

**LOYOLA UNIVERSITY CHICAGO**  
**School of Business Administration**  
**RESEARCH NEWSLETTER**  
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***Mine Cinar, Professor and Area Coordinator (Economics)*** edited and



published the electronic proceedings journal, *Topics in Middle East and North African Economies*, Vol. 6, September 2004. The journal can be found at the site:

<http://www.sba.luc.edu/orgs/meea/volume6/>

In the ASSA meetings in January 2004 she chaired a session on capital and labor markets in the ME, and was a discussant on the MEEA/AEA session on economies of ME and globalization. Also, she has received a travel and expenses grant to participate in the Economic Research Forum Meeting in Beirut, Lebanon in December 2004.

Professor Cinar's current research agenda includes papers on comparative banking analysis in the ME (with Poulous and Slear), country risk measures and civic societies, and value-at-risk measurements and emerging markets (with Sarsenbayeva).

***Chaim M. Ehrman, Associate Professor (Marketing)***, and Allen Marber, Professor,

Marketing Department, Fordham University, Bronx, NY are presenting their paper "Varsity Sports: Does It Have An Impact On a University's Applications, Enrollments, and Quality of the Students (measured by average SAT Scores)?" at the Joint Conference of INFORMS, Denver, Colorado, Oct. 24-27. In the field of varsity



sports, many universities invest heavily to have a "top" varsity team. In this paper, we primarily focus on *football and basketball*. The investment is far from trivial. Many scholarships are offered, special sports arenas are constructed, top coaches and secondary coaches are hired, cheerleaders are selected, etc. In the past, superstars (Pat Ewing, Georgetown; Doug Flutie, Boston College) did make a difference. Is this a one-time phenomenon? We use statistical analysis to investigate this possibility.

In our analysis, we looked at applications, enrollments, and average SAT scores (a possible indication of student quality). We found that one can reject the hypothesis that varsity sports have no effect on applications, enrollments, and average SAT scores at the 95% confidence level. However, the R-square value was very small, indicating that many other factors concurrently affect applications, enrollments, and average SAT scores.

However, if we tease out from our data base and focus on those universities who have a "winning streak" for their team, then R-square becomes very high, indicating that the varsity team alone makes the difference!

The message is clear: If you have a varsity team and the university wants the investment to "pay off" in terms of applications, enrollments, and SAT scores, be sure that your varsity team is a WINNING TEAM!!!

***Suzy Fox, Assistant Professor (HRIR)*** has co-authored a book with Paul E. Spector, entitled *Counterproductive Work Behavior: Investigations of Actors and Targets*,

published by American Psychological Association Press in October 2004.



With Lamont E. Stallworth, she published “Racial/Ethnic Bullying: Exploring Links Between Bullying and Racism in the U.S. Workplace in the

*Journal of Vocational Behavior* on Elsevier Science Direct. It will also appear in the next “hard-copy” issue of the journal.

She has a journal paper and a book chapter accepted for publication. The book chapter is “Emotions, Violence and Counterproductive Work Behavior” (Spector, Fox, and Domagalski) in E. K. Kelloway, J. Barling, and J. Hurrell (eds.), *Handbook of Workplace Violence*, Thousand Oaks, CA: Sage. The journal article is “The Potential Utility of Internal Conflict Management and ADR Processes in Preventing and Resolving Incidents of Workplace Bullying: Ethical Challenges For Decision-Makers in Organizations” (Stallworth and Fox), in *Employee Rights and Employment Policy Journal* of Kent Law School.

She gave presentations at five conferences in 2004. In June, she presented “Challenges of Virtual Teamwork: The Successful Women Worldwide (SWW) Global Research Project” at the Successful Women Worldwide Conference in Montreal, Quebec, sponsored by a grant from the Social Science and Humanities Research Council of Canada. In April, she presented “Racism, and Power: An Investigation of Racial/Ethnic Bullying in the U.S. Workplace” at the annual meeting of the Society for Industrial/Organizational Psychology, Chicago (co-authored by Lamont Stallworth). She presented two papers at the August meeting of the Academy of Management in New Orleans: “Bullying, Emotions, And Justice In The Workplace” at the Academy of Management (co-authored by Lamont Stallworth) and “The Stressor-

Emotion Theory of Counterproductive Work Behavior” (co-authored by Paul Spector). In March she presented “The Potential Utility Of Internal Conflict Management and ADR Processes in Preventing and Resolving Incidents of Workplace Bullying: An Ethical Challenge For Decision Makers in Organizations” with Lamont Stallworth at the Midwest Association of Legal Studies in Business meeting in Chicago.

She completed a three-year term as Associate Editor of the journal *Human Relations*, published by the Tavistock Institute, London.

***Dawn Harris, Associate Professor (Management)***

presented a paper, “The Board of Directors and CEO Selection: Social Capital, Socio-Political Dynamics and Human Capital” (with Constance Helfat, Dartmouth College) at the 64<sup>th</sup> Annual Meeting of the Academy of Management in August 2004. This paper introduces a framework for analyzing CEO selection that brings together the CEO human capital approach with an analysis of the board of directors as a network of individuals with varying interests, social capital, and influence.



She was also invited to speak on strategic networking at the United States Department of Commerce, Minority Business Development Administration in Washington, DC in September 2004.

***Marc D. Hayford, Associate Professor (Economics)***

presented his paper “Asymmetric Effects of Monetary Policy” at the Midwest Economics Association meetings, March 19, 2004, Chicago. In this paper, Professor Hayford develops four alternative models to derive measures of



monetary policy shocks. The measures of monetary policy shocks are used to check for the robustness of empirical evidence that monetary policy has asymmetric effects on output growth depending on whether monetary policy is expansionary or contractionary and conditioned on whether or not the economy is in a recession. The empirical results show weak evidence of asymmetric effects.

In July, Professor Hayford presented his paper coauthored with Tassos Malliaris, The Walter F. Mullady, Sr., Professor of Economics and Finance (Economics, Finance), "Rethinking Monetary Stabilization in the Presence of an Asset Bubble: Should the response be symmetric or asymmetric?" at the Seventh Biennial Athenian Policy Forum Conference "Asymmetries in Trade and Currency Arrangements in the 21<sup>st</sup> Century" held July 28-31, 2004 in Frankfurt, Germany. This fall Professor Hayford was the conference program chair and president elect of the 34<sup>th</sup> Annual Illinois Economics Association Meeting held in Chicago on October 15-16, 2004. At this conference he also presented "Rethinking Monetary Stabilization in the Presence of an Asset Bubble: Lessons from the US in the 1920s" coauthored with Professor Malliaris.

***George G. Kaufman, the John F. Smith Professor of Finance and Economics*** and



Director of the Center for Financial and Policy Studies, presented two papers on "Resolving Insolvent Banks" and "The New Basel II International Bank Capital Agreement" at the American Institute for Economic Research in Massachusetts in July. Between May and September, his published papers included "Depositor Liquidity and Loss-Sharing in

Bank Failure Resolutions" in *Contemporary Economic Issues*, "FDIC Losses in Bank Failures" in *Economic Perspectives*, "Bank Regulation and Foreign-Owned Banks" in the *Reserve Bank of New Zealand Bulletin*, and "Basel II The Roar that Moused" in the book *The New Basel Capital Accord*. His co-edited book *Market Discipline in Banking* was also published by the MIT press.

Kaufman served as Program Chair for the summer meetings of the North American Economic and Finance Association in Vancouver, Canada in July, where he also participated as a discussant. Also in July, he chaired the annual meeting of the Financial Economists Roundtable in Niagara-on-the-Lake, Canada, for which he serves as Executive Director. In May and September, he chaired the quarterly meetings of the Shadow Financial Regulatory Committee in Washington, D.C., and in September he chaired a session on "Privatizing Housing GSEs" at a conference at the Federal Reserve Bank of Atlanta, co-sponsored by the *Journal of Financial Stability*, of which he is co-editor. In October, he served as co-organizer of and a moderator at the annual international conference sponsored by the Federal Reserve Bank of Chicago on "Resolving Large Bank Insolvencies." The MIT Press announced that the proceedings of the 2002 international conference, which he co-edited and was published in hardcopy in 2003, will be republished in paperback in early 2005. Lastly, Kaufman served on the best paper award committee for the Financial Management Association annual meetings in October in New Orleans, which he also attended.

***Nicholas A. Lash, Professor (Finance)*** presented his paper, "Asymmetries in U.S. Banking: The Role of Black-Owned Banks,"



at the Seventh Biennial Athenian Policy Forum Conference “Asymmetries in Trade and Currency Arrangements in the 21<sup>st</sup> Century”, held July 28-31, 2004 at Deutsche Bundesbank, in Frankfurt, Germany. This conference was sponsored by the Deutsche Bundesbank and the Department of Economics and Business Administration, University of Giessen. Professor Lash’s paper reviews the historical evolution of black-owned banks, their current viability, the controversy whether banks, both non-minority and black-owned, discriminate against minority loan applicants, and the impact of the Community Reinvestment Act on black-owned banks. His paper, "Corruption and Economic Development," was published in *The Journal of Economic Asymmetries*, Vol. 1, No. 1, May 2004. The causes of corruption include the role of government and cultural, ethnic, social, religious, and gender factors. This paper discusses the empirical evidence which suggests that corruption significantly reduces economic efficiency, capital formation, economic growth, and income quality.



**David Merriman, Professor (Economics)**, had his paper “Are State Fiscal Crises Inevitable?” and a related (more technical) working paper published by the Institute of Government and

Public Affairs at the University of Illinois in September. The working paper also is scheduled to appear in the journal *State Tax Notes*. The papers demonstrate that the magnitude of state “rainy day” funds necessary to weather economic downturns without changes in fiscal policy is greater than previously thought and far larger than states have accumulated in the past. Both papers are joint with Richard Dye and can be downloaded from <http://www.igpa.uiuc.edu/>. Professor Merriman’s paper (joint with Mark

Skidmore and Hideki Toya) “Convergence in Government Spending: Theory and Cross-Country Evidence” will be published in the September 2004 issue of the journal *Kyklos*. This paper demonstrates that government spending by nations around the world is tending to converge. Merriman also presented research at the Mid-Continent Regional Science Association meetings in June 2004 and made an invited presentation to the National Poverty Center of the University of Michigan in Ann Arbor in September. He also prepared a background paper (“The Potential Use of Medicaid to Increase Resources for Long-Term Care in Illinois”)-for a September 2004 conference on “Long-term Care in Illinois: The Next Generation,” which was jointly sponsored by the Institute of Government and Public Affairs of the University of Illinois and the Health and Medicine Policy Research Group. Merriman’s background paper may be downloaded at:

<http://www.igpa.uiuc.edu/health/background.htm>.

**John O’Malley, Professor (Legal Studies)** has had another article published by the *Journal of the Orders and Medals Research Society*, entitled “A Four-Tour Soldier’s Distinguished Conduct Medal.” His other articles for that publication have elicited comments from persons in England and Scotland, and as far away as South Africa.

**Linda Salchenberger, Professor (Information Systems)** and Director, Center for Information Management and Technology, was invited to publish and present a lead paper for the Conference on Chicago Research and Public Policy sponsored by the University of Chicago and The Federal Reserve Bank, entitled “Defining Success: Community Technology and Communication



Policies in the Chicago Metropolitan Area" in May 2004. On June 12, 2004, Dr. Salchenberger was invited to present her paper "The Changing Role of the CIO: Leadership Perspectives", to the Society for Information Management, Regional Leadership Forum, held in St. Charles, IL.

Dawn Harris, Associate Professor (Management), and Professor Salchenberger will present their paper "The Business Value of IT from the CEO and CIO Perspective", at the 24th Annual Conference of the Strategic Management Society in October 2004.

***Arup Varma, Associate Professor and Director (Institute of Human Resources and Industrial Relations)***

presented three papers at the 18th Annual Conference of the Society for Industrial and Organizational Psychology, held in Chicago, IL. The first paper was titled "Host Country National Helping on the Adjustment of Expatriates" (co-authors, Prof. S.M. Toh of University of Toronto, and Prof. Angelo DeNisi of Texas A&M University). This paper examines the impact of host country nationals on expatriate adjustment. Drawing upon the theory of ingroup and outgroup categorization, the authors found that HCNs play a significant role in helping expatriates adjust to their new surroundings, and they recommend that expatriates attempt to build relationships with HCNs. The second paper was titled "Predicting Expatriate Success: A Look at Some New Variables (co-authors Shaun Pichler and Fiona Nelson, HRIR alums)." In this paper, the authors propose that organizations (and researchers) trying to understand the expatriate experience, look beyond organizational factors such as training, and explore the processes that might mediate or moderate the relationship. Using theories of expectancy and locus of control, they propose a theoretical model explaining the



link between organizational factors and expatriate success/failure. The third paper is titled "Selection of Individuals with Disabilities for Expatriate Assignments: The Impact of Stereotypical Fit and Clear Standards (co-author, Prof. Doug Mahony of University of South Carolina)." In this paper, the authors propose a theoretical model exploring the selection of individuals with disabilities for expatriate assignments. Using leader-member exchange theory, they propose a model that argues that disabled individuals might not have access to expatriate assignments at the same rate as others. The authors offer potential corrective measures for organizations to make the expatriate selection process inclusive and equitable.

Arup also presented a paper at the Annual conference of the Academy of Management Conference, New Orleans, LA. This paper was titled "The Influence of Salience of Expatriates on the Reactions of Host Country Nationals," and looked at the how HCNs react to expatriates, depending on the "salience" of the expatriate's role (co-authors, Prof. S.M. Toh of University of Toronto, and Prof. Angelo DeNisi of Texas A&M University).

Arup recently completed a 3-year stint as Book Review Editor of the *Human Resource Management Journal*.

***John R. Boatright, the Raymond C. Baumhart, S.J., Professor of Business Ethics (Management)*** has published "Individual Responsibility and the Sarbanes-



Oxley Act" in *Government, Law and Policy Journal* (Spring 2004). A longer version of this paper "Individual Responsibility in the American Corporate System: Does Sarbanes-Oxley Strike the Right Balance?" is forthcoming in *Business and Professional Ethics Journal*. This paper was also presented

at the annual meeting of the Society for Business Ethics in New Orleans, August 5-8. He has prepared a paper, "Is Corporate Governance an Obstacle to Redefining Success? Some Thoughts on Shareholder Ownership and the Pursuit of Multiple Objectives," for the Third Transatlantic

Business Ethics Conference in Barcelona, Spain, October 1-3, 2004. Dr. Boatright also took part in a panel on "Business Ethics, Biopolitics, and the Biotech Challenge," at a meeting of the Association for Politics and the Life Sciences, September 3-5, in Chicago.

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A more complete listing of recent research by SBA faculty members may be found in the annual School of Business Administration Faculty Publications and Papers Presented at Professional Meetings, February 2004, at:

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