

LOYOLA UNIVERSITY CHICAGO
School of Business Administration
Research Newsletter
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Researcher of the Year

Congratulations to David Merriman, Professor of Economics, on his selection as researcher of the year.

David has taught at Loyola since 1987. He received his undergraduate degree at American University and his Ph.D. in economics from the University of Wisconsin at Madison. David got off to a fast start in research and has never slowed. His dissertation was awarded the Outstanding Dissertation in Local Governmental Finance by the National Tax Institute of America (an honor shared by Larry Summers, the current president of Harvard



University).

David's research has pretty much stayed in the area of public finance. He has investigated such topics as the impact of property taxes on urban economic development, the implications of cigarette taxation on cigarette smuggling, and problems with sales taxes. His research has been sponsored by numerous public groups such as the World Bank, the Urban Institute, and Cook County. He has presented his findings at many conferences, not only in the U.S., but abroad and as far away as Thailand. His publications

are also numerous, including recent articles in the prestigious *National Tax Journal*, *Journal of Regional Science*, and *Journal of Urban Economics*. This year, David was selected program chair for the annual meeting of the National Tax Association.

Dave has also taught at Northern Illinois University and was a visiting scholar at Harvard University.

SBA Honors Anna Schwartz

Loyola University and the SBA honored Anna J. Schwartz, one of the world's best known and influential economists, by awarding her an honorary degree at the SBA graduation ceremony on May 10. She has frequently co-authored with Nobel Laureate Milton Friedman. In a special honoring celebration on May 9 in Kasbeer Hall, Schwartz presented her paper "A Critique of the IMF's Sovereign Debt Restructuring Proposal." The paper was discussed by a panel of three expert commentators – Philipp Hartmann (Director of



Research at the European Central Bank), Curt Hunter (Director of Research at the Federal Reserve Bank of Chicago), and Professor Tassos Malliaris (Loyola University). Professor George Kaufman (Director of Loyola's Center for

Financial and Policy Studies) moderated the event.



Loyola students, faculty, and guests had the opportunity to visit personally with Schwartz at the reception following the program.

Chicago Fed President Speaks to SBA and MBA Class

Michael H. Moskow, President and CEO of the Federal Reserve Bank of Chicago, addressed Loyola students, faculty, and guests on the “Current State of Corporate Governance in the United States” on April 2 in a public symposium in the Rubloff Auditorium, sponsored by the SBA and the Center for Financial and Policy Studies. In his talk, Moskow made a number of recommendations to improve the governance structure through better public policy. Earlier in the afternoon, Moskow met with students in Professor George Kaufman’s MBA Fed Watching and Monetary Policy class to discuss with them “how it really is outside the



classroom in the real world.” Moskow also met

with the faculty and guests at a reception after the symposium. Before becoming President of the Chicago Fed, Moskow held senior positions in government, business, and academia, including Undersecretary of Labor, Deputy U.S. Trade Representative, and Professor at the Kellogg Graduate School of Management at Northwestern University.

Marc Hayford, Associate Professor (Economics), A.G. Malliaris, The Walter F. Mullady Sr. Professor of Economics and Finance, and Mary E. Malliaris, Associate Professor (ISOM) are currently editing *The Global Economy: Financial, Technological and Legal Asymmetries*, which will be published by The Athenian Policy Forum Press in fall 2003. This book presents the proceedings of The Athenian Policy Forum, Sixth Biennial International Conference on The Global Economy: Financial, Legal and Technological Asymmetries, Chicago, August 16-17, 2002. This conference, held on the Water Tower Campus, was hosted by the Athenian Policy Forum and Loyola’s School of Business Administration. The book includes twenty-three papers given by conference participants, including academics and government officials from the United States, United Kingdom, Germany, Canada, and Mexico.

Homer H. Johnson, Professor (Human Resources and Industrial Relations) has a forthcoming article entitled “Does it Pay to be Good? Social Responsibility and Financial Performance” to be published in the November/December issue of *Business Horizons* journal. The article suggests that corporate social responsibility is best viewed as a continuum ranging, on one end, from companies who engage in illegal/responsible activities, to the other end, those companies who use the company as an agent of social change (Social Advocacy). The data suggest that engaging in illegal or irresponsible activities has a negative impact on financial performance. However, engaging in socially responsible

activities only has a positive impact on company financial performance when the company strategically directs such efforts in service of customers and employees. High rates of social responsible activity (Social Advocacy) either have no effect on company financial performance or may have a negative effect.

A recent article by Professor Johnson entitled “Corporate Social Audits – This Time Around” that appeared in *Business Horizons* is also being reprinted in the new Annual Edition: *Business Ethics*, 03/04, edited by John Richardson. The article notes that interest in corporate social audits has reemerged after several years of inactivity, primarily because U.S. companies are using manufacturing facilities in areas of the world in which local government standards and regulations are minimal. Social audits have now become a form of international standards. The article details several audit forms and looks at issues regarding their use.

Professor Johnson is also the case histories editor of the *Organization Development Practitioner* journal and recently published two cases, one on the issues in the use of 360 degree reviews for managers (Winter 2003), and one on the handling of negative information in client feedback (Spring 2003).

Nenad Jukic, Assistant Professor (ISOM) has published a book chapter titled: “M-Commerce: A Location-based Value Proposition”, co-authored with Boris Jukic from George Mason University, Manoj Parameswaran from the University of Maryland, and Abhishek Sharma, a graduate student at Loyola University Chicago GSB, in *Managing E-Commerce and Mobile Computing Technologies*, published by IRM Press (Spring 2003) and edited by Julie Mariga from Purdue University. The chapter investigates the likelihood of emergence of mall-like zones that are based on two factors: the geographical proximity of services and good providers and the use of mobile communications devices.

Nenad Jukic also received the Teradata University Network (TUN) Educator award in May of 2003. TUN’s mission is to be a premier academic resource for knowledge about data warehousing, DSS/BI, and database; to build an international community whose members share their ideas, experiences, and resources with one another; and to serve as a bridge between academia and the world of practice. The TUN Educator award is given regularly to a TUN-registered faculty member who makes important contributions to the design of the network; makes significant contributions to the network’s content; and uses the network in significant or creative ways. The announcement about the award and the interview with Nenad Jukic is posted on:

<http://www.teradatauniversitynetwork.com>

George G. Kaufman, John Smith Professor of Finance and Economics and Director of the Center for Financial and Policy Studies was cited in the May 3, 2003 *London Economist* for research that has contributed to improving the safety of the banking system. He also spoke and participated at a number of conferences, including one on “Global Political Economy Data” at Claremont Graduate University and one on “Community Banks” at the Federal Reserve Bank of Chicago. In February and May he attended the quarterly meetings of the Shadow Financial Regulatory Committee, which he co-chairs, in Washington, D.C.

Dow Scott, Professor of Human Resources and Industrial Relations is reporting the results of a survey of 1,200 compensation managers at the World at Work Annual Conference in San Diego this month. This study examines the impact of pay policies and practices on organizational effectiveness. Research indicates that pay communication is a problem in many organizations.

Mark Van Oyen, Associate Professor (ISOM) is serving as co-editor of a special issue on the topic of “Workforce Agility” for the industrial

engineering-based journal *IIE Transactions*. Recently he participated in two professional events. First, he went to Washington, D.C. as a member of the NSF Unsolicited Proposals Review Panel in the area of service enterprise engineering. He was also invited to the Wharton School of the University of Pennsylvania to present his work in the session on Flexibility and Skills-based Routing as part of the Conference on Call Center Management to Create Competitive Advantage, hosted by the Wharton Financial Institutions Center. This effort is based on work done as part of his National Science Foundation (NSF) grant entitled "Robust Strategies for Cross Training Call Center Agents - Taxonomy, Models, and Analysis."

His current projects involve (1) strategic and tactical frameworks on the use of cross-training in call/contact centers; (2) revision of a paper developing the concept of structural production flexibility based on labor cross-training and/or machine flexibility; (3) a working paper on "capability flexibility" that incorporates worker/machine productivity and demand rates into a mathematical method assessing flexibility, and (4) a working paper that uses queuing theory to expose basic insights regarding the use of labor pooling or floating labor in service systems such as call centers.

Arup Varma, Associate Professor (Human Resources and Industrial Relations) published the article "Participants' Satisfaction with EEO

Mediation and the Issue of Legal Representation: An Empirical Inquiry", co-authored with Prof. Lamont Stallworth in *Employee Rights and Employment Policy Journal*, Vol. 6(2), 2002, pp. 387-418.

Professor Varma is continuing his work examining Alternative Dispute Resolution mechanisms. Professor Varma, along with Professor Stallworth and Professor John Delaney (Michigan State University), recently completed a comprehensive review of the National Labor Relations Board's Unfair Labor Practices Settlement Program. The analyses are complete and the manuscripts are now being readied for submission.

He is also presenting two papers at the International Conference of Human Resource Management Ireland (June 3-6, 2003). The papers are titled (1) "High Performance Work Systems: The Impact of Human Resource Activities" (co-authored with Professor Patricia Simpson of LUC's HRIR, and Soo Min Toh (Texas A&M University), and (2) A Comparative Study of the Impact of Leader-Member Exchange in Two Samples: U.S.A. and Poland, co-authored with Professor Jacek Grodzicki of the University of Gdansk, Poland. Professor Varma is working on several research projects this summer, and hopes to have three or four manuscripts ready for submission at the beginning of the Fall quarter. In addition, Professor Varma continues his role as the book review editor of the *Human Resource Management Journal*. He was awarded the "Graduate School of Business Faculty of the Year 2003" for teaching excellence at the commencement exercises.

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A more complete listing of recent research by SBA faculty members may be found in the annual School of Business Administration Faculty Publications and Papers Presented at Professional Meetings, February 2003 (www.sba.luc.edu/research/faculty).

Faculty Working papers maybe found at www.sba.luc.edu/research/wpapers.

Select publications are displayed in the Research Showcase on the second floor of 25 East Pearson