reduced capability and capacity to protect and govern the population. A failing state is fragile with belligerents potentially influencing state legitimacy, human insecurity, and rebuilding of national institutions (Crocker et al., 2007). Along the continuum, a failing state may be transforming toward a recovering state or revert to failed state. Finally, as a failing state recovers toward normalcy, it is able to protect and govern its population to some degree. The victimological challenge is that the distinction between failed, failing, and recovering states is not always clear (Crocker et al., 2007). The author contends that, in a post-conflict environment, the challenge of conducting victimological services is the fear of secondary victimization from the legacy of violent non-state and state leaders. Therefore, it is important to understand which direction a state is moving along the framework in order to perform appropriate victimological operations, activities, and actions to victims of state discourse. Moreover, the author contends that leaders can expect conflict among nations with certainty. Similarly, victimologists cannot reasonably attach the likelihood that there will not be human rights violation among nations in discourse. Researchers argue that interstate and intrastate conflict produces “the capacity of human beings to kill members of their own species …that

Human security, a requirement for building and sustaining stability, is accomplished when the personal security and physiological needs are met (Baylis et al., 2008). It is important to examine three elements that influence the science of victimology and the need for effective leadership to resolve interstate discourse. Figure 1 illustrates a failed state to stable state continuum that influences the condition of human insecurity and victims from nation state conflict. Scholars contend a failed state is unable to effectively protect and govern the population, especially with respect to establishing governmental legitimacy and monitoring security forces. Under these extreme circumstances, human security, ceasing conflict, reestablishing the rule of law, and installing a national transitional authority is fundamental to post-conflict operations, activities, and actions (Baylis et al., 200; Crocker et al., 2007; Dechesne, Van De Berg, & Soeters, 2007). A failing state is still viable; however it has a reduced capability and capacity to protect and govern the population. A failing state is fragile with belligerents potentially influencing state legitimacy, human insecurity, and rebuilding of national institutions (Crocker et al., 2007). Along the continuum, a failing state may be transforming toward a recovering state or revert to failed state. Finally, as a failing state recovers toward normalcy, it is able to protect and govern its population to some degree. The victimological challenge is that the distinction between failed, failing, and recovering states

![Figure 1: Fragile States Framework](image)

is not always clear (Crocker et al., 2007). The author contends that, in a post-conflict environment, the challenge of conducting victimological services is the fear of secondary victimization from the legacy of violent non-state and state leaders. Therefore, it is important to understand which direction a state is moving along the framework in order to perform appropriate victimological operations, activities, and actions to victims of state discourse. Moreover, the author contends that leaders can expect conflict among nations with certainty. Similarly, victimologists cannot reasonably attach the likelihood that there will not be human rights violation among nations in discourse. Researchers argue that interstate and intrastate conflict produces “the capacity of human beings to kill members of their own species …that

there are circumstances under which it is their function to resort to arms against one another, and in doing so demand the cooperation of society members” (Crocker et al., 2007, p. 109). Therefore, to deter the occurrence and continuation of human rights violations and victims from war torn states, global leaders must look beyond quick solutions to address the root causes of state fragility. Researchers state that conflict prevention means “addressing the sources of conflict in poverty, marginalization and injustice, and building domestic, regional and international capacity to manage conflict” (Crocker et al., 2007, p. 109). That said, the author believes that the challenge for leaders and victimological practitioners is the unity of effort to problem solve and think outside the box in preventing the continuation of human rights violations, especially among women and children, using soft power in strengthening indigenous capacities (Crocker et al., 2007). Second, the challenge for victimological and leadership researchers is constructing diplomatic measures employing resilience principles to reshape perceptions and ideological beliefs in order to reconcile conflict between actors. Finally, the challenge for victimologists is developing the leadership competencies in order to collaborate with cooperative and adversarial leaders in preparing, synchronizing, and sustaining operations, activities, and resources with non-government organizations (NGOs), intergovernmental organizations (IGOs), and private organizations (PVOs). This is important in order to address the primary and secondary victimization perpetrated by offenders in order to provide victim assistance services (Kirchoff, 2005; O’Connell, 2008).

On a second level, cooperative leaders and victimological practitioners develop a unity of effort to reduce human rights abuses. A further challenge for global leaders is the assurance that deterrence measures to sustain human security provide the space to address the underlying causes of conflict. However, the author’s point of view is that victimologists and leaders must collaborate on potential conflict early warning indicators, build trust and relationship measures, in order to and minimizes misperceptions that creates favorable situations in order to initiate victimological services through resilient cultural and structural confidence building measures (Baylis et al., 2008;
Croker et al., 2007; O’Connell, 2004; Ramsbotham, Woodhouse, & Miall, 2008). The author argues that a proactive engagement approach toward addressing the complex circumstances to assure the de-escalation of conflict, a shared understanding of ideological beliefs and cultural diversity to resolve problems, and formation of collaborative relationships among actors is critical in developing confidence building measures and resilience among victims. Scholars acknowledge that assuring structural and cultural peace building is not realistic without the collective security arrangements and addressing the underlying issues of conflict (Baylis et al., 2008; Ramsbotham et al., 2008). However, the implication of victimological practitioners in partnering with local, national, and regional leaders may provide the time and space to shape a coherent unity of action plan in working together toward minimizing human rights violations.

The challenge for global leaders and victimological practitioners is navigating within the conflict resolution environment. Scholars contend peacekeeping initiatives cannot take place without creating the condition for confidence building and security enhancing measures in order to shape arrangements for a ceasefire (Croker et al., 2007). “Yet, security is multi-faceted consisting of human, physical, economic, and socio-political security, failure of which has resulted in structural violence and demand for arms” (Verkoren, Willems, Kleingeld, & Rouw, 2010, p. 3). Literature suggests “disarmament, demobilization, and reintegration (DDR) is a set of activities that form part of the strategies for peace building after civil war” (Verkoren et al., 2010, p. 1). The author argues that a DDR program provides space to establish sustainable peace and contribute to security and stability in a post conflict environment so that reconciliation, recovery and institutional development can begin (Baylis et al., 2008; Ramsbotham et al., 2008). Moreover, reintegration helps former combatants return to civilian life through benefit packages and strategies that assist in becoming socially and economically embedded in their communities (Croker et al., 2007).

The author argues that the victimological practitioner is a critical strategic enabler in the DDR process and has the greatest influence in shaping the reconciliation process. According to O’Connell (2004), the United Nations define victims as persons who, individually or collectively have suffered harm, including physical or mental injury, emotional suffering, economic loss, or substantial impairment of their fundamental rights, through acts of omissions that are in violation of criminal laws. (p. 206)

Scholars argue that interstate and intrastate conflict events are unpredictable and uncontrollable with unexpected consequences (Baylis et al., 2008; O’Connell, 2004). As such, the “victims decide that they are likely to be subjected to an unpleasant, even frightening experience” (O’Connell, 2004, p. 213). Therefore, the author suggests that victimological practitioners act as powerful interveners to advocate resilience measures in the reintegration process. As a result, partnering with NGOs, IGOs, and PVOs to leverage capabilities in providing victim assistance services is critical. Verkoren et al. (2010) state that “non-governmental organizations participate in the implementation of DDR, particularly in the integration phase” (p. 1). The author advocates that collaborating with NGOs, IGOs, and PVOs in developing country specific strategic profiles which focus on leadership, culture, ideological beliefs, and the decision making process enable victimologists to shape the reintegration process and delivery of victim assistance services. Furthermore, victimological practitioners must subordinate personal beliefs and values in partnering with adversarial leaders and ex-combatants. This is important in the reintegration process. In addition, the leader and victimological practitioner partnership can send a powerful signal of commitment in the reconciliation process. It is to be understood, however, there may be government leaders that are reluctant to collaborate with victim organizations (O’Connell, 2004). Nevertheless, the author believes the process of forming alliances with NGOs and relationship building, based on common interest, with government leaders will minimize the politicization of victim services. Additionally, critics may contend that victimological practitioners have no role in the DDR process. However, Kirchoff (2005) states that “victim services are those activities which are applied in response to the victimization with the intention of relieving suffering and facilitating recovery” (p. 59).

The demobilization of ex-combatants, disarmament of weapons, and reintegration of former combatants into the community is a process. This process challenges the leader in shaping the human security environment to provide time and space for the victimological practitioner in the delivery of victim services. This process has implications for reconciliation after violent conflict dealing with past trauma and atrocities, restorative justice, and transforming the relationship between former enemies (Baylis et al., 2008; Kirchoff, 2005; O’Connell, 2004; Ramsbotham et al., 2008).

Finally, literature indicates that maintaining political, economic, and human security is a fundamental responsibility of a nation state leader (Baylis et al., 2008). Ramsbotham et al. (2008) suggest that the stability of the state depends upon the manner in which the elements interact and are mutually supporting. The stability indicators are when the conditions are set for: human security, economic and infrastructure development, governance, and the
rule of law. Crocker et al. (2007) and Ramsbotham et al. (2008) suggest that in post-conflict the nation building
with the political, economic, and security institutional development provides the mechanisms for truth and
reconciliation commissions to move the country forward toward reconciliation.

The author believes the change agent is the role of the state and non-state leader. Ramsbotham et al. (2008)
state “the importance of leadership roles seems self-evident if comparison is made between, say, the effect
of Slobodan Milosevic and Franjo Tudjman in Yugoslavia, and F. W. de Klerk and Nelson Mandela in Africa” (p.
103). Interestingly, practitioners must assess the character, decision making process, and followership of leaders in
order to determine diplomatic approaches for permission to conduct victimological services. Therefore, the author
argues that victimological practitioners need to have the leadership competences to work within a cultural diverse
environment, strategically navigate and communicate with local and tribal leaders, and also have the political savvy
to negotiate with adverse leaders to treat victims of human rights abuses. That said, Hames (2007), Kanter (2010),
and Van Dijk (2000) point out that the necessity for global leaders to strategically navigate and develop the foresight
through different socio-political ideological worldviews facilitates leaders to coevolve, think, adapt, and respond
differently within the operational environment.

Global Leadership and Victimological Challenges

Disentangling Ideological Views

Research revealed that one of the challenges for a global leader and victimological practitioner is
reconciling differing ideological worldviews. The author believes global leaders and victimologists want to conduct
the “right actions”; the challenge is synthesizing (Gardner, 2008) the interpretation, perspective, and understanding
of what are the right actions. Hames (2007) stated “what we see through our eyes, along with the preconceptions and
filters we have in place to interpret what we see, determines what actions we are likely to be able to take to change or
improve things” (p. 133). Therefore, the author suggests the challenge for global leaders and victimologists is to
disentangle the knowledge gap of ideological interpretations and beliefs of the “what it is” worldview to the “as it
should be” worldview (Hames, 2007; Van Dijk, 2000). Van Dijk (2000) defines ideology as “social representation
shared by a group. This means that ideologies allow people, as group members, to organize the multitude of social
beliefs about what is the case, good or bad, right or wrong, for them, and to act accordingly” (p. 8). In line with
Cronin (2009), the author posits that ideological tension is a battle of religious, ethnic, political, and social ideologies
between individuals and groups.

Much of the literature on reconciling differing ideologies suggests that ideological beliefs shape social and
cultural identity, social categorization, and intergroup relations (Gardner, 2008; Kanter, 2010; Van Dijk, 2000). The
author points out that ideological frameworks tend to segregate socio-ethnic groups resulting in cultural tension.
Moreover, literature revealed reveals that over time these ideological beliefs may cause geopolitical discourse
between the interests of self-serving groups making resilience and reconciliation more challenging.

Therefore, the challenge for global leaders and victimological practitioners managing the ideological
differences and interpersonal relationships is developing confidence building and reconciliation measures that either
directly or indirectly influence the minimization of human rights abuses by state or non-state actors (Dechesne et al.,
2007; Gardner, 2008).

Conflict of Ideological Views

The review of the literature suggests that country-specific leadership necessitates creative problem-solving to
resolve conflicts through the global mindset of mutual respect, forming cross-cultural alliances, and developing new
mental models. Research shows that effective global leaders must focus on reshaping group and cultural ideologies
toward shared values and intercultural competences that cut across geo-boundaries (Hames, 2007; Kanter,
2010; Van Dijk, 2000). Leaders wrestle with balancing the tension between cooperation and competition with
building cross-cultural partnerships of mutual trust in today’s complex geopolitical environment. Additionally,
leaders can affect glocalized (Hames, 2007) behaviors by influencing underlying perceptions, attitudes, and beliefs
through a combination of informing, educating, persuading, political urging, and economic coercing. The
implication for a global leader in reconciling ideological views is that it produces activities that are not based on
self-serving and ethnic group interests but for the common good. Therefore, the global commons is based on
building confidence measures of cultural respect, understanding, and ethical behavior through building of alliances.
That said, the challenge for global leaders is to shape leader behavior and intentions (Gardner, 2008) in order to
mitigate, mediate, and broker conflict reconciliation measures through cultural understanding, strengthening
confidence building measures, and negotiating intergroup tensions.
Further Research

Researcher need to explore a standardized theoretical lexicon that integrates global leadership and victimology. Research revealed that “there is little agreement among researchers on the definition of global leadership competence” (Jokinen, 2005, p. 211). The implication for researchers is a baseline in developing global leadership profiles that address glocalized ideological political, religious, ethnic, and socio-cultural differences. Second, further research is needed to explore theoretical frameworks and interdisciplinary methodologies that integrate differing ideological worldviews and cultural discourse with global leader and victimology competences (Dickson et al., 2003; Gardner, 2008). Third, the conflict resolution measures have challenged the mental models of victimologists as leaders. Therefore, the need for scholars to develop global leadership and victimological theories, application models, and decision making frameworks to balance domestic political and economic interests with reintegration and reconciliation is urgently needed. The final issue remains for further research: how does a nation state leader influence the actions of a non-state actor with the intention to destabilize its institutions when they have no authority and the other party does not want to play? The author suggests this is one of the greatest political and economic challenges of global leadership with international security implications. That said, it deserves in-depth theoretical exploration and research.

Conclusion

From a theoretical perspective, the inquiry argued for researchers to develop a common lexicon and metrics for emerging global leadership and victimologists in today’s complex environment. From a policy perspective, the author propose a fragile state framework that addresses the casual relationship between conflict, prevention, the role of victimology within the security process, and the importance of victimological partnerships with local, state, and national leaders in providing victim assistance services. The argument was made that there is an interrelationship between leadership and victimology disciplines. Additionally, this paper addressed two global leadership challenges as reconciling differing ideological worldviews between domestic and international actors and protecting national sovereignty interests within a global environment. Moreover, the author argued that widening the aperture of traditional theoretical leadership frameworks by integrating victimological principles that address glocalized ideological differences will better prepare emerging leaders and victimologists within a global environment. Finally, the author addressed critical issues for further global leadership and victimological research with domestic and international political, economic, and security implications.

References


COMPANION ANIMALS: A SOCIAL HISTORY OF ANTHROPOMORPHISM

James H. Gadberry *

Athens State University

Robert White

Athens State University

ABSTRACT
Animals and humans have always existed in close proximity. Humans have always been interested in the lives of animals as they constructed narratives of animality. We can find evidence for anthropomorphism in the way humans treat animals, both through the use of language and behaviorally. Using three examples, this work explores the connection of thought concerning, and behaviors towards, animals to illustrate the level of anthropomorphism exhibited in a society. Social attitudes concerning War Dogs serve as an indicator of how people humanized the dogs fighting alongside the soldiers. Second, starting in the middle of the twentieth century animals moved from outside into our homes and quickly became “companion” animals. Lastly, as those companion animals become “seen” as family members, they are afforded the highest honor usually restricted to humans at their time of death -- cremation or burial in a pet cemetery.

INTRODUCTION
Animals have been integrated into the social structure since at least the Neolithic Revolution. The role for animals has varied greatly over the centuries. Utilitarian functions found animals as tools to aid humans in working the land. Animal husbandry worked into the cultural development of prolonging the usefulness non-human resources in the same manner as fertility decisions managed the increasing human population. Ultimately, animals came to occupy a more personal position in society.

Often the discussion concerning animal/human relationship starts with a Cartesian perspective. Descartes (1646-1649/1976) is well known for taking the position that animals are dumb machines. As such, they only have a utilitarian function in a human world. Descartes was very explicit on this point, stating that not only do animals have less reason than man, “. . . they have no reason at all” (1988:45).

Descartes successfully conquered the wild by linguistically placing humans on a higher cognitive plateau. In a time of growing enlightenment the attitude towards animals was one of their belonging outside the human realm. A type of “other” predicated upon language as the indicator of soulful-ness. Following Rousseau, language post-dates metaphor. It is through the use of metaphors that we can begin to see the anthropocentric develop into anthropomorphism.

Derrida moves past Descartes’ position by placing animals within human language, as a “. . .phantasmatic counterpoint to human language” (Lippit 2000:15). Language needs a subject to animate reality. This process creates both humans and non-human animals. It is as if the essence of animals is transported from the language of others. That other is the very group (humans) that devalued what they created through language. As the ways that we talk (use language) about animals changed, that is to say, became more positive, so also changed the emotions attached to animals and the resulting actions involving those animals. Lippet sums up this line of reason by stating, “The field of animal being cannot be severed from that of the subject because neither field is constituted apart from one another” (2000:16).

Berger provides a very interesting example of anthropomorphism when he describes how animals and man (humans) look at each other:

“The eyes of an animal when they consider a man are attentive and wary. The same animal may well look at other species in the same way. He does not reserve a special look for...
man. But by no other species except man will the animal’s look be recognized as familiar. Other animals are held by the look. Man becomes aware of himself returning the look” (Berger, 1980:4-5) (Emphasis added).

Derrida conflates the gaze and the animal stressing Berger’s point. Further, he concludes that “the gaze called ‘animal’ offers to my sight the abyssal limit of the human: the inhuman and ahuman, the ends of man…” (Derrida, 2008:12). Armstrong suggests “...that ‘man’ is unarmed when confronted by the gaze of an animal” (2011:178). It is through this process of re-cognition that human emotionality is deposited upon animals in an anthropomorphic manner.

Emotions are thus conceived of as activated by cultural knowledge. It is through our exploration of the cultural matrix (Kleres, 2009) that conclusions are made concerning this issue. Language not only allows humans to relate to other humans, but with non-human animals. Anthropologists have documented this process as a passage from raw animal nature to the foundation of human life – culture.

**CHRISTIANITY AND ANIMALS**

The view that animals are soul-“less,” is being challenged. Animals occupy a central place in Christian thought. Hobgood-Oster (2008) makes this point clear in her work concerning the history of animals in religious writings and ritual. In her preface, Hobgood-Oster introduces the work of the French philosopher, Georges Bataille. Bataille (1989) argued that religion is the search for lost intimacy. Furthermore, non-human animals somehow highlight this search for lost intimacy. As such, Bataille is not surprised to find a large role for animals in Western Christian thought.

Such a position results from a Christian view that animals do not hold a mortal soul. In the Christian tradition to have a soul requires a sentinel being capable of utilizing free will to make choices concerning salvation. Animals act as if they are conscious, yet are not capable of the required higher level of cognition. A purely mechanistic view negates animals the capability to be soulful beings. Scriptures concerning the place for animals as a helpmate to humans only furthers their subjugated position.

From the beginning animals have been an important and often overlooked part of the biblical story. Animals are depicted as created by God in the creation accounts. The place that animals play in the creation story is often considered insignificant in comparison to the creation of humanity. Human beings are called the crown of creation and animals are often considered as unimportant. Animals are placed in submission to human beings according to the creation story. The place of humanity as “having dominion over the fish of the sea, the birds of the air, the cattle, the whole earth, and every living thing” (Gen.1:26).

The biblical view of God toward animals is one of blessing, concern and care. After God created animals of all kinds He declares them as good (Gen. 1:25). The psalmist writes of God’s sovereignty and provision for all of creation, with specific reference to animals (Psalm 104). Animals are seen as part of the creation and care of God.

In the Garden of Eden, humans were not to use animals for food. After being cast out of the Garden and the occurrence of the Flood, animals became fair game with certain restrictions. God told Noah and his sons; “All the animals of the earth, all the birds of the air, all the small animals that scurry along the ground, and all the fish in the sea will look on you with fear and terror. I have placed them in your power. I have given them to you for food, just as I have given you grain and vegetables. But you must never eat any meat that still has the lifeblood in it (Gen. 9:2-4).

Later in Israel’s history animals were used as part of the sacrificial religious system. While ancient Judaism practiced animal sacrifices as part of their religious practice, at the same time Judaism adopted a humane attitude toward the treatment of animals. Cruelty to animals was considered a biblical offense by most rabbis.

The Jewish religious system was driven by purity concerns that led to a classification system that applied to animals. This system made a distinction between clean and unclean animals. This distinction was for dietary and sacrificial concerns. This classification of clean and unclean animals concerning dietary laws is found in the New Testament as well. The vision of Peter describes a new understanding of clean and unclean concerning animals. Peter said he heard a voice from heaven say, “Get up, Peter; kill and eat them.” Peter initially refused only to be told; “Do not call something unclean if God has made it clean” (Acts 11:6-9).

**THE SOCIAL CONSTRUCTION OF “ANIMAL”**

Animals were domesticated and used for food as well as clothing, transportation and work. The wealth of a person in biblical times was often measured in the number of animals he owned. The care and provision of animals became the responsibility of the owner of the animals. Animals that were domesticated became property.
The ethical concern regarding domesticated animals was that animals were considered property instead of a created, living creature. The treatment of animals as property could often be harsh and cruel. The social feelings (emotions) about companion animals were slow to develop. In England, the work of royals, such as Queen Victoria, were the earliest actions to establish new humane ethics concerning animals. The transformation of animals from property status to something warranting humane treatment is still ongoing today.

How we feel, what are referred to as emotions, are creations of what is around us socially. Emotions do not spring forth unbounded. They are limited by the possibilities contained within a culture. The possible emotions are guided by the acts that are recognized as a feeling. We do not create emotions from whole cloth. They are, as Hochschild puts it, evaluated by “feeling rules” (2009:31).

Researchers (see Oatley & Jenkins 1996, Panksepp 1998, and Boissy et al. 2007) studying human emotions classify them as consisting of three components. First are the bodily changes experienced with emotions? This can include blood pressure, heart rates, and skin conductance. The second component is the complex behavioral and facial responses accompanying emotions. Both the first and the second components are shared by humans and non-human animals. It is the third component that is, as Dawkins (2012) points out, is the hard question. Do animals experience the conscious experience of emotions that humans have subjectively in relation with the observable aspects of the first and second component?

We can only place our feelings into social contexts. According to Kleres, “emotions are thus conceived of as activated by cultural knowledge” (2009:19). It is this cultural knowledge that drives actions defined as emotions. William James (1890) argues that this is not a conscious action. Like other aspects of the human experiences, this one is socialized deeply into the person manifesting itself as an unthought-of, seemingly natural, occurrence. James (1890) referred to this as habitual action. None the less, the resulting feeling impacts how humans interact with their external world. This external world contains both animated (other humans) and inanimate (material) things. Animals occupy a particular space as between these two aspects of social experience.

Our human capacity to be self-reflective is at the core of anthropomorphism. As higher level thinking animals, we construct narratives of our lives as well as those of others. We develop a social self through this process as we place other actors into those narratives. Just as we tend to reify material objects, we also “animate” other non-human living animals.

An understanding of anthropomorphism directly benefits from the dramaturgical approach of Erving Goffman. Brissett and Edgley argue that, “People’s doings establish their meaning and their beings” (1990:6). As people go about creating meaning we see the establishment of the importance of those aspects of their lives. Motive and intention are secondary. Behavior is the prime indicator of importance.

Humans, as opposed to other animals, are animated by a linguistic spirit. It is through the linguistic spirit that humans can know and reflect on their surroundings. Language is how humans make sense of what they, and others, do as they navigate social reality. “Humans are because language is there, because language takes place” (Lippit, 2000:63). The linguistic spirit, of which animals can’t do nor acquire, allows only humans the ability to project their experience onto non-linguistic animals. In other words, only humans are capable of the requisite anthrocentrism required for anthropomorphism.

When it comes to how we see animals in relation to humans, propinquity is a major consideration. Black (2000) argues that social distance is two-dimensional. Additionally, the relationships do not need to contain parity. As he posits, “Humans can be intimate with virtually anything, living or not, while the reverse does not apply” (Black, 2000:349). Likewise, Mason (2005) documents the simultaneous development of urbanization and the rise in companion animals. As animals become physically closer to humans, they become seen as less animal like and given more human attributes.

Some (i.e. Lippit 2000) have argued that sometime around World War II we witnessed the disappearance of wildlife from humanity’s habitat through the development of Modernity. To except this position would be to ignore the social trends that brought animals closer to humans. For example, Kitty Litter became popular soon after World War II. The increased use of Kitty Litter had a large impact on cats moving from the outside to inside our homes. An argument can be made that this was less a disappearance of animals (cats in this case) and more of a transition into families.

About this time, dogs were being used by the military in ways that brought them into closer contact with humans. War dogs were seen at times as only utilitarian, but at others, in a much more embracing manner. On the one hand, they were a tool of war. On the other hand, they often served as
companions and were seen as worthy of awards for valor. Lemish (1996) documents the case when Maj. General Lucian K. Truscott, Jr., the commander of the 3rd Division, went against Army Regulations and issued the Silver Star for “Chips, 11-A, U.S. Army Dog, Company I, Infantry.”

Even though dogs were being viewed in more inclusive manner – there was still a ways to go! In 1943 the national commander of the Military Order of the Purple Heart protested directly to President Roosevelt and the War Department. Chips accommodation was revoked and his medals were returned.

Earlier War Dogs did not fare as well. At the end of World War I the majority of military dogs were destroyed. The exact number of dogs that met their fate in this manner is not known. Lemish is direct when he states that, “Compassion within the military – then and now – is often a precious commodity” (1996:26).

Ultimately, the increased public exposure of War Dogs did have a positive impact. War Dogs were used to sell War Bonds in World War I. Even as the military was not fully embracing dogs in a positive way, the general public was seeing them in a more human(e) manner. This change was evident in the establishment of the first War Dog memorial at the Hartsdale Pet Cemetery in New York in 1923.

Other examples of animal/human propinquity can be found in the first attempts to domesticate animals in the areas where humans settled. These types of examples are plentiful – dogs, cats, cows, sheep, etc. As domestication continued there needed to be a new source of human/animal contact. In the closing decades of the Nineteenth Century, photography became a very influential mechanism for familiarizing animals and humans.

Hunting animals had been a common social activity for generations. The advent of the camera created that new source of contact – camera hunting. The number of people going into the fields with cameras greatly increased as the new technology became cheaper and accessible to the masses. Herman concluded that the camera undermined hunting by presenting “anthropomorphic images of animals to the millions” (2001:128). Children growing up with these new images of animals captured by the camera came to feel very different about animals. In a short time, animals went from being primarily targets for humans, to being possessors of human qualities! Berger states, “everywhere animals disappear” (1980:26). Animals have not disappeared; they have reappeared as humanized members on a more equal footing:

“I was 8 years old when my goldfish died. I went to feed him. He was floating on the top of the water. I ran for some salt because I had been told that salt revives goldfish. It didn’t help, and I knew I had lost a friend. I also faced death for the first time. I knew what I wanted to do. Late that morning, I took him to the backyard and buried him, using a stick from a Popsicle to mark the spot. Almost fifty years later, I still find satisfaction knowing that somewhere at my childhood home my goldfish is a part of the earth—and remembered” (Kriger, 1983:70).

PET CEMETERIES AND CREMATION

Social norms no longer limit the role of the family pet to that of a simple animal. Many companion animals are accepted as intimate family members. As such, they are afforded all the thoughtfulness reserved for humans. This can be seen in the rise in the purchase and prestige in the animal care industry through the spending statistics gathered by the American Pet Products Association. An estimated fifty billion dollars was spent on companion animals in 2011(APPA, 2011). Perhaps one of the most obvious displays of love and respect for animals can be found in the event of their death. This can be seen in the fact that there are more than five hundred pet cemeteries in America alone, and that number is growing (Thurston, 1997).

According to studies in 2006 by the American Veterinary Medical Association (2011) 49.7 % of those who owned pets viewed those companion animals as family members. Today, pet cemeteries and crematoriums are more common and growing. Pet burial has been seen in the past in multiple countries. King (2013) provides an example of a man-and-lamb double burial in Turkey eight thousand years ago to suggest the emotional bond between humans and animals. Another example is Egyptian cat burials. Another would be dogs found buried in Peru with artifacts of equal value as humans. Examples such as these have brought about questions concerning the value of the animals to the people that buried them with such care (Atwood, 2007). Japanese memorials are believed to have evolved from earlier Shinto and Buddhist practices (Illaf, 2002-40). Roman burials of dogs may be represented by Alexander the Great and his beloved Peritas (Thurston, 1997). In our contemporary culture, it is not as frowned upon when a family decides to provide a burial or cremation.

In Egypt large parcels of land along the Nile River Valley were dedicated to the burial of beloved pets. The practice of tomb burial was not exclusive to humans, but also utilized for the pets. Records of mummmified cats, dogs, and even monkeys and other animals, are documented by archaeologists.
Egyptians are famous for holding felines in high regard throughout the years. Although at times the interest and burial of cats was more linked with the animals as deities, there are cases found that suggest the animals meant more to their owners. One example involving the tradition and practices used in human burial can be found in the burial of Tamyt. Requests for protection and reward in the afterlife were made and artifacts left from the burial of the cat around 1350 B.C. appear more personal than the simple disposal of an animal (Malek, 1997:124).

Time has not been kind to the resting places of ancient pets. Thurston (1997) documents the destruction of pet graves by looters. Attempts to excavate grave sites often turned up only the scattered bones. A common practice was to harvest the graves of pets to be used to make fertilizer. The ship manifest for one such venture listed the remains of over one hundred eighty thousand animals! The few surviving pet mummifications were collected by the British Museum and preserved for science and historians.

While not much has been found to show this practice among the common people in ancient Egypt, it is believed that this may be due to the options that were available to everyday people rather than the fact that it did not happen. Those with wealth and prestige had access to more favorable conditions of burial while those living in the Nile River Valley could not maintain an arid environment or afford the same procedures as those of the higher classes (Malek, 1997:124).

Anthropologist Mary Thurston (1997) documents the first public pet cemetery in France in 1899. Individuals with no land to inter their pets were forced to find any means necessary for disposal. Marguerite Durand converted what was a middle class playground into a beautiful resting place for animals. As founder of the dog cemetery in Asnieres, she established a more humane means of pet disposal. Her efforts became one of the first pet cemeteries established for the public.

In America, the first pet cemetery was started by a veterinarian named Samuel Johnson when he received a call from a client living in New York City. The grieving pet owner had nowhere to bury her beloved dog. She was concerned that her only option was to place the dog in the garbage. Dr. Johnson offered the option to use his private property, an orchard in Winchester New York, as a place to lay the animal to rest.

Dr. Johnson later told the story during a lunch with a friend who was a newspaper reporter. The friend then printed the story of the kind veterinarian’s compassionate deed and soon others came forth with similar concerns of pet burial as the original pet owner whose name is no longer known. Eventually Dr. Johnson allotted three acres to allow owners to bury companion animals. The unofficial cemetery began to fill up with grave markers and flowers left by grieving owners. Johnson did not take the task lightly and developed a systematic procedure for the transportation of the pets by train to the land as owners followed in stagecoaches. Word of the peaceful burial grounds found on Dr. Johnson’s land spread so far as to find an audience in the patrons of the New York Times in 1905.

Finally in 1914, owners were given reassurance that their pets were not only resting peacefully in the beautiful orchard but that they would remain in their resting places undisturbed when Dr. Johnson finally incorporated the Hartsdale Canine Cemetery. More land was added to accommodate the expanding cemetery and formal improvements were made. The make shift burial ground had become an official cemetery and to this day is considered one of the best pet cemeteries in the country. Caretakers now provide upkeep of the grounds. Burial deeds were issued and other comforts to the bereaved of a human cemetery began to develop in the pet cemetery. An estimated seventy thousand pets are now laid to rest in the cemetery and despite the name the list is not limited to the family dog.

Religious ceremonies involving pets are growing in popularity as well. In an article discussing the growing memorials for research animals by Iliff (2002), information is provided about this growth in multiple religions. Iliff notes October 4th as the day of the service known as “Blessing of the Animals,” honoring the Italian saint of animals, Francis of Assisi. Another traditional service that includes companion animals, among others, is held by Buddhist followers and is thought to have roots that have developed and led to modern practices having started as long ago the 17th century. Mexican tradition holds a feast day of the patron saint of domestic animals in January. Jewish temples are known to hold similar traditions on harvest holidays (Ilaff, 2002).

The act of burying a pet in a pet cemetery is becoming less stigmatized. As more people consider their pets to be nonhuman family members they are choosing to participate in behaviors and rituals traditionally reserved for family members. Martin, Jr. reminds us that we must, “Remember, those who choose to bury their pets, do so because they want to, not because they have to” (1997:55).
Not only has the burial of pets as family members become more popular, but the use of other rituals associated with human burials have also increased. Coleen Ellis began the Pet Angel Memorial Center as the first full-service pet funeral home in America. Ellis is also known for her work as a consultant, having started Two Hearts Pet Loss Center, as a guide for others intending to offer services in pet death. Ellis (2013) tells of how an encounter with a grieving pet owner, coupled with her own loss of a pet, led her to begin her career in pet-death care. The funeral is a service for the survivors of loved ones and is no longer limited to human family members. As more companion animals are thought of as family members it will become more common to see them treated as such during their lifetime as well as at the time of their death.

How animals are treated in death is a very good indicator of social attitudes and morals. Quoted in many ways, William Gladstone once declared, “Show me the manner in which a nation cares for its dead and I will measure with mathematical exactness the tender sympathies of its people, their respect for the law and their loyalty to high ideals.” Recent trends in pet death care make this statement more relevant than ever!

CONCLUSION

The level of anthropomorphism in a society is directly related to the increased use of pet cemeteries. Social indicators are useful when trying to understand human behavior. Likewise, social indicators reflect attitudes. One is understood “through” the other, not that one leads to the other in a linear manner. Boggs (2013) describes this as a double articulation that emerges when we think of (the) animals and (the) human. She sees animals as “... the binary opposite of (The) human. But animals, especially when figured as pets, also function as a middle ground between sets of binaries that oppose the subject and the object, the human and the non-human...” (Boggs, 2013)

The treatment of animals by humans continues to evolve in many ways, not just in how we treat them in death. Such change illustrates the continued realization and pro-activeness to overcome what Francione (2005) referred to as our “moral schizophrenia.” We have expressed a closeness to companion animals (oh, they are just one of our children), yet not fully embraced their right to a dignified death. This is rapidly changing. This is not a bad eventuality – it is only one expected from a group of people with “tender sympathies” as they embrace the wildness as their own.

REFERENCES


**CORRESPONDING AUTHOR**

*Professor James H. Gadberry can be reached at james.gadberry@athens.edu*
THE STINKING FOOD STIGMA: 
CHANGING ETHNIC FOODWAYS FOR ACCULTURATION

Dr. Somdev Banik,  
Dept. of English.  
Tripura University.  
Tripura, India.  

Abstract

Ethnicity of a community is not just representative of its regional, familial, religious and linguistic forms of identifications, but its culinary culture as well. Ethnic food had always been a very “potent symbol of personal and group identity, forming one of the foundations of both individuality and a sense of common membership in a larger, bounded group” (Wilk 1999:244). What we are, is defined by what we eat. What we eat is again reflective of “our thought, including our conception of our actual or desired way of life and our perceptions of the food choices of people with whom we wish to identify” (Fiddles 1991:33). Culinary traditions also evoke a sense of nationalism, sometimes to sustain the dominant culture of which it is a part, at other times to foster resistance to hegemonic traditions. Even though food practices contribute to identity formation and ethnicity, yet diets, recipes, and cuisines are in a constant state of flux due to cultural contact, media exposure and marketing strategies in a globalized and cosmopolitan world. As people’s tastes become more and more homogenized, ethnic/local recipes go out of favor. Sometimes ethnic recipes are deliberately avoided to conceal one’s ethnic identity and promote acculturation. In this paper I would like to take the case of fermented fish, an essential ingredient of North East India cuisine. Yet outside of the North East, the very same people abstain from taking one of their favorite dishes not only because it is mostly unavailable, but because it is looked down upon by the others of mainland India as a stinking food. The desire for assimilation unfortunately interferes with one’s cultural disposition, and one’s ethnicity is thereby compromised.

Keywords: identity, culinary culture, fermented fish, acculturation.

Ethnic identity is not an essential quality inherent to any human group or community. Any identity constitutes of certain similar traits which are ubiquitous in every group, be it at the centre or at the periphery. Regional, communal, linguistic, cultural, religious attributes of any group contribute towards the construction of its identity, whether national or ethnic, dominant or marginal. Yet we tend to uphold an essentialist view of such identity as an ontological character of that social group. Ethnicity is perceived mostly in opposition to the national or the universal, where the ethnic identity is always the inferior other. This exclusionary semantic evolution of ethnicity is quite surprising, since the Greek root from which it was derived, ethnos, meaning nation/people was used for defining the Greek identity itself. In 20th century it came to denote the external groups like the immigrants, the indigenous people or distinct cultural identities who are subject to a state or nation with a different cultural
mainstream. So, an ethnic identity is ethnic because it is not a part of the national or cultural mainstream. Yet in today’s globalised world, dominated by mass media and fast food marketing, one’s location in this category creates ambivalence in the ethnic consciousness; a tension wedged between the desires for acculturation and defiance. Food becomes a convenient site for working out this dilemma. It’s through food that one illustrates one’s predilections and commonality and conceals one’s distinctiveness. In this paper I would like to take the case of fermented fish, an essential and immensely popular ingredient of North East Indian cuisine, known variously as seedal, hukuti, ngari, hentak, tungtap in different languages of the region and eaten almost on a daily basis. Yet outside of the North East India, the very same people abstain from taking one of their favorite dishes not only because it is mostly unavailable, but because it is looked down upon as a food item by the others. The desire for inclusion and assimilation unfortunately overrides one’s cultural disposition, and refashions one’s ethnicity.

Jean Anthelme Brillat-Savarin, French epicure and gastronome, famously remarked in his *The Physiology of Taste*, “Tell me what you eat and I shall tell you what you are” (1949[1825]:1). Brillat-Savarin was the first person to point out the potential of food to unlock an identity. Since 1960s anthropologists have held that food is not just nourishing and gratifying, it is culturally significant too. Levi-Strauss believed that food has less to do with what is good to eat than with what is good to think. He and his followers sought to understand food as a cultural system with metaphors and symbols whose meanings enabled anthropologists to understand “a significant knowledge of the unconscious attitudes of the society or societies under consideration” (1968:87). Roland Barthes saw food as a sign of a need which is highly structured. “Substances, techniques of preparation, habits, all become part of a system of differences in signification; and as soon as this happens, we have communication by way of food’ (1975:51). To him an entire world or social environment is present in and signified by food. Douglas argued that “food can act as a mental construct to bind people together creating a sense of the collective self. Fiddles, Goody and Garnsey demonstrate(d) that group eating can highlight relationships that structure social institutions, as well as collective attitudes. The whole array of associations conveyed by food provides the people who share them with meaning and a strong sense of belonging. Fiddles points out that the food we select reflects our thought, including our conception of our actual or desired way of life and our perceptions of the food choices of people with whom we wish to identify (Paponnet-Cantat 2003:1). Identity constitutes of the self and the person; one’s self-perception and the perception one wants others to have of his/herself. And body is an integral part of the latter which is nourished by food. The everyday practice of buying, cooking and consuming food contributes to the production of bodies and identities vis a vis one’s class, ethnicity, culture, nation and even gender. It is these commonsensical practices that help us make sense of our world and selves (Fischler 1988). National identity is also related to specific food and cuisines which are the specialty produces of that nation associated with its local geography, soil, climate and culture. But if a nation is as large and diverse as India, local ethnic cuisine at times is bound to be at odds with the national cuisine, if there is anything as such. The different cultural systems, with their multifarious food practices and consumptions vie for dominance over each other. In a globalised, modernist and media driven consumerist economy, ethnic and traditional cuisines lose out to dominant cuisine culture and fast food mania. Even if ethnic food gets a passage to the tables of fashionable restaurants, they do so with compromises made to authentic recipes.
North-east India is an ethnographer’s delight in terms of the rich diversity of ethno-linguistic communities that dwell here. Around 40 million people living over an area of 262,230 sq. km are divided among 220 ethnic groups and an equal number of dialects. The region is covered by the mighty Brahmaputra-Barak river systems and their tributaries. Geographically, apart from the Brahmaputra, Barak and Imphal valleys and some flatlands in between the hills of Meghalaya and Tripura, the remaining two-thirds of the area is hilly terrain interspersed with valleys and plains. About 75% of the total population living here is of tribal origin who have a rich reserve of traditional knowledge of processing and conservation of food for consumption and medicinal purposes. The cuisines of North east India are a combination of rice, local vegetables and fish. Meat being expensive most animal protein is derived from fish which is abundantly available. Fermentation and drying of certain vegetables, fruits and fishes are the most common ways of food preservation. In this region large quantities of rice are eaten for every meal which is filling and serves as a cheap source of vegetable proteins, amino acids and energy. Rice is accompanied by a salty vegetable dish or some fish preparation. But the most common foodstuff for facilitating rice consumption is a condiment made from either fermented fish or vegetables like bamboo shoot, radish, wild fragrant leaves, soybean etc. As spices are hardly used in Northeast cuisine, such preparations are the most favoured condiments not only among hilly tribes but also among plainspeople.

Fermentation is one of the oldest and most economic methods of preservation of quality and taste of food. According to Stanbury, it may be defined as a process for the production of a product by the mass culture of microorganism (quoted in Das & Deka 2012:377). Fermented foods have further benefits of providing bio-nutrients and minerals and enhancement of flavour and aroma. The process also increases digestibility and exerts health promoting benefits. Fermentation also assists in the detoxification of certain undesirable compounds present in raw foods. Such food products are used in most ethnic communities worldwide for their prolonged shelf-life, reduced volume, shorter cooking times and superior nutritive values compared to non-fermented products (Das & Deka 2012:377). The species of fishes most commonly used for fermentation are Puntius sophore, Esomus danricus, Hilsa etc. whose fermented forms are variously known as seedal, hukuti, ngari, hentak, tungtap, lona ilish. Fermented fish products are marked by a characteristic smell, which though appetizing for local people seems quite nauseating for outsiders. In urban areas outside the Northeast, this smell is quite revealing and betrays one’s ethnic identity. Fermented fish products, in spite of their popularity hardly make to the plates outside of the region. Ethnic people are wary of appearing different and backward in the eyes of the dominant majority. In order to appear homogeneous, modern and cultured, authentic ethnic dishes are either kept out or prepared with suitable precautions and compromises. Unavailability of many key ingredients which are typical products of surrounding environment also leads to dilution of the recipes. The urban new generation anyway is more keen on ready-to-eat and easy-to-cook foods at home and outside. This ‘eating without meals’, Mintz argues, leads to a move away from the grammar of traditional food practices. In this process, Mintz suggests, the entire productive character of societies is being recast, and with it, the ‘very nature of time, of work, and of leisure’ (quoted in Caplan 1997:5). This uncertainty about what one is eating also destabilizes one’s identity and one’s perception of himself/herself.

But there is an even greater threat to ethnic cuisine—the rise of fast life and fast food culture in India. As urbanization and industrialization spread in collusion with globalised capitalism, demand for something like fast food grows. The fast paced
competitive lifestyle in a nuclear family setup does not allow time for indulging in preparation of delectable dishes. Ethnic dishes of late have become a prerogative of the new brand of ethnic restaurants. Ethnic cuisine served in restaurants are bound to be inauthentic because of the compromises made to the recipes for suiting the tastes of generalized customer profile and due to unavailability or paucity of ingredients (Nandy 2004:3). Yet if someone has time and the means, one would taste an ethnic dish in the restaurant rather than prepare the same dish at home. Food consumption is today merely a function of income and social status. People like to eat foods which are trendy, exotic or fun. What is important today is where you are eating and with whom you are eating. Identity today derives more from ‘lifestyle’ than those classic concepts of sociology like ethnicity, class, gender and language. The socially constructed nature of identity which used to be symbolized by food and commensality is undermined by an individualistic nature of identity.

Ashis Nandy points out that with changes in the sociology of the Indian family, the “older models of socialization are becoming recessive in urban, middle-class India and preparation of food is becoming less of a matter of apprenticeship at home for daughters, daughters-in law, and younger women in the family and more a matter of cultivated taste and de-gendered expertise for many. Cooking classes, particularly courses in ethnic cuisine, are becoming increasingly popular in urban India and a galaxy of famous, mediagenic chefs have become household names, thanks to their popular television shows and frequent newspaper interviews” (2004:7). This holds equally true for ethnic societies as well. Culinary art is now no longer a traditional knowledge inherited from older generations. Ethnic dishes are today dissocialized and prepared according to the cookbook recipes. Nandy also argues that in this cosmopolitanism, distinctive cultural styles of food are paradoxically becoming more autonomous from which the cuisines come and the civilizations they represent (quoted in Nandy 2004:18). In fact, many ethnic societies themselves are getting de-cultured in this age of global cosmopolitanism. In the name of multiculturalism and modernity, indigenous and ethnic societies are losing their distinctiveness and specialties. In this race to be modern and cosmopolitan, they end up only being displaced and westernized. Nevertheless, ethnic cuisine sells today like never before; ironically not in its pristine antiquity but as an exotic, essentialised commodity packaged for the consumption of the privileged. Such culinary imperialism is a form of cultural imperialism too, as it not only interferes with the food practices of a culture, but incorporates it into the dominant culinary tradition.

References:
MODERN PORTFOLIO THEORY, APT, AND THE CAPM: THE YEARS 1952 TO 1986

Nicholas Jewczyn, Ph.D.
Eastern University

ABSTRACT

This research is a discussion of modern portfolio theory and a comparison and contrast of the synthesis of the capital asset pricing model (CAPM) versions propounded by Jack Treynor, William Sharpe, John Lintner, and Jan Mossin. Arbitrage pricing theory (APT), propounded by Stephen Ross, is compared and contrasted with the CAPM and further related to the Harry Markowitz foundational theoretical platform of modern portfolio theory. The discussion evaluates the strengths and limitations of the tenets of financial economics, as espoused by Treynor, Sharpe, Lintner, and Mossin, along with Ross’ APT, for the purpose of establishing how the theorists’ cumulative, theoretical work has contributed to the development of the CAPM and APT, and to the development of a platform of values that is useful in financial economics as it relates to asset pricing, asset-specific return, risk and diversification, and to the efficient frontier regarding the construction of securities portfolios.

INTRODUCTION

This research includes a discussion of the various tenets of modern portfolio theory, foundationally introduced in the writings of Harry Markowitz, and will further include a comparison and contrast of the synthesis of the capital asset pricing model (CAPM) propounded by the four primary CAPM theorists: Jack Treynor, William Sharpe, John Lintner, and Jan Mossin. Arbitrage pricing theory (APT), propounded by Stephen Ross, will be compared and contrasted with the CAPM and further related to the Harry Markowitz foundational theoretical platform of modern portfolio theory. The minor theorists, Fischer Black, Michael Jensen, Myron Scholes, Douglas Breeden, Robert Merton, Merton Miller, Franco Modigliani, and Richard Roll, and their theoretical update contributions, will be evaluated in functional order related to the major theorists’ CAPM work and to the Markowitz work on modern portfolio theory. The discussion includes an evaluation of the strengths and limitations of the tenets of financial economics, as espoused by the four principal CAPM theorists, Treynor, Sharpe, Lintner, and Mossin, along with Ross’ APT, for the purpose of establishing how the theorists’ cumulative, theoretical work has contributed to the development of the CAPM and APT, and to the development of a platform of values that is useful in financial economics as it relates to asset pricing, asset-specific return, risk and diversification, and to the efficient frontier regarding the construction of securities portfolios.

THE FOUNDATIONAL FINANCIAL ECONOMICS THEORY OF MARKOWITZ

Harry Markowitz promoted several changes to the stock price consideration of modern portfolio theory in the 1950’s. The dogma, promoted in 1938 by John Burr Williams, that an investor must engage in the value maximization of future security returns, was changed to the discounting of future expected security returns and the dogma, promoted in 1939 by John Richard Hicks, that anticipated returns included some margin for risk, was changed to the consideration that the securities’ anticipated returns capitalization should “vary with risk” (Markowitz, 1952a, p. 77). More specific portfolio changes promoted by Markowitz were that: portfolio choices were predicated upon the acceptance of seven assumptions; the efficient set of portfolios needed to be determined and the optimal portfolio was chosen from that set of efficient portfolios; and that the sub-set of optimal portfolios was determined to be contained within the three-dimensional space contained within the area of a graph of multiple functions.

MARKOWITZ’S SEVEN ASSUMPTIONS

The changes discussed above, made by Markowitz to the tenets of portfolio theory portfolio choices accepted at that time, were predicated upon the acceptance of seven assumptions. The first Markowitz assumption was that investors were rational due to the fact that he believed that investors expected investments to accrue high
returns and that those returns should be “stable” [and] “certain” (Markowitz, 1959, p. 6). The second Markowitz assumption was that investors did not care for risk (Markowitz, 1952a, p. 91). The third assumption was that an investor’s consumption function was a function that naturally increased (Markowitz, 1952b, p. 151). The fourth assumption was that the securities investment model’s analysis was predicated upon only one period (Markowitz, 1959, p. 299).

The fifth assumption was that breaks in the utility graph, in which the optimal curve appeared to be increasing and concave, concerning an investor’s needs for consumption and the rationality concerning the dislike of risk, implied that the curve of the investor’s needs was not an unbroken concave function (Markowitz, 1959, p. 296). However, the utility curve was expected to be a continuous, smooth function, possessed of at least two orders of derivatives wherein the function occupied the first quadrant, and the function was depicted by a rising, upward, snake-like sort of “continuous curve” (Markowitz, 1952b, p. 151).

The sixth assumption was that an investor, considering all conceivable portfolios available, could choose a rate of return such that the securities return expected could increase by increasing the portfolio’s variance or the portfolio’s variance could be reduced and the variance reduction would result in the portfolio’s loss of returns expected (Markowitz, 1952a, p. 79). What the previous discussion translated to was that, if “E” equaled expected return and if “V” equaled variance (or risk, for this discussion), an investor would accept a certain minimal variance (or risk) for a given portfolio’s expected return and the same investor would also accept a “maximum E for [a] given V or less” (p. 82). The seventh assumption was that if returns variability of a certain portfolio was predicated upon risk, then more efficient portfolios resulted from semi-variance calculations because variance analysis eliminated the extreme outliers whereas semi-variance analysis focused upon “reducing losses” (Markowitz, 1959, p. 194).

**DECISIONS REGARDING EFFICIENT SECURITIES PORTFOLIOS**

Markowitz realized that, with regard to the determination of the set of efficient securities portfolios extant, from which an investor could conceivably choose, several important decisions needed to be made (Markowitz, 1952a, pp. 78-79). Let us suppose that, mathematically speaking, the prospective portfolio to be chosen is a vector such that each prospective security in the portfolio is the fraction of the overall portfolio invested in each respective security, whereas each security is actually a covariance matrix, such that the chain equation inputs would be the “matrix of covariances...[the] vector of expected returns...[the resulting] A, an m by n matrix...[and] b, an m element vector” (Markowitz, 1959, pp. 170-172).

If Markowitz’s calculations were correct, then the first important decision to be made, implied by Markowitz, was that the efficient set of portfolios needed to be determined, because of the implication, for V meaning variance and E meaning expected returns, since “there exists a portfolio which maximizes E” [and thus, by default, there would also be such a portfolio that minimizes V] (Markowitz, 1959, p. 177). The second major choice to be made, once the efficient set of portfolios had been determined, since not all variance was eliminated by the use of portfolio diversification (Markowitz, 1952a, p. 79), was that one should decide upon, out of that set of efficient portfolios, the optimal portfolio by increasing and decreasing the amount of and the number of securities available by using “formal computations” (p. 91).

**ISOLATING EFFICIENT PORTFOLIOS TO MAXIMIZE RETURN AND MINIMIZE RISK**

In isolating the efficient portfolios set of choices, and in choosing the portfolios from the efficient set that maximize return and minimize risk, there were several points made by Markowitz that would be relevant to the optimization discussion of portfolio selection by a prospective investor. When the calculations were performed upon a set of securities and the efficient portfolios were determined, not all securities in the global set chosen would necessarily be a part of the efficient portfolios determined and not all asset classes would be represented in an efficient portfolio made up of only a portion of the possible securities choices (Markowitz, 1959, p. 26). When the interrelationships among the various potential securities of an optimal, efficient portfolio were graphically considered, the points on the graph of the various securities combinations where the function abruptly changed directions were all efficient portfolios and were all known as “corner portfolios” (p. 24).

When it came to investor satisfaction, at a point in time, with a perceived optimal portfolio, the optimal portfolio choice for that given moment in time for that investor occurred at the point of intersection of several curves or lines. For instance, the optimal investor’s portfolio occurred where the “isomean curve” (Markowitz, 1952a, p. 84) (all portfolios with a certain expected return) intersected with the “isovariance line” (p. 84) (all portfolios with a certain return variance or risk) that then intersected with the efficient portfolios line, which started at the centroid of the circular isomean curve circles; if the three lines or graphs did not exactly intersect, then the sub-set of optimal
portfolios was determined to be contained with the three-dimensional space circumscribed or contained within the area of the graph where the circular curve and both lines previously mentioned were proximally tangent to one another (pp. 85-86).

A SUMMARY OF MARKOWITZ’S CHANGES TO MODERN PORTFOLIO THEORY

Harry Markowitz promoted several changes to the stock price consideration of modern portfolio theory portfolio choices in the 1950's. The belief, promoted in 1938 by John Burr Williams that an investor must engage in the value maximization of future security returns, was changed by Markowitz to the discounting of future expected security returns. The belief, promoted in 1939 by John Richard Hicks that anticipated returns included some margin for risk, was changed by Markowitz to the consideration that the securities' anticipated returns capitalization should vary with risk. An investor, considering all conceivable portfolios available, could consequently choose a rate of return, such that the securities return expected could increase by increasing the portfolio's variance, or choose that the portfolio's variance could be reduced and the variance reduction would then result in the portfolio's loss of returns expected. If returns variability of a certain portfolio was predicated upon risk, then more efficient portfolios resulted from semi-variance calculations because variance analysis eliminated the extreme outliers whereas semi-variance analysis focused upon reducing portfolio losses. When the interrelationships among the various potential securities of an optimal, efficient portfolio were graphically considered, the points on the graph, of the various securities combinations where the function abruptly changed direction, were all considered to be efficient portfolios and those critical points were all known as corner portfolios.

JACK TREYNOR AS A CAPM PRIMARY THEORIST

Jack Treynor, who had proposed the “Theory of Market Value of Risky Assets” (Treynor, 1962, p. 1), posited a number of assumptions that extended the modern portfolio theory work of Markowitz (p. 2). Treynor’s seven basic assumptions of his market value theory were that: a) no taxes were in effect; b) no expenses were in effect, such as transactional costs associated with doing business at a brokerage; c) when an investor purchased securities, the effect was so insignificant that there would be no effect on prices; d) concerning the first and second derivatives of the results, “investors maximize[d] expected utility” (p. 2); e) investors just did not like risk, which was a viewpoint similar to the second assumption of Markowitz noted above; f) a market for lending existed that was perfectly efficient; and g) all investors were part of an efficient market where all current prices were known and the investors’ predictions of expected values in the future were identical (p. 2).

A significant side-note of interest, to promote an adequate comprehension of the time-period constraints associated with Treynor’s theory, was that Treynor had separated the proposed investors’ projected, expected, security returns into two, cumulative-result, additive parts (Treynor, 1962, p. 5). The first part of the security return, a) regardless of how the investor invested, the capital rate of return calculated from the use of the risk-free rate of lending was added to the second part, which was b) the return expected based upon the assumed risk for any taken risks and those taken risks had no relationship to the capital invested (p. 6).

Treynor’s market value theory was introduced with a unique means of a discussion medium framework that allowed a separatist, theoretical viewpoint of the mathematics and the resulting rigor of those calculations. The framework, or experimental space used for consideration of those calculations, as well as the assumptions already presented above, was that (to make the theory work in a limited sense) Treynor was able to summarily dismiss the risks associated with price and interest rates (Treynor, 1962, p. 4). Treynor noted that the only reason that portfolio analysis was able to be conducted, based upon the currently accepted dogma of that time period, was that there was a proxy for the riskless asset in existence (p. 4). A further rationale for this startling proposition associated with Treynor’s theory was that, in his consideration of risks associated with pricing and rates, those two considerations were apparently insignificant in the macroeconomy of the United States in comparison to “typical equity risks” (p. 4).

One of the more important conclusions, mathematically derived by Treynor in his mathematical proofs concerning the assumption of various risks by the proposed investor, or the fact that Treynor had assumed that certain risks were insignificant when compared with the magnitude of the U.S.’ macroeconomy, was that the space where Treynor was experimenting was characterized by only one time period (Treynor, 1962, p. 17). Even though Treynor alluded to multiple time periods for other, residual calculations, and considered extrapolation from a single time period to continuous time or multiple time periods, the mathematics variables in the proofs started with, and it was assumed that there was, only a one time period constraint for the proofs (p. 5). The type of calculation just described was important to Treynor’s theory because the above constraint made possible the mathematical result and
belief that the lending markets provided value resolution for the difference between an investor’s shares and equity, since the future value of debt was related to the present value of debt and was simply a function of the “lending rate” (p. 7).

SYNTHESIS OF TREYNOR’S PORTFOLIO THEORY WORK

The Treynor theory shared some similarities with the foundational, theoretical work performed by Harry Markowitz, which was performed during the 1950’s. Two similarities were that Treynor naturally assumed that the contents of securities portfolios remained static during the mathematical calculations and that proofs were performed for one time period, which was arbitrary (Treynor, 1962, p. 5). Another similarity consideration, with regard to the work of Markowitz, was that Treynor noted that, for a perfect market for equity, risk for each security share was directly related to an investment’s covariance compared to aggregate investment value of the overall market (p. 13). The above consideration was thought to hold true, using the Markowitz calculations, for both the matrix of covariance involving securities and a particular portfolio’s variance (p. 14).

Major applications of the then current portfolio theory were that Treynor acknowledged the extant consideration that capital costing was basically unaffected by a risk that could be insured for (read “diversified away”) (Treynor, 1962, p. 1) and that this had to do with large number law, promulgated by Markowitz (Markowitz, 1952a, p. 79). Treynor’s third constraint accounted for application of current theory, with regard to the structure of capital in one time period (Treynor, 1962, p. 16), and that an investment’s covariance was directly related to the valuation of all investment in the aggregate market (p. 13).

SUMMARY OF TREYNOR’S VERSION OF THE CAPM

Jack Treynor, who had proposed the theory of market value of risky assets, posited a number of assumptions that extended the modern portfolio theory work of Markowitz. Treynor's seven basic assumptions of his market value theory were that: a) no taxes were in effect; b) no expenses were in effect; c) there was no effect on prices when an investor purchased securities; d) investors maximized expected utility; e) investors did not like risk; f) the lending market was perfectly efficient; and g) for all investors, the market was efficient, current prices were known, and expected values in the future were identical. The first part of the security return, a) regardless of how the investor invested, the capital rate of return calculated from the use of the risk-free rate of lending was added to the second part, which was b) the return expected based upon the assumed risk for any taken risks and those taken risks had no relationship to the capital invested. Treynor noted that the only reason that portfolio analysis was able to be conducted, based upon the currently accepted dogma of that time period, was that there was a proxy for the riskless asset in existence.

WILLIAM SHARPE AS A CAPM PRIMARY THEORIST

William Sharpe conclusively reported that his capital market theory (Sharpe, 1965, p. 417) could not be evaluated in reality since his theory was predicated upon assets’ future expected return and the risks concomitant to the investment of those assets (p. 416). However, by substitution, Sharpe realized that the actual security returns’ standard deviations and mean values, as opposed to expected returns statistics, could be used as a proxy for “ex ante predictions of investors” (p. 416). The predictive capability associated with investor portfolios was echoed elsewhere in Sharpe’s work, along with the idea that a model could be used for capital asset pricing, inferring that such arguments could be (but were not necessarily) linear in scope, and that a proposed investor could achieve a theoretically efficient point anywhere along the “capital market line” (Sharpe, 1964, p. 425).

Sharpe had concluded, based upon a ten-year study of approximately three-dozen mutual funds, that there was a sufficiently strong enough correlation coefficient of 0.836, relating annual standard deviation of the funds to the average annual returns of those funds, to demonstrate that there was substantiation for one of the standard assumptions of portfolio theory regarding investor risk aversion (Sharpe, 1965, p. 417). Since diversification was rational investor behavior used to mediate risk assumption, then there were two price choices available in the open market: the unadulterated rate of interest of price timing and the rate of return associated, per unit of risk pricing, known as the “price of risk” (Sharpe, 1964, p. 425).

SYNTHESIS OF SHARPE’S MODERN PORTFOLIO THEORY WORK

The observations of Sharpe, shown above, set the platform in place for Sharpe’s formulation of an
approach to portfolio theory, which used mean-variance (Sharpe, 1964, p. 428), to conclude that portfolio theory rested upon a capital asset pricing model that relied upon aggregate capital market general equilibrium (p. 433). An important corollary to this belief was that the pricing of capital assets moved in a linear fashion in the market and that the returns’ annual standard deviations and average returns, while moving in a linear fashion, then changed future values of those returns and deviations (Sharpe, 1965, p. 417). In order for the model to function properly, Sharpe made two basic assumptions, similar to Treynor, that there was: a) in-place a proxy for the risk-free interest rate enjoyed by all investors; and that b) future expectations of security returns anticipated by all investors were identical (Sharpe, 1964, p. 433).

Another of Sharpe’s realizations was that the pricing of capital assets changed and continued to change. Those changes occurred until there was some capital asset pricing set of prices (referring to Sharpe’s pure asset price associated with time and Sharpe’s price of risk associated with per unit of risk pricing) and that some set of those prices would inevitably be able to be graphed on the capital market line (Sharpe, 1964, p. 435). The belief, that some set of those dual price points just suggested must be graphed on the capital market line (CML), was predicated upon the notion that there had to be some portfolio combination of lending made out of risky assets and an investment made in risky assets (p. 435).

One of the principal components of Sharpe’s model for the pricing of capital assets was his notion that, given two security assets when a model was in equilibrium, there must be a point where the edge of the graph of the combinations of those assets, known as the efficient frontier, must be tangent to the capital market line in order to achieve an efficient portfolio that was also an optimal portfolio (Sharpe, 1964, p. 437). Sharpe believed that all efficient portfolio combinations from a particular set were correlated perfectly (p. 441), that a risk’s magnitude relating to its correlation to the portfolio’s aggregate return would not be diversified away from that portfolio (p. 440), and that these two notions were related since the amount of the associated risk type was a function of the portfolio’s expected return (p. 440).

SUMMARY OF SHARPE’S VERSION OF THE CAPM

William Sharpe conclusively reported that his capital market theory could not be evaluated in reality since his theory was predicated upon assets' future expected returns and the risks concomitant to the investment of those assets. The predictive capability associated with investor portfolios was echoed elsewhere in Sharpe's work, along with the idea that a model could be used for capital asset pricing, and that a proposed investor could achieve a theoretically efficient point anywhere along the capital market line. Sharpe had concluded that there was a sufficiently strong correlation coefficient, relating annual standard deviation of the funds to the average annual returns of those funds, to demonstrate that there was substantiation for one of the standard assumptions of portfolio theory regarding investor risk aversion. Since diversification was rational investor behavior used to mediate risk assumption, then there were two price choices available in the open market: the pure rate of interest of price timing and the rate of return associated, per unit of risk pricing, known as the price of risk. An important corollary to this belief was that the pricing of capital assets moved in a linear fashion in the market and that the returns' annual standard deviations and average returns, while moving in a linear fashion, then changed future values of those returns and deviations.

JOHN LINTNER AS A CAPM PRIMARY THEORIST

Lintner suggested that portfolio theory would include the ideas that assets at risk would trade in a market that was: competitive; under perfect conditions; and that security prices existed in a general equilibrium (Lintner, 1965b, p. 587). Further, each risk asset’s price was directly related linearly to the security’s future expected returns, as well as to the covariances and variances when considering the other securities in the proposed portfolio (p. 587). Also, that the security’s value was related to the return such that each security’s aggregate risk was the additive value of the dollar return variance divided by the periodicity of holding added to the “combined covariance of its return with that of all other securities” (p. 587). Lintner acknowledged the Sharpe observation of the dual price points available in the actual market, which was noted above, but Lintner differed from Sharpe’s view of capital asset pricing in that Lintner held that these observations would be consistent in general equilibrium even when investors did not share the typically expected identical expectations of future returns (p. 587).

Lintner also observed the then current theory notion that assets not held in cash were not related to risk-averse investors’ holding of cash in a normal or Gaussian distribution of returns in competitive markets, but that this was not always necessarily so (Lintner, 1965a, p. 13). Although this particular Lintner view seemed to possess a certain ambivalent duality, Lintner confirmed the idea that normality should be assumed for the single time period,
experimental space, in which the calculations were performed, because the basic platform’s functionality assumed an asset base springboard that was risk-free and consequently that “probability judgments are normally distributed” (Lintner, 1965b, p. 588).

SYNTHESIS OF LINTNER'S MODERN PORTFOLIO THEORY WORK

Lintner acknowledged, in the published Lintner research, that his personal work introductions and study framing had paralleled the recent findings of Sharpe, but that Sharpe’s work was incomplete because the necessary mathematical calculations were not included to substantiate the agreed upon conclusions posited by Lintner concerning, risk, time, the assumed general equilibrium, and the perfect market knowledge held by investors (Lintner, 1965a, p. 13). A critical difference between Lintner and Sharpe’s observations was that Lintner posited that most economic researchers universally considered that a return rate’s standard deviation was the determination of relative risk; but Lintner believed that, in even the most basic cases (or when there was zero covariance), relative risk was a linear function between variance (not standard deviation) and future return rates (p. 13).

Lintner held some basic assumptions, concerning the then currently accepted separation theorem, regarding an investor’s selection of securities for inclusion in a portfolio (Lintner, 1965a, p. 15). Lintner accepted that each investor could: a) invest a portion of a portfolio in assets at the risk-free rate; b) invest some capital in risky assets; c) the investments would be in a perfect market devoid of taxes or costs; d) investors could invest in any asset that was risky with funds derived from risk-free rates of borrowing without borrowing limits; and e) the investor would buy and sell at only certain time points where the returns on the invested securities and any price changes all occurred simultaneously (p. 15).

Several points regarding Lintner’s synthesis of the model for capital asset pricing bear further discussion. Lintner realized, upon completion of his mathematical proofs to this effect, that decisions involving the optimal choice of portfolios of securities depended upon the use of “residual variances” (Lintner, 1965b, p. 610). Further, in markets for securities, which were pure and competitive, those residual variances were integral to the equilibrium pricing of securities (p. 611). Also, diversification in mutual funds was limited to risk considerations, other than economic factors that affected general markets for securities, and that the mutual funds examined over time, regarding security returns’ estimates of statistical error, were simply points that supported regression analyses of the Standard and Poor’s index because mutual funds were just a conglomeration of common stocks of that index (p. 612).

SUMMARY OF LINTNER'S VERSION OF THE CAPM

Lintner suggested that portfolio theory would include the ideas that assets at risk would trade in a market that was: competitive; under perfect conditions; and that security prices existed in a general equilibrium. Each risk asset's price was directly related linearly to the security's future expected returns, as well as to the covariances and variances when considering the other securities in the proposed portfolio. Lintner acknowledged the Sharpe observation of the dual price points available in the actual market, but Lintner differed from Sharpe's view of capital asset pricing in that Lintner held that these observations would be consistent in general equilibrium even when investors did not share the typically expected identical expectations of future returns. Lintner also observed the then current theory notion that assets not held in cash were not related to risk-averse investors' holding of cash in a normal distribution of returns in competitive markets, but that this conditional occurrence was not always necessarily so. Further, in markets for securities, which were pure and competitive, those residual variances were integral to the equilibrium pricing of securities. The diversification available for mutual funds was limited to risk considerations that supported regression analyses of the Standard and Poor's index because mutual funds were just a conglomeration of common stocks of that index.

JAN MOSSIN AS A CAPM PRIMARY THEORIST

Jan Mossin assumed a general equilibrium model for his version of the model for capital asset pricing (Mossin, 1966, p. 769). Mossin agreed with some earlier interpretations of the model and the concomitant theory concerning earlier observations by theorists such as Sharpe, who had made two basic assumptions similar to Treynor’s observations, that there was in-place a proxy for the risk-free interest rate enjoyed by all investors and that future expectations of security returns anticipated by all investors were identical (p. 770). Mossin also supported the Markowitz observations in that investors had a range of choices that could be depicted as points on a graph of the securities’ “mean-variance” (p. 770) and that expected returns and yield variances were to be expressed rather
SYNTHESIS OF MOSSIN’S MODERN PORTFOLIO THEORY WORK

Mossin supported the use of the one time-period view as a means of evaluating the securities (Mossin, 1966, p. 770), similar to other theorists’ views noted above, such as Markowitz, Treynor, Sharpe, and Lintner. The Mossin view concerning the vector matrix of securities distribution (p. 771) reflected the same interpretation given earlier by Markowitz, discussed above. A significant difference from other primary theorists depicted above was the constraint that Mossin decided that it was possible to arbitrarily assign a price to one of two securities considered and then to evaluate pricing with regard to all other securities proposed for inclusion in the securities portfolio in relation to that arbitrarily assigned security price (p. 771).

A further departure from the theoretical norms set up by Markowitz, for the assumptions secondary to capital asset pricing theory, was that Mossin assumed that: the investor’s utility curve was not snake-like (upward sloping) or discontinuous, but concave; that the first derivative was positive whereas the second derivative was negative; and that there was a constraint such that, as opposed to investment being unlimited, the sales proceeds from the now defunct portfolio should equal the total investment in the investor’s new portfolio (Mossin, 1966, p. 772). Mossin also referred to the allocation of assets in the subject portfolio as a zero-sum game such that one investor’s gain, in a perfect market in general equilibrium, would constitute another investor’s loss; a condition that dovetailed with Mossin’s belief in a concave graph of investor preferences (p. 773).

There was a general agreement in the portfolio theory views of Mossin and Treynor regarding additive values concerning the use of the risk-free lending rate and expected return: regardless of how the investor invested, the capital rate of return was calculated from the use of the risk-free lending rate and was added to the second part, which was the return expected from the assumed risk for any risks taken, and those taken risks had no relationship to the invested capital (Mossin, 1966, p. 774). Mossin reasoned that, in equilibrium, price was the determinant such that all investors would hold the available securities outstanding in exactly the same allocation percentage in all investor portfolios (p. 775) but that, due to limitations from the mathematical proofs, a researcher would be unable to determine whether each investor would also hold an identical percentage of assets that were riskless (p. 775).

However, Mossin’s mathematical calculations do allow the determination of a specific investor’s holdings between riskless assets and risky assets (Mossin, 1966, p. 775). Even if all assets were thought to be “perfectly divisible” (p. 776), Mossin’s idea that if a certain investor held any assets that were risky the investor would by default hold some of every risky asset (p. 776), was a significant departure from the Markowitz notion that not all efficient portfolios contained some of every asset under examination (Markowitz, 1959, p. 26).

SUMMARY OF MOSSIN’S VERSION OF THE CAPM

Secondary to the market line, Mossin determined that, even in perfect market equilibrium, investor utility functions, such as consumption curves, determined prices. Further, Mossin noted that individual investors may or may not want to choose an optimal portfolio from the graph of the market line, which contradicted the observations of most of the previous primary theorists discussed above.

Jan Mossin assumed a general equilibrium model for his version of the model for capital asset pricing. Mossin also agreed with earlier model interpretations and the concomitant theory concerning earlier observations by theorists such as Sharpe, who had made two basic assumptions similar to Treynor’s observations, that there was in-place a proxy for the risk-free interest rate used by investors and that expected security returns anticipated by all investors were identical. Mossin supported the Markowitz observations that investors had a range of choices that were points on a graph of the securities’ mean-variance and that expected returns and yield variances should be expressed in some basic unit of measure such as the U.S. dollar for the sake of convenience.

A departure from the theoretical norms set up by Markowitz was that Mossin assumed that: the investor's utility curve was concave; that the first derivative was positive whereas the second derivative was negative; and that investments were not unlimited; and the sales proceeds from an old portfolio should equal the total investment in the investor's new portfolio. Mossin referred to the allocation of assets in a portfolio as a zero-sum game such that one investor's gain would constitute another investor's loss, which dovetailed with Mossin's belief in a concave graph of investor preferences.

STEPHEN ROSS AS AN APT PRIMARY THEORIST
Stephen Ross developed an alternative to the capital asset pricing model (CAPM), which had been introduced concurrently by Treynor, Lintner, Mossin, and Sharpe in the 1960’s, and Ross’ arbitrage model had been in development through Ross’ working papers as early as 1971 (Ross, 1976, p. 341). Ross acknowledged that the CAPM was then currently accepted as a functional means for examining assets that were risky in “capital markets” (p. 341). Ross changed the name of his alternative theory, for the pricing of risky assets in capital markets, to arbitrage pricing theory (APT) and also acknowledged that the CAPM had been derived concurrently and independently by Treynor, Lintner, Sharpe, and Mossin (Ross, 1980, p. 1073). Ross posited that his APT was empirically testable whereas he inferred, by default, that the CAPM was not empirically testable (p. 1073).

Ross had concluded that the then current modern portfolio theory included the viewpoint that most of the risk assumed by investors, when investors were inclined to diversify their investment portfolios, was probably attributable to macroeconomic, “systematic influences” (Chen, Roll, & Ross, 1986, p. 383). Since Ross was able to use asset substitutes in the application of his APT model, he had determined that, given equal pricing of substitutes in the portfolio that were perfect, the principal feature of the APT was that each security’s return was possessed of restrictions “generated by the model” (Ross, 1980, p. 1077). Therefore, Ross had reasoned that those security returns, when restricted by the model, were influenced by various macroeconomic surprises or what he described to be those systemic influences discussed above.

Those influences were changes to “industrial production” (more commonly known as U.S. GNP) (Chen, Roll, & Ross, 1986, p. 386), “inflation” (p. 388), an artificially constructed variable that was the result of subtracting the long-term return of a government bond portfolio’s return from the long-term return of bonds that were considered “low-grade” (a proxy for changes in consumer confidence, relative to equity stocks) (p. 389), “term structure” (p. 389), short term “relative pricing” (of various equities) (p. 390), and yield curve changes in “consumption [and] oil prices” (p. 390).

SYNTHESIS OF ROSS’ MODERN PORTFOLIO THEORY WORK

Ross noted that the use of the CAPM relied principally upon the securities in an investor’s portfolio that were examined based upon asset return variability and the average return of the investments held in that portfolio (Ross, 1980, p. 1073). Ross had concluded that the APT was indeed compatible with the intent behind the evolution of the CAPM, but not with the CAPM itself (p. 1074). The rationale for this idea held by Ross was that, although the APT was also used in conjunction with the assumption of a return process that was linear, APT was not dependent upon an efficient portfolio (like the CAPM) and APT was not constrained to one period or to utility functions beyond the assumptions of “monotonicity and concavity” (p. 1074). A cursory examination of Ross’ corollary one (Ross, 1976, p. 350) and an application of the resulting APT assumption four (p. 351) from corollary one would lead the reader to accept that Ross’ APT was supply-side whereas the CAPM was a demand-side model that was specifically based upon an investor’s consumption, as already shown above, and generally upon “utility theory” (Ross, 1980, p. 1074).

Ross concluded that the CAPM was more restrictive in the associated theoretical platform assumptions for use of that theory, as opposed to the use of the APT, according to the reasoning of the previous several paragraphs above. Ross reasoned that the two major differences between the CAPM and the APT were that the: a) APT was more useful than the CAPM, because of the use of several ex ante factors (instead of just one factor for the CAPM), and that the b) APT was a representation of the consistency of a lack of profits due to arbitrage in various market equilibria because a market equilibrium would be distinguished by an asset’s return vector and the return expectations of an asset (Ross, 1980, p. 1074). Cursory examinations of the theory comparisons by Ross of the APT and the CAPM would inevitably lead the reader to the conclusion that the pure form of the CAPM was just one specific linear example of the more conclusive and general form of the APT (pp. 1076-1077).

SUMMARY OF ROSS’ APT

Stephen Ross developed an alternative to the CAPM introduced by Treynor, Lintner, Sharpe, and Mossin in the 1960’s. Ross acknowledged that the CAPM was then currently accepted as a functional means for examining assets that were risky in capital markets. Ross posited that his APT was empirically testable whereas he inferred, by default, that the CAPM was not empirically testable. The then current modern portfolio theory, according to Ross, included the view that most of the risk assumed by investors was probably attributable to macroeconomic, systematic influences. Since Ross was able to use asset substitutes in the application of his APT model, he had determined that the principal feature of the APT was that each security's return was possessed of restrictions generated by the model. Therefore, Ross had reasoned that those security returns were influenced by various
macroeconomic surprises or what he described to be those systemic influences discussed above. An examination of Ross’ corollary one and an application of the resulting APT assumption four would lead to the acceptance that Ross’ APT was supply-side whereas the CAPM was a demand-side model that was specifically based upon an investor’s consumption and generally upon utility theory.

FINANCIAL ECONOMICS SECONDARY THEORISTS

FISCHER BLACK, MICHAEL JENSEN, AND MYRON SCHOLES AS THEORISTS

Fischer Black, Michael Jensen, and Myron Scholes agreed with four of the basic assumptions of the CAPM, namely that: a) investors could choose a portfolio using a security return’s variance and mean, based upon personal consumptive choices secondary to the utility curve in one period, while being opposed to risk; b) there were no associated costs; c) returns were normally distributed; and d) investors could use the risk-free rate for both lending and borrowing to achieve these ends (Black, Jensen, & Scholes, 1972, p. i). Black, Jensen, and Scholes agreed with the modern portfolio theory considerations proposed by Markowitz and Sharpe (p. 6).

However, Black, Jensen, and Scholes disagreed with the original CAPM version proposed by Treynor because of aggregation issues associated with the use of a single security (when many were available) (Black, Jensen, & Scholes, 1972, p. 8), beta coefficient assignment issues secondary to the data “grouping procedure” (p. 10), and the fact that empirical testing demonstrated that, over time (35 years), securities with high risk earned less than CAPM predictions and low risk securities earned more (p. 14). Another significant difference in the theoretical view was that Black, Jensen, and Scholes, as demonstrated above, showed that the CAPM was empirically testable whereas other theorists posited that the CAPM was not empirically testable (Ross, 1980, p. 1073).

By relaxing the basic CAPM assumption, that borrowing and lending were indeed without risk, Black, Jensen, and Scholes were able to introduce a two-factor CAPM (Black, Jensen, & Scholes, 1972, p. 42). Other versions of the CAPM arose from Black, Jensen, and Scholes’ contention that there might indeed be assets for which there would be no market and that transaction costs (e.g. taxes) do exist (p. 43). Black, Jensen, and Scholes noted that errors in measurement contributed to the fact that the more traditional version of the CAPM (Treynor) was not valid, since the empirical testing now included “selection bias” (p. 43), and that excess future returns did not turn out to be in proportion to the beta coefficients used in the traditional CAPM (pp. 45-46).

Black, Jensen, and Scholes contended that empirical examination of the data, using the traditional CAPM, became skewed and that the post hoc results were not necessarily reliable because the slopes of the graphs depicting the excess returns’ means did not follow the predictions of the original model, that the mean was in fact not zero, and actually moved over time (Black, Jensen, & Scholes, 1972, p. 45). Further, if borrowing did not turn out to be riskless, that the two factors of market and beta turned out to be a linear function (p. 46). Even though other studies had tested the long term effects on returns, posed by the inclusion of costing (taxes), the results of other studies did not predict or explain the results from the use of biased data with the traditional model (p. 47). Black, Jensen, and Scholes had contended that their work was not complete and that further studies were needed to explain the divergence of empirical results from those predicted by use of the traditional CAPM (p. 47).

DOUGLAS BREEDEN AS A THEORIST

Douglas Breeden also noted that empirical tests of the traditional CAPM were inconclusive and, if the assumptions and constraints upon the traditional CAPM were relaxed, that the model was more generally and economically useful but that the expected returns in equilibrium were not quite so simply calculated (Breeden, 1979, p. 265). Breeden contended that all investors’ expected results would be correlated (for any one period) and that those investors’ portfolio of securities’ beta would be ratio proportional to their respective risk acceptance; each investors’ utility function (rates of consumption) was correlated perfectly to the aggregate (for a time period) and that (in a perfect market) consumption adjustments were ratio proportional to an investor’s risk acceptance (p. 266).

Breeden used a model, which employed continuous-time constraints, that was similar to a model used by Ross, so a number of Breeden’s assumptions were similar to a continuous-time model in general, but not to the one-period traditional CAPM (Breeden, 1979, p. 267). Breeden’s model was consistent with the supply and demand of an asset determined in equilibrium (p. 269), but trading for assets only took place at the equilibrium pricing congruent to the determination of the investors’ utility function consumption curves (p. 267). Although Breeden accepted part of the evolved CAPM, as opposed to the traditional CAPM, there was some influence of Ross upon Breeden since Breeden attempted to infuse supply-side functionality into the evolved CAPM (p. 269).

Breeden addressed costing, but more importantly, he introduced the notion that the equilibrium-based,
evolved CAPM could allow for the use of derivatives (in order to maximize security value), as long as the result was a zero-sum game resulting in “zero net supplies” (Breeden, 1979, p. 270). Breeden also acknowledged the foundational work of Markowitz (Markowitz, 1959, pp. 170-172) concerning the use of vectors comprised of a “variance-covariance matrix” (Breeden, 1979, p. 272). As a result, Breeden realized that the optimization of an investor’s risky securities portfolio, with even one additional unit of consumption (marginal utility), must then be incrementally compensated for by the “indirect marginal utility of wealth for an optimal policy” (p. 272).

ROBERT MERTON AS A THEORIST

Robert Merton was in agreement with Breeden’s view of the traditional version of the CAPM in that the CAPM should use multiple betas to adequately represent relationships between total wealth and asset returns (Breeden, 1979, p. 273). Merton disagreed, however, by asserting that the efficient portfolio derivation graphing techniques were wrong in some instances when using the separation theorem associated with mutual funds (Merton, 1972, p. 1851). For example, by graphing the variance and means of expected returns, Merton arrived at an efficient frontier function that resulted in a parabola (p. 1854), which was different from the function described by Markowitz (Markowitz, 1952b, p. 151).

Merton believed that there were a random number of investors who could trade incessantly in the equilibrium model associated with consumption, secondary to the CAPM version that he promulgated was occurring in continuous time (Merton, 1973, p. 867), which was different from the model promulgated previously by theorists (Markowitz, 1959, p. 299; Mossin, 1966, p. 770; Treynor, 1962, p. 5). The continuous and multi-period experimental space was echoed elsewhere in the literature by other theorists who sympathized with Merton’s aversion to the single time period constraint (Black, Jensen, & Scholes, 1972, p. 14; Ross, 1980, p. 1074). Merton’s principal objection to the traditional CAPM was that more assumptions were necessary, along with loosened constraints, to obtain the predicted, expected returns that were supposed to generally occur through the use of the traditional CAPM, but would only actually result in limited situations (Merton, 1973, p. 867). Another contention was that Merton observed that the then current theory maintained that for two prospective portfolio assets, when one was without risk, that only the risky asset should be graphed because the efficient portfolio of risky assets was tangent to the risk-free asset line; Merton decided that it was important to graph both assets’ return and risk and to choose two risky assets at the point of tangency because both assets were already assumed to be risky since both risky assets appeared in some combination on a graph of the efficient frontier of risky assets (Merton, 1972, p. 1868).

FRANCO MODIGLIANI AND MERTON MILLER AS THEORISTS

Franco Modigliani and Merton Miller occupied a dual role with regard to the development of pricing theory, and the models proposed by the various primary theorists, in that Modigliani and Miller acknowledged the support of primary theorist Lintner regarding Propositions I and II before the CAPM was formally, concurrently introduced by Lintner and other primary theorists (Modigliani & Miller, 1958, p. 261). Then a primary theorist commented on Modigliani and Miller’s work post-hoc after the introduction of the CAPM (Sharpe, 1964, p. 427). Primary theorist Treynor, as discussed above, acknowledged that the Treynor research of agent reasonable and ideal behavior eventually and summarily lead to the confirmation of Modigliani and Miller’s Proposition I (MMI) (Treynor, 1962, p. 1). Modigliani and Miller’s Proposition I included the notions that: a) a firm’s market value was exclusive of the firm’s structure for capital and that it was reliant upon the revenue rate resulting from the classes of that firm’s equity securities (Modigliani & Miller, 1958, pp. 268-269) and b) MMI was predicated upon the assumption that MMI could be derived with an end goal of the maximization of firm market value or firm profits (p. 262).

The reason for the development of Propositions I and II (MMI&II) by Modigliani and Miller was that corporate finance as a field was not being well served by the macroeconomic theory posited decades earlier by Keynes and Hicks and that the then current microeconomic theory was also not very useful for the calculations necessary to make firms profitable (Modigliani & Miller, 1958, p. 263). The reason for the need for MMI&II was that Modigliani and Miller posited the belief that the value of an investment decision regarding firm capital should not be predicated upon the status of who owned the firm at the moment when those decisions were made by management (p. 264). Modigliani and Miller reasoned that those who held equity positions could liquidate their shares of firm ownership, if the shareholders disagreed with management concerning firm value or the disposition of proposed firm financial projects, but those shareholders would still be able to benefit from the liquidation of those shares in question and the streams of revenue associated with the shares up to liquidation (p. 264).
One of the ways that Modigliani and Miller were able to arrive at the MMI conclusions was that these two researchers allowed the shares and share classes of like and type firms, reminiscent of the Marshall equity theory, to be substitutable in financial calculations for firm valuation (Modigliani & Miller, 1958, p. 266). In this way, Modigliani and Miller were able to: a) equalize proposed future rates of return for shares in share classes that were homogeneous across related firms; b) equalize the price that a proposed shareholder might be apt to pay for such shares across homogeneous classes of shares; and c) bring the analysis of bonds into the expected capitalization of rates for homogeneous firms from the market for substitutable equities previously discussed by considering debt as “perpetual bonds” (p. 266). Therefore, by default, the incurred debt and the value of that debt in homogeneous firms did have an impact upon homogeneous firm security pricing and concomitantly, the value of the firm under consideration (p. 268).

The entire purpose behind the constructs associated with MMI&II was that, in an unpredictable world and market, the associated constructs and theory could conceivably be used to value securities and the firms associated with those securities (Modigliani & Miller, 1958, p. 296). The theory and model suggestions were accomplished by dismissing or adapting a great number of meaningful factors for the model and the associated equations, to include but may not be limited to: full equilibrium in the experimental space; perfect competition; fully rational agents; homogeneously sized firms; and the size of the available market for securities and debt; and that these and other considerations to make the theory and model work were merely provided as “simplifications” (p. 296).

**RICHARD ROLL AS A THEORIST**

Richard Roll assumed a stern position regarding the CAPM because he agreed with the Fischer Black version noting that there was only one premise that could be tested with Black’s CAPM version – whether the portfolio of securities in the model was “mean-variance efficient” (Roll, 1977, p. 130). However, Roll maintained that all other versions of the model were not useful because the CAPM, one of a triad of then accepted, modern financial tools (p. 130), employed a portfolio of market securities such that the portfolio could not adequately be measured; the CAPM could never be examined in an empirical sense (p.131). Although Roll provided no answer to the implied logical question concerning what could be useful for modern financial use instead of the CAPM (p. 130), Roll did reverse his previous theoretical stance later when he argued that the APT was a useful alternative to the CAPM for empirically testing the valuation of future expected returns for securities in an examined portfolio (Roll & Ross, 1980, p. 1073).

**SUMMARY**

Harry Markowitz promoted several changes to the stock price consideration of modern portfolio theory in the 1950's. The belief, promoted in 1938 by John Burr Williams that an investor must engage in the value maximization of future security returns, was changed to the discounting of future expected security returns. Further, the belief promoted in 1939 by John Richard Hicks that anticipated returns included some margin for risk, was changed to the consideration that the securities' anticipated returns capitalization should vary with risk. More specific portfolio changes promoted by Markowitz were that: portfolio choices were predicated upon the acceptance of seven assumptions; the efficient set of portfolios needed to be determined and the optimal portfolio was chosen from that set of efficient portfolios; and that the sub-set of optimal portfolios was determined to be contained within the three-dimensional space contained within the area of a graph of multiple functions. A major Markowitz assumption was that the securities investment model's analysis was predicated upon only one period. Another major Markowitz assumption was that an investor, considering all conceivable portfolios available, could choose a rate of return such that the securities return expected could increase by increasing the portfolio's variance, or the portfolio's variance could be reduced, and the variance reduction would result in the portfolio's loss of returns expected.

Jack Treynor, who had proposed the theory of the market value of risky assets, posited a number of assumptions that extended the modern portfolio theory work of Markowitz. Sharpe had concluded that there was a sufficiently strong enough correlation coefficient to demonstrate that there was substantiation for one of the standard assumptions of portfolio theory regarding investor risk aversion. An important corollary to this belief was that the pricing of capital assets moved in a linear fashion in the market and that the returns' annual standard deviations and average returns, while moving in a linear fashion, then changed future values of those returns and deviations.

In order for the CAPM model to function properly, Sharpe made two basic assumptions, similar to Treynor, that there was: a) in-place a proxy for the risk-free interest rate enjoyed by all investors; and b) future expectations of security returns anticipated by all investors were identical. Lintner suggested that portfolio theory would include the ideas that assets at risk would trade in a market that was: competitive; under perfect conditions; and that security
prices existed in a general equilibrium. Further, Lintner noted that each risk asset's price was directly related linearly to the security's future expected returns, as well as to the covariances and variances when considering the other securities in the proposed portfolio. Jan Mossin had also assumed a general equilibrium model for his version of the model for capital asset pricing.

Stephen Ross developed an alternative to the capital asset pricing model (CAPM), which had been introduced concurrently by Treynor, Lintner, Mossin, and Sharpe in the 1960's, and Ross' arbitrage model had been in development through Ross' working papers as early as 1971. Ross acknowledged that the CAPM was then currently accepted as a functional means for examining assets that were risky in capital markets. Ross posited that his APT was empirically testable whereas he inferred, by default, that the CAPM was not empirically testable. Ross had concluded that the then current modern portfolio theory included the viewpoint that most of the risk assumed by investors, when investors were inclined to diversify their investment portfolios, was probably attributable to macroeconomic, systematic influences.

Fischer Black, Michael Jensen, and Myron Scholes agreed with four of the basic assumptions of the CAPM, namely that: a) investors could choose a portfolio using a security return's variance and mean, based upon personal consumptive choices secondary to the utility curve in one period, while being opposed to risk; b) there were no associated costs; c) returns were normally distributed; and d) investors could use the risk-free rate for both lending and borrowing to achieve these ends.

One of the ways that Modigliani and Miller were able to arrive at the MMI conclusions was that these two researchers allowed the shares and share classes of like and type firms, reminiscent of the Marshall equity-theory, to be substitutable in financial calculations for firm valuation. The entire purpose behind the constructs associated with MMI&II was that, in an unpredictable world and market, the associated constructs and theory could conceivably be used to value securities and the firms associated with those securities.

Richard Roll assumed a stern position regarding the CAPM because he agreed with the Fischer Black version noting that there was only one premise that could be tested with Black's CAPM version - whether the portfolio of securities in the model was mean-variance efficient. However, Roll maintained that all other versions of the CAPM model were not useful because the CAPM, one of a triad of then accepted, modern financial tools, employed a portfolio of market securities such that the portfolio could not adequately be measured; the CAPM could never be examined in an empirical sense. Although Roll provided no answer to the implied logical question concerning what could be useful for modern financial use instead of the CAPM, Roll did reverse his previous theoretical stance later when he argued that the APT was a useful alternative to the CAPM for empirically testing the valuation of future expected returns for securities in an examined portfolio.

This paper included a critical discussion of the tenets of modern portfolio theory for the period of time extending from the year of 1952 through 1986, foundationally introduced in the writings of Harry Markowitz, and included a comparison and contrast of the synthesis of the capital asset pricing model (CAPM) propounded by the four primary CAPM theorists: Jack Treynor, William Sharpe, John Lintner, and Jan Mossin. Arbitrage pricing theory (APT), propounded by Stephen Ross, was compared and contrasted with the CAPM and further related to the Harry Markowitz foundational theoretical platform of modern portfolio theory. The minor theorists, and their theoretical update contributions, were evaluated in functional order related to the major theorists’ CAPM work and to the Markowitz work on modern portfolio theory. The purpose of this research was to evaluate the strengths and limitations of the tenets of modern portfolio theory, as espoused by the principal modern portfolio theory theorists, for the purpose of establishing how the theorists’ cumulative, theoretical work has contributed to the development of modern portfolio theory. The purpose of this analysis was to establish how the theorists’ cumulative, theoretical work has contributed to the development of modern portfolio theory, and to the development of a platform of values that is useful in financial economics as it relates to asset pricing, asset-specific return, risk and diversification, and to the efficient frontier regarding the construction of securities portfolios.

REFERENCES


Lintner, J. (1965a). The valuation of risk assets and the selection of risky investments in stock portfolios and capital


CORRESPONDING AUTHOR
Professor Nicholas Jewczyn, Ph.D. can be reached at njewczyn@eastern.edu
A REVIEW OF MODERN JOURNAL PUBLICATION INITIATIVES AND
HOW IT HAS AFFECTED ACADEMIA

Orlando Rivero, D.B.A.

**Orlando Rivero** is the Director, Business Department (School of Business) at Carlos Albizu University. Dr. Rivero serves as the chief learning officer directing the administration, policies, integrity, program, and personnel of the instructional programs. He additionally provides leadership in areas of professional development for interdisciplinary faculty to ensure quality of academic programs. Dr. Rivero provides leadership and direction for all academically-related issues, including program and accreditation as well as instructional and curricular initiatives, to meet the changing needs of the community. Dr. Rivero is the vice-president of JDT Management Consultants in Clearwater, Florida, specializing in management, organization, strategy, international business, human resources, organizational development, and educational administration.

Dr. Rivero has published in a variety of scholarly journals, including *Journal of Business & Economics Research, International Journal of Management & Information System* and *International Business & Economics Research Journal*. Dr. Rivero has made presentations at several international conferences as well as national association meetings and events, television and radio talk shows.

Prior to embarking into academia, Dr. Rivero also served in various leadership roles for 20 years with the local government. His experience within Miami-Dade County includes work within the following roles and departments: Administrator of Operations, Miami-Dade Police Department - Animal Services Unit, Budget Analyst, Miami Dade Corrections & Rehabilitation Department, and Affirmative Action Administrator, Department of Business Development. During his tenure with Miami-Dade County, he was also the recipient of the 2004 National Association of Counties (NACO) Achievement Award for the implementation of several community-driven programs in Miami-Dade County, Florida.

He earned his Doctoral degree in Business from Argosy University and completed his Master of Public Administration degree at Nova Southeastern University. Dr. Rivero’s primary research focus is on public Administration, leadership, management, and effective communication.
Abstract

The purpose of the article is to review recent trends as it relates to modern journal publications. With that being said, open access journals have had an impact on the journal publication industry. Subsequently, open access journals have led to a decrease in book publications but an increase of journal publications in America among faculty members. The highly regarded Impact Factor (IF), measuring the average number of citations to recent articles published in journals, will also be discussed. Moreover, studies have suggested that the number of published articles will determine faculty salary increments, which will also be reviewed. In so doing, recommendations will be provided in order to have a better understanding of modern journal publication trends.

Keywords: Publish or Perish; Evaluating Scholarly Output

Introduction

The spectrum of journal publication initiatives has evolved over a period of time. With the increase of the digital age, open access journals have contributed to the increase of journal publications globally. Additionally, journal publications have exceeded book publication initiatives among faculty members and researchers throughout America. Moreover, a review of the relationship between the number of published journal articles and the increase in faculty salaries will be evaluated. Most importantly, the highly acclaimed Impact Factor (IF) will also be discussed followed with recommendations for future publication initiatives.

Assistant\Associate\Full Professorship Designations

It is common knowledge that peer reviewed publications will lead to possible tenured teaching positions in most traditional United States university settings. At most traditional United States universities, it is understood that an assistant professor teaching position can be held no more than seven years. In most cases, after six years, an assistant professor will seek a tenured professor position after meeting certain university publication requirements. Typically, an assistant professor who has been promoted to an associate professor is considered a tenured faculty member in most United States traditional university settings. In most cases, a tenured faculty member will not be subjected to a year-to-year contract restrictions. However, in some United States universities, most faculty members are not fully tenured until reaching full professorship. In so doing, most faculty members who have reached full professorship are not required to publish articles in most university settings (Katz, 2012). Katz (2012) further states expectations may differ from department to department. However, an assistant professor who is applying for a tenured position should have at least an academic press published textbook and six peer reviewed articles or 12 peer reviewed articles within a six year period.

Traditional\Modern Publications
Open access journals have had a major impact in the realm of journal publication. The surge of journal publication has continued to have its growth due to the availability of open access online journals (Giles, 2007). Most importantly, journal publication has just about replaced traditional book publication, which has led to the development of short and concise journal publication series (Lyytinen, K., Baskerville, R., Iivari, J., & Te'eni, D., 2007). Moreover, with the modern digital age, short and concise journal publications are being embraced globally. Min, Abdullah, and Momamed (2013) state that “in this modern digital era, the announcing of new knowledge needs to be ‘quick’ enough to compete with the fast-pace elimination of old knowledge” (p. 143).

According to a study, the most common types of reference sources were as follows: 53% of article citations were retrieved from academic journals, 31% from books, and the remainder from other types of publications (Leong, 1989). Leong (1989) further suggested that there is a new trend toward the increase of academic journals referenced by academic researchers. In another empirical study analyzing 27,543 citations, it was revealed that 53.7% of the citations were from a journal publication, 34.8% were retrieved from books, and 11.5% were from proceedings (Goldman, 1979).

In reviewing both Goldman’s (1979) and Leong’s (1989) findings, although both studies are ten years apart, the trend of utilizing citations retrieved in books has decreased from 37.8% in 1979 to 31% in 1989 as indicated in Figure 1 below, which shows a decrease in the number of book citations.

![Book Citations](image)

(Source: Goldman, 1979 & Leong, 1989)

The number of academic journal refereed academic/scholarly publications has seen a growth of an average of 3.26 % per year, meaning that the number of researchers has increased over the years (Mabe & Amin, 2001). The surge of academic published journals continues to rise accordingly. In so doing, a study was conducted involving 130 respondents, of which all were business faculty members. The sample size was made up of the following: 81% of the
respondents had an earned Ph.D. or DBA degree of which 41% held tenured positions and 16% held tenured teaching positions (Tribunella & Yeh, 2005 & Hasselback, 2004). Additionally, salary increases were proportioned to the number of faculty publications. As indicated in Table 1, faculty members with more than four publications have seen an increase in annual salary (Tribunella & Yeh, 2005).

### Table 1

**Salary and Rank Cross-Tabulation with Publications**

<table>
<thead>
<tr>
<th>Salary in Dollars:</th>
<th>3 or Less Publications</th>
<th>4 or Less Publications</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 35,000</td>
<td>15</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>35,001 to 50,000</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>50,001 to 65,000</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>65,001 to 80,000</td>
<td>10</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>80,001 to 95,000</td>
<td>17</td>
<td>23</td>
<td>40</td>
</tr>
<tr>
<td>95,001 to 110,000</td>
<td>8</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>110,001 to 125,000</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Greater than 125,000</td>
<td>0</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>68</td>
<td>130</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rank:</th>
<th>3 or Less Publications</th>
<th>4 or Less Publications</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Response</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Adjunct</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Lecturer or Instructor</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Assistant</td>
<td>32</td>
<td>20</td>
<td>52</td>
</tr>
<tr>
<td>Associate</td>
<td>10</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>Professor</td>
<td>3</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Distinguished</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Emeritus</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>68</td>
<td>130</td>
</tr>
</tbody>
</table>

(Source: Tribunella & Yeh, 2005 & Hasselback, 2004)
Impact Factor – Causes and Effects

The utilization of the Impact Factor (IF) solely relies on the notion that the quality of the journal is determined by the frequency of citations, which measures how popular the journal is among its readers of similar same interest Saha, S., Saint, S., & Christakis, D. A. (2003). According to Saha, Saint, and Christakis (2003), “by citing articles from a given journal in their own manuscripts, researchers are in essence casting votes for that journal. Impact factor serves as a tally of those votes” (p. 43). Garfield (1998) further suggests that the impact factor should not be the sole instrument of measurement used to determine the quality of the journal. Although, a faculty member researcher should certainly aim to publish in a journal with a high impact factor, it does not denote the quality of the published paper. In fact, most scientific journals tend to have a lower IF as compared to business journals due to the popularity factor (Impact factors, 2013).

Moreover, Garfield (1998) further states that the impact factor should not be heavily relied upon when determining the quality of the journal. According to Vincent & Ross (2000), “in order to be successful in the publish or perish world, authors should naturally try to publish in the journals with highest impact in the field, but if that fails, authors should publish in good refereed journals that may not be on the listed” (p. 17).

This writer, O. Rivero (personal communication, May 15, 2013), conducted a survey among 25 School of Business Deans within the Northern part of the United States. The participants were asked about the criteria used when considering tenure track faculty, but not taking into consideration other factors such as teaching professional experiences. Twenty percent agreed that impact factor was most important. Eighty percent agreed that a faculty applicant published in a journal listed in Cabell’s Directory of Publishing would be given higher consideration than one who was relying heavily on the impact factor. The participants also suggested that a journal that has an overall acceptance rate of 21% to 30% was also considered to be a reliable source in determining the quality of the scholarly work of a potential faculty member.

Conclusion

Quite obviously, scholarly publication initiatives continue to be a vital component in academia for achieving teaching tenured positions or promoting a researcher’s scholarly work. Although the research suggests that the impact factor is not the sole indicator that determines the quality of a journal or ranking based on its merit, it is highly recommended that a researcher aim to be published in a journal with a high impact factor. Most notably, The Association to Advance Collegiate Schools of Business (AACSB) does not make any suggestion or endorse any ranking, or index methodology, or quality of the journals (Journal rankings, 2013). However, AACSB does provide a list of journal directories that includes the Cabell’s Directory of Publishing Opportunities.

Recommendations

This writer offers several recommendations for potential faculty members researchers and suggests they consider the following prior to selecting a journal to publish manuscript findings. They are as follows:

1. Select a journal that has been in circulation for quite some time and is highly respected within the academia community.
2. A faculty/researcher should aim to have a completed manuscript published within a journal with a high impact factor.
3. If one is unable to publish within a journal that has a high impact factor, consider publishing in a journal that is listed in *Cabell’s Directory of Publishing Opportunities* as a point of reference.
4. If one is unable to publish a manuscript in one of the listed journals with a high impact factor, consider publishing in a journal that has an overall acceptance rate of 21% to 30%.
References


ANALYSIS OF THE DEPARTMENT OF HOMELAND SECURITY USING THE CONTEXTUAL THEMES OF INTERGOVERNMENTAL RELATIONS AND INFORMATION TECHNOLOGY

Shawn E. Schooley, Ph.D. Assistant Professor of Political Science Auburn University ses0018@auburn.edu

Abstract

There are many challenges facing homeland security in general and the Department of Homeland Security in particular. Intergovernmental Relations and Information Technology are offered as important contextual lenses for framing issues and challenges. The Department of Homeland Security is analyzed pre and post September 11, 2001 using both lenses as well as personal interviews. It is argued public administrators should use these two lenses to improve homeland security functions as well as the Department of Homeland Security itself.

Key words: Homeland security, intergovernmental relations, information technology

Public administration scholars have many methods for examining institutions and organizations (e.g., Morgan, 1997; Scott, 2001; Scott, 1998; Wolf(b), 2003). Among these are contextual themes including Intergovernmental Relations and Information Technology. These themes can be applied as lenses to examine public activity. Organizing and planning for the Department of Homeland Security (DHS) is one such activity (Wolf(a), 2003).

The purpose of this article is to examine DHS by studying it through the contextual lenses of intergovernmental relations and information technology. First, this work provides an overview of the Department of Homeland Security and discusses its founding and organization. Second, it offers a broad-brush stroke of the intergovernmental relations lens. Third, this writing examines the intergovernmental relations theme prior to and following the September 11, 2001 attacks on the World Trade Center and Pentagon.

Fourth, this article explores the current state of the Department of Homeland Security in the context of intergovernmental relations. Fifth, it affords a comprehensive view of the information technology theme. Sixth, this disquisition examines the information technology theme pre and post September 11, 2001. Seventh, this paper considers the current state of the Department of Homeland Security with respect to the information technology context.
Department of Homeland Security

Following the attacks on the World Trade Center and Pentagon on September 11, 2001, President George W. Bush was prompted to act to ensure American citizens were safer from future terrorist threats (e.g., DHS(a), 2003; Krane, 2002; Newmann, 2002; Wise, 2002). President Bush chose to employ an interagency model rather than a department model for handling homeland security decisions. His administration felt a collaborative approach was better than a unitary approach given the scope of the issue (Newmann, 2002).

He established a Homeland Security Council, the Office of Homeland Security and appointed Tom Ridge as Assistant to the President for Homeland Security (Krane, 2002). In June 2002, President Bush proposed the Department of Homeland Security. Congress approved its creation and its budget (Office of Management and Budget, 2002; Parachini, Davis & Liston, 2003). The Department of Homeland Security is comprised of four divisions: Emergency Preparedness and Response, Border and Transportation Security, Chemical, Biological, Radiological and Nuclear Countermeasures and Information Analysis and Infrastructure Protection. The Department of Homeland Security is one of only three federal agencies that had their 2004 budget proposals approved on the first attempt (DHS(a), 2003; Parachini, Davis & Liston, 2003).

Intergovernmental Relations

Robert Sutton (2002) defines federalism in the United States as a form of government where there is one central federal authority that unites the fifty separate states. Each component has specific powers granted in a written constitution. Intergovernmental relations are the relationships that exist between federal, state and local governments and their respective agencies. Intergovernmental relations are crucial to the functioning of the Republic. These relations are the grease of the American political machine and must be considered when analyzing a collaborative entity like the Department of Homeland Security (e.g., Agranoff, 2001; Agranoff & McGuire, 2001; Agranoff & McGuire, 1999; Walker, 2001; Wise, 2001).

Intergovernmental relations: Pre September 11, 2001

President Bill Clinton gave attention to intergovernmental relations prior to September 11, 2001. There was a perception by the citizenry the federal government was too large, impersonal and powerful. The Clinton administration offered a program for reinventing federalism calling for a new partnership between government agencies (Galston & Tibbetts, 1994).

This program had seven underlying principles: (1) national goals were to be established by the federal government and flexibility was to be extended to state and local governments in achieving them, (2) this flexibility should come from an aggressive use of waiver authority by the federal government within existing regulation and legislation, (3) performance standards should be implemented by the federal government to ensure state and local governments are adequately progressing toward national goals, (4) the federal government should support collaborative efforts between all levels of government, (5) the federal government should assume greater fiscal responsibility for problems within its realm of responsibility, (6) the federal government should reduce state and local governments’ uncompensated fiscal impact resulting
from national legislation and (7) the federal government should be more willing to learn from state and local governments’ successes and should assist in disseminating that information to all levels of government. Efficiency and decentralization were the elements to drive this new federalism. Definitive parameters between varying levels of governmental responsibility were to be instituted (Galston & Tibbetts, 1994).

The Supreme Court during the same period demonstrated a marked turn in favor of states’ rights versus the federal government’s authority. This had profound implications for intergovernmental relations and the balance of power (Wise, 2001). Expanded roles for state and local government, increased federal grants and regulatory programs and federal-state-local programming created a need for a new role for intergovernmental public administrators to adopt (Agranoff & McGuire, 2001).

This role involves their ability to work within both vertical and horizontal milieus as navigators, collaborators and coordinators (Arganoff & McGuire, 2001; Arganoff & McGuire, 1999). These changes in intergovernmental relations laid the foundation for the current context within which our nation operates. They have a definite, strong influence on post September 11, 2001 coordination efforts and the Department of Homeland Security.

**Intergovernmental relations: Post September 11, 2001**

Regarding intergovernmental relations five areas need to be explored when addressing the planning and organizing processes for homeland security and the Department of Homeland Security. They are: (1) management models, (2) coordination and organization, (3) challenges, problems and dilemmas, (4) suggestions and recommendations and (5) future predictions. Each area is examined in turn.

**Management models**

Agranoff and McGuire (2001) argue the aforementioned changes in America’s federal system meant public administrators must change how they operate because new intergovernmental relationships have to be fostered and maintained. They have identified four models of management within this contextual change: (1) top-down model, (2) donor-recipient model, (3) jurisdiction-based model and (4) network model (Agranoff & McGuire, 2001). Two of these four models, the top-down and network, are relevant to the discussion of homeland security.

The top-down model is predicated on executive control and federal management of problems. It was initially used in the formation of the Department of Homeland Security and concomitant planning and organizing for homeland security. This was exemplified by the role President Bush adopted when he called, by Executive Order, for the formation of the initial councils, agencies and positions for dealing with the threat of terrorism (Krane, 2002; Newmann, 2002; Wise, 2002).

The management for this undertaking was initially done at the federal level without working closely, if at all, with state and local governments. For example, the Council for Homeland Security does not include any state or local representatives. However, because of an intergovernmental relations focus and decisions made by the Bush administration the
Department of Homeland Security is slowly but inexorably moving toward a network model of management (Krane, 2002; Newmann, 2002; Wise, 2002).

A network model is predicated on no single actor having power over other actors in their decision making. This model at work in the Department of Homeland Security was evidenced by several factors. For instance, Secretary Ridge did not have absolute power in decision making, he repeatedly met and discussed homeland security with state and local actors, he outlined a pro-intergovernmental approach, there has been an increase in federal grants for states and localities and there have been a multitude of collaborative training initiatives at all levels of government (Nienaber, Brown, Scott, Robinson & Scott, 2002; OMB, 2002; Parachini, Davis & Liston, 2003).

The Department of Homeland Security and its planning, organizing and implementation functions will have to rely on collaborative federalism because of intergovernmental complexity in regard to complicated processes, numerous actors and hundreds of regulations and laws. Tenets undergirding collaborative federalism include bargaining and adjustments, shifting responsibilities, managerial competence and limits on enforcement (Agranoff, 2001). Only with a collaborative federalism model of IGR can actors in the arena of homeland security hope to succeed at all levels of government from subnational jurisdictional agreement with federal policy to intergovernmental cooperation that “increases under conditions of agreement about the urgency of the problem, the infusion of technical expertise, openness and frequency of communication and clarity of roles and responsibilities (Agranoff, 2001, p. 48). Establishing which models of management work best leads to questions concerning how all the pieces of the puzzle fit together.

**Coordination and organization**

Coordinating and organizing for homeland security is critical to the success of the mission President Bush set forth. Coordination not only entails the Department of Homeland Security but all of the state and local governments in the country. It involves inclusion of all intergovernmental actors including federal agency heads, governors, mayors and first responders. The bottom-line is governments at all levels need to revise and strengthen their collaborative relationships if homeland security is to work effectively (Kettl, 2003; Glendening, 2002; Thompson, 2002; Waugh & Sylves, 2003).

Intergovernmental relations will be achieved through utilization of “legal authority to assure compliance, economic and other incentives to encourage compliance, formal partnerships to encourage collaboration, informal understanding to encourage cooperation and personal encouragement to influence appropriate action” (Waugh & Sylves, 2002, p. 145). Kettl (2003) offers his notion of contingent coordination as a solution to these challenges facing homeland security. Contingent coordination means efforts are agency specific. They include building reliable learning systems, finding a balance between old and new issues and high intergovernmental reliability (Kettl, 2003). Organization and coordination alone cannot achieve the goals of homeland security. Other problems must have synergistic solutions if homeland security is to be effective.
Challenges, problems, and dilemmas

As noted above, coordination is a major challenge to be overcome in the area of homeland security and within the Department of Homeland Security (Kettl, 2003; Wise & Nader, 2002). Kettl (2003) highlights five problems of coordination that exist: (1) matching place and function, (2) defining a floor, (3) building a reliable learning system, (4) balancing the old with the new and (5) meeting citizens’ expectations in a fragmented system. Several other challenges exist in addition to coordination.

Newmann (2002) writes, problems of “Executive branch accountability to Congress for homeland security policies; the traditional rivalries between cabinet officers and White House staffers; … and the potential for a new rivalry between the homeland security advisor and the national security advisor” exist (p. 127). Waugh and Sylves (2002) point out problems will arise between intergovernmental agencies that do not already possess strong working cooperative relationships and by focusing too much on weapons of mass destruction because they tend to blind decision makers to other threats. Krane (2002) posits, “the task of homeland security is further complicated by the country’s democratic procedures for making public policy decisions and its federal arrangements for sharing power and authority across multiple orders of government” (p, 1).

Krauss (2003) advises mission complexity, task obfuscation, cultural incompatibility and symbolic versus real performance results will be problematic. Neuby (2002) cautions the lack of a statement of policy, especially by local municipalities, will cause problems in the realm of homeland security. Caudle (2003) states threat and risk management, performance goals and measures, multiple organizational relationship, roles, capabilities and resource decision making will all be sources of trouble.

Wise and Nader (2002) alert practitioners to the fact problems will develop for homeland security out of political dimensions, operational dimensions and intergovernmental complexities and dilemmas. Wright (2002) cites future traumatic terrorist events and fiscal dilemmas within an intergovernmental context as issues of concern. Yi (2003) offers the problem of interagency collaboration between the Department of Homeland Security and other agencies such as the Central Intelligence Agency, Federal Bureau of Investigation, National Security Agency, state police and sheriff and police departments that are not part of it; noting traditionally information sharing has been problematic in this area of intergovernmental relations. Despite myriad problems facing homeland security several are working on solutions.

Suggestions and recommendations

Numerous suggestions and recommendations have been posited for dealing with the challenges of securing the homeland regarding intergovernmental relations. First, improvement will come when the Department of Homeland Security adheres to the concept of organizing by purpose (Yi, 2003). Second, proper planning using multiple resources including federal, state and local administrators increases and enriches homeland security’s knowledge base. Comprehensive planning must include planning with a vision, mapping out an initial plan, expecting the unexpected, building a diverse planning team and building cooperative intergovernmental relationships (Mayer, 2003).
Third, a balanced four-tiered approach to homeland security must be pursued: perimeter defense, domestic prevention, protection of critical targets and consequence management (O’Hanlon, Orszag, Daadler, Destler, Gunter, Litan, & Steinberg, 2002). Fourth, local and federal partnerships in law enforcement need to be strengthened. First responders and frontline public administrators have expressed the need for perennial collaborative meetings centered on solution driven dialogue, multi-governmental pre-crisis planning and information exchange, a joint effort by federal and local officials to address issues of misperception and distrust at the local level, mutual support between federal, state and local agencies and all actors must work together closely to ensure local police/citizen relations are not undermined (Murphy, Plotkin, Flynn, Perlov, Stafford & Stephens, 2003).

Fifth, a model of auto-adaptation should be adopted where information searches, information exchanges, sense making, expedited adaptation and interorganizational as well as intergovernmental learning occur. This auto-adaptation should focus specifically on intergovernmental relations and an emphasis on systemic functions inherent in these relations should be recognized and optimized (Comfort, 2002). Sixth, recommendations regarding intelligence and warning, border and transportation security, domestic counterterrorism emergency preparedness and response with federal, state and local coordination, protecting critical infrastructures and key assets, defending against catastrophic threats, the law and science and technology have been provided (Parachini, Davis & Liston, 2003). In addition to problems and solutions, many academicians and practitioners have tried their hand at soothsaying.

**Future predictions**

Many predictions have been made about the future of homeland security regarding intergovernmental relations (Kincaid & Cole, 2003; Wright, 2003). For example, American Political Science Association scholars “do not believe [that] the terrorist attacks will have a significant impact on U.S. federalism and intergovernmental relations” (Kincaid & Cole, 2003, p. 182). Many of these scholars foresee increased cooperation at the intergovernmental level, an increase in grant monies and other economic aid from the federal government to state and local governments, tougher state and federal legislation on terrorists, resources being taken from the “War on Drugs” and reallocated to counterterrorism initiatives, no more federalization of criminal law, unionization of police and firefighters countrywide that is federally induced, judicial federalism currently favoring states’ rights over the rights of the federal government will remain the same with the Supreme Court continuing to hold for states and public trust in government at all levels will increase (Kincaid & Cole, 2002).

Scholars “endorse a more federalized than devolutionized approach to counterterrorism, though with substantial intergovernmental cooperation and coordination” (Kincaid & Cole, 2003, p. 191). It has been noted a distinctive feature of future IGR will be contingent coordination (Wright, 2003). Wright (2003) states, “progress, effectiveness and achievements of intergovernmental programs are most likely to depend on contingent and collaborative networks that span multiple organizational boundaries” (p. 13).

**Current intergovernmental relations and the Department of Homeland Security**

An analysis of intergovernmental relations and the Department of Homeland Security must include an examination of both vertical and horizontal dimensions that civil servants
operate within. On the vertical dimension, administrators working at the Department of Homeland Security are in constant contact with state and local actors. They collaborate on planning, strategy and share information regularly. They are continually seeking ways to increase personal contact with and input from multiple frontline responders. For instance, United States Coast Guard personnel engage in Area Contingency Planning with state and local actors within their Sector Commands (DHS, 2011; Kettl, 2003).

Regarding the horizontal dimension, as well as the diagonal (i.e., local to federal), public officials at the state and local level are in constant contact with their counterparts regionally and nationally. For instance, Georgia’s Department of Natural Resources Officers and Troup County Sheriff’s Deputies work with Chambers County Sheriff’s Deputies and Alabama’s Marine Police to protect critical infrastructure on West Point Lake, Georgia. Administrators at all levels of government are in sustained communication with their counterparts through professional organizations, drills and exercises and in their daily routines (DHS, 2011; Kettl, 2003).

Another area of interest in the Department of Homeland Security was Secretary Ridge’s, Secretary Chertoff’s and now Secretary Napolitano’s approach to fostering and improving intergovernmental relations. For example, Secretary Ridge emphasized states need to take a primary role in the execution of national policy. He held several conferences with intergovernmental actors where he gathered feedback feeling it was necessary before submitting recommendations to the President regarding homeland security. Secretary Ridge also believed it is important to allow states flexibility and the option to opt into homeland security policies voluntarily rather than the federal government having to mandate them (Nienaber, et al., 2002).

A fiscal aspect of intergovernmental relations is that dispersal of federal monies to states and local governments is in the form of block grants. This means states have greater flexibility in their planning at the state and local level and administrators will be able to distribute funds more appropriately to their localities where they are needed most. The decision to use block grants takes managerial power away from the federal government and reapportions it to state and local entities (Nienaber, et al., 2002).

One of the most recent intergovernmental relations challenges to the Department of Homeland Security is to design a system of regional managers/directors who will act as liaisons between federal, state and local actors. These regional directors will be stationed in major metropolitan areas so the Department of Homeland Security’s representatives will be more readily and easily accessible to state and local government partners. Intergovernmental relations are at the forefront of the department’s planning, organizing and strategizing (Anonymous Interview(a) DHS, 2003; DHS, 2011). Another major focus of the Department of Homeland Security is to effectively and efficiently share information with all intergovernmental actors. This aspect crosses into the contextual theme of information technology.

**Information technology**

Information technology is a term referring to sharing of information through multiple technological milieus. It is difficult to define precisely given the scope and breadth of the subject matter. Herein information technology refers to the sharing of information and the medium through which this information is disseminated.
Included in this operational definition is the concept of electronic governance (e-government) and online exchanges. Information technology will cover the provision of services electronically, the solicitation of stakeholders’ comments via the Internet and the collecting, sharing and dissemination of information over the World Wide Web. Information technology’s role will be examined relative to the Department of Homeland Security as well as the planning and organizing for homeland security in general (Cats-Baril & Thompson, 2002; DHS(c), 2003; Gronlund, 2002; Mahler & Regan, 2002; Moon, 2002).

Information technology: Pre September 11, 2001

Prior to September 11, 2001 information technology played an increasingly dominant role in federal, state and local governments. This role has increased exponentially since the terrorist attacks (e.g., Layne & Lee, 2001; Peled(a), 2001). Before September 11, 2001 the Internet began making appreciable headway at the federal level when in 1993 Vice President Al Gore proposed the Internet could make government more expedient, efficient and cost-effective (Peled(b), 2001).

This catapulted the Internet and information technology to the forefront of administrators’ minds (Mahler & Regan, 2002). Researchers and practitioners began searching for ways to apply information technology effectively to the public sector. This included attempts at using methods successfully employed by the private sector (Cats-Baril & Thompson, 1995). E-government began gaining ground and praises surrounding it included claims it increased communication, fostered participatory democracy, further decentralized decision making and generally diffused bureaucratic power (Peled(a), 2001; Weare, Musso & Hale, 1999).

Information technology: Post September 11, 2001

As with intergovernmental relations post September 11, 2001, several distinctive areas must be examined when addressing information technology in regard to planning and organizing for homeland security and the Department of Homeland Security. These areas are: (1) applicable information technology models, (2) challenges, problems and dilemmas, (3) recommendations and suggestions and (4) future predictions. These categories help clarify the information technology contextual lens.

Applicable information technology models

There are four models dealing with e-government and electronic democracy: (1) electronic bureaucracy model, (2) information management model, (3) populist model and (4) civil society model. All have value but the one most applicable to the Department of Homeland Security is the electronic bureaucracy model. Electronic bureaucracy has two identifiable traits: government online and one-stop shopping (Anonymous Interview(d) DHS, 2003; DHS, 2011; Kakabadse, Kakabadse & Kouzmin, 2003).

Government online refers to citizens being able to retrieve governmental information via the Internet. The Department of Homeland Security uses its primary website in this manner. The Department of Homeland Security posts all new information for public perusal through its webpage. The site includes information pertaining to employment opportunities, threat level warning indicators, suggestions for emergency preparedness, a hierarchical chain-of-command

One-stop shopping refers to one office handling multiple government agencies. This is evident in the Department of Homeland Security because it is comprised of twenty-two agencies. It serves as the primary point of access and information to these various actors. For example, when citizens require information about a particular agency within the Department of Homeland Security such as Immigration and Customs Enforcement they can access it through the Department of Homeland Security website via site links (Anonymous Interview(d) DHS, 2003; DHS, 2011; Kakabadse, Kakabadse & Kouzmin, 2003).


The second stage involves two-way communication between the agency and the citizen. The Department of Homeland Security does not currently have the resources to effectively engage in this type of two-way communication. The third stage involves service and financial transactions (Anonymous Interview(d) DHS, 2003; DHS, 2011; Moon, 2002).

The Department of Homeland Security will not be involved with this third stage for the foreseeable future, if ever. The fourth stage is about integration on both the vertical and horizontal dimensions. The Department of Homeland Security is actively involved in this stage because it is predicated on integration of various governmental entities (Anonymous Interview(d) DHS, 2003; DHS, 2011; Moon, 2002).

The Department of Homeland Security integrates vertically (i.e., intergovernmentally) with state and local actors such as the Alabama Department of Emergency Management. It integrates horizontally (i.e., intragovernmentally) with its twenty-two agential components and other federal level agencies. Moon’s (2002) fifth stage deals with political participation. Given its nature and responsibilities, the Department of Homeland Security does not aspire to this stage (Anonymous Interview(d) DHS, 2003; DHS, 2011; Moon, 2002).

Mahler and Regan (2002) identify certain steps agencies progress through in developing online services. The first step involves the role of feedback. The Department of Homeland Security does not receive feedback from the citizenry about its information technology capabilities. This is in large part due to the relatively nascent stage of the Department of Homeland Security’s website (Anonymous Interview(d) DHS, 2003; DHS, 2011).

Resources are unavailable to provide a feedback component or evaluative component on the website. Feedback comes from within the Department of Homeland Security through staff meetings where managers and information technology personnel get together to brainstorm new information technology ideas. The second step involves inferences made from the aforementioned feedback (Anonymous Interview(d) DHS, 2003; DHS, 2011; Mahler & Regan, 2002).
There is very little feedback regarding information technology at the Department of Homeland Security. Compounding this dilemma the Department of Homeland Security staff do not have the requisite variety of agency experiences to extrapolate information from; no agency like the Department of Homeland Security has ever existed. Mahler and Regan’s (2002) third step is the new ideas stage (Anonymous Interview(d) DHS, 2003; DHS, 2011).

The Department of Homeland Security’s information technology personnel are active in the new ideas arena with staff continually learning from their mistakes and building on knowledge accumulated daily. Finally, Mahler and Regan (2002) argue statutory incentives play a role in the development of online services. They cite three Congressional statutes affecting the Department of Homeland Security: Government Paperwork Elimination Act of 1998, Information Management Reform Act of 1996 and Electronic Freedom of Information Act Amendments of 1996 (Anonymous Interview(b) DHS, 2003; Anonymous Interview(d) DHS, 2003; DHS, 2011; Mahler & Regan, 2002). Regardless of the model of e-government employed by the Department of Homeland Security there are a host of challenges regarding information technology.

Challenges, problems and dilemmas

The Department of Homeland Security faces an array of problems regarding information technology. There are concerns the Department of Homeland Security will not be able to keep up technologically with its private sector counterparts, many of which are involved in providing contracted services to the Department of Homeland Security. Limited resources in the way of money and personnel hamper the Department of Homeland Security’s information technology initiatives (Anonymous Interview(d) DHS, 2003; Krane, 2002; Marche & McNiven, 2003; Peled(b), 2001).

The capacity for technological change is limited. Decision speed within the Department of Homeland Security concerning information technology is slow. In general terrorism and corporate fraud in telecommunications companies has been detrimental to the economy which bogs down the Department of Homeland Security’s information technology capabilities. Getting the many disparate organizations comprising the Department of Homeland Security to share information and resources openly and expediently (i.e., monopolization of resources and bureaucratic turf wars) and the rapidity with which electronic data has been accumulated and integrated has made it extremely difficult for the Department of Homeland Security to innovate, change quickly and perform its information technology operations (Anonymous Interview(d) DHS, 2003; Krane, 2002; Marche & McNiven, 2003; Peled(b), 2001). Some answers have been offered to address these dilemmas.

Recommendations and suggestions

Many commentators have suggested recommendations to tackle the myriad information technology issues facing the Department of Homeland Security. The Department of Homeland Security should rebalance the investment in outward facing and inward facing systems (i.e., Internet versus the Intranet). It is necessary for the Department of Homeland Security to invest more time, energy and attention in developing shared understandings of future directions of societal change and value systems (Anonymous Interview(d) DHS, 2003; Gronlund, 2002;
Uniformity in software and operations should be achieved. A stronger, more secure Intranet should be built. Horizontal and vertical integration should be improved (e.g., Anonymous Interview(d) DHS, 2003; Gronlund, 2002; Layne & Lee, 2001; O’Hanlon, et. al., 2002; Parchini, Davis & Liton, 2003).

Innovation should be increased. The Department of Homeland Security should increase focus on networking, relationship building and collaboration. There should be more effective communication between bureaus (e.g., Anonymous Interview(d) DHS, 2003; Kakabadse, Kakabadse & Kouzmin, 2003; Marche & McNiven, 2003; Mitchell, 2003).

There should be an expansion of capabilities linking together and modernizing databases. New technologies need to be developed. More information technology personnel need to be hired (e.g., Anonymous Interview(d) DHS, 2003; Gronlund, 2002; Mitchell, 2003; Parchini, Davis & Liton, 2003).

More money for information technology needs to be appropriated. A new information management system for collating and disseminating data needs to be created. The Department of Homeland Security needs to continue to increase cyber security (e.g., Anonymous Interview(d) DHS, 2003; Gronlund, 2002; Kakabadse, Kakabadse & Kouzmin, 2003).

Increased confidentiality and privacy considerations need to be addressed. More forms and employment opportunities need to be offered on the main webpage. The Department of Homeland Security needs to clarify information technology’s roles and purpose within the organization (e.g., Anonymous Interview(d) DHS, 2003; Gronlund, 2002; Mitchell, 2003). Finally, some scholars anticipate information technology’s future within the Department of Homeland Security.

Future predictions

Some predict the Department of Homeland Security’s information technology endeavors will result in more unanticipated consequences that disrupt governance structures and processes. Information technology capability will continue to grow expanding within the Department of Homeland Security. Information technology will gain more resources and agency support. Information will slowly be shared more readily across organizational and institutional boundaries with a reduction in stove-piping (e.g., Anonymous Interview(a) DHS, 2003; Anonymous Interview(b) DHS, 2003; Anonymous Interview(c) DHS, 2003; Anonymous Interview(d) DHS, 2003; Marche & McNiven, 2003; Parahini, Davis and Liston, 2003). Information technology at the Department of Homeland Security, as it stands now, is poised to achieve at least some of these predictions.

Current information technology and the Department of Homeland Security

Many recent information technology developments have taken place at the Department of Homeland Security. First, the Directorate of Science and Technology is the primary research and development entity for developing Information technology. The Directorate of Science and
Technology is one of the main actors in enhancing information technology capabilities (DHS(d), 2003).

The Directorate of Information Analysis and Infrastructure Protection is responsible for synthesizing and disseminating information. This directorate handles intelligence analysis and alerts, cyber security, critical infrastructure protection, a national communications system, establishing partnerships and providing warning advisories (DHS(c), 2003). In response to President Bush’s National Strategy to Secure Cyberspace and the Homeland Security Act of 2002, Secretary Ridge created the National Cyber Security Division (DHS(b), 2003).

The National Cyber Security Division is under the Directorate of Science and Technology. It is responsible for analyses of cyberspace, issuance of warnings and alerts, improved information sharing, aiding in national recovery efforts, responding to major incidents and ensuring the security of cyberspace including Internet functions (DHS(b), 2003). The Department of Homeland Security’s webpage is continually being revised, updated and improved. Projects include adding more site links to information such as employment opportunities and internships, reconfiguring the layout of the webpage for increased user-friendliness, devising and implementing a citizen feedback component and creating and strengthening collaborative relationships with recently assimilated agencies (Anonymous Interview(d) DHS, 2003).

The Department of Homeland Security’s role in cyber security has been expanded. It is responsible for all civilian agency computer networks (Association of Records Managers and Administrators (ARMA), 2010). “DHS was also asked to assist in securing both the federal civilian government systems and the private sector” (ARMA, 2010, p. 7). As a part of this new change “DHS is also charged with annually reviewing the cybersecurity programs of all federal departments and agencies” (ARMA, 2010, p. 7).

The Department of Homeland Security has recently implemented a private cloud model for their infrastructure in the hopes of managing and streamlining information technology. There are 24 data centers and the goal is to reduce that number to two. An advantage is making it easier to manage chargebacks within the Department of Homeland Security (ARMA, 2011). A disadvantage is “80-90% of DHS’s data is classified, so it can host only a small amount of its records outside the firewall” (ARMA, 2011, p. 8).

Conclusion

This article has examined the Department of Homeland Security as well as the planning and organizing for homeland security using the contextual lenses of intergovernmental relations and information technology. An overview of the Department of Homeland Security, intergovernmental relations and information technology has been provided. This work explored these two contextual themes prior to and shortly after the terrorist attacks on September 11, 2001. This article analyzed the current status of the Department of Homeland Security in relation to each lens.

It is beneficial for public administrators to use different contextual lenses like intergovernmental relations and information technology to investigate public activity, public organizations, decision making and public institutions. Each framework provides an instructive
view into an agency. Applying more than one lens to an organization the investigator compiles divergent data to create a more comprehensive and informative picture. The context in which activity occurs is vitally important to civil servants’ understanding of the activity itself. The next step is to do follow-up interviews with personnel at the Department of Homeland Security to get a clearer picture of both intergovernmental relations and information technology changes in relation to prescribed remedies.

References


security, its intent and the key issue officials will encounter in addressing its policy and management challenges. *The Public Manager*, 32(1), 19-22.


Neuby, B. L. (2002). Municipal emergency preparedness: The local face of homeland security:
Two nationwide surveys indicate increased awareness over the past two years. But will this translate into improved preparedness when and if the need should arise? *The Public Manager*, 31(4), 46-50.


Abstract:

Innovation and change are the two words which have great impact in our lives. Generation Y and Z who are highly exposed to technological aspects, expect new innovations, trends, changes in every sector including education. If employees in any sector understands their role well and can contribute to their role well, the motivation for identifying innovative ways to shape up their role comes automatically in their mind. Having this concept, the researcher tries to identify the role efficacy characteristics of faculty members in a prestigious educational institution in Bangalore.

Integration between self and the role contributes to role efficacy. The individual’s role effectiveness varies from person to person and also in terms of organization. Hence it has become very much necessary in education sector to know the each individuals role effectiveness. Through this research we can analyze faculty member's belief in their own competence to role effectiveness with the help of Role efficacy Scale developed by Dr. Udai Pareek.

The Role efficacy articles written by different authors are studied and the role effectiveness of teachers of various departments in the Institution is analyzed through structured questionnaire (Role efficacy scale-RES). Using simple random sampling method, a sample of 48 out of the population of 210 faculty members were collected and analyzed with the help of SPSS. To check the relationship between demographic variables like Gender, income, education with role efficacy variables, ANOVA was used. Correlation analysis was done to check the relationship between age and role efficacy variables. The findings prove that there positive relationship between age and role efficacy scale and negative relationship between tenure and role efficacy scale.

With respect to gender there is no variation among the gender groups, education groups and marital status when assessed about their role efficacy.

Key Words: Role, Role Efficacy, Role effectiveness.
**Introduction**

Generation Y which has a nickname “Digital Natives” is no longer limited to the home computer, but has the same in their pockets on mobile Internet devices such as mobile phones. Major difference between Generation Y and Z is that members of the former remember life before the takeoff of mass technology, while the latter have been born completely within it. Teaching to this generation is a real challenge to today’s faculty members. They expect every day change, innovative styles of teaching methods, and aids with attractive overall personality in a faculty. To match the student’s expectation a faculty need to first understand their role and need to deliver the same in an innovative manner.

For higher education to enact substantial and sustainable changes in efficiency and productivity a new way of thinking or paradigm that builds efficiency and a desire for continual learning must be integrated into institutional structures. There are tools being developed that measure or benchmark the progress and success of these efforts (Keeton & Mayo-Wells 1994). Among the improvement strategies and techniques such as Total Quality Management (TQM), Continuous Quality Improvement (CQI), and Business Process Reengineering (BPR), benchmarking has emerged as a useful, easily understood, and effective tool for staying competitive. Benchmarking attempts to answer the following questions:

*How well are we doing compared to others?*
*How good do we want to be?*
*Who is doing it the best?*
*How do they do it?*
*How can we adapt what they do to our institution?*
*How can we be better than the best? (Kempner 1993).*

There are performance appraisal scales customized according to the needs of the educational institution through which the management try to gauge their faculty members’ effectiveness. One such highly effective scale is developed by Dr. Udai Pareek which is known as Role efficacy scale (RES).

According to the Webster’s dictionary role means “The characteristic and expected social behavior of an individual” or “A function or position” or “The proper activity of a person or thing”.

Every person in an organization has got a role and both the organization and the individuals have to deal with this situation by keeping the role occupant plan for his own role.

Anirudh (1997) says the process of enriching one’s role in an organization is called ‘Role Efficacy’. In other words Role efficacy is the potential effectiveness of an individual occupying a particular role in an organization.
Pareek⁴ (2002) said that the effectiveness of a person’s role in an organization will depend upon his own potential effectiveness, the potential effectiveness of the role, and the organizational climate. The potential effectiveness can be termed as efficacy. It is the integration of the two that ensures a person’s effectiveness in the organization. Unless a person has the requisite knowledge, technical competence and the skills required for the role, he cannot be effective. If the role does not allow the person to use his competence, and if he constantly feels frustrated in the role, his effectiveness is likely to be low.

The integration of a person and the role comes about when the role is able to fulfill the needs of the individual, and when the individual in turn is able to contribute to the evolution of the role. The more we move from role taking to role making, the more the role is likely to be effective. Effectiveness of a person in a role in an organization will depend on his own potential effectiveness the potential effectiveness of the role, and the organizational climate.

Thus Role efficacy becomes important in an organizational environment and would mean potential effectiveness of an individual occupying a particular role in an organization.

In educational sector, faculty members are the backbone of the student community whom we can rely upon for our country’s better future. Every faculty should be knowing about their role in the institution in particular and their role in the society in general. The effectiveness of each faculty in their role directly reflects on the student community. Thus, studying the role of the faculty becomes very important in today’s world.

**Role Efficacy and its dimensions.**

Role efficacy has ten aspects. These aspects can be classified into three groups or dimensions, namely, Role making, Role centering and Role linking.

a. “Role making” is an active attitude towards the role, i.e. defining and making the role one likes to take on.

b. “Role centering” is concerned with increasing the power of the role, making it more important.

c. “Role linking” is concerned with extending the relationship of the role with other roles and groups.

The three dimensions have been further sub-divided into the ten aspects of role efficacy.

The ten dimensions are: Integration, Proactivity, Creativity, confrontation, centrality, influence, growth, Interrole linkage, helping relationship, super ordination. Each dimension has two questions and totally there are 20 items in the Role Efficacy questionnaire. Three options are there for each question and scoring varies in these three options. Marks like 2 = High, 1 = Medium (-1) = Low is awarded for the answers. Maximum Score thus will be 20 * 2 = 40 or Minimum Score will be 20 * (-1) = -
20. Then conversion of these scores into index takes place. To have Role Efficacy Index, conversion of -20 into 0 and 40 into 100 is done. Hence Max Score of Role Efficacy Index is 100 and Min. Score is 0. Close to 100 is considered to be High Role Efficacy and close to 0 is considered to be Low Role Efficacy.

The dimensions of role efficacy are explained in detail.

a) Role making:

**Self-role integration:** All people have strengths, experience, technical expertise, special skills, and some unique contributions to make. When their role provides them with greater opportunity for using their special strengths, their role efficacy is likely to be higher. If there is a gap between people and their roles, role efficacy is likely to be low.

**Pro-activity:** If people like to take the initiative, but have no opportunity to do so in their present role in the organization, their efficacy will be low.

**Creativity:** If People feel that the role does not allow any time or opportunity to be creative, their efficacy is bound to be low.

**Confrontation:** Confronting problems and finding relevant solutions contributes to efficacy.

b) Role centering:

**Centrality:** If people feel that their roles are minor, their potential effectiveness will be low. This is true for all persons and not only for those at the lowest level.

**Influence:** The more influence and power people have in their roles, the higher their efficacy is likely to be.

**Personal growth:** If people feel that they are stagnating in a position without any opportunity to grow, they are likely to have a low role efficacy.

b) Role linking

**Inter-role linkage:** The feeling of role isolation (that a person works without any linkage with other roles) reduces role efficacy.

**Helping relationship:** If there is a feeling that no help is available when asked for, or that the other person is hostile, role efficacy will be low.

**Super-ordination:** When people performing a particular role feel that what they do is likely to be of value to a larger group, their efficacy is likely to be high.

Empirical studies on role efficacy:
• Pareek says that the Role taking is responding to the expectations of others, while role making is taking the initiative to creatively design the role so that the expectations of both others and the role occupant are integrated. Role efficacy can be seen as the psychological factor underlying role effectiveness.

• Steven, Lawrence, 2002 reports that individuals who reported higher role clarity also reported higher role efficacy and performed better than those with lower role clarity.

• Mark et.al in 2002 says that the role efficacy is positively associated with role performance.

• Sayeed (1985) found that personal attributes and job demographics were found to have impact on role efficacy.

• Pestonjee (1992) said that role efficacy reduces role stress.

• Vijayashree, L. & Katyayani, J.(2010) said that role efficacy has got negative correlation with role stress.

• Vijayashree, L. & Katyayani, J. (2010) found that Role making is relatively high among women BPO Employees in Bangalore.

**Statement of the Problem**

The main purpose of this study is to examine the role clarity and influence of Demographics on Role Efficacy and Role Performance. Role Efficacy measures the potential effectiveness of an individual occupying a particular role in an organisation. It deals with 3 aspects of role efficacy: Role Making (attitude towards defining and making one's role as against a passive attitude responding to others' expectations), Role Centring (showing how central or unimportant the role is), and Role Linking (showing strong relationship with other roles).

Since Education sector is considered as a very prominent sector which can give a shape for any generations, measuring role effectiveness in Educational sector becomes important. In this study, Role Efficacy was measured for 48 Faculty members of the XYZ Institution, using Role Efficacy Scale, which takes in to consideration the ten dimensions-Centrality, Integration, Proactivity, Creativity, Linkages, Helping Relationship, Superordination, Influence, Growth and Confrontation that contribute to Role Efficacy.

**Objectives**

The Major objectives of the study were:

a) To study the role efficacy variables and demographic variables with mean score and standard deviation.
b) To study the relationship between role efficacy variables and Age of the faculty members.

c) To study the association between Gender, Education variables with role efficacy variables.

Hypotheses:

a) There is a significant relationship between age and role efficacy variables.

b) There is a significant variation among the Gender and education variables with role efficacy variables.

Methodology

**Design of the questionnaire:** The main study was carried out at XYZ Institution located at Bangalore, India. The questionnaire used was Role efficacy Scale developed by Dr. Udai Pareek which has 20 statements.

**Data collection method opted:** Simple random sampling technique was used to collect data from the list of employees. The purpose of the study and the need of the study were explained to these faculty members and were given enough time periods to fill up the questionnaire. The primary data (the respondent’s opinion about their role efficacy was collected by two methods: (1) survey through Internet and (2) survey through Interview.

Totally the questionnaire had 24 statements to be filled by the respondents. The questionnaire was issued to 60 faculty members out of whom 48 were returned. A respondent with greater than 20% incomplete details in the questionnaire was treated as missing case. Overall response rate is (48/60 that is 80.76%).

Statistical Package SPSS was used to interpret the data.

**Statistical methods used:**

**Standard Deviation:** Mean, Minimum, maximum values, standard deviation were calculated for each demographic variables and Role efficacy variables.

**ANOVA:** The relationship between demographic variables and of efficacy variables is studied with the help of ANOVA.

**Correlation Analysis:** Inter correlations are determined between role efficacy variables and age of the faculty members.

**Results:**

**Objective 1:** To study the role efficacy variables and demographic variables with mean score and standard deviation.
Table 1-Mean score & SD for GENDER

<table>
<thead>
<tr>
<th>GENDER</th>
<th>ROLEMAKING</th>
<th>ROLECENT</th>
<th>ROLELINKING</th>
<th>ROLEEFFICCYSCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALE</td>
<td>Mean</td>
<td>11.684</td>
<td>6.4737</td>
<td>7.4211</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>3.11007</td>
<td>3.53347</td>
<td>2.03622</td>
</tr>
<tr>
<td>FEMALE</td>
<td>Mean</td>
<td>11.0690</td>
<td>6.5172</td>
<td>6.8276</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>2.96324</td>
<td>2.83625</td>
<td>3.11757</td>
</tr>
<tr>
<td>Total</td>
<td>Mean</td>
<td>11.3135</td>
<td>6.5000</td>
<td>7.0625</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>3.00465</td>
<td>3.09426</td>
<td>2.73205</td>
</tr>
</tbody>
</table>

**Analysis:** The results of the mean score between Male and Female faculty members show that Role efficacy scale is seen more among male than females. But when we see the individual role efficacy variables, role making and role linking is more among males and role centering is seen more among females. The feeling for the need for importance or centeredness makes most of the females to move away from others, thus reducing their role linking score.

Table 2-Mean score & SD for EDUCATION

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>ROLEMAKING</th>
<th>ROLECENT</th>
<th>ROLELINKING</th>
<th>ROLEEFFICCYSCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPHIL</td>
<td>Mean</td>
<td>9.6667</td>
<td>5.6667</td>
<td>8.3333</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>2.88675</td>
<td>2.51661</td>
<td>3.05505</td>
</tr>
<tr>
<td>MTECH</td>
<td>Mean</td>
<td>11.0000</td>
<td>7.0000</td>
<td>7.0000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>1.41421</td>
<td>.00000</td>
<td>2.82843</td>
</tr>
<tr>
<td>PHD</td>
<td>Mean</td>
<td>10.0000</td>
<td>5.6667</td>
<td>6.3333</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>3.00000</td>
<td>2.88675</td>
<td>3.21455</td>
</tr>
<tr>
<td>MASTERS</td>
<td>Mean</td>
<td>11.6923</td>
<td>6.5385</td>
<td>7.0513</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>39</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>2.99257</td>
<td>3.28350</td>
<td>2.79048</td>
</tr>
<tr>
<td>DIPLOMA</td>
<td>Mean</td>
<td>6.0000</td>
<td>9.0000</td>
<td>6.0000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Total</td>
<td>Mean</td>
<td>11.3125</td>
<td>6.5000</td>
<td>7.0625</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>3.00465</td>
<td>3.09426</td>
<td>2.73205</td>
</tr>
</tbody>
</table>
Analysis: The results of the mean score between various education levels of faculty members show that Role efficacy scale is seen more among Master compared to other levels. Individually among role efficacy variables, role making is seen more among Masters, role centering is seen more among M.Tech and role linking is more among M.Phils. The results might be because of the inner urge to grow more in the institution, career and in education among masters.

Objective 2: To study the relationship between role efficacy variables and Age of the faculty members.

Hypothesis 1: There is a significant relationship between age and role efficacy variables.

<table>
<thead>
<tr>
<th></th>
<th>ROLEMAKING</th>
<th>ROLECENT</th>
<th>ROLELINKING</th>
<th>ROLEEFFICACY</th>
<th>AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROLEMAKING</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>ROLECENT</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>ROLELINKING</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>ROLEEFFIC</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>47</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (2-Tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Analysis: The results prove that role efficacy variables are interrelated to each other very well. Age when compared with role efficacy scale, shows positive relationship but without any significance. From this we can say that when age increases role efficacy also increases.

Individual role efficacy variable wise, there is a negative relationship between role making and role linking while positive relationship is seen between role centering and age. This proves that when age is more people expect importance in the organization. Linking with others and trying to make their role according to their interest will be seen more among young than older faculty members. Thus we can say that objective is proved but hypothesis is not proved.
Objective 2: To study the association between Gender, Education variables with role efficacy variables.
Hypothesis 2: There is a significant variation among the Gender and education variables with role efficacy variables.

Table 4: ANOVA- GENDER VS. ROLE EFFICACY VARIABLES

<table>
<thead>
<tr>
<th>ROLEMAKING</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>4.345</td>
<td>1</td>
<td>4.345</td>
<td>.476</td>
<td>.494</td>
</tr>
<tr>
<td>Within Groups</td>
<td>419.967</td>
<td>46</td>
<td>9.130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>424.312</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLECENT</td>
<td>Between Groups</td>
<td>.022</td>
<td>1</td>
<td>.022</td>
<td>.002</td>
</tr>
<tr>
<td>Within Groups</td>
<td>449.978</td>
<td>46</td>
<td>9.782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>450.000</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLELINKING</td>
<td>Between Groups</td>
<td>4.043</td>
<td>1</td>
<td>4.043</td>
<td>.536</td>
</tr>
<tr>
<td>Within Groups</td>
<td>346.770</td>
<td>46</td>
<td>7.538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>350.813</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLEEFFICCSY CALE</td>
<td>Between Groups</td>
<td>15.584</td>
<td>1</td>
<td>15.584</td>
<td>.308</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2329.666</td>
<td>46</td>
<td>50.645</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2345.250</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analysis: Gender wise there is no significant variation seen between male and females when asked about role efficacy. This is also proved in the mean score between males and females in Table -1. Thus hypothesis is not proved.

Table 5- ANOVA- Education

<table>
<thead>
<tr>
<th>ROLEMKING</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>47.338</td>
<td>4</td>
<td>11.835</td>
<td>1.350</td>
<td>.267</td>
</tr>
<tr>
<td>Within Groups</td>
<td>376.974</td>
<td>43</td>
<td>8.767</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>424.312</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLECENT</td>
<td>Between Groups</td>
<td>10.974</td>
<td>4</td>
<td>2.744</td>
<td>.269</td>
</tr>
<tr>
<td>Within Groups</td>
<td>439.026</td>
<td>43</td>
<td>10.210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>450.000</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLELINKING</td>
<td>Between Groups</td>
<td>7.582</td>
<td>4</td>
<td>1.895</td>
<td>.237</td>
</tr>
<tr>
<td>Within Groups</td>
<td>343.231</td>
<td>43</td>
<td>7.982</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>350.812</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLEEFFICCSY CALE</td>
<td>Between Groups</td>
<td>50.686</td>
<td>4</td>
<td>12.671</td>
<td>.237</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2294.564</td>
<td>43</td>
<td>53.362</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2345.250</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Analysis: Education wise there is no significant variation seen between the education groups when asked about role efficacy. This is also proved that slight variation in the mean score among various education levels in Table -2. Thus hypothesis is not proved.

Findings:

• Mean score between Male and Female faculty member’s show that Role efficacy scale is seen more among male than females.
• Mean score between various educations levels of faculty members show that Role efficacy scale is seen more among Master compared to other levels.
• The role efficacy variables are interrelated to each other very well. Age when compared with role efficacy scale, shows positive relationship but without any significance. From this we can say that when age increases role efficacy also increases.
• Gender wise there is no significant variation seen between male and females when asked about role efficacy.
• Education wise there is no significant variation seen between the education groups when asked about role efficacy.

Conclusion:

Conclusions Related to Age

Role efficacy increases with the age. And also role centering (feeling of importance) increases with age. When role efficacy is more, role stress will be less. When we enrich ourselves with more role efficacy we cope very well in stressful situations. Role efficacy, stress, coping thus is interlinked with one another. This result is similar to the results obtained by Srivastav in 1993 and Vijayashree in 2011 when they studied about role stress among public sector employees and BPO women employees respectively. Thus experienced, aged faculty members can be an asset to Generation Y & Z to whom they can rely upon for innovative workable ideas.

Knowledge about functional coping strategies in the form of training particularly for the age group lesser than 25 years becomes an essential task for organizations. Training has to be given to the employees to identify the strengths and challenges in their role.

Organizations can also enrich the roles of the age group less than 25 years, by identifying the best employees in this age group and assigning the tasks similar to the functions performed by the experienced employees. This can eradicate role erosion stress in the age group lesser than 25 years.

Also we can conclude that young faculty members can take the input from experienced faculty members to give a new shape to their roles in a more technological way.

Conclusions Related to Education
Masters educated employees have significantly more role efficacy than other employees. To prove oneself in the organization, comparing themselves with PhDs makes them to enrich more in their role.

So it is better for the Institutions to enrich these employees through placing them in Faculty development programmes, assisting senior faculty members can give a option for them to exchange their views to be more innovative in their roles.

**Conclusion Related to Gender:**

Though the results of the mean score between Male and Female faculty members show that Role efficacy scale is seen more among male than females, individual role efficacy variables, role making and role linking is more among males and role centering is seen more among females.

Institutions need to see that gender discrimination is nil in filling up vacancies for higher positions. The feeling for the need for importance or centeredness makes most of the females to move away from others, thus reducing their role linking score. Team building sessions, performance based promotions can increase the role efficacy score among females and also their thoughts about innovativeness.

**Limitation:**

- The study is restricted to one Institution.
- The study can be extended with role stress and coping to get a better knowledge about role efficacy.

**References:**

6. Mark R. Beauchamp, Steven R. Bray, Mark A. Eys and Albert V. Carron. (2002). Role Ambiguity, Role Efficacy, and Role Performance:


