



Research Newsletter

Issue No. 11
November 2011

Research at the Beedie School of Business reflects our commitment to collaborative partnerships with the academic and business communities. Our faculty's research contributes to knowledge creation in the areas of:

Globalization and Emerging Markets, Knowledge, Innovation and Technology, Society, Environment and Governance, and Capital and Risk Management.

In this edition:

...[Upcoming dates to remember](#)

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Upcoming Dates

Please refer to the [Grant Deadline Calendar](#) on the Research Faculty Portal for a more comprehensive list of funding opportunities and other important dates.

The **Research Committee** is responsible for formulating and implementing policies and procedures that promote research excellence in the Beedie School of Business.

[Meeting Minutes](#)

SSHRC—Grant Deadlines

[Partnership Development Grants](#) **SFU Deadline:** **November 23, 2011**
SSHRC Deadline: November 30, 2011

[SFU/SSHRC Small Grants:](#) **BB Deadline:** **December 08, 2011**
SFU Deadline: December 15, 2011

[Insight Development Grants](#) **SFU Deadline:** **January 25, 2012**
SSHRC Deadline: February 01, 2012

[Partnership Grants](#) **Letter of Intent:** **February 15, 2012**
Application: By Invitation

[SSHRC Insight Development Grant Workshop](#)

Wed Nov 30, 2011

10am—12pm

AQ 6106—Bby Campus

Beedie School of Business

[Innovation Conference](#)

Fri Jan 27, 2012

Check out the **Events and Deadlines Calendar** in our Faculty Portal
[Research Events and Deadlines](#)

Add Events Calendar with iCal: <https://www.google.com/calendar/ical/s553e2cdd7edpu11j8mfagif90%40group.calendar.google.com/public/basic.ics>

Add Grant Deadlines Calendar with iCal: <https://www.google.com/calendar/ical/cb6p70408m9tc9hl94stimradk%40group.calendar.google.com/public/basic.ics>

[Evaluating Value-at-Risk Models via Quantile Regression](#)

Wagner Piazza Gaglianone, Luiz Renato Lima, Oliver Linton, Daniel R. Smith (2011). *Journal of Business and Economic Statistics*, 29(1):150-160. doi:10.1198/jbes.2010.07318.

This article is concerned with evaluating Value-at-Risk estimates. It is well known that using only binary variables, such as whether or not there was an exception, sacrifices too much information. However, most of the specification tests (also called backtests) available in the literature, such as Christoffersen (1998) and Engle and Manganelli (2004) are

based on such variables. In this article we propose a new backtest that does not rely solely on binary variables. It is shown that the new backtest provides a sufficient condition to assess the finite sample performance of a quantile model whereas the existing ones do not. The proposed methodology allows us to identify periods of an increased risk exposure based on a quantile regression model (Koenker and Xiao 2002). Our theoretical findings are corroborated through a Monte Carlo simulation and an empirical exercise with daily S&P500 time series.

[Comparing different explanations of the volatility trend](#)

Amir Rubin, Daniel R. Smith (2011). *Journal of Banking & Finance*, 35(6):1581-1597. doi:10.1016/j.jbankfin.2010.11.001.

We analyze the puzzling behavior of the volatility of individual stock returns over the past few decades. The literature has provided many different explanations to the trend in volatility and this paper tests the viability of the different explanations. Virtually all current theoretical arguments that are provided for the trend in the average level of volatility over time lend themselves to explanations about the difference in volatility levels between firms in the cross-section. We therefore focus separately on the cross-sectional and time-series explanatory power of the different proxies. We fail to find a proxy that is able to explain both dimensions well. In particular, we find that

Cao et al. [Cao, C., Simin, T.T., Zhao, J., 2008. Can growth options explain the trend in idiosyncratic risk? *Review of Financial Studies* 21, 2599–2633] market-to-book ratio tracks average volatility levels well, but has no cross-sectional explanatory power. On the other hand, the low-price proxy suggested by Brandt et al. [Brandt, M.W., Brav, A., Graham, J.R., Kumar, A., 2010. The idiosyncratic volatility puzzle: time trend or speculative episodes. *Review of Financial Studies* 23, 863–899] has much cross-sectional explanatory power, but has virtually no time-series explanatory power. We also find that the different proxies do not explain the trend in volatility in the period prior to 1995 (R-squared of virtually zero), but explain rather well the trend in volatility at the turn of the Millennium (1995–2005).

[Rethinking Business-IT Alignment](#)

Chan, Y. E and Reich, B. H. (2011). In R. D. Galliers and W.L. Currie (Eds.) *Oxford Handbook of Management Information Systems: Critical Perspectives and New Directions*, Chapter 13. Oxford, UK: Oxford University Press.

In print, July 28 2011: ISBN13: 9780199580583 ISBN10: 0199580588.

[Counting in Qualitative Research: Why to Conduct it, When to Avoid it, and When to Closet it](#)

David R. Hannah and Brenda A. Lautsch (2011). *Journal of Management Inquiry*, 20(1):14-22.
doi:10.1177/1056492610375988.

In this essay we discuss the issue of counting: the process of assigning numbers to data that are in nonnumerical form. We review why counting is a controversial issue in qualitative research, and explain how this controversy

creates what we call the “multiple audience problem” for qualitative researchers. We then identify the purposes that can be served by four different types of counting, explore when counting should be avoided entirely, and discuss when the results of counting should be concealed, or as Sutton put it, kept in the closet.

This article was featured on the Sage Management Blog when it was published, and has continued to be one of the top 20 most-read articles in JMI since its publication.

[Deciding When to Use Tablets for Business Applications](#)

Leyland Pitt, Pierre Berthon (Bentley University), and Karen Robson (2011). *MIS Quarterly Executive*, 10(3):133-139.

Like many disruptive technologies, tablet computers such as the Apple iPad are already changing the face of corporate computing and will likely have an even greater

impact in the future. The purpose of this article is to provide a set of frameworks that can be used to identify when and where a tablet computer device, and tablet applications that leverage the unique features and interaction capabilities of this device, can add value to an organization and complement an existing information system infrastructure.

[Unveiling Videos: Consumer Generated Ads as Qualitative Inquiry](#)

Pierre Berthon (Bentley University), Leyland Pitt, and Philip DesAutels (Lulea University) (2011). *Psychology and Marketing Special Issue: Dimensional Qualitative Research as a Paradigmatic Shift in Qualitative Inquiry*, 28(10):1044–1060.

Companies spend millions of dollars researching consumers, consumer attitudes to brands, and consumer uses of products. Yet the irony is that consumers are now doing this research themselves and posting their material to video-sharing sites such as YouTube.

In this paper we argue that the BASIC IDS framework (Cohen, 1999) for dimensional qualitative research can be

used to deconstruct consumer-generated videos to yield valuable insights into the paradoxes of consumer–service interactions. One category of service that has gained huge media attention of late, and yet is poorly understood, is the phenomenon of online social networks.

Using three consumer-generated ads about the social networking site Facebook, we explore the paradoxes of consumer–service interaction, namely consumers’ ambivalent attitudes to the service, how the consumer uses and is used by the service, how the service both facilitates behavior and changes behavior, and how the service mediates social interactions yet drives social actors. Finally, we locate the findings in terms of the wider context of Gen Y and the digital revolution, specify limitations, and cite implications and avenues for future research.

[Implementing Global Corporate Citizenship: An Integrated Business Framework](#)

Victoria Crittenden (Boston College), Bill Crittenden (Northeastern University), Chris Pinney (The Aspen Institute) and Leyland Pitt (2011). *Business Horizons*, 54(5):447-455. doi:10.1016/j.bushor.2011.04.006.

Recent economic, social-political, and natural disasters have all served to highlight the fragility of the global marketplace. As such, it is no longer questioned as to whether or not

companies should be good corporate citizens; that is a given. Rather, concern in the 21st century centers on how businesses can become better global corporate citizens. Unfortunately, without clear guidance regarding how this may be accomplished, global corporate citizenship will remain a fringe activity and not become a critical component of an organization's core business strategy. The integrated framework presented herein identifies key elements and tips for implementing a business-based approach to global corporate citizenship.

[IT Service Climate – An Essential Managerial Tool to Improve Client Satisfaction with IT Service Quality](#)

Jia, R. and Reich, B. H. (2011). *Information Systems Management*, 28(2):174-179. doi:10.1080/10580530.2011.562401.

Although client satisfaction surveys can assess client

satisfaction with IT service quality, they cannot easily be used to pinpoint how internal IT behaviors influence client satisfaction and prescribe solutions. This research fills the gap by introducing a concept— IT Service Climate—and a validated ten-item instrument that significantly explained client ratings of IT service quality. We recommend this measure as an effective diagnostic tool for managers aiming to improve quality and client satisfaction.

[Addressing the Shortage of Kidneys for Transplantation: Purchase and Allocation through Chain Auctions](#)

Lara Rosen, Aidan R Vining, David L Weimer (2011). *Journal of Health Politics, Policy and Law*, 36(4):717-755. doi:10.1215/03616878-1334695.

Transplantation is generally the treatment of choice for those suffering from kidney failure. Not only does transplantation offer improved quality of life and increased longevity relative to dialysis, it also reduces end-stage renal disease program expenditures, providing savings to Medicare. Unfortunately, the waiting list for kidney transplants is long, growing, and unlikely to be substantially reduced by increases in the recovery of cadaveric kidneys. Another approach is to obtain more kidneys through payment to living “donors,” or vendors. Such direct commodification, in which a price is placed on kidneys, has

generally been opposed by medical ethicists. Much of the ethical debate, however, has been in terms of commodification through market exchange.

Recognizing that there are different ethical concerns associated with the purchase of kidneys and their allocation, it is possible to design a variety of institutional arrangements for the commodification of kidneys that pose different sets of ethical concerns. We specify three such alternatives in detail sufficient to allow an assessment of their likely consequences and we compare these alternatives to current policy in terms of the desirable goals of promoting human dignity, equity, efficiency, and fiscal advantage. This policy analysis leads us to recommend that kidneys be purchased at administered prices by a nonprofit organization and allocated to the transplant centers that can organize the longest chains of transplants involving willing-but-incompatible donor-patient dyads.

[Market Efficiency and the Post-Earnings Announcement Drift](#)

Chung, D. Y. and Hrazdil, K. (2011). *Contemporary Accounting Research*, 28:926–956.

doi:10.1111/j.1911-3846.2011.01078.x

The literature on post-earnings announcement drift (PEAD) provides extensive evidence that firms with better (worse) than expected earnings experience significantly positive (negative) abnormal stock-price performance during weeks or even months following the earnings announcements (e.g.,

Ball and Brown 1968; Bernard and Thomas 1989; Freeman and Tse 1989). Fama (1998: 286) refers to the predictability of returns after earnings announcements as the “granddaddy of all underreaction events” resulting from investors’ underestimation to value relevant earnings information. The underreaction explanation, however, raises the question of why arbitrageurs do not take advantage of the mispricing opportunities thereby eliminating the drift and reinforcing market efficiency

[Strategic capability investments and competition for supply contracts](#)

Ying Li, Sudheer Gupta (2011). *European Journal of Operational Research*, 214(2):273-283.

doi:10.1016/j.ejor.2011.05.003

Suppliers often make proactive investments to strategically position themselves to win contracts with a large buyer. Such investments reduce the suppliers’ variable costs of serving the buyer’s demand. We show that an auction mechanism does not always benefit the buyer, the supply chain, or the society. We identify scenarios where the buyer can implement the supply chain and socially optimal

solution by committing to a bilateral relationship with fair reimbursement, and forgoing the benefits of competition altogether. We explore the role of commitment by the buyer (to a procurement mechanism) and by the suppliers (to an investment level) by analyzing different timing games under symmetric and asymmetric information about suppliers’ types. We show that it never benefits anyone for the suppliers to commit first.

Equilibrium investments and cost structures depend upon the buyer’s bargaining power (opportunity cost). However, the winning supplier’s investments are almost always below the supply chain optimal level.

Acknowledging Granting Agencies

http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/Responsibilities-Responsabilites_eng.asp#acknowledgement

Support for research by an Agency grant is an investment by Canadian taxpayers. The Agencies' accountability regarding this use of grant funds includes informing the public about who receives the support, the type of research that will be conducted and how funds will be administered.

Grantees are required to acknowledge the Agency in publications arising from the supported research, in conference or congress materials, and on equipment and facilities purchased and/or developed with grant funds.

Please remember to acknowledge granting agencies’ funding received in your working and published papers.

Forthcoming

The importance of industry classification in estimating concentration ratios

Hrazdil, K. and Zhang, R. *Economics Letters*. (forthcoming)

[Sustainable supply chain management: Review and research opportunities](#)

Sudheer Gupta, Omkar D. Palsule-Desai (in press). *IIMB Management Review*. Available online September 29, 2011, doi:10.1016/j.iimb.2011.09.002.

Anthropogenic emissions likely pose serious threat to the stability of our environment; immediate actions are required to change the way the earth's resources are consumed. Among the many approaches to mitigation of environmental deterioration being considered, the processes for designing, sourcing, producing and distributing products in global markets play a central role. Considerable research effort is being devoted to understanding how organisational initiatives and government policies can be structured to facilitate incorporation of sustainability into design and management

of entire supply chain.

In this paper, we review the current state of academic research in sustainable supply chain management, and provide a discussion of future direction and research opportunities in this field. We develop an integrative framework summarising the existing literature under four broad categories: (i) strategic considerations; (ii) decisions at functional interfaces; (iii) regulation and government policies; and (iv) integrative models and decision support tools. We aim to provide managers and industry practitioners with a nuanced understanding of issues and trade-offs involved in making decisions related to sustainable supply chain management. We conclude the paper by discussing environmental initiatives in India and the relevance of sustainability discussions in the context of the Indian economy.

Distinctions

As Chair of the Teaching Effectiveness Committee for the Beedie School of Business, I'd like to offer my congratulations to the 2010/2011 winners of the TD-Canada Trust Distinguished Teaching Award. As always, the quality of the candidates was exemplary, but this year, it seemed we were one step even above that. It is my pleasure to advise that the Committee has selected Rick Iverson and Michael Johnson as this year's winners of the award. Congratulations, again.

Stephen Spector

BSB University Teaching Fellow
Chair, Teaching Effectiveness Committee

TD-Canada Trust Distinguished Teaching Award

Rick Iverson

Michael Johnson

Distinctions

Best Article Award for 2011

Kristopher Hermkens, Ian McCarthy, Jan Kietzmann and Bruno Slivestre were recently awarded the Best Article Award for 2011 by the management journal *Business Horizons* for their paper [Social media? Get serious! Understanding the functional building blocks of social media](#). Read more in the [media release](#) on our SFU website.

Marc J. Dillinger, In-Coming Editor Business Horizons, wrote *“Congratulations, you have won the Business Horizons Best Paper Award for 2011. It was an excellent paper and it has already had a significant impact on academia, public policy, managerial and classroom practice. Well done. ... Thank you for publishing with us and please continue to write for us.”*

[ScienceDirect](#) lists the SFU paper among the top 10 in its list of the [hottest 25 articles published](#) in its portfolio of business management and accounting journals. Produced by Elsevier, a science and health information provider headquartered in Amsterdam, The Netherlands, ScienceDirect is one of the largest online collections of published scientific research worldwide

Adam Mills

PhD Student, Adam Mills, was the Runner-up in the Pearson Education Prize for the Best Case Study co-authored with Leyland Pitt for the case study “S*#t My Dad Says”, at this year’s Academy of Marketing Conference, in Liverpool, UK. July 2011.

Zorana Svedic

Congratulations to Zorana Svedic, a PhD candidate in MIS who was recently accepted to attend the International Conference on Information Systems (ICIS) doctoral consortium to be held in Shanghai this December. ICIS is the premier conference on information systems and entry to the doctoral consortium is highly competitive. Only 40 applicants are accepted worldwide per year. Zorana will present a paper at the consortium on the topic of her thesis titled "The Effect of Informational Signals on Business Mobile Apps Sales Ranks: A Cross-cultural Comparison".

Notes of Interest

From Sudheer Gupta...

Jack Austin Centre commissioned research, articles and opinion pieces

Update on the first call by the Jack Austin Centre for a commissioned article on US-China currency issues and its impact on Canada: Ed Bukszar's nicely written article on the subject recently appeared in the Vancouver Sun's op-ed pages. [Access the article online](#) or on the [Centre website](#). There will be another call for a commissioned article/white paper. I look forward to continued engagement with and contributions from many of you.

Blaize Reich

Blaize Reich has recently accepted an appointment to the SSHRC Vanier CGS Selection Committee for 2012. Find out more information about these [Fellowships on the SSHRC website](#).

Notes of Interest

From Tom Lawrence...

CMA Centre for Strategic Change and Performance Measurement

[Third Annual Beedie Innovation Conference](#)

January 27, 2012: 9:00am-5:00pm

Room 2800, Segal Graduate School of Business

The Beedie Innovation Conference – a one-day conference for Beedie School of Business researchers doing work on innovation to present to their colleagues. As in previous years, “innovation” is to be understood very broadly, including technological innovation, managerial innovation, social innovation, organizational innovation, financial innovation, strategic innovation, disruptive innovation, institutional innovation, etc. This is a completely interdisciplinary conference, with all members from all areas most heartily invited to participate.

This conference has been a great success for the past two years, with wonderful presentations and stimulating conversation. For this year’s conference to be similarly successful, it needs you!

A special feature of this year’s conference will be the participation of two CMA Centre Visiting Fellows – [Professor Anita McGahan](#) and [Professor Sarah Kaplan](#), both from the Rotman School of Management, University of Toronto. Professors McGahan and Kaplan are both internationally renowned scholars in the area of technological innovation.

We need Faculty members and doctoral students who want to share their work with others, and we are especially encouraging work in progress and early work. There will be both formal presentation slots and roundtable slots for people who want to share their work in a less formal manner.

We also, of course, need Faculty members and doctoral students who want to attend, listen, and react to the work of others, so mark the day on your calendar regardless of whether you want to discuss your own work. It will be a great chance to hear about your colleagues’ research and generally commune (plus, we guarantee plenty of food, drink and sweet treats).

Let me know right away if you want to share your work and I’ll make sure you have a slot. If you have any questions or concerns, don’t hesitate to inquire. Let me know if you are planning to attend, regardless of whether you want to present something (we need to know numbers for room booking and catering). Questions or RSVP to [Tom Lawrence](#).

From Daniel Shapiro...

On the subject of University Rankings

The eduniversal rankings were just released (Oct 2011). These are a bit idiosyncratic because they are mostly reputation based. Nevertheless, we are a 4 Palme School (out of 5) which means we are a top school with international recognition. The link below provides a list of other universities in our category.

Eduniversal Ranking <http://www.eduniversal-ranking.com/business-school-university-ranking-4palms.html>

Notes of Interest

Submitted by Daniel Shapiro...

Free Subscription to University Affairs Magazine

University Affairs is well known to longtime Canadian university faculty, and you may subscribe to the magazine and find it valuable. However, many younger faculty members aren't aware of the publication, and they may not know that they can [get a subscription free of charge](#), as long as it's mailed to the Simon Fraser University address (the same is true for teaching and research assistants, postdocs and graduate students – in fact anyone with a university mailing address!).

Aspen Institute's Alternative Business School Ranking

York U, UBC, uCalgary, Concordia listed in Aspen Institute's alternative business school ranking: The Aspen Institute Center for Business Education has released the latest edition of "Beyond Grey Pinstripes," its biennial survey and alternative ranking of 100 full-time MBA programs worldwide.

The 4 Canadian business schools to make the list are those at York University (2), the University of British Columbia (24), the University of Calgary (35), and Concordia University (42). Of the 100 schools ranked, York U's Schulich School of Business placed first in the areas of relevant course work and faculty research.

[Aspen Institute Full-Time MBA Ranking](#) | [Concordia News Release](#)

From the Director...

Jack Austin Centre for Asia Pacific Business Studies

We are looking to significantly expand our research activities over the coming months, and encourage all interested faculty members to get involved. At present, the Centre's research themes include the following: FDI flows between Canada and

Asia, Corporate Governance, Corporate Culture, Innovation and Entrepreneurship, Environmental Issues, and Global Supply Networks. We'd welcome contributions from faculty with active research that focuses on one or more of these themes and helps inform Canada-Asia relations. Please contact the Director, [Sudheer Gupta](#), for more details.

Visit our website: <http://business.sfu.ca/jack-austin-centre/>

Carolyn Egri

In July 2011, Carolyn started as Associate Editor of the Essays, Dialogues and Interviews section of the *Academy of Management Education & Learning Journal*. About the [AMLE Editors](#).

Submitted by Barbara Burkhardt...

Citation by Citation, New Maps Chart Hot Research and Scholarship's Hidden Terrain

Imagine a Google Maps of scholarship, a set of tools sophisticated enough to help researchers locate hot research, spot hidden connections to other fields, and even identify new disciplines as they emerge in the sprawling terrain of scholarly communication. Creating new ways to identify and analyze patterns in millions of journal citations, a team led by two biologists, Carl T. Bergstrom and Jevin D. West, and a physicist, Martin Rosvall, has set out to build just such a guidance system. [Full article](#).

InCites—InCites, from Thomson Reuters, is a customized, citation-based research evaluation tool on the Web that enables you to analyze institutional productivity and benchmark your output against peers worldwide. This is a new database available through SFU Library Services with off-campus access: <http://cufts2.lib.sfu.ca/CRDB/BVAS/resource/11649>

Free, online training is available: http://thomsonreuters.com/products_services/science/training/incites/

Notes of Interest

Tri-Agency Statement (SSHRC, NSERC & CIHR)

[Consent to Disclosure of Personal Information](#)

November 17, 2011

Statistics on the agencies' Web sites indicate that standards of integrity in the agencies' research communities are very high, and that serious breaches are extremely rare. Until now, the agencies have not disclosed the names of individuals who have committed serious breaches. In order to ensure full accountability and transparency for the proper use of public funds in supporting research, the agencies will now require all researchers applying for funding to provide a *Consent to Disclosure of Personal Information*, allowing them, in cases of a serious breach of agency policy and subject to applicable laws, including the Privacy Act, to publicly disclose: 1) the name of the researcher; 2) the nature of the breach; 3) the name of the institution where the researcher was employed at the time of the breach; and 4) the name of the institution where the researcher is currently employed.

For more information about the Consent to Disclosure of Personal Information, please consult the [Tri-Agency FAQs](#).

New book from the Library

[Globalization of Management Education: Changing International Structures, Adaptive Strategies, and the Impact on Institutions](#),

MyiLibrary. Report of the AACSB International Globalization of Management Education Task Force. Tampa, Fla: AACSB International; 2011.

Rarely, if ever, have business schools experienced change as far-reaching and powerful as during the current wave of globalization. Understanding these changes, and their implications, was the charge given to an AACSB Task Force on Globalization of Management Education. In this comprehensive report, the Task Force explores broad globalization trends in management education that command the attention of any individual or institution striving to navigate in today's environment. Then, by exploring individual business school strategies, it provides valuable insights into how business schools can and should respond. The report aims to encourage and guide business schools to embrace globalization in ways that are mission-appropriate, manageable given available resources, and meaningful to the stakeholders being served. For organizations serving business schools, it will be a catalyst for action that elevates and improves business schools' capabilities. Readers will be left with the conviction that great opportunities exist for business schools to move from keeping pace with the sweeping changes of globalization, to leading the way.

The logo for Simon Fraser University (SFU) features the letters "SFU" in a large, white, serif font centered on a red rectangular background.

BEEDIE SCHOOL OF BUSINESS
SIMON FRASER UNIVERSITY

Please share your current research, latest publications, awards or grants, what your PhD students are doing or just an interesting fact you came across, by emailing us at bresearch@sfu.ca and we will endeavor to include it in our next faculty newsletter.

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