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The Academic Field of Finance and Paradigm Diversity

Kavous Ardalan

The purpose of this paper is to show that although mainstream academic finance is founded on one paradigm, with some fundamental changes it can gain much by exploiting perspectives coming from other paradigms.

This paper crosses two existing lines of literature: philosophy of social science and the academic field of finance. More specifically, its frame of reference is Burrell and Morgan (1979) and Morgan (1984) and applies their ideas and insights to finance. Clearly, a thorough treatment of all the relevant issues referred to in this work is well beyond just one paper. Within such limits, this paper aims at only providing an overview, a review, a taxonomy, or a map of the topic and leaves further discussions of all the relevant issues to the references

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cited herein. In other words, the aim of this paper is not so much to create a new piece of the puzzle as it is to fit the existing puzzle pieces together.

In the paradigm section, the author discusses how any world view can be positioned on a continuum formed by four basic world views or paradigms: functionalist, interpretive, radical humanist, and radical structuralist. The academic finance section examines theories, Ph.D. programs, journals, and conferences in mainstream academic finance. The paradigm diversity section discusses the principles of paradigm diversity. It notes instances of paradigm diversity in theories, Ph.D. programs, journals, and conferences in finance.

Paradigms

Any adequate analysis of the role of paradigms in academic fields must recognize the assumptions that underwrite those paradigms or world views. Academic fields can be conceived in terms of four key paradigms: functionalist,

interpretive, radical humanist, and radical structuralist. The four paradigms are founded upon mutually exclusive views of the social world. Each generates theories, Ph.D. programs, journals, and conferences that are different from those of other paradigms.

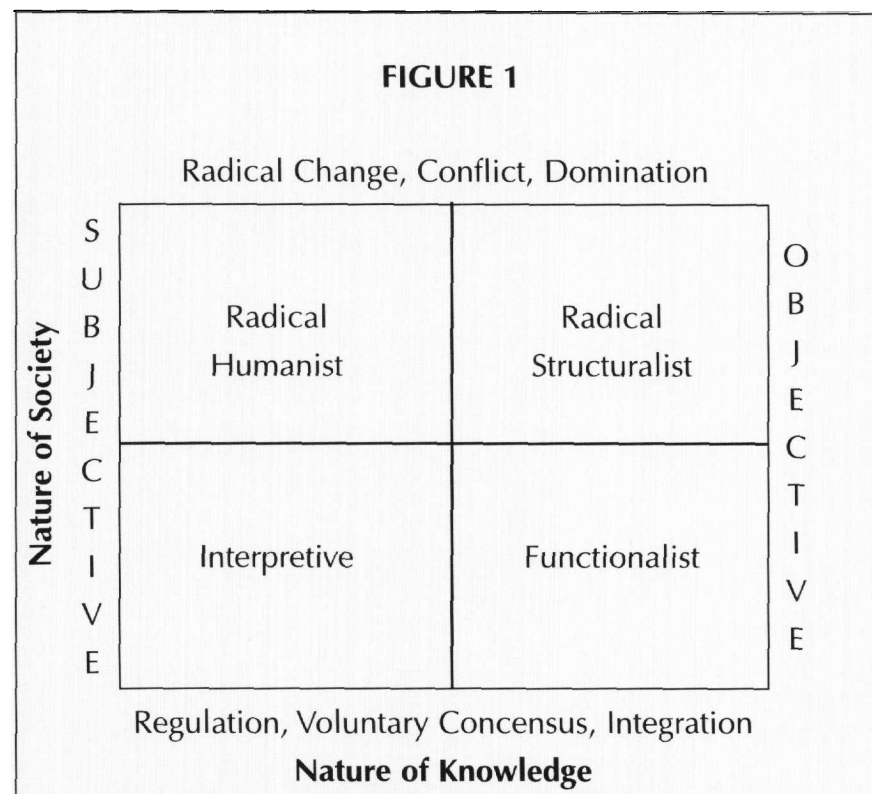
Each academic field can be related to the four broad world views or paradigms. The four paradigms are based on different assumptions about the nature of social science (i.e., the subjective-objective dimension) and the nature of society (i.e., the dimension of regulation-radical change), as shown in Figure 1.¹ The assumptions about the nature of social science translate into assumptions with respect to ontology, epistemology, human nature, and methodology. Assumptions about ontology are assumptions that concern the very essence of the phenomena under investigation. The second set of assumptions is related to epistemology. These are assumptions about the nature of knowledge of how one might go about understanding the world

and communicating such knowledge to others. The third set of assumptions is concerned with human nature and, in particular, the relationship between human beings and their environment. The fourth set of assumptions is concerned with methodology, the way in which one attempts to investigate and obtain knowledge about the social world.

The Functionalist Paradigm

In Figure 1, the functionalist paradigm occupies the southeast quadrant. Schools of thought within this paradigm can be located on the objective-subjective continuum. From right to left they are objectivism, social system theory, integrative theory, interactionism, and social action theory.

The functionalist paradigm assumes that society has a concrete existence and follows a certain order. These assumptions lead to the existence of an objective and value-free social science that can produce true explanatory and predictive knowledge of reality. It assumes that scientific theories can be assessed objectively by reference to empirical evidence. Scientists do not see any roles for themselves within the phenomenon that they analyze through the rigor and technique of the scientific method. It attributes independence to the observer from the observed (that is, an ability to observe *what is* without affecting it). It assumes universal standards of science determine what constitutes an adequate explanation of what is observed. It assumes that external rules and regulations govern the external world. The goal of



scientists is to find the orders that prevail within that phenomenon.

The functionalist paradigm seeks to provide rational explanations of social affairs and generate regulative sociology. It emphasizes the importance of understanding order, equilibrium, and stability in society and the way in which these can be maintained. Science provides the basis for structuring and ordering the social world, similar to the structure and order in the natural world. The methods of natural science are used to generate explanations of the social world. The approach to social science is rooted in the tradition of positivism.

Functionalists are individualists (that is, the properties of the aggregate are determined by the properties of its units). The

functionalist paradigm has become dominant in academic sociology and mainstream academic finance. The world of finance is treated as a place of concrete reality; the individual is regarded as taking on a passive role; his or her behavior is being determined by the economic environment.

The Interpretive Paradigm

In Figure 1, the interpretive paradigm occupies the southwest quadrant. Schools of thought within this paradigm can be located on the objective-subjective continuum. From left to right they are solipsism, phenomenology, phenomenological sociology, and hermeneutics.

The interpretive paradigm sees the social world as a process created by individuals. Social

reality, insofar as it exists outside the consciousness of any individual, is regarded as being a network of assumptions and intersubjectively shared meanings. This assumption leads to the belief that shared multiple realities that are sustained and changed exist. Researchers recognize their role within the phenomenon under investigation. The goal of interpretive researchers is to find the orders that prevail within the phenomenon under consideration; however, the researchers are not objective.

The interpretive paradigm believes that, in cultural sciences, the subject matter is spiritual in nature. In the cultural sphere, human beings are perceived as free. An understanding of their lives and actions can be obtained by the intuition of the total wholes. Cultural phenomena are seen as the external manifestations of inner experience. The cultural sciences, therefore, need to apply analytical methods based on "understanding" through which the scientist can seek to understand human beings, their minds and their feelings, and the way these are expressed in their outward actions.

The interpretive paradigm believes that scientific knowledge is socially constructed and socially sustained; its significance and meaning can only be understood within its immediate social context. Interpretive finance research enables scientists to examine aggregate market behavior together with ethical, cultural, political, and social issues. The interpretive paradigm believes that no universally valid

rules of finance and financial management exist.

The Radical Humanist Paradigm

In Figure 1, the radical humanist paradigm occupies the northwest quadrant. Schools of thought within this paradigm can be located on the objective-subjective continuum. From left to right they are solipsism, French existentialism, anarchistic individualism, and critical theory.

The radical humanist paradigm assumes that reality is socially created and sustained. It provides critiques of the status quo. It tends to view society as anti-human. It views the process of reality creation as feeding back on itself in such a way that individuals and society are prevented from reaching their highest possible potential (that is, the consciousness of human beings is dominated by the ideological superstructures of the social system, which results in their alienation or false consciousness). This alienation, in turn, prevents true human fulfillment. The social theorist regards the orders that prevail in the society as instruments of ideological domination. The major concern for theorists is with the way such ideological domination occurs and finding ways in which human beings can release themselves. The researchers seek to change the social world through a change in consciousness.

Radical humanists believe that everything must be grasped as a whole because the whole dominates the parts in an all-embracing sense. Moreover, truth is historically specific, relative to a given set of circumstances, so

that one should not search for generalizations for the laws of motion of societies.

The focus of the radical humanists upon the "super-structural" aspects of society reflects their attempt to emphasize the Hegelian dialectics. It is through the dialectic that the objective and subjective aspects of social life interact. The super-structure of society is believed to be the medium through which the consciousness of human beings is controlled and molded to fit the requirements of the social formation as a whole. The radical humanists emphasize the political and repressive nature of purposive rationality, logic of science, positive functions of technology, and neutrality of language.

The Radical Structuralist Paradigm

In Figure 1, the radical structuralist paradigm occupies the northeast quadrant. Schools of thought within this paradigm can be located on the objective-subjective continuum. From right to left they are Russian social theory, conflict theory, and contemporary Mediterranean Marxism.

The radical structuralist paradigm assumes that reality is objective and concrete. It uses scientific methods to find the order that prevails in the phenomenon. It views society as a potentially dominating force.

This paradigm is based on four central notions. First is the notion of totality. This notion emphasizes the dialectical relationship between the totality

and its constituent parts. Second, is the notion of structure. The focus is upon the configurations of social relationships called structures. The third notion is that of contradiction. Structures, or social formations, contain contradictory and antagonistic relationships within them that act as seeds of their own decay. The fourth notion is that of crisis. Contradictions within a given totality reach a point at which they can no longer be contained. The resulting political and economic crises indicate the point of transformation from one totality to another in which one set of structures is replaced by another of a fundamentally different nature.

To survive and reproduce, human beings transform reality, making material reality the most important. This transformation takes place through the social division of labor. This division implies that social groups enter into relations with each other to produce while they use a means of production (that is, they enter into production relations). These groups, formed in terms of production relations, are called social classes. A complete definition of a social class encompasses economic, political, and ideological elements with dialectical relationships. Production relations, under capitalism, are antagonistic since they unite two antagonistic poles, defined as owner and non-owner; therefore, social classes, which are the carriers of contradictory aspects of social relations, are antagonistic, too.

Transforming material requires knowledge of doing it. Gaining

knowledge of doing it requires dealing with it, i.e., transforming it. This is the materialist basis of epistemology, i.e., science has a materialist nature. Therefore, only classes, identifiable in terms of production relations, have the objective possibility of an independent knowledge of reality. Furthermore, the class that deals with a larger portion of reality has the greater objective possibility of gaining a correct knowledge of it. Under capitalism, the proletariat, which deals with an increasing portion of social reality, has the objective possibility of knowing it correctly. In the context of the constant attempt that classes make to dominate one another, it can only realize itself through ideological class struggle. Knowledge is, thus, in the most fundamental sense, ideological since it formulates views of reality and solves problems from a class point of view.

Academic Finance

This section is intended to show how world views underlie development of academic fields in general and finance in particular. It relates paradigms and the academic field of finance by examining its theories, Ph.D. programs, journals, and conferences. It notes that, within this broader universe, the academic field of finance is founded only on the functionalist paradigm.

Theories

As in Smith (1990), the following are current theories and policies in mainstream academic finance: (1) efficient market theory, (2)

portfolio theory, (3) capital asset pricing theory, (4) option pricing theory, (5) agency theory, (6) arbitrage pricing theory, (7) capital budgeting policy, (8) capital structure policy, and (9) dividend policy. Bettner, Robinson and McGoun (1994) note the common threads among theories and policies in mainstream academic finance:

1. A cause and effect mechanism underlies all nature and human activity (ontology);
2. It is known through the set of nomological connections between initial conditions and final outcomes (epistemology);
3. Human beings interact with each other and their society in accordance with this mechanism (human nature); and
4. Information regarding all natural and human activity can be acquired through observations and measurements unaffected by individual perceptual differences (methodology).²

These commonalities lead to the conclusion that the current theories in finance are clearly based on the functionalist paradigm.

Ph.D. Programs

The design of a finance Ph.D. program is often reflected in its business school catalog. This catalog contains information on courses offered. These courses consist of core and specialized finance-area courses. In writing this paper, a survey of Ph.D. programs was conducted.

The list of the universities with Ph.D. programs in business was obtained from *The Official Guide to MBA Programs*, as it also indicates which universities offer Ph.D. programs in business.³ A letter of request for information regarding Ph.D. program design, requirements, core, and finance-area courses, was sent to the attention of the Ph.D. program director of each institution. The letter stated that the information was for a study of Ph.D. programs in business, with concentration in finance. Among the 105 universities surveyed, 78 replied, a response rate of about 74 percent.⁴

The information received was carefully analyzed with respect to the research methodologies taught and required. The results of the study were consistent with previous results obtained by Shin and Hubbard (1988). With no exception, all programs taught (and required) mainstream economics, quantitative methods, and computer skills in the use of capital market databases (that is, they all advocate the functionalist paradigm). Only The George Washington University offered other methodologies as well. It offers a course entitled, *The Philosophical Foundations of Administrative Research*, which deals with the nature of the knowledge encompassed by its School of Business and Public Management and with the problems of inquiry posed by such knowledge.⁵

Journals

Zivney and Reichenstein (1994) categorized academic finance journals as "core" and "non-core." Based on their definition,

they find that there are sixteen "core," and two "non-core" finance journals. Journals, in their "aims and scope," specify the type of research they are interested in publishing. Among the sixteen "core" finance journals, thirteen advocate traditional functionalist research. They are *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Business*, *Financial Analysts Journal*, *Financial Management*, *Journal of Portfolio Management*, *Journal of Banking and Finance*, *Journal of Business Finance and Accounting*, *Journal of Financial Research*, *Review of Financial Studies*, *Journal of Financial Services Research*, *Journal of Financial Education*, and *Review of Futures Markets*.

One of the "core" finance journals, *Financial Review*, admits the acceptance of methodological articles; and two, *Journal of Financial Economics* and *Journal of Futures Markets*, admit the acceptance of clinical contributions, case studies, and descriptive analyses.

It is interesting to expand the above analysis to include the more recent "core" finance journals. In their search for "core" finance journals, Zivney and Reichenstein (1994) started with the eighteen journals covered by Heck's (1989) *Finance Literature Index* and came up with sixteen as the "core" finance journals, as listed earlier. Unfortunately, no current study parallels Zivney and Reichenstein (1994). However, given the close proximity of Heck's (1989) *Finance Literature Index* to the "core" finance journals as defined by Zivney

and Reichenstein (1994), one might use Heck's (1999) *Finance Literature Index* to approximately define the current "core" finance journals and then analyze the aims and scope of the more recent "core" journals.

Heck's (1999) *Finance Literature Index* lists twenty-three new finance journals. Among them, twenty-one advocate traditional functionalist research. They are *Applied Financial Economics*, *Financial Services Review*, *Global Finance Journal*, *International Journal of Finance*, *International Review of Economics and Finance*, *Journal of Applied Corporate Finance*, *Journal of Corporate Finance*, *Journal of Economics and Finance*, *Journal of Empirical Finance*, *Journal of Financial Engineering*, *Journal of Financial Intermediation*, *Journal of Fixed Income*, *Journal of International Financial Markets, Institutions, and Money*, *Journal of Investing*, *Journal of Multinational Financial Management*, *Journal of Small Business Finance*, *Mathematical Finance*, *Pacific-Basin Finance Journal*, *Quarterly Journal of Economics and Finance*, *Review of Financial Economics*, and *Review of Quantitative Finance and Accounting*.

Among the twenty-three new journals, only two allow alternative research. *Financial Practice and Education* encourages clinical studies, and *The International Review of Financial Analysis* advocates open inquiry.

Conferences

In their "Calls for Papers," academic finance conferences often indicate the type of

research considered for presentation. The current study examined the "Calls for Papers" for finance conference meetings that are usually announced in *Financial Management*. The latest full-year in which *Financial Management* was published was 1998. Ten finance conferences are announced in all 1998 issues. Generally, all of the announcements state that conferences consider papers in all traditional areas of finance, but there is no reference to alternative approaches and methodologies. For instance, when they list the areas of their interest, only three conferences explicitly indicate "methodology/statistical methods" as a desirable area, though it is not quite clear how these methods are defined. These conferences are Eastern Finance Association, Financial Management Association International, and Midwest Finance Association. Three other conferences indicate "miscellaneous finance topics," which might be interpreted to include "methodological issues," in which case such research efforts are downplayed. These conferences are Academy of Economics and Finance, Southern Finance Association, and Southwestern Finance Association. The other four conferences that do not fit within these two categories are Academy of Financial Services, American Finance Association, Midwest Academy of Finance and Insurance, and Western Finance Association. It can be concluded that the academic finance conferences' openness to alternative paradigms is limited. To confirm this point, see Sweetser and Petry (1981) for a history of the seven academic finance associations and their

contributions to the development of the mainstream academic finance. They state, "Today the discipline is widely understood and accepted, well balanced internally, and an effective force in academic and management circles; credit for much of this development may be attributed to academic professional associations" (Sweetser & Petry, 1981: 46).

In summary, this section related paradigms and the academic field of finance by examining its theories, Ph.D. programs, journals, and conferences. It noted that, within this broader universe, the academic field of finance has been founded almost exclusively on the functionalist paradigm. The frame of reference in academic financial research is based on taken-for-granted underlying assumptions. Since these assumptions are continually affirmed and reinforced in financial research, they may have remained not only unquestioned but also beyond conscious awareness. In this way, the current view may have come to assume a status as real, right, and self-evident.

Paradigm Diversity

Paradigm diversity is based on the idea that more than one theoretical construction can be placed upon a given collection of data. In other words, any single theory, research method, or particular empirical study is incapable of explaining the nature of reality in all of its complexities.

It is possible to establish exact solutions to problems if one defines the boundary and domain of reality. Functionalist research,

through its approach, defines an area in which objectivity and truth can be found. Any change in the research approach, or any change in the area of applicability, would tend to result in the breakdown of such objectivity and truth.

All research approaches have something to contribute. The interaction among them may lead to synthesis, compromise, consensus, transformation, polarization, or simply clarification and improved understanding of differences. Such interaction, which is based on differences of viewpoints, is not concerned with reaching consensus or an end point that establishes a foundational truth. On the contrary, it is concerned with learning from the process itself and encouraging the interaction to continue so long as disagreement lasts. Likewise, it is not concerned with producing uniformity but with promoting improved diversity. No objective criteria for choosing between alternative perspectives may exist. The number of ways of generating new knowledge is bound only by the ingenuity of researchers in inventing new approaches.⁶

Contemporary finance Ph.D. programs are dominated by the requirements of methodology or technique. In comparison, the need to understand the multifaceted nature of finance is given almost no attention.

The editorial policy followed by academic finance journals and academic finance conferences hinders the development of new styles of research. To facilitate the innovation and risk-taking

necessary to undertake other research perspectives, such restrictive policies need to be relaxed.

To implement paradigm diversity, the way research is presently managed in academic finance needs fundamental change. In other words, paradigm diversity implies and requires changes. The most fundamental change is to understand the multifaceted nature of finance as a phenomenon. This, in turn, will diversify theories, Ph.D. programs, journals, and conferences.

Theories

While different kinds of theories in mainstream academic finance appear to exist, they are founded only on the functionalist paradigm.⁷ This becomes evident when these theories are related to the wider context of social theory. Despite the apparent diversity in theories, the issues that separate them are of minor significance. The larger issues are rarely discussed, lying hidden beneath the commonality of perspectives and assumptions.

With the above in mind, the other three paradigms and samples of their research are examined.

The interpretive paradigm regards mainstream academic finance theorists as belonging to a small and self-sustaining community that believes that corporations and financial markets exist in a concrete world. The researchers theorize about concepts that have little significance to people outside the community that practices financial theory and the limited community that financial

theorists may attempt to serve. Mainstream academic finance theorists tend to treat their subject of study as a hard, concrete, and tangible empirical phenomenon which exists "out there" in the "real world." Interpretive researchers do not believe in such a structural absolutism. They emphasize that the social world is no more than the subjective construction of individual human beings who create and sustain a social world of intersubjectivity shared meaning that is in a continuous process of reaffirmation or change. Therefore, there are no universally valid rules of finance and financial management. Interpretive finance research enables scientists to examine aggregate market behavior together with ethical, cultural, political, and social issues. Interpretive research in finance is negligible compared to the functionalist research. Bettner, Robinson, and McGoun (1994) provide examples of interpretive research.⁸

The radical humanist paradigm in finance⁹ would seek to demonstrate the sources of alienation inherent within a totality that converge in corporations and financial markets. It would provide a systematic critique by identifying the factors that impinge upon, and dominate, human consciousness in the form of seemingly objective social forces over which man appears to have no form of direct control. Among the factors worthy of critique, the following would be accorded considerable importance.

1. The concept of purposive rationality as the dominant and most valued mode of cognition within corporations and financial markets;

2. rules and control systems that monitor the exercise of rational action;
3. roles that constrain and confine human activities within narrowly defined limits;
4. language used in corporations and financial markets;
5. ideological mechanisms through which human beings are habituated to accept the roles, rules, and language used;
6. worship of technology as a liberating force; and
7. reification, such as the concepts of work, leisure, scarcity, and profitability, which serve to mystify the relationship between workers and the world in which they live.

Radical humanist research in academic finance is non-existent. Radical humanist research has been conducted outside academic finance by Biewener (1999, 2000), Cullenberg (1994, 1997, 2000), Perelman (1987, 1993, 1999), and Tinker, Merino, and Neimark (1982), however.

The radical structuralist paradigm believes truth is the whole and emphasizes the need to understand the social order as a totality rather than as a collection of small truths about various parts and aspects of society. The financial empiricists are seen as relying almost exclusively upon a number of seemingly disparate, data-packed, problem-centered studies. Such studies, therefore, are exercises in mathematical methods.

This paradigm is based on the four central notions of totality,

structure, contradiction, and crisis. Applied to the study of finance, these notions assume significance in the following ways. Totality implies that corporations and financial markets can only be understood within the wider social formation in which they exist and that they reflect. Structure implies that corporations and financial markets are structural elements of a wider structure that they reflect and from which they derive their existence and true significance. The notion of contradiction implies that it is in the corporations that the contradictions between the relations and the means of production, capital, and labor are seen as working themselves out. The notion of crisis implies that corporations and financial markets monitor and reflect the movement of totality from one crisis to another. Crisis of ownership and control and Wall Street crashes yield considerable insights into the nature of the social formation concerned. These notions thus provide core concepts for radical finance theory in the tradition of the radical structuralist paradigm.

Radical structuralist research in academic finance is non-existent. The literature in this area outside academic finance has been, historically, quite extensive. Some radical structuralist research has been conducted by Gill (1999), Magdoff and Sweezy (1987), Sweezy (1942, 1994, 1997), and Sweezy and Magdoff (1972).

Ph.D. Programs

Ph.D.'s learn concepts, theories, and their applications through

extensive education. They obtain a vision similar to those of the educators, such that they see what the educators see and respond as they do.

Students proceed from the early courses in the undergraduate program to the doctoral dissertation, and finally to their independent research careers. The problems assigned to them during years of education become more complex, and the problems encountered by them during years of independent research become less completely preceded. However, they are all modeled on theories learned earlier.

Of course, it is a narrow education because students are not made aware of the variety of problems that their predecessors attempted to solve. More importantly, they are not made aware of competing paradigms and theories and the solutions these provide to problems, solutions that these Ph.D. students must ultimately evaluate for themselves.

Researchers often use theoretical models, acquired through education and exposure to literature, without knowing what characteristics have given them their paradigmatic status. Researchers are usually well-versed in particular hypotheses that underlie their research. However, they are mostly incapable of characterizing the paradigmatic basis of their field.

Currently, Ph.D. programs in finance place their educational emphasis only on quantitative methods and economics. This takes place partially at the expense of any formal education in philosophy (although the

doctorate is in philosophy), and partially at the expense of any formal education in alternative theories and research methods.

It is very rare to find a Ph.D. program in finance that deviates from the mainstream and shows interest in paradigm diversity. An exception, York University in Toronto, Ontario, Canada, offers a very unique and multifaceted Ph.D. program in finance, whose core courses, according to its Ph.D. program calendar, not only include economics and quantitative methods but also the following courses: Philosophy and Methods in Social Sciences, Qualitative Methodology, Practicum in Research Writing Skills, and Practicum in Teaching Skills.

Journals

The state of the art of finance is reflected, to a large extent, in its journal literature. Since this literature plays a crucial role in determining the direction and nature of research, it becomes important to examine the consequences of journal editorial policy with respect to the evaluation of research.

Finance journal editorial policy starts with the view that defines knowledge as the outcome of functionalist research. Therefore, there is a tendency for the criteria, traditionally used to evaluate functionalist research, to be used in the evaluation of other research. Non-functionalist research is often viewed with skepticism because the approaches and methods adopted are deemed unscientific. This foundational view hampers the development of other research

approaches that seek to produce other kinds of knowledge. Research approaches may be different in nature and require different criteria for their evaluation. These may be rooted in conflicting views about the nature of scientific inquiry and scientific knowledge.

More specifically, functionalists in search of generalizable, objective knowledge, require research to be systematic, comparative, and replicative observation and measurement. This approach to evaluation of research assumes the rules for conducting it as the rules of the evaluation of knowledge. Therefore, research designs that do not adhere to the functionalist standards of the detached, neutral observer may not be fairly judged. This occurs because researchers seek different kinds of insights, adopt different methodologies, and require specific criteria for evaluation of their research.

The foregoing suggests that it may be necessary to modify journal editorial policies with respect to the evaluative process of research. Journals have two basic choices with respect to their primary function. The first choice is to perform a quality control function, designed to regulate the direction of developments in their field. The second choice is to contribute to the promotion of open inquiry, dialogue, and debate. If editors choose the former, they publish specialist journals with defined domains for which technical evaluative criteria may be applied. If they choose the latter, they open themselves to paradigm diversity and commit to

preserve variety in the field. A rare example of this in academic finance is *The International Review of Financial Analysis*, which was founded by non-mainstream finance academics.

Conferences

Academic associations publish journals and are the major players in organizing annual conferences. On the academic side, in these conferences, researchers present papers that are in developmental stages. Papers for presentation come under scrutiny by conference organizers applying almost the same evaluative criteria as papers submitted to journals for publication. Therefore, the discussion in the previous subsection, with respect to journals, is to a large extent applicable here as well. In contrast to the other academic finance conferences that adhere to the functionalist paradigm, there is a unique, "non-mainstream" conference, which advocates paradigm diversity. It is organized under the title "Alternative Perspective on Finance." It encourages research based on alternative paradigms.

Conclusion

This author has briefly discussed social theory, its complexity, and diversity. The foundations of mainstream academic finance are in the functionalist paradigm and, for the most part, finance theorists are not always entirely aware of the traditions to which they belong. The author recommends serious thought about the social philosophy premise and alternative avenues for development.

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Endnotes

1. Bettner, Robinson, and McGoun (1994) and Frankfurter, Carleton, Gordon, Horrigan, McGoun, Philippatos, and Robinson (1994) have referred to the scheme shown in Figure 1.
2. See McGoun (1992) and Bettner, Robinson, and McGoun (1994) for more complete treatments.
3. The list is available from the author.
4. The list of the universities that either did not reply, provide sufficient information, or offer a Ph.D. program in finance, is available from the author.
5. One might suspect that this course is more directed to the other areas of management rather than finance.
6. For an extensive analysis of an array of alternative philosophical views, research implications, and contributions, see Morgan (1983).

7. McGoun (1992) is probably the first author to examine the ontology and epistemology of finance and the implications for research.
8. For description and further examples of interpretive research in finance, see Bettner, Robinson, and McGoun (1994) and the references cited therein.
9. This part is taken from Burrell and Morgan (1979), pages 316-325, and slightly changed to suit the field of finance.

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