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# LOYOLA UNIVERSITY CHICAGO School of Business Administration RESEARCH NEWSLETTER

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## A Message from Abol Jalilvand, Dean, School of Business Administration

As a community of scholars in a Jesuit Catholic University, the School of Business Administration (SBA) is becoming a formidable presence in the Chicago and global business and educational communities. We challenge our faculty, students and alumni to strive for academic excellence, managerial relevance and responsible leadership. Our renowned scholars are not only advancing the boundaries of knowledge in their respective fields, they are also equally adept at teaching high-achieving students, speaking to scholarly and media audiences, and consulting with business and government.

The 2008 issue of the SBA Research Newsletter communicates the recent work of these accomplished scholars while inviting comments and future collaboration. This issue also features and recognizes the work of Professors Jasmine Tata and Tassos Malliaris, Walter F. Mullady, Sr. Professor of Economics and Finance, co-recipients of the prestigious 2008 Faculty Research Award.

Advancing the scholarly capacity of our faculty and students will continue to be a key priority in the future. The recent inception of a comprehensive capital campaign has provided a unique opportunity to realize our energetic vision of becoming the leading Jesuit School of Business in the United States. A main tenet of this plan involves the creation of a new state-of-the-art facility consonant with our positioning and the scholarly needs of our faculty and students.

As you read this issue of the SBA Research Newsletter, I am sure you will agree that we are surely moving forward to realizing this vision. Happy reading!

## Professors A. G. (Tassos) Malliaris and Jasmine Tata selected 2008 SBA Researchers of the Year



Each year the SBA Research Committee selects an individual or individuals to be awarded the Researcher(s) of the Year. The award recipients are chosen on the basis of the quality and quantity of their research output within the past five years as enumerated and reported in the most recent Faculty Research Inventory. This year the award was given to **A. G. (Tassos) Malliaris, the Walter F. Mullady, Sr. Professor of Economics and Finance, and Jasmine Tata, Associate Professor of Management.** We congratulate them for being awarded the 2008 SBA Researchers of the Year. This selection honors two of our colleagues who have shown clearly focused dedication to research and have been consistently ranked as the top researchers in the School of Business Administration.

Professor Tassos Malliaris has dedicated a long and distinguished academic career to the pursuit of research. He is an internationally renowned expert in financial economics and future and options markets, and has published extensively in those areas. In addition to successfully investigating difficult theoretical and practical issues in his field, he has collaborated with scholars in other parts of the world and organized conferences on timely and important issues. In recognition of his scholarly efforts, Professor Malliaris was Loyola University Chicago's Outstanding Faculty Member of the

Year in 2001 and was awarded the first SBA Researcher of the Year. Malliaris recently had two papers accepted for publication: The first one is on “The Impact of Information Signals on Market Prices When the Agents Have Non-Linear Trading Rules” in *Economic Modelling* and co-authored by Catherine Kyrtsov. The second is on “Modelling Federal Funds Rates: A Comparison of Four Methodologies,” in *Neural Computing and Applications* and co-authored by **Mary Malliaris, Associate Professor of Information Systems and Operations Management.**

Malliaris also had several presentations: “Central Bank Transparency: Theory and Empirical Tests,” 9<sup>th</sup> Biennial Conference of the Athenian Policy Forum and the Athens University of Economics and Business, Athens, Greece, July 2008 with **Marc Hayford, Professor of Economics**; “Reconsidering NAFTA,” 9<sup>th</sup> Biennial Conference of the Athenian Policy Forum and the Athens University of Economics and Business, Athens, Greece, July 2008 with Alex Kondonassis; “Financial Instabilities and Risk Management by Central Banks,” Western Economic Association International 83<sup>rd</sup> Annual Conference, Honolulu, Hawaii, June 2008 with **Marc Hayford**; and “Oil, Gold and the Euro,” Western Economic Association International 83<sup>rd</sup> Annual Conference, Honolulu, Hawaii, June 2008 with **Mary Malliaris.**

Professor Jasmine Tata is a well-known expert in the field of International Management, and has published extensively using international comparisons in work-family balance, manager influence strategies, micro-enterprises, and the related areas of social capital and micro-credit. In recognition of scholarly efforts, she was appointed a Loyola University Faculty Scholar for the years 2000 to 2003, and was named the Researcher of the Year by the SBA in 2001. In addition to her outstanding research, Professor Tata has been recognized for her teaching excellence in the international management area. She recently published “A Model for Predicting Outcomes of Sexual Harassment Complaints by Race and Gender” (with H. Luthar & E. Kwesiga) in *Employee Responsibilities and Rights Journal* and “Neural Networks and Organizational Systems” (with J. Grznar & S. Prasad) in *European Journal of Operational Research.*

**John R. Boatright, the Raymond C. Baumhart, S.J., Professor of Business Ethics,** announces the publication of the sixth edition of his textbook *Ethics and the Conduct of Business* (Prentice Hall). He



also published a book review of *Corporate Bodies and Guilty Minds: The Failure of Corporate Criminal Liability* by William S. Laufer in *Business Ethics Quarterly*. Boatright presented a paper “From Hired Hands to Co-Owners: Compensation, Team Production, and the Role of the CEO” at the Fifteenth Annual International Conference Promoting Business Ethics at St. John’s University in New York City, October 2008. He participated in an invited conference on “Business Ethics and the Theory of the Firm” at Duke University in October 2008. This past summer he served on a panel on “Employee Stock Options: How Can They Be Redesigned to Improve their Economic Efficiency?” at the International Meeting of the Financial Management Association in Prague, and also gave a presentation on “Creating a Finance Ethics Course” as part of a panel at the Seventh Annual Symposium on Catholic Society Thought and Management Education at the University of Notre Dame.



**Jan Brinckmann, Assistant Professor of Management,** published a book chapter, “Composition of Founding Teams and Growth of Academic Spin-Offs.” Brinckmann gave one presentation at the Babson Kaufman Entrepreneurship conference in Chapel Hill: “Do European Entrepreneurs Evaluate

Business Opportunities Differently than US Entrepreneurs? A Conjoint Experiment on Two Continents.” He also presented three papers at the annual meetings of the Academy of Management: “Does Strategic Planning Increase the Performance of New and Established Small Firms? A Meta-Analysis,” “Effects of Teamwork Capability and Relational Capability on Resource Acquisition of New Technology Based Firms,” and “Financial Management Competence of Entrepreneurial Teams and the Growth of New Technology-Based Firms.”

**Mine Cinar, Professor of Economics,** announces that her paper “Neural Networks - A New Tool for Predicting Thrift



Failures” (co-authored by Nick Lash and Linda Salchenberger) is ranked 9<sup>th</sup> in the “**Top 100 Cited Decision Sciences Articles.**” The paper used artificial intelligence in the context of the savings and loans failures from 1992.



**Al Gini, Professor of Business Ethics**, has had several recent publications including “Making Time for Play Time” in the *Chicago Tribune*, May 2008; “Golf: How I Lost My Dad” in *Pioneer Press*, June 2008; “Platonic Punch Lines: An Essay on Plato and a Platypus Walks into a Bar....Understanding Philosophy Through Jokes” in *The Common Review*, Summer 2008, Vol. 7; and “Liberal Education in an Interdependent World” in *Continuing Higher Education Review*, Vol. 72, 2008.

Gini also gave several presentations: “The Job of Leadership,” April 2008, Sun Source Industries; “The Meaning/Purpose of a University Education,” Long Grove Montessori, May 2008; “Leisure, Work and Play,” Project Evoke, May 2008; “The Role of Leadership in Politics,” Benedictine University, July 2008; “Can Business Ethics be Taught?” National Association of Jesuit Deans of Schools of Business, New York; “Transition, Challenges, and Change,” LUC Convocation Speech, August 2008; “Work Life Balance,” Loyola Medical School, MBA in Health Care; “Ethics in the Arts: The Voysey Inheritance,” Remy Bumpo Theater August 2008; “The Nine Jobs of Leadership,” Shared Text Symposium, LUC; “Ethics and The News,” Oak Brook Executive Business Breakfast Series, September 2008; “The Seven Deadly Sins,” Illinois Library Association, September 2008; “The Seven Deadly, but Religious Sins,” Oak Park River Forest Library, October 2008; “The Importance of Being Funny,” LUC School of Continuing Education, October 2008; and “Ethics and Politics,” Oak Brook Executive Business Breakfast series, October 2008.

**Dawn Harris, Associate Professor of Management**, chaired a session, “Behavioral and Organizational Influences of Top Management Team Composition,” at the Academy of Management meeting in August 2008. She served as a senior faculty for the doctoral consortium in the Business Policy and Strategy Division at the Academy of Management meeting. In addition, she presented a paper, “A Framework for Knowledge Alignment between Business and Information Technology,” at the Strategic Management Society meeting in October 2008. This paper is co-authored with Frederick Kae-



fer and Linda Salchenberger. She also chaired the Corporate Strategy and Governance Round Table during the preconference sessions at the Strategic Management Society meeting.



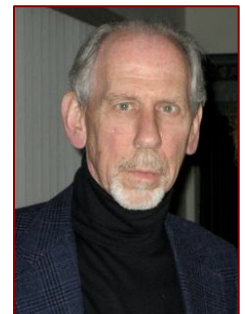
**Gezinus J. Hidding, Associate Professor of Information Systems**, wrote a paper “Complementary Resources’ Role in First Movers and Followers in I.T. Industries” in the *Journal of Information Science and Technology*. The paper’s co-authors are Jeff Williams, Professor of Business Strategy at Carnegie Mellon University, as well as Thomas Kuncheria and Tom Wilson, two alumni from Loyola’s Graduate School of Business, who are now with Booz & Co. in London, U.K. and AdReady in Seattle, Washington respectively. The paper is the third and final paper resulting from a stream of research into Follower Advantage in I.T.-driven Industries. Over a period of several years, more than 20 Loyola graduate business students assisted with the research.



**Homer H. Johnson, Professor of Management**, together with Tony Colantoni, published a case study titled “Expecting Resistance in Metro City” in the latest issue of the *Organizational Development Practitioner*. Homer and Tony were the lead consultants on a federal court mandated project to eliminate

political patronage in the Cook County Government. The case explores how, or if, one can institute change in an organization that is highly resistant to change.

**George G. Kaufman, John Smith Professor of Finance and Economics**, published articles on “A Program for Minimizing the Private and Public Costs of Bank Failure” in the *Networks Financial Institute Policy Brief* (October), “A Proposal for Efficiently Resolving Out-of-the-Money Swap Positions at Large Insolvent Banks” in the *Journal of Banking Regulation* (November), “Deposit Insurance: The Wrong Policy for Minimizing the Costs of Bank Failure,” *Journal of Economic Asymmetries* (December), and “Cross-Border Banking Challenges for Deposit Insurance and



Financial Stability in the European Union” in Lars Jonung et al, eds., *Building the Financial Foundation of the Euro* (Routledge, 2008). One of his previous papers on “A Bank by Any Other Name” was reprinted in Spanish.

Kaufman also presented papers in 2008 at the London School of Economics, the Cass Business School (London), Enterprise Risk Management Conference (Chicago), University of Groningen (Netherlands), and Baconi University (Italy). He was an invited participant at a workshop at the Bank of England. In addition, Kaufman authored op ed articles in the *Financial Times*, *American Banker*, and *Wall Street Journal Economic Blog*, and was interviewed on “Chicago Tonight” about the recent credit crisis and the bail-out.

**Sung Min Kim, Assistant Professor of Management,**

published his paper, “Collaborative Planning, Forecasting, and Replenishment (CPFR) as a Relational Contract: An Incomplete Contracting Perspective” in the *International Journal of Learning and Intellectual Capital*, co-authored with Joseph T. Mahoney (University of Illinois at Urbana-Champaign). From a review of the incomplete contracts literature and a case study of the CPFR arrangement between Proctor and Gamble and Wal-Mart, this paper posits CPFR as a process of structured learning across firm-level boundaries and as a relational contract for managing economic incentive problems, which can arise in a vertical supply relationship due to transaction costs, agency costs, and relative bargaining positions.



In addition, Kim presented a paper at the Atlanta Competitive Advantage Conference in June 2008, “Resource Co-specialization, Firm Growth, and Organizational Performance: An Empirical Analysis of Organizational Restructuring and IT Customization”. This study examines the effects of co-specialized information technology (IT) on the growth and performance of the firms as a driver of competitive advantages. Using a unique panel data of U.S. firms investing in IT applications, he found strong empirical support for the IT co-specialization hypothesis.

**Robert W. Kolb, Professor of Finance and Con-**  
**sidine Chair in Applied Ethics,** edited a monograph volume, *Corporate Boards: Managers of Risk, Sources of Risk*. This volume was the outcome of a conference

sponsored by Loyola’s Center for Integrated Risk Management and Corporate Governance in April 2008. In June 2008, he participated in a panel discussion of executive stock options at the European Financial Management Association in Prague in June 2008 and also participated on a panel at the annual meeting of the International Association for Business and Society in Tampere, Finland. The title of this panel was “Ethics of Gifts to Endow Curricula.”

Kolb was also the senior editor for the *Encyclopedia of Business Ethics and Society*, published by Sage Publications, Inc., 2008. This 5-volume work included 900 articles by 300 scholars from around the world. The *Encyclopedia* aims to cover all the significant dimensions of the normative dimensions of business and its relationship to society. In addition to serving as senior editor for the entire project and leading a team of more than 20 editors, Kolb wrote the following articles for the *Encyclopedia*: “Executive Compensation,” “Financial Derivatives,” “Freedom and Liberty,” “Distributive Justice” and “General Accountability Office.” Other Loyola contributors included **Al Gini, Professor of Business Ethics,** and **John R. Boatright, the Raymond C. Baumhart, S.J., Professor of Business Ethics,** who also served on the editorial board.



**Ellen L. Landgraf, Associate Professor of Accounting and Business Law,** presented “Fraud Awareness and Compliance for Managers,” (a course proposed and taught in the Graduate School of Business, Loyola University Chicago), at the 2008 International Fraud and Forensic Accounting Education Conference. The presentation was selected as an illustration of Best Practices in Fraud and Forensic Accounting Education and was based upon experiences in developing and teaching the course for the concentration in Risk Management of the MBA program in cooperation with the Center for Integrated Risk Management and Corporate Governance.



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**Mary Malliaris, Associate Professor of Information Systems and Operations Management**, has had an article, "Modeling Short Term Interest Rates: A Comparison of Methodologies" published in *Neural Computing and Applications*, with **A. G. (Tassos)**

**Malliaris, the Walter F. Mullady, Sr. Professor of Economics and Finance**. She presented a paper, "Oil, Gold and the Euro," at the Western Economic Association International 83<sup>rd</sup> Annual Conference, Honolulu, Hawaii, June 2008 with A.G. Malliaris. She also gave a presentation on "The Impact of Nurse Manager Characteristics on Staff Outcomes," at the CNO Annual Summit October 2008, in Phoenix, Arizona, with Fran Vlasses and Ida Androwich.

**Lawrence Metzger, Professor of Accounting and Business Law**, published a paper titled "Introducing Derivative Accounting for Governments" in the Fall 2008 issue of the *Journal of Government Financial Management*.



**Joan M. Phillips, Associate Professor of Marketing**, recently published two papers co-authored by Joel E. Urbany, and Thomas J. Reynolds. The first, "How to Make Values Count in Everyday Decisions," was published in *MIT Sloan Management Review*, 49 (Summer 2008), 75-80. This paper proposes

that values-based decision making has come to take on the exclusive meaning of socially responsible decision making. But while a greater emphasis on ethics is certainly praiseworthy, an important reality is being missed. ALL decisions--whether judged highly ethical, grossly unethical or anywhere in between--are values based. This article presents a comprehensive analytic framework that can provide a common language for discussing decisions and values with colleagues, helping to build a culture that better integrates the organizations values into staff decision making.

Phillips also published "Confirmation and the Effects of Valenced Political Advertising: A Field Experiment," in the *Journal of Consumer Research*, 34 (April 2008), 794-806. This paper suggests that the notion that negative political ads may be disliked yet influential is paradoxical, identifies four different effects of negative political

advertising and discusses the costs and potential gains of each of these effects to the advertiser. Overall, negative political ads were found to have a powerful impact on voters' mindsets that positive ads do not. Although negative ads carry a potential cost to the advertiser, these ads also have the potential to change preference and behavior in ways that benefit the advertiser. In addition, Phillips was featured in *USA Today*, *US News & World Report*, *UPI*, *CBC*, and other media.

**Anne Reilly, Associate Dean of the Graduate School of Business and Professor of Management**,



recently had her article, "The Role of Human Resource Development Competencies in Facilitating Effective Crisis Communication," published in a special issue of *Advances in Developing Human Resources* about "Crisis Management in Organizations: The Role of Human Resource Development" (10:3, 331-351). Reilly also presented a paper, "Using Individual Reflective Practice to Learn About Organizational Change," at the 15th International Conference on Learning, at the University of Illinois at Chicago in June 2008. Her paper was also included in the Conference Proceedings.

**Regina Trevino, Assistant Professor of Economics**,

announces the publication of her new textbook, *PreMBA Analytical Primer: Essential Quantitative Concepts for Business Math*. This book is a review of the analytical methods required in most of the quantitative courses taught at MBA programs. Students with no technical background, or who have not studied mathematics since



college or even earlier, may easily feel overwhelmed by the mathematical formalism that is typical of economics and finance courses. These students will benefit from a concise and focused review of the analytical tools that will become a necessary skill in their MBA classes. The objective of this book is to present the essential quantitative concepts and methods in a self-contained, non-technical, and intuitive way.

**Linda Tuncay, Assistant Professor of Marketing,** is

having her research published in the *Journal of Retailing*. The paper, "The Use of Persuasion Management Strategies by Identity-Vulnerable

Consumers: The Case of Heterosexual Male Shoppers," examines the strategies male shoppers use to manage persuasion attempts in a retail setting. She also had three papers accepted at various conferences including the Association for Consumer Research Conference in October, the Gender, Marketing, and Consumer Behavior Conference in July, and the Consumer Culture Theory Conference, also in July. Tuncay was also invited to speak at the American Marketing Association Conference this past August in a session to provide advice to graduating doctoral students.



**Arup Varma, Professor of Human Resource Management,** published *Performance Management Systems: A Global Perspective*, an edited volume (co-editors Pawan Budhwar, and Angelo DeNisi). The book was published by Routledge, U.K. Varma also co-

authored a chapter entitled "Expatriate Selection and Evaluation," in the *Handbook of Cross-Cultural Management Research*, published by Sage, (P.B. Smith, M.F. Peterson, & D.C. Thomas, eds.). Varma presented "Expatriates in Turkey – Host Country Nationals' Willingness to Help," (co-authors S. Pichler, Z. Aycan., & P.S. Budhwar) at the Academy of Management meetings, Anaheim, California (August 2008). In addition, Varma presented "Chinese HCNs' willingness to help expatriates: The Impact of Job Level" (co-authors S. Pichler, & P.S. Budhwar), at the 22nd Annual Conference of the Society for Industrial and Organizational Psychology, San Francisco, California. Varma was invited to present a research symposium on "The Global Manager: Myths and Competencies" at the Singapore campus of Xavier Labor Relations Institute, Jamshedpur (July 2008), and at the Shanghai campus of Rutgers University, New Jersey (August 2008). Varma also presented a research seminar on the "Performance Evaluation of Expatriates"

at the Work & Organizational Psychology Group, Aston University, Birmingham, U.K., in May 2008.

**Charles A. Werner, Associate Professor of Accounting and Business Law,** announces that his paper, "New FASB Standards on Consolidations and Business Combinations" was the lead article in the April 2008 edition of *Practice Advantage* published by the Illinois CPA Society. The article was distributed to 25,000 CPAs and posted on the Society's internet site.

**Thomas Zeller, Professor of Accounting and Business Law,** published two manuscripts this year. The first titled "The New Value Imperative for Privately Held Companies: The Why, What, and How of Value Management Strategy" addresses how a business can use rigorous analytics to set a strategic course and manage corporate resources. This manuscript was co-



authored by John Hill and published in *Business Horizons* 541-553 (November/December 2008). The second titled "Quality Engineering Services: A Capital Investment Decision" and co-authored by **Brian Stanko, Professor of Accounting and Business Law,** was published in *Issues in Accounting Education*, May 2008, (23:2, 327-342). This is a case that shows how to deploy Monte Carlo simulation to a mutually exclusive capital investment decision. Leadership of an engineering company must decide to update the existing information technology system or purchase a new information technology system. The case is written for graduate level accounting and finance students, and practicing professionals. Professors Stanko and Zeller wrote this case out of interaction with the practice community and the problems faced in making difficult capital investment decisions.

The Research Newsletter is published by the Research Committee of the School of Business Administration. A more complete listing of recent research by SBA faculty may be found in the annual School of Business Administration Faculty Publications and Papers Presented at Professional Meetings at: [www.sba.luc.edu/research/faculty](http://www.sba.luc.edu/research/faculty). Faculty working papers may be found at: [www.luc.edu/sba/research\\_newsletter.shtml](http://www.luc.edu/sba/research_newsletter.shtml). Select publications are displayed in the Research Showcases on the 1<sup>st</sup> and 5<sup>th</sup> floors at the School of Business Administration, Maguire Hall, 1 East Pearson Street, Chicago, Illinois.

Jasmine Tata, Editor  
Mark Law, Production Manager