John R. Boatright, the Raymond C. Baumhart, S.J., Professor of Business Ethics, has written an article, “Employee Governance and the Ownership of the Firm,” which will appear in Business Ethics Quarterly, Vol. 14, no. 1, January 2004. The text of this article is available as a working paper at: http://www.sba.luc.edu/research/wpapers/030114.pdf

According to the abstract, employee governance, which includes employee participation in decision making and employee ownership of firms, is regarded by many as morally preferable to control of corporations by shareholders. However, employee governance is rare in advanced market economies due to its relative inefficiency compared with shareholder governance. Given this inefficiency, should employee governance be given up as an impractical ideal? This article contends that the debate over this question is hampered by an inadequate conception of employee governance that fails to take into account the difference between employees and shareholders. It offers a different, more adequate conception of employee governance that recognizes a sense in which employees currently have some ownership rights. The article also suggests new strategies for strengthening the role of employees in corporate governance.

Paul E. Gabriel, Associate Professor (Economics) has two papers that have been accepted for publication in peer-reviewed journals. The first paper, “An Examination of Occupational Mobility Among Full-time Workers”, will appear in a forthcoming issue of the Monthly Labor Review. This study explores occupational mobility patterns for year-round full-time workers in the United States. The empirical analysis of samples from the National Longitudinal Survey of Youth indicates that during the 1990s there was an increase in occupational stability among workers. Thus, by the late 1990s, workers are less likely to shift positions in the occupational distribution than was true earlier in the decade. Gender differences in occupational mobility rates are also discussed. The second paper, “Differences in Earnings, Skills and Labor Market Experience Among Young Black and White Men”, is forthcoming in Applied Economics Letters. This paper examines the role of racial differences in skill and labor market experience on recent earnings differences between young black and white men. An empirical comparison of racial earnings profiles from the 2000 wave of the National Longitudinal Survey of Youth, 1979 Cohort (NLSY79), indicates that nearly all of the earnings gap between black and white men can be accounted for with a relatively parsimonious human capital earnings model. One notable finding is that approximately 44 percent of the racial earnings gap among men results from higher average skill and work experience levels of white males.

Dawn Harris, Associate Professor (Management), was invited to speak on Corporate Leadership and Governance at the Academy of Management meeting in Seattle. She also chaired a session on Executive Succession. In a session on Shareholder and Stakeholder Value, she was a discussant. At this meeting in August, she also was the chair of the Mid-Career Workshop.
increases in productivity generated by the information technology innovations or, as Chairman Greenspan remarked in 2002, that since a low-risk, low-cost incremental monetary tightening rule that can reliably deflate a bubble does not exist, the Fed was led to accommodation by default.

**John M. Janiga, Professor (Accounting),** has a forthcoming coauthored article entitled “The Interplay of Behavioral Economics and Portfolio Management with the Examination of Family Partnerships by the Courts” to be published in the November issue of the journal *Trusts and Estates.* In the article, Professor Janiga and his coauthor, Professor Louis Harrison, discuss the vigorous attack by the Internal Revenue Service (IRS) of the family limited partnership (FLP), a sophisticated estate tax reduction technique whose use has grown tremendously since the 1990s. Recently, the IRS has had success in getting the courts to accept the notion that FLPs have no real investment justification other than tax savings, so much so that it has gotten to the point that both the courts and practitioners alike believe in that myth. Using empirical research in the areas of behavioral economics and portfolio management, Professors Janiga and Harrison explode that myth, while offering a novel, *avant garde* planning technique that may help practitioners in structuring FLPs so as to avoid the difficult holding coming out of the courts.

**Nenad Jukic, Assistant Professor (ISOM),** has published two journal articles. The first article is titled “Closing the Key Loophole in MLS Databases”, in *ACM SIGMOD Record,* Vol. 32, No. 2, 2003, pp. 15-20. This paper was coauthored with Svetlozar Nestorov from the University of Chicago and Susan Vrbsky from
the University of Alabama. This paper identifies a basic logic flaw within multilevel secure database models and proposes a practical solution. The second article is titled “Implementing Belief-Consistent Multilevel Secure Relational Data Model: Issues and Solutions” in *Journal of Computing and Information Technology*, Vol. 11, No. 3, pp. 1-10. This paper was coauthored with Mario Pranjic from Rugjer Boskovic Research Institute, Zagreb, Croatia and Kresimir Fertalj from the University of Zagreb, Croatia. This paper summarizes efforts in implementing a working BCMLS (Belief-Consistent Multi-Level Secure) database prototype.

Prof. Jukic presented a paper titled “Customer Satisfaction and Benefit Information Presentation Strategy” at the INFORMS Annual Meeting in Atlanta, October 2003. This paper examines the effect of information presentation in an on-line environment on customer satisfaction. Nenad is also a coauthor of the paper titled “An Investigation of Information Technology Architecture: Adoption Decisions and Competitive Strategy”, that will be presented at the 23rd Annual Strategic Management Society International Conference, Baltimore, November 2003. This paper is coauthored with Boris Jukic from George Mason University and Michael E. Wasserman from Clarkson University, and it studies the effect that architecture decisions made during the technology adoption process have on organization’s competitive strategy.

Dr. Kaefer has also recently presented two papers at national conferences. The first paper, "Location of Access Points in Wireless Local Area Networking," was presented at the 2003 American Conference on Information Systems (AMCIS) in Tampa in August. The second paper, “Designing Wireless Local Area Networks Using Multiple Types of Access Points,” was presented at the Institute for Operations Research and Management Science (INFORMS) conference on October 20.

**George Kaufman, John F. Smith, Jr., Professor of Finance and Economics and Director of the Center for Financial and Policy Studies** presented papers since June at the Swedish Central Bank in Stockholm, at St. Mary's University in Halifax (Canada), and at the Financial Management Association in Denver, served as organizer, chairperson and discussant at the FMA's European meeting in Dublin, organized and chaired the annual meeting of the Financial Economists Roundtable in Vancouver, and chaired the quarterly meeting of the Shadow Financial Regulatory Committee in Washington, D.C. He also had papers published in the *Journal of Money, Credit, and Banking* (August 2003), the *Journal of Japanese and International Economies* (September 2003), *Economic Perspectives* (Federal Reserve Bank of...
Mary Ann McGrath, Professor (Marketing), has become part of a team of researchers from several schools who are studying the American Girl experience. This is a female consumer experience played out in private homes and associated with the American Girl store, which is one block from our Water Tower Campus. Other members of the team are John F. Sherry and Robert Kozinets from Northwestern University, Nina Diamond and Albert Muniz from DePaul, and Stefania Borghini Bocconi University in Milan, Italy. Senior professors Sherry and McGrath have worked together in the past, and the addition of this team of younger assistant professors has added a new dimension to the project.

To date the team has two conference presentations scheduled. Its first paper, "I'm An American Girl," was presented at the Conference of the Association for Consumer Research in Toronto on October 10, 2003. A second paper, "Girl of Many Lands: Seeing the World Through the Blue/Green/Gray/Hazel/Light Brown/Dark Brown Eyes of Your American Girl Today" has been accepted to the Ninth Cross Cultural Research Conference in Rose Hall, Jamaica in December 2003. Several working papers for various marketing journals are in process. This team effort promises to add to our knowledge of consumer behavior and to be both productive and intellectually stimulating for everyone involved.

David Merriman, Professor (Economics), had his paper "Does Tax Increment Financing Raise Urban Industrial Property Values?" (jointly with Rachel Weber and Saurav Dev Bhatta) published in the September 2003 edition of Urban Studies. The paper documents the surprising fact that the tax benefits of being part of a tax increment finance (TIF) district does not fully compensate landowners for restricting land use to industrial categories. Merriman, Weber and Bhatta have begun a new research project that will examine the impact of TIF on residential land uses and investigate the hypothesis that TIF causes gentrification.

Merriman's paper with Elaine Maag has been posted on the website of the Washington, D.C.-based Urban-Brookings Tax Policy Center (http://www.taxpolicycenter.org/fc2003) and was published in the August 4 edition of State Tax Notes. The paper deals with US state government reactions to the current fiscal crisis. Merriman and Maag show that states have been very reluctant to raise taxes despite severe revenue shortfalls. Merriman's recently completed paper “A Summary of Illinois Recent Fiscal History” will be published by The Taxpayers' Federation of Illinois (and is now available at http://www.igpa.uiuc.edu/). He collaborated with

In June Merriman gave a talk on “Looming Fiscal Issues and TANF” at the Illinois Welfare Reform Symposium” and in July he spoke about the “Effect of Tax Increment Finance in Illinois” at the national conference of the Government Research Association. He traveled to Dubrovnik, Croatia in October to speak about "Effective Tobacco Control Policy Despite the Threat of Tobacco Smuggling" and will have two coauthored papers presented at the annual meetings of the National Tax Association in November.

It seems that many of our professors have an unlimited variety of interests. Those of John D. O'Malley, Professor (Legal Studies), have been evidenced by two of his recent articles that appeared in England in the Journal of the Orders and Medals Research Society of Great Britain. "The Albert Medal—a True Classic" was published in the March 2003 Journal, and has since been quoted in a brochure issued as far away as Cape Town, South Africa. The second article, "The Dated Distinguished Conduct Medals" was published in the June 2003 issue of the Journal.

Patricia A. Simpson, Assistant Professor (Human Resources and Industrial Relations) has recently published an article that examines gender variations in the pay received and in the work performed by human resources professionals. Titled, “Win Some, Lose Some: Women’s Status in the Field of Human Resources in the 1990’s”, the results indicate that holding experience constant, men and women receive equal salaries. However, the data also suggests that the job content of work differs by gender such that women may experience more job-related stress. The article appears in Women in Management Review and was coauthored by a former HRIR graduate student, Delphine Lenoir.

In an article appearing in the International Journal of Selection and Assessment, Dr. Simpson and her coauthor, Elissa L. Perry, Orla M. NicDomhnaill, and Deanna M. Siegel, all of Columbia University, explored the effect of age on annual salary and job benefits controlling for human capital factors and specialized computer skills (e.g., number of programming languages). They found that although older computer programmers reported higher levels of most human capital factors, there were no differences in ten specialized computer skills as a function of age. Results also indicate that age was negatively associated with both annual salary and job benefits levels even when human capital factors and specialized skills were taken into account. However, the effects of age were quite small. The article is titled, “Is There a Technology Gap? Associations Among Age, Skills, and Employment Outcomes.”

In an article appearing in a forthcoming volume of the prestigious Sociology of Work series, “The Effects of Age Group, Technology, and Social Policy on Adult Women’s Participation in Training,” Dr. Simpson and her colleague, Linda K. Stroh, examined the determinants of women’s participation in training. Following up on an earlier article that they published in Feminist Economics indicating higher rates of female participation in training than standard economic models would predict, Dr. Simpson and Dr. Stroh predicted that baby boomer cohorts of women would have higher training rates than younger and older cohorts of women. They also predicted that mandatory training requirements and technological innovation in clerical occupations would have increased the likelihood of training. These predictions were confirmed by the results of their study.
November 21-23, Dr. Simpson was joined by Michelle Kaminski, Michigan State University, in delivering a paper at a special conference on “Women in Unions Today” organized by the School of Industrial and Labor Relations, Cornell University. Their paper will outline the initial results of a study examining gender differences in organizational justice perceptions and their relevance to union organizing campaigns.

Mark Van Oyen, Associate Professor (ISOM) spent much of his summer continuing his research program, currently focusing on an emerging understanding of “Workforce Agility.” He revised and resubmitted several papers under revision. One of these, “Agile Workforce Evaluation: A Framework for Cross-training and Coordination”, coauthored with W. J. Hopp, has just been accepted for publication in IIE Transactions, 2004.

Professor Van Oyen and his coauthor presented three talks at the Annual INFORMS Conference in October 2003. One of them was part of a tutorial session devoted to exploring the latest research on workforce agility. Current projects involve (1) strategic and tactical frameworks on the use of cross-training in call/contact centers, (2) revision of a paper developing the concept of structural production flexibility based on labor cross-training and/or machine flexibility, and (3) writing a working paper on “capability flexibility” that incorporates worker/machine productivity and demand rates into a mathematical method assessing flexibility.

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 2003 at: www.sba.luc.edu/research/faculty

Faculty working papers may be found at: www.sba.luc.edu/research/papers

Select publications are displayed in the Research Showcase on the second floor of 25 East Pearson.