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OLIN BUSINESS SCHOOL

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Research ■
REVIEW

Olin Research Review

TABLE of Contents

Message from the Dean _____	3	Management _____	41
Journal Acceptances		Marketing _____	41
Accounting _____	4-5	Operations & Manufacturing	
Economics _____	6	Management _____	41
Finance _____	7-11	Organizational Behavior _____	42
Management _____	11	Strategy _____	42
Marketing _____	12-16	Olin Award _____	43
Operations & Manufacturing		Research Centers	
Management _____	17	BCTIM _____	44
Organizational Behavior _____	18-22	CFAR _____	44
Strategy _____	23-24	CRES _____	45
Conference Acceptances/Presentations		IIG _____	45
Accounting _____	25	Workshops	
Economics _____	26-27	Accounting _____	46
Finance _____	28-29	Economics _____	47-48
Management _____	30	Finance _____	49-50
Marketing _____	30-31	Marketing _____	51-52
Operations & Manufacturing		Operations & Manufacturing	
Management _____	32	Management _____	53
Organizational Behavior _____	33-35	Organizational Behavior _____	54-55
Strategy _____	36-37	Strategy _____	56-57
Books/Chapters		PhD Milestones _____	58-59
Economics _____	38	Events	
Marketing _____	38	Economics _____	60-62
Operations & Manufacturing		Finance _____	63-65
Management _____	38	Operations & Manufacturing	
Organizational Behavior _____	39	Management _____	66
Strategy _____	39	Index _____	67
Honors			
Economics _____	40		
Finance _____	40		

MESSAGE from the Dean

Welcome to the Olin Research Review.

It is my great privilege to present this publication that highlights the exceptional work of Olin faculty over the past year.

At Olin, we take great pride in the impressive research productivity of our faculty members. As these pages demonstrate, Olin continues to be distinguished by the thought leadership of our faculty and the ideas they bring to academic research.

Let me extend my congratulations to all Olin faculty members for their contributions that advance the understanding of business in the global marketplace. Their passion for learning and knowledge drive the very heart of Olin's mission:

Create knowledge...Inspire individuals...Transform business.

Respectfully,



Mahendra R. Gupta, Dean
Geraldine J. and Robert L. Virgil Professor of Accounting and Management

JOURNAL Acceptances

ACCOUNTING

Mahendra Gupta: “The Implications of Absorption Cost Accounting and Production Decisions for Future Firm Performance and Valuation,” with M. Pevzner and C. Seethamraju, *Contemporary Accounting Research*, Vol. 27 No. 3 (Fall 2010) pp. 889–922.

Abstract: We examine how inventory overproduction among high fixed costs firms affects these firms’ contemporaneous and future accounting performance, and how financial analysts and the stock market incorporate implications of these relations in their reactions. We find that higher fixed costs firms engaging in opportunistic overproduction are able to increase their contemporaneous return on assets (ROAs). Moreover, higher fixed costs firms that also experience inventory increases, sales declines and issue common stock also experience declines in their future accounting performance. We further find that financial analysts are aware of this phenomenon and appropriately reduce their forecasts of future earnings per share (EPS) for higher fixed costs firms that experience sales declines and inventory increases. However, we do not find that the stock market penalizes such opportunistic overproduction.

Chad Larson: “Predicting Material Accounting Misstatements,” with P. Dechow, W. Ge and R. Sloan, *Contemporary Accounting Research*, Vol. 28, Issue 1, Spring 2011.

Abstract: We examine 2,190 Securities and Exchange Commission Accounting and Auditing Enforcement Releases (AAERs) issued between 1982 and 2005. We obtain a comprehensive sample of firms that are alleged to have misstated their financial statements. We examine the characteristics of misstating firms along five dimensions: accrual quality, financial performance, nonfinancial measures, off-balance sheet activities and market-based measures. We compare misstating firms to themselves during nonmisstatement years and misstating firms to the broader population of all publicly listed firms. We find that managers appear to be hiding diminishing performance during misstatement years. We find that accruals are high and that misstating firms have a greater proportion of assets with valuations that are more subject to managerial discretion. In addition, the extent of leasing is increasing and there are abnormal reductions in the number of employees. Misstating firms are raising more financing, have higher price-to-fundamental ratios and have strong prior stock price performance. We develop a model to predict accounting misstatements. The output of this model is a scaled logistic probability that we term the F-score, where values greater than one suggest a greater likelihood of a misstatement.

Xiumin Martin: “Do Bank-Affiliated Analysts Benefit from Information Sharing?” with T. Chen, forthcoming in *Journal of Accounting Research*.

Abstract: This paper investigates whether private information from lending activities improves the forecast accuracy of bank-affiliated analysts. Using a matched sample design, matching by affiliated bank or borrower, we demonstrate that the forecast accuracy of bank-affiliated analysts increases after the followed firm borrows from the affiliated bank. We also find that the increase in forecast accuracy is more pronounced for borrowers with greater information asymmetry and bad news, and for deals with financial covenants. Last, we find that the informational advantage of bank-affiliated analysts exists only when the

Olin Research Review

affiliated banks serve as lead arrangers, not merely as participating lenders. Overall, our evidence suggests that information flows from commercial banking to equity research divisions within financial conglomerates.

Xiumin Martin: “The Relative Importance of Firm Incentives versus Country Factors in the Demand for Assurance Services by Private Entities,” with J. Francis, I. Khurana and R. Pereira, forthcoming in *Contemporary Accounting Research*.

Abstract: We evaluate the importance of firm-specific incentives relative to country-level institutional factors in explaining the voluntary demand for assurance services by private entities. Using a unique World Bank sample of 3,829 private entities from 62 countries, we find that both firm-specific contracting incentives and country-level factors (institutional characteristics, gross domestic product and financial market development) are significant in explaining voluntary assurance services around the world. However, firm incentives are relatively more important than country factors in those countries with weaker institutions, which is consistent with the argument in Durnev and Kim (2005) that voluntary improvements in a firm’s governance structure can serve as a substitute for weak institutions in a country that inhibits the contracting process.

ECONOMICS

Kelly Bishop: “Estimating the Willingness-to-Pay to Avoid Violent Crime: A Dynamic Approach,” with A. Murphy, forthcoming in *American Economic Review: Papers and Proceedings*.

Abstract: The hedonic model, which has been used extensively in the environmental, urban, and real estate literatures, allows for the estimation of the implicit prices of housing and neighborhood attributes, as well as households’ demand for these nonmarketed amenities. A recognized drawback of the existing hedonic literature is that the models assume a myopic decision maker. In this paper, we estimate a dynamic hedonic model and find that the average household is willing to pay \$472 per year for a 10 percent reduction in violent crime. In addition, we find that the traditional, myopic model suffers from a 21 percent negative bias.

Alvin Murphy: “Estimating the Willingness-to-Pay to Avoid Violent Crime: A Dynamic Approach,” with K. Bishop, forthcoming in *American Economic Review: Papers and Proceedings*.

Abstract: The hedonic model, which has been used extensively in the environmental, urban, and real estate literatures, allows for the estimation of the implicit prices of housing and neighborhood attributes, as well as households’ demand for these nonmarketed amenities. A recognized drawback of the existing hedonic literature is that the models assume a myopic decision maker. In this paper, we estimate a dynamic hedonic model and find that the average household is willing to pay \$472 per year for a 10 percent reduction in violent crime. In addition, we find that the traditional, myopic model suffers from a 21 percent negative bias.

Maher Said: “Sequential Auctions with Randomly Arriving Buyers,” forthcoming in *Games and Economic Behavior*.

Abstract: We analyze a dynamic market in which buyers compete in a sequence of private-value auctions for differentiated goods. New buyers and new objects may arrive at random times. Since objects are imperfect substitutes, buyers’ values are not persistent. Instead, each buyer’s private value for a new object is a new independent draw from the same distribution. We consider the use of second-price auctions for selling these objects, and show that there exists a unique symmetric Markov equilibrium in this market. In equilibrium, buyers shade their bids down by their continuation value, which is the (endogenous) option value of participating in future auctions. We characterize this option value and show that it depends not only on the number of buyers currently present on the market and the distribution of their values, but also on anticipated market dynamics.

FINANCE

Radhakrishnan Gopalan: “Why Do Firms Form New Banking Relationships?,” with G. Udell and V. Yerramilli, forthcoming in *Journal of Financial and Quantitative Analysis*.

Abstract: Using a large loan sample from 1990-2006, we examine why firms form new banking relationships. Small public firms that do not have existing relationships with large banks are more likely to form new banking relationships. On average, firms obtain higher loan amounts when they form new banking relationships, while small firms also experience an increase in sales growth, capital expenditure, leverage, analyst coverage and public debt issuance subsequently. Our findings suggest that firms form new banking relationships to expand their access to credit and capital market services, and highlight an important cost of exclusive banking relationships.

Radhakrishnan Gopalan: “Does Poor Performance Damage the Reputation of Financial Intermediaries?: Evidence From the Loan Syndication Market,” with V. Nanda and V. Yerramilli, forthcoming in *Journal of Finance*.

Abstract: We investigate the effect of poor performance on financial intermediary reputation by estimating the effect of large-scale bankruptcies among a lead arranger’s borrowers on its subsequent syndication activity. Consistent with reputation damage, such lead arrangers retain larger fractions of the loans they syndicate, are less likely to syndicate loans and are less likely to attract participant lenders. The consequences are more severe when borrower bankruptcies suggest inadequate screening or monitoring by the lead arranger. However, borrower bankruptcies have little effect on syndication activity of the most dominant lead arrangers, and in years in which many lead arrangers experience borrower bankruptcies.

Radhakrishnan Gopalan: “Asset Liquidity and Stock Liquidity,” with M. Pevzner and O. Kadan, forthcoming in *Journal of Financial and Quantitative Analysis*.

Abstract: We study the relation between asset liquidity and stock liquidity. Our model shows that the relation may be either positive or negative depending on parameter values. Asset liquidity improves stock liquidity more for firms that are less likely to reinvest their liquid assets, i.e., firms with less growth opportunities and financially constrained firms. Empirically, we find a positive and economically large relation between asset liquidity and stock liquidity. Consistent with our model, the relation is more positive for firms that are less likely to reinvest their liquid assets. Our results also shed light on the value of holding liquid assets.

Radhakrishnan Gopalan: “Conglomerates and Industry Distress,” with Y. Xie, forthcoming in *Review of Financial Studies*.

Abstract: Focusing on economic distress episodes in an industry, we estimate the effect of conglomeration on resource allocation. Distressed segments have higher sales growth, higher cash flow and higher expenditure on research and development than single segment firms. This is especially true for segments with high past performance, for unrated firms and in competitive industries. Single segment firms increase cash holding, and the diversification discount reduces during industry distress. Firms with high past performance acquire their industry counterparts, and firms with low past performance exit the distressed industry. Industries more prone to distress have greater conglomeration. Overall, conglomeration enables segments to avoid financial constraints during industry distress.

Olin Research Review

Todd Milbourn: “How Did Increased Competition Affect Credit Ratings?,” with B. Becker, forthcoming in *Journal of Financial Economics*.

Abstract: The credit rating industry has historically been dominated by just two agencies, Moody’s and Standard & Poor’s, leading to longstanding legislative and regulatory calls for increased competition. The material entry of a third rating agency (Fitch) to the competitive landscape offers a unique experiment to empirically examine how increased competition affects the credit ratings market. What we find is relatively troubling. Specifically, we discover that increased competition from Fitch coincides with lower quality ratings from the incumbents: Rating levels went up, the correlation between ratings and market-implied yields fell, and the ability of ratings to predict default deteriorated. We offer several possible explanations for these findings that are linked to existing theories.

Anjan Thakor: “Incentives to Innovate and Financial Crises,” forthcoming in *Journal of Financial Economics*.

Abstract: In this paper, I develop a model of a competitive financial system with unrestricted but costly entry and an endogenously determined number of competing financial institutions (“banks”). Banks can either make standard loans on which plentiful historical data are available and there is unanimous agreement on default probabilities. Or they can innovate and make new loans on which limited historical data are available, leading to possible disagreement over default probabilities. In equilibrium, banks make zero profits on standard loans and positive profits on innovative loans, which engenders innovation incentives for banks. But innovation brings with it the risk that investors may disagree with the bank that the loan is worthy of continued funding and may hence withdraw funding at an interim stage, precipitating a financial crisis. The degree of innovation in the financial system is determined by this tradeoff. Welfare implications of financial innovation and mechanisms to reduce the probability of crises are discussed.

Anjan Thakor: “Managerial Autonomy, Allocation of Control Rights, and Optimal Capital Structure,” with A. Boot, forthcoming in *Review of Financial Studies*.

Abstract: We examine the design of control rights of external financiers and how these interact with the firm’s security issuance and capital structure when the firm’s initial owners and manager may disagree with new investors over project choice. The first main result is an ex ante managerial preference for “soft” financial claims that maximize managerial project-choice autonomy, in contrast to agency theory. Second, a dynamic “pecking order” of cash, equity and debt emerges. Additional results explain equity issuance at high prices, why leverage ratios drift with stock returns, cash hoarding and debt usage without taxes, agency or signaling.

Jialan Wang: “Superstar Extinction,” with P. Azoulay and J. Graff Zivin, *Quarterly Journal of Economics*, Vol. 125(2), May 2010, pp. 515-548.

Abstract: We estimate the magnitude of spillovers generated by 112 academic “superstars” who died prematurely and unexpectedly, thus providing an exogenous source of variation in the structure of their collaborators’ coauthorship networks. Following the death of a superstar, we find that collaborators experience, on average, a lasting five percent to eight percent decline in their quality-adjusted publication rates. By exploring interactions of the treatment effect with a variety of star, coauthor and star/coauthor dyad characteristics, we seek to adjudicate between plausible mechanisms that might explain this finding. Taken together, our results suggest that spillovers are circumscribed in idea space, but less so in physical or social space. In particular, superstar extinction reveals the boundaries of the scientific field to which the star contributes — the “invisible college.”

Guofu Zhou: “Volatility Trading: What is the Role of the Long-Run Volatility Component?,” with Y. Zhu, forthcoming in *Journal of Financial and Quantitative Analysis*.

Abstract: In this paper, we study an investor’s asset allocation problem with a recursive utility and with tradable volatility that follows a two-factor stochastic volatility model. Consistent with Liu and Pan (2003) and Egloff, Leippold, and Wu’s (2009) finding under the additive utility, we show that volatility trading generates substantial hedging demand, and so the investor can benefit substantially from volatility trading. However, unlike existing studies, we find that the impact of elasticity of intertemporal substitution on investment decisions is of first-order importance in the two-factor stochastic volatility model when the investor has access to the derivatives market to optimally hedge the persistent component of the volatility shocks. Moreover, we study the economic impact of model and parameter misspecifications and find that an investor can incur substantial economic losses if he uses an incorrect one-factor model instead of the two-factor model or if he incorrectly estimates one of the key parameters in the two-factor model. In addition, we find that the elasticity of intertemporal substitution is a more sensible description of an investor’s attitude toward model and parameter misspecifications than the risk aversion parameter.

Guofu Zhou: “Markowitz Meets Talmud: A Combination of Sophisticated and Naïve Diversification Strategies,” with J. Tu, *Journal of Financial Economics*, Vol. 99, 2011, pp. 204-215.

Abstract: The modern portfolio theory pioneered by Markowitz (1952) is widely used in practice and extensively taught to MBAs. However, the estimated Markowitz’s portfolio rule and most of its extensions not only underperform the naive 1/N rule (that invests equally across N assets) in simulations, but also lose money on a risk-adjusted basis in many real data sets. In this paper, we propose an optimal combination of the naive 1/N rule with one of the four sophisticated strategies – the Markowitz rule, the Jorion (1986) rule, the MacKinlay and Pastor (2000) rule, and the Kan and Zhou (2007) rule – as a way to improve performance. We find that the combined rules not only have a significant impact in improving the sophisticated strategies, but also outperform the 1/N rule in most scenarios. Since the combinations are theory-based, our study may be interpreted as reaffirming the usefulness of the Markowitz theory in practice.

Guofu Zhou: “Cross Sectional Asset Pricing Tests,” with R. Jagannathan and E. Schaumburg, *Annual Review of Financial Economics*, Vol. 2, 2010, pp. 49-74.

Abstract: A major problem in finance is to understand why different financial assets earn vastly different returns on average. In this paper, we survey various econometric approaches that have been developed to empirically examine various asset pricing models used to explain the difference in cross section of security returns. The approaches range from regressions to the generalized method of moments and the associated asset pricing models are both conditional and unconditional. In addition, we review some of the major empirical studies.

Guofu Zhou: “Bayesian Portfolio Analysis,” with Doron Avramov, *Annual Review of Financial Economics*, Vol. 2, 2010, pp. 25-47.

Abstract: This paper reviews the literature on Bayesian portfolio analysis. Information about events, macro conditions, asset pricing theories, and security-driving forces can serve as useful priors in selecting optimal portfolios. Moreover, parameter uncertainty and model uncertainty are practical problems encountered by all investors. The Bayesian framework neatly accounts for these uncertainties, whereas standard statistical models often ignore them. We review Bayesian portfolio studies when asset returns are assumed both

Olin Research Review

independently and identically distributed as well as predictable through time. We cover a range of applications, from investing in single assets and equity portfolios to mutual and hedge funds. We also outline existing challenges for future work.

Guofu Zhou: “Incorporating Economic Objectives into Bayesian Priors: Portfolio Choice under Parameter Uncertainty,” with J. Tu, *Journal of Financial and Quantitative Analysis*, Vol. 45, 2010, pp. 959-986.

Abstract: Economic objectives are often ignored when estimating parameters, though the loss of doing so can be substantial. This paper proposes a way to allow Bayesian priors to reflect the objectives. Using monthly returns of the Fama-French 25 size and book-to-market portfolios and their three factors from January 1965 to December 2004, we find that investment performance under the objective-based priors can be significantly different from that under alternative priors, with differences in terms of annual certainty-equivalent returns greater than 10 percent in many cases. In terms of out-of-sample performance, the Bayesian rules under the objective-based priors can outperform substantially some of the best rules developed in the classical framework.

Guofu Zhou: “How Much Stock Return Predictability Can We Expect from an Asset Pricing Model?,” *Economics Letters*, Vol. 108, 2010, pp. 184-186.

Abstract: Stock market predictability is of considerable interest in both academic research and investment practice. Ross (2005) provides a simple and elegant upper bound on the predictive regression R-squared that $R^2 \leq (1 + R_f)^2 \text{Var}(m)$ for a given asset pricing model with kernel m , where R_f is the risk-free rate of return. In this paper, we tighten this bound by a squared factor of the correlation between the default pricing kernel and the state variables of the economy. Since the correlation can be substantially smaller than one, our bound can be much tighter than Ross’s. An empirical application illustrates that while Ross’s bound is not binding, our bound does.

Guofu Zhou: “Limited Participation, Consumption, and Saving Puzzles: A Simple Explanation and the Role of Insurance,” with T. Gormley and H. Liu, *Journal of Financial Economics*, Vol. 96, 2010, pp. 331-344.

Abstract: In this paper, we use a simple model to illustrate that the existence of a large, negative wealth shock and insufficient insurance against such a shock can potentially explain both the limited stock market participation puzzle and the low-consumption-high-savings puzzle that are widely documented in the literature. We then conduct an extensive empirical analysis on the relation between household portfolio choices and access to private insurance and various types of government safety nets, including social security and unemployment insurance. The empirical results demonstrate that a lack of insurance against large, negative wealth shocks is strongly correlated with lower participation rates and higher saving rates. Overall, the evidence suggests an important role of insurance in household investment and savings decisions.

Guofu Zhou: “Out-of-Sample Equity Premium Prediction: Combination Forecasts and Links to the Real Economy,” with D. Rapach and J. Strauss, *Review of Financial Studies*, Vol. 23, 2010, pp. 821-862.

Abstract: While a host of economic variables have been identified in the literature with the apparent in-sample ability to predict the equity premium, Goyal and Welch (2008) find that these variables fail to deliver consistent out-of-sample forecasting gains relative to the historical average. Arguing that substantial model uncertainty and instability seriously impair the forecasting ability of individual predictive regression models, we recommend combining individual model forecasts to improve out-of-sample equity premium

prediction. Combining delivers statistically and economically significant out-of-sample gains relative to the historical average on a consistent basis over time. We provide two empirical explanations for the benefits of the forecast combination approach: (i) combining forecasts incorporates information from numerous economic variables while substantially reducing forecast volatility; (ii) combination forecasts of the equity premium are linked to the real economy.

Guofu Zhou: “Is the Recent Financial Crisis Really a ‘Once-in-a-Century’ Event?,” with Y. Zhu, *Financial Analysts Journal*, Vol. 66 (No. 1), 2010, pp. 24-27.

Abstract: In the recent financial crisis, the Dow Jones stock market index dropped about 54 percent from a high of 14164.53 on October 9, 2007 to a low of 6547.05 on March 9, 2009. Alan Greenspan calls this a “once-in-a-century” crisis. While we do not know how he drew his conclusion, we show that the probability of a stock market drop of 50 percent from its high within a century is about 90 percent based on the popular random walk model of the stock prices. With a broad market index of the S&P500 and a more sophisticated asset pricing model which captures more risks in the economy, the probability rises to above 99 percent. The message of this paper is that a market drop of 50 percent or more is very likely in long-run stock market investments, and the investors should be prepared for it.

MANAGEMENT

Eli Snir: “Monitoring Technology and Firm Boundaries: Physician-Hospital Integration and Technology Utilization,” with J. McCullough, *Journal of Health Economics*, Vol. 29, No. 3, May 2010, pp. 457-467.

Abstract: Recent years witnessed fundamental changes to medical care management in efforts to contain cost. Hospital reimbursement changes have led to two noteworthy trends studied in this paper. First, physicians and hospitals have increasingly engaged in exclusive long-term contracts – vertical integration. Second, hospitals have invested in information technology (IT) specifically designed to monitor physicians’ hospital-based activities. We investigate the relationship between IT and vertical integration in the physician-hospital relationship. We develop the analysis using multiple methods. First, we develop a theoretical model of monitoring technology and vertical integration in the hospital industry, using a single-principal multiple-agent framework. Hypotheses are developed based on this theoretical framework. Second, we utilize detailed application-specific data at the hospital level to focus on IT monitoring capabilities. Third, we identify the empirical model using a natural experiment based on physician labor-market heterogeneity. This approach allows us to empirically estimate the effect of vertical integration on the demand for multiple types of monitoring IT while correcting for the endogeneity. We find that the IT and integration decisions are endogenous, even when integration is largely predetermined. Furthermore, we find that integration substantially increases monitoring technology demand, but only when endogeneity corrections are employed. We also find that governance is an important determinant of technology adoption. Integration is less prevalent among for-profit hospitals, while monitoring technology is adopted more frequently by these institutions. This result is consistent with a perspective of the nonprofit hospital in which physicians have substantial influence on hospital management, but may not be residual claimants of the hospital’s profit.

MARKETING

Cynthia Cryder: “Informative Inducement: Study Payment as a Signal of Risk,” with A. London, K. Volpp and G. Loewenstein, *Social Science and Medicine*, Vol. 70, 2010, pp. 455-464.

Abstract: In research involving human subjects, large participation payments often are deemed undesirable because they may provide ‘undue inducement’ for potential participants to expose themselves to risk. However, although large incentives may encourage participation, they also may signal the riskiness of a study’s procedures. In three experiments, we measured people’s interest in participating in potentially risky research studies, and their perception of the risk associated with those studies, as functions of participation payment amounts. All experiments took place 2007–2008 with an online nationwide sample or a sample from a northeastern U.S. city. We tested whether people judge studies that offer higher participation payments to be riskier, and, if so, whether this increased perception of risk increases time and effort spent learning about the risks. We found that high participation payments increased willingness to participate, but, consistent with the idea that people infer riskiness from payment amount, high payments also increased perceived risk and time spent viewing risk information. Moreover, when a link between payment amount and risk level was made explicit in Experiment 3, the relationship between high payments and perceived risk strengthened. Research guidelines usually prohibit studies from offering participation incentives that compensate for risks, yet these experiments’ results indicate that potential participants naturally assume that the magnitude of risks and incentives are related. This discrepancy between research guidelines and participants’ assumptions about those guidelines has implications for informed consent in human subjects’ research.

Dmitri Kuksov: “Pricing, Frills, and Customer Ratings,” with Y. Xie, *Marketing Science*, Vol. 29 (No. 5), 2010, pp. 925-943.

Abstract: This paper explores whether and how a firm should adapt its strategy in view of consumer use of prior-customer ratings. Specifically, we consider the optimal pricing and whether the firm should offer an unexpected frill to early customers to enhance their product experience. We show that if price history is unobserved by the consumers, a forward-looking firm should always modify its strategy from single-period optimal one, but it may be optimal to do so by lowering price, both lowering price and offering frills, or by raising price and offering frills, depending on the market growth rate. Specifically, the last strategy becomes optimal when market growth rate is high enough. The results are similar when the price history is observed by consumers, except that no deviation from single-period profit maximization choices is optimal when market growth is low enough. We also analyze whether the firm should prefer for the price information to be stated in or left out from the consumer reviews. In addition, considering the effects of consumer heterogeneity, we conclude that the optimal firm’s effort to affect ratings is higher when the idiosyncratic part of the consumer uncertainty is larger.

Dmitri Kuksov: “When More Alternatives Lead to Less Choice,” with J. Villas-Boas, *Marketing Science*, Vol. 29 (No. 3), 2010, pp. 507-524.

Abstract: This paper shows that when the alternatives offered to consumers span the preference space (as it would be chosen by a firm), search/evaluation costs may lead consumers not to search and not to choose if too many or too few alternatives are offered. If too many alternatives are offered, then the consumer may have to engage in many searches/evaluations to find a satisfactory fit. This may be too costly and result in

Olin Research Review

the consumer avoiding making a choice altogether. If too few alternatives are offered, then, too, a consumer may not search or choose, fearing that an acceptable choice is unlikely. These two forces result in the existence of a finite optimal number of alternatives that maximizes the probability of choice.

Dmitri Kuksov: “Consumer Feelings and Equilibrium Product Quality,” with G. Iyer, *Journal of Economics and Management Strategy*, Vol. 19 (No. 1), 2010, pp. 137-168.

Abstract: This paper considers the possibility that a firm can invest not only in the true product quality, but also in activities such as merchandising and store atmospherics that influence consumer perception of the product quality. Consumers make their purchase decisions based on the signal (perception) of quality they experience, where the signal is influenced by both the true product quality valued by the consumer and the effect of the consumer at the time of the signal formation. In this situation, a firm finds it optimal to invest in both product quality and in variables inducing affect, even though rational consumers, in equilibrium, correctly solve back for the true product quality. We uncover an asymmetry in the effects of the cost of producing quality and the cost of inducing affect. As a firm’s cost of quality decreases, the firm will find it optimal to invest more both in the true quality and in the affect inducement, even if it does not have a lower cost of inducing affect. Conversely, if a firm finds it easier to induce affect, then the product quality decreases but affect-inducing activities increase. Under competition, we find that the firm investing more in quality also invests more in affect creation. An implication of this is that in a competitive environment, consumers can rationally associate an up-lifting store atmosphere, affect inducing merchandising, or mood-creating communication with high quality products even when the firm has no need to signal their private cost of quality information, and when there is no consumption externality of the affect. We also analyze the case in which firms might have different costs and consumers are uncertain about the costs incurred by a given firm. Here again we show that the perceived quality production is positively correlated with both the true quality and the affect inducing activities.

Dmitri Kuksov: “Information Provision in a Vertically Differentiated Competitive Marketplace,” with Y. Lin, *Marketing Science*, Vol. 29 (No. 1), 2010, pp. 122-138.

Abstract: This paper examines the interaction of information provision, product quality and pricing decisions by competitive firms to explore the following question: In a competitive market where consumers face uncertainty about product quality and/or their preference for quality, which firms – those that sell higher or lower quality products – have the higher incentive to provide what type of information? We find that while the higher quality firm should always provide information resolving consumer uncertainty on product quality, the lower quality firm under certain conditions will have the higher incentive to and will be the one to provide information resolving consumer uncertainty about their quality preferences. In the analysis, we trace the latter result to competition and to free-riding on the information provision. Specifically, in a monopoly market or when consumer free-riding is restricted by the costliness of store visits, the lower-quality firm would have a lower incentive to provide information resolving consumer preference uncertainty than otherwise. The model is also adapted to examine product returns as a possible strategy of information provision.

Selin Malkoc: “Impatience Is in the Mindset! Carryover Effect of Processing Abstractness in Sequential Tasks,” with G. Zauberma and J. Bettman, *Organizational Behavior and Human Decision Processes*, Vol. 113, 2010, pp. 112-126.

Abstract: Prior research has demonstrated that individuals show decreasing levels of impatience as the delay of consumption gets longer (i.e., present-bias). We examine the psychological underpinnings of such present-biased preferences by conceptualizing timing decisions as part of a series of judgments. We propose that shifts in the abstractness of processing (focusing on details vs. broad aspects) triggered by aspects of an earlier (related or unrelated) decision systematically influence the degree of present-bias in subsequent decisions. The results of five studies show that the processing mindset (concrete vs. abstract) evoked in previous related and unrelated decisions influences the level of construal evoked in subsequent decisions and moderates the extent of present-bias without changes in affect. We further show the default mindset is concrete (displaying high present-bias) and thus the effect of construal is eliminated when the subsequent intertemporal task is inherently more abstract.

Stephen Nowlis: “The Effect of Decision Order on Purchase Quantity Decisions,” with R. Dhar and I. Simonson, *Journal of Marketing Research*, Vol. 47, No. 4, August 2010, pp. 725-737.

Abstract: Consumers often resolve trade-offs in a particular order. For example, when making flavor and size decisions, consumers might first decide which flavors to choose and then decide which sizes of those flavors to choose. This research examines the effect of decision order on purchase quantity decisions. The authors build on prior work on decision difficulty and conflict to show that consumers choose more overall, and more variety, when they consider a less replaceable attribute in an earlier, rather than a later, stage in the purchase decision. For example, consumers choose a greater quantity when flavor (or brand) decisions precede, rather than follow, size decisions. The authors find that the degree of attribute replaceability also moderates the effect of decision order on quantity chosen. Furthermore, marketers can influence the amount chosen by altering the organization of the shelf display. Finally, the authors find that when consumers explicitly consider the possibility of deferring their decisions, the effect of decision order declines.

Stephen Nowlis: “The Many Shades of Rose-Colored Glasses: An Evolutionary Approach to the Influence of Different Positive Emotions,” with V. Griskevicius and M. Shiota, *Journal of Consumer Research*, Vol. 37 (No. 2), August 2010, pp. 238-250.

Abstract: We present an evolutionary framework for examining the influence of different positive emotions on cognition and behavior. Testing this framework, we investigate how two positive emotions—pride and contentment—influence product desirability. Three experiments show that different positive emotions (compared with a neutral control condition) have specific effects on judgment that are consistent with the proposed underlying evolved function of each positive emotion. As predicted by the framework, the specific influences of pride and contentment on product desirability are mediated by the triggering of emotion-specific functional motives. Overall, an evolutionary approach presents important research implications and practical applications for how and why discernible positive and negative emotions influence thinking and behavior. We discuss the implications of an evolutionary approach for the study of emotions, highlighting key similarities and differences between this and other approaches, as well as noting the advantages of incorporating an evolutionary approach.

Olin Research Review

Seethu Seetharaman: “Modeling Dependencies in Brand Choice Outcomes across Complementary Categories,” with Y. Ma and C. Narasimhan, forthcoming in *Journal of Retailing*.

Abstract: We build an econometric model of a household’s contemporaneous brand choice outcomes in complementary product categories. This model explicitly captures cross-category dependencies in brand choice outcomes of a household. Such dependencies have not been modeled in existing multi-category demand models. Our model accommodates cross-category dependencies that arise on account of three component effects: (1) *complementarity* due to the additional utility that a household derives from the joint purchase of brands in complementary categories, (2) *marketing spillovers* due to the effects of brands’ prices in one category affecting the households’ latent utilities for brands in the complementary category, (3) *unobserved dependencies* due to correlations in households’ latent utilities for brands across categories. We estimate our proposed multi-category brand choice model using scanner panel data on cake mix and frosting categories. We find that *complementarity* accounts for the vast majority of the estimated cross-category effects in demand. We also find that as much as 55 percent of the total retail profit impact of price promotions arise on account of *brand-level* (focus of our study), as opposed to *category-level* (focus of previous studies), dependencies in household demand. Finally, we propose an easily interpretable visual representation – Largess and Free-Ride Plot – of cross-category price elasticities that summarizes the differential abilities of brands to influence, or be influenced by, brands in the complementarity category.

Ying Xie: “Pricing, Frills, and Customer Ratings,” with D. Kuksov, *Marketing Science*, Vol. 29 (No. 5), 2010, pp. 925-943.

Abstract: This paper explores whether and how a firm should adapt its strategy in view of consumer use of prior customer ratings. Specifically, we consider optimal pricing and whether the firm should offer an unexpected frill to early customers to enhance their product experiences. We show that if price history is unobserved by consumers, a forward-looking firm should always modify its strategy from single-period optimal one, but it may be optimal to do so by lowering price, by lowering price and offering frills, or by raising price and offering frills, depending on the market growth rate. Specifically, the last strategy becomes optimal when market growth rate is high enough. The results are similar when the price history is observed by consumers, except that no deviation from single-period profit maximization choices is optimal when market growth is low enough. We also analyze whether the firm should prefer that the price information be stated in or left out of consumer reviews. In addition, in considering the effects of consumer heterogeneity, we conclude that the optimal firm’s effort to affect ratings is higher when the idiosyncratic part of consumer uncertainty is larger.

Ying Xie: “Consumer Perceptions of Product-Claim versus Help-Seeking Direct-to-Consumer Advertising” with N. Lee-Wingate, *International Journal of Pharmaceutical and Healthcare Marketing*, Vol. 4 (No. 3), 2010, pp. 232-246.

Abstract: This research is one of the first to comparatively examine consumer perceptions of the two different types of DTCA (product-claim vs. help-seeking) in terms of their influence on behavioral intent to seek treatment for the advertised medical conditions. In three behavioral experiments, a total of 413 participants provided data on their behavioral intentions and attitudes towards DTCA. We find that consumers perceived help-seeking DTCA as being highly informative without persuasive intent, whereas they perceived product-claim DTCA as having high persuasive intent with little informativeness. Help-seeking (vs. product-claim) DTCA was more effective in generating stronger behavioral intention to seek treatment for the ailments advertised (i.e., clinical depression and migraine). Consumer perceptions of persuasive intent and informativeness of DTCA were the underlying mediators for this result. This research



Olin Research Review

helps resolve conflicting findings in the previous DTCA research by proposing and presenting evidence which suggests that the perceived persuasive intent and informativeness of the advertised message are two underlying constructs that drive DTCA effectiveness. Considering these two constructs in future research may provide a deeper understanding of how and why DTCA effectiveness varies across different types of DTCA.

OPERATIONS & MANUFACTURING MANAGEMENT

Sergio Chayet: “Product Variety and Capacity Investments in Congested Production Systems,” with P. Kouvelis and D. Yu, forthcoming in *Manufacturing and Service Operations Management*.

Abstract: We investigate a firm’s product line design and capacity investment problem for vertically differentiated products along design quality levels. Customers arrive according to a Poisson process and are heterogeneous in their marginal valuation of the quality level. Customers make product choices to maximize a linear utility function of price, quality level and waiting cost. Resulting product demands are met through capacity investments in production processes, which are modeled as queuing systems. We consider two different types of production processes: product-focused, dedicated to the production of a single product variant; and product-flexible, processing all product variants in the product line. Capacity investment and variable production costs are functions of the processed product’s quality. We develop an integrated marketing-operations model that provides insights on the factors determining the right level of product variety to offer, the relative quality positioning of the products in the line, the resulting market coverage and segmentation, and the effects on production costs and congestion levels of the processes. We show that the statistical economies of scale resulting from the congestion phenomena in the production system impose limits on the optimal product variety. For product-focused processes the market size promotes a higher optimal product variety, whereas the per-unit capacity investment and customer waiting costs act as deterrents for higher product variety. For product-flexible processes optimal product variety also depends on the specific type of flexibility and the ratio of capacity investment to variable production costs.

Ling Dong: “Design of Flexible Multi-Stage Processes,” with A. Eynan, forthcoming in *Journal of Production and Operations Management*.

Abstract: Faced with demand uncertainty across multiple product lines, many companies have recourse to flexible capacities which can process different products in order to better balance the trade-off between capacity utilization and cost efficiency. Many studies demonstrated the potential benefit of using flexible capacity at the aggregate level by treating a whole plant or a whole process as a single stage. This paper extends these analyses by studying the benefits of flexible capacity while considering the multi-stage structure of processes and consequently determining which stages should be flexible, which should be dedicated, and how much capacity to assign to each stage. We consider a two-product firm which operates in a process-to-order environment and faces uncertain demand. Each stage of the process can be designed as dedicated or flexible. Dedicated resources are highly cost efficient but limited to the single product they are exclusively designed for, whereas flexible resources are versatile to handle several products but are more expensive. Using a general mathematical formulation, our analysis shows that the optimal design may have some dedicated and some flexible stages along the process. Interestingly, this decision should be decoupled from the chronological order of the stages along the process.

ORGANIZATIONAL BEHAVIOR

Markus Baer: “Rational versus Intuitive Problem Solving: How Thinking ‘Off the Beaten Path’ Can Stimulate Creativity,” with E. Dane, M. Pratt and G. Oldham, *Psychology of Aesthetics, Creativity, and the Arts*, Vol. 5, 2011, pp. 3-12.

Abstract: We compared the effects of rational versus intuitive problem solving on creativity. We argued that the relative effectiveness of these approaches depends upon an individual’s typical thinking style such that individuals will be more creative when they adopt a problem-solving approach that differs from their typical style of thinking (e.g., individuals who avoid rational thinking will exhibit higher creativity when they are instructed to rely on rational problem solving). We tested this hypothesis in a sample of undergraduate students generating creative ideas in response to a real-world problem. In support of our hypothesis, we found that problem-solving approach and individual differences in thinking style interact such that creativity is highest when individuals use a nontypical problem-solving approach.

Markus Baer: “Location in Negotiation: Is There a Home-Field Advantage?” with G. Brown, *Organizational Behavior and Human Decision Processes*, Vol. 114, 2011, pp.190-200.

Abstract: Although location is considered to play an important role in negotiation potentially favoring one side over the other, little research has examined whether negotiating on one’s home field indeed confers an advantage to the resident party. We tested this possibility by experimentally manipulating participants’ occupancy status (resident versus neutral versus visitor). Across three studies, we find that residents of an office space outperform the visiting party in a distributive negotiation. In addition, our results suggest that this performance discrepancy between residents and visitors may be due to both a resident advantage (residents outperforming a neutral party) and a visitor disadvantage (visitors performing worse than a neutral party). Finally, our findings reveal that confidence partially mediates the effects of occupancy status on negotiation performance and demonstrate that an intervention designed to boost visitor confidence can help overcome the home field advantage. Implications of these results for theory and practice are discussed.

Markus Baer: “Win or Lose the Battle for Creativity: The Power and Perils of Intergroup Competition,” with R. Leenders, G. Oldham and A. Vadera, *Academy of Management Journal*, Vol. 53, 2010, pp. 827-845.

Abstract: Integrating and refining social interdependence theory and structural adaptation theory, we examined the effects of intergroup competition on the creativity of 70 four-person groups engaged in two idea generation tasks. We manipulated both group membership change (change, no change) and intergroup competition level (low, intermediate, high). Competition had the expected U-shaped relation with creativity in open (membership change) groups but failed to produce the hypothesized inverted U-shaped pattern in closed (no membership change) groups. In the latter, effects were positive for low to intermediate competition and flat for intermediate to high levels. Within-group collaboration mediated these effects.

Markus Baer: “The Strength-of-Weak-Ties Perspective on Creativity: A Comprehensive Examination and Extension,” *Journal of Applied Psychology*, Vol. 95, 2010, pp. 592-601.

Abstract: Disentangling the effects of weak ties on creativity, the present study separated, both theoretically and empirically, the effects of the size and strength of actors’ idea networks and examined their joint impact while simultaneously considering the separate, moderating role of network diversity. I hypothesized that idea networks of optimal size and weak strength were more likely to boost creativity when they afforded

Olin Research Review

actors access to a wide range of different social circles. In addition, I examined whether the joint effects of network size, strength, and diversity on creativity were further qualified by the openness to experience personality dimension. As expected, results indicated that actors were most creative when they maintained idea networks of optimal size, weak strength, and high diversity and when they scored high on the openness dimension. The implications of these results are discussed.

Kurt Dirks: “Understanding the Effects of Substantive Responses on Trust Following a Transgression,” with P. Kim, D. Ferrin and C. Cooper, *Organizational Behavior and Human Decision Processes*, Vol. 114, 2011, pp. 87-103.

Abstract: Four experiments were conducted to investigate the implications of ‘substantive’ responses for the repair of trust following a violation and the cognitive processes that govern how and when they are effective. These studies examined two forms of substantive responses, penance and regulation, that represent different categories of trust repair attempts. The findings from Studies 1-3 suggest that both can be effective to the extent that they elicit the crucial mediating cognition of perceived repentance. Data from Study 2 revealed that trustors saw signals of repentance as more informative when the transgression was due to a lapse of competence than due to a lapse of integrity. Study 4 compared these substantive responses to apologies (a nonsubstantive response) and revealed that, despite their surface level differences, they each repaired trust through ‘perceived repentance.’ The paper offers an integrative framework for understanding the relationships among a range of trustor responses.

Hillary Anger Elfenbein: “The Objective Value of Subjective Value: A Multi-Round Negotiation Study,” with J. Curhan and N. Eisenkraft, *Journal of Applied Social Psychology*, Vol. 40, 2010, pp. 690-709.

Abstract: A 2-round negotiation study provided evidence that positive feelings resulting from one negotiation can be economically rewarding in a second negotiation. Negotiators experiencing greater subjective value (SV) – that is, social, perceptual, and emotional outcomes from a negotiation – in Round 1 achieved greater individual and joint objective negotiation performance in Round 2, even with Round 1 economic outcomes controlled. Moreover, Round 1 SV predicted the desire to negotiate again with the same counterpart, whereas objective negotiation performance had no such association. Taken together, the results suggest that positive feelings, not just positive outcomes, can evoke future economic success.

Hillary Anger Elfenbein: “The Way You Make Me Feel: Evidence for Individual Differences in Affective Presence,” with N. Eisenkraft, *Psychological Science*, Vol. 21, 2010, pp. 505-510.

Abstract: How much do individuals consistently influence the way other people feel? Data from 48 workgroups suggest there are consistent individual differences both in the emotions that people tend to experience (trait affect) and in the emotions that people tend to elicit in others (trait affective presence). A Social Relations Model (D. A. Kenny, 1994) analysis revealed that, after controlling for emotional contagion, the variance in emotions that people feel is explained both by trait affect (positive affect 31 percent, negative affect 19 percent) and trait affective presence (positive affect 10 percent, negative affect 23 percent). These analyses suggest affective presence exerts as much influence over interaction partners’ negative feelings as these interaction partners’ own trait affect. Positive affective presence correlated with greater network centrality, and negative affective presence correlated with lower agreeableness and greater extraversion.

Hillary Anger Elfenbein: “The Relationship Between Displaying and Perceiving Nonverbal Cues of Affect: A Meta-Analysis to Solve an Old Mystery,” *Journal of Personality and Social Psychology*, Vol. 98, 2010, pp. 301-318.

Abstract: The authors address the decades-old mystery of the association between individual differences in the display and perception of nonverbal cues of affect. Prior theories predicted positive, negative, and zero correlations in performance – given empirical results ranging from $r=-.80$ to $r=+.64$. A meta-analysis of 40 effects showed a positive correlation for nonverbal behaviors elicited as intentional communication displays, but zero for spontaneous, naturalistic, or a combination of display types. There was greater variation in the results of studies using round robin designs yet analyzed with statistics that do not account for the interdependence of data. We discuss implications for theorists to distinguish emotional skills in terms of what people are capable of doing vs. what people actually do.

Hillary Anger Elfenbein: “Individual Differences in Expressing and Perceiving Nonverbal Cues: New Data on an Old Question,” with R. Biswal, N. Eisenkraft, M. Foo, A. Lim, M. Mandal and S. Sharma, *Journal of Research in Personality*, Vol. 44, 2010, pp. 199-206.

Abstract: Previous research on the link between individual differences in emotional expression and emotion recognition over six decades revealed widely varying results. A recent meta-analysis (Elfenbein & Eisenkraft, 2010) showed a positive correlation for displays elicited as intentional communication, but zero for naturalistic displays. However, the longstanding mystery had dissipated interest, preventing work from using updated authoritative methods for studying individual differences. Using Kenny’s (1994) Social Relations Model, we tested round robin groups in which each participant posed their emotions and later judged the expressions of each other member. The design included emotion inductions to increase expressers’ authentic experience. The resulting effect size, $p=.51$, $r=.43$, is larger than previously typical. Implications are discussed for researchers and practitioners who test emotional skills.

Hillary Anger Elfenbein: “Too Many Cooks Spoil the Broth: How High-Status Individuals Decrease Group Effectiveness,” with B. Groysberg and J. Polzer, forthcoming in *Organization Science*.

Abstract: Can groups become effective simply by assembling high-status individual performers? Though an affirmative answer may seem straightforward on the surface, this answer becomes more complicated when group members benefit from collaborating on interdependent tasks. Examining Wall Street sell-side equities research analysts who work in an industry in which individuals strive for status, we find that groups benefited – up to a point – from having high-status members, controlling for individual performance. With higher proportions of individual stars, however, the marginal benefit decreased before the slope of this curvilinear pattern became negative. This curvilinear pattern was especially strong when stars were concentrated in a small number of sectors, likely reflecting suboptimal integration among analysts with similar areas of expertise. Control variables ensured that these effects were not the spurious result of individual performance, department size or specialization, or firm prestige. We discuss the theoretical implications of these results for the literatures on status and groups, along with practical implications for strategic human resource management.

Olin Research Review

Hillary Anger Elfenbein: “The Psychology of Rivalry: A Relationally Dependent Analysis of Competition,” with G. Kilduff and B. Staw, *Academy of Management Journal*, Vol. 53, 2010, pp. 943-969.

Abstract: We investigate the psychological phenomenon of rivalry, and propose a view of competition as inherently relational, thus extending the literatures on competition between individuals, groups, and firms. Specifically, we argue that the relationships between competitors – as captured by their proximity, relative attributes and prior competitive interactions – can influence the subjective intensity of rivalry between them, which in turn can affect their competitive behavior. Initial tests of these ideas within NCAA basketball indicate that (1) dyadic relationships between teams are highly influential in determining perceptions of rivalry (2) similarity between teams and their histories of prior interactions are systematically predictive of rivalry and (3) rivalry may affect the motivation and performance of team members. These findings suggest significant implications for both the management of employees and the competitive strategies taken by organizations.

Andrew Knight: “When Team Members’ Values Differ: The Moderating Role of Team Leadership,” with K. Klein, B. Lim and J. Saltz and J. Ziegert, *Organizational Behavior and Human Decision Processes*, Vol. 114, 2011, pp. 25-36.

Abstract: Integrating theory and research on values, diversity, situational strength and team leadership, we proposed that team leadership moderates the effects of values diversity on team conflict. In a longitudinal survey study of national service teams, we found significant, but opposite, moderating effects of task-focused and person-focused leadership. As predicted, task-focused leadership attenuated the diversity-conflict relationship, while person-focused leadership exacerbated the diversity-conflict relationship. More specifically, task-focused leadership decreased the relationship between work ethic diversity and team conflict. Person-focused leadership increased the relationship between traditionalism diversity and team conflict. Team conflict mediated the effects of the interactions of leadership and values diversity on team effectiveness.

Andrew Knight: “But Affirmative Action Hurts Us! Race-Related Beliefs Shape Perceptions of White Disadvantage and Policy Unfairness,” with G. Shteynberg, L. Leslie and D. Mayer, *Organizational Behavior and Human Decision Processes*, Vol. 115, 2011, pp. 1-12.

Abstract: Drawing on social identity theory, we examine how whites’ race-related beliefs drive their reactions to race-based Affirmative Action Policies (AAPs). Across laboratory and field settings, we find that whites with relatively high modern racism (MR) or collective relative deprivation (CRD) beliefs perceive greater white disadvantage in organizations that have race-based AAPs, than in organizations that do not. Alternatively, race-based AAPs do not lead to perceptions of white disadvantage among whites with relatively low MR and CRD beliefs. We also find that white disadvantage mediates the relationship between the combined effects of race-based AAPs, MR beliefs, and CRD beliefs and the perceived fairness of the organization’s selection and promotion policies. Our findings suggest that race-based AAPs do not necessarily lead to perceptions of white disadvantage, but are contingent upon the interpretive lens of whites’ MR and CRD beliefs, and also offer practical insights for preventing negative reactions to race-based AAPs.

Olin Research Review

Lee Konczak: “Consulting and Business Skills in Industrial-Organizational Psychology Graduate Education,” with S. Adler, M. Beier, M. Dickson, A. Fink, R. Guzzo and T. Olson, *The Industrial-Organizational Psychologist*, Vol. 48, 2010, pp. 34-44.

Abstract: In 1999, SIOP updated its graduate training guidelines to reflect the importance of consulting and business skills to practitioners in I/O psychology. A study was conducted in 2009 to gather data on current practices and expectations for developing consulting and business skills in graduate I/O programs from four key stakeholder groups: current faculty, current students, recent graduates and the practitioners who hire them. Survey results revealed several areas of misalignment. For example, graduate students desire, and recent graduates believe they should have, business development skills. However, the employers who responded to this survey did not have particularly high expectations for new graduates’ competence in this area. This report reviews the findings of the study and outlines a set of recommendations for students and new grads, for faculty and program directors, and for SIOP as a professional society.

STRATEGY

Nicholas Argyres: “Innovation, Modularity and Vertical De-Integration: Evidence from the Early U.S. Auto Industry,” with L. Bigelow, *Organization Science*, Vol. 21, 2010, pp. 842-853.

Abstract: Even though vertical integration choices have been found to significantly affect firm performance, there has been little empirical study of how such choices are affected by the stage of industry evolution in which firm’s find themselves. We empirically investigate two possible impacts of increasing modularity on firm’s vertical integration choices. First, we hypothesize that increasing modularity is associated with vertical de-integration because of the high-level standardization of components that dominant designs tend to promote. Second, we posit that firms selling in higher market segments, because they are attempting to differentiate their products by incorporating unique components with less modular interfaces with other components, will tend to be more vertically integrated than their lower-price rivals. We find evidence for both of these effects in data from the early U.S. auto industry.

Daniel Elfenbein: “A Greater Price for a Greater Good? Evidence that Consumers Pay More for Charity-Linked Products,” with B. McManus, *American Economic Journal: Policy*, Vol. 2 (No. 2), 2010, pp. 28-60.

Abstract: To study whether consumers will pay more for products that generate charitable donations, we analyze data from eBay on charity and noncharity auctions of otherwise identical products. Charity prices are six percent higher, on average, than noncharity prices. Bids below the closing price are also higher, as are bids by individuals bidding on identical charity and noncharity products. Bidders appear to value charity revenue at least partially as a public good, as they submit bids earlier in charity auctions, stimulating other bidders to bid more aggressively. Our results help explain why firms may pledge charitable donations, green production, or similar activities.

Jackson Nickerson: “Oliver Williamson and His Impact on the Field of Strategic Management,” *Journal of Retailing*, Vol. 86, Issue 3, 2010, pp. 270-276.

Abstract: In honor of Oliver Williamson’s receipt of the 2009 Nobel Memorial Prize in Economic Sciences, this paper provides a set of perspectives on Williamson’s impact on the field of strategic management. In addition to a few personal vignettes, the paper compiles citation statistics from the Strategic Management Journal over its entire history to report on the most frequently cited authors, most frequently cited papers, and dynamics of annual citations with respect to the most frequently cited authors. The paper also considers the breadth of topics to which Williamson’s research contributes. The evidence suggests that Williamson’s impact on strategic management research is not only profound but also continues to grow. Shifting to a prospective assessment, the paper explores the extent to which Williamson’s research may impact future research in strategic management. To conclude the assessment, the paper turns to Williamson’s PhD students who self-identify as strategic management scholars to understand his direct impact on a more personal dimension.

Jackson Nickerson: “Regulator Heterogeneity and Endogenous Efforts to Close the Information Asymmetry Gap: Evidence from FDA Regulation,” with J. Macher and J. Mayo, forthcoming in *Journal of Law & Economics*.

Abstract: The now standard principal-agent model of regulator-firm interactions typically assumes the presence of a single regulator and an exogenously determined information asymmetry between the principal and the agent. In this paper we draw upon a unique dataset of regulatory inspections conducted by the U.S. Food and Drug Administration to explore the consistency of these assumptions with the actual practice of regulators. We find that the canonical assumptions of the agency paradigm are strained, if not altogether inconsistent with, the key practical realities of regulation by the FDA. Our analysis uncovers several dimensions along which regulators actively endogenously seek to close the information asymmetry gap. We also find considerable regulator heterogeneity, which, in turn, depends, in part, upon the specific training and experience of individual regulators.

Jackson Nickerson: “Does Outsourcing Affect the Variability of Product Performance: Evidence from International Courier Services,” with C. Hsieh and S. Lazzarini, *Organization Science*, Vol. 21, No.4, July-August 2010, pp. 892-912.

Abstract: A firm often must ensure that products or services it produces match customer expectations. We define variability as any deviation in a production process yielding products or services whose attributes differ from the firm’s stated target specifications. Firms pursuing products marked by low variability are more subject to maladaptation costs if production processes are not adjusted to avoid nonconformities. Furthermore, such adjustments often require idiosyncratic investments (e.g., dedicated information technology systems), thereby creating contractual hazards and potential underinvestment. We hypothesize that ownership of sequential activities in the value chain helps mitigate problems associated with maladaptation as well as suboptimalities in transaction-specific investment, thereby resulting in lower variability. Using data on delivery times from the Japanese international courier and small package services industry, we assess the variability-reducing role of ownership in two complementary ways. The first approach is parametric, allowing us to assess the impact of ownership on the variance associated with delivery time; here we focus on shipments that frequently fail to arrive precisely within the time period initially expected by customers. The second approach is more consistent with the notion of reliability, or the likelihood that shipments will not arrive later than expected: We nonparametrically estimate the distribution of deviations between actual and expected delivery time, and verify how distinct organizational choices change the distribution. Ownership of multiple segments yields a particularly pronounced effect on both variance and reliability. Ownership bestows variability-reducing benefits of ownership, especially when ownership is observed in multiple stages of the value chain.

CONFERENCE Acceptances/Presentations

ACCOUNTING

Gauri Bhat presented:

“Panacea, Pandora’s Box, or Placebo: Feedback in Bank Holdings of Mortgage-Backed Securities and Fair Value Accounting”

- University of Illinois at Chicago, September 2010
- Rotman Accounting PhD Program 10-Year Anniversary Conference, University of Toronto, October 2010

“Credit Risk and IFRS: The Case of Credit Default Swaps”

- University of Waterloo, October 2010
- University of Maryland, November 2010
- University of Missouri-Columbia, December 2010
- 2011 Utah Winter Accounting Conference, February 2011

Mahendra Gupta participated in:

Deans’ Panel on Tips for a Successful Career of a New Faculty at the 2011 Management Accounting IMA Doctoral Colloquium, January 5, 2011

Chad Larson presented:

“Accrual Reversals, Earnings and Stock Returns”

- 2010 American Accounting Association Meetings, August 2010
- Nick Dopuch Accounting Conference, Olin Business School, Washington University in St. Louis, November 2011

“Inventory write-downs, sales growth, and ordering policy: An empirical investigation” at the University of Missouri-St. Louis, April 2011

Xiumin Martin presented:

“Panacea, Pandora’s Box, or Placebo: Feedback in Bank Holdings of Mortgage-Backed Securities and Fair Value Accounting” at the Journal of Accounting and Economics Conference, October 2010

ECONOMICS

Mariagiovanna Baccara presented:

“Child-Adoption Matching: Preferences Over Gender and Race”

- Brown University, November 2010
- Washington University in St. Louis, February 2011
- Sciences-Po, February 2010

“Similarity and Polarization in Groups”

- University of Oxford, January 2010
- Olin Business School, Washington University in St. Louis, 2010

“A Field Study of Matching with Externalities” at Bristol University, June 2011

Mariagiovanna Baccara participated in:

- CRES Applied Economics Seminar, Olin Business School, Washington University in St. Louis, January 2010
- Mini-Workshop in Economic Theory, Brown University, May 2010
- Society of Economics Dynamics Meetings, July 2010
- New Directions in Microeconomics, July 2010
- Work, Family, and Public Policy Workshop, Olin Business School, Washington University in St. Louis, February 2011

Kelly Bishop presented:

“Estimating the Willingness-to-Pay to Avoid Violent Crime: A Dynamic Approach” at the American Economics Association Annual Meetings, ASSA Conference, January 2011

“Using Panel Data to Easily Estimate Hedonic Demand Functions” at the College of Business Administration, University of Missouri-St. Louis, February 2011

“A Dynamic Model of Location Choice and Hedonic Valuation” at the Department of Economics, University of Pennsylvania, March 2010

Anna Levine presented:

“The Diversity of Concentrated Prescribing Behavior: An Application to Antipsychotics”

- Northeastern University, April 2011
- Productivity Seminar at the Nation Bureau of Economic Research, February 2011

“Physician Relationships and the Market for New Technology: Application to Orthopedic Joint Replacement” at the International Industrial Organization Conference at the University of British Columbia, April 2010

Olin Research Review

Anna Levine presented (con't.):

“Licensing and Scale Economies in the Biotech Pharmaceutical Industry” at the Ontario Canadian Conference on the Economics of Entrepreneurship and Innovation, Queen’s School of Business, May 2010

Alvin Murphy presented:

“A Dynamic Model of Demand for Houses and Neighborhoods”

- University of Rochester, Department of Economics, March 2010
- University of Toronto, Rotman School of Management, March 2010
- Northwestern University, Kellogg School of Management, October 2010
- Federal Reserve Bank of St. Louis, October 2010
- Housing Market Dynamics Conference, Duke University, October 2010
- Yale University, Department of Economics / School of Management, November 2010
- Pennsylvania State University, Department of Economics, November 2010
- American Real Estate and Urban Economics Association, Annual Meetings, January 2011

Maher Said presented:

“Auctions with Dynamic Populations: Efficiency and Revenue Maximization.”

- Boston College, April 2010
- Michigan State University, April 2010
- University of Bern, May 2010

“Product Design in Ad Exchanges” at Harvard Business School, April 2010

FINANCE

Radhakrishnan Gopalan presented:

“Does Poor Performance Damage the Reputation of Financial Intermediaries? Evidence from the Loan Syndication”

- National University of Singapore, May 2010
- Singapore Management University, May 2010

“Debt Maturity Structure and Credit Quality”

- Hong Kong University of Science and Technology, May 2010
- European Financial Association meetings, August 2010
- Carefin-Bocconi Conference on Financial Crisis, September 2010
- New York Federal Reserve Conference on the Financial Crisis, September 2010
- Lone Star Conference, September 2010
- FDIC – Washington DC Conference on Finance and Stability, October 2010
- Financial Management Association Meetings, October 2010

“The Optimal Duration of Executive Compensation: Theory and Evidence”

- Olin Business School, Washington University in St. Louis, September 2010
- Arizona State University, October 2010
- Georgia State University, April 2011
- FIRS Conference, Sydney, June 2011
- First International Finance Conference, June 2011

“The Two Sides of Business Groups: Implications for Disclosure Practices”

- American Finance Association Meetings, January 2011

Roni Kisin presented:

“The Impact of Mutual Fund Ownership on Corporate Investment: Evidence from a Natural Experiment”

- Financial Intermediation Research Society (FIRS), June 2011
- Caesarea Center Academic Annual Conference, May 2011

Todd Milbourn presented:

“To Each According to His Ability? The Value of CEO Talent”

- Blackrock, March 2011
- Duke/UNC Corporate Finance Conference Program, Duke University, March 2011

“The Optimal Duration of Executive Compensation: Theory and Evidence”

- Rice University, October 2010

Anjan Thakor presented:

“The Dark Side of Liquidity Creation: Leverage-Induced Systemic Risk and Implications for the Lender of Last Resort”

- The Federal Reserve Bank of Chicago, March 2010
- The American Finance Association Meeting, January 2011

“Caught Between Scylla and Charybdis Regulating Bank Leverage When There is Rent-Seeking and Risk Shifting”

- The Federal Reserve Bank of New York, March/April 2010
- Gothenburg University, May 2010
- BIS (Bank for International Settlements), June 2010
- The Federal Reserve Bank of Philadelphia, August 2010
- The National University of Singapore, September 2010
- Conference on Corporate Finance of Financial Intermediaries, The Federal Reserve Bank of New York, September 2010
- European Central Bank Conference on Liquidity, October 2010
- The Riksbank, October 2010
- The Stockholm School of Economics, October 2010

“Experience-Based Beliefs”

- Gothenburg University, May 2010
- Singapore Management University, September 2010
- Nanyang Technical University, September 2010

“Credit Ratings and Litigation Risk” at the NBER Credit Ratings Conference, July 2010

“The New Financial Regulation of 2010” at the Federal Reserve Bank of St. Louis, August 2010

“Incentives to Innovate and Financial Crises”

- Stockholm School of Economics, October 2010
- Olin Business School, Washington University in St. Louis, November 2010
- University of California-San Diego, December 2010
- Financial Intermediation Research Society Meeting, June 2011

“Correlated Leverage and Its Ramifications”

- Review of Financial Studies/NYU/NY Federal Reserve Conference, November 2010
- American Economic Association Meeting, January 2011
- Western Finance Association Meeting, June 2011

Jialan Wang presented:

“Liquidity Constraints and Consumer Bankruptcy: Evidence from Tax Rebates”

- Federal Reserve Bank of St. Louis, April 2011
- Hong Kong University of Science & Technology, May 2011

MANAGEMENT

Eli Snir presented:

“Analysis of the A+B Bidding Mechanism for the Procurement of Transportation Construction Services” at the 2010 M&SOM Conference, June 2010

MARKETING

Cynthia Cryder presented:

“The Critical Link Between Tangibility and Generosity”

- Washington University in St. Louis, April 2010
- Tel Aviv University and ONO Academic College, January 2011

“The Sunny Side of Giving”

- The Annual Society for Judgment and Decision Making Conference, St. Louis, November 2010
- Association for Consumer Research (North American conference), November 2010

Dmitri Kuksov presented:

“Competition in a Status Goods Market”

- University of Southern California, November 2010
- University of California-Davis, November 2010

Dmitri Kuksov attended:

- 2010 SICS conference, University of California-Berkeley, July, 2010
- 2010 QME conference, October 2010
- 2011 FORMS Frank Bass conference, University of Texas at Dallas, February 2011

Selin Malkoc presented:

“When Large Assortments Is All the Same: Construal and the Preference for Smaller Assortments” at the Society of Consumer Psychology Conference, February 2010

“Between a Rock and a Hard Place: Desirability Based Attenuation of the Attraction Effect” at the Association for Consumer Research, October 2010

“Not All Power Is Created Equal: Role of Social and Personal Power in Decision Making” at the Society of Judgment and Decision Making, November 2010

Olin Research Review

Stephen Nowlis presented:

“On the Generation of Alternatives” at the Las Vegas Decision Making Symposium, December 2010

“Don’t Go To the Grocery Store Hungry?” at the Society for Consumer Psychology Conference, February 2011

“The Effects of Brand and Display Characteristics on Purchase Intentions for Products with Limited Availability” at the Society for Consumer Psychology Conference, February 2011

Stephen Nowlis participated in:

Marketing Distinguished Speaker Series, University of Missouri-Columbia, October 2010

Seethu Seetharaman presented:

“Empirical Analysis of Competitive Pricing Strategies with Complementary Product Lines” at the National University of Singapore (NUS), Marketing Seminar, January 2010

“Discussion on ‘Customer Base Analysis Using Repeated Cross-Sectional Summary (RCSS) Data’ at UTD-FORMS Conference, University of Texas at Dallas, February 2010

“Investigating the Impact of Store Layout on Consumers’ Purchase Incidence Decisions” at the Marketing Science Conference, June 2010

Ying Xie presented:

“Measuring the Lifetime Value of Customers Acquired From Google Search Advertising” at the University of Missouri-St. Louis, November 5, 2010

OPERATIONS & MANUFACTURING MANAGEMENT

Ling Dong presented:

“Managing Disruption Risk: The Interplay Between Operations and Insurance” at Duke University, March 2011

Danko Turcic presented:

“Risk Aversion Happens: Why Risk Neutral Manufacturers Ought to Hedge Commodity Material Purchases”

- The University of Minnesota, February 2011
- The Manufacturing and Services Operations Conference, Technion, June 2010

“Optimization of Inventory and Dividends with Risky Debt”

- University of Pittsburgh, April 2010
- Manufacturing and Services Operations Conference, Technion, June 2010

“National Label’s Response to Store Brands: Throw in the Towel or Fight Back?” at INFORMS Marketing Science 2010 Conference, June 2010

Fuqiang Zhang presented:

“Procurement Mechanism Design in a Two-Echelon Inventory System with Price-Sensitive Demand,”

- Carnegie Mellon University, February 2010
- Purdue University, April 2010
- University of Southern California, April 2010

“Inventory Write-downs, Sales Growth, and Ordering Policies” at INSEAD, October 2010

“Advance Demand Information, Price Discrimination, and Pre-order Strategies” at INFORMS Annual Meeting, November 2010

ORGANIZATIONAL BEHAVIOR

Markus Baer presented:

“Negative Effects of Territoriality on Others’ Creativity and Social Behavior” at the Annual Conference of the Society for Industrial and Organizational Psychology, April 2010

“When Creative Self-Efficacy Benefits Individual Creativity in Teams: The Cross-Level Effects of Diversity and Expertise Location” at the Annual Meeting of the Academy of Management, Organizational Behavior Division, August 2010

“Peace or War? Intergroup Competition and Its Gender-Specific Effects on Group Creativity” at the Annual Meeting of the Academy of Management, Organizational Behavior Division, August 2010

Stuart Bunderson attended:

The Academy of Management’s Annual Conference for the Center for Positive Organizational Scholarship, University of Missouri-Columbia, January 2011

Kurt Dirks presented:

“The Development of Trust in Leaders” at the 5th Workshop on Trust within and Between Organizations, January 2010

“The Development of Trust: Process and Causal Factors” at Singapore Management University, March 2010

“From Destructive Interpersonal Conflicts to Compassionate Relationships: Bridging the Divide” at the Academy of Management Meeting, August 2010

Hillary Anger Elfenbein presented:

“Linguistic Metaphors and Biological versus Social Influences in Communicating via Emotion” at the Emotion Preconference of the 10th Annual Meeting of the Society for Personality and Social Psychology, January 2010

“The Way You Make Me Feel: Evidence for Individual Differences in Affective Presence” at the annual meeting of the Society for Industrial and Organizational Psychology, April 2010

“Why Are Some Negotiators Better Than Others? Opening the Black Box of Bargaining Behaviors” at the 23rd Annual Meeting of the International Association for Conflict Management, June 2010

“The VENEC Corpus: Development of a Cross-Cultural Corpus of Vocal Emotion Expressions and a Novel Method of Annotating Emotion Appraisals” at the LREC Workshop for Research on Emotion and Affect, July 2010

Olin Research Review

Hillary Anger Elfenbein presented (con't.):

“Do We Know Emotional Intelligence When We See It? The Properties and Promise of Peer Ratings” at the 5th Meeting of the Interdisciplinary Network for Group Research, July 2010

“Do I Know Who Trusts Me? Meta-Accuracy among Teammates across Three Factors of Trustworthiness” at the 70th Meeting of the Academy of Management, August 2010

“Do You Know How You Make Other People Feel? Accuracy in Perceptions of Trait Affective Presence” at the 70th meeting of the Academy of Management, August 2010

“Do We Know Who Values Us? Dyadic Meta-Accuracy in the Perception of Professional Relationships” at the Meeting of the American Psychological Association, August 2010

“Emotion Perception ‘In the Wild’: Implications From Recent Work on Reconciling the Display-Perception Link” at the Annual Meeting of the Society for Experimental Social Psychology, October 2010

“Do We Know Emotional Intelligence When We See It? A Theoretical and Empirical Account”

- Singapore Management University, March 2010
- Pennsylvania State University, April 2010
- University of Minnesota, October 2010
- University of Illinois, January 2011
- University of Michigan, January 2011

“Universals and Cultural Differences in Emotion Recognition” at Pennsylvania State University, April 2010

Andrew Knight presented:

“Race-Related Beliefs Shape Perceptions of White Disadvantage and Policy Unfairness” at the Society for Industrial/Organizational Psychology, April 2010

“Measuring Disruptive Behavior and Exploring Its Momological Network” at AcademyHealth, June 2010

“Leadership and Information Exchange in Surgery Teams: An Observational Study” at AcademyHealth, June 2010

“The Relationship Between Organizational Culture and Medical Professional Liability Claims” at AcademyHealth, June 2010

Olin Research Review

Lee Konczak presented:

“Strategies for Building Leadership Competence: A Tale of Two Programs” at the Annual EMBA Council Conference, October, 2010

“Models for Assessing and Developing Leadership Competencies” at the Graduate Management Admission Council Leadership Conference, January, 2011

Lee Konczak participated in:

“Using Assessments to Build Leadership Competence in MBA Programs” at the Annual Conference of the Society for Industrial and Organizational Psychology, April, 2010

“Educating I/O Psychologists for Consulting and Business: A Skills-Based Perspective” at the Annual Conference of the Society for Industrial and Organizational Psychology, April, 2010

Raymond Sparrowe presented:

“Status Inertia and Member Replacement in Role Differentiated Teams” at Interorganizational Networks Conference, University of Kentucky, April 2010

“Team Process Workshop” at Washington University School of Medicine, May 2010

“Research that Leads to Publication” at Shanghai Jiao Tong University, June 2010

STRATEGY

Nicholas Argyres presented:

“Capabilities, Transaction Costs and Firm Boundaries: A Dynamic Perspective and Integration” at the Atlanta Competitive Advantage Conference, May 2010

“Dominant Design, Compositio Desiderata and the Follower’s Dilemma”

- University of Western Ontario, March 2011
- University of Toronto, March 2011

Daniel Elfenbein presented:

“The Economics of Relational (Social) Capital” at the University of Illinois-Urbana Champaign, April 2010

“Exclusivity, Contingent Control Rights, and the Design of Internet Portal Alliances,” Harvard-MIT Organizational Economics Seminar, April 2010

“Charity as a Substitute for Reputation”

- 10th Annual Strategy and the Business Environment Conference, May 2010
- Academy of Management, August 2010
- Duke University, October 2010
- University of Missouri-St. Louis, March 2011

“Ability Sorting by Firm Size: Evidence from PhDs in Engineering and Science”

- Strategic Management Society, September 2010
- Academy of Management, August 2010

“Talent—Human Assets and Sustainable Competitive Advantage” at Harvard Business School Strategy Conference, October 2010

“What Is a Relationship Worth? Repeated Exchange and the Development of Relational Capital” at the University of Pennsylvania, October 2010

“The Distribution of Value in Relationships: Bargaining Over Relational Capital” at the 2010 Israel Strategy Conference, December 2010

Anne Marie Knott presented:

“No Exit: Failure to Exit under Uncertainty”

- University of Utah, February 2010
- Temple University, October 2010
- University of Toronto, October 2010
- University of Western Ontario, October 2010
- Atlanta Competitive Advantage Conference, May 2011

Anne Marie Knott presented (con't.):

“IQ and the R&D Market Value Puzzle”

- Academy of Management, September 2010
- Academy of Management, August 2010
- Wharton Technology Conference, April 2011
- Darden Entrepreneurship and Innovation Research Conference, May 2011

Jackson Nickerson presented:

“Future Directions in Strategy” at the ACAC Conference, May 2010

“Designing a Dynamic Capability for Strategic Problem Formulation” at the Druid Conference, June 2010

“Toward a Dynamic Capability for Strategic Problem Formulation” at the ISNIE Conference, June 2010

“Dominant Design, Compositio Desiderata, and the Follower’s Dilemma”

- University of Illinois, September 2010
- Strategic Management Society Meetings, October 2010

“Critical Thinking at Olin” at AACSB, March 2011

BOOKS/Chapters

ECONOMICS

Maier Said: “Dynamic Auctions,” with D. Bergemann, *Wiley Encyclopedia of Operations Research and Management Science*, James J. Cochran, ed., John Wiley & Sons, Inc., 2011.

MARKETING

Cynthia Cryder: “The Critical Link Between Tangibility and Generosity,” with G. Loewenstein, *The Science of Giving: Experimental Approaches to the Study of Charity*, Taylor and Francis. D. M. Oppenheimer & C.Y. Olivola (eds.).

Seethu Seetharaman: “Choice Models,” *Wiley International Encyclopedia of Marketing, Volume 3: Consumer Behavior*, edited by R. Bagozzi and A. Ruvio, March 2011.

OPERATIONS & MANUFACTURING MANAGEMENT

Ling Dong: *Handbook of Integrated Risk Management in Global Supply Chains*, with P. Kouvelis, O. Boyabatli, R. Li, to be published by John Wiley & Sons, Inc.

Fuqiang Zhang: “Supply Chain Coordination,” *Encyclopedia of Operations Research and Management Science*, J. Cochran (ed.).

Fuqiang Zhang: “Supply Contracting under Information Asymmetry and Delivery Performance Consideration,” *Supply Chain Disruptions: Theory and Practice of Managing Risk*, H. Gurnani, A. Mehrotra, and S. Ray (ed.).

ORGANIZATIONAL BEHAVIOR

Markus Baer: “Creativity and the Work Context,” with G. Oldham, *Handbook of Organizational Creativity*, M. D. Mumford (ed.), Elsevier.

Stuart Bunderson: “Status Cues and Expertise Assessment in Groups: How Group Members Size One Another Up and Why It Matters,” with M. Barton, *Status in Management and Organizations*, J.L. Pearce (ed.), Cambridge University Press.

Stuart Bunderson: “Innovation: A Review of Research in Organizational Behavior,” with R. Sawyer, *Innovation and Growth: What Do We Know?*, A. Thakor (ed.), Olin Business School Monograph.

Kurt Dirks: “Trust Building, Diagnosis, and Repair in the Context of Negotiation,” with D. Ferrin and D. Kong, *Negotiation Excellence: Successful Deal Making*, M. Benoliel (Ed.), Hackensack, NJ: World Scientific Publishing.

Kurt Dirks: “The Repair of Trust: Insights From Organizational Behavior and Social Psychology,” with D. De Cremer, *Social Psychology and Organizations*, D. De Cremer, R. Van Dick, and J. K. Murnighan (Eds.) New York: Routledge.

Hillary Anger Elfenbein: “The Effects of Subjective Value on Future Consequences: Implications for Negotiation Strategies,” with R. Curhan, *The Psychology of Negotiations in the 21st Century Workplace*, D. Shapiro & B. Golman (Eds.), in press.

Lee Konczak: “Creating a Climate for Business Innovation: Guidelines for Leaders,” with S. Spencer, *Innovation and Growth: What Do We Know?*, A. Thakor (ed.), Olin Business School Monograph.

STRATEGY

Jackson Nickerson: *Leading Change in a Web 2.1 World*, Brookings Press 2010.

HONORS

ECONOMICS

Barton Hamilton: Received a grant from the Washington University School of Medicine funded by the National Institutes of Health. Bart is co-investigator for the project “Surgical Site and Clostridium Difficile Infections after Ambulatory Surgery.”

Barton Hamilton: Received an award from the Skandalaris Center for Entrepreneurial Studies at Washington University in St. Louis for the project “A Dynamic Model of Entrepreneurial Failure.”

Robert Pollak: Received the second-year award on a grant from the National Institutes of Health for his research project, “Time Use and Household Production.” He is the principal investigator.

FINANCE

Radhakrishnan Gopalan: Received the 2011 Olin Award for the paper “The Optimal Duration of Executive Compensation: Theory and Evidence,” joint with Todd Milbourn and Anjan Thakor.

Todd Milbourn: Received the 2011 Olin Award for the paper “The Optimal Duration of Executive Compensation: Theory and Evidence,” joint with Radhakrishnan Gopalan and Anjan Thakor.

Anjan Thakor: Received the 2011 Olin Award for the paper “The Optimal Duration of Executive Compensation: Theory and Evidence,” joint with Radhakrishnan Gopalan and Todd Milbourn.

Guofu Zhou: Received a Reid Teaching Award, Master of Science in Finance, Olin Business School, Washington University in St. Louis, 2010.

Guofu Zhou: Received a Best Paper Award on China’s capital market, The Chinese Finance Association, 2010.

MANAGEMENT

Eli Snir: Served as the local organizer for the Workshop on Information Systems Economics (WISE).

MARKETING

Dmitri Kuksov: Received Management Science's Distinguished Service Award as a reviewer and the Meritorious Service Award as an Associate Editor.

Selin Malkoc: Received the Paul E. Green Award, American Marketing Association, 2010, to honor the *Journal of Marketing Research* article that shows or demonstrates the most potential to contribute significantly to the practice of marketing research.

OPERATIONS & MANUFACTURING MANAGEMENT

Sergio Chayet: Received Reid Teaching Awards for:

- MBA required courses, May 2010
- PMBA, required courses, May 2010
- PMBA, required courses, December 2010

Ling Dong: Received the 2009 Manufacturing & Service Operations Management Meritorious Service Award.

Fuqiang Zhang: Received a Distinguished Service Award from *Management Science*.

Fuqiang Zhang: Received the Meritorious Service Award from *M&SOM*.

ORGANIZATIONAL BEHAVIOR

Markus Baer: Named one of the ‘World’s 40 Best Business School Professors Under 40’ by *Poets & Quants*.

Stuart Bunderson: Received the Outstanding Publication Award from the OB Division of the Academy of Management, “The Call of the Wild: Zookeepers, Callings, and the Double-Edged Sword of Deeply Meaningful Work,” *Administrative Science Quarterly*.

Stuart Bunderson: Received the William A. Owens Scholarly Achievement Award in recognition of the best publication (appearing in a refereed journal) in the field of industrial and organizational psychology for “The Call of the Wild: Zookeepers, Callings, and the Double-Edged Sword of Deeply Meaningful Work,” *Administrative Science Quarterly*.

Stuart Bunderson: Awarded the Best Paper in Positive Organizational Scholarship to recognize outstanding scholarship in positive organizational scholarship for “The Call of the Wild: Zookeepers, Callings, and the Double-Edged Sword of Deeply Meaningful Work,” *Administrative Science Quarterly*.

Andrew Knight: Received an award from the Skandalaris Center for Entrepreneurial Studies at Washington University in St. Louis for the project “Pacing Innovation and Execution in Entrepreneurial Groups Over Time: The Role of Affect.”

Judi McLean Parks: Received the 2010 Olin Award for her paper “Give and Take: Incentive Framing in Compensation Contracts.”

STRATEGY

Daniel Elfenbein: Received an award from the Skandalaris Center for Entrepreneurial Studies at Washington University in St. Louis for the project “Delayed Exit as Problem of Signal Detection with Bias: An Experimental Approach.” He is co-investigator with Anne Marie Knott.

Anne Marie Knott: Received an award from the Skandalaris Center for Entrepreneurial Studies at Washington University in St. Louis for the project “Delayed Exit as Problem of Signal Detection with Bias: An Experimental Approach.” She is co-investigator with Daniel Elfenbein.

Anne Marie Knott: Received a National Science Foundation (NSF) Award for “Firm IQ: A Universal, Uniform and Reliable Measure of R&D Effectiveness,” in the amount of \$149,509.

The Olin Award

Recognizing research that transforms business

2011 Winners

Radhakrishnan Gopalan, Todd Milbourn and Anjan Thakor

“The Optimal Duration of Executive Compensation: Theory and Evidence”

2010 Winner

Judi McLean Parks

“Give and Take: Incentive Framing in Compensation Contracts”

2009 Winners

Markus Baer, Kurt Dirks and Jackson Nickerson

“A Theory of Strategic Problem Formation”

2008 Winners

Jackson Nickerson and Todd Zenger

“Envy, Comparison Costs and the Economic Theory of the Firm”

RESEARCH CENTERS

BOEING CENTER FOR TECHNOLOGY, INFORMATION & MANUFACTURING

Director: Panos Kouvelis

During the time period of January 2010-March 2011, BCTIM has:

- Added two new members:
 - o BCJ HeathCare
 - o Vi-Jon
- Produced 10 research papers
- Engaged in 10 research projects
- Held two conferences:
 - o The Sixth Annual Conference on Integrated Risk Management in Operations and Global Supply Chains (held at Syracuse University, Whitman School of Management, August 2010)
 - o The Second Annual BCTIM Industry Conference on “Managing Complexity in Supply Chains: The New Imperative,” August 2010
- Hosted two health care roundtables
- Held two Meir J. Rosenblatt Seminar Series:
 - o April 2010: Keynote presentation by Marshall Fisher, UPS Professor of Operations and Information Management, University of Pennsylvania, “Retail Assortment Options”
 - o February 2011: Keynote presentation by Christopher S. Tang, Edward Carter Professor of Business Administration, University of California-Los Angeles, “Emerging-Market Business Models with Micro-Entrepreneurs as Supply-Chain Partners”
- Held eight seminars

CENTER FOR FINANCE & ACCOUNTING RESEARCH

Director: Anjan Thakor

During the time period of January 2010-March 2011, CFAR has:

- Held the Corporate Finance Conference, November 2010
- Produced 10 research papers
- Completed a project for CitiMortgage

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CENTER FOR RESEARCH IN ECONOMICS & STRATEGY

Director: Glenn MacDonald

During the time period of January 2010-March 2011, CRES has:

- Supported 66 seminars in Strategy, Applied Economics and Economic Theory
- Held two conferences:
 - o Applied Economics Conference, April 2010
 - o Foundations of Business Strategy, May 2010
- Supported the Annual Society for Judgment and Decision Making Conference, November 2010
- Held the 3rd Annual Distinguished Women in Economics and Strategy Event, April 2010, which included two seminars presented by Professor Judith Chevalier, Yale University:
 - o “Junior Faculty Development: What Can We Learn from the Committee on the Status of Women in Economics Profession?”
 - o “Differentiated to Death?”
- In addition, CRES has:
 - o Supported travel for 13 PhD students to present papers at conferences
 - o Hosted short-term visitor Robert A. Miller, Carnegie Mellon, September 2010
 - o Supported three undergraduate research fellows, Summer 2010

INSTITUTE FOR INNOVATION & GROWTH

Director: Anjan Thakor

During the time period of January 2010-March 2011, IIG has:

- Completed two books soon to be published:
 - o *Innovation & Growth: What Do We Know?*
 - o *The Four Colors of Growth*
- Completed a project for CitiMortgage

WORKSHOPS

ACCOUNTING

September 24, 2010	Kathy Petroni , Broad College of Business, Michigan State University “Fair Value Accounting for Financial Instruments: Does it Improve the Association Between Bank Leverage and Credit Risk?”
October 29, 2010	Panos N. Patatoukas , University of California-Berkeley “The Impact of Earnings Surprises on Stock Returns: Theory and Evidence”
November 5, 2010	Inder K. Khurana , University of Missouri “The Role of International GAPP in World Wide Mutual Fund Equity Allocations”
November 19, 2010	Alexander Bleck , University of Chicago “Where Does the Information in Mark-to-Market Come from?”
December 3, 2010	Steven Huddart , Penn State University “The Efficiency of Stock-Based Incentives: Experimental Evidence”

Olin Research Review

ECONOMICS

January 15, 2010	Mariagiovanna Baccara , New York University “Similarity and Polarization in Groups”
February 11, 2010	Stefano DellaVigna , University of California-Berkeley “Testing for Altruism and Social Pressure in Charitable Giving”
February 18, 2010	Philip Haile , Yale University “Identification in Differentiated Products Markets Using Market-Level Data”
March 4, 2010	Christopher Mayer , Columbia Business School “Rating Asset-Backed Securities”
April 1, 2010	Morris Davis , University of Wisconsin-Madison “Macroeconomic Implications of Agglomeration”
April 8, 2010	Christopher Timmins , Duke University “Valuing the Benefits of Superfund Site Remediation: Three Approaches to Measuring Localized Externalities”
April 26, 2010	Judith Chevalier , Yale University CRES Distinguished Women in Economics and Strategy “Differentiated to Death?”
September 9, 2010	Francois Ortalo-Magne , Wisconsin School of Business “On the Political Economy of Urban Growth: Homeownership Against Affordability”
September 16, 2010	Robert Miller , Carnegie Mellon University “CCP Estimation of Dynamic Discrete Choice Models with Unobserved Heterogeneity”
September 23, 2010	Dan Quint , University of Wisconsin-Madison “Identification and Testing in Ascending Auctions with Unobserved Heterogeneity”
September 30, 2010	Robert J. Town , University of Minnesota “Government Policy and the Dynamics of Market Structure: Evidence from Critical Access Hospitals”
October 14, 2010	Christopher Flinn , New York University “Endogenous Household Interaction”
October 21, 2010	Greg Lewis , Harvard University “Procurement Contracting with Time Incentives: Theory and Evidence”

Olin Research Review

ECONOMICS

October 28, 2010	Catherine Wolfram , Haas School of Business, UC Berkeley “Timing is Everything: Poverty Alleviation and the Demand for Energy-Using Assets”
November 4, 2010	Edward Lazear , Stanford Graduate School of Business “Why Do Inventories Rise When Demand Falls in Housing and Other Markets?”
November 5, 2010	George Loewenstein , Carnegie Mellon University “A Behavioral Economics Perspective on Conflicts of Interest”
November 18, 2010	Alessandro Gavazza , New York University “An Empirical Equilibrium Model of a Decentralized Asset Market”
December 16, 2010	Ben Handel , Northwestern University “Adverse Selection and Switching Costs in Health Insurance Markets: When Nudging Hurts”
January 25, 2011	Joshua Cherry , University of Michigan “Unattainable Payoffs for Repeated Games of Private Monitoring”
March 3, 2011	Craig Garthwaite , Northwestern University “The Doctor Might See You Now: The Supply Side Effects of Public Health Insurance Expansions”
March 10, 2011	Hunt Allcott , New York University “Gasoline Prices, Fuel Economy, and the Energy Paradox”
March 24, 2011	Panle Jia , MIT “The Cost of Free Entry: Evidence from Real Estate Agents in Greater Boston”
March 31, 2011	Todd Sinai , University of Pennsylvania “Can Owning a Home Hedge the Risk of Moving?”

FINANCE

April 2, 2010	John Campbell , Harvard University “Inflation Bets or Deflation Hedges? The Changing Risks of Nominal Bonds”
April 16, 2010	Andrew Ang , Columbia University “Testing Conditional Factor Models”
April 23, 2010	Ivo Welch , Brown University “Challenging Structural Models in Corporate Finance”
September 17, 2010	James Choi , Yale University “Does Stock Ownership Breadth Measure Short-Sales Constraints or Sentiment?”
September 24, 2010	Pete Kyle , University of Maryland “Market Microstructure Invariants”
October 1, 2010	Camelia Kuhnen , Northwestern University “CEO Turnover in a Competitive Assignment Framework”
October 8, 2010	Tano Santos , Columbia University “Is the Financial Sector Too Big?”
October 15, 2010	Yuri Tserlukevich , Arizona State “Real Investment with Financial Hedging”
October 22, 2010	Sumit Agarwal , The Federal Reserve Bank of Chicago “Market-Based Loss Mitigation Practices for Troubled Mortgages Following the Financial Crisis”
October 29, 2010	Vish Viswanathan , Duke University “Collateral and Capital Structure”
November 5, 2010	Jeffrey Coles , Arizona State “The Joint Determinants of Managerial Ownership, Board Independence, and Firm Performance”

FINANCE

November 12, 2010

Roni Michaely, Cornell University
“What Drives the Value of Analysts’ Recommendations: Earnings Estimates or Discount Rate Estimates?”

December 10, 2010

Pietro Veronesi, University of Chicago
“Uncertainty about Government Policy”

Olin Research Review

MARKETING

February 12, 2010	Amitav Chakravarti , New York University “Categories and Consequences: Categorization-Related Effects in Consumer Information Processing”
February 26, 2010	Yogesh Joshi , University of Maryland “Turf Wars: Product Line Strategies in Markets with Preference-Based Segmentation”
March 15, 2010	A. Yesim Orhun , University of Chicago “Systematic Differences in Beliefs about Others”
April 5, 2010	Katherine Lemon , Boston College “Repay Now or Repay Later: Examining the Effects of Information Disclosure on Consumer Debt Repayment Decisions”
April 9, 2010	Raghuram Iyengar , University of Pennsylvania “The Impact of Tariff Structure on Customer Retention, Usage, and Profitability of Access Services”
April 23, 2010	Harikesh S. Nair , Stanford University “Nonparametric Estimation of Marketing-Mix Effects Using a Regression Discontinuity Design”
April 28, 2010	Vrinda Kadiyali , Cornell University “The Impact of Emotional Product Attributes on Consumer Demand: An Application to the U.S. Motion Picture Industry”
May 7, 2010	Lan Luo , University of Southern California “Product Line Design for Consumer Durables: An Integrated Marketing and Engineering Approach”
May 10, 2010	Sanjay Jain , Texas A & M University “Marketing of Vice Goods: A Strategic Analysis of the Package Size Decision”
November 18, 2010	Vithala Rao , Cornell University “A General Consumer Preference Model for Experience Products: Application to Internet Recommendation Services”
February 11, 2011	Michael Norton , Harvard Business School “Prosocial Incentives Increase Employee Satisfaction and Term Performance”
February 18, 2011	Yi Qian , Northwestern University “Counterfeiters: Foes or Friends”

MARKETING

February 28, 2011	Sha Yang , University of Southern California “Inferring Competition in Search Engine Advertising with Limited Information”
March 7, 2011	Ganesh Iyer , University of California-Berkeley “Simultaneous versus Sequential Bargaining with Downstream Competition”
March 21, 2011	Juanjuan Zhang , MIT “Demarketing”
March 25, 2011	Günter Hitsch , University of Chicago “Estimating Durable Goods Adoption Decisions from Stated Choice Data”

Olin Research Review

OPERATIONS & MANUFACTURING MANAGEMENT

March 19, 2010	Cuihong Li , University of Connecticut “Sourcing Mechanism and Supply Base Design for Supplier Competition and Investment of Effort”
March 26, 2010	Richard Metters , Emory University “National Culture and Operations Management”
May 14, 2010	Martin Puterman , University of British Columbia “Dynamic Decision Making in Health Care”
September 9, 2010	Felipe Caro , University of California-Los Angeles “Understanding the Competitive Advantage of Fast Fashion Retailers”
October 1, 2010	Guillaume Roels , University of California-Los Angeles “Coordinating Risk Pooling Capacity Investments in Joint Ventures”
October 12, 2010	Serguei Netessine , University of Pennsylvania “Impact of Performance-Based Contracting on Product Reliability: An Empirical Analysis”
October 29, 2010	Sang-Hyun Kim , Yale University “Incentives in Multi-Indenture Service Supply Chains”
February 17, 2011	Karen Zheng , Stanford University “Trust in Forecast Information Sharing”

Olin Research Review

ORGANIZATIONAL BEHAVIOR

January 26, 2011	Cynthia Wang , National University of Singapore “A Cross-Cultural Perspective on Rewarding Honesty & Punishing Deception”
February 11, 2010	Jing Zhou , Rice University “When Necessity Is the Mother of Invention: Workplace Obstacles, Support for Learning, and Creativity?”
February 25, 2010	Teresa Amabile , Harvard Business School “The Progress Principle: Using Small Wins to Ignite Joy, Engagement, and Creativity at Work”
April 6, 2010	Anna Dreber Almenberg , Harvard Business School and Sweden School of Economics “Determinants of Preferences for Competition and Risk”
April 15, 2010	Adam Galinsky , Northwestern University “Depth and Breadth: Counterfactual Thinking Creates Commitment and Multicultural Experiences Inspire Innovation”
September 30, 2010	Graham Brown , The University of British Columbia “Territoriality in Organizations: Implications for Salary Raises, Innovation and Conflict”
October 21, 2010	Gilad Chen , University of Maryland “Teams as Innovative Systems: A Multilevel Study of Innovation in R&D Teams”
October 28, 2010	Madan Pillutla , London Business School “Fairness in Resource Allocation”
November 5, 2010	Elizabeth Morrison , New York University “Voice within Workgroups: A Multilevel Look at Antecedents and Outcomes”
December 17, 2010	Laurie Weingart , Carnegie Mellon University “The Emotionality of Conflict in Teams”
February 17, 2011	Geoffrey Leonardelli , University of Toronto “Social Categorization Encourages Cooperation”
February 24, 2011	Deborah Ancona , Massachusetts Institute of Technology “Distributed Leadership: Practices, Structures and Culture”

ORGANIZATIONAL BEHAVIOR

March 4, 2011

Matt Kreuter, Washington University in St. Louis
“Building Organizational Partnerships to Improve the Health of Low-Income Americans”

March 28, 2011

Peter Kim, University of Southern California
“Leaps of Faith: The Nature of Opportunistic Generalization across Domains”

Olin Research Review

STRATEGY

March 3, 2010	Brian Wu , University of Michigan “Strategic Reorientation after an Industry Shock: Cross-Functional and Inter-Temporal Portfolio Tradeoffs”
March 24, 2010	Joel Baum , Rotman School of Management “Leader of the Pack: Network Position and Information Leadership among Security Analysts”
March 31, 2010	Olav Sorenson , Yale University “Home Sweet Home: Entrepreneurs’ Location Choices and the Performances of Their Ventures”
April 14, 2010	Brian Silverman , Rotman School of Management “Engineering Competition: An Empirical Analysis of Markets for Technology and Vertical Integration in the Laser Printer Industry”
April 28, 2010	Joseph Mahoney , University of Illinois at Urbana/Champaign “Towards a Stakeholder Theory of Strategic Management”
May 6, 2010	Vai-Lam Mui , Monash University “Coordinating Collective Resistance Through Communication and Repeated Interaction”
May 12, 2010	Ranjay Gulati , Harvard Business School “The Dynamics of Social Structure: The Rise and Fall of Small Worlds”
June 7, 2010	Sergio Lazzarini , Insper Institute of Education and Research “Guarding the Guardians: An Analysis of Investigations Against Police Officers in an Internal Affairs Division”
October 20, 2010	Daniel Snow , Brigham Young University “‘Old’ Technology Responses to ‘New’ Technology Threats: Demand Heterogeneity and Graceful Technology Retreats”
October 29, 2010	Christopher Wheat , Rutgers Business School “Legitimite Sans Frontieres: Entrepreneurial Name Choices in British Public Companies, 1844-1904”
November 3, 2010	Bradley Staats , University of North Carolina “Using What We Know: Turning Organizational Knowledge into Team Performance”
November 10, 2010	Marcello Mariani , University of Bologna “Unpacking the ‘Galacticos’ Effect: Recruiting Stars and Profiting from Them”

STRATEGY

November 11, 2010

Shaun McRae, Stanford University
“Infrastructure Quality and the Subsidy Trap”

November 17, 2010

James Costantini, INSEAD
“Foreign Versus Domestic Industry Leadership in a Developing Economy:
Effect of Spillovers and Reform of State-Owned Firms”

PH.D. MILESTONES

Peter Boumgarden (Organizational Behavior)

Defended his dissertation, “Now That’s Promising: A Social Organizational Model of Initiation Evaluation,” on June 7, 2010. Boumgarden graduated in August 2010 and has joined the faculty of Hope College.

Bong Hwan Kim (Accounting)

Defended his dissertation, “Essays on Accounting Conservatism,” on April 7, 2010. Kim graduated in August 2010 and has joined the faculty of American University in Washington, D.C.

Jia Li (Marketing)

Defended his dissertation, “Compensation and Peer Effects in Competing Sales Teams,” on August 5, 2010. Li graduated in August of 2010 and has joined the faculty at Purdue University.

Kangzhen Xie (Finance)

Defended his dissertations, “Conglomerates and Industry Distress” and “Deal Process, Asymmetric Bidder and Target Premium,” on March 17, 2010. Xie graduated in August 2010. After visiting at the University of Texas, Xie has joined the faculty at the University of Arkansas.

Rachel Campagna (Organizational Behavior)

Defended her dissertation, “The Accuracy of Initial Trust Judgments,” on February 2, 2011. Campagna graduated in May 2011 and will join the faculty of the University of Pittsburgh.

Tao Ma (Accounting)

Defended his dissertation, “Essays on Accounting Earnings Characteristics,” on April 21, 2011. Ma graduated in May 2011 and will join the faculty of the University of South Carolina.

Ciju T.R. Nair (Marketing)

Defended his dissertation, “Essays on Online Browsing and Purchase,” on October 6, 2010. Nair graduated in December 2010 and is currently with Starcom Media.

Dong Chuhl Oh (Finance)

Defended his dissertation, “Contagion of Liquidity Crisis, Corporate Governance, and Credit Rating,” on April 13, 2011. Oh graduated in May 2011 and is currently with the Bank of Korea.

Erin Scott (Strategy)

Awarded a Kaufmann Foundation Dissertation Fellowship in December 2010 to support her research “The Impact of Regulation on Entrepreneurship & Innovation: The Case of Bail Bonds.”

Yajun Wang (Finance)

Defended her dissertation, “Margin Requirements, Endogenous Illiquidity and Portfolio Choice,” on April 21, 2010. Wang graduated in May 2011 and will join the faculty of the University of Maryland.

Olin Research Review

Xiaole Wu (Operations & Manufacturing Management)

Defended her dissertation, “Respond to Market Risks Using Flexibilities and Contracts,” on April 22, 2011. Wu graduated in May 2011 and will continue at Olin Business School as a research assistant.

Yeu-Jun Yoon (Marketing)

Defended her dissertation, “Empirical Analysis of Two Topics in Marketing,” on April 18, 2011. Yoon graduated in May 2011 and will join the faculty of HSBC Business School at Peking University.

EVENTS

ECONOMICS

**CRES Foundations of Business Strategy Conference
May 14-15, 2010**

Friday, May 14

- 8:45-9 a.m. Welcome: **Glenn MacDonald** and **Ramon Casadesus-Masanell**
- 9-9:45 a.m. “Using Risk to Capture Value: A New Look at Luck and Strategy”
David Gaddis Ross, Discussant: **Ramon Casadesus-Masanell**
- 9:45-10:30 a.m. “Alliances under Ambiguity: Contract Detail as an Inimitable Signal of Competence”
Michael Ryall and **R. Sampson**, Discussant: **Peter Klibanoff**
- 10:45-11:30 a.m. “Managing Licensing in a Market for Technology”
Ashish Arora, **Andrea Fosfure** and **Thomas Ronde**, Discussant: **Giovanni Valentini**
- 11:30 a.m.-
12:15p.m. “Assets Ownership, Task Alignment and the Theory of the Firm: Evidence from Patient Care”
Evan Rawley, **Guy David** and **Dan Polsky**, Discussant: **Raffaella Sadun**
- 12:15-1:30 p.m. Lunch
- 1:30- 2:15 p.m. “Word of Mouth and Taste Matching: A Theory of the Long Tail”
Andres Hervas-Drane, Discussant: **Feng Zhu**
- 2:15-3 p.m. “Anti-Competitive Effects of Uncertainty”
Pai-Ling Yin, Discussant: **Meghan Busse**
- 3:15-4 p.m. “Trade of Bad Reputation and Cost of Corporate Control”
Yuk-Fai Fong, **Pak Hung Au** and **Jin Li**, Discussant: **Ohad Kadan**
- 4-4:45 p.m. “Bargaining Ability and Competitive Advantage: Empirical Evidence from Medical Devices”
Matthew Grennan, Discussant: **Anna Levine**
- 6:30-9:30 p.m. Dinner

Olin Research Review

Saturday, May 15

8:45-9 a.m.

Welcome Back: **Glenn MacDonald** and **Ramon Casadesus-Masanell**

9-9:45 a.m.

“The Double-Edged Sword of Shareholder Limited Liability in Managing Entrepreneurial Start-Up Ventures: Motivational Benefits Versus Appropriation Losses”

Richard Makadok, Discussant: **Daniel Elfenbein**

9:45-10:30 a.m.

“Platforms and Limits to Network Effects”

Hanna Halaburda and **Mikolaj Jan Piskorski**, Discussant: **Michael Ryall**

10:45-11:30 a.m.

“Positioning on a Multi-Attribute Landscape”

Felipe Csaszar, **Ron Adner** and **Peter B. Zemsky**, Discussant: **Scott Rockart**

11:30 a.m.-

12:15 p.m.

“Open Innovation Institutions as Governance or Selection Mechanisms? Evidence from a Field Experiment on a NASA Space Life Science Problem”

Karim R. Lakhani and **Kevin Boudreau**, Discussant: **Silke Forbes**

12:15 p.m.

Adjourn

**CRES Empirical Microeconomics Conference
April 30, 2010**

- 9-10:15 a.m. “Understanding the City-Size Wage Gap”
Ronni Pavan (Rochester) and **Nathaniel Baum-Snow** (Brown)
Discussant: **Robert Miller** (Carnegie Mellon)
- 10:30-11:45 a.m. “Estimating a Dynamic Adverse-Selection Model: Labor-Force Experience and the
Changing Gender Earnings Gap 1968-93”
Limor Golan (Carnegie Mellon) and **George-Levi Gayle** (Carnegie Mellon)
Discussant: **Moshe Buchinsky** (UCLA)
- 11:45 a.m.-1 p.m. Lunch
- 1-2:15 p.m. “Employer Learning, Productivity and the Earnings Distribution: Evidence from
Performance Measures”
Lisa Kahn (Yale) and **Fabian Lange** (Yale)
Discussant: **Christopher Taber** (Wisconsin)
- 2:30-3:45 p.m. “The Effects of Schooling on Labor Market and Health Outcomes”
James Heckman (Chicago), **Sergio Urzua** (Northwestern) and **Gregory
Veramendi** (Northwestern)
Discussant: **Edward Vytlačil** (Yale)
- 4-5:15 p.m. “Happy Together: A Structural Model of Couples’ Joint Retirement Choice”
Maria Casanova (UCLA)
Discussant: **Petra Todd** (Penn)

FINANCE

**7th Annual Conference on Corporate Finance
November 17-19, 2010**

Wednesday, November 17

6:30-8:30 p.m. Welcome Reception

Thursday, November 18

8:30 a.m. Continental Breakfast

9-9:45 a.m. Session 1 - Chair: **Stuart Greenbaum**
“Labor Unemployment Risk and Corporate Financing Decisions”
Ashwini Agrawal and **David Matsa**
Discussant: **Charlie Hadlock**

9:45-10:30 a.m. “Does the Stock Market Harm Investment Incentives?”
John Asker, Alexander Ljungqvist and **Joan Farre-Mensa**
Discussant: **Bruce Petersen**

11-11:45 a.m. Session 2 - Chair: **Murillo Campello**
“An Empirical Investigation of Internal Governance”
Rajesh Aggarwal, Huijing Fu and **Yihui Pan**
Discussant: **Jayant Kale**

11:45 a.m.-12:30 p.m. “Is the Corporate Governance of LBOs Effective?”
Francesca Cornelli and **Oguzhan Karakas**
Discussant: **Yaniv Girnstein**

12:30-2 p.m. Lunch

2-2:45 p.m. Session 3 - Chair: **Phil Dybvig**
“The Economics of Unsolicited Credit Ratings”
Paolo Fulghieri, Gunter Stobl and **Han Xia**
Discussant: **Praveen Kumar**

2:45-3:30 p.m. “Rating Agencies in the Face of Regulation: Rating Inflation & Regulatory Arbitrage”
Milton Harris, Christian C. Opp and **Marcus M. Opp**
Discussant: **Adriano Rampini**

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4-5:15 p.m. Session 4 - Chair: **Todd Milbourn**
Short Presentations of Early Ideas
Kenneth Ahern, University of Michigan
Craig Brown, National University of Singapore
Radhakrishnan Gopalan, Olin Business School, Washington University in St. Louis
Lubomir Litov, University of Arizona
Jialan Wang, Olin Business School, Washington University in St. Louis
Jun Yang, Indiana University

6-7:30 p.m. Session 5 – PhD Poster Session
Deepa Dhume, Harvard University
Frederick Dongchuhl Oh, Olin Business School, Washington University in St. Louis
Dasol Kim, Yale University
Yelena Larkin, Cornell University
Yian Liu, University of Chicago
Xiaoyang Liu, University of Michigan
Kelly Shue, Harvard University
Bela Szemely, Duke University
Yajun Wang, Olin Business School, Washington University in St. Louis
Han Xia, University of North Carolina

Friday, November 19, 2010

8 a.m. Continental Breakfast

8:30-9:15 a.m. Session 6 - Chair: **Han Kim**
“The Importance of Industry Links in Merger Waves”
Kenneth Ahern and **Jarrad Hartford**
Discussant: **Vojislav Maksimovic**

9:15-10 a.m. “Private and Public Merger Waves”
Vojislav Maksimovic, **Gordon Phillips** and **Liu Yang**
Discussant: **Micah Officer**

10:30 a.m.-12 p.m. Session 7 - Moderator: **Anjan Thakor**
“Panel Discussion on Dodd-Frank Act”
Paul Kupiec, Associate Director, Center for Financial Research, FDIC
Sanjiv Das, President and CEO, CitiMortgage
Julie Stackhouse, SVP of Banking Supervision & Regulation, Federal Reserve Bank of St. Louis

12-2 p.m. Lunch

Olin Research Review

- 2-2:45 p.m. Session 8 - Chair: **Vojislav Maksimovic**
 “**The Private Benefits of Controlling Complex Bank Holding Companies**”
 Martin Goetz, Luc Laeven and Ross Levine
 Discussant: **Todd Gormley**
- 2:45-3:30 p.m. “**Crises, Liquidity Shocks and Fire Sales at Financial Institutions**”
 Nicole Boyson, Jean Helwege and Jan Jindra
 Discussant: **Amiyatosh Purnanandum**

OPERATIONS & MANUFACTURING MANAGEMENT

**The Second Annual BCTIM Industry Conference
“Managing Complexity in Supply Chains: The New Imperative”
Thursday, August 26, 2010**

- 8-8:15 a.m. Welcome – **Panos Kouvelis**
- 8:15-9:15 a.m. **Josh Oed**, Emerson
“Global Complexity Reductions Benefits Through Demand, Supply and Product Management”
- 9:15-10 a.m. **Dana Hullinger** and **John Harnagel**, The Boeing Company
“Architecting Supply Chains for Strategic Outcomes in the Aerospace and Defense Sector”
- 10:15-10:45 a.m. **Ken Poczekaj**, Emerson
“The Influence of Complexity Reduction on Total Best Cost Sourcing”
- 10:45-11:30 a.m. **Brad Morgan**, Monsanto
“Integrated Business Planning and Risk Management at Monsanto”
- 11:30 a.m.-12 p.m. **Vance Moore**, Resource Optimization and Innovation/Sisters of Mercy Health System
“Supply Chain is Not a Department, It’s a Strategy”
- 12-1 p.m. Lunch - Anheuser-Busch Dining Room
- 1-1:45 p.m. **Everett Neville**, Express Scripts, Inc.
“Managing Pharmacy Benefit Cost by Managing Complexity”
- 1:45-2:15 p.m. **Marion Reynolds, Jr.**, BJC Healthcare
“Systemwide Supply Optimization Project for All 300 Inpatient Supply Areas in 12 BJC Hospitals”
- 2:15-3 p.m. **William Villalon**, APL Logistics
“Supply Chain Complexity and the Implications for Outsourcing”
- 3:15-4 p.m. **Roger Bloemen**, Solutia
“Implementation of Management Tools to Optimize Complexity”
- 4-4:45 p.m. **Dave Schneider**, Emerson
“Demand-Driven Supply Chain at Emerson”
- 4:45-5 p.m. Closing Remarks – **Panos Kouvelis**

Olin Research Review

INDEX

Nicholas Argyres _____	23, 36	Chad Larson _____	4, 25
Mariagiovanna Baccara _____	26, 47	Anna Levine _____	26, 27, 60
Markus Baer _____	18, 33, 39, 42, 43	Hong Liu _____	10
Gauri Bhat _____	25	Glenn MacDonald _____	45, 60, 61
Kelly Bishop _____	6, 26	Selin Malkoc _____	14, 30, 41
Stuart Bunderson _____	33, 39, 42	Xiumin Martin _____	4, 5, 25
Sergio Chayet _____	17, 41	Judi McLean Parks _____	42, 43
Cynthia Cryder _____	12, 30, 38	Todd Milbourn _____	8, 28, 40, 43, 64
Kurt Dirks _____	19, 33, 39, 43	Alvin Murphy _____	6, 27
Ling Dong _____	17, 32, 38, 41	Chakravarthi Narasimhan _____	15
Philip H. Dybvig _____	63	Jackson Nickerson _____	23, 24, 37, 39, 43
Hillary Anger Elfenbein _____	19- 21, 33, 34, 39	Stephen Nowlis _____	14, 31
Dan Elfenbein _____	23, 36, 42, 61	Robert A. Pollak _____	40
Radhakrishnan Gopalan _____	7, 28, 40, 43, 64	Maher Said _____	6, 27, 38
Stuart Greenbaum _____	63	Seethu Seetharaman _____	15, 31, 38
Mahendra Gupta _____	4, 25	Eli Snir _____	11, 30, 41
Barton H. Hamilton _____	40	Raymond Sparrowe _____	35
Ohad Kadan _____	7, 60	Anjan Thakor _____	8, 29, 39, 40, 43-45, 64
Roni Kisin _____	28	Danko Turcic _____	32
Andrew Knight _____	21, 34, 42	Jialan Wang _____	8, 29, 64
Anne Marie Knott _____	36, 37, 42	Ying Xie _____	7, 12, 15, 31
Lee Konczak _____	22, 35, 39	Todd Zenger _____	43
Panos Kouvelis _____	17, 38, 44, 66	Fuqiang Zhang _____	32, 38, 41
Dmitri Kuksov _____	12, 13, 15, 30, 41	Guofu Zhou _____	9-11, 40



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