

**LOYOLA UNIVERSITY CHICAGO**  
**School of Business Administration**  
**RESEARCH NEWSLETTER**  
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**John R. Boatright, the Raymond C. Baumhart, S.J., Professor of Business Ethics**, has recently published "Individual Responsibility in the American Corporate System: Does Sarbanes-Oxley Strike the Right Balance?" in *Business and Professional Ethics Journal*. The article is also reprinted in *ICFAI Journal of Corporate and Securities Law*. He has written an article "What's Wrong—and What's Right—with Stakeholder



Management," which is forthcoming in *Journal of Private Enterprise*. In May he delivered an address "Intermediaries and Gatekeepers: The Responsibility of Banks for the (Mis)Conduct of their Clients," to a

German banking group, the Arbeitsgruppe Compliance und Ethik in Finanzinstitutionen im Deutschen Netzwerks Wirtschaftsethik, in Amsterdam. Also in May, Dr. Boatright gave another address, "Ethics, Risk Management and Corporate Governance: The Role of Gatekeeper Institutions," at the Bentley Conference on Ethics and Risk Management in a Global Environment at Bentley College, Waltham, MA. He has completed the manuscript for the fifth edition of the textbook *Ethics and the Conduct of Business*. The book is in production, due to be published in February 2006.

**Alexei M. Marcoux, Assistant Professor of Business Ethics (Management)** has

three papers forthcoming in academic journals. In "The Concept of Business in Business Ethics" (forthcoming, *Journal of Private Enterprise*), he argues that academic business ethics is informed by no conception of its own subject matter: business. Looking at the questions occupying the center of



discourse in business ethics, it is clear that academic business ethicists focus on the ethics of organizational life, not of business. Professor Marcoux then goes on to sketch an account of what business is and to indicate the range of questions to which a business-focused business ethics would be addressed.

In "Much Ado About Price Discrimination" (forthcoming, *Journal of Markets & Morality*), Professor Marcoux argues against the widely-held view that price discrimination (charging different people different prices for the same good or service at the same time) is unfair. On any plausible welfare-based conception, price discrimination is, if anything, required to achieve fairness. Procedurally-based conceptions of fairness incline no more against price discrimination than they do unitary pricing. Although some public policy initiatives (e.g., the Robinson-Patman Act) aim to deter price discrimination, it is not to ensure fair treatment of buyers. Despite fears of pervasive, high-tech price discrimination in e-commerce voiced by Paul Krugman and Andrew Odlyzko, market competition promises to make the practice ephemeral.

In "A Counterintuitive Argument for Resume Embellishment" (forthcoming, *Journal of Business Ethics*), Professor Marcoux argues that a careful consideration of its collective action aspects leads to the conclusion that a limited form of resume embellishment is justified on consequentialist grounds. The best world, of course, would be that in which none embellished their resumes. But given that some will embellish, it is better if all embellish, rather than just some. When all embellish, it minimizes the distortion of apparent relative merits caused by resume embellishment. Employers are better able to evaluate job candidates' relative merits when those merits are minimally distorted.

In March 2005, Professor Marcoux delivered "Deception and Benefit in Business" as the Spring 2005 Prudential Lecture in Business Ethics at the Prudential Business Ethics Center, Rutgers Business School. He was also invited to deliver "Philosophy:

Accountants Need It" on September 7 at Loyola University New Orleans. That talk has been postponed due to Hurricane Katrina.

*Journal of Business Ethics* recently added Professor Marcoux to the regular reviewer boards for its Philosophical Foundations and Corporate Governance sections.

**Dawn Harris, Associate Professor (Management)** presented a paper, "The Business Value of IT: Can IT Really Be Measured?" (with Linda Salchenberger, Northwestern University), at the April 2005 meeting of the Society of Information Managers. This paper examines interview data that was collected from business and technology executives to provide an update on the current thinking of CEO's and CIO's on the business value of IT in their organizations. The interviews indicate that CEO's and CIO's are not always on the same page with respect to the role of IT and its contribution to business processes within the value chain. Dr. Harris also attended the AACSB (Association to Advance Collegiate Schools of Business) annual meeting in San Francisco in April 2005.

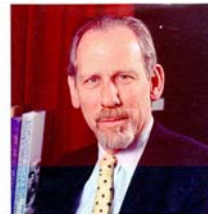


**Nenad Jukic, Assistant Professor (ISOM)**, has a new journal article titled "Comprehensive Data Warehouse Exploration with Qualified Association-Rule

Mining". This article is forthcoming in the *Decision Support Systems* journal, and it is co-authored with Dr. Svetlozar Nestorov from the University of Chicago. This paper presents a new data-mining framework (qualified association rules) that is tightly integrated with the data warehousing technology. The paper demonstrates how qualified association rules can enable organizations to find new information within their data warehouses relatively easily, utilizing their existing technology. The existing methods (standard rules) are suited to provide only partial information from data warehouses and, in most cases, require that the data must be retrieved from the database repository and examined by using separate software. The method presented in this

paper provides a more complete view of the data (both standard and qualified rules), while allowing the data to remain in the data warehouse and using the processing power of the database engine itself.

**George Kaufman, John Smith Professor of Finance and Economics (Finance)**, presented invited papers on "Problems with Basel II for Banks" at the Pacific Basin Finance Conference at Rutgers University, on "Cross-Border Banking" at the Bank of Norway in Oslo, on "Resolving Bank Insolvencies" at the Bank of Guatemala in Guatemala City, and in "Comparing Bank and Corporate Bankruptcy Codes" at the FDIC in Washington, D.C. The last paper was also presented at the joint meeting of the Western Economic and North American Economic and Finance Associates in July in San Francisco. In August, he presented two of the above papers at the American Institute for Economic Research in Great Barrington, MA. In October, he presented invited talks on "Efficient Bank Insolvency Resolution" to the annual meeting of the International Association of Deposit Insurers in Taipei, Taiwan and as the keynote address to the Taiwan Economic Association. He co-chaired the quarterly meetings of the Shadow Financial Regulatory Committee in September in Washington, D.C. and the Annual Meeting of the Financial Economists Roundtable in Sonoma, Ca. He co-edited a book *Systemic Financial Crises: Resolving Large Bank Insolvencies* and published a chapter on "The Development and Structure of Financial Markets on the European – American Economy" in a book on the *European – American Finance Alliances*.



**Linda K. Stroh, Professor (HRIR) and Homer H. Johnson, Professor (Management)** recently completed a book on consulting skills to be published next month by Lawrence Erlbaum and Associates. The book, titled "Basic Essentials of Effective Consulting," provides a unique and very practical approach that will be helpful to all types of consultants and consulting projects. The outline of book follows a step-by-step consulting process that starts with the initial client contact and ends with successful completion of the project. Numerous hands-

on examples are presented for each step of the process from writing a proposal and securing a contract to providing a feedback report to initiating change in organization. In addition, each chapter provides a real life case example written by an expert consultant. The book should be a valuable resource both to the experienced consultant as well as the beginner.



**Arup Varma, Associate Professor and Director (Institute of Human Resources and Industrial Relations)** presented a paper at the Academy of Management conference held in Honolulu, HI (August 2005).

The paper was titled "A Quasi-Experimental Field Study on the Impact of Host Worker Perceptions on Expatriate Adjustment" and was co-authored by S.M. Toh, University of Toronto, P.S. Budhwar, Aston University, and S. Biswas, IIT, Kharagpur, India.)

Arup also presented a paper at the 8th Conference on International Human Resource Management, Cairns, Australia (June 2005). This paper was titled "A Two-Nation Study of Host Country National Categorization of Expatriates: U.K. and India". Co-authors were S.M. Toh, University of Toronto and P.S. Budhwar, Aston University).

A third paper was presented at the European Academy of Management Conference, Munich, Germany. The paper was titled "An Empirical Investigation of Host Country National Categorization of Expatriates in the United Kingdom." (Co-authors were S.M. Toh, University of Toronto, P.S. Budhwar, Aston University, and S. Biswas, IIT, Kharagpur, India.)

Arup published a book review of "The Workforce Scorecard: Managing Human Capital to Execute Strategy." (Authors: Huselid, Becker, and Beatty) in the *Human Resource Management Journal* (2005), Volume 44(3), pp. 359-361.



**Marc D. Hayford, Associate Professor (Economics)** had his paper "Fiscal Policy and National Saving" published in the May 2005 issue of

*Applied Economics*. This paper measures the dynamic impact of discretionary changes in U.S. Federal government spending and tax revenues on the U.S. real GDP gap and U.S. national saving. The paper finds that positive shocks to Federal government spending substantially reduce national saving while tax cuts have a small negative impact on national saving.



Also in May 2005, Professor Hayford and **Tassos Malliaris, The Walter F. Mullady Sr. Profes-**

**sor of Economics and Finance in the School of Business Administration** had their paper "How Did the Fed React to the 1990s Stock Market Bubble? Evidence From an Extended Taylor Rule" published in the *European Journal of Operational Research*. In June 2005 Professor Malliaris and Hayford published their paper "Recent Monetary Policy in the U.S.: Risk Management of Asset Bubbles" in the *Journal of Economic Asymmetries*. In this paper, Professors Hayford and Malliaris apply a risk management approach as suggested recently by Fed Chairman Alan Greenspan to explore the policy dilemmas the Fed faced in the 1990s. Drawing on Greenspan's comments about conducting monetary policy in the real world of risk and uncertainty, the paper assesses why US monetary policy was neutral with respect to the stock market boom. In October 2005 Professor Hayford served as the President of the Illinois Economics Association at the 35<sup>th</sup> Annual Meetings of the Illinois Economics Association.



**Vefa Tarhan, Ralph Marotta Professor of Free Enterprise (Finance)** was invited to present his paper "Cashflow Sensitivities with Constraints" (co-authored with Todd Pulvino of Northwestern University) at the

Henry B. Tippie College of Business, University of Iowa on Friday October 28<sup>th</sup> 2005 and on Friday November 18 at the Centre for Research on Finance at HEC Montreal.

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