



LOYOLA UNIVERSITY CHICAGO
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On December 7, 2005, the **Center for Financial and Policy Studies of the School of Business Administration** sponsored a public symposium on **“Is There a Price Bubble in Housing?”** The symposium featured four experts in the economics of residential housing, Richard Brown (Chief Economist for the FDIC), Stephen Friedman (President of S.B. Friedman & Co. in Chicago), Richard Rosen (Senior Economist at the Federal Reserve Bank of Chicago), and Carl Tannenbaum (Chief Economist for the LaSalle Bank). There was considerable agreement among the speakers that the housing market was likely to weaken in the next few years and that the double digit price increases of recent years were unlikely to continue. On the other hand, neither were prices likely to crash like stock prices did at the turn of the century, although, since real estate is local, sharp price declines might occur in some regions that saw more spectacular price increases. Chicago was unlikely to be included among such areas, however. The symposium was attended by a full house of more than 200 persons in Rubloff Auditorium. The *Chicago Tribune* devoted a major article in its December 9th issue to the symposium.



(left to right: Professor A.G. Malliaris, Richard Brown, Stephen Friedman, Richard Rosen, Professor George Kaufman, Dean Abol Jalilvand)

Linda Tuncay, Assistant Professor (Marketing), presented two papers at the Association for Consumer Research Conference held in San Antonio, TX this past October. The first paper, entitled, “Men’s Responses to Depictions of Ideal Masculinity in Advertising” was featured in a special session on Masculinity and Consumption and examined how Generation X men responded to images of masculinity in ads. The second paper was entitled, “Transformational Products and Everyday Consumption Contexts,” and was co-authored by Cele C. Otnes of the University of Illinois at Urbana-Champaign and Julie Ruth of Rutgers University. Both papers are forthcoming in *Advances in Consumer Research*, Vol. 33. Also, last May, she presented the paper, titled, “Persisting and Failing in the Marketplace: A Cultural-Discourse Interpretation,” at the First International Congress of Qualitative Inquiry. The paper explored how consumers conceptualize trying and failing when pursuing a culturally entrenched consumption goal and was published in *Congress of Quality Inquiry*, 2005.



Suzy Fox, Associate Professor of Human Resources and Industrial Relations, with co-author Paul Spector had her book, *Counterproductive Work Behavior: Investigations of Actors and Targets*,

published by APA Press. They also published two chapters in books “The Many Roles of Control in a Stressor-Emotion Theory of Counterproductive Work Behavior” in P.L. Perrewe & D.C. Ganster (Eds.), *Research in Occupational Stress and Well Being*, Elsevier and “Emotions, Violence and Counterproductive Work Behavior” in E. K. Kelloway, J. Barling, & J. Hurrell (Eds.), *Handbook of Workplace Violence*, Thousand Oaks, CA: Sage.

In the area of Workplace Bullying, together with her colleague, **Lamont E. Stallworth, Professor of Human Resources and Industrial Relations**, “Racial/Ethnic Bullying: Exploring Links Between Bullying and Racism in the U.S. Workplace” was published in the *Journal of Vocational Behavior*.

Professor Fox’s work on the Successful Women Worldwide project has been ongoing over the past 6 years with a team of 10 scholars from Canada, the U.S., Mexico, the West Indies, Argentina, and Brazil. In 2005 the team published “Career Success in a Cross-Cultural Context: Gender-Sensitive Theoretical Perspectives”, Proceedings, Academy of International Business, Bath, UK, April, 2005.

Professor Fox presented “The Good, the Bad (and this may get Ugly): Do Good Citizens Perform Counterproductive Work Behavior?” at last summer’s Academy of Management in Honolulu, and in November, she presented an all-day continuing education workshop to psychologists at the Puerto Rican Psychological Association, entitled “Work Dysfunctions: Antecedents, Consequences and Intervention Strategies.”

Professor Fox’s new project, “The Role of Control in the Job Stress of University Professors”, has been awarded a 2006 Summer Stipend by the Loyola Center for Faculty Professional Development for work on a new study of relations among stress, emotions, control, burnout, and productivity in academic faculty. This proposal was also chosen by the Loyola Office of Research Services to be submitted for additional funding to the National Endowment for the Humanities.

Dawn Harris, Associate Professor (Management) presented a paper, “The Board

of Directors and the CEO Selection Decision: Sociopolitical Dynamics, Social and Human Capital” at the Strategic Management Society 25th Annual International Conference in October 2005. This paper introduces a framework for analyzing CEO selection that brings together the CEO human capital approach with a conceptualization of the Board of Directors as a network of individuals with varying degrees of internal social capital. She also presented a paper in the session, “Women in Strategic Management: Progress and Prospects for the 21st Century” at the Strategic Management Society conference in Orlando, Florida. This paper presents new research findings on the representation of women in top management. She was invited to a forum at Duke University in December 2005.



George G. Kaufman, the John Smith Professor of Finance and Economics, testified before the Banking Committee of the U.S. Senate on bank capital standards on November 10th. In October, he co-chaired the annual joint international meeting of five Shadow Financial Regulatory Committee in Seoul, Korea and in December, the quarterly meeting of the U.S. Shadow Committee in Washington, D.C. Also

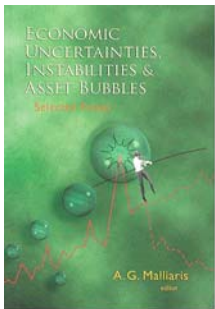


in October, he presented a paper and chaired a session at the annual international conference cosponsored by the Federal Reserve Bank of Chicago and the World Bank on “Cross-Border Banking” in Chicago, which he also co-organized. In December, he presented a seminar at the Federal Reserve Bank of Chicago. His coauthored paper on “Bank Crisis Resolution” was published in the Economic Review of the Federal Reserve Bank of Atlanta. He chaired sessions and participated at the annual meetings of the Financial Management Association in October in Chicago and the Allied Social Science Association in January in Boston.



A.G. Malliaris, The Walter F. Mullady Sr. Professor of Economics and Finance in the School of Business Administration had his book, *Economic Uncertainty, Instabilities and Asset Bubbles* published by World Scientific Publishing Co, New Jersey.

This book is a collection of twenty journal articles written or co-authored Professor Malliaris. The topics covered include, economic growth, inflation, the application of stochastic calculus and chaotic dynamics to the quantity theory of money, equity markets and foreign currency markets. The link between asset bubbles and monetary policy is also discussed as is the crash of October 1987 and other crashes of national equity markets due to the Persian Gulf Crisis.

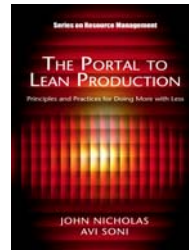


David F. Merriman, Professor of Economics published his paper “A Theoretical Analysis of Medicaid Supplantation” in the January 2006 edition of *Public Finance Review*.



States will attempt to manipulate intergovernmental grant programs such as Medicaid to maximize federal aid. Merriman shows that, surprisingly, the use of federal Medicaid funds to pay for unsanctioned expenses will not normally result in reduced state spending on Medicaid. Professor Merriman and Richard Dye co-authored a paper that summarizes their work on tax increment finance for the January 2006 edition of *Land Lines* which is published by the Cambridge, MA-based Lincoln Institute of Land Policy. Merriman also presented his paper (co-authored with Therese McGuire) “State Spending on Social Assistance Programs Over the Business Cycle” at a National Poverty Center conference in Washington, D.C. and a number of other professional meetings. McGuire and Merriman find that states continued to fund anti-poverty programs during the most recent economic

downturn despite the lack of federal matching for welfare spending after the mid-1990s welfare reform.



John Nicholas, Professor of Operations Management (ISOM) recently had his book *The Portal to Lean Production: Principles and Practices for Doing More with Less*, published by Auerbach Publications (2006). The book

describes the philosophy, methodology, and applications of lean production, a management philosophy that emphasizes elimination of waste and continuous improvement, and was developed by Toyota Motor Company and has been a major contributor to Toyota’s success. The book provides examples of techniques for lean production scheduling and control, employee participation and teamwork, and supplier partnering. Nicholas wrote the book with Avi Soni, manager at a successful Chicago manufacturer, who over a period of ten years adopted lean production philosophy and methods in his plant. Examples from Soni’s experience illustrate the difficulties and benefits of implementing lean production.



Vefa Tarhan, Ralph Marotta Professor of Free Enterprise (Finance) published his paper “General Characteristics of Developing Country Capital Markets and Asymmetry Related Allocation Problems,” in *The Journal of Economic Asymmetries*, 2005, Vol. 2. Professor Tarhan’s paper titled “Cash Flow Sensitivities with Constraints” co-authored with Todd Pulvino, received the best paper award in corporate finance at the 2005 Financial Management Association Annual Meeting. Professor Tarhan also presented his paper, co-authored with Todd Pulvino, titled “Allocating a Dollar of Cash Flow: Investment, Financing and Distribution Decision Sensitivities,” at Northwestern



University, DePaul University, and The Federal Reserve Bank of Chicago (all invited seminars). He also presented his paper titled "General Characteristics of Developing Country Capital Markets and Asymmetry Related Allocation Problems" at the Athenian Policy Forum, and presented his paper titled "The Joint Dynamics of Debt and Equity Financing," co-authored with Vladimir Gatchev and Paul Spindt, at the European Financial Management Association Meetings. Professor Tarhan presented his paper titled "Cash Flow Sensitivities with Constraints" at the Financial Management Association Meetings. He also presented his paper titled "Corporate Investment Decision Practices and the Hurdle Rate Premium Puzzle," co-authored with Iwan Meier, at the Sabanci University (invited seminar). Finally, Professor Tarhan presented his paper titled "The Connection Between Capital Markets and Real Sector of the Economy" at the Global Business and Economics Conference.

Arup Varma, Associate Professor and Director (Institute of Human Resources and Industrial Relations) published "The Role of Interpersonal Affect in Performance



Appraisal: Evidence From Two Samples: U.S. and India" in the *International Journal of Human Resource Management*, Vol. 16, November 2005. Shaun Pichler of Michigan State University, and Ekkirala Srinivas of Xavier Labor Relations Institute, Jameshedpur (India), were co-authors. In this quasi-experimental field study, the authors studied the impact of interpersonal affect (liking) on performance ratings, and found that affect may not always be operating as a bias in performance appraisals, especially where supervisor affect for the subordinate develops as a result of past performance. Arup also published a paper in the *Human Resource Management Journal*, Vol. 44, November 2005. This paper was titled "The Effects of Employment Arbitration and Employee Rights on Organizational Attraction," and co-authored with Doug Mahony and Brian Klaas of University of South Carolina, and John McClendon of Temple University.

Arup was also invited to present a research symposium on "Host Country National Categorization of Expatriates" at the School of Labor Industrial Relations at Michigan State University on October 31, 2005.

The Research Newsletter is published by the Research Committee of the School of Business Administration.

Editor-----Professor Marc Hayford
Production Manager-----Mark Law

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 at: www.sba.luc.edu/research/faculty

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