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Syracuse University
Whitman School
of Management

Syracuse University

Eugene W. Anderson
Dean

Michel Benaroch
Associate Dean for Research and Ph.D. Programs

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EDITOR
Dawn McWilliams
Director of Marketing and Communications

CONTRIBUTORS:
Lena Blomkvist
Communications Assistant

Olivia Hall
Freelance Writer

Caroline Reff
Freelance Writer

ART DIRECTION AND DESIGN
Andrea Parisi G'19 (NEW)
Associate Director of Marketing

PHOTOGRAPHY
Rachel Liz
Marilyn Hesler
Steve Sartori
Jim Vivenzio

ILLUSTRATION
Keri Chubb
Communications Assistant

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Dear Friends and Colleagues,

We are pleased to share with you a copy of Syracuse University's Martin J. Whitman School of Management Research Magazine Summer 2021.

During the extraordinary year of working and researching during a pandemic we are reminded how the quest for new knowledge will become critical to understanding the world post-COIVD-19.

Our researchers at Whitman have played an important role in creating and sharing new research about changes in the retail sector, supply chain issues, new technology adoption and even what we expect entrepreneurship to look like in this changing landscape.

In this issue of our Research Magazine, you will see new plans for discoveries around these topics and much more. Glimpses of how Whitman faculty were sought after by the media to publicly answer important questions on how business was being affected, and how we continued to study, innovate and teach the next generation of research leaders.

The Whitman School continues to thrive by creating an environment where we encourage exploration and set examples of business excellence across the world, preparing for what is next. We hope that you will join us in reading and sharing our research news.

The future of business research is Orange.

Gene Anderson
Dean

Michel Benaroch
Associate Dean for Research
and Ph.D. Programs

POST COVID-19:

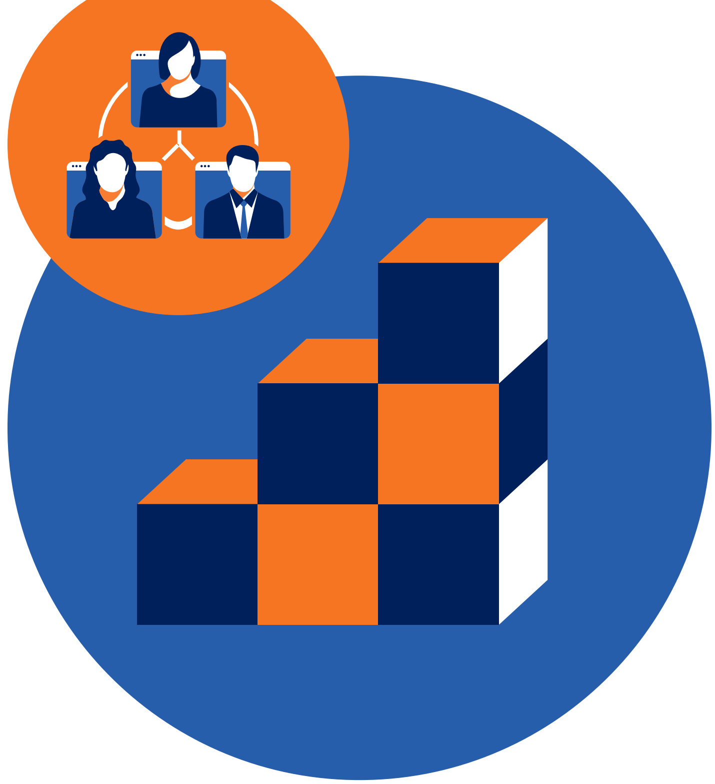
Whitman Faculty Research Plans for New Discoveries and Opportunities

by Olivia Hall

The past year has no doubt been the most turbulent in many of our lives. The impacts of COVID-19 have cut through large swaths of our everyday existence, forcing changes to everything from how we shop to how we work, travel, communicate, learn, and more. Even as a form of normalcy returns to some countries, it is clear that the pandemic will continue to shape our reality in significant ways.

Along with unpredictability and pain, however, these disruptions are also bringing opportunities—to gain novel perspectives, to ask different questions, to make new discoveries. What might these look like for scientists who are already working at the cutting edge of knowledge? We've asked faculty experts from across the Whitman School of Management to weigh in on how the COVID-19 crisis is impacting their research and shaping their fields.

ENTREPRENEURSHIP



Zachary Rodriguez and Maria Minniti

The pandemic has given Zachary Rodriguez, a postdoctoral researcher in the Department of Entrepreneurship and Emerging Enterprises (EEE), the chance to study in real time how entrepreneurs have been adapting to the current crisis. Businesses successful at maintaining revenue have frequently already had digital infrastructure in place to allow remote work, or they have been able to shift their business model to other goods and services or offer customers new delivery and pickup options. Rodriguez hopes to help identify digital solutions and other ways businesses can prevent being hurt during future crises.

Rodriguez has also been working with Maria Minniti, the Bantle Chair in Entrepreneurship and Public Policy, to assess how the structure of healthcare decision-making has impacted the number of COVID-19 cases and deaths in counties across the United States. The hypothesis is that decisions' speed and fit with local needs significantly outweigh the benefit of coordination. Because counties with more authority to make their own decisions fared better, the researchers plan to investigate whether states with centralized healthcare decision-making ought to consider switching to become more resilient.

Johan Wiklund

The Al Berg Chair and Professor of Entrepreneurship Johan Wiklund is cooperating with 28 other researchers from around the world on a survey of 5206 entrepreneurs in 23 countries that represent over half the world's population and three quarters of the world's GDP. Mapping the impact of the pandemic on the entrepreneurs and their businesses, the group has found that significant numbers of entrepreneurs (61%) saw the existence of their business under threat but also adapted their plans (68.2%). Some (40%) recognized new business opportunities during the pandemic and nearly half (45.5%) believed that the

pandemic could have a positive impact on their business in the long run. These preliminary descriptive findings open a host of research questions on what we can expect to see post COVID-19 and why.

Mirza Tihic and Alexander McKelvie

EEE postdoctoral researcher Mirza Tihic and Professor of Entrepreneurship Alexander McKelvie are among five co-authors of a report on veteran-owned businesses during the pandemic. It is part of the National Survey of Military-Affiliated Entrepreneurs, a multi-year, annual and longitudinal, study of veteran and military spouse entrepreneurs. In the 2020 survey, veteran entrepreneurs were much less likely to experience stress and anxiety regarding their business than non-veterans—results that align with existing research that shows military experience to be positively correlated to the ability to accurately evaluate a dynamic decision environment and subsequently act in the face of uncertainty, as well as findings of lower burn-out rates and greater resilience among veterans. Military experience may therefore be linked to high levels of resilient behavior.

McKelvie is also looking to a Swedish governmental agency to fund research exploring what Swedish retailers did to adjust to COVID-19, especially in the context of the country's unique response to the pandemic and very strong regional variation between large and other cities, as well as between different types of retail firms.

FINANCE

Erasmo Giambona

While finance theory has long recognized the importance of network relationships for firm performance, COVID-19 has shown that network disruptions are costly for firms. Professor of Finance and Falcone Chair in Real Estate Erasmo Giambona, who specializes in corporate finance and real estate, expects more research in the coming years on how firms should manage network disruption risk.

Markus Broman

Assistant Professor of Finance Markus Broman expects the pandemic to have an impact on research related to the performance of mutual funds: A popular hypothesis states that investors are willing to tolerate active equity mutual funds underperforming passive benchmarks because active fund management adds value in downturns, just when investors need it the most. Preliminary evidence by University of Chicago-based researchers Ľuboš Pástor and M. Blair Vorsatz from the early stages of COVID-19, however, suggests that mutual funds in fact underperformed during the 10-week crisis period under study. What makes this crisis different?

David Weinbaum

Professor of Finance David Weinbaum is examining the relationship between the variation in stock market prices and changing growth expectations versus discount rates. The value of the stock market equals the present value of future dividends or cash flows. However, the sum of the value of aggregate dividends for the next 10 years accounts for only 20 percent of the value of the stock market. Therefore, if discount rates do not change, the stock market decline of 33.9 percent experienced during the pandemic would imply that investors expected dividends to drop to zero for over 10 years because of COVID-19, which seems difficult to believe. This suggests that discount rate changes matter. But how much, especially when compared to dividends?

Lai Xu

Assistant Professor of Finance Lai Xu, whose research expertise centers on the risk and reward relationship in the stock market, knows that the effect of COVID-19 on volatility will certainly make its way into her work.

Roger Koppl

Professor of Finance Roger Koppl has been exploring the current pandemic as a case in point for the framework on “expert failure” he established in a 2018 book of the same title. In it he argues the need for real competition between experts, who can be unreliable, especially when they hold monopoly power. For example, he sees a root problem in the division of labor into silos of expertise, making it difficult to adjudicate between competing frameworks and offered solutions, as well as in the tendency toward uniform opinions within professional licensing organizations such as the American Medical Association. As the urgency of COVID-19 retreats, Koppl hopes to explore how to dispense with a “rigid hierarchy of knowers” and instead turn back toward a more distributed, decentralized form of knowledge and expertise.

Robert Arscott

Assistant Professor of Finance Robert Arscott, whose current work focuses on pricing loans, believes there is much opportunity for research in his area looking at the potential for the COVID-19 pandemic to create new opportunities for lending capital as well as increase the risk of business and commercial loans in new ways.

MANAGEMENT

Lynne Vincent and Joel Carnevale

The pandemic forced many companies and their employees to suddenly shift to work from home. In-person contacts were replaced with exchanges through Remote Interaction (RI) technologies, for which standards and best practices had often not yet developed. As the world begins to return to a new state of normal, companies have the opportunity to adopt and manage RI-technologies more consciously, considering, for example, the most effective leadership and communication styles for this setting. Research to date suggests that a less hierarchical, more shared style of leadership may encourage informal communication and thereby social bonds among team members. In this context, Assistant Professor of Management Lynne Vincent is curious whether it is possible to replicate the same organizational culture that flourished in the office among employees interacting primarily through computer screens, while her colleague Joel Carnevale, assistant professor of management, foresees a workplace culture that will likely forsake such perks as free lunches and on-site gyms for those that give more value to employees, such as flexibility and autonomy. The question is which values organizations will emphasize and how they will best deliver on them.

Natarajan Balasubramanian and Cameron Miller

Technological changes tended to happen fast during the pandemic. Remote work tools such as Zoom or Slack jumped over multiple stages of the typical, multi-step adoption pattern and became integral means by which companies run and interact with customers. Professor of Management Natarajan Balasubramanian and Assistant Professor of Management Cameron Miller are among those faculty thinking about what lessons organizations can draw from these recent events and what they mean for the future, including in such areas as industry evolution, compressed adoption cycles, and the changing global geo-political environment. Miller, for example, has considered how third-party sellers can strategize to maintain some of their leverage in the face of the enormous bargaining power of online platforms such as Amazon, which experienced rapid growth thanks to COVID-19.

MARKETING MANAGEMENT

Meheli Basu

Assistant Professor of Marketing Meheli Basu is looking into a number of questions surrounding the rise of online shopping during the pandemic, including: Has the digital path to purchase for consumers evolved during the pandemic? Has the average online shopping session duration increased? Has online shopping for essentials gone up during the pandemic and will this trend continue in the post-pandemic era?

Guiyang Xiong

With many sales moving online, Associate Professor of Marketing Guiyang Xiong sees greater urgency for companies to consider the degree to which they want to offer virtual fitting rooms, unlimited free returns, buy-online-pickup-in-store options and other conveniences to digital native customer citizens. His research offers concrete advice: Virtual fitting rooms, for example, help bridge the gap between the experiential feel of in-store shopping and digital browsing. Giving customers a realistic view of what clothes will look like on them in fact increases sales and post-sales satisfaction, but only if it replaces the use of traditional, idealized model photos.

Scott Fay and Kyu Lee

As shoppers move away from brick-and-mortar stores, traditional malls may morph into "destination stores," where the customer experience becomes more important than shopping itself. Professors of Marketing Scott Fay and Kyu Lee, who both study multi-channel retail, are exploring the intriguing questions emerging from these trends, including about the degree to which retail spaces will be used to showcase products rather than offer a large inventory of variety and sizes—reducing inventory costs—and to provide authentic experiences, intended to build brand loyalty.

Scott Lathrop

The pandemic has far outlasted the typical three-month period it takes consumers to adapt to new behavioral patterns. Professor of Marketing Practice Scott Lathrop is targeting the question: what lasting changes we can expect in consumer, business and regulator behavior as a result. Take the perceived risk of outdoor activities such as travel and outdoor events: Will regular outdoor consumption habits resume after vaccinations? Will cruises and resorts see a comeback in popularity with new social distancing and masking norms, and will state legislators continue to regulate their business practices? Lathrop also wonders whether the definitions of "discretionary" or "non-essential" consumption will persist and how businesses may change their marketing strategies based on their placement along the essential business continuum.

REAL ESTATE MANAGEMENT

Milena Petrova

Both the residential and commercial real estate markets were shaken by the pandemic—at the same time revealing new opportunities. The sizeable growth of e-commerce has boosted demand for warehousing and industrial space, while increased reliance on cloud computing and digital communications has led to an ever-growing demand for data centers and digital properties. In light of these effects, Associate Professor of Finance Milena Petrova anticipates research on permanent developments in several areas: How, for example, will changes in transaction volume, as well as changes in income from operations due to lower occupancy rates and reduced rent collection rates affect valuation in real estate? With reduced demand for housing in urban areas and reduced office occupancy rates due to work from home, what impact will employees' increased wish to continue remotely, at least partially, have on markets restructuring?

SUPPLY CHAIN MANAGEMENT

Burak Kazaz

Incentivizing pharmaceutical companies to increase production capacity for vaccines is a critical component in developing COVID-19 vaccines and bringing them to the world's citizens to protect their health and safeguard the global economy. Within these healthcare supply chains, Burak Kazaz, the Steven R. Becker Professor of Supply Chain Management, examines public-private partnerships (such as Operation Warp Speed or programs by the Gates Foundation) aimed at ensuring that sufficient quantities of vaccines, therapies, and supplies are produced and distributed around the globe.

Rong Li

Associate Professor of Supply Chain Management Rong Li sees different business fields linked more interdependently during and after a crisis such as COVID-19. In a post-pandemic future, supply chain management and logistics will need to focus on risk management strategies, and particularly on generating more and sustainable end-consumer demand, she believes, by better understanding what consumers want and can afford. This, in turn, will largely shape the outlook of the up streams, including natural resources. In her research, Li examines real-time data for traditional supply chain-management metrics such as inventory but also develops metrics such as employee health, machine conditions, and consumer demand changes.

Karca Aral

Many companies were unable to weather the financial impact of the pandemic. Assistant Professor of Supply Chain Management Karca Aral's research examines the role and size of supply base on bankruptcy potential and the effect of sourcing strategy in reducing bankruptcy likelihood.

Julie Niederhoff

Images of empty shelves will probably be indelibly linked to this pandemic, as COVID-19 created a substantial amount of hoarding behavior in consumer consumption. Associate Professor of Supply Chain Management Julie Niederhoff incorporates such behavioral aspects into her research on supply chain operations. For companies, for example, this type of surge in demand and other disruptions require more robust flexibility and contingency plans to bolster very lean and efficient flows that are highly dependent on the environment for which they were designed.

Zhengping Wu

The pandemic drastically boosted online demand, where delivery lead-time is a crucial competitive factor. Associate Professor of Supply Chain Management Zhengping Wu explores the impact of lead-time competition on businesses' optimal decisions and profits, finding that companies can benefit in this new environment because competition in lead-time can diffuse price competition.

Fasheng Xu

Around the world, live-streaming product sales through influencers have skyrocketed as a way to reach customers. Assistant Professor of Supply Chain Management Fasheng Xu studies the optimal characteristics of an influencer when trying to reach a target audience and criteria that help companies decide when and how to leverage this new link in the supply chain.

Gary La Point

For nearly every company and government, the pandemic has been a harsh wake-up call to reevaluate, and in many cases overhaul, supply chains to increase resilience for future crises. Professor of Supply Chain Practice Gary La Point believes we will see more supply chains designed for the region in which their consumers are—for example more products destined for North America being sourced from Mexico or Haiti. This might also be accompanied by laws limiting the amount of critical goods such as antibiotics that can be manufactured overseas. The question whether the pandemic and the great risks it introduced provide a solid economic justification for such a trend should be of great research interest.

While the future may be unpredictable, it holds the promise of exciting new knowledge. We will continue to share what our Whitman faculty discover as the impacts of the COVID-19 pandemic on their diverse fields begin to emerge.

Burak Kazaz Elected President-Elect of MSOM and Continues Sharing his Research on COVID-19 Vaccines and Wine Analytics

Burak Kazaz has been an exceptional member of the Whitman School faculty since 2007. Much of his research includes mitigating risk in global supply chain operations, supply chain financing and designing socially-responsible supply chain operations. He is currently the Steven R. Becker Professor of SCM and The Laura J. and L. Douglas Meredith Professor of Teaching Excellence.

He also serves as the director for the Robert H. Brethen Operations Management Institute. Most recently he was elected as the MSOM executive vice president (EVP) and president-elect by the Manufacturing and Service Operations Management Society (MSOM). In the next two years, Burak will serve for one year as the EVP and deputy president and then assume the MSOM president role. Being elected to this position is the ultimate recognition and honor the MSOM Society bestows on trusted leading academics. This position comes great responsibilities, which Burak will undoubtedly meet with great success. MSOM is one of the largest societies within the Institute for Operations Research and Management Sciences (INFORMS). He is the first from the Whitman School to hold a leadership position at either MSOM or INFORMS.

"The INFORMS memberships consists of scholars from around the world, including business school faculty, engineers, mathematicians, information scientists and analytics experts. Some of the members are even Nobel laureates," says Kazaz. "I am very honored to represent the Whitman School as I take on this role."

In addition, Kazaz has used his research to cast a bright spotlight on the Whitman School over the past year-and-a-half, as he shares his knowledge on a variety of topics—from the COVID-19 vaccine supply chain to wine analytics—with students, the University community and the national media.

EXPLAINING THE VACCINE SUPPLY CHAIN

In February 2021, Kazaz showcased his supply chain knowledge on what may be the topic of the century: the COVID-19 vaccine. At a time when only 8% of Americans had received two doses of the vaccine, he and two guest panelists, Syra Madad, a nationally recognized public health leader and epidemiologist; and Professor of Operations at INSEAD Prashant Yadav, INSEAD professor and fellow of the Harvard's Kennedy Center School of Public Policy; presented Where Are Our Vaccines? Part of the Syracuse University Talks Business Webinar Series, the presentation explained the many complex steps involved in producing and distributing the Pfizer and Moderna vaccines.

Kazaz stressed that even though the production cycle was reduced from 110 days to approximately 60 days, vaccine manufacturing is still time-consuming. He and the other panel members delved into the complexities of shipping the vaccines, particularly Pfizer's, which required strict temperature control. As an interested audience listened in virtually, all three panelists stressed that universities like the Whitman School have a responsibility to contribute to future preparedness for similar crises by building a long-term talent pool of undergraduate and graduate students that not only considers supply chain logistics but also develops a passion for public service that will successfully impact health at the local, national and global levels.

A TASTE OF WINE FUTURES

Having established the area of wine analytics, Kazaz's work on the pricing of wine futures has been highly influential in that industry, benefitting winemakers and distributors. In 2020, Kazaz and M. Hakan Hekimoglu G'14, '16 Ph.D., (Lally School of Management, Rensselaer Polytechnic Institute) released a report, "Analytics for Wine Futures: Realistic Prices" in Production and Operations Management. The report identified "best buys" for 2019 vintage Bordeaux wine futures known as "en primeur." Using a price algorithm they developed, Kazaz and Hekimoglu identified 15 chateaus' wine futures as a "strong buy," or excellent deals, while seven others received a "buy" recommendation.

"The 2019 vintage is an excellent vintage to invest in," says Kazaz, citing several that were released more than 30% below their realistic values. "Together, these 2019 'en primeur' prices are, undoubtedly, the best release prices in a long time."

The report cited three main reasons for the chateau's decisions to reduce prices: COVID-19, which caused chateaus to have to ship bottle samples to tasting experts several months late; Brexit, which caused uncertainty in London's fine wine trade; and potential tariffs. All of these factors impacted chateaus and negociants release prices for the 2019 vintage.

Kazaz has represented his work and the Whitman School on numerous occasions on these and other topics in the local and national media, including the Wall Street Journal, Forbes, Financial Times and Bloomberg. In addition, his publications have received numerous best paper awards reflecting the impact and quality of his scholarly projects.

Honors, Awards and Recognition

The following 2020 Whitman Roadmap Grants were awarded:

1. eHealth and Offline-Choices in Health Care (**Minjung Kwon**, assistant professor of marketing)
2. Earnings Guidance and Corporate Transparency: Evidence from a Disclosure Regulatory Change (**Lihong Liang**, associate professor of accounting)
3. Shareholder-Debtholder Conflicts, Capital Structure, and Innovation: Evidence from the Bankruptcy Reform Act (**Erasmo Giambona**, professor of finance and Falcone Chair in Real Estate).
4. Incentivizing Health Product Capacity Investments for Global Pandemics (**Burak Kazaz**, The Steven R. Becker Professor of Supply Chain Management and The Laura J. and L. Douglas Meredith Professor of Teaching Excellence)
5. Toward the Development of a Measurement Instrument for Attitudes Towards Entrepreneurship (**Mirza Tihić**, postdoctoral researcher with the Deparment of Entrepreneurship and Emerging Enterprises (EEE) and **Alex McKelvie**, professor of entrepreneurship)

Meheli Basu, assistant professor of marketing, is a principal investigator on a $20,000 Innovative & Interdisciplinary Research CuseGrant awarded for her project "Impact of User Reviews of Service Attributes on Revenues in the Sharing Economy: Examining the Case of Airbnb."

Michel Benaroch, associate dean of research and Ph.D. programs and professor of MIS, won a best paper award at the ILAIS 2020 Conference for his paper titled "Third-Party Induced Cybersecurity Incidents: Who Pays the Price?"

Joel Carnevale, assistant professor of management, and **Johan Wiklund**, the Al Berg Chair and professor of entrepreneurship, are guest editors for a special issue: "A Better Tomorrow? Work and Well-being in the Entrepreneurial Society," for the *Journal of Business Research* (in conjunction with Parker, S., Jack, S., Hatak, I. and Frese, M.)

Ravi Dharwadkar, Laura J. and L. Douglas Meredith Professor of Teaching Excellence and professor of management, has been appointed editor at *Corporate Governance: An International Review* for a three-year term.

Suho Han, assistant professor of entrepreneurship, has joined the editorial review board of the *Strategic Entrepreneurship Journal*.

Rong Li, associate professor of supply chain management, received the *M&SOM Meritorious Service Award* in May 2020, recognizing the outstanding service she has provided over the past year for the *M&SOM* journal.

Catherine Maritan, associate professor of management, has joined the editorial board of *Strategy Science*. She also received a 2020 *Academy of Management Review* (AMR) Developmental Reviewer Award and was re-appointed co-chair of the Strategy Research Foundation, the research funding arm of the Strategic Management Society, for a three-year term (2020-2022).

Cameron Miller, assistant professor of management and holder of the Edward Pettinella Professorship of Business, was awarded Best Reviewer for 2020 at *Strategic Management Journal* and *Academy of Management Perspectives*. He has also joined the editorial review board of *Organization Science*. Miller has also been elected to the research committee for the Strategy Division at Academy of Management.

Milena Petrova, associate professor of finance, received a $75,000 grant from the Real Estate Research Consortium for examining the "The Tax and Economic Impacts of Section 1031 Like-Kind Exchanges in Real Estate" (with Ling, D.) for the period after the financial crisis.

Johan Wiklund, the Al Berg Chair and professor of entrepreneurship and editor-in-chief of *Entrepreneurship Theory and Practice* (ETP), saw the 2019 Impact Factor of ETP jump from 6.2 to 10.7, which according to the publisher, SAGE, places ETP second among 151 business journals. Wiklund was also awarded a 10-Year Impact Award by SAGE Publishing, recognizing that a 2009 paper he published in ETP has received the most citations over the span of a decade, titled "Entrepreneurial Orientation and Business Performance: An Assessment of Past Research and Suggestions for the Future" (with Rauch, A., Lumpkin, G.T. and Frese, M.).

Two Whitman Faculty Members Named Top 2% of Researchers Worldwide

Maria Minniti, Bantle Chair in Entrepreneurship and Public Policy and **Johan Wiklund**, Al Berg Chair and professor of entrepreneurship, were recently named among the top 2% of the most impactful researchers globally, based on a PLOS Biology study, "Updated science-wide author databases of standardized citation indicators," published by Mendeley Data, Version 2. The database includes 100,000 top scientists and covers all of the sciences (business, social science, humanities, etc.), taking into account differences when comparing disciplines, such as self-citations, citation farms, etc.

Whitman Faculty Honored

Ravi Dharwadkar has been named the ***Whitman Advisory Council Professor***.

Todd Moss, associate professor of entrepreneurship, received the ***Edward Pettinella Associate Professorship in Business Award***.

Natarajan Balasubramanian, professor of management, received the ***Whitman Research Fellow Award***.

Joel Carnevale, , assistant professor of management, received the ***Guttag Junior Faculty Research Award***.

Lai Xu, assistant professor of finance, received the ***Dean's Citation for Research Award***.

Kira Reed, associate professor of management, received the ***Chancellor's Citation for Excellence***.

Whitman Welcomes New Faculty

Wille Reddic has been appointed by Syracuse University's Board of Trustees as ***associate professor of accounting with tenure*** (joining Whitman after holding a tenured position at DePaul University).

Amber Anand is the Edward Pettinella Professor of Finance and his research is in the area of market microstructure, the role of market intermediaries, transaction cost measurement, price discovery, and trading strategies of informed investors.

First of its Kind Study Shows Subset of Mutual Funds Could Alleviate Fragility of Bond Markets

Amber Anand, "Mutual Fund Trading Style and Bond Market Fragility" (with Jotikasthira, C. and Venkataraman, K.), *Review of Financial Studies*, October 2020.

Authored by Amber Anand, Edward Pettinella Professor of Finance and Haydon Family Fellow, Chotibhak Jotikasthira (Southern Methodist University) and Kumar Venkataraman (Southern Methodist University) are the first to show that a subset of mutual funds intentionally supply liquidity in corporate bond markets during periods of sustained customer selling, even when facing large outflows and elevated market stress, thus alleviating fragility risks.

Unlike equity funds, poor performance leads to large investor outflows from bond funds, raising concerns about price destabilizing effects of funds selling relatively liquid assets to meet redemption needs. These stability risks posed by liquidity demand from funds are heightened in light of recent evidence that post-crisis banking-related regulations, such as the Volcker Rule, have reduced dealer capital for market making in fixed income securities. Regulators are concerned that incidents of institutional selling coupled with reductions in the supply of dealer capital can potentially amplify the fragility risk of the bond market. The novel findings of this research show that a liquidity supplying trading style contributes positively to fund alpha, reflecting a premium for liquidity supply when bonds face selling pressure. While prior work concludes that mutual funds pose a threat to market stability, this study is the first to show that a subset of funds could potentially help alleviate the fragility of the bond markets.

The study provides a new method to capture bond illiquidity by building dealer inventory cycles and using these to classify fund trading style. Given bond illiquidity, the slow-moving inventory cycles present an accurate picture of liquidity conditions in a bond. The cycle-based classification is also better in a context where fund positions are observed monthly or quarterly. A liquidity supplying trading style can enhance fund performance, as funds can evaluate if liquidity supply fits within their investment strategies.

These findings highlight buy-side institutions as an important liquidity source and a potential solution to the fragility concerns in the corporate bond market. In light of regulatory changes that cause a decline in dealer capital for market making, the bond markets could benefit from liquidity supply by other types of participants. Regulators need to remove frictions, for example, the market power exercised by large players in OTC markets, that impede broad participation by institutions. In particular, designers of trading systems need to offer protocols that provide institutional and retail investors with direct access to platforms, like MarketAxess' Open Trading platform, and the ability to post limit orders that compete with dealer quotations.

> "...*findings highlight buy-side institutions as an important liquidity source and a potential solution to the fragility concerns in the corporate bond market.*"

When and How Should a Firm Use Supplier Sustainability Assessment?

Karca D. Aral is an assistant professor of supply chain management. Her research interests include strategic sourcing and procurement auctions, sustainable operations, supply chain finance and empirical methods.

Karca Aral, "Supplier Sustainability Assessments in Total-Cost Auctions" (with Bell, D. and Van Wassenhove, L.), *Production and Operations Management*, October 2020.

Various versions of total-cost auctions are the gold standard in industrial procurement for supplier selection and have been a focal point in procurement literature. However, whether and how to incorporate non-price cost markups, such as results from a sustainability assessment, into the supplier selection process has not been answered so far.

This paper takes a step back and addresses this fundamental issue at the heart of total-cost auctions. Authored by Assistant Professor of Supply Chain Management Karca Aral, Damian Bell (University of Michigan) and Luk Van Wassenhove (INSEAD), the study addresses how the value of supplier sustainability assessments change depending on the buyer's business environment, as well as what the buyer's optimal supplier assessment policy is. Intuitively, the buyer should use sustainability assessments when facing a less sustainable supplier base. However, the opposite may hold, and the buyer may derive higher value from conducting assessments when facing a more sustainable supplier base. The presence of an outside option, internal production, for example, alters the assessment policy significantly. The findings also explore other related settings, like when the buyer finds it profitable to assess only a subset of his/her suppliers or when the buyer does not ex-ante know how to convert assessment results to cost markups.

Sustainability procurement, although recognized by many as one of the most important levers of corporate social responsibility, is limited even within large publicly-listed companies. The main reasons for this limited scope are the discretionary nature of sustainable procurement, limitations of guidelines, difficulties in assigning a dollar value to supplier sustainability, difficulties evaluating the supplier sustainability levels and supplier sustainability assessment costs. The research identifies how and when a firm should use supplier sustainability assessment, while also lowering its total cost. In addition, this research offers many implementable managerial insights for businesses on how to improve their own sustainability footprint, build better procurement policies and, consequently, lead to more socially responsible outcomes.

Corporations recognize the importance of sustainable procurement as one of the most important levers of corporate social responsibility. At the public policy level, many government agencies, as well as the United Nations, identify sustainable procurement as crucial. However, sustainable procurement has so far been limited in practice. This research may help managers implement and improve sustainable procurement policies.

Although motivated by the use of sustainability assessments, the results of these findings are generalizable to settings where the buyer has the option to invest in total-cost assessments on his/her potential suppliers' unknown, non-biddable, differentiator-type attributes.

> ***"The research identifies how and when a firm should use supplier sustainability assessment, while also lowering its total cost."***

Markus Broman is an assistant professor of finance. His research interests are investments, market efficiency, institutional and retail investors, and geography and financial markets.

Analyzing Style-Level Feedback Trading in Exchange-Traded Funds

Markus Broman, "Naïve Style-level Feedback Trading in Passive Funds," *Journal of Financial and Quantitative Analysis*, forthcoming.

Who chases past style performance—institutional or retail investors? Why do investors chase past style performance? What are the implications for asset prices? These are the questions Assistant Professor of Finance Markus Broman examines in his research.

Passive exchange-traded funds (EFTs) are inherently attractive to short-term traders as a trading vehicle because of their high liquidity, ease of short-selling and pure play on investment styles. Investors can gain exposure to broad core styles, like value or growth; sector styles, like technology or financials; and, more recently, factor-based styles. Unlike traditional passive index funds, EFTs do not charge redemption fees or otherwise restrict frequent trading. They often have lower expense ratios, are more tax efficient and offer intra-day liquidity. Therefore, it is not surprising that index funds are predominantly used in buy-and-hold strategies.

These characteristics make ETFs particularly attractive to positive feedback traders, and several theoretical models predict that positive feedback traders can destabilize stock prices and, thereby, threaten the efficiency of financial markets. In one such model by Barberis and Shleifer (2003), a group of investors labeled as "style switchers" naively allocated more capital to styles that performed well recently and withdrew capital from those styles that performed poorly. This temporarily pushed prices away from fundamentals. Extrapolating past price changes into the future is an important stylized fact for a broad cross-section of investors, including professional investors. This study examines style-level feedback in ETFs, both in the aggregate and specifically among institutional investors.

The analysis of style-level feedback trading in this study is based on a sample of 285 passive U.S. equity ETFs in well-defined investment styles between 2003 and 2017. Collectively, these funds managed approximately $2 trillion in assets at the end of 2017. The research shows that ETF investors, in aggregate, engaged in style-level positive feedback trading. The study specifically examines the relation between fund-level demand or style-level demand and lagged fund returns.

Existing evidence on style-level feedback trading by institutional investors is mixed. Some find that institutional demand is unrelated to lagged industry returns after controlling for intuitional herding. Others show that while growth fund managers typically engage in style-level positive feedback trading, value funds engage in negative feedback trading.

> *"...ETF investors, in aggregate, engaged in style-level positive feedback trading."*

Are Banks Managing Risk Better as They Grow or Is Risk Growing, Too?

Anna Chernobai, "Business Complexity and Risk Management: Evidence from Operational Risk Events in U.S. Bank Holding Companies" (with Ozdagli, A. and Wang, J.), *Journal of Monetary Economics*, January 2021.

Anna Chernobai is an associate professor of finance with research interests focused on operational risk, default risk, stochastic processes, and applied statistics and probability.

Associate Professor of Finance Anna Chernobai, Ali Ozdagli (Federal Reserve Bank of Boston) and Jianlin Wang (University of California at Berkeley), examines if banking institutions are managing their risks better as they grow larger and more complex or if their risks are growing, as well.

The authors look into how the level of risk changed for banks and insurance firms that were impacted by the financial deregulation in the late 1990s versus other nonbank financial institutions that were not subject to the same, as well as if the elevated operational risk post-deregulation is a result of strategic risk taking or managerial failure.

After the financial deregulations in the late 1990s that culminated in the Gramm-Leach-Bliley Act of 1999, U.S. bank holding companies began expanding aggressively into non-banking activities. Two big areas were securities underwriting and dealing, and insurance underwriting. This increased business diversification made bank holding companies more complex as they began operating in a wider range of activities outside of the traditional business of banking. Regulators are concerned that such increased business diversification made bank holding companies more complex and that the potential benefits of the diversification are offset by potential risk-management weaknesses.

This study uses pre- and post-deregulation periods to examine the effects of bank complexity on their operational risk and finds that the frequency and severity of operational risk events increased significantly with bank complexity, a trend driven by the newly established securities underwriting and dealing activities. The authors use a new methodology to study the effects of business complexity on risk management that is robust to confounding effects. They use the 1990s deregulation period as a so-called natural experiment that serves as an external shock to banks' complexity. This experiment allowed them to identify the casual effect of increased complexity on the quality of risk management.

The implications for practice show that negative externalities of operational risk events affecting other financial firms documented in recent studies imply that the higher levels of operational risk post-deregulation are not socially optimal. In terms of policy implications, at the heart of current regulatory debates lies the tradeoff between potential diversification benefits and potential risk management weaknesses arising from increased complexity that can result in losses for both the financial sector and taxpayers. This study highlights that any apparent benefit of diversification may come at the expense of increased risk that is not immediately evident. The authors' results also suggest that operational risk externalities are more likely to originate from more complex bank holding companies. Accordingly, they may warrant more stringent regulatory requirements for operational risk.

> "*...at the heart of current regulatory debates lies the tradeoff between potential diversification benefits and potential risk management weaknesses arising from increased complexity that can result in losses for both the financial sector and taxpayers.*"

How FOMC Announcement Days Impact Higher Average Equity Market Returns

Lai Xu, "The Cross Section of the Monetary Policy Announcement Premium" (with Ai, H., Han, L.J. and Pan, X.), *Journal of Financial Economics*, forthcoming.

Lai Xu is an assistant professor of finance and has published papers on topics such as stock return predictability, oil volatility risk and cash flow predictability.

Lai Xu, assistant professor of finance, Hengjie Ai (University of Minnesota), Leyla Jianyu Han (University of Hong Kong) and Xuhui Pan (University of Oklahoma) set out to reconcile how the Federal Open Market Committee (FOMC) announcement days are associated with realizations of significantly higher average equity market returns compared to days without major macroeconomic announcements, how the capital asset pricing model (CAPM) holds on macroeconomic announcement days, why none of the known risk factors are powerful enough to overturn the CAPM on announcement days, and how firms with different levels of sensitivity to monetary policy announcements also have different expected returns on announcement days. In doing so, they developed a parsimonious equilibrium model in which FOMC announcements reveal the Federal Reserve's interest rate target, which affects the expected growth rate of the economy. Their model accounted for the dynamic of implied variances and the cross section of the monetary policy announcement premium realized around FOMC announcement days.

This research has novel findings. From an investor's point of view, a long-short portfolio formed on the researchers' monetary policy sensitivity measure produced an average announcement day return of 31.40 bps. In addition, the returns of expected implied variance reduction (EVR)-sorted portfolios remained significant after controlling for market beta and other standard risk factors. To look at why, the authors further demonstrated that the spread on the EVR-sorted portfolios reflects risk compensation for monetary policy announcements. They used measures of monetary policy announcement surprises constructed by Nakamura and Steinsson (2018) to show that the average monetary policy announcement surprises are indifferent from zero, and, therefore, rational expectations hold well in the sample period, as well as that the returns of the EVR-sorted portfolios are monotonic in their sensitivity to monetary policy surprises.

The authors' findings showed that the FOMC announcements resolve uncertainty about the macroeconomy and monetary policy and are associated with reductions in the option-implied variance. Firms that are more sensitive to monetary policy announcements should experience a greater implied variance reduction after announcements. Expectations for the implied variance reduction can therefore measure sensitivity to monetary policy announcements. The authors found that portfolios sorted on the EVR yielded a significant spread in average returns on FOMC announcement days but not on non-FOMC trading days.

> ***"...FOMC announcements resolve uncertainty about the macroeconomy and monetary policy and are associated with reductions in the option-implied variance."***

Supply Chain Theory Indicates When Post-Shipment Financing Schemes Should Be Adopted

Fasheng Xu, "A Supply Chain Theory of Factoring and Reverse Factoring" (with Kouvelis, P.), *Management Science*, February 2021.

Fasheng Xu, assistant professor of supply chain management, and Panos Kouvelis (Washington University, St. Louis) developed a supply chain theory of recourse/non-recourse factoring and reverse factoring showing when these post-shipment financing schemes should be adopted and who really benefits from the adoption.

Reverse factoring has often been argued as an effort by the credit-worthy buyers to compensate smaller capital-constrained suppliers for an aggressive lengthening of payment terms. However, the authors' work shows that reverse factoring might not be preferable for suppliers with high credit ratings and could be dominated by non-recourse factoring for a given payment extension when the retailer's credit rating is higher than a threshold. The results provide a supply chain microfoundation to observations of the supplier's postponement of reverse factoring adoption.

The findings indicate that recourse factoring is preferred when the supplier's credit rating is relatively high, while non-recourse factoring is preferred within a certain medium range of credit ratings. In addition, reverse factoring may not always be preferred by suppliers compared to recourse and non-recourse factoring. Retailers should only offer reverse factoring to suppliers with low, but above threshold, to medium credit ratings. More importantly, contrary to conventional wisdom in practice, the authors' theory implies that reverse factoring could be adopted even when the retailer (the buyer) doesn't have any credit rating advantage over the supplier (the seller), and that reverse factoring could benefit the retailer even without extending payment terms.

The results also shed light on the implications of recent trade-credit regulation reforms undertaken in the U.S. and the EU, which aimed at accelerating payments to small businesses. For example, the trade credit regulation reform in France, which went into effect in 2006, prevented French trucking firms from extending their customers' payment terms in excess of 30 days. As a cautionary tale, such regulation may limit the potential value of reverse factoring adoption, and its value should be reassessed based on whether those sellers have access to reverse factoring programs.

In the future, the authors hope to investigate empirically the additional predictions that the theory generates, in particular, those that involve supply chain decisions, like wholesales price or inventory. The theory itself might also be extended in several directions by admitting, for example, a richer information structure, a more nuanced model or liquidity risk and benefit and a more general supply chain structure. The modeling framework can also be adapted to study other types of post-shipment financing schemes, like dynamic discounting and invoice trading.

Fasheng Xu is an assistant professor of supply chain management. His research focuses on studying the emerging operations issues in the contexts of supply chain finance, crowdfunding platform and blockchain technology.

> ***...recourse factoring is preferred when the supplier's credit rating is relatively high...***

Cristiano Bellavitis is an assistant professor of entrepreneurship. His research interests cross the traditional boundaries between entrepreneurship, management and finance disciplines and focuses on venture capital, initial coin offerings and blockchain.

National Regulation on ICOs Impact Quality, Quantity in Global Markets

Cristiano Bellavitis, "Ban, Boom and Echo! Entrepreneurship and Initial Coin Offerings" (with Cumming, D. and Vanacker, T.), *Entrepreneurship Theory and Practice*, August 2020.

Companies and individuals alike are increasingly interested in initial coin offerings (ICOs) as an innovative means of entrepreneurial financing and participation in investing activities. Part of what makes ICOs so attractive is that they are supposed to circumvent the regulatory pressures of governmental institutions. Even though they are intended to operate globally, surpassing borders and nations, the reality is that local policymakers and regulators are still able to impact ICOs in various ways and with far-reaching consequences.

Assistant Professor of Entrepreneurship Cristiano Bellavitis, Douglas Cumming (Florida Atlantic University and University of Birmingham) and Tom Vanacker (University of Exeter) share in this paper findings that national regulation on ICOs impacts their quality and quantity in global markets.

Regulatory spillovers occur when regulation in one country affects either the expected regulatory approach and/or entrepreneurial finance markets in other countries. Drawing on institutional theory, the authors investigate the global implications of a regulatory spillover on entrepreneurship. They argue that regulatory spillovers have both short- and long-term effects on the number and quality of entrepreneurial finance initiatives, such as initial ICOs. Based on a large-scale sample of ICOs in 108 countries, this research finds that a regulatory ban of ICOs in one country causes a short-term increase in the number of low-rated ICOs in other countries and a long-term drop in the number of ICOs, especially low-rated, which increases the average ICO rating. That is, a restrictive regulation triggered a process of increased market selection.

Ravi Dharwadkar is the Laura J. and L. Douglas Meredith Professor of Teaching Excellence & the Whitman Advisory Council professor of management. His research is focused on corporate governance, corporate strategy and international business.

Differences in Performance Measurement Choices Influence the Governance of Strategic Assets

Ravi Dharwadkar, "Financial Reporting Choices, Governance, and Strategic Assets: A Transaction Cost Perspective" (with David, P. and Duru, A.), *Academy of Management Review*, March 2021.

Why are ex-post performance measurement concerns important for governance mechanisms in order to assess ex-post contract fulfillment? How do ex-post-performance measurement concerns interact with governance mechanisms to influence transaction costs? This paper by by Professor of Management Ravi Dharwadkar; Parthiban David and Augustine Duru (American University) addresses these important questions.

The authors integrate the governance and measurement branches in transaction cost economics to highlight how differences in performance measurement choices influence the governance of strategic assets, thereby affecting transaction costs. Their theory was developed in the context of corporate governance in firms. Financiers of debt and equity employ market and hierarchical governance to safeguard generic and specific assets, respectively. Financial reporting choices constitute credible commitments to generate performance reports that are used by financiers in exercising governance. They explain why conservatism—meaning more timely information about potential losses—bolsters the market governance of debt to reduce transaction costs for generic assets, while smoothly (informative reports about future earnings) strengthens the hierarchical governance of equity to reduce transaction costs for specific assets. The authors outline a research agenda incorporating the implications of performance measurement from financial reporting choices for the governance of strategic investments.

Establishing Optimal Inventory Replenishment Policies for Retailers Using Ship-From-Store-to-Store

Rong Li, "Reinvent Retail Supply Chain: Ship-from-Store-to-Store," *Production and Operations*, May 2020.

Rong Li is an associate professor of supply chain management with research interests focused on the interface of finance, operations and risk management.

Associate Professor of Supply Chain Management Rong Li characterizes in this paper the optimal inventory replenishment policy for retailers that implement the ship-from-store-to-store (SFSTS) practice that emerged into the omnichannel era, using stores as shipping points to better fulfill customer demand from other nearby stores and online. The study looks at how retailers should periodically replenish inventory from the regional distribution center and each store it covers facing uncertain demand, and, to the best of the author's knowledge, is the first to solve this model, as it differs from the past relevant literature on single-period models.

The optimal replenishment policy for retailers under the SFSTS practice differs from the literature, and this new policy requires constant tracking of every store's on-hand inventory, updating of its demand distribution and an estimate of the optimal replenishment policy thresholds. It is much more complex to implement SFSTS with more stores nearby, despite the additional profit. Consequently, retailers should build their information systems to support such replenishment policies and be prepared for the operational complexity when expanding their SFSTS programs.

As omnichannel retailing becomes the new normal during and after the COVID-19 pandemic, retailers need to reinvent their supply chains and information systems to be rapidly adaptive. The SFSTS is one effective system to adopt, so understanding how to optimally pull out this program and grow it is vital for all retailers.

State Level Economic Freedom Moderates the Effect of National Regulations on Local Net Job Creation

Davis S. Lucas, "National Regulation, State-level Policy, and Local Job Creation in the United States: A Multilevel Perspective" (with Boudreaux, C.J.), *Research Policy*, Vol. 29, Issue 4, May 2020.

David Lucas is an assistant professor of entrepreneurship whose research interests include regulation and entrepreneurship, economic development, social entrepreneurship and homelessness.

TThe relationship between national regulation and job creation remains highly debated. The "public choice" perspective holds that regulation hinders job creation through compliance costs and regulatory capture. Meanwhile, the "public interest" view suggests that regulation can facilitate employment growth by promoting innovation and fair competition. However, authors Assistant Professor of Entrepreneurship Davis S. Lucas and Christopher J. Boudreaux (Florida Atlantic University) offer a contingency perspective in their paper.

Drawing on the political science theory of market-preserving federalism, the authors argue that state-level economic freedom moderates the effects of national regulation on local net job creation. Using U.S. data, Lucas and Boudreaux find support for this modern operating hypothesis. National regulation destroys jobs on net in states with low economic freedom. However, national regulation has no effect in states with high economic freedom. This effect holds for tax freedom and labor market freedom. The moderation is concentrated among mature firms, rather than young firms, and in metro counties, rather than non- metro counties. Furthermore, it is robust across multiple regulatory measures and instrumental variable approaches. This work reveals that state political institutions have an underappreciated influence on the costs of national regulation, demonstrating the interdependence of policies for local economic development.

The Need to Devise IP Strategy to Protect Future Revenue, Mitigate IP and Litigation-related Costs

Cameron Miller is an assistant professor of management whose research interests include technology strategy and innovation, competitive strategy and evolutionary economics.

Cameron D. Miller, "From Litigation to Innovation: Firms' Ability to Litigate and Technological Diversification Through Human Capital" (with Ganco, M. and Toh, P. K.), *Strategic Management Journal*, June 2020.

Does a firm's ability to litigate affect its decision to diversify into a new technological domain? Is this effect contingent upon the characteristics of human capital needed within the new technological domain? These questions are addressed in the paper by Assistant Professor of Management Cameron D. Miller, Martin Ganco (University of Wisconsin-Madison) and Puay Khoon Toh (University of Texas at Austin).

This study examines a firm's ability to initiate intellectual property (IP) litigation or protect against litigation as an antecedent to its technological diversification and shows that an unexpected reduction in a firm's litigation ability is associated with a temporary decline in its entry into new technological domains.

Employee mobility represents a fundamental channel through which knowledge diffuses across firm boundaries, and, as a firm diversifies, it will often need to source knowledge from new employees, which may come from competitors. This exposes the firm to potential IP infringement suits. Managers need to carefully devise the right IP strategy prior to expansion in order to protect future revenues and mitigate IP and litigation-related costs. The authors highlight an underappreciated role of IP strategy—the purpose and value of a firm's litigation ability goes beyond protecting its existing IP. It also plays an important role in attempting to generate new IP.

Distinct Capacity Building Yields Uniquely Resourceful Behaviors

Todd Moss is an associate professor and chair of the Department of Entrepreneurship & Emerging Enterprises. His research interests are at the intersections of entrepreneurship, innovation and social responsibility.

Todd Moss, "Partnerships as an Enabler of Resourcefulness in Generating Sustainable Outcomes" (with Dahlik Loor, A.C. and Diaz, F.), *Journal of Business Venturing*, forthcoming.

Associate Professor of Entrepreneurship Todd Moss, chair of the Department of Entrepreneurship and Emerging Enterprises, Ana Cristina Dahlik Loor (IPADE Business School) and Fabian Diaz '21 Ph.D., show how distinct capacity building yields uniquely resourceful behaviors in entrepreneurship.

The authors undertook a qualitative study of 11 small enterprises that worked together with a common resource-rich partner in Mexico to demonstrate that partnerships allow entrepreneurs to do more with less in unique ways that otherwise would not be possible. Partnerships may positively influence venture growth and performance in both economic and prosocial dimensions. The study identifies and delineates partnership-based resourcefulness as conceptually distinct from singular firms, as it is developed through mechanisms, like trust, a sense of togetherness and flexibility, that often cannot be found by just one entrepreneur. Furthermore, the study suggests there are subsets of this partnership-based resourcefulness: capacity, defined as the ability or power to behave resourcefully; and execution, defined as the extent to which the behavior is undertaken in practice. The findings connect nonmarket logics and informal governance to sustainable outcomes as a direct result of partnerships. These partnerships have implications for practice and society. They may help combat a variety of social ills, like reverse migration.

Speakers and Visitors

Lorien Stice-Lawrence, University of Southern California, presented an accounting seminar, "Lost in Translation: Language Barriers to Global Investment," on Oct. 30, 2020.

Marshall Vance, Virginia Tech University, presented an accounting seminar, "Debunking Diversification: Evidence from Employee Stock Option Exercises," on Nov. 20, 2020.

Paul Godfrey, Brigham Young University, presented an entrepreneurship seminar, "Virtual Research Seminar," on Feb. 17, 2021.

Jian Cao, Florida Atlantic University, presented an accounting seminar, "Accountant Stereotypes in Corporate Innovation: Are Accountant CEOs Inferior Innovators?" on Feb. 19, 2021.

Anywhere (Siko) Sikochi, Harvard University, presented an accounting seminar, "Going Local: The Effects of a Local Presence by Global Rating Agencies," on Feb. 26, 2021.

Susan Cohen, University of Georgia, presented an entrepreneurship seminar, "Learning from Narratives: How Developing 'The Pitch' Stimulates Learning in New Ventures," on March 3, 2021.

Ken Merkley, Indiana University, presented an accounting seminar, "Human Versus Machine: A Comparison of Robo-Analyst and Traditional Research Analyst Investment Recommendations," on March 12, 2021.

Alex Yang, London Business School, presented a SCM seminar, "Capacity Expansion in Service Platforms: Financing vs Employment," on March 26, 2021.

Gerry Tsoukalas, Wharton School at University of Pennsylvania, presented a finance seminar, "Initial Coin Offerings, Speculation and Asset Tokenization," on April 2, 2021.

Pepa Kraft, HEC Paris, presented an accounting seminar, "Trustees in Public Debt Contracts and Timeliness of Defaults", on April 9, 2021.

Vishal Gaur, Johnson School at Cornell University, presented a SCM seminar, "Personalized Recommendation System Design for an Online B2B Platform," on April 16, 2021.

Jamie Perry, Johnson School at Cornell University, presented a management seminar, "Breaking in a Team: Faultlines Over Time and Extreme Decisions in the Supreme Court of the United States," on April 19, 2021.

Ming Hu, University of Toronto, presented a SCM seminar, "Several Queueing Models in On-Demand Economy", April 23, 2021.

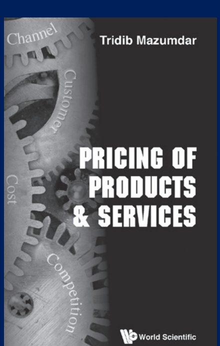
Li Zhang, Rutgers University, presented an accounting seminar, "Financial Analysts' Information Role and Brand Capital Intensity," on April 27, 2021.

David Audretsch, Indiana University, presented an entrepreneurship seminar, "Democracy and Entrepreneurship," on April 28, 2021.

Rajashri (Raji) Srinivasan, University of Texas at Austin, presented a marketing seminar, "Customers' Privacy Concerns When Personal Data is Used for Innovation vs. Personalization," on April 30, 2021 (Earl V. Synder Innovation Management Center Speaker Series).

Joe Rakestraw, Florida Atlantic University, presented an accounting seminar, "Gender Equity in Public Accounting: Evidence From the Director Positions and Single Audits," on May 7, 2021.

Books



Tridib Mazumdar, professor emeritus of marketing, recently published ***Pricing Products & Services***, a pricing textbook targeted for MBA and upper-level under-graduate students as well as interested practitioners.

Syracuse University Talks Business is a webinar speaker series that debuted in 2020, bringing together thought leaders from across Syracuse University and beyond to discuss current topics in the world of business. To view all past webinars and to register for future events visit: ***whitman.syr.edu/webinars***

Faculty in the News

Cristiano Bellavitis, assistant professor of entrepreneurship, was interviewed by NBC News for the story "Understanding Bitcoin" (April 6, 2021).

Michel Benaroch, associate dean for research and Ph.D. programs and professor of MIS, was interviewed for *The Washington Post* story "Stalled payments, conflicting answers: D.C. unemployment woes trigger investigation" (May 12, 2021).

Joel Carnevale, assistant professor of management, penned an article for Entrepreneur.com titled "The Zero-Sum Mindset: How to Avoid Toxic Thinking in Moments of Crisis" (April 7, 2020).

Erasmo Giambona, professor of finance and Falcone Chair in Real Estate, was quoted in two Syracuse.com stories: "Destiny USA, Syracuse's mammoth mall, faces a crisis of debt and uncertainty (Part 1)" and "How it could end for Destiny USA: Some unpleasant ways out for the struggling mall (Part 2)" (June 2, 2021).

Burak Kazaz, The Steven R. Becker Professor of Supply Chain Management and The Laura J. and L. Douglas Meredith Professor of Teaching Excellence, was interviewed for the CNN article "These containers used to ship fresh tuna. Now they'll deliver Covid-19 vaccines" (Dec. 15, 2020). He was also quoted in the *Daily Mail* story "Deadly California wildfires will affect vineyard grapes and mean wine will taste smoky for years to come, say experts" and the *India Times* story "Wildfires Will Change Taste of California Wine, Make It More Smoky." (Sept. 23, 2020).

Roger Koppl, professor of finance, was interviewed for the RealClear Politics story "People Are Right to Be Skeptical of Experts. That's Why We Need More of Them" (Aug. 5, 2020) and quoted in the WalletHub story "Q2 2020 Hedge Fund Holdings: Top Stocks, New Buys and More" (Sept. 22, 2020). He was also mentioned in the *Arizona Daily Independent* story "Expert Failure: Time to Dismantle the 'Public Health' Police State" and featured on the iHeartMedia podcast "The Conservative Circus" (Dec. 7, 2020).

Peter Koveos, professor of finance and Kiebach Chair in International Business, was quoted in the *Detroit Free Press/USA Today* article "Ford confirms 2 employees in China had coronavirus; UAW and GM restrict travel" (March 6, 2020); the article was also published by Yahoo Finance. Koveos was also quoted in *USA Today* for the article "Stimulus deal brings Congress together" (March 27, 2020).

Gary La Point, professor of supply chain practice, was interviewed by 360here.com about how supply chains can be redesigned for greater resiliency (April 9, 2020).

Rong Li, associate professor of supply chain management, was interviewed by Food Safety News regarding slaughterhouse shutdowns (April 14, 2020). She was also quoted in the *Food Quality and Safety* story "Food Supply Chain Is Being Tested by Coronavirus" (July 1, 2020).

Julie Niederhoff, associate professor of supply chain management, was interview for and quoted in multiple media outlets, including: the *New York Times* story "The Food Chain's Weakest Link: Slaughterhouses" (April 18, 2020), the *Today Show* story "Meat factories are shutting down across the country: Will there be a shortage of food?" (April 20, 2020), CNN story "Meat processing plants across the US are closing due to the pandemic. Will consumers feel the impact?" (April 27, 2020), and the Daily Beast story "Get Ready to Stand in Line for a Long Time Once Lockdown Ends" (May 18, 2020).

Almantas Palubinskas '21 Ph.D., was interviewed for the Cincinnati Public Radio story "As Drones Become More Common, Privacy Concerns Arise" (Oct. 14, 2020).

Patrick Penfield, professor of supply chain practice, was featured in the *Good Morning America* segment "New grocery store limits on certain products as demand spikes set in with pandemic surge" (Nov. 19, 2020). He was also interviewed for and quoted in multiple media outlets, including: the Associated Press story "Pandemic brings toilet paper from Mexico to American stores" (Sept. 15, 2020), the ABC News story "Show Me the Money: Grocery Prices" (4-22-2021), the BBC story "What will self-driving trucks mean for truck drivers?" (April 13, 2021), the *Newsweek* and Fox Business article "Toxic Hand Sanitizer Recall Due to 'Deliberate Decision' by Manufacturers to Cut Costs" (Aug. 19, 2020), the Bloomberg Law article "Hand Sanitizer, Disinfectant Demands Hit 'Biblical Proportions'" and the Vox story "The real cost of Amazon" (Sept. 1, 2020), and the *Good Morning America* stories "Grocery Bills On The Rise" (June 17, 2020), "Food prices steadily climb nearly 1 year into pandemic" (March 4, 2021), and "Consumer prices rise amid growing inflation" (May 24, 2021).

Lynne Vincent, assistant professor of management, was interviewed for the WAER story "Amazon Union Vote In Alabama Could Catch Attention of Syracuse Workers" (March 17, 2021), and quoted in the Associated Press story "Amazon warehouse workers reject union bid in Alabama" (April 13, 2021). She was also quoted in several outlets that ran stories about the Amazon union effort, including Business Insider, *The Washington Post*, GO Banking Rates and Law 360.

Ken Walsleben, professor of entrepreneurial practice, was interviewed for the CNY Central story "What would happen if the Syracuse Diocese filed for bankruptcy?" (March 6, 2020).

Elizabeth Wimer, assistant teaching professor of entrepreneurship, was quoted by *The Daily Gazette* (Schenectady) for the story, "Schenectady County, too, will weigh capping fees for third-party food delivery apps." (Jan. 5, 2021).

Ray Wimer, professor of retail practice, was quoted in the *USA Today* story "Store closings, bankruptcy cases pile up for business wear retailers during COVID-19: Are dress clothes done for good?" (Aug. 12, 2020) and *U.S. News & World Report* article "What to Know About Walmart Plus" (Sept. 9, 2020). He was also interviewed for the *International Business Times* story "Can JC Penney Perform a Magic Act As It Emerges From Bankruptcy?" (Jan. 12, 2021) and the CNBC stories "Why U.S. malls are disappearing" (March 10, 2021) and "How 7-Eleven became the world's biggest convenience store" (March 4, 2021).

Selected Faculty Publications

Ricardo Lopez Aliouchkin and Lai Xu
"The Term Structures of Expected Loss and Gain Uncertainty" (with Feunou, B. and Tédongap, R.), appears in the *Journal of Financial Econometrics*, 18(3), 437-501, 2020.

Susan Albring
"Disclosure and Liquidity Management: Evidence from Regulation Fair Disclosure" (Huang, S., Pereira, R. and **Xu, X. '13 Ph.D.**) accepted at *Journal of Contemporary Accounting and Economics*.

"Managing Academic Programs" (with Elder, R.), forthcoming in *Issues in Accounting Education*.

Amber Anand
"Institutional Order Handling and Broker-Affiliated Trading Venues" (with Samadi, M., Sokobin, J. and Venkataraman, K.), forthcoming in *Review of Financial Studies*.

Natarajan Balasubramanian
"Substituting Human Decision-Making with Machine Learning: Implications for Organizational Learning" (with Xu, M. and **Ye, Y. '18 Ph.D.**), forthcoming in *Academy of Management Review*.

Cristiano Bellavitis and Johan Wiklund
"A Comprehensive Review of the Global Development of Initial Coin Offerings (ICOs) and Their Regulation" (with Fisch, C.), forthcoming in *Journal of Business Venturing Insights*.

Pamela Brandes and Ravi Dharwadkar
"Time Is of the Essence!: Retired Independent Directors' Contributions to Board Effectiveness" (with **Shi, L. '11 Ph.D.** and Ross, J.), forthcoming in *Journal of Business Ethics*.

Joe Comprix
"EXPRESS: Complaint Publicization in Social Media" (with Golmohammadi, A., Havakhor, T., Gauri, D.K.), forthcoming in *Journal of Marketing*.

Ravi Dharwadkar
"Corporate Social Irresponsibility and Boards: The Implications of Legal Expertise" (with Guo, J., **Shi, L. '11 Ph.D.** and Yang, R.), *Journal of Business Research*, 125: 143-154, 2021.

Scott Fay
"Store Closings and Retailer Profitability: A Contingency Perspective" (with **Feng, C. '16 Ph.D.**), forthcoming in the *Journal of Retailing*.

Burak Kazaz
"Analytics for Wine Futures: Realistic Prices" (with **Hekimoglu, H. '16 Ph.D.**), forthcoming in *Production and Operations Management*.

Roger Koppl
"On the Emergence of Ecological and Economic Niches" (with Gatti, R., Fath, B., Kauffman, S., Hordijk, W., and Ulanowicz, R.E.), forthcoming in *Journal of Bioeconomics*.

Lihong Liang
"Market Perceptions of Fair Value Reporting for Tangible Assets" (with Riedl, E. and Conaway, J.) is accepted for publication in *Journal of Accounting, Auditing and Finance*.

Alexander McKelvie
"Path Dependence in New Ventures' Capital Structures" (with Söderblom, A. and Samuelsson, M.), forthcoming in *Entrepreneurship Theory & Practice*.

"Measuring Addiction to Entrepreneurship (with Spivack, A.), forthcoming in *Journal of Business Venturing Insights*.

"What Do They Think and Feel About Growth? Examining Small Business Managers' Attitudes Towards Growth in the United States" (Brattström, A. and Dennis, W.J.), forthcoming in *Journal of Business Venturing Insights*.

Cameron Miller
"How Third-Party Sellers Can Make Amazon Work for Them" (with Wang, R.), *Harvard Business Review* in July 2020.

"Complementary Components, Returns from Disclosure During Standard Setting and Coordination within Ecosystems" (with Toh, P.K.), forthcoming in the *Strategic Management Journal*.

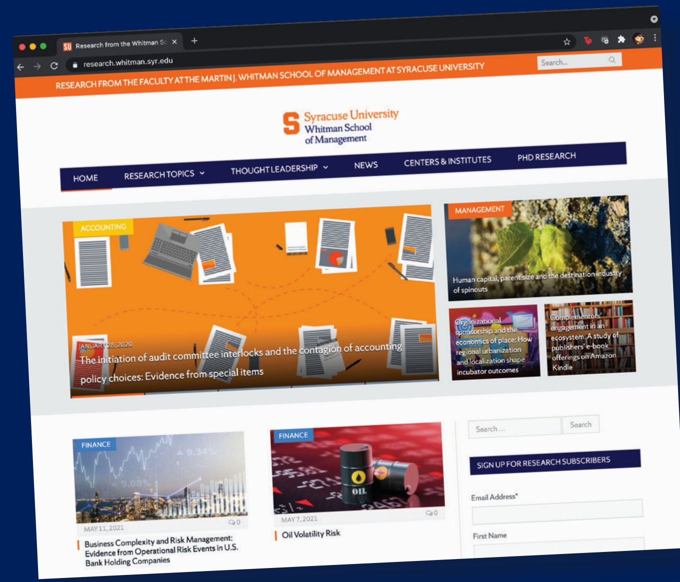
Maria Minniti
"Trust-based banking and SMEs' access to credit" (with Kautonen, T., Fredriksson, A. and Moro, A.), accepted at *Journal of Business Venturing Insights*.

Patrick Penfield
"Assessing the Adoption of Cross Laminated Timber by Architects and Structural Engineers Within the United States" (with Germain, R., Smith, W.B. and Stehman, S.V.), *Journal of Green Building*, 17(1), January 2021.

Milena Petrova
"The Predictability of Real Estate Excess Returns: An Out-of-Sample Economic Value Analysis" (with Guidolin, M. and Pedio, M.), forth-coming in *The Journal of Real Estate Finance and Economics*.

Johan Wiklund
"The Polygenic Risk Score of Subjective Well-being, Self-employment, and Earnings Among Older Individuals" (with Patel, P., Rietveld, C. and Wolfe, M.), *Entrepreneurship Theory and Practice*, special issue on biology and entrepreneurship.

"Fear Not, Want Not: Untangling the Effects of Social Cost of Failure on High-growth Entrepreneurship" (with **Lee, C.K. '17 Ph.D.**, **Simmons, S. '12 Ph.D.** and Cottle, G.), forthcoming in *Small Business Economics*.



Syracuse University's Martin J. Whitman School of Management hosts a website featuring faculty research in a variety of business topics. The site is a repository where users can access research briefs and full papers from Whitman School faculty. The site includes research in accounting, finance, entrepreneurship, information systems, management, managerial statistics, marketing and supply chain management.

"Whitman School faculty are con-tributing to the body of knowledge in their respective fields of expertise," said Michel Benaroch, associate dean for research and Ph.D. "This website is intended to allow others to benefit from their knowledge by making their research accessible to researchers, students, alums and employers who are interested in learning more about business and management."

Ph.D. Student News

James Bort ’20 Ph.D. joined the management department at Trulaske College of Business, University of Missouri in fall 2020. Bort also successfully defended his dissertation, titled “Job Satisfaction of the Entrepreneurial Workforce,” on Jan. 28, 2020. Johan Wiklund, chair.

Fabian Diaz ’21 Ph.D., has accepted a tenure-track faculty position in the Department of Entrepreneurship at Louisville University, effective Fall 2021.

Almantas Palubinskas ’21 Ph.D., has accepted a tenure-track faculty position at EMLyon Business School, effective August 2021. He joined as a postdoctoral researcher in January 2021.

Ying Zhang, accounting doctoral candidate, and Zhaoque Zhou, finance doctoral candidate, delivered an introductory workshop on Compustat/CRSP databases on Feb. 24, 2020.

SELECTED PH.D. PUBLICATIONS

Hooman Abootorabi, entrepreneurship doctoral candidate, has a paper, “National Social Capital, Perceived Entrepreneurial Ability and Entrepreneurial Intentions” (with Amini Sedeh, A. and Zhang, J.), in *International Journal of Entrepreneurial Behavior & Research*. Abootorabi also has several conference papers:

- “Intellectual Property Rights & New Venture Performance: Longitudinal Empirical Evidence from a Natural Experiment” (with Wiklund, J. and Yu, W. ’18 Ph.D.), *Proceedings of the 81st AOM* Annual Meeting, 2021.
- “Academic Spin-off Resource Mobilization and Performance: The Role of Social, Economic & Hybrid Goals” (with Shankar, R. and Rasmussen, E.), *Best Papers Proceedings of the 2020 AOM* Conference.
- “Intellectual Property Rights’ and New Venture Performance: Evidence From a Natural Experiment” (with Wiklund, J. and Yu, W. ’18 Ph.D.), *2020 BCERC Proceedings*, Babson College Frontiers of Entrepreneurship Research, Vol. 40.

Fabian Diaz ’21 Ph.D., has a paper included in the *Best Papers Proceedings of the 2020 AOM Meeting*, titled “Legalizing Legitimate Ink: Licensing and Legitimacy in the Tattooing Industry” (with Minniti, M.).

Almantas Palubinskas ’21 Ph.D., has a paper, “A Dynamic Model of Entrepreneurial Opportunity: Integrating Kirzner’s and Mises’s Approaches to Entrepreneurial Action” (with McKelvie, A., McMullen, J. and Wiklund, J.), forthcoming in *Quarterly Journal of Austrian Economics*.

SELECTED PH.D. CONFERENCE PRESENTATIONS

Kurian George, entrepreneurship doctoral candidate, has presented:

- “State-Administered Prices, Innovation and Wheelchairs” (with Minniti, M.), 2020 AOM Meeting.
- “Who Are My People? Re-building Community Logics and Venturing Following a Significant Disruption” (with Moss, T., Minniti, M. and Williams, T.), 2021 Babson Conference.
- “Founder Legitimacy, Refugee Entrepreneurship and Prior Exposure to Institutional Disruptions” (with Moss, T., Minniti, M. and Williams, T.), 2021 Babson Conference and 2021 AOM Meeting.

Saman Modiri, marketing doctoral candidate, has presented:

- “Attribution of Advertisement Campaigns on Short-term and Long-term Consumer Behavior” (with Fay, S. and Basu, A.), at the 2020 ISMS Marketing Science Conference.
- “The Long-term and Short-term Effects of Multichannel Advertising” (with Yang, L. and Basu, A.), at 2021 ISMS Marketing Science Conference.
- “Not So Fast!: The Impact of Delivery Time on Retailer’s Profit in a Heterogeneous Market” (with Fay, S.), at the 2021 MSOM Conference.

Almantas Palubinskas ’21 Ph.D., has presented:

- “Game of Drones: Entrepreneurial Firms and Non-Market Strategies in an Emerging Industry” (with Minniti, M.), at the 2020 Academy of Management Conference.
- “Entrepreneurial Firms and Non-Market Strategies in an Emerging Industry” (with Minniti, M.), at the 2020 Babson College Entrepreneurship Research Conference.

Harim Shin, marketing doctoral candidate, has presented “Do High-Value Customers Recruit New High-Value Customers? Impact of Customer Characteristics and Social Matching on Referral Program Effectiveness” (with Lee, E., Kwon, M., and Xiong, G.), at the 2020 ISMS Marketing Science Conference.

Devin Stein, entrepreneurship doctoral candidate, presented:

- "Competition and Coordination in Civic Wealth Creation" (with Minniti, M.), at the 2021 AOM Annual Meeting.
- "Decentralized Institutions for Public Goods: Entrepreneurial Responses to Wildfire Risk" (with Minniti, M.), at the 2020 AOM Annual Meeting.

Mi Hoang Tran, entrepreneurship doctoral candidate, "The impact of psychological vulnerabilities and gender on entrepreneurial well-being" (with Wiklund, J., **Yu, W. '18 Ph.D.** and Perez-Luno, A.), at the *Babson College Entrepreneurship Research Conference* (2021) and the *81st AOM Annual Meeting* (2021).

Haiying Yang, supply chain doctoral candidate, "The Impact of Cost Auditing on Supply Chain's Social Responsibility Level" (with Wu, Z.), at the 2020 Virtual INFORMS Annual Meeting and the 51st Annual Conference of the Decision Sciences Institute. The paper was also accepted for presentation at the 2021 MSOM Annual Conference and the 2021 POMS Annual Conference.

Zhiyuan Yu, management doctoral candidate, "Government Funding and Firms' Strategic Balance Between Exploitation and Exploration," at the 81st *AOM Annual Meeting*.

Ying Zhang, accounting doctoral candidate, "A More Efficient and Effective Objective Measure of Financial Disclosure Quality: Omissions of Seven Key Financial Statement Variables" (with Harris, D.), at the 2020 American Accounting Association (AAA) Meeting.

SELECTED PH.D. AWARDS AND HONORS

Fabian Diaz '21 Ph.D., entrepreneurship doctoral candidate, attended the Doctoral Consortium at the 2020 Babson Conference.

Kurian George, entrepreneurship doctoral candidate, and **Saman Modiri**, marketing doctoral candidate, received the 2021 Outstanding Teaching Assistant Award for demonstrating excellence as primary instructor and/or lecture course assistant.

Kurian George, entrepreneurship doctoral candidate, attended the 2020 Doctoral Consortium at the Babson Conference (BCERC), and has been invited to the Entrepreneurship Doctoral Consortium at the 2021 AOM meeting.

Almantas Palubinskas '21 Ph.D., received a Summer Dissertation Fellowship ($4,000) from the Graduate School at Syracuse University and a Humane Studies Fellowship ($4,000) for the 2020-2021 academic year from the Institute for Human Studies. He also participated in the Academy of Management Entrepreneurship Doctoral Consortium and the AOM STR Division STRonger Together Ph.D. Networkshop.

Saman Modiri, marketing doctoral candidate, participated in the 2020 and 2021 ISMS Doctoral Consortium. He is also invited to attend the 2021 Frontiers in Service Doctoral and early career Consortium (July 8, 2021).

Bharat Patil, finance doctoral candidate, and **Hooman Abootorabi**, entrepreneurship doctoral candidate, received the 2020 Outstanding Teaching Assistant Award.

Bharat Patil, finance doctoral candidate, participated in the 2020 Financial Management Association (FMA) Doctoral Student Consortium, Oct. 14, 2020.

Devin Stein, entrepreneurship doctoral candidate, participated by invitation in a Professional Development Workshop at the Babson College Entrepreneurship Research Conference, June 8-12 2021.

Ying Zhang, accounting doctoral candidate, attended the doctoral consortium at the 2020 Contemporary Accounting Research Conference. Ying also received a Summer Dissertation Fellowship ($4,000) from the Graduate School at Syracuse University.

PH.D. ALUMNI UPDATE

Maria Goranova '07 Ph.D., University of Wisconsin Milwaukee, has been appointed editor at Corporate Governance: An International Review for a three-year term.

Robert Nason '14 Ph.D., McGill University, won the 2020 Emerging Scholar Award from the Entrepreneurship Division of the Academy of Management, recognizing his innovative and impactful contributions to entrepreneurship scholarship.

Ph.D. Profile: Fabian Diaz '21

Fabian Diaz '21 Ph.D. has focused much of his research on the legitimacy regulations provided to working-class industries' "low-tech" services, where firms tend to experience slow growth and where founders tend to be less educated.

"Low-tech entrepreneurs are, by far, the largest group of entrepreneurs, but we don't tend to study them," he explains. But, Diaz explores this facet of entrepreneurship, which doesn't necessarily have readily available data, and he has done the leg work needed to collect data to answer the questions that interest him. This August, he will defend his dissertation, "Regulative Legitimacy and Entry in Working-Class Industries," which examines how regulations, like licensing, affect the number of new businesses.

In his research, Diaz uses data from the California Public Utility Commission on licensed moving firms and data from the popular online business directory Yelp to compare licensed and unlicensed service quality. He finds that licensing does not guarantee higher service quality, while unnecessarily increasing start-up costs without helping entrepreneurs attract business.

"In many cases, regulations and licensing create hoops to jump through before new legal businesses can start operating," Diaz says. "When an industry is relatively new, entrepreneurs need these to legitimize themselves, their businesses and even their industries. But, these benefits lose value as new ways to legitimize themselves become available. Regulations can help new sectors grow, but, at some point, they prevent industries from reaching competitive levels by lowering the number of potential businesses."

Diaz also explains that when industries are well known, consumers tend to assume that businesses are licensed. "Only 1 in 7 moving companies ever apply for a license in California. In fact, I find that consumers tend to rate unlicensed moving companies more highly on Yelp than licensed companies," he explains. "Consumer reviews are a new way that entrepreneurs legitimize themselves, which provides an alternative to licensing."

"Licensing might even be more costly now because consumer reviews influence the financial performance of businesses," Diaz adds. "If unlicensed entrepreneurs get better ratings because they can charge lower prices, then licensing may lower businesses' ratings by increasing operating costs, which in turn, may lower their revenue."

Diaz knows first-hand the power of working-class entrepreneurship. He grew up in Mexico and came to the United States in 1999 with his family. Later, Diaz found and operated The Classic Movers in 2010, a moving service company in Fremont, California. Its success helped him pursue his educational goals—first completing both a bachelor's and a master's degree in economics from San Jose State University, and then, a Ph.D. from the Whitman School.

He is grateful for the opportunity to pursue his research interests as a Ph.D. candidate and a fellow at the Institute for an Entrepreneurial Society (IES).

"I wanted to come to Syracuse," Diaz says. "What sold me was my advisor, Maria Minniti (director of the IES and the Louis A. Bantle Chair in Entrepreneurship and Public Policy). I could tell that she was the kind of advisor I needed—someone who was going to call me out and keep me working."

"Everyone here has been amazing, and it's been beneficial to be surrounded by others studying a variety of areas," he adds. "People at conferences know the Whitman School of Management, and they know my advisor and my colleagues. I've gained a lot through my association with the Department of Entrepreneurship and Emerging Enterprises."

In his next chapter, Diaz will take his research ideas and entrepreneurial spirit to the University of Louisville, where he will begin his new role as an assistant professor in the fall of 2021.

Syracuse University

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721 University Ave
Syracuse NY 13244-2450