

## EDITORIAL PREFACE

# Mitigating Human Controlled Risk in Healthcare and Economics Planning

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## INTRODUCTION

From a journal governance standpoint, we closed the 2013 year with a contented feeling that we have strengthened our editorial board and expanded our network of subject matter experts. We accomplished this by researching the top-ranked business schools around the world and collaborating with human resource managers to attract faculty with strong relevant scholarly research publication records. In this way, we have built a capable pool of directors, as subject matter experts, and as potential contributors.

From a journal quality perspective, we are working hard to serve our readership. As a hallmark of our effort, IJRCM is endorsed by over 11 credible organizations, including ProQuest and Cabell's. Therefore, we can assist business schools and their faculty to meet AACSB or ACBSP accreditation requirements. Thus far, we have been on time for every issue and we have a respectable acceptance rate of 34% (lower rates generally mean more rigorous peer reviews). Our research is cited and we

are recognized. We owe thanks to IGI-Global publishing team and to our editorial board for helping us to achieve this success.

From a content perspective, this issue focuses on the human side of risk and uncertainty. Rhetorically speaking, how many disasters would occur if humans did not make any mistakes and behaved prudently to mitigate risks? In other words, are humans to blame for acting or not acting to reduce uncertainty? Should practitioners share information? Should decision makers rebuild their decision-making teams?

Uncertainty is not always as negative as we may emphasize in this journal, at least from a pragmatic standpoint. Yet we humans often pay more attention to negative things. For example, count how many unexpected nice weather days you have experienced in a year as compared to the number of catastrophic storms. This makes us wonder, are we publishing too much negative without enough positive risk and contingency management studies?

Nevertheless, negative events have more severe economic and humanistic consequences, such as when organs fail, when diseases

manifest, when oil tanks leak, when critical path teams breakdown in conflict, or when long-term blue-chip businesses file for bankruptcy. More so, when multiple negative events happen repetitively in close proximity, in the same area or timeline, this generally causes exponential negative effects. Thus, researchers are interested in exploring these types of factors in order to predict their likelihood, for the benefit of society.

This was the rationale in this issue for exploring predictive models associated with human-caused misfortunes in healthcare, financial applications and in organizational settings. Interestingly, our researchers demonstrated that human-controlled uncertainty may be quantified as risks. This makes a significant contribution to the community of practice, because by estimating uncertainty, practitioners are able to identify risk factors, so that steps may be taken to transform a potential negative event into positive one, as preventative actions. The topical sequence begins with studies of uncertainty in the medical/healthcare and sociology disciplines, and then we focus on examining risk in the small as well as large businesses, from a human behavior standpoint.

## LITERATURE REVIEW

### Mitigating Misinformation Risk in Healthcare with Knowledge Sharing

Gopalakrishna-Remani and Fagan (2014) utilized a critical analysis of the knowledge management literature to develop a new framework to improve practices in the alternative medicine field. They argued that since patients spend \$47 billion each year, and there were insufficient journal articles published on this topic, better validation models were needed to formalize these innovative practices. They developed a conceptual framework which should mitigate negligence risk for practitioners and reduce opportunity lost risk for patients who miss access to a potential remedies. Their taxonomy was grounded on the successful open source approached which evolved in the information

technology field to share software knowledge. As Gopalakrishna-Remani and Fagan pointed out, since everyone has access to free software, patients and their doctors should have access to data on alternative medicine and complementary treatment methods. They concluded with recommendations for future research to improve the practice. The idea of promoting online knowledge-sharing tools among alternative medical practitioners has obvious global benefits.

### Social Identity Experiment of Groupthink Bias

Turner and Pratkanis (2014) conducted an experiment to determine if groupthink bias risk could be reduced (or eliminated) by applying team building discussion strategies (N=32). They formed three-person teams to solve a complex decision task in a randomly assigned condition. ANOVA was applied to analyze a 2x2 between-subjects design, where the treatments were collective threats (low versus high) and deliberative discussion strategies (none versus provided). Control consisted of identical manipulation designed to induce high cohesion consistent with a social identity maintenance framework. Their findings were that highly cohesive groups facing a collective threat produced poorer quality decisions (indicative of groupthink bias) when not provided with discussion strategies. However, when provided with deliberative discussion strategies, the other groups produced the highest quality decisions. The benefits of this research are valuable in as far as organizations could improve team trust, cohesion and productivity.

### Board of Director Composition Risk in Family Run Businesses

Kim (2014) sampled 177 family owned corporations (consisting of 548 fiscal-year observations) and performed ordinary least squares regression (with ANOVA) to ascertain if having arms-length board members improved profitability. His sample data supported his hypotheses that companies would fare better

when their boards were composed of directors from outside the family circle. There have been studies in the literature pointing towards this conclusion but Kim went further, demonstrating a solid research design, discussing how managerial entrenchment can be avoided, as well as exploring the link between independent directors and ‘unexpected’ cash holdings. His research is particularly relevant because there are usually more small businesses as compared to large companies in developed nations.

### **Measuring Investment Fund Manager Behavior**

Woodward and Brooks (2014) present an interesting contrast to Kim (2014) by investigating fund manager behaviors in Australian superannuation management institutions (N=134) during 1990 to 2002 (purposely excluding the fiscal crises era surrounding 2008). They measured the uncertainty of investments (via beta risk), as compared to investment purchase and sell timing, using logistic regression. They found that managed funds in which investors voluntarily select a given portfolio (e.g., commercial mutual funds) tend to experience more rebalancing due to competitive pressures as compared to private managed funds in which the contribution was controlled without the input of the client. Interestingly, their longitudinal data revealed that superannuation fund managers (in the Australian sample) could not beat the market. They concluded that the higher expenses associated with commercial funds were not justified since those funds often performed worse due to excessive rebalancing decisions as compared to private funds. Ironically in 2005 the Australian Government introduced policies which required superannuation funds to introduce voluntary contribution schemes, thus, increasing the frequency and irregularity of investment purchases, which could lead to worse performance due to fund rebalancing.

### **Analyzing Why Businesses Failure in Ghana**

Amponsah and Kanyoke (2014) collected financial data from small to medium sized

enterprises (N=111) and then they utilized a probit regression model to estimate which factors caused failures in Ghana (a country located in West Africa). Interestingly they observed that the factors which caused the financial industry failures in Ghana were different than what Europe and USA experienced during the 2008 economic recession. They found the key determinants of business failures were age of executives, house hold size, income, labor type and status of business owners in society. Additionally, inflation was a factor which impacted business failures. They concluded with recommendations to improve financial practices for small businesses.

### **FUTURE RESEARCH**

It is interesting that some cultures consider misfortune to be caused by mystical superior powers. The scientific ideology is that everything happens in a systemic cause-effect chain of events, including natural as well as man-made disasters. If you don’t believe superstition persists in modern civilizations, research how many products names contain the number ‘four’ in Mandarin, while keeping in mind the global socio-economic influence of China (with 2 billion people), plus the other east Asian countries who speak Mandarin dialects and have similar cultural beliefs. Consider how many times ‘13’ is currently used as an identification number in USSR (or the former soviet countries) - you will not likely find any occurrences.

Superstition is human uncertainty, which impacts decision making. The pivotal question which scholarly researchers need to examine is how much do cognition, attitude and socio-cultural factors impact our perceptions of risks as well as our decision making? We hope to attract more papers that investigate this complex paradigm.

Researchers are reminded that we have a broad portfolio of uncertainty and risk-related topics that we encourage researchers to investigate, beyond the pressing research question discussed above. We remain open to all formal methods, including quantitative and qualitative techniques, positivist to interpretative

ideologies, such as surveys, experiments, critical analysis, retrospective analysis, cases studies, ethnography, phenomenology, grounded theory, reflective action research, and others. Researchers across the disciplines are reminded that uncertainty, and therefore risk, are usually present in every decision we make or in every

action we take. Thus, we hope researchers from the non-business disciplines will continue to share their studies with us.

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