Strategy and the BTOF: Examining the Moderating Influence of Diversification on Firm Actions in Response to Attainment Discrepancy and Slack Resources

We examine managerial responses to performance shortfalls and slack resources under different corporate strategies. We find that the level of corporate diversification moderates the relationship between negative attainment discrepancy and both R&D investments and changes in corporate scope so that highly diversified corporations are less responsive to performance shortfalls. We also find that the level of corporate diversification moderates the relationship between slack resources and both R&D investments and changes in corporate scope. Our findings demonstrate that the current strategic posture of the corporation, measured here as the degree of diversification, strongly influences how it responds to behavioral pressures.

Sponsors: Oklahoma State University, Michigan State University
PI/PDs: Federico Aime
Michigan State University: Gerry McNamara, Kalin Kolev

The Riddle of Heterarchy: Power Transitions in Cross-Functional Teams

This paper examines the implication of a heterarchical – as opposed to a hierarchical – conceptualization of power structures in cross-functional teams. Through qualitative interviews and an empirical study of 516 directional dyads in 45 teams in a longitudinal experimental setting we analyze the implications of heterarchical power structures for the stability of dyadic power relations in dyads within teams. Our results indicate that power expressions and their legitimacy shifts between members in cross-functional teams as a result of the relevance of their personal resources to the changing needs of the team project at different stages in the project. Also, we find that these shifts in power expressions and their legitimacy have significant implications for team outcomes. These results support the need to update our theories of power to the changing nature of work in the knowledge economy.

Sponsors: Smeal Research Grants Program
PI/PDs: Federico Aime, Jeff Paul
Pennsylvania State University: Stephen Humphrey
University of Michigan: D. Scott DeRue

The Combinatorial Bandwidth Packing Problem

In managing a telecommunications network, decisions need to be made concerning the admission of requests submitted by customers to use the network bandwidth. The classical bandwidth packing problem requires that each request submitted by a customer use network resources to establish a one-to-one connection involving one single pair of nodes. We extend the problem to the more practical case where each request submitted by a customer to use the network resources includes a set or combination of calls. This extension suggests that each request requires one-to-many or many-to-many connections to be established between many communicating node pairs. The extension has applications in many important areas such video conferencing and collaborative computing. The combinatorial nature of the requests makes the admission decision more complex because of bandwidth capacity limitations and call routing difficulties. We develop an integer programming formulation of the problem and propose a procedure that can produce verifiably good feasible solutions to the problem. The results of extensive computational experiments over a wide range of problem structures indicate that the procedure provides verifiably good feasible solutions to the problem within reasonable computational times.

Sponsor: State of Oklahoma
PI/PDs: Ali Amiri
Oklahoma Per Capita Personal Income: Converging or Diverging Trends?
This paper investigates recent trends of per capita personal income in the state of Oklahoma to ascertain what if any long-run trends are exhibited. Standard theoretical analysis suggests that per capita incomes are expected to converge, especially across regions. However, recent research indicates that the national trend is one of regional income divergence. The question posed by this paper is whether Oklahoma per capita income supports evidence of divergence.

Sponsor: State of Oklahoma
PI/PDs: Orley Amos Jr., Tim Ireland

Founders’ Dispositional Positive Affect and New Venture Performance: Moderating Effects of Firm Size
Research findings indicate that dispositional positive affect (DPA) is related to many beneficial outcomes (e.g., enhanced career success; development of extensive, high quality social networks; improved performance on many tasks). Past research, however, focused on the relationship between dispositional positive affect and individual performance and outcomes. The present research, in contrast, investigates the relationship between entrepreneurs’ dispositional positive affect and firm-level outcomes (sales growth rate, product innovation). Results indicate that founders’ dispositional positive affect is significantly related to these measures of new venture performance. However, this relationship is curvilinear in nature (i.e., performance increase with DPA up to a specific point, but then declines) and, as predicted, is moderated by firm size, being stronger for small than larger companies. These results contribute to the development of theory for understanding the role of founders’ DPA in new venture creation and, more generally, for understanding how, and when, founders’ skills, motives, affect, and other characteristics influence new venture performance.

Sponsors: Oklahoma State University
PI/PD: R.A. Baron, J. Tang, K.M. Hmieleski

Shared Authentic Leadership Within New Venture Top Management Teams and Firm Performance: The Mediating Role of Positive Affective Tone
The present study applied affective events theory (AET) to examine the relationship between the shared authentic leadership behavior of new venture top management teams (TMTs) and the performance of their firms. Consistent with AET, findings from a national (United States) random sample of new ventures demonstrated that positive team affective tone mediated the relationship between new venture TMTs’ shared authentic leadership behavior and firm performance. Implications of these findings are discussed with respect to the role of collective emotions within the new venture development process, as well as to how they contribute to the upper echelons and positive organizational behavior literatures.

Sponsors: Oklahoma State University
PI/PD: R.A. Baron, K.M. Hmieleski

Founder’s Prior Venture Experience and Opportunity Exploitation Decisions in Heterogeneous Environments
The strategic decision to exploit an opportunity is crucial for new ventures, but is especially difficult in heterogeneous environments. To make such decisions effectively, venture founders must direct attention to key variables (e.g., stakeholder support, technology development, managerial capabilities, customer demand). On the basis of prior research on expert performance, we predict that experienced founders will weight these variables more heavily than inexperienced founders in making exploitation
decisions and that these differences will increase with environmental heterogeneity. Results offer support for the predictions, thus providing new insights into the complex processes influencing founders’ exploitation decisions.

**Sponsors:** Oklahoma State University  
**PI/PD:** R.A. Baron, A. Klaukien, D.A. Shepherd, H. Patzelt

**The Buffering Effects of Lead Entrepreneurs’ Psychological Capital on the Relationship of Work-Family Conflict with Work**  
Based on a conservation of resources theoretical framework, this study examined the potential buffering effects of psychological capital (i.e., the inner cognitive and emotional resources that help individuals to cope with adversity) on the relationship of work-family conflict with a lagged measure of work satisfaction. Participants comprised a national (U.S.) random sample of lead entrepreneurs (i.e., individuals who are both founder and CEO of their firms). Consistent with predictions, work-to-family conflict and family-to-work conflict were each found to have significant negative indirect effects (via work tension) on work satisfaction. However, psychological capital effectively buffered (i.e., moderated) these effects so that they were nonsignificant for entrepreneurs who were average or higher in psychological capital. The findings support and extend conservation of resources theory by indicating that psychological capital serves as an important personal resource that enables individuals to maintain a positive attitude toward their work despite short-term resource losses stemming from work-family conflict.

**Sponsors:** Oklahoma State University  
**PI/PD:** R.A. Baron, K.M. Hmieleski, J.A. Carr

**The Downside of Being Up: Detrimental Effects of Entrepreneurs’ High Levels of Dispositional Positive Affect for New Venture Performance**  
Previous research suggests that dispositional positive affect—the tendency to experience positive feelings often and in many situations—is related to important benefits (e.g., enhanced career success, development of high quality social relationships). Additional evidence indicates, however, that at high levels, dispositional positive affect is associated with detrimental effects. Three theoretical frameworks concerned with the nature of affect help integrate these divergent findings by suggesting that the relationship between dispositional positive affect and performance of many different tasks is curvilinear in nature. Performance increases with positive affect up to an inflection point, but then declines. Such declines are most likely to occur at high levels of positive affect and when individuals face challenging environments. Entrepreneurs tend to be high in dispositional positive affect and often function in very demanding environments; thus, they may be especially at risk for such detrimental effects, which may interfere with their capacity to perform key tasks (e.g., making accurate decisions, developing and implementing innovations). The potential role of environmental conditions in determining the location of the inflection point on the affect-task performance function is discussed, procedures for mitigating detrimental effects of positive affect are described, and avenues for future research are proposed.

**Sponsors:** Oklahoma State University  
**PI/PD:** R.A. Baron, K.M., Hmieleski, R.A. Henry

**The Role of Entrepreneurs in Firm-Level Innovation: Joint Effects of Positive Affect, Creativity, and Environmental Dynamism**  
Innovation is often a crucial ingredient in new venture success but at present, we know relatively little about the role of individual entrepreneurs in encouraging its occurrence. The present research addressed this issue by investigating the joint effects on firm-level innovation of two variables pertaining to entrepreneurs (their creativity and positive affect) and a key environmental variable (environmental
Although it has been predicted that affect plays an important role in entrepreneurship (Baron, 2008), relatively little empirical evidence on its effects has been obtained to date (e.g., Foo, in press). Further, although the link between creativity and innovation has been described in past literature (Amabile, 1988), direct evidence for its existence is currently lacking. Findings of the present research indicate that positive affect among founding entrepreneurs is significantly related to their creativity and that creativity, in turn, is positively related to firm-level innovation. Both of these relationships are moderated by environmental dynamism, being stronger in highly dynamic than stable environments.

**Sponsors:** Oklahoma State University  
**PI/PD:** Robert A. Baron, Jintong Tang

**Unethical Behavior by Entrepreneurs: The Lure—and Dangers—of Moral Disengagement**  
Prominent entrepreneurs sometimes engage in brazen unethical actions. We suggest that these derive, at least in part, from moral disengagement—a cognitive process that deactivates the self-regulatory systems that normally prevent or restrain such behavior (Bandura, 1986). Several factors combine to place entrepreneurs at special risk for experiencing moral disengagement (e.g., their intense identification with their companies, belief in their own moral superiority). Once moral disengagement develops, additional factors relating to new ventures and their environments (e.g., the absence of external restraints, high levels of environmental dynamism) influence the likelihood this process will result in unethical behavior. Practical and theoretical implications of this model are examined.

**Sponsors:** Oklahoma State University  
**PI/PD:** Robert A. Baron, Hao Zhao

**Alliance Experience and Service Quality**  
A firm’s ability to manage alliances is believed to be a key source of competitive advantage. Existing research suggests that alliance management capability stems primarily from alliance experience. This paper investigates whether firms with alliance experience are effective in managing complex alliance relationships to deliver quality services. The paper relied on data maintained by nine U.S. airlines over a 20-year period. The results suggest that the effectiveness of alliances in delivering service quality is mixed. Alliances consume substantial time and effort of bounded rational managers. Thus, alliances are conductive to certain dimensions of service quality and are detrimental to others.

**Sponsors:** Department of Management, Eastern Kentucky University; School of Entrepreneurship, Oklahoma State University  
**PI/PDs:** Bruce Barringer  
Eastern Kentucky University: Zhe Zhang

**How Much Pre-Launch and Post-Launch Planning Takes Place and How Much Difference Does it Make**  
This study examined the amount and value of pre-launch and post-launch planning for a sample of 17 young entrepreneurial firms. The results indicate that entrepreneurs engage in moderate levels of pre-launch planning and low levels of post-launch planning. Particularly interesting is the alternating roles of planning and learning. Pre-launch, entrepreneurs emphasize planning over learning, but once a venture is launched, the roles reverse and learning becomes more important than planning. Once a venture settles in, the roles of planning and learning reverse again, and planning becomes more important than learning. Learning manifests itself as a firm’s ability to iterate its plans.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Bruce Barringer
Contrasting the Creation and Discovery Theories of Entrepreneurial Action: A Comparative Case Study

Creation and discovery theory are contrasting theories of how entrepreneurial firms start. Historically, researchers have described the business startup process through a discovery theory lens, in which an individual recognizes and opportunity and launches a firm. A new theory, called creation theory, argues that business ideas originate with the entrepreneur, in which the entrepreneur creates the opportunity rather than discovers it. I tested these theories with a group of 20 young entrepreneurial firms. The results affirmed that entrepreneurs follow both the discovery theory and the creation theory of entrepreneurial startup, and in some cases business starts represent combinations of both.

Sponsors: Oklahoma State University
PI/PDs: Bruce Barringer

Boundary Conditions of Trust Transference Between Leaders, Followers, and Coworkers

This study examines how trust in different referents interacts to inform trust in another party. Data collected from call center employees showed complex patterns that suggest that rather than operating as independent assessments, trust in one referent can, under certain conditions, affect trust in other referents. Managerial and organizational implications are considered.

Sponsors: Oklahoma State University
PIs/PDs: Wm. Matthew Bowler, Jeff Paul, Mark Gavin

Voice Climate in Organizations: A Group-Level Examination of Antecedents and Its Influence on Group Voice Behavior

This study draws from social information processing theory and the climate literature to examine antecedents and outcomes of voice climate. We investigate group-level antecedents to a voice climate in work groups and voice climate’s relationship with group voice behavior. Our results indicate that group perceptions of involvement climate and supervisor undermining have a significant influence on group perceptions of voice climate. In addition, the relationship between involvement climate and voice climate is moderated by supervisor undermining, highlighting the unique influence of supervisors on the work group’s environment.

Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler

Profiles of Job Embeddedness: Patterns of Deviance and Citizenship Behaviors

Drawing on research on job embeddedness, we propose a framework of embeddedness profiles. Utilizing cluster analysis, we obtain evidence for these profiles based on combinations of organizational and community-based factors. The profiles are validated and related to important performance outcomes. Implications of these findings for theory and practice are discussed.

Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler, Jeffrey Paul, R. Evan Davis, Jeremy Acord, Kayla Pattinson, Olga Randolph, Julie Welch

Experienced Workplace Rudeness: Its Antecedents and Consequences

This network study examines how employees experience and demonstrate rude acts in the workplace. We look at the spiraling nature of rudeness, what causes rudeness, how rudeness spreads in the workplace, and how employees react both toward the instigator and the organization.

Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler

University of Northern Illinois: Don Kluemper, Shannon Taylor
The Dark Side of Organizational Citizenship Behavior
In this study we examine the negative outcomes of working beyond one’s job description. The main research question is: How does performing organizational citizenship effect employee burnout and in-role performance?
Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler, Gabi Eissa

Toward an Understanding of Advice-Seeking Behavior: A Social Network Perspective on Seeking Advice and Gaining Influence in Organizations
Drawing upon theories of proactivity and impression management, we investigate the relationship between advice seeking and perceptions of influence in organizations. In a social network study of 91 employees (4,095 observations), we found that employees who sought advice were rated as more influential. Furthermore, the results indicate that those who seek advice gain the most influence when they solicit it from influential advisors, experts, and those who bridge structural holes and when they seek at least as much advice from their advisor as their advisor seeks from them. Implications and directions for future research are also discussed.
Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler
University of Houston-Clear Lake: Troy Voelker
University of Oklahoma: Mark Bolino

The Ties That Buy: The Role of Interfirm Social Contagion Across Customer Accounts
This study investigates how purchase decisions may be influenced by ties linking customer account personnel and sales personnel. Two distinct forms of social contagion – cohesion and structural equivalence – are posited as mechanisms for triggering purchase similarity among customer accounts. We empirically test our hypotheses using field-collected sociometric data that captures social ties among customer accounts and sales personnel within a retail sales territory. The results support structural equivalence rather than cohesion as a key driver of brand choice similarity among retail firms. The paper concludes with a discussion of implications for sales management practice and research.
Sponsors: Oklahoma State University
PI/PDs: Wm. Matthew Bowler
Creighton University: Matthew T. Seevers

A Process Based Analysis of E-procurement Adoption
This article develops a model to explain the factors that impact the adoption of electronic procurement techniques from a business customer’s perspective. The model was drawn from a comprehensive investigation of literature that addresses various issues in e-procurement adoption. Data were obtained from corporate Web site visitors of a power tool company in the construction industry in United States. A total of 399 completed surveys were used for analysis. After a series of exploratory and confirmatory factor analyses, we found that e-procurement drivers and barriers can be classified into three groups: perceived drivers, perceived internal barriers, and perceived information barriers. Multiple regression analysis results show that in general perceived drivers were the main predictor for adoption of e-procurement techniques. Internal and information barriers, however, were significant when business customers are engaged in a new buying situation.
Sponsor: State of Oklahoma
PI/PDs: Goutam Chakraborty
University of Jordan: Amjad Abu-ELSamen
The Role of Justice and Trust in Business-to-Consumer Relationships

Our research focuses on the business-to-consumer context by exploring the influence of justice and trust on the consumer’s propensity to stay or leave a service relationship. A model is tested on consumers regarding their relationship with a state employee insurance group provider. The model tests service reliability on two key mediators borrowed from the Morgan and Hunt (1994) Trust Model. This variable is a new addition to the Trust Model. Results indicate that justice (procedural and distributive) and trust mediate the effect of communications, service reliability, and opportunistic behavior on intentions to stay with or exit a service relationship. These results are important for service companies because reduction of customer defection generally increase profits. Developing long-term relationships with customers could also protect a service provider from customer defections to a lower priced competitor during sluggish economic periods.

Sponsors: State of Louisiana and State of Oklahoma
PI/PDs: Goutam Chakraborty
Louisiana State University: Daryl McKee (deceased)
Southeastern Oklahoma State University: Jane W. Licata

Optimal Pricing and Entry Rules When a Regulated Dominant Firm Faces a Competitive Fringe

In this paper, we study optimal regulation of a dominant firm facing an unregulated competitive fringe. First, assuming the size of the competitive fringe is fixed, we demonstrate that the usual “Ramsey Rule” for second-best efficient pricing remains applicable in this context. We also examine the suitability of the Laspeyres price cap and show in particular that it retains its desirable properties. As a policy recommendation, this implies that regulators should continue to apply Laspeyres price cap regulation to the dominant firm after competition has materialized. Then, assuming that price and entry control are regulatory instruments, we characterize the efficient pricing and entry rules. We demonstrate that the free entry equilibrium number of firms will be excessive relative to the efficient number of firms, thereby providing a new “Excess Entry Theorem.” Finally, we suggest a modification of the Laspeyres price cap that can incentivize the regulated dominant firm to support efficient entry into the fringe.

Sponsors: Spears School of Business
PIs/PDs: Kevin M. Currier

Rapid Digital Game Creation for Broadening Participation in Computing and Fostering Crucial Thinking Skills

Computer games have a broad appeal that transcends gender, culture, age, and socio-economic status. We outline the case for using rapid computer game creation as an innovative pedagogical approach for broadening participation in computing and fostering crucial thinking skills in the populace, thereby helping bridge the digital divide. Rapid computer game creation allows a designer without formal knowledge of programming to build games quickly. It involves the use of rapid prototyping tools to create objects with visual representations, assign properties to the object instances, and define event-driven behaviors. We provide a theoretical basis for this approach, survey its use in the classroom, and study the relationship between rapid computer game creation and creative, critical and computational thinking.

Sponsors: Oklahoma State University
PIs/PDs: Nikunj Dalal, Parth Dalal, Subhash Kak, Pavlo Antonenko, Susan Stansberry
Constructs Measured by Situational Judgment Tests and Their Criterion-Related Validities
We identified and classified the construct domains assessed by situational judgment tests into a content-based typology. We found that SJTs most often assess leadership and interpersonal skills, and those SJTs measuring teamwork skills and leadership have relatively high validities for overall job performance. We also found evidence that (a) matching the predictor constructs with criterion facets improved criterion-related validity; and (b) video-based SJTs tended to have stronger criterion-related validity than pencil-and-paper SJTs, holding constructs constant.

Sponsor: Oklahoma State University
PI/PDs: Bryan Edwards
University of Arizona: Michael Christian
California State University, Fresno: Jill Bradley

Short Interest and Credit Spreads
We examine whether short interest is informative about corporate bond prices. We find empirical evidence that short interest is a negative signal about a firm’s debt securities. Highly shorted firms have higher credit spreads and experience increase in credit spreads in the subsequent months. These findings indicate that bond investors use the information contained in short interest to price bonds. Therefore, our results that identify an informational relationship between short interest and bond prices provide an independent verification of the extant evidence on stock prices regarding short sellers’ role as detectives of firm value.

Sponsors: Oklahoma State University
PI/PDs: Bilal Erturk, Ali Nejadmalayeri

Using Professional Sport for Community Enhancement
Sport - either as a social, physical, economical, or cultural institution - possesses a unique potential to impact its host community and its community members. One of these roles is as a social anchor in the network of the community. According to Social Anchor Theory (Clopton & Finch, in press), networks within a community require a grounding by said social anchor which accomplishes this through two elements: 1) by enhancing bonding and bridging social capital through interactions, and 2) by fostering an overall collective identity of the community or community group that draws individuals together. To explore this concept, data were collected from members of two large communities who have been uniquely impacted and intertwined by professional sport - New Orleans, LA and Oklahoma City, OK. Community members from selected civic and neighborhood associations completed surveys assessing such outcomes as community identity, team identity, and social capital. Preliminary findings from the study reveal a significant connection between identifying with the community’s sports teams and the overall community identity. However, overall findings suggest a mixed conclusion in the relationship between team identity and the overall quality of community based upon perceived images of the community and social capital.

Sponsor: Oklahoma State University
PI/PDs: Bryan L. Finch
Louisiana State University: Aaron W. Clopton
Towson University: D. Scott Waltemeyer

Re-Conceptualizing Social Anchors in Community Development: Utilizing Social Anchor Theory To Create Social Capital’s Third Dimension
Social Anchor Theory states that within any given community context, there are social institutions that serve to anchor social networks, thereby contextualizing the community and its networks. In this re-conceptualization, social anchors are defined as these institutions that support the development and
maintenance of social capital and networks at the community level. They may take various forms, including schools, sports, corporations, man-made or natural structures, or cultural events. These anchors must allow for social capital development in the form of bonding or bridging; provide a point of connection for various members of the community across racial, gender, and other demographic boundaries; and provide some form of uniqueness or identity for community members. Anchors must enhance or construct a sense of community, trust, or reciprocation within social networks.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Bryan L. Finch  
Louisiana State University: Aaron W. Clopton

**Intercollegiate Athletics’ Impact upon Member Commitment and Construed External Image**

Institutional image is described as the overall impression made on the minds of the public about an organization. Salient features to an institution’s image include name, products/services, tradition, ideology, and the impression of quality stemming from individual’s interacting with the organization’s clients. Thus, an institutional image and reputation can impact the belief of shareholders about an organization, even leading to a self-fulfilling prophecy when the perceived image or reputation differs from reality. In higher education, this image and reputation is often measured in two dimensions – perceived academic prestige and perceived athletic prestige. Similarly, construed external image refers to a member’s beliefs about outsiders’ perceptions of the organization. The construed external image provides more than just information about the probably social evaluation of the organization. This CEI is reflected back to the members of an organization into how the organization and the behavior of its members are likely being seen by outsiders. The intent of the current research, then, was to explore the relationship between intercollegiate athletics and two outcomes of university, or organizational, identity: affective commitment and construed external image.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Bryan L. Finch  
Louisiana State University: Aaron W. Clopton

**An Examination of Racial Diversity in Collegiate Football: A 15 Year Update**

Anderson (1993) published an in-depth analysis of Division IA football coaching opportunities utilizing a centrality framework and concluded that institutional racial discrimination was restricting Black coaches’ career opportunities in intercollegiate athletics. The present study aims to provide an update of his study by conducting a 15-year trend analysis of football coaches at the Division IA level, comparing Anderson’s (1993) data from 1990 to data from 2005. Data were collected from 116 media guides at the conclusion of the 2005 season, and $\chi^2$ analyses were used to compare data across the two timeframes. The results provide evidence that institutional racism is still potentially an active deterrent to achieving greater racial diversity among Division IA football coaches as head coaches and coordinators.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Bryan L. Finch  
University of Illinois: J. McDowell  
University of Florida: M. Sagas

**Leadership Propensity and Sales Performance Among Sales Personnel and Managers in a Specialty Retail Store Setting**

In two studies, we developed a new individual difference measure of propensity to lead and investigate its nomological validity within a specialty retail store environment. As predicted, leadership propensity was predictive of self-rated sales performance and a proclivity to identify prospects through cold calls, to close sales, to reveal customer orientation, and to exhibit organizational citizenship behavior.
**Sponsors:** State of Oklahoma, Spears School of Business, Noble Foundation Chair of Marketing Strategy  
**PI/PDs:** Karen E. Flaherty, John C. Mowen, Tom J. Brown  
Rollins College: Greg W. Marshall

**Better/Cheaper College: An Entrepreneur’s Guide to Rescuing the Undergraduate Education Industry**  
This book develops an innovative business model for undergraduate education. It explores the barriers to implementation of that model in existing colleges. It provides suggestions to several different audiences on immediate actions that can be taken to reduce college cost and increase quality.  
**Sponsors:** State of Oklahoma, Center for College Affordability and Productivity  
**PI/PDs:** Vance H. Fried

**Guide to College Operating Cost Reduction**  
This study describes and quantifies various ways to cut college operating costs.  
**Sponsors:** State of Oklahoma, American Enterprise Institute, Center for College Affordability and Productivity  
**PI/PDs:** Vance H. Fried

**Public Policy and the Higher Education Investor**  
This study looks at higher education from the investors’ standpoint. It includes policy recommendations to increase the level of entrepreneurship in higher education, including public/nonprofit private/for-profit private partnership arrangements.  
**Sponsors:** State of Oklahoma, American Enterprise Institute, Center for College Affordability and Productivity  
**PI/PDs:** Vance H. Fried

**Agreement as a Moderator of the Relationship Between Individual- and Team-Level Antecedents of Helping Behavior: A Multilevel Model**  
Using a sample of 173 managers from 41 teams in a package delivery company, we investigated the influence of within-team agreement about the quality of the social environment on helping behaviors directed at coworkers. Support was found for agreement as a moderator of the relationship between each of task interdependence and socialization emphasis on helping behaviors.  
**Sponsors:** Oklahoma State University, Louisiana State University  
**PIs/PDs:** Mark Gavin  
Louisiana State University: Donald Kluemper

**Leading with Authenticity: The Interactive Effects of Leader Self-Transcendent Values and Positive Other-Directed Emotions**  
Using a sample of 227 employees reporting to 70 supervisors, we tested a model linking leader values and leader demonstration of positive other-directed emotions to follower perceptions of leader authenticity. Results indicated that leader values and leader displayed positive other directed emotions interact in explaining follower perceptions of various authentic leader behaviors (e.g., demonstrating moral courage, demonstrating interactional justice, creating an inclusive caring climate, engendering trust, and showing transparency in decision making).  
**Sponsors:** Oklahoma State University, University of Evansville, State University of New York – Binghamton  
**PIs/PDs:** Mark Gavin  
University of New Mexico: Susan Michie  
State University of New York – Binghamton: Janaki Gooty
**Emotions, Ability-Based Emotional Intelligence and Performance: A Multi-level Field Examination**

Using a sample of police officers, a conceptual model is developed and tested that ties emotions to coping strategies and task performance, organizational citizenship behaviors, and workplace deviance behaviors. Results show differences, according to one’s level of Emotional Intelligence, in how individuals manage emotional events, which are then linked to various performance outcomes.

**Sponsors:** Oklahoma State University, State University of New York – Binghamton, University of Queensland

**PIs/PDs:** Mark Gavin
State University of New York – Binghamton: Janaki Gooty
University of Queensland: Neal Ashkanasy

**How, When, and Why Do Discrete Emotions Impact Performance: Perceived Control, Coping, and Emotional Intelligence**

A conceptual model is developed that links emotions to coping strategies and coping strategies to each of task performance, organizational citizenship behaviors, and workplace deviance behaviors. Arguments are forwarded that the nature of these relationships will depend on an individual’s Emotional Intelligence and perceived control of the emotional event. Testable propositions are derived from this model.

**Sponsors:** Oklahoma State University, State University of New York – Binghamton, University of Queensland

**PIs/PDs:** Mark Gavin
State University of New York – Binghamton: Janaki Gooty
University of Queensland: Neal Ashkanasy

**Shared Leadership: Effects of Forms and Levels of Exchange on Work Outcomes in Virtual Teams**

Communications from 50 virtual teams were coded to identify four types of group exchange structures: unified generalized (high-quality relationships among group members), unified generalized with isolates (high-quality exchange among most members with negative exchange among some isolated members), unified balanced (low-quality relationships), and unified balanced with isolates (low-quality exchange among most members, negative exchange with some isolated members). Virtual teams with unified generalized did not experience higher performance and satisfaction. However, when isolates were present, adverse effects on performance and satisfaction were observed, but only for teams with balanced as opposed to generalized structures.

**Sponsors:** Oklahoma State University, Texas Tech University, Virginia Commonwealth University, University of Missouri

**PIs/PDs:** Mark Gavin
Texas Tech University: C. Cogliser, William Gardner, Christine Quinn Trank
Virginia Commonwealth University: Anson Sears
University of Missouri: Jonathan Halbesleben

**Antecedents and Consequences of Trust in the Context of Organizational and Employee Communication**

Data is currently being collected in a state agency to test hypotheses concerning the nature of communication patterns and characteristics on employee trust in management and the consequences of that trust on employees’ subsequent willingness to share information vital to organizational performance.

**Sponsors:** Oklahoma State University, University of Akron, State University of New York - Binghamton

**PIs/PDs:** Mark Gavin
Bottom-Line Mentality as an Antecedent of Social Undermining and the Moderating Roles of Core Self Evaluation, Conscientiousness, and Job Performance

Drawing on social cognitive theory (Bandura, 1977, 1986), we propose that supervisor bottom-line mentality is positively related to employee bottom-line mentality. Based on social perception arguments (e.g., Heider, 1958; Wojciszke, 1994), we also hypothesize that coworkers perceive that an employee with a bottom-line mentality is harmful to their well-being and likely to engage in social undermining. We further predict a moderated-mediation model whereby the indirect effect of supervisor bottom-line mentality on coworker perceptions of social undermining, through employee bottom-line mentality, is moderated by employee core self evaluation, conscientiousness, and job performance.

Sponsor: Oklahoma State University
PI/PDs: Rebecca L. Greenbaum, Gabi Eissa
Drexel University: Mary Bardes

Examining the Link Between Ethical Leadership and Employee Deviance: The Mediating Role of Ethical Climate

Drawing on theory and research on ethical leadership and ethical climate, we examine ethical climate as a mediator of the relationship between ethical leadership and employee misconduct. Using a sample of 1,525 employees and their supervisors in 300 units in different organizations, we find support for our hypothesized model. We discuss theoretical and practical implications of these findings.

Sponsor: Oklahoma State University
PI/PDs: Rebecca L. Greenbaum
University of Michigan: David M. Mayer
Southern Methodist University: Maribeth Kuenzi

Perceptions of Unethical Behavior in Organizations: The Moral Intensity of Source-Target Categories and Previous Experiences with Unethical Behavior

Jones’ (1991) issue-contingent model of ethical decision making suggests that perceptions of the moral intensity of issues vary from issue to issue. We examine perceptions of the moral intensity of unethical behaviors in two studies. In line with attribution hypotheses, our results suggest that perceptions of moral intensity are affected by the sources (i.e., perpetrators) and targets (i.e., victims) of unethical behaviors and previous experiences with unethical behaviors (i.e., as a source and/or target). We discuss the implications of these findings for future research on unethical behaviors.

Sponsor: Oklahoma State University
PI/PDs: Rebecca L. Greenbaum
University of Central Florida: Robert Folger
Southern Methodist University: Maribeth Kuenzi
Wichita State University: Gergana Markova

U.S. Pension Plan Status, Reporting Information and Plan Types: A Descriptive Analysis

We analyze pension plan funding using a sample of firms that reported data using Form 5550 and related schedules to the IRS and the PBGC from 1995 to 2002. This is a time period of rapid changes in the funding level for defined benefit plans. We investigate the reasons for changes in funding status as well as compare the performance of defined benefit and defined contribution plans. Finally, we compare the regulatory filing data with the financial reporting data for a sample of firms. We find
substantial differences in plan assumptions between the regulatory and financial reporting data as well 
as differences in reported funding status between the two reporting regimes.

**Sponsor:** Spears School of Business  
**PI/PDs:** Joel T. Harper, John Polonchek

**Organizational Citizenship Behaviors and the Enhancement of Absorptive Capacity**  
Individual-level behaviors known as organizational citizenship behaviors have long been presumed to 
contribute to organizational performance, yet there is little theoretical basis to support this 
 presumption. Absorptive capacity refers to the degree to which firms are able to identify, acquire, and 
exploit external knowledge. While individuals are integrally involved in organizational learning, the role 
of individuals in developing absorptive capacity has been largely ignored. In this paper, we propose that 
specific types of citizenship behaviors increase the firm’s capability to extract knowledge from its 
environment, make sense of that information, and incorporate it into its operations in ways that create 
valuable resource positions that may lead to competitive advantage.

**Sponsors:** Southern Mississippi University, Oklahoma State University  
**PI/PDs:** Timothy A. Hart  
Southern Mississippi University: Bruce Gilstrap  
The University of Oklahoma: Mark Bolino

**Assessing the Concurrent Validity of the Kinder, Lydenberg, & Domini Corporate Social Performance Indicators**  
In this paper we examine the concurrent validity of the KLD measures of social performance. While this 
analysis had been done previously, because KLD changed its evaluation method to a richer approach, an 
additional look at the validity of the indicators became necessary. Our results suggest that the new 
versions of the KLD measures are now modestly correlated with the *Fortune* Social Responsibility score 
from its Survey of America’s Most Admired companies. Our results reaffirm that the KLD data measure 
core CSP constructs and demonstrate concurrent validity with other measures.

**Sponsors:** The University of Oklahoma, Oklahoma State University  
**PI/PDs:** Timothy A. Hart  
The University of Oklahoma: Mark P. Sharfman

**An Examination of the Relationship Between Executive Compensation Disparity and Corporate Social Performance**  
In this paper, we investigate the relationship between executive compensation and corporate social 
performance. We find that at higher levels of compensation disparity, corporate social performance 
concerns increase. Likewise, at lower levels of compensation disparity, corporate social performance 
strengths increase. These relationships are moderated by the size of the firm and the amount of 
financial slack available within the firm.

**Sponsors:** Oklahoma State University, American University  
**PI/PDs:** Timothy A. Hart  
American University: Parthiban David, Michelle Westerman-Behaylo

**Too New to be True? An Investigation of the Relationship Between New Citations and Article Impact in the Strategic Management Journal**  
In this paper, we investigate the degree to which the inclusion of new citations within a scholarly article 
impacts the degree to which that article is later cited by other scholarly works. We find that when 
authors include citations to works that have not previously been cited within the *Strategic Management 
Journal* (SMJ), the frequency with which that article is then cited by future SMJ articles is far less than
the degree to which such work is later cited by other journals. We discuss what these findings mean for SMJ.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Timothy A. Hart, Scott Johnson, Corey Fox

**An Investigation into CEO Age and Equity Ownership and their Influence on Exploration and Exploitation**

In this paper, I examine the influence of CEO age and equity ownership on the degree to which firms explore for new knowledge or exploit knowledge they currently possess. I find that older executives with greater equity stakes in their firms favor greater use of new knowledge, while younger executives with less equity stakes favor exploiting currently held knowledge.

**Sponsor:** Oklahoma State University  
**PI:** Timothy A. Hart

**An Examination of the Curvilinear Relationships Between Organizational Financial Slack Resources, Search Scope, and Search Depth**

We examine the relationship between organizational slack and search scope and search depth. According to prior research, there is a curvilinear (inverse U-shape) relationship between slack and innovation. We find such a relationship between organizational slack and exploratory search activities of firms. However, we find a normal U-shape curvilinear relationship between organizational slack and exploitative search activities of firms. These findings suggest that organizational slack does not have a uniform impact upon innovation arising from different types of firms’ search activities. Rather, depending upon the type of innovation firms desire to generate, firms may choose to increase or decrease their levels of organizational slack.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Timothy A. Hart  
**American University:** Parthiban David

**Information Manipulation Approach in ERP to Reduce Inventory Carrying Cost under Uncertainty Environments**

The purpose of this project is to establish a classification framework to evaluate the uncertainty-dampening methods used to reduce inventory carrying cost in enterprise planning (ERP) systems. The major advantages and disadvantages of each method are identified. Also, the operating conditions for each method are discussed along with a set of guidelines for ERP users to adopt these uncertainty-dampening methods.

**Sponsor:** State of Oklahoma  
**PI:** David Ho

**Recent Trends in Oklahoma’s Per Capita Personal Income**

This study examines state, region, and county per capita personal income movements in Oklahoma over the last four decades. Regional and county growth leaders and losers are presented and analyzed. In addition, regional income variation is measured on both the state and regional level.

**Sponsor:** State of Oklahoma  
**PI/PDs:** Tim Ireland, Orley Amos Jr.
Comparing the Traits of Stock Market Investors and Gamblers
The research investigated the extent to which gamblers and stock investors share similar characteristics. Using survey data, a hierarchical model of personality was employed to compare the traits of gamblers and investors. The results revealed that gamblers and investors share five trait characteristics and differ on three traits. Cluster analysis supported the proposal that gamblers and investors can be divided into four groups that differ across the personality traits.

**Sponsors:** State of Oklahoma, Spears School of Business, Noble Foundation Chair of Marketing Strategy

**PI/PDs:** Janice W. Jadlow, John C. Mowen

An Analysis of Motives and Methods for Manipulating Nonprofit Expenses
This study develops a model of the motives that nonprofit managers may have to manipulate expenses and the forms that the resulting manipulations may take.

**Sponsor:** State of Oklahoma

**PI/PDs:** Carol Johnson, Tim Ireland, Sarah Rector

Haste Makes Waste: Hidden Costs of Exploiting Temporary External Growth Opportunities
We contrast organic firm growth—financed by operating cash flows, motivated by excess managerial capacity, and directed by routine decision making—with inorganic growth motivated by a munificent environment. We study the decisions and consequences of Internet-related technology firms that had initial public offerings between 1996 and 2000.

**Sponsors:** University of Connecticut, Oklahoma State University

**PI/PDs:** Scott Johnson
University of Connecticut: David Souder, Michael Willenborg

When Thought Worlds Collide: How the Top Management Team Influences New Product Introductions
In this paper we explore the question of how decision makers in a firm affect the timing and type of new products that are introduced. We address this question by building on the idea that the process of developing new products involves many parts of the organization. Individuals within the organization adopt different thought worlds, or systems of meaning that affect how they perceive information and prioritize activity. We find that field and planning thought worlds influence the customer base for which new products are introduced while the manufacturing thought world negatively influences new product introductions.

**Sponsors:** Oklahoma State University

**PI/PDs:** Scott Johnson, Jason Ridge, Aaron Hill

Getting What You Pay For: The Price of Board Capital
We examine the question of whether firms attract higher profile board members (members of more boards, more areas of expertise, high status individuals) by increasing compensation. We find that directors with social capital are attracted to more complex firms and firms with other high-status directors already serving on the board. Compensation is able to attract directors only in limited situations.

**Sponsors:** Oklahoma State University

**PI/PDs:** Scott Johnson, Joel Bolton
University of Missouri – Columbia: Karen Schnatterly, Chris Tuggle
Investor Preferences for Board Independence: An Agency and Institutional Approach?
We examine the portfolios of institutional investors to determine whether attributes of the board of directors affect purchasing decisions. The dataset includes over 500,000 investment decisions of 1,205 institutional investors over a period of eight years. We test whether mutual funds (which face more institutional pressure) are more sensitive to board independence than other types of institutional investors.

Sponsors: Oklahoma State University, University of Missouri – Columbia
PI/PDs: Scott Johnson
University of Missouri – Columbia: Karen Schnatterly

The Impact of Strategic Disclosure and Geographic Distance on Target Selection
The active role of the target in the target selection process has been/remains largely unexamined. This paper explores the effect of potential targets’ voluntary strategic disclosure on the likelihood of their selection. Because strategic disclosure tends to be credible, we argue that voluntary disclosure reduces adverse selection in the market for intangibles, thereby increasing the likelihood of selection of disclosing firms. Building on prior research, which has shown that the likelihood of acquisition decreases with geographic distance between the acquirer and the target, we further argue that voluntary disclosure mitigates the effect of geographic distance. We test these predictions on a sample of R&D intensive firms in the chemicals, computer, communications equipment and pharmaceutical industries.

Sponsors: Ohio State University, University of Texas at El Paso, Oklahoma State University
PI/PDs: Scott Johnson
Ohio State University: Sharon James
University of Texas at El Paso: Miguel Ramos

CEO Tenure and Expansion: The Different Seasons of Agents and Entrepreneurs
We propose that the owner status of entrepreneur-CEOs obviates one of the key mechanisms in this literature, the need to build power and credibility over time. We test these hypotheses in a longitudinal study of cable television operators in the United States between 1972 and 1996. For agent-CEOs, we find that tenure has a curvilinear relationship with the decision to expand the firm through replication with the aggressiveness of expansion peaking at around 10 years of tenure. Entrepreneur-CEOs, on the other hand, are most aggressive early in their tenure.

Sponsors: University of Connecticut, Oklahoma State University
PI/PDs: Scott Johnson
University of Connecticut: David Souder, Zeki Simsek

Temporary Advantage and the Management of Resource Mobility
We examine how an exogenous event (the acceptance of free agency into the National Football League) makes resources more mobile and change the relative value that managers can add through bundling and leveraging these resources.

Sponsors: Oklahoma State University
PI/PDs: Scott Johnson, Federico Aime, Jason Ridge, Aaron Hill

Cognitive and Social: The Role of Pictures in Computer Facilitated Choice
Using an extensive database of consumer-to-consumer lending decisions, we examine how photographs of borrowers affect decision-making compared when displayed alongside objective financial information.

Sponsors: Oklahoma State University, Midwestern State University
PI/PDs: Scott Johnson, Federico Aime
Knowledge Integration in Bollywood Film Production
We examine how prior experience and cross-functional experience affect knowledge integration in Indian movie production.
Sponsors: Oklahoma State University, Michigan State University
PI/PDs: Scott Johnson, Federico Aime
Michigan State University: Jamal Shamsie

Decision-Making Influences of Trade Association Membership
Based on the perspective of distributed cognition, I hypothesize that trade association membership will affect how firms perceive, behave, and perform. I use a propensity score matching method to create a synthetic control group. I find that after joining, firms become more like existing trade association members in the forecasts, organization structure decisions and performance.
Sponsors: Oklahoma State University
PI/PD: Scott Johnson

Do Honor Pledges Impact Undergraduate Students’ Ethical Behaviors on Tests and Homework Assignments?
Some colleges and universities have attempted to reduce student cheating through the use of an honor code. We explored whether: 1) students believed that having an honor code made a difference, and 2) the perception of the enforcement or nonenforcement of that honor code made a difference. Our results suggest that it is not enough for academic institutions to have an honor code. They must clearly communicate to the students the consequences of cheating, and the consequences of cheating must be strongly enforced.
Sponsor: Spears School of Business
PI/PDs: Marilyn Kletke
St. Norbert’s College: Kathleen Molnar

The Process Theory of Consumer Vulnerability and Resiliency: Illuminating its Transformative Potential
The research illuminates how vulnerability, when understood as a multidimensional process, has transformative potential for consumers. The study illustrates the process by which persons experience consumer vulnerability and develops a model for building resiliency.
Sponsor: Oklahoma State University, University of Wyoming
PI/PDs: Marlys Mason
University of Wyoming: Stacey Baker

Consumption and Marketplace Adaptation in Families Living with Disability
This research examines the ways that families with a disabled member adapt in the marketplace. These families provide a window into structural assumptions and constraints of the market that may not be consciously identified by the able bodied.
Sponsor: Oklahoma State University, University of Utah
PI/PDs: Marlys Mason
University of Utah: Teresa Pavia
Voices of the Shadows: Immigration Policy and Constraints in the Marketplace
The research investigates changes in state immigration policy and the ensuing impact on consumption patterns in one Hispanic community in Oklahoma.
**Sponsor:** Oklahoma State University
**PIs:** Marlys Mason, Garrett Coble

At-Risk Adolescence and Responses to Anti-Tobacco Campaigns
This research examines teen segments’ attitudes and responses toward anti-tobacco social marketing campaigns. Using survey and experimental data collected through junior high schools, the reactions of trial users and nonsmokers to prevention appeals is investigated.
**Sponsor:** Oklahoma State University, Oklahoma Department of Health
**PI/PDs:** Marlys Mason, Joshua Wiener

Affect and Involvement on the Processing of Risk Disclosure
This research examines consumers’ responses to product health claims and risk disclosures in the dietary supplement industry. A complex relationship between product messages, emotion, uncertainty appraisal, and information management was found.
**Sponsor:** Oklahoma State University
**PI/PDs:** Marlys Mason, Xiang Fang

Identifying and Measuring Entrepreneurial Competencies: An Assessment Model for Educational Institutions
This research explores whether the likelihood of entrepreneurial success is enhanced as a function of particular competencies or capabilities on the part of those who start new ventures. Further, it examines the extent to which such competencies are identifiable and measurable. Based on the identification and measurement of such competencies using a three-phased research methodology, the project addresses how educational programs can contribute to and be evaluated based on the development of these competencies.
**Sponsors:** Oklahoma State University
**PI/PDs:** Michael H. Morris, Sujata Singhal, Rubin Pillay

Understanding Networks of Informal Economy Entrepreneurs
The informal economy represents the set of economic activities that are illegal yet legitimate. Entrepreneurs operating unregistered business activities are one example of informal economic activity given the tax/license avoidance (i.e., illegality) yet widespread use (i.e., legitimacy). While research has examined how various institutional policies influence the size of the informal economy, scholars have paid less attention to how informal economy entrepreneurs overcome many of the challenges of operating in the informal economy, such as the inability to operate in the most desirable locations and the lack of access to institution-based resources. Using a survey of 150 entrepreneurs, we examine the influence of network size, strength, and composition on entrepreneurial performance. This research holds implications for effectively tailoring institutional policies as a means to influence transition to the formal economy.
**Sponsors:** Oklahoma State University
**PI/PDs:** Michael H. Morris, Rubin Pillay, Justin W. Webb

A Reconceptualization of Entrepreneurial Orientation for the Nonprofit Context
The nonprofit sector serves an increasingly important entrepreneurial role in the overall economy. Scholars have taken an interest in entrepreneurship in nonprofits and have drawn upon entrepreneurial
orientation as a methodological tool to advance knowledge in this domain. However, the nonprofit context differs from the for-profit context in which the entrepreneurial orientation scale was developed. More specifically, organizations operating in the nonprofit sector are characterized by motivations, processes, and outcomes that differ significantly from those within for-profit firms. We propose a reconceptualization of entrepreneurial orientation for the nonprofit context. A nonprofit typology is used to highlight the multiple facets of entrepreneurship captured by our reconceptualized entrepreneurial orientation that would not be fully captured by the original, for-profit conceptualization. We conclude with implications for scholars and practitioners.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Michael H. Morris, Justin W. Webb, Rebecca Franklin Bryant

**Behavioral Orientations of Nonprofit Boards as a Factor in Entrepreneurial Performance: Does Governance Matter?**  
Relatively little is understood about factors triggering entrepreneurial behavior within organizations not driven by profit motives. Governance plays an important role in nonprofits, particularly boards of directors. Integrating resource-based theory and entrepreneurial orientation research, we examine the influence of nonprofit boards as strategic resources shaping the organization’s entrepreneurial orientation and performance. In particular, we focus on the nonprofit board’s underlying behavioral orientations, or the extent to which the board is strategic, activist, conservative, and cohesive. Findings from a cross-sectional survey on arts and culture organizations demonstrate that three of these behavioral orientations impact levels of entrepreneurship occurring within nonprofits. Higher levels of entrepreneurship affect social performance but not financial performance.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Michael H. Morris, Justin W. Webb  
Virginia Commonwealth University: Susan M.T. Coombes  
University of Central Florida: Jeffrey A. Allen

**Competitive Strategy and Voluntary Environmental Disclosure: Evidence from the Chemical Industry**  
This paper examines the link between corporate voluntary environmental disclosure and competitive strategies. Two strategies, investment in brand image and investment in research and development, are analyzed for a sample of companies in the chemical industry. Companies emphasizing investment in brand image tend to disclose more when their actual environmental performance is low; companies emphasizing investing in R&D disclose more when their environmental performance is good.

**Sponsors:** State of Oklahoma  
**PI/PDs:** Maryanne Mowen, Qianhua Ling

**Leader Management of Follower Emotions**  
This project examines methods used by leaders to manage their followers’ emotions, and the effects of such strategies on follower satisfaction and job performance.

**Sponsor:** Spears School of Business  
**PI/PDs:** Debra L. Nelson  
University of Georgia: Laura M. Little  
University of North Carolina, Charlotte: Janaki Gooty

**Display Rules and Customer Service Performance: When Structure Leads to Exhaustion**  
The research, conducted in call centers in India, focuses on the effects of emotional display rules on customer service representatives’ burnout and job performance.

**Sponsor:** Spears School of Business
Managing Customer Emotions: Links with Customer Service Performance
Managing the emotions of customers by customer service agents in a call center is examined in relation to work performance.
Sponsor: Spears School of Business
PI/PDs: Debra L. Nelson
University of Georgia: Laura M. Little

Identity Management at Work During Pregnancy
This long-term project explores the strategies used by women to manage their identities in the workplace during pregnancy.
Sponsor: Spears School of Business
PI/PDs: Debra L. Nelson
University of Georgia: Laura M. Little
Texas Tech University: Amanda Hinojosa

Special Creatures of the Law: Employment, Arbitration, and a Legislative Proposal
In the summer of 2010, the Supreme Court signaled its intent to honor arbitration clauses in employment agreements. A new employee who signs an employment agreement must accept that any dispute that she encounters with the employer will not be resolved by the court system but by a private arbitrator. Furthermore, the threshold question of arbitrability may be reserved to the arbitrator. Because the Supreme Court's decision is rooted in the Federal Arbitration Act, the only means of protecting employees from possible misuse of arbitration clauses is to create legislation that would govern arbitration of disputes arising out of the employment relationship. This article provides an overview of arbitration in the employment context, outlines the problems created by the Supreme Court's decision, and furnishes a legislative proposal to resolve the issue.
Sponsor: Spears School of Business
PI/PDs: Griffin Pivateau

Dark Horse: The Model Equine Activity Act and Its Implications for Tort Law
In 2007, I wrote an article describing the inherent risk doctrine and advocated its use as a measure of liability for injuries in the sports context. Since that time, the inherent risk doctrine has been established as the measure of liability for injuries incurred while the plaintiff was engaged in equine activities. In this article, I explore the impact of the equine activity statute as adopted by numerous states on tort law. I further suggest that courts use the equine activity measure of liability in all tort cases involving sports injuries.
Sponsor: Spears School of Business
PI/PDs: Griffin Pivateau

Insurer Share Repurchase Programs
In this paper we investigate the valuation effects of common stock repurchases by insurance companies. The managerial decision to reduce the capital position of an insurance company reveals private information about the insurer to the market. We find, contrary to expectations, a large number of insurance company common stock repurchases. In addition, we find that the majority of repurchase announcements made by insurance companies are part of multi-year repurchase programs operated by a broad cross-section of property, life, and health insurers.
**The Sequencing and Timing of Insurance Company Share Repurchases**

In this paper we investigate the valuation effects of the sequencing and timing of common stock repurchases by insurance companies on repurchasing firm value. Our results indicate that the sequencing and timing of a repurchase impacts the market’s valuation of the repurchasing firm. We find that the shorter the time interval between repurchase announcements, the less positively the market reacts to repurchase announcements; and that, in general, the market reacts less positively to each successive repurchase announced by an insurance company. These results are consistent with the implications of D’Mello, Tawatnuntachai, and Yaman’s (2003) examination of seasoned equity offerings.

**Sponsor:** Oklahoma State University  
**PI/PDs:** John Polonchek, Ronald K. Miller

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**Agglomeration Spillovers and Wage and Housing Cost Gradients across the Urban Hierarchy**

The effect of distance on median earnings and housing costs is examined for rural and urban U.S. counties. We develop a series of distance metrics for an area’s remoteness from multiple tiers of the urban hierarchy. We estimate penalties of about 5 to 9% for median earnings and 12 to 17% for housing costs for area remoteness from the combined tiers of the urban hierarchy. Differences in market potential from New Economic Geography have smaller effects. Thus, it appears that empirical tests of New Economic Geography models need to consider sources of agglomeration spillovers beyond aggregate market potential.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Dan Rickman  
Ohio State University: Mark Partridge  
University of Saskatchewan: M. Rose Olfert  
University of Lethbridge: Kamar Ali

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**Modern Macroeconomics and Regional Economic Modeling**

Despite a history of regional economic models being patterned after their national counterparts, modern macroeconomic methodology has yet to be fully embraced by regional scientists. In this paper, I argue that modern macroeconomic methodology has much to offer the field of regional economic modeling. For one, the empirical strategies used in implementing dynamic stochastic general equilibrium models provide insights into how regional computable general equilibrium models could be better parameterized and empirically verified. In addition, the structural macroeconomic approach more generally could be used to construct structural regional policy analysis models for use as alternatives to traditional regional models.

**Sponsors:** Journal of Regional Science and Oklahoma State University  
**PI:** Dan Rickman

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**Neighborhood Historic Preservation Status and Housing Values in Oklahoma County, Oklahoma**

Using county tax assessor data, this paper estimates the property value impacts of historic designation of neighborhoods for Oklahoma County, Oklahoma. Neighborhood historic designation is found to be associated with significant relative appreciation of housing values in most districts. Factors appearing to influence the rate of appreciation are the time span of neighborhood historic designation and the area crime rate. The variation in results across historic neighborhoods suggests that policy makers need to take into account the conditions under which historic designation most likely can succeed.

**Sponsors:** Preservation Oklahoma, Inc., Oklahoma State University, and Rutgers University
Recent Immigration: The Diversity of Economic Outcomes in Metropolitan America
Using U.S. county and metropolitan area-level data, this study examines the effects of recent immigration on U.S. metropolitan labor market outcomes, such as internal migration, wages, labor force participation, and housing costs. Using instrumental variables estimation, the study detects large net out-migration responses of nonimmigrants to recent immigration. The analysis also finds that recent immigration has heterogeneous effects across different-sized metropolitan areas. Finally, the study detects threshold effects beyond which nonimmigrants become more responsive to immigration.

Sponsor: Oklahoma State University
PI/PDs: Dan Rickman
Ohio State University: Mark Partridge
University of Lethbridge: Kamar Ali

Financing Constraints and the Cost of Capital: Evidence from the Funding of Corporate Pension Plans
Increases in required mandatory contributions to pension plans are associated with increases in the cost of debt, cost of equity, and weighted average cost of capital. The effect is especially strong for more financially constrained firms
Sponsor: Oklahoma State University
PI/PDs: William C. Schwartz, Jr.
University of Georgia: John Campbell
University of Arizona: Dan Dhaliwal

Did the 2003 Tax Act Increase Capital Investment by Corporations?
Capital expenditures increased by 14.8% after the 2003 Tax Act became effective. Second, the increase is stronger for firms that are relatively more held by individual investors (as opposed to institutional investors) to whom the tax rate reductions applied (did not apply).
Sponsor: Oklahoma State University
PI/PDs: William C. Schwartz, Jr.
University of Georgia: John Campbell
University of Tennessee: James Chyz
University of Arizona: Dan Dhaliwal

Ammunition Multimedia Encyclopedia (AME)
One mission of the Defense Ammunitions Center (DAC) is to provide training on the storage, transport, and handling of munitions. This includes initial training as well as periodic follow-on training as new munitions are developed and shipped to the field. The goal of AME is to provide a comprehensive “one stop shop” to support personnel handling munitions. It provides an encyclopedia of currently used munitions that can be used for identification and refresher training.
Sponsor: Defense Ammunitions Center
PI/PDs: Ramesh Sharda, Joyce Lucca

Developing an Efficient Pricing Model for Telecommunications Services Offered by Onenet
Onenet, a state agency run by the Oklahoma State Regents for Higher Education operates the telecommunications infrastructure for educational institutions and some state agencies in Oklahoma. This project is developing a pricing model that is equitable, efficient, and simple to operationalize.
Sponsor: Onenet
PI/PDs: Ramesh Sharda, Jongsawas Chongwatpol
RFID for Better Supply-Chain Management through Enhanced Information Visibility
Adoption and implementation of the RFID technology in the retail industry is growing rapidly. One puzzling issue for retailers and suppliers is the compelling business case for RFID. In order to explore the potential business case for RFID, we conducted a case study using actual RFID data collected by a major retailer for the cases shipped by one of its major suppliers. We present how such information can be valuable to both the retail store operator and the supplier. We also discuss the initial lessons learned from actual RFID data collected in the field in terms of data quality issues.

Sponsor: State of Oklahoma
PI/PDs: Ramesh Sharda, Dursun Delen, Jongsawas Chongwatpol, Narges Kasiri
University of Arkansas: Bill Hardgrave

Analysis of Email Processing Strategies
Knowledge workers have a barrage of incoming email awaiting their attention. Some knowledge workers may primarily face email in need of rapid replies, while others may process email that is only to convey information. Given the prevalent use of email, the need exists for intelligent decisions to manage individual email workloads. This project aims at the analysis of the effects of different email processing strategies on various performance outcomes.

Sponsor: State of Oklahoma
PI/PDs: Ramesh Sharda, Manjunath Kamath
Minnesota State University: Ashish Gupta
Oklahoma City University: Robert Greve

How to Predict a Movie’s Success at the Box Office
Based on neural networks, the model attempts to classify a movie into one of nine categories, ranging from a “flop” to a “blockbuster.” Key factors used in the classification include MPAA rating, expected release month, star value, genre, level of special/technical effects, number of screens on which the movie opens, and whether it is a sequel. The research now focuses on use of text mining in the forecasting process.

Sponsor: State of Oklahoma
PI/PDs: Ramesh Sharda, Dursun Delen

Impact of Frequency of Alignment of Physical and Information System Inventories on Out of Stocks
Inaccuracy in the information system inventory as compared to the physical inventory may lead to out of stocks. One way to reduce this inaccuracy is to adjust the inventory information in the systems at some regular frequency. Such alignments are quite expensive in practice. Thus, how often to align the two inventories is the focus of this research.

Sponsor: State of Oklahoma
PI/PDs: Ramesh Sharda, P.M. Agrawal

Quantum Model of Human Decision Making, and Merger and Acquisition of Business Firms
Some experiments, such as disjunction effect experiments of Tversky and Shafir (1992), related to the human decision making processes cannot be explained by the conventional classical decision theory but could be explained by the models based on quantum mechanics. Further the possibility of application of quantum theory to business related decisions such as the merger/acquisition of business firms is also explored.

Sponsor: State of Oklahoma
PI/PDs: Ramesh Sharda, P.M. Agrawal
Regime Dependency of Exposure Coefficients and Hedging Behavior in the U.S. Airline Industry

The spike in oil prices during 2008 drew considerable attention to airline industry exposure to jet fuel prices and the impact that these events had on the airline industry. In this paper, we analyze the hedging behavior and the associated hedging premium for U.S. airlines as the exposure to jet fuel prices varies. Our results show that airlines’ exposure to fuel prices is 4 times higher when fuel prices are in the upper quartile rather than in the lower quartile and are 1.5 times higher when fuel prices are rising rather than falling. Interestingly, we do not find evidence that fuel price volatility has a direct impact on airline jet fuel exposures.

Sponsors: Oklahoma State University
PI/PDs: Betty Simkins and David Carter
Portland State University: Daniel Rogers
California State University Chico: Stephen Treanor

Does Operational and Financial Hedging Reduce Exposure? Evidence from the U.S. Airline Industry

While most research on hedging has focused on foreign currency exposures, analysis of jet fuel price exposure in the airline industry and the effects of both financial and operational hedging on this exposure provides valuable insights into risk management. Exposure and hedging in the airline industry are relatively straightforward compared to foreign exchange hedging by multinationals. We investigate the effects of both financial and operating hedging on jet fuel exposure coefficients in the U.S. airline industry during 1994-2008. Our results suggest that both financial and operational hedging are important tools in reducing airline exposure to jet fuel price risk, but our results suggest that operational hedging strategies are more economically important than are financial hedging strategies in reducing jet fuel price risk.

Sponsors: Oklahoma State University
PI/PDs: Betty Simkins and David Carter
Portland State University: Daniel Rogers
California State University Chico: Stephen Treanor


We propose a citation-based framework for the assessment of journal influence and demonstrate its application with The Journal of Banking & Finance. The framework assesses the current position of the journal, its trends, and the reasons behind the trends. The Journal of Banking & Finance is found to be one of the leading journals in the field of finance, and its influence is increasing. In fact, it appears to be part of a group of leading journals that are separating themselves from the other journals that are generally regarded as peers. Finally, The Journal of Banking & Finance is found to be the only leading finance journal with a high concentration of banking articles, making it a primary outlet for influential articles in this area.

Sponsors: Oklahoma State University
PI/PDs: Betty Simkins and Allissa Lee
Cleveland State University: Ken Borokhovich

Journal Communication and Influence: The Case of The Journal of Corporate Finance

This research investigates the communication and influence of research published in top finance journals and how changes over time have led to the emergence of a top journal in corporate finance.

Sponsors: Oklahoma State University
PI/PDs: Betty Simkins and Allissa Lee
Cleveland State University: Ken Borokhovich
Improving the Value of Enterprise Risk Management to Help Manage Corporate Reputation
To further help disseminate prevalent practices in ERM and fill vital information gaps, this report investigates whether organizations have made significant progress in demonstrating the value of ERM in three crucial areas: the tangible benefits, the effectiveness on corporate performance, and in the management of corporate reputation.

Sponsors: Oklahoma State University and The Conference Board of Canada
PI/PDs: Betty Simkins
Portland State University: Daniel A. Rogers
Conference Board of Canada: Karen Schoening-Thiessen

ERM Effectiveness Requires Significant Organizational Considerations
The purpose of this briefing is to provide readers with a robust benchmark of the most prevalent risk governance practices, ERM reporting, and accountability structures – both from a risk owner’s and board oversight perspective. This information will help organizations to design and structure an ERM process into their governance framework.

Sponsors: Oklahoma State University and The Conference Board of Canada
PI/PDs: Betty Simkins
CapGen Financial: Joseph Rizzi
Conference Board of Canada: Karen Schoening-Thiessen

FX Risk Neutral Valuation Relationships
This paper derives preference-free pricing formulae for foreign exchange options that are consistent with a general equilibrium representative agent economy. These risk neutral valuation relationships (RNVRs) are obtained for the jump-diffusion family. Call and put options are particular cases of our general model. These option pricing formulae nest Merton’s (1976) jump-diffusion equations. Our option valuation formulae are able to generate symmetric and asymmetric volatility (smiles) and (skews) with similar shapes to those observed in the foreign exchange options market, and they solve several pricing biases of the Black (1976) and Garman and Kohlhagen (1983) models.

Sponsors: Oklahoma State University
PI/PDs: Betty Simkins and Antonio Camara
Texas State University San Marcos: Ivilina Popova
Unaffiliated: Ana Camara

A Comparative Study of the Probability of Default for Global Financial Firms
This article presents a modification of Merton’s (1976) ruin option pricing model to estimate the implied probability of default from stock and option market prices. To test the model, we analyze all global financial firms with traded options in the U.S. over the period December 1996 through October 2008, with a special focus on the subprime mortgage crisis period. We compare the performance of the implied probability of default from our model to the expected default frequencies based on the KMV model and agency credit ratings by constructing cumulative accuracy profiles (CAP) and the receiver operating characteristic (ROC). We find that the probability of default estimates from our model are equal or superior to other credit risk measures studied based on CAP and ROC. In particular, during the subprime crisis our model surpassed credit ratings and matched or exceeded KMV in anticipating the magnitude of the crisis.

Sponsors: Oklahoma State University
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Options on Troubled Stock
This article uses equilibrium arguments to derive closed-form solutions for the price of European call and put options written on an individual stock when shareholders might lose all their claims on the firm. The stock price accounts for both a stochastic probability of bankruptcy and a stochastic probability of going concern. With a random probability of bankruptcy, shareholders lose all their claims in the firm. With a random probability of going concern, the stock price is lognormal as in the Black-Scholes model. The bankruptcy probability is correlated with aggregated wealth if the bankruptcy risk is systematic. The model is consistent with a bankruptcy probability negatively correlated with the firm’s stock price. If the bankruptcy probability of a giving firm increases, then its stock price decreases, which leads to the value of the call options written on that stock to decrease. This result is not obtainable under the Merton's (1976) ruin model where the stock price and the bankruptcy probability are independent. In Merton's model, an increase in the bankruptcy probability leads to an increase in the value of call options.

Sponsors: Oklahoma State University
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The Effects of Organizational Identification on Internal and External Auditors’ Evaluation of Internal Control Deficiencies
AS5 encourages external auditors to rely on internal auditors to increase the efficiency of lower-risk internal control evaluations (PCAOB, 2007). We use post-SOX experimental data to compare the levels and effects of Organizational Identification (OID) on external and internal auditor control evaluations. We first show that internal auditors perceive a greater level of OID with the evaluated firm than do external auditors. We also show that, ceteris paribus, internal auditors are less lenient than external auditors when evaluating internal control deficiencies. Further, while we support the results of Bamber and Iyer (2007) by finding that higher levels of external auditor client OID are associated with more lenient control evaluations, we find an opposite effect for internal auditors – higher levels of internal auditor employer OID are associated with less lenient control evaluations. Our results are important because we are the first to capture the relative levels of OID between internal and external auditors, as well as the first to compare directly internal and external auditor leniency, which are both important in light of AS5. That is, most importantly, we provide initial evidence that external auditors’ increased reliance on internal auditors’ work, while increasing the efficiency of an audit, could also improve audit quality by resulting in less lenient internal control evaluations due in part to the effects of OID.

Sponsor: Oklahoma State University
PI/PDs: Chad Stefaniak, Robert Cornell
The University of Alabama: Rich Houston

Does Wrongdoer Reputation Matter? Impact of Wrongdoer Performance and Likeability Reputations on Auditors’ Intention to Take Action and Choice of Reporting Outlet
We investigate the effects of wrongdoer reputations for performance and likeability on auditors’ intentions to take action in response to questionable audit acts and selection of reporting outlets. In an experiment with 181 auditors, main effects suggest that likeability reputation is a significant determinant of intention to take action, while performance reputation is marginally significant. As expected, interaction results indicate that auditors have the greatest intention to take action against less likeable, poor performers. Contrary to expectations, intention to take action against a more likeable, good performer is no lower than the mixed conditions. Thus, the influence of the two dimensions of reputation is complex. Additionally, we find auditors are more likely to whistle-blow internally than externally and through non-anonymous outlets rather than anonymous outlets. Our
contributions include exploring the impact of reputation on the actions of third parties, and advancing prior literature by considering wrongdoer attributes and auditors’ reporting channel preferences.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Chad Stefaniak  
The University of North Texas: Jesse Robertson, Mary Curtis

### The Impact of PCAOB Inspection Reports on Auditor Credibility: Evidence from Corporate Officers and Investors

The mandated objective of the PCAOB is to improve auditor credibility, and the PCAOB inspection process is the primary tool the PCAOB has to fulfill this objective. However, the reports present negative information about performance, which could harm auditor credibility. Accordingly, we conduct two experiments in which two distinct user groups (corporate officers and investors) assessed the credibility of both the auditing profession and a hypothetical large inspected audit firm at various points while reading two consecutive annual PCAOB inspection reports. Results for both user groups indicate that firms that issue boilerplate responses to the inspections experience a decrease in both response credibility and audit firm credibility. Additionally, we find that inspection reports decrease the perceived credibility of the auditing profession in general. Consequently, we conclude that the PCAOB inspection reports do not fulfill the PCAOB’s mandated objective of improving auditor credibility, and can actually harm perceptions of auditor credibility.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Chad Stefaniak  
The University of North Texas: Jesse Robertson

### Formation and Consequences of Audit Opinions: A Review of the Literature

Which factors induce auditors to depart from the standard unqualified opinion when auditing financial statements? What are the repercussions both to clients receiving modified opinions and the auditors who issue them? Within these broad questions exist many important issues, such as how audit opinions relate to audit quality, issues including earnings management and auditor independence, the factors that affect audit report lags, and how clients and their stakeholders react to modified opinions. Our objectives are to review the literature concerning financial statement audit opinions, to synthesize a body of often inconsistent research findings, and to suggest future research that could further our understanding of audit opinion formation and consequences.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Chad Stefaniak  
Marquette University: Jodi Gissel  
The University of North Texas: Jesse Robertson

### Investigating the Effects of Post-Audit Review Salience on Auditor Judgments: A Comparative Analysis of Audit Planning Decisions Resulting From PCAOB Inspections and Internal Quality Reviews

This paper reports the results of a study that investigates the effects of PCAOB inspection and internal quality review salience on auditors’ audit planning decisions. Consistent with our predictions, we find that post-audit review salience significantly increases both substantive testing and audit fees, and that the effect on audit fees is mediated by substantive testing. This study provides initial evidence as to the impacts of Inspections and IQRs on auditor planning decisions, variables thus far not considered in the accounting literature. It also provides initial evidence and understanding of whether, and how, auditors pass post-audit review costs along to clients. Finally, given prior research findings that the majority of auditors can or try to anticipate the audits that will be subject to post-audit reviews, we interpret our
findings to indicate a potential loss of utility from the Inspection and IQR processes. That is, that inspections and IQRs might not be capturing a true sample of an engagement team’s performance and effort level.

**Sponsor:** Oklahoma State University  
**PI/PDs:** Chad Stefaniak  
The University of Alabama: Richard Houston

**An Examination of Use of Competency Modeling in Industry**
Use of competency modeling has grown since the early 1990s and may be replacing traditional job analysis. A survey of Society of Human Resource Management association members and consulting firms will examine prevalence and forms of usage of competency models.

**Sponsor:** State of Oklahoma, State of Kansas  
**PI/PDs:** Thomas H. Stone  
University of Kansas: Ron Ash

**The Relationship of Academic Integrity to Stress, Personality, Organization Citizenship, and Counterproductive Work Behavior**
Surveys of college students will examine the effects of stress and personality on academic cheating and positive and negative work behaviors at work.

**Sponsor:** State of Oklahoma  
**PI/PDs:** Thomas H. Stone  
University of Oklahoma – Tulsa: Jennifer Kisamore  
University of Northern Illinois: Donald Kluemper  
Illinois State University: Jim Jawahar

**Are Leaders Defined by Followers? Role of Follower’s ILT and the Mediating Influence of LMX on Follower Outcomes**
An assumption underlying most leadership theory and research is that leaders play an active role and followers a passive one. Drawing on self-verification theory and implicit leadership theories (ILT), we assert that follower’s ILT influence perceptions of transformational leadership. In turn, both ILT and transformational leadership influence the development of high quality leader-member exchange (LMX) relationship. LMX is expected to mediate the influence of ILT and transformational leadership on follower’s perceptions of organizational support, identification and turnover intentions. This model was tested in a longitudinal field study with data from 210 newly hired hospital employees. Results of structural equations modeling provided strong support for the mediating influence of LMX.

**Sponsors:** State of Illinois  
**PI/PDs:** Thomas H. Stone  
Illinois State University: Douglas Rahn, Jim Jawahar

**The Relationship of Reporting Academic Integrity Violations, Personality, Organization Citizenship, and Counterproductive Work Behavior**
While a wealth of research has investigated factors affecting student cheating, very little has examined factors relating to who and why such violations are reported. Surveys will examine how reporting behavior is related to personality, organization citizenship behavior and counterproductive work behavior among working students.

**Sponsor:** State of Oklahoma  
**PI/PDs:** Thomas H. Stone  
University of Oklahoma – Tulsa: Jennifer Kisamore
An Investigation of Forms of Cheating
Academic integrity research has implicitly assumed cheating and plagiarism is intentional. Preliminary data suggests student cheating can be categorized in three types: planned, opportunistic, and panic. This study examines the prevalence of each type and its relationship to personality and demographic variables.

Sponsor: State of Oklahoma
PI/PDs: Thomas H. Stone
University of Oklahoma – Tulsa: Jennifer Kisamore
University of Northern Illinois: Donald Kluemper
Illinois State University: Jim Jawahar

How Relationship Matters: Women and Men Entrepreneurs’ Social Networks and New Venture Success across Cultures
The role of social networks in the success of women-owned and men-owned new ventures in different cultures was examined with data from 637 entrepreneurs (278 female and 359 male) across four cultures (China, Russia, France, and the United States) that vary on social relationship orientation. The results showed that the positive effect of network size on the revenue growth of new ventures is stronger in high versus low relationship-oriented cultures, and stronger for male-owned than for female-owned ventures. Furthermore, both male and female entrepreneurs in high relationship-oriented cultures (China and Russia) as well as male entrepreneurs in low relationship-oriented cultures (France and the United States) benefited from larger networks. But female entrepreneurs in France and the United States did not benefit from large networks. These results contribute to the intersection of culture, network theory, gender, and entrepreneurship research by identifying the boundary conditions of culture and network effects for male and female entrepreneurs.

Sponsors: Oklahoma State University
PI/PDs: Justin W. Webb
Harvard University: Bat Batjargal
Arizona State University: Anne S. Tsui
Texas A&M University: Michael A. Hitt
University of Luxembourg: Jean-Luc Arregle
Indiana University: Toyah Miller
Texas A&M University: R. Duane Ireland

When Do Incentives Increase the Likelihood of Opportunism: The Effects of CEO Characteristics and Institutional Ownership on Stock Option Backdating
We investigate the drivers of financial misconduct in the form of stock option backdating by examining the interactive effects of CEO’s characteristics (i.e., tenure, duality, and stature) and institutional ownership (i.e., professional investment fund and pension fund ownership). Hypotheses were tested using 82 matched pairs of public U.S. firms. CEO characteristics and institutional ownership alone do not influence the likelihood of backdating. However, results show that interactions between CEO tenure, duality, stature, and institutional ownership (both type and level) affect the likelihood of backdating. Our findings suggest that new control mechanisms focused on this financial misconduct need to be implemented that complement existing mechanisms in order to better control agents’ opportunistic behaviors.

Sponsors: Oklahoma State University
**Goal Orientation as Shaping the Firm’s Entrepreneurial Orientation and Performance**

Firms’ top decision makers cannot possibly know what decisions to make. Rather, decision makers must interpret their situations and make the best possible decision based upon their interpretation of their situations. In a survey of 713 decision makers, we examine decision-makers’ goal orientations as influencing how they interpret their situations and then respond through making decisions in terms of their firms’ entrepreneurial orientations. We also examine whether these decisions influence firm performance. We find that decision makers’ goal orientations shape their firm’s entrepreneurial orientations, which in turn influence firm growth, relative performance, and expected future performance.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Justin W. Webb
Texas A&M University: R. Duane Ireland, Michael A. Hitt, Joseph E. Coombs, Laszlo Tihanyi

**Where Is the Opportunity without the Customer? Integrating Marketing Research in Entrepreneurship Process Theory**

Marketing and entrepreneurship have long been recognized as two key responsibilities of the firm. Moreover, marketing activities and the entrepreneurship process are tightly integrated in firms. Despite their practical integration, scholarly efforts in marketing and entrepreneurship have largely progressed within the respective disciplinary boundaries with minimal cross-disciplinary fertilization. We sought to fill this void by integrating marketing research in entrepreneurship process theory. We discuss market orientation as enhancing a firm’s opportunity recognition and innovation whereas marketing mix decisions enhance opportunity exploitation. We also discuss key entrepreneurial activities as shaping the firm’s market orientation and marketing mix via firm learning. From this foundation, we examine how the institutional context can shape the implementation of market orientation and marketing mix in supporting the entrepreneurship process.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Justin W. Webb
Texas A&M University: R. Duane Ireland, Michael A. Hitt, Laszlo Tihanyi  
Ohio State University: Geoffrey M. Kistruck

**Microfranchising in Base-of-the-Pyramid Markets: Institutional Challenges and Adaptations to the Franchise Model**

As an application of the traditional franchising model to poverty alleviation efforts within base-of-the-pyramid (BOP) markets, microfranchising has garnered interest as a potential strategy for rapid scaling. However, our findings suggest that while microfranchising may provide a number of social benefits to microfranchisees and underserved communities, the institutional contexts that characterize BOP markets create a number of significant challenges to the economic sustainability of the microfranchisor and the overall microfranchising model. However, our results also suggest several potential adaptations to the microfranchising model that may help mitigate the institutional challenges associated with agency concerns, resource scarcity, and branding/standardization within BOP markets.

**Sponsors:** Oklahoma State University  
**PI/PDs:** Justin W. Webb  
Ohio State University: Geoffrey M. Kistruck, Christopher Sutter  
Texas A&M University: R. Duane Ireland
The Relative Capabilities of Suppliers versus Intermediaries to Reduce Transaction Costs with Heterogeneous Client Sets
Organizational economics and organizational capabilities serve as two perspectives for understanding firm boundaries. Intermediation theory, which in essence is an integration of organizational economics and organizational capabilities logics at the project unit of analysis and supply chain level, serves as a third perspective on firm boundaries. Drawing upon intermediation theory, we hypothesize that heterogeneous client sets will increase the likelihood that a supplier firm will use an intermediary as a means to reduce overall transaction costs of the supply chain. We further examine when the intermediary’s specialized transaction capabilities are important to the supplier. The results support our hypotheses. We conclude with a discussion of the results and their implications for intermediation theory as well as organizational economics and organizational capabilities perspectives.

Sponsors: Oklahoma State University
PI/PDs: Justin W. Webb
Ohio State University: Geoffrey M. Kistruck, Shad Morris, Charles Stevens

CEO Tenure, Compensation Committees, and Stock Option Backdating
Using an agency theory perspective, we examine the impact of CEO tenure and compensation committee monitoring on stock option backdating. We test our predictions on 70 matched pairs of U.S. public firms. We find that CEO tenure has a curvilinear (inverted U-shaped) relationship with the likelihood of backdating. Moreover, we find that the influences of compensation committee size and the frequency of compensation committee meetings are situational. Larger committees and greater meeting frequency deter options backdating for longer-tenured CEOs. We also find larger compensation committees are associated with a greater likelihood of backdating early in a CEO’s tenure.

Sponsors: Oklahoma State University
PI/PDs: Justin W. Webb
Indiana University: Curtis L. Wesley II
Texas A&M University: Joseph E. Coombs

From The Resource- And Institution-Based View To Explain Organizational Change In China
This research examines how clan and innovative cultures may contribute to organizational change and superior firm performance through market responsiveness. Our findings confirm the resource- and institution-based premise that institutionalized clan and innovative cultures as significant resources directly support market responsiveness. Clan culture, through its direct and indirect influences on market responsiveness, serves as a resource to organizational change. However, the impact of innovative culture on organizational change must go through market responsiveness. Finally, organizational change is found not only influencing firm performance positively and directly, but also fully mediating the effect of market responsiveness on firm performance.

Sponsors: Spears School of Business
PI/PD: Yinghong (Susan) Wei
Florida State University: Ruby P. Lee

The Effects of Innovation Orientation, Market Orientation, and Ethical Leadership on Firm Performance
The management and marketing literature documents inconclusive results on simple effects and interaction effects between innovation orientation and market orientation. We posit that this two-way interaction may depend on the level of a third variable – ethical leadership. We collect data from multiple informants in a sample of Chinese manufacturing firms to test our hypotheses. We find a significant negative three-way interaction indicating that ethical leadership can enhance performance in
firms that are high in both innovation orientation and market orientation or in firms that are low in both innovation orientation and market orientation. However, firms with low levels of ethical leadership do better to focus either only on innovation orientation or only on market orientation.

**Sponsors:** Spears School of Business  
**PI/PD:** Yinghong (Susan) Wei  
Indiana University: Neil Morgan  
University of North Carolina at Chapel Hill: Hugh O’Neill  
City University of Hong Kong: Nan Zhou

**Infusing Innovative Culture through Employee-Level Market Information Sharing**  
This paper investigates theoretically and empirically how an innovative organizational culture may change employees’ psychological states and cognitive perceptions and how market information sharing may moderate these effects. A structural equation model was tested with survey data from 3,960 individual employees in China. The authors found that the direct effects of an innovative culture on employees’ attitudes (job satisfaction) and perceptions (perceived organizational dynamism and perceived firm performance), and market information sharing can enhance such states and perceptions. The findings underscore the importance of infusing innovative culture into a firm through employees’ psychological states and cognitive perceptions and also provide a new insight into how the interface between innovation and marketing influences the process of cultural infusion.

**Sponsors:** Spears School of Business  
**PI/PD:** Yinghong (Susan) Wei  
University of North Carolina at Chapel Hill: Hugh O’Neill  
Florida State University: Ruby P. Lee  
City University of Hong Kong: Nan Zhou

**Consumer's Adoption Intention toward the Internet: A Perspective of Innovation Adoption Theory**  
With the increasing growth of Internet advertising revenues, it is important to understand what factors may impact consumer intentions to adopt the Internet. This paper advances innovation adoption theory by investigating the effect of impersonal and interpersonal communication channels on consumer intentions to adopt the Internet. A survey from 3,754 consumers in China through a stratified random sampling approach was conducted. The SEM results suggest that demographic characteristics (age, education, personal income, household income), impersonal communication channel - mass media usage (newspaper/magazines, TV news), and personal communication channel (word of mouth and personal selling) influence consumer Internet adoption intentions at home.

**Sponsors:** Spears School of Business  
**PI/PD:** Yinghong (Susan) Wei, Gary L. Frankwick,  
City University of Hong Kong: Nan Zhou

**An Examination of the Cost of Capital Implications of Financial Interpretation Number 46 (Revised)**  
We examine the cost of capital impact of FIN 46. Using a sample of firms that recognized or disclosed individual VIEs as a result of FIN 46, we examine changes in firms’ cost of capital around the adoption of the standard. We find that, in general, firms with VIEs experienced changes in cost of capital relative to firms in their industries that did not participate in VIEs. Further, while the individual type of VIE and firm-specific financial statement impact of FIN 46 affect the cost of equity capital, these factors do not appear to impact the cost of debt in the same manner.

**Sponsors:** Oklahoma State University, University of Memphis, California State University Long Beach  
**PI/PDs:** Angela Wheeler Spencer  
University of Memphis: Carolyn M. Callahan
The Impact of Opaque Financing Structure on the Value Relevance of Fair Value Information
We investigate how financial reporting opaqueness impacted the valuation of large bank holding companies during the 2008 market crisis. While we find use of special purpose vehicles (SPVs) has only a marginal overall negative valuation impact, use of these structures does alter the value relevance of amounts reported at fair value. Although there is evidence that the use of SPVs lowers the value relevance of Level 3 amounts, we find the opposite for Levels 1 and 2, indicating perhaps a positive valuation effect from the greater transparency afforded by fair value accounting. Our work is motivated by the need of regulators to disentangle the effects of off-balance sheet financing and related fair value accounting.
Sponsors: Oklahoma State University, University of Memphis
PI/PDs: Angela Wheeler Spencer, Robert (Tong) Yu
University of Memphis: Carolyn M. Callahan

The Valuation and Disclosure Implications of FIN 46 for Synthetic Leases: Off-Balance Sheet Financing of Real Property
This study examines the valuation impact of Financial Interpretation Number (FIN) 46 on firms that disclosed involvement as a lessee with a leasing variable interest entity (VIE) post-FIN 46. Results of this study indicate that while disclosed future minimum lease payments are significantly valued by the market, recognized lease liabilities (following FIN 46) are valued with substantially more weight. Further, while maximum risk disclosures required under FIN 46 are considered by the market, they do not incrementally add information beyond the already required operating lease disclosures.
Sponsors: Oklahoma State University, University of Memphis, California State University Long Beach
PI/PDs: Angela Wheeler Spencer
University of Memphis: Carolyn M. Callahan
California State University Long Beach: Rod E. Smith

Fundamental Analysis of Firm Performance Following Strategic Alliance Announcements
We examine whether accounting-based fundamental analysis can predict long-term market performance in a strategic alliance context. From information disclosed in the alliance announcements and other context-specific information, we develop an alliance score (A-Score) that alone and in conjunction with Mohanram’s (2005) G-Score explains differences in future returns. We also document that based on short-term market reactions, the market does not in general correctly predict long-term performance for the firms participating in the alliances. These results suggest that prior research focusing on the short-term reaction to alliance announcements may overstate the benefits of alliances from a general perspective.
Sponsors: Oklahoma State University, University of Tampa, University of Memphis, California State University Long Beach
PI/PDs: Angela Wheeler Spencer
University of Tampa: Maureen Butler
University of Memphis: Carolyn M. Callahan
California State University Long Beach: Rod E. Smith

Do Major Customer Relationships Enhance the Performance of Strategic Alliances in High-Tech Industries?
This study examines the impact of major customer relationships on high-tech firms’ financial performance over the period 1988 to 2004. We categorize firms into partnering and nonpartnering
groups based on whether the firm reports a major customer relationship under FAS 14 (superseded by FAS 131) and subdivide the partnering firms’ subsample based on whether those firms also announced alliances. We find little evidence that either partnership arrangement improves operating performance, although before entering partnerships, partnering firms tend to perform better than nonpartnering firms. When firms with major customer relationships discontinue those relationships, operating performance worsens regardless of alliance status.  

**Sponsors:** Oklahoma State University, University of Memphis, California State University Long Beach  
**PI/PDs:** Angela Wheeler Spencer  
University of Memphis: Carolyn M. Callahan  
California State University Long Beach: Rod Smith

**Risk Implications of Increased Off-Balance Sheet Disclosure: The Case of FIN 46 and SOX**  
We investigate the impact of increased disclosures required by Financial Accounting Standards Board Financial Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities*, and the Sarbanes-Oxley Act of 2002 (SOX). We examine value relevance of the quantitative maximum risk disclosures made under FIN 46 and idiosyncratic risk change around both standards. Our results indicate that the maximum risk disclosures required under FIN 46 were only marginally priced, although differences exist across type of VIE and whether each structure was ultimately consolidated. Further, while all firms experienced decreases in idiosyncratic risk in this time frame and upon adoption of SOX, off-balance sheet disclosures required by FIN 46 appear to have further altered idiosyncratic risk of affected firms.  

**Sponsors:** Oklahoma State University, University of Memphis  
**PI/PD:** Angela Wheeler Spencer  
University of Memphis: Carolyn M. Callahan

**Contestants or Collaborators? How Pay Disparity and Social Comparison in the Top Management Team Influence Firm Performance**  
This research examines how pay disparity among top managers of a firm influences firm performance. There are two competing theories about this issue. This research combines the theories to suggest a curvilinear relationship.  

**Sponsor:** State of Oklahoma  
**PI/PDs:** Margaret A. White, Jason Ridge

**Relationship of TMT Premerger Power Characteristics of Acquiring and Target Firm with Post-Deal Performance.**  
This research looks at power relationships between target and acquiring firms, the retention of power after a merger, and the resulting post-merger performance.  

**Sponsors:** State of Oklahoma and State of Florida  
**PI/PDs:** Margaret A. White  
University of West Florida: K. Blaine Lawlor  
Florida Atlantic University: Kimberly Ellis

**M&A and Post-Merger CSR: Do the Better Firms Win the Culture Conflict?**  
When firms merge, what happens in the arena of corporate social responsibility. Does the acquiring firm supersede the CSR of the target firm? Or is there combination of premerger CSR activities that are supported after the merger? This series of papers explores this issue.  

**Sponsors:** State of Oklahoma, University of Tulsa, State of Florida  
**PI/PDs:** Margaret A. White  
University of Tulsa: Jill R. Hough
Can We Have Confidence in Hubris Measures?
Hubris has been measured in a number of ways. Seven nonobtrusive measures have been used in the literature with very mixed results. This study uses the seven measures within one data set to see whether there is validity in the measures.

**Sponsor:** State of Oklahoma  
**PI/PDs:** Margaret A. White, Aaron Hill

Northeastern State University: David Kern

Venture Capitalists and the Governance of Entrepreneurial Firms
This is research that seeks answers to the questions relating entrepreneurial firm characteristics, strategic actions, and venture capitalists support with firm performance as new businesses pursues IPOs.

**Sponsors:** State of Oklahoma, greenWells, Inc.  
**PI/PDs:** Margaret A. White, Jason Ridge  
Florida International University: Nathan Hiller  
Bucknell University: Ann E. Echols

Strategic Orientation of Small Firms
This effort examines how strategic orientation of small business management relates to performance.

**Sponsor:** State of Oklahoma; Tulsa Chamber of Commerce–Small Business Development  
**PI/PDs:** Margaret A. White

Georgia College and State University: Robert J. Duesing

Reviving the Living Dead: A Case Study of Venture Capitalist Turnaround
When businesses become stagnant (living dead firms), there are sometimes opportunities to turnaround the business. This is an in-depth study of one such business that was bought and restructured by a group of venture capitalists.

**Sponsor:** State of Oklahoma  
**PI/PDs:** Margaret A. White

GRC Amerada: Suzanne Behr