

Center For Applied Research

NOV-DEC NEWSLETTER
EDITION 6

2021

Welcome to the final edition of the Center for Applied Research newsletter for 2021! Despite the ongoing challenges of the pandemic, 2021 proved to be another exceptionally productive year for the PGBS faculty and community.

This special issue has collected new faculty publications, awards and honors, conference presentations, as well as faculty research in the media. It spotlights research insights on sustainable operations and supply chains and highlights research tips from the faculty. It also celebrates the remarkable work that our faculty and communities have been up to this year. We hope this edition brings joy and inspiration as we enter into the holidays. Happy Holidays, and enjoy!

Looking Back 2021 with CAR

Celebrate research victories of PGBS faculty this year

Featured Research

"Creating value in operations and supply chains through sustainability efforts" by Brian Jacobs

Research Tips

Explore insights & reflections compiled by faculty



AWARDS & HONORS

Jillian Alderman was the co-winner of the Best Paper Award, for the *Advances in Accounting* 2021 Research Conference. For the paper titled, "How Do Remote Audits Impact Auditor Liability Exposure? Exploring Jurors' Perceptions of Interview Evidence Collected during the COVID-19 Pandemic". The paper has been conditionally accepted to *Advances in Accounting* for publication in 2022.

Cristina Gibson's pandemic-related call-to-action on "Care in Connecting" is the top 10 most read and top 10 most cited article of 2020 in *Academy of Management Discoveries*. "Care" acknowledges there has been a need for caution in terms of physical proximity to others, but the urgent need for compassion that individuals and organizations can provide and receive when connecting with others online in this time of turmoil.

Cristina Gibson was appointed to chair a number of key academic committees in the field between now and 2022. Including the Selection Committee for the Editor in Chief for Organization Science, the International Executive of the Year Committee for the Academy of International Business, and the Award for Responsible Research in Business and Society for the Academy of Management.

Zhike Lei has concluded her three-year editorship (since 2018) for the special issue on errors in organizations in *Academy of Management Discoveries*. Under her leadership and collaboration with five top-notch guest editors, the issue includes six discovery studies illustrating a broad range of topical themes and methodological possibilities. Four out of these six papers have been selected to be featured by AOM Insights, a record for a special issue published in all *Academy of Management (AOM)* journals to date.

Cristel Russell was appointed Chair of the Expert Panel G&M4ASP. The panel for social, political and communication sciences at the FWO, the Research Foundation Flanders, in Belgium. The expert panel reviews and decides on funding of research applications to doctoral and post-doctoral fellowships. She will serve a three-year term from 2022-2025.



RECENT PUBLICATIONS

Cristina Gibson and Terence Chia (University of Western Australia) developed the idea that mindfulness serves as a key form of cultural intelligence in diverse teams. Cultural intelligence (CQ) is the ability to interact effectively with others who are culturally different and/or in culturally challenging contexts and has been shown to minimize such conflicts. Drawing upon 35 in-depth interviews across genders, ethnicities, and locations, they illustrate the variety of ways in which mindfulness occurs in diverse teams and helps to overcome the challenges to working in such teams.

Chia, T. and Gibson, C.B. (2021) Minding mindfulness: An important process for cultural intelligence in culturally diverse teams. Forthcoming, *Oxford Handbook of Cultural Intelligence*.

Augus Harjoto, Clemens Kownatzki, Jillian Alderman, and Robert Lee recently published a paper in *Journal of Impact & ESG Investing*. This article proposes and finds evidence of correlations between a company's environmental, social, and corporate governance (ESG) score and its sustainable consumption, production and climate change initiatives. This article is the winner of the 2021 Inaugural S&P Global Academic ESG Research Award among 52 researchers across 52 high-profiled Universities.

Harjoto, M. A., Kownatzki, C., Alderman, J., & Lee, R. (2021). Sustainable Consumption and Production, Climate Change and Firm Performance. *Journal of Impact and ESG Investing*, 2 (2) 8-34.

Zhike Lei, and guest editors John Carroll (MIT), Marlys Christianson (University of Toronto), Michael Frese (Leuphana University), Eitan Naveh (Technion-Israel) and Timothy Vogus (Vanderbilt University), has an editorial article published in the special issue on errors in *Academy of Management Discoveries*. The article summarizes the key discoveries emerging in the special issue, facilitates an exchange with industrial experts on environmental, health, safety, and quality issues, and suggests future error research as a nexus of surprising phenomena, innovative practices, and nascent theory.

Carroll, J., M. Christianson, M. Frese, Z. Lei*, E. Naveh and T. Vogus (2021). Errors in organizations: Emerging patterns and new lenses. *Academy of Management Discoveries*, 7(4), 451-460.

*Authors are listed in alphabetical order

Bobbi Thomason and her co-authors Hannah Riley Bowles and Inmaculada Macias-Alonso (both at Harvard University) have a forthcoming article in the *Annual Review of Organizational Psychology and Organizational Behavior*. Their review illuminates two levers that heighten or constrain the potential for gender effects in negotiations: (a) the salience and relevance of gender within the negotiating context and (b) the degree of ambiguity (i.e., lack of objective standards or information) with regard to what is negotiable, how to negotiate, or who the parties are as negotiators.

Bowles, H. R., Thomason, B., & Macias-Alonso, I. (2021). When Gender Matters in Organizational Negotiations. *Annual Review of Organizational Psychology and Organizational Behavior*, 9.



CONFERENCES & PRESENTATIONS

Ann Feyerherm presented "Collaborating Within and Across Organizations" to the CPHR Manitoba group for their annual Future of Work Conference. She shared characteristics of collaborating, the skills needed to do so, and the increasing demand for collaborating on solving "wicked problems."

Sean Jasso presented his paper entitled "The Economics of the Pandemic: A Public Policy Analysis of American Governance" at the Annual Meeting of the International Atlantic Economic Society in October. The paper is a study in public policy analysis from policy design (the politics), implementation (the management), to evaluation (the governance) of the American response to the global coronavirus pandemic.

On November 5, 2021, **Sean Jasso** delivered the keynote, titled "The Strategy Journey - The Long View", at the Entrepreneurs' Organization Accelerator's quarterly training meeting held at The Center Club in Costa Mesa, California.

Donn Kim presented "REIT Implied Volatility: Predictability and Information," coauthored with Clemens Kownatzki, Abraham Park, and Sunghoon Kwon (Konkuk University), at the 2021 American Real Estate Society (ARES). The fall conference was hosted by UNLV Lied Center for Real Estate in Las Vegas. The research highlights enough liquidity of REIT sector options, trading volume and rich information in options data used in forecasting the future volatility.

Clemens Kownatzki and co-author Blu Putnam (CME Group) gave the keynote presentation at the Financial Management Association International (FMA) 2021 Conference on Derivatives and Volatility hosted by CBOE Global Markets. The authors presented some findings of their research on Event Risk, Options, and Risk Management.

Jaclyn Margolis and Sal Mistry (University of Delaware) recently presented a paper entitled "Helping One While Hurting Another? Identification Residue, Organizational Identification, and Team Engagement during Multiple Team Membership" at the annual Interdisciplinary Network for Group Research (INGROUP) Conference (virtual). The presentation investigates team identification in the multi-teaming context.

Dana Sumpter was invited to present her research in the fall leadership series of the organization, Women in International Trade Orange County. She shared results and applications of her findings from her research on working mothers during the COVID-19 pandemic in addressing the topics of "How to Lead Through Uncertainty" and "Sustainable Work".



RESEARCH IN THE MEDIA

A recent [Forbes article](#) on surviving the world of hybrid work draws upon **Cristina Gibson's** research regarding online 'co-presence' among global collaborators. As she notes, a key differentiator for successful collaborations in her research has consistently been the ability to establish a sense of 'co-presence' virtually. Cristina's research was also noted as demonstrating that expressive sensitivity is key for success in remote work, "people vary in their ability to convey and understand emotion online, and doing so is critical for developing a safe and supportive environment" she states based on evidence from multiple studies of global collaborations.

Clemens Kownatzki collaborated with Michael Rehenthin (Head of Data Science tastytrade. Quant at Small Exchange) on a research project that resulted in several [newsletters](#). Research focused on high volatility stocks but also discussed some basic financial valuation models like Dividend Discount models and various ratios for financial analysis.

Clemens Kownatzki was [interviewed](#) about the merits of a new structured product. Bank of America's (BofA's) \$2.85 million contingent income auto calls on an exchange traded fund that tracks energy and oil prices. The notes pay a contingent quarterly coupon at an annual rate of 8% if the shares close at or above their coupon barrier. The note could be viewed as a potential inflation hedge given its underlying correlation with general consumer price levels.

Jaelyn Margolis published an [article](#) on Psychology Today, "Finding Value in Imperfect Feedback." The article highlights research on the nature of feedback along with two strategies for extracting the helpful information from feedback.

Dana Sumpter published [an article](#) in Ms. Career Girl titled "What's next? Planning the post-Covid career pivot". Drawing from her research on working mothers during the COVID-19 pandemic, she shares four suggestions for how professional women can draw from lessons experienced during the pandemic to proactively and strategically determine a next career move, guided by the vision of what women would like their work - and lives - to be.

Dana Sumpter was interviewed by [HR Magazine](#) on how HR professionals can handle situations when they are asked by higher ups to do something illegal or unethical.





FEATURED RESEARCH

Creating Value in Operations and Supply Chains Through Sustainability Efforts

by **Brian Jacobs**, who works at the intersection of operations strategies, supply chain management, and sustainability. By examining the financial performance impacts of initiatives and events in that space (both the good and the not-so-good), his work helps managers and researchers understand the benefits but also the limitations of sustainability performance.

WHAT ARE THE MOST INTERESTING, NOVEL, AND PROFOUND FINDINGS OF YOUR RESEARCH?

As evidenced by the explosive growth of Environmental, Social and Governance (ESG)-themed funds, investors are betting on sustainability as a potential source of differentiation and competitive advantage for firms. But companies can't just declare themselves sustainable, they need to take concrete actions to achieve it - initiatives like energy and water conservation, voluntarily reducing emissions, introducing eco-friendly products, or collecting and recycling end-of-life products. By rigorously examining stock price reactions to specific initiatives or events, we can determine which types of initiatives create value, and in which contexts it is most valued by investors. Our findings tell us that investors are selective, reacting positively to many initiatives, negatively to some, and not at all to others. Initiatives seen as window dressing or green-washing are not valued. Instead, initiatives need to fit well with the firm's business model and have material impact.

For example, investors know that energy conservation at an aluminum smelter creates more value than similar measures at an office complex. It's also important to remember that conditions change over time as the norms and values of society evolve. Initiatives that were laudable (and valuable) in the 2000s might be business-as-usual today and so result in no stock price reaction.

Highlight #1. Sustainability initiatives can create real value for firms and their shareholders but the context is important to consider.

Highlight #2. Good sustainability performance is not a substitute for business basics.

The evidence is pretty clear that sustainability performance is not a substitute for other good business practices. For manufacturing firms, productivity and operational efficiency are foundational. Without those capabilities, a focus on sustainability can actually be harmful to financial performance. For productive firms, sustainability can be complementary in boosting financial performance, the proverbial win-win scenario. If we think about a firm that's good at improving processes and reducing waste, it's natural to expect that they can use similar capabilities and resources to improve sustainability measures. But non-productive firms face a choice between sustainability performance and financial performance, usually finding it difficult or impossible to succeed at both. Before firms can cost-effectively address sustainability issues, they must master the basic blocking-and-tackling of everyday operations.

Many people believe that market forces can fix all issues, including those that are sustainability-related. Although I'm a big believer in market efficiency, I've learned that market failures are not uncommon, particularly in regards to sustainability. For instance, we'd like to think that market forces reward firms that engage in responsible sourcing from ethical, green suppliers, and punish those that do not. But the evidence suggests otherwise.

In a study of Western apparel retailers that sourced from the infamous Rana Plaza factories (where 1,133 workers were killed in a 2013 building collapse), investors judged the buying companies would suffer no adverse impact. For important societal issues like this, market forces are insufficient substitutes for regulations and enforcement. Although the market is good at determining the value of sustainability efforts, it's important to remember that investors are focused on legal and financial responsibility more so than moral responsibility.

Highlight #3. Market forces are powerful but they are not sufficient to right all the potential wrongs.



WHY ARE THESE FINDINGS IMPORTANT? TO WHOM?

This research has important implications for many groups. If companies can learn to be more sustainable without harming their bottom line, all of us - individuals, companies, shareholders, and society - can benefit. The correct choice of voluntary sustainability initiatives can add value, competitive advantage, and differentiation for firms while also bettering society and the environment. However, voluntary efforts alone are insufficient. Governments and regulators still have an important role to play due to market failures. Given that it's not always clear when the private or public sectors (or both) should take action, our work also highlights the important need for activists, NGOs, and the general public, who can effectively apply pressure both to companies and governmental agencies when required.

WHAT ADVICE DO YOU OFFER TO STAKEHOLDERS, EXECUTIVES, LEADERS, AND POLICY MAKERS?

Managers, first be sure that your house is in order, and your core business is operating effectively and efficiently. If not, there are plenty of skilled resources that can help. If so, then good sustainability performance can add value to your organization and become a source of competitive advantage. Stay away from window-dressing but instead choose sustainability initiatives that are a good fit with your business, and that have the potential to have real material impact to your bottom line. When sustainability goals are not being met by private industry, governments and regulators should be asking what market mechanisms are (or are not) in place to address them. It is important for all of us that regulators recognize sustainability-related market failures so that appropriate regulations can be developed and enforced where needed. For investors and the general public, it should be encouraging that productive, well-managed firms can tackle difficult sustainability issues to help improve our environment and society, without harming their financial bottom line.





RESEARCH TIPS



JAN / FEB

The Key to Running an
Efficient Research Team

DONN KIM

MAR / APR

Whose Calls for Research Should
Business Scholars Answer?:
A “Full-Voice Meaningful” Approach

DEBRA SHAPIRO

MAY / JUN

Look Back to Look Forward:
Special Collection of faculty insights

JUL / AUG

Conducting Interdisciplinary Research:
Challenges and Opportunities

JILLIAN ALDERMAN

SEP / OCT

Integrating Rigor and Relevance

BOBBI THOMASON



2021



A LOOK BACK WITH THE CENTER FOR APPLIED RESEARCH

Academic
Publications

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The Center for Applied Research (CAR) would like to sincerely thank all PGBS faculty, staff, alumni, and readers for their support through its third full calendar year with the CAR Newsletter! Despite the ongoing challenges of the pandemic, 2021 has reached another excellent milestone of research at PGBS, with faculty research making a significant impact on academia, business and community. In honor of a wonderful year, let us take a look back at research at PGBS in 2021.

Based on voluntary reports to the center, in 2021, 48 peer-reviewed academic papers and book chapters were published (or accepted for publications) by PGBS faculty. These publications include 9 listed as FT 50 journals, such as *Harvard Business Review*, *Journal of Applied Psychology*, *Journal of Management*, *Organization Science*, and *Journal of Consumer Research*, and a number of high-impact journals such as *Academy of Management Discoveries*, *Academy of Management Perspectives*, *Annual Review of Organizational Psychology and Organizational Behavior*, *Journal of Advertising*, *Journal of Business Research*, *Journal of Real Estate Finance and Economics*, *Journal of the Academy of Marketing Science*, and more.

The center reported 18 external awards and honors received by PGBS faculty, in addition to 54 presentations, invited seminars, panels and speeches delivered by faculty at peer-reviewed conferences, universities, and institutions. 8 of our faculty had new editorial appointments and had 48 media mentions, including Business Insider, CNBC, Forbes, Psychology Today, Telegraph, Wall Street Journal, and more. CAR is exceedingly proud to celebrate the exceptional research achievements of PGBS faculty this year. We look forward to another year of excellence in 2022, and wish you a safe, joyful holiday season!

Sincerely,
Zhike Lei, Director

Editorial
Appointments

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FT 50 Journals

9

Awards
& Honors

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Conferences

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ABOUT THE CENTER FOR APPLIED RESEARCH

WHO WE ARE

The Center for Applied Research (CAR) oversees and coordinates all research-related activities at PGBS, hosting major research events, circulating research updates, creating research opportunities, and supporting and promoting the PGBS research community.

MISSION & VISION

We team up with faculty experts with a mission to tackle real-world challenges and transform cutting-edge research into real-world, positive impact. Through a collaborative, cross-disciplinary approach, the CAR strives to become the hub of a global network linking scholars, industry leaders, and students.



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