

Kristina Lalova

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ACADEMIC POSITIONS

2023-Present Fixed-Term Assistant Professor in Finance: **Michigan State University, Eli Broad College of Business, East Lansing, MI**

EDUCATION

2018-2023 **University of Connecticut, School of Business, Storrs, CT**
M.S. in Finance, Ph.D. in Business Administration (Finance)

2013-2017 **Drexel University, LeBow College of Business, Philadelphia, PA**
B.S. in Business Administration (Finance and Accounting, Summa Cum Laude)

RESEARCH INTERESTS

Labor and Finance, Corporate and Behavioral Finance, Labor Market Interactions, & Private Equity

RESEARCH EXPERIENCE

[1] “The Value of Employee Morale Similarity in Mergers and Acquisitions: Evidence from Glassdoor”
– Presented at FMA European Meeting: Doctoral Student Consortium (2022), World Finance Conference (2022), Paris Financial Management Conference (2022), SGF Conference: Ph.D. Poster Session (2023), EFMA Annual Meeting (2023), MFS Conference (2023), ASFAAG Conference (2023), EuropeanFA Annual Meeting: Poster Session (2023), FMA Annual Meeting (2023), and Fostering Inclusion: A Workshop to Advance Research on DEI (2024)

Abstract: In this paper, I define employee morale as employees’ attitudes toward and perceptions of the tasks they perform and the dynamics within their companies. I explore how employee morale affects merger probability, merger outcomes, and the morale of the merged firm using various proxies. The paper makes several novel findings. Firms with similar employee morale are more likely to merge, achieve greater short-run and long-run post-merger synergies, perform more effective takeover restructurings, and exhibit higher likelihood and speed of merger completion. Firms with aligned morale demonstrate better post-merger integration compared to those with dissimilar morale. I introduce weather as an instrumental variable to proxy for morale, providing an additional test to strengthen the analysis, which confirms the significant impact of morale on these outcomes. Furthermore, the low (high) morale of target employees worsens (enhances) post-merger morale, subsequently worsening (improving) the acquiring company’s performance. This finding highlights the transmission of low target employees’ morale to acquirer employees as a key channel for worsened performance, and using an event study, I identify two primary mechanisms through which target morale transmits to acquirer morale – the integration of target management and target labor force.

[2] “Untangling Employee Morale Similarity in Buyouts”

Abstract: The paper documents evidence of private equity’s focus on post-acquisition performance and their expertise in managing and integrating companies with different attributes. I make the following findings. For the average company in the sample, private equity is more likely to merge with companies with dissimilar employee morale. The search for companies with dissimilarities points to private equity acquirers performing a pre-deal screening process wherein both companies learn about each other and match with each other. Following the acquisition, due to private equity’s experience with managing companies with dissimilarities, they grow the companies they acquire, increase operating performance and efficiency of target companies with dissimilarities. This also points to private equity viewing companies with dissimilarities as value-enhancing. For companies with similarities, private equity hurts long-term performance. It is likely that private equity will decide to let go of less efficient workers to achieve those performance goals in dissimilar firms where target employees fit in private equity culture less.

[3] “Predicting Bankruptcy: Ask the Employees” (with John Knopf) – Presented at FMA Annual Meeting – New Ideas Session (2022), World Finance Conference (2023), FMA Annual Meeting (2023), Michigan State University Brown Bag (2024), International Business Analytics Conference for Academics and Industry Professionals (2024), FMA European Conference (2024), MFS Conference (2024), FMA Asia/Pacific

Conference (2024, accepted), Harvard-Wharton Insolvency and Restructuring Conference (2024), Conference on Empirical Legal Studies at Emory University School of Law (2024), and Generative AI in Finance (2024)

- Featured in the [Harvard Law School Bankruptcy Roundtable](#), in the [Harvard Law School Bankruptcy Roundtable Academic Roundup](#), in the [Oxford Business Law Blog](#), and in the [Reorg Blog](#)
- Best Paper in Business Analytics Award – *IBAC* (2024)

Abstract: The purpose of the paper is to show how employees’ attitudes predict bankruptcy throughout various years (phases) of the bankruptcy process – from two and three years before (1), one year before (2), and from the time of filing to the time of liquidation/reorganization (3). We find that our prediction model, inclusive of employees’ attitudes, more accurately predicts bankruptcy two to three years before bankruptcy filings, while the other models are more accurate in the year prior to bankruptcy. While already-established statistical models’ predictive power is higher (than our model) one year before bankruptcy filings, our model’s predictive power is higher (than statistical models) two and three years before bankruptcy filings. Moreover, the addition of employee satisfaction into already-established models improves their predictive performance. We create CatBoost, Random Forest, Support Vector Machine, and Logistic Regression models, and an Autoencoder Anomaly Detection model (GenAI model), all consisting of reviews, and show that textual reviews are in themselves strong predictors of bankruptcy. In survival analyses, we show that employee satisfaction (both in terms of aggregated and individual rating categories) one, two, and three years before bankruptcy filings is a strong predictor whether a company would emerge from bankruptcy successfully. Our paper is the first paper to show that not only is employee satisfaction a predictor of bankruptcy in addition to financial and market data, but that it also is a more powerful predictor of bankruptcy emergence than financial and market data.

[4] **“Scoring Profits? The Impact of Private Equity Investments on Soccer Clubs”** –

Presented at FMA Annual Meeting: New Ideas Session (2024), World Finance and Banking Symposium (2024), and Boca-ECGI Corporate Finance and Governance Conference (2024)

- Featured in the [PE Sports](#) Newsletter and in the [ECGI Blog](#)

Abstract: The interplay between private equity (PE) ownership and performance outcomes in soccer clubs raises fundamental questions about the nature of these organizations: Are soccer clubs profit-maximizing entities akin to traditional firms, or do they embody characteristics of non-profit organizations, prioritizing community and social outcomes? This paper contributes to the debate by investigating how PE investments impact financial value and social value, particularly whether financial outcomes come at the expense of team dynamics and team performance. Analyzing 96 male teams and 67 female teams (in addition to their players) across the five major European leagues as of the 2023-2024 season, the study uses a staggered difference-in-differences methodology and detailed datasets on club financials, player salaries, player and match performance metrics, and management changes. The findings suggest that while PE investments may have successfully boosted commercial aspects, such as revenues, on-field individual soccer player performance declines as well as team match performance. This discrepancy highlights a trade-off where off-field gains haven't translated into on-field success. I argue that individual player and match performance suffers because of team dynamics changes. I document that degree centrality, betweenness centrality, and closeness centrality among players decline following the PE deal, which has a direct impact on home and away match performance.

[5] **“Robinhood Snacks’ Newsletter Sentiment and Market Mindfulness”**

**: Denotes upcoming presentations.*

TEACHING EXPERIENCE

Spring & Summer 2024	Michigan State University: Supervisor for Independent Study Class: PE Investments in Soccer Clubs (Spring 2024, Brennan Cimpeanu); Volkswagen’s Valuation (Spring 2024, Luke Evanoff); U.S. Congress Members’ Investments (Summer 2024, Brennan Cimpeanu)
Fall 2023 & Fall 2024	Michigan State University: Instructor of Record: FI 312 – Introduction to Investments (3 sections) – “Average Quality of the Faculty Member” across the three sections: 4.0/5.0
Fall 2019, Fall 2020, Fall 2021, & Spring 2023	University of Connecticut: Instructor of Record: FNCE 3101 – Financial Management (Instructor Evaluation by Category for Fall 2019, Fall 2020, Fall 2021, and Spring 2023 semesters, respectively: Mean (Median) 4.24/5.0 (4.29/5.0), 4.86/5.0 (5.0/5.0), 4.83/5.0 (5.0/5.0), and 4.40/5.0 (4.65/5.0), respectively)
Spring 2021, & Spring & Fall 2022	University of Connecticut: Teaching Assistant: FNCE 3101 – Financial Management (TA for Professors Alexander Amati and Kathleen Bailey – no TA reviews provided)

HONORS, AWARDS, AND CERTIFICATES

2024	Certificate in Python for Asset Management, Algorithmic Trading, and Computational Finance, The Python Quants
2024	Sustainable Investments Certificate and Alternative Investments Certificate, Harvard Business School Online
2023	BYU Accounting Coding Camp, AI Enhanced Research Camp
2022	Trade View Australia Algorithmic Trading Talks and 2018 Algo Trading Conference
2022	UConn Finance Department Ph.D. Student Teacher Award
2021	FMVA® Certificate
2021	Geno Auriemma UConn Leadership Series Certificate
2020	BYU Accounting Coding Camp, Python, SAS, and Stata Camp
2019-2022	UConn Dean's Summer Fellowship
2019-2022	UConn Finance Department Summer Ph.D. Fellowship
2016 & 2017	Coopers & Lybrand Achievement Award (Undergraduate)
2013-2017	Drexel University Pennoni Honors College (Undergraduate)
2013-2017	Drexel University Global Scholar Full Scholarship (Undergraduate)

CONFERENCE, SEMINAR, AND WORKSHOP PARTICIPATION

2024	Trade View Algorithmic Trading Conference (Melbourne, Australia), Participant; Boca-ECGI Corporate Finance and Governance Conference (Madrid, Spain), Presenter, Discussant; World Finance and Banking Symposium (Abu Dhabi, United Arab Emirates), Presenter, Discussant; Conference on Empirical Legal Studies at Emory University School of Law (Atlanta, GA), Presenter; Generative AI in Finance Conference (Montreal, Canada), Presenter, Discussant; FMA Annual Meeting: New Ideas Session (Grapevine, TX), Presenter; Harvard-Wharton Insolvency and Restructuring Conference, Presenter (Cambridge, MA); PhD Summer School on Finance and Product Markets: Theory, Evidence, and Measurements, Participant (Lugano, Switzerland); FMA Asia/Pacific Conference, Presenter (Seoul, South Korea, Accepted); MFS Conference, Presenter (Vaasa, Finland); FMA European Conference, Presenter (Turin, Italy); International Business Analytics Conference for Academics and Industry Professionals, Presenter (Fredonia, NY); Fostering Inclusion: A Workshop to Advance Research on DEI at the University of Washington – Workshop, Participant (Seattle, WA); Michigan State University Brown Bag, Presenter (East Lansing, MI)
2023	FMA Annual Meeting, Presenter, Discussant, and Chairperson (Chicago, IL); European Finance Association (EFA) Annual Meeting: Poster Session, Presenter (Amsterdam, The Netherlands); World Finance Conference, Presenter and Discussant (Virtual); Annual Conference of the Academy of Sustainable Finance, Accounting, Accountability, and Governance (ASFAAG) (Virtual), Presenter and Discussant; Multinational Finance Society (MFS) Conference, Presenter and Discussant (Paphos, Cyprus); European Financial Management Association (EFMA) Annual Meeting, Presenter and Discussant (Cardiff, The United Kingdom); SGF Conference: Annual Meeting of the Swiss Society for Financial Market Research: Ph.D. Poster Session, Presenter (Zurich, Switzerland)
2022	Paris Financial Management Conference, Presenter and Discussant (Paris, France); FMA Annual Meeting, Presenter, Discussant, and Chairperson (Atlanta, GA); World Finance Conference, Presenter and Discussant (Turin, Italy); FMA European Conference: Doctoral Student Consortium, Presenter (Lyon, France); FMA European Conference, Chairperson (Lyon, France); InsurTech Hartford Symposium, Volunteer (Hartford, CT)
2021	FMA Annual Meeting, Discussant (Denver, CO)

SERVICE

2024-Present	Michigan State University: Committee on Freedom of Speech and Academic Freedom, Committee Member
2024-Present	Michigan State University, Student RA Supervisor (Undergraduate and Graduate)
2024	The Turner-Dodge House, Garden Volunteer
2021-2024	FMA Asia/Pacific Conference (2024); FMA European Conference (2024); Eastern Finance Association Annual Meeting (2023); Southern Finance Association Annual Meeting (2021); FMA European Conference (2025), Conference Program Reviewer
2021-2023	Boca-ECGI Conference (2024); World Finance and Banking Symposium (2024); Generative AI in Finance Conference (2024); FMA Annual Meeting (2023); World Finance Conference (2023); ASFAAG (2023); MFS Conference (2023); Paris Financial Management Conference (2022); FMA Annual Meeting (2022, x3); World Finance Conference (2022); FMA Annual Meeting (2021), Conference Discussant
2023	UConn International Graduate Buddy Program, Mentor
2022-2023	UConn Doctoral Association for Business School, Public Relations Director
2022	UConn Business Ph.D. Program New Student Orientation, Panelist

MEDIA MENTIONS

2025	ECGI Blog (x1)
2024	PE Sports (x1); Reorg Blog (x1); Oxford Business Law Blog (x1); Harvard Law School Bankruptcy Roundtable (x2); Study.com (x1); WalletHub (x1)
2019-2022	The Novak Djokovic Foundation Blog (x7)

PROFESSIONAL MEMBERSHIP

2024-Present	American Institute of Applied Sciences in Switzerland, Research Group
2021-Present	American Finance Association (AFA), Financial Management Association (FMA), European Finance Association (EFA), Chartered Financial Analyst (CFA) Candidate

PROFESSIONAL AND NON-PROFIT EXPERIENCE

2024-Present	American Red Cross: Michigan Chapter, Recruitment Volunteer Lead
2023-Present	Michigan State University, Fixed-Term Assistant Professor
2019-2023	University of Connecticut, Graduate Research and Teaching Assistant
2019-2022	The Novak Djokovic Foundation Blog, Blog Writer
2015-2016 &	University of Pennsylvania –
2017-2018	Facilities and Real Estate Services Department, Accountant (1.5 years)

RELEVANT SKILLS AND OTHERS

Programming	Python, SAS, Stata, LaTeX, MS Suite (Intermediate-to-Advanced Level); Tableau, SQL, MATLAB (Beginner Level)
Languages	English (Full Professional Proficiency), Bulgarian (Native, but Limited Working Proficiency), German (Limited Working Proficiency), Russian (Elementary Proficiency)
Hobbies	Mindfulness, Plant-Based Cooking & Nutrition, Photography, Traveling, Tennis (Court One Okemos Travel Team), Fashion