Research

CIBERs Put Funding to Work

This summer, the U.S. Department of Education (DOE) announced its grants to support Centers for International Business Education and Research (CIBER) at U.S. business schools from 2010 to 2014. Many existing CIBERs had their funding renewed, and three more schools were added, bringing the number of CIBER schools to 33. The DOE awarded $12,757,000 to 33 CIBERs in 2010, compared to $11,527,300 to 31 CIBERs in 2009—most grants fell in the range of $1.5 million to $1.6 million.

This year, the DOE solicited grant proposals in two specific categories: language instruction, testing, and assessment for one of 78 less commonly taught languages (LCTLs); and outreach activities, consortia, or educational exchanges that help business schools in disadvantaged areas internationalize their programs. The department indicated special interest in proposals that emphasized sustainability or emerging markets.

With their funding in place, CIBER schools are now putting in motion plans for a range of international initiatives:

Looking at language. As a new CIBER location, the Carlson School at the University of Minnesota in Minneapolis will use part of its grant to emphasize language instruction. It plans a summer institute for K-16 language instructors and also wants to involve language instructors in its study abroad experiences. For example, a Chinese language instructor will accompany students on an upcoming short-term trip to China.

This model will allow the instructor to "convey and teach Chinese business language in the context of Chinese business," says Michael Houston, director of the U of M CIBER.

Turning to teaching. A new CIBER at Georgia State University's Robinson College of Business in Atlanta will use part of its funding to hold a regional higher education consortium, where educators can discuss pedagogy focused on emerging markets and LCTLs.

Studying international services. The University of Miami School of Business in Florida, the third new CIBER, will match its $1.5 million in funding to dedicate $3 million over the next four years to support programs that explore competitiveness within the services sector. The center will emphasize four international service subsectors: healthcare, financial reporting, infrastructure development, and environmental sustainability.

Fostering collaboration. The CIBER at Brigham Young University's Marriott School of Business in Provo, Utah, will support development of a ten-day Summer Culture and Language Boot Camp. Held jointly with the Texas A&M CIBER, the boot camp will train college students in international business, culture, geopolitical topics, and language instruction.

Tackling technology. The IU CIBER at the Indiana University Kelley School of Business in Bloomington is planning social entrepreneurship consulting projects in Peru, India, and Ghana, as well as a short-term international faculty development program focused on sustainable business practices in Latin America and the Caribbean. It also will hold programs in language and culture for undergraduates nationwide; these will include field trips overseas. The first of these will focus on Brazil and the Portuguese language, Egypt and Arabic, and China and Mandarin.

TANYA CONSTANTINE/GETTY IMAGES

On the technology side, the IU CIBER will develop CIBER Share, an online crowdsourcing portal where faculty, K-12 instructors, and government personnel can share and comment on instructional multimedia. In addition, the center is creating World Bazaar, an e-game that will teach students of all ages about global business culture.

Revving up research. The CIBER at Duke University's Fuqua School of Business in Durham, North Carolina, is putting a special focus on international research. It will allot a portion of its funding to increasing Fuqua's Offshoring Research Network, a database with information on the globalization and innovation efforts of 2,000 firms. It also will use part of the grant to fund the InterCultural Edge (ICE), a research initiative focused on effective cross-cultural communications. The CIBER plans to certify ICE trainers across the U.S. to instruct students, faculty, and businesspeople on cross-cultural communications.

Focusing on sustainable cities. The CIBERs at the University of Southern California's Marshall School of Business in Los Angeles and UCLA's Anderson School of Management will work with the Association of Pacific Rim Universities' World Institute to launch the Pacific Cities Sustainability Initiative. The initiative will be dedicated to reducing the carbon footprint of urban cities as they grow.

The DOE plans to publish summaries of the proposed activities of all 33 CIBERs. To read these summaries when they are posted or learn about the CIBER network, visit ciberweb.msu.edu/.

Aware Managers Don't 'Greenwash'

BP's current environmental and public relations nightmare over the oil spill in the Gulf of Mexico possibly could have been avoided—or at least mitigated—if its leaders had adopted an environmental awareness system (EMS). This premise is the subject of recent research by Thomas P. Lyon, a professor of business economics and natural resources at the University of Michigan's Ross School of Business in Ann Arbor, and John Maxwell, professor of business economics and public policy at Indiana University's Kelley School of Business in Bloomington.

Instead, Lyon and Maxwell say that BP's leaders engaged in "greenwashing"—that is, they disclosed positive aspects of the company's environmental activities, but downplayed the negative aspects. Even companies that disclose their activities more fully can face accusations of greenwashing from activists, the authors write. For that reason, they may be less likely to disclose their environmental policies.

Greenwashing is especially dangerous for companies that promote themselves as "green," as BP did before the spill with its "Beyond Petroleum " ad campaign. "If people come to view a company as 'green,' there will be a high price to pay if they discover they have been duped—especially if the public suffers from ruined ecologies, job losses, and other economic problems," says Maxwell.

In their research, Maxwell and Lyon conduct an economic analysis of greenwashing. They argue that companies that understand the impact of their environmental and social performance are more likely to be transparent about those activities.


John Maxwell


Tom Lyon

Activists could better achieve their goals if they stop angrily demanding companies be more transparent, and instead encourage companies to adopt an EMS, the authors write. An EMS puts in place administrative procedures to help organizations integrate environmental concerns into their business practices. In that way, managers are aware of the impact of their companies' actions.

With an EMS, managers could disclose with confidence, rather than hide behind ignorance and uncertainty, says Maxwell. That might be the best way, he adds, to protect society and the environment from a company's bad judgment.

"Greenwash: Corporate Environmental Disclosure under Threat of Audit" is forthcoming in the *Journal of Economics and Management Strategy*.

TETRA IMAGES/PHOTOLIBRARY

Debunk a Stereotype? Just Say It Isn't So

A new study finds that a short discussion about why a stereotype is invalid can overcome the stereotype in the process. Laura Smith, a psychologist from the UQ Business School at the University of Queensland in Australia, and Tom Postmes, a professor of social psychology at the University of Groningen in the Netherlands, conducted two studies with 380 undergraduate university students in the United Kingdom to debunk the belief that women are worse at math than men.

Laura Smith

The researchers had some groups engage in a five- to ten-minute discussions about why this stereotype was not true; then, participants completed a math exam. The women in this group performed as well as men taking the same exam. However, when women participated in a short discussion about why this stereotype was valid, they performed worse than their male counterparts on the exam.

In many countries, teenage girls often do worse on math exams than boys, which leads to women's underrepresentation in the mathematics and engineering professions, says Smith. Stereotypes "derive their power from being agreed upon and validated by others," she adds. "We could use discussion to promote positive social change and eliminate some of these inequalities."

The next step for this research would be to test whether repeated discussions on this topic could actually change these stereotypes over time, says Smith. She might conduct a long-term study to learn if multiple discussions have this effect, even when people hear occasional contradictory opinions.

"Shaping stereotypical behaviour through the discussion of social stereotypes" was published in the May 2010 issue of *The British Journal of Social Psychology.*

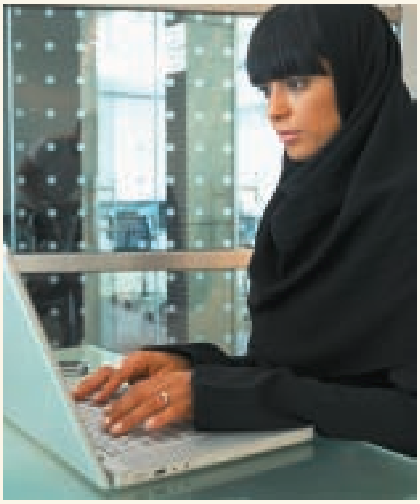
UPCOMING & ONGOING

SPORTS AND MULTIMEDIA

Sports channel ESPN and The Wharton School at the University of Pennsylvania in Philadelphia have partnered to study consumer behavior during major sporting events. The study, ESPN XP, began with the 2010 FIFA World Cup in South Africa. Using data from the Wharton Interactive Media Initiative and partners such as the Nielsen Company, researchers will measure media usage and the effect of advertising for these events across television, radio, Internet, mobile, and print.

WOMEN IN THE MIDDLE EAST

Charlotte Karam, Lama Moussaw, and Fida Afiouni of the American University of Beirut's Suliman S. Olayan School of Business in Lebanon will conduct a two-year study of why so few educated women are promoted at Middle Eastern universities. Most studies on the topic of women's advancement in academia have a Western perspective, say these researchers. With their research project, "The Current Status of Academic Women in the Middle East: Scientific Analysis for Human Resource Policy Development," the researchers hope to encourage mentoring relationships for young women in academia.



ERIC O'CONNELL/GETTY IMAGES

RESEARCH ACROSS DISCIPLINES

Three professors have a received a $350,000 grant from the Science of Science and Innovation Policy program at the National Science Foundation. Kai Larsen and Jintae Lee, associate professors at the University of Colorado at Boulder's

Religion Curtails Financial Fraud

The more religious the region, the less aggressive its companies will be in their financial reporting, according to a working paper by Sean McGuire, Thomas Omer, and Nathan Sharp.

The three researchers at the Mays Business School at Texas A&M University in College Station measured the religiosity of U.S. counties by examining the interviews of more than 600,000 respondents to a nationwide Gallup poll. In the interview, respondents were asked whether their religious beliefs were important to their daily lives. The researchers used the proportion of people who indicated that religion was important in their lives to measure each county's religious adherence.

They then used accounting data from the New York firm Audit Integrity to measure the level of accounting fraud in U.S. counties nationwide.

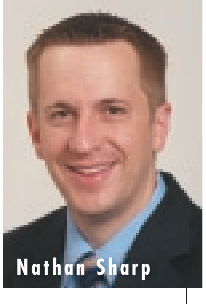
McGuire, Omer, and Sharp find that for every 10 percent increase in the number of people in a county for whom religion is important, the odds that a firm headquartered there will be sued for accounting malfeasance decreases by 48.8 percent. In this model, the top three most religious states were in the Bible Belt: Mississippi, Alabama, and Tennessee. The least religious were Alaska, Vermont, and New York.

The researchers also found that the more religious the county, the *less* its firms adopted socially responsible initiatives such as community support, diversity programs, and employee relations. The researchers suggest that one reason might be that in very religious communities, faith-based organizations play a larger role in promoting such initiatives. In addition, many CEOs may be active with religious organizations and less likely to duplicate these activities in their companies.

The authors conclude that "religious social norms are associated with lower accounting risk, lower unexplained audit fees, and lower likelihoods of accounting-related shareholder lawsuits." While this finding should not


Thomas Omer


Sean McGuire


Nathan Sharp

Leeds School of Business, will work with Eliot Rich, assistant professor of information technology management at the University at Albany in New York, to study how—and how well—research methodologies interact across disciplines. They are most interested in how increased specialization within research disciplines might complicate scholars' efforts to share knowledge.

CENTER FOR FINANCE RESEARCH

The Waterford Institute of Technology in Ireland has partnered with the Allied Irish Bank to open the AIB Centre for Finance & Business Research. The new center will support best paper awards, three doctoral scholarships, and research on topics such as behavioral finance, corporate governance and responsibility, risk management, consumer rights, and personal financial literacy. AIB also will assist the WIT School of Business in planning seminars, forums, and other center-based activities.

MEASURING A FIRM'S R&D IQ

Anne Marie Knott, associate professor of strategy at Olin Business School at Washington University in St. Louis, Missouri, has received a grant from the National Science Foundation to study firms with highly productive research and development, or high IQ, and those with less productive R&D, or low IQ. Patent data is often used to measure R&D productivity, says Knott, but because fewer than 50 percent of firms apply for patents, this method is not comprehensive. By comparing IQ characteristics across a range of firms, Knott hopes to design a metric that firms can use to better measure the effectiveness of their R&D.

be the only factor in evaluating a company, say the researchers, it offers investors another measure of the likelihood of financial fraud.

"The influence of religion on financial reporting and corporate social responsibility" is available at ssrn.com/abstract=1548154.

Women and the 'Compiler' Effect

Four MBA students at Georgetown University's McDonough School of Business in Washington, D.C., spent a year studying the roles women take when working on teams in their MBA programs. They find that women assume the role of "Compiler"—completing largely unnoticed and undervalued administrative tasks for their teams—five times more often than men.

Jennifer Bradley Heflin, Colleen Newman, Kelly O'Brien, and Brooke Ybarra surveyed 239 individuals, including MBA students and professionals, for their study, "The Female Compiler Phenomenon: Women Choosing Invisible Roles on Small Teams." They also conducted four single-sex focus groups with current MBA students and interviews with nine executives.

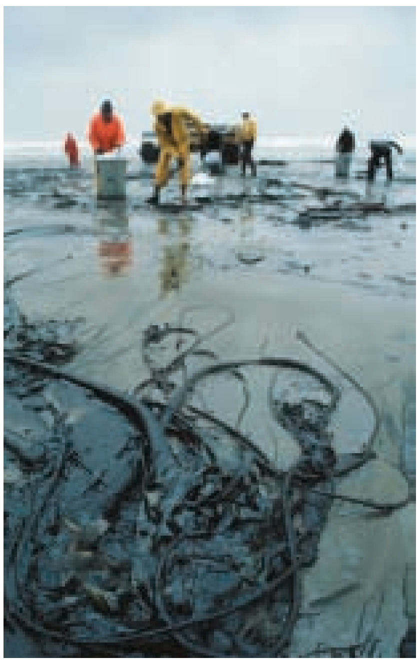
They found that women act as compilers because they believe that, by completing the compiler's often detail-oriented tasks, they could add the most value to their teams. But while executives viewed this role as critical, MBA students viewed the role less positively—in fact, some said they thought compilers were avoiding doing "real work."

The study also looked at other roles commonly assigned to MBA team members. More than twice as many men as women reported taking on the "Thought Leader" role in small groups—36 percent of men compared to 16 percent of women. However, 31 percent of women said they assume the Operational Leader or Project Manager role, compared to 19 percent of men.

The authors want administrators

MBA students and co-authors from left to right: Colleen Newman, Kelly O'Brien, Jennifer Bradley Heflin, and Brooke Ybarra.

STUDY BRIEFS



SPILL REACTIONS

Vikas Mittal, professor of marketing at Rice University's Jones Graduate School of Business in Houston, Texas, and Rajan Sambandam of the market research company TRC surveyed 522 Americans regarding the BP oil spill in the Gulf of Mexico. The study found that Americans expect more socially responsible behavior from corporations. Participants were asked to rate their reactions on a scale of zero (complete disagreement) to 10 (complete agreement) to the statement, "Socially responsible corporations can also create a lot of wealth for their shareholders." Republicans' responses averaged 7.9; those from Democrats and independents, 8.3. To read survey results, visit www.rice.edu/nationalmedia/multimedia/2010-06-16-mittal.pdf.

BIG DEALS

A report from the Mergers and Acquisitions Research Centre at Cass Business School in London examines how newly minted CEOs effect change at their organizations during their first year on the job. Researchers examined 276 deals, across 12 industries, completed by first-year CEOs between 1997 and 2009. They found that CEOs who perform one major deal in their first year enjoy more long-term success than CEOs who do not. However, those who perform more than one major deal see decreased returns in the long run. "What Should I Do Next? CEO Succession, M&A Deals and Company Performance" is available at www.cass.city.ac.uk/marc/research/research.html.

BULLYING WORSE THAN DISCRIMINATION

Workers can be more negatively affected by workplace bullying than by harassment related to gender or race, say Jana Raver, assistant professor of organizational behavior at Queen's School of Business in Ottawa, Canada, and Lisa Nishii, assistant professor of human resource studies at Cornell University in New York. Raver and Nishii surveyed 735 employees in a range of industries about demographics and levels of harassment in their companies. The employees completed a second survey four weeks later about their attitudes toward their jobs, turnover, psychological well-being, and health. The researchers suggest that bullying does more harm because while victims of harassment have recourse, victims of bullying often do not. "Behavioral outcomes of experiencing workplace aggression" appeared in the March 2010 issue of *The Journal of Applied Psychology.*


IMAGE SOURCE/PHOTOLIBRARY

POLITICAL POWER HURTS ECONOMIES

As politicians rise in power, it would seem that their regions' economies would benefit from increased federal spending. That's not the case, say Lauren Cohen, Joshua Coval, and Christopher Malloy of Harvard Business School in Boston, Massachusetts. The authors examined data over a 40-year period to track the increased federal spending that states received once their senators became powerful enough to chair a committee. They found that after politicians reach that level, their states cut back on capital expenditures by about 15 percent. Their working paper "Do Powerful Politicians Cause Corporate Downsizing?" is available at www.people.hbs.edu/cmalloy/pdffiles/envaloy.pdf.

and faculty in MBA programs to be aware of the "compiler phenomenon." Faculty could then educate students about team dynamics and encourage them to assume different roles. The authors also recommend that students working in small teams define necessary roles and rotate responsibilities, so that all members have opportunities to lead.

"In the workplace," the authors write, "individuals must be wary of getting stuck in certain roles that are perceived to be less valuable or critical to overall success, and seek out mentorship and leadership development opportunities to improve promotability."

The students completed the project as part of the 2010 Gender in the Workplace Research Competition sponsored by GU's Women's Leadership Initiative. An executive summary of the paper is available at guwli.georgetown.edu/research/.

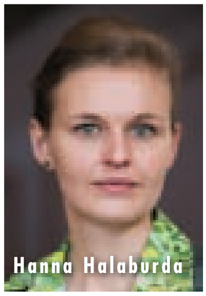
Risk Recognizes No Border

Many people misperceive state boundaries as physical barriers that can block or mitigate disaster, according to Arul Mishra and Himanshu Mishra of the University of Utah Eccles School of Business in Salt Lake City. Correcting this "border bias," as the professors call it, might save lives and protect property threatened by natural and environmental disasters.

The researchers tested people's perceptions of disaster risk in three experiments. In all three situations, participants viewed a disaster in neighboring states as less threatening than one in their own—even when the distance between both disasters and the participants' homes was identical.

With a better understanding of border bias, organizations responsible for responding to disasters could emphasize geographical distance, not location, when warning a population of an imminent risk. This approach might motivate victims to evacuate more promptly and prevent the need for expensive, and often unsuccessful, rescues. Insurance agencies could also better educate their clients about their proximity to risks and help them make better choices when purchasing insurance.

"Border Bias: The Belief that State Borders Can Prevent Against Disasters" is forthcoming in *Psychological Science*.



Hanna Halaburda

EVGENIA ELISEEVA

Mikolaj Jan Piskorski

HARVARD BUSINESS SCHOOL

More Choice Isn't Always Better

Matchmakers may want to keep their clients' options to a minimum, say Hanna Halaburda and Mikolaj Jan Piskorski, professors in the strategy unit at the Harvard Business School in Boston, Massachusetts. For agents in "two-sided matching markets" like online dating services, headhunting firms, and real estate brokerages, it's often neither necessary—nor optimal—to present all available options.

Past studies suggest that in competitive markets, platforms that offer clients the most choice will dominate those that offer limited choices. This argument often is based on the prevalence of "network effects," which hold that the more people use a product, the more valuable that product becomes. But Halaburda and Piskorski argue that models that limit choice can be just as successful.

Halaburda and Piskorski point to two popular online dating services: Match.com and eHarmony.com. Match.com provides members with unlimited access to its database, while eHarmony.com's members can access only seven new dating candidates at a time. Even though it offers less choice, eHarmony.com charges 25 percent more than Match.com. Headhunting firms and real estate brokers also charge more than platforms offering clients access to all available options.

Choice-limiting agents also are more likely to make the matches stick—even if the match isn't perfect. The reason? People who choose limited-choice platforms often want the search to be over and are willing to accept a less-than-optimal match.

Halaburda and Piskorski note that their findings could be significant to managers in industries most subject to network effects. Their intuition may tempt them to offer customers the most choices possible. But the researchers say their model suggests that "restricted choice platforms may prove superior."

"Platforms and Limits to Network Effects" is available at www.hbs.edu/research/pdf/10-098.pdf.

RESEARCH RECOGNITIONS

■ **Wayne Cascio**, the Robert H. Reynolds Chair in Global Leadership at the University of Colorado Denver's Business School, has won the Michael R. Losey Human Resources Research Award from the Society for Human Resource Management. Cascio received the $50,000 award for his research showing that corporate downsizing has little effect on profits—and sometimes makes matters worse when companies lose their best talent.

■ The paper "Why is PIN Priced?" has received the 2010 Fama-DFA Prize, which recognizes the year's best paper on capital markets and asset pricing published in the *Journal of Financial Economics.* The award went to authors and finance professors **Jefferson Duarte** of Rice University's Jones Graduate School of Management in Houston, Texas, and **Lance Young** of the University of Washington Foster School of Business in Seattle. They found that the probability of informed trading (PIN) "is priced because it is a proxy for illiquidity unrelated to asymmetric information." Their paper appeared in the February 2009 issue; it is also available at ssrn.com/abstract=971197.

■ The American Accounting Association has awarded its inaugural Distinguished Contribution to Accounting Literature Award to **Patricia Dechow** and **Richard Sloan** of the Haas School of Business at the University of California, Berkeley, and **Amy Hutton** of Boston College's Carroll School of Management in Massachusetts. They received the honor for their 1996 paper "Causes and Consequences of Earnings

Manipulation: An Analysis of Firms Subject to Enforcement Actions by the SEC," which found that weak governance encourages firms to more frequently manipulate earnings to lower the short-run costs of raising new financing.

■ The American Real Estate Society awarded **Glenn Mueller** its 2010 Richard Ratcliff Award for his research on real estate market cycles. Mueller is a professor at the Franklin L. Burns School of Real Estate and Construction at the University of Denver's Daniels College of Business.