The University of Alberta is one of the top research institutions in Canada. The Alberta School of Business continues to believe in rigorous research, research intensity, and relevant impact across all our disciplines. With this opportunity, I would like to highlight our outstanding reputation according to two leading global organizations:

American Marketing Association:

The Chicago-based American Marketing Association (AMA) is the premier academic body globally for marketing scholars with close to 30,000 members worldwide. The School’s Marketing Department ranks #28 in the AMA DogSIG Top-50 ranking of university research productivity in premier marketing journals. This same group ranks Jennifer Argo (consumer influence theory) at #10 and Gerald Häubl (consumer decision making) at #34. Jennifer was also honored (see inset) with the AMA Erin Anderson Award and Robert Fisher (marketing strategy) with an AMA Distinguished Service Award.

Academy of Management:

The New York-based Academy of Management is the premier academic body globally for management scholars with close to 20,000 members worldwide. Our accolades include Best Book for Michael Lounsbury and Best Article for Royston Greenwood along with several faculty and students receiving Best Paper Awards and serving as area Chairs. Read about the world’s best institutional theorists, as well as their amazing colleagues throughout this publication.

Cultivating a climate of mentorship and collaboration to produce rigorous and relevant research is a common thread. Our senior faculty mentor our junior faculty who mentor our doctoral students who take those relationships into the world.

Leaders from Alberta for the World is our vision – scholarship and mentorship are core values.

JENNIFER ARGO: ACCOMPLISHED, UNPARALLELED

CHICAGO, February 7, 2014 /PRNewswire-USNewswire

The American Marketing Association Foundation announces Jennifer Argo, the George M Cormie Professor of Marketing at the Department of Marketing, Business Economics and Law, University of Alberta, as the recipient of the 2014 Erin Anderson Award for an emerging female marketing scholar and mentor. Shared Sandy Jap, Chair of the Award Committee:

“Jennifer Argo is not only a fantastically accomplished researcher, her mentoring of doctoral students and junior faculty (across the field and at various institutions) is unparalleled. Over the course of her career, she has demonstrated tenacity, grit, and a great deal of compassion, all of which are synonymous with the spirit of the Erin Anderson Award. The Award Committee offers our unqualified support and congratulations and looks forward to her continuing contributions in the future.”

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LEADERS FROM ALBERTA FOR THE WORLD

Companies spend billions of dollars each year to reward loyal customers. In line with the social nature of many forms of preferential treatments, loyalty programs often extend their rewards to not only the VIP but also to the VIP’s guests (i.e., an entourage). Across six studies, we find that allowing VIPs to share their preferential treatment with an entourage increases the amount of status the VIP experiences. This research has implications for the design of loyalty programs as it underscores the importance of allowing VIPs to share their preferential treatment with their guests.


Based on five years of field work and interviews in a multi-national corporation, the paper explores how globalization discourses are engaged with, consumed, appropriated, re-produced, disseminated, and promoted. Using Said’s (1975/1997) concepts of authority and molestation, we examine how performance management systems (notably the BSC) are translated and customized within local manufacturing plants and sales units in the UK and China. We emphasize the importance of discourse in understanding control systems in general and the way in which external discourses impact the internal practices of the organization, focusing specifically on how managers make use of financial (EBIT) and non-financial measures (employee suggestions). We conclude that the globalizing effects of performance management systems operate even in the absence of explicit statements about globalization.


Researchers, practitioners, and standard setters emphasize the importance of disaggregating financial statements into operating and financial activities. We consider whether and when the operating/financial disaggregation improves forecasts of profitability. Our study provides timely evidence concerning how analysts and investors might best use the operating/financial disaggregation for forecasting profitability.


We show that, while central bank foreign exchange market intervention purchases and sales both significantly influence the exchange rate bid-ask spread, the direction of the intervention matters for the resolution, or creation, of uncertainty in the market. Depending on the direction of intervention, we show that intervention can, in fact, reduce market uncertainty. This is a new and interesting result of practical relevance to authorities with the mandate to carry out interventions. It is also a result that has implications for hedge funds and other speculators that may profit when spreads widen or narrow with intervention in a predictable manner.


While entrepreneurship serves as an engine for economic and job-based growth, approximately half of all new entrants survive less than five years. The recognition of these concurrent realities has spurred the exponential growth of support services for new businesses. Drawing on data from 178 university-based incubators hosting over 2,000 new firms, we highlight that the founding density within new firms’ local environments determines the type of resource dependencies that the firms are likely to face and, in turn, the services that are most likely to positively affect the survival of those firms.
NEW CHAIR AND NEW COURSES

NEW CHAIR – A GLOBAL PERSPECTIVE

• Rasmus Fatum, Eldon Foote Professor in International Business, is the new Chair of the Department of Marketing, Business Economics and Law.

• Rasmus’ own areas include international economics, international finance, and monetary economics (see page 2).

• Rasmus received his PhD from the University of California, Santa Cruz, where he is a Research Associate with its Center for International Economics.

• He is also a Research Associate of the Global and Monetary Policy Institute at the Federal Reserve Bank of Dallas and with the Economic Policy Research Unit at the University of Copenhagen.

NEW FACULTY – NINE TO FIVE

An intensive recruiting drive continues to bring professors to the U of A from some of the top business schools in the world. (Gary Lamphier, Edmonton Journal)

Nine, including Matthew Grimes (see New Courses), joined last year followed by this year’s ‘fabulous five’:

JEVAN CHERNIWCHAN, University of Calgary (Environmental Economics)
CHRISTINA MASHRUNAIA, Baruch College, New York (Capital Markets)
SHAMIN MASHRUNAIA, Baruch College, New York (Capital Markets)
NAOMI ROTHENBERG, University of Memphis (Management Accounting)
KANGKANG WANG, Washington University (Consumer Marketing)

NEW COURSES – NEW VENTURES

• Matthew Grimes’ research includes the survival of business incubated firms (see page 2) and social entrepreneurship.

• Matthew taught a new course – Starting a Social Venture – in the fall of 2013.

• He is also instrumental in the support of the new University of Alberta-wide entrepreneurship initiative – eHUB – and will be teaching the first Entrepreneurship 101 class next fall which is open to all undergraduate students at the University of Alberta.

• Matthew completed his graduate studies at Oxford University and Vanderbilt University.

NEW GRANTS AND FELLOWSHIPS

TEN TOPPING $1 MILLION

At the University of Alberta, we continue to be a leading social science faculty with higher than average grant success. In 2014, we received ten SSHRC grants, topping $1 million, for ten relevant research topics. PI indicates Principal Investigator.

ONLINE COLLABORATION

Ofer Arazy (PI) – SSHRC IG grant $363,591 (Wiki DNA: Uncovering the patterns of online collaboration)

RECYCLING DECISIONS

Jennifer Argo (PI) – SSHRC IDG grant $74,151 (The role of product identity in recycling decisions)

UNCONVENTIONAL GAS

Joel Gehman (PI) - SSHRC IDG grant $70,729 (Predatory selection: An analysis of cultural vulnerability and opportunity exploitation in unconventional gas well drilling). Ranked #1 among emerging scholars

STRUCTURE WITHIN AND ACROSS

Mike Louisbury (PI) – SSHRC Connections grant $24,835 (The structure and structuring of work within and across organizations)

BRANDING AND CONSEQUENCES

Yu Ma (PI) – SSHRC IG grant $81,729 (An empirical investigation of ingredient branding strategy and its consequence on partner brands)

LEADERSHIP – DO CEOs MATTER?

Egor Matveyev (PI) - SSHRC IDG grant $63,842 (Do CEOs matter? Evidence from exogenous variation due to deaths). Co-PI is Lukas Roth

PRODUCTIVITY AND PUBLIC POLICY

Alice Nakamura (PI) – SSHRC IG grant $108,600 (Productivity: Measures, measurement errors, and public policies)

CHANGE AND ADDICTIONS

Trish Reay (PI) – SSHRC IG grant $208,276 (Change in a complex mature organizational field: The case of addictions services). Royston Greenwood is Co-PI.

FACULTY FELLOWSHIPS 2013/14:

Canadian Utilities - Sarah Moore - ‘Don’t by’ or ‘Do not buy’? Negation processing and product evaluations.

Nova Management of Technology - Matthew Grimes - How do organizations’ efforts to promote different types of collective identities affect crowdfunding success and failure?

HE Pearson - Adam Esplin - Does long-term management guidance mitigate investors’ and managers’ short-term focus?

GRA Rice - Mengxin Zhao - Objectives, potential significance, research design and contributions

Southam/Edmonton Journal - Joel Gehman - Fracking patents: Mapping the hydraulic fracturing patent landscape, 1947-2012


The Alberta School of Business congratulates our 2014 McCalla Professorship recipient Armann Ingolfsson.

Production cost is a major determinant of the viability of oil sands mining; for open-pit oil sands mining, haul trucks account for a large proportion of the production cost. We formulate easily solved optimization problems for determining the least-cost configuration of shovels and trucks that can supply a processing plant with the desired ore throughput. Our models not only have the potential to improve truck allocation and dispatching in oil sands mines; they could also be used to support planning in other transport applications such as earth moving in the construction industry and civic waste collection.


We provide in this paper strong evidence that, at the firm level, import competition is negatively related with innovation basicness. Given the importance of basic innovation for growth and welfare, finding basic innovation diminishes in relative terms with increased import competition is suggestive. We propose that domestic innovation policy needs to change with trade policy to ensure the socially optimal level of basic innovation is attained.


We examine how personal characteristics and marketing factors affect the healthfulness of food purchases and how food intake changes following a diagnosis of Type 2 diabetes in the household. Households with higher education and better knowledge of nutrition tend to consume fewer calories, sugar, and total carbohydrates and, ironically, households with higher self-control tend to over-consume health food and results in unnecessary calories. We also find that the consumption of sugar and carbohydrates decreases significantly in response to a diabetes diagnosis, but the intake of fat and sodium increases due to the hyperfocus on blood sugar.


We are pleased to announce David McLean as The Dianne and Irving Kipnes Chair in Finance and Development.

Some allege that institutional investors mislead investors by portfolio pumping, which involves intensive year-end buying that inflates performance, and window dressing, which involves year-end trades that distort reported holdings. We contribute direct evidence to the literature with a large sample of daily institutional trades over a 12-year period. We find that both institutional buying and selling decline at year-end. The selling decline is greater than the buying decline, which helps explain why previous studies find year-end price inflation. We find no evidence of window dressing as institutions are not more likely to buy high-past return stocks, or sell low-past return stocks, at year-end.


We find inherited family firms more important in post-war Japan than generally realized and also performing well on average. Non-consanguineous heir-run firms outperform blood heirs’ firms, and roughly match founder-run listed firms, while blood heirs surpass professional managers at running family firms. Further, succession events suggest that adopted heirs ‘cause’ elevated performance. We suggest that heir-run firms do well because non-consanguineous heirs displace the least talented blood heirs, the non-consanguineous heir ‘job’ motivates professional managers, and the threat of displacement encourages blood heirs’ effort and human capital accumulation, mitigating the ‘Carnegie conjecture’ that inherited wealth deadens talent.
RESEARCH RELATIONSHIPS - CAPITALIZING CHINA

Randall Morck, Stephen A Jarislowsky Chair in Finance and Distinguished University Professor of Business, is very much focal to research and teaching in Finance at the Alberta School of Business. A native of Alberta, Randall earned undergraduate degrees from Yale and a PhD from Harvard University before returning to join the School in 1986 and has been here ever since.

His Boston connections have benefited the School greatly. In 1999, Randall was appointed a Research Associate with the National Bureau of Economic Research (NBER), a research institute that has been based in Cambridge, Massachusetts since the 1970s. The NBER is committed to unbiased and scientifically rigorous economic research that avoids pushing specific policy recommendations and to its dissemination to public policymakers, business professionals, and researchers throughout the world. Randall has organized several high-profile NBER research programs - most recently its “Capitalizing China” project, which explores all aspects of China’s rapidly changing economy.

Randall has published over 100 journal articles and book chapters and is among the most highly cited economists in the world. His work ranges across institutional investors, corporate takeovers, controlling shareholders, family firms, and corporate governance; all with the goal of illuminating how financial markets organize economies and help lift living standards (or not). Some of his recent work contrasts these issues across different countries. His work on Japanese family firms (see page 4) has attracted recent attention in the media.

Current Works-In-Progress:

Powerful Independent Directors
- a study showing how boards actually can add to firm value if the right people are on them.

Business Groups in the United States: A Revised History of Corporate Ownership, Pyramids and Regulation, 1930-1950
- a study of how US Robber Baron capitalism ended in the mid-20th century.

Productivity Growth and Stock Returns: Firm- and Aggregate-Level Analyses
- a study of wealth creation and wealth destruction associated with new technology.

State-controlled Banks and the Effectiveness of Monetary Policy
- a critique of macroeconomic policy and how banks are dealt with in financial crises.

Incentives and Outcomes: China’s Environmental Policy
- a prescription for using China’s existing system of policy carrots and sticks to clean up its worsening environmental problems.

MANAGEMENT RESEARCH NETWORK

SSRN - UNIVERSITY OF ALBERTA SCHOOL OF BUSINESS RESEARCH SERIES
BRANDED eJOURNAL - YEAR ONE HIGHLIGHTS

TOP DOWNLOADS

#1 - KARIM JAMAL - 373!
“A Cognitive Approach to Fraud Detection”
January 3, 2006
Journal of Forensic Accounting

#2 - DAVID COOPER - 245!
Popularizing a Management Accounting Idea
The Case of the Balanced Scorecard
August 18, 2011
AAA 2012 Meeting Paper

#3 - KYLE MURRAY, ADAM FINN, PETER POPKOWSKI LESZCZYC - 224!
“The Effect of Weather on Consumer Spending”
July 6, 2010
Journal of Retailing and Consumer Services

GLOBAL IMPACT
FACULTY PUBLICATIONS:


Prior research has clearly shown that consumers struggle to make decisions that are consistent with their long-term goals. Eating behaviour has been of particular interest as North American obesity rates now exceed one-third of the population with related annual healthcare costs of $150 billion. Studies in this area have called into question the freewill of consumers who often appear to lack the willpower necessary to manage their own behaviour. In contrast, our research has demonstrated that simple decision aids – such as enhanced nutritional labels – not only help consumers make better decisions but can also increase their willpower.


We already know how ideas diffuse or spread from one organization to another, but our study focuses on how these good ideas can actually be transformed into new workplace practices. We followed four cases of change in health care settings over six years and found that managers played a surprisingly critical role. They facilitated change by encouraging health professionals to first theorize and then (most importantly) try the new practices so that they could collectively develop new meanings that institutionalized the new ways of working. These findings help to improve our knowledge of how to successfully change workplace practices.


We investigate whether having an upstream or downstream manager privately observe an interim performance measure and disseminating this measure to the other manager is valuable to firm owners. If the upstream manager privately observes the signal, there can be a higher incentive cost of the downstream manager if the signal is sufficiently forward-looking. If the downstream manager privately observes the signal, the tradeoff involves information rents to the downstream manager versus a reduced incentive cost for the upstream manager. Private observation of an interim signal is valuable to firm owners if it is not too forward-looking and the choice between upstream and downstream manager depends non-trivially on the signal’s backward-looking quality. The results have important implications about the role of incentives in the production of interim financial performance measures and non-financial performance measures.


We examine whether the magnitude of an anticipated income change impacts consumption smoothing (i.e. the magnitude hypothesis). Even though this hypothesis has been discussed for 50 years, we are one of the first to provide formal statistical evidence to support it. We consider the natural experiment of an individual’s final mortgage payment, which is an anticipated income change, and examine how it impacts credit card expenditure. We can identify causality because the dates of final mortgage payments across individuals are uncorrelated with unobserved determinants of consumption. Using an event study methodology, we provide evidence to support the magnitude hypothesis.


Our research finds that firms with higher asset growth rates subsequently experience lower stock returns in a number of international equity markets. This negative effect of asset growth on returns is stronger in more developed capital markets and markets where stocks are more efficiently priced but is unrelated to country characteristics representing limits to arbitrage, investor protection, and accounting quality. Our evidence suggests that the relation between asset growth and stock return is more likely driven by optimal corporate investment decisions rather than by over-investment, market timing, or other forms of mispricing.

Family firms seek to employ family members, pass on ownership and management of the firm to the next generation, and maintain the family’s social status in the community. One factor that helps family firms achieve these goals is having a good corporate reputation, which is, simply put, how well stakeholders like the firm. Therefore, family firms are highly motivated to act in ways that enhance reputation and thus benefit the family group, known as in-group favouritism in social identity theory. We find empirical support in a sample of 194 large family and non-family firms in eight countries with disparate governance systems and cultures.

Evelyn Micelotta - submitted by David Deephouse, Associate Dean, Alberta PhD

Evelyn Micelotta exemplifies the international dimension of our PhD program. She is a native Italian who joined us in 2009 after completing three university degrees in Milan.

Specializing in organization theory, she recently published a paper with Professor Marvin Washington (see right) which was just awarded a Best Paper by the Academy of Management. This paper appeared in Organization Studies, one of 45 journals in the Financial Times list of leading business journals. Some of her other work has appeared in Annals of the Academy of Management, Family Business Review, Research in the Sociology of Organizations, and Sviluppo e Organizzazione.

In response to these many achievements, the University of Alberta awarded her the prestigious Killam Scholarship, the most prestigious graduate award administered by the University.

Evelyn’s doctoral research examines a rapidly emerging global phenomenon: Open Access Scientific Publishing. The Open Access movement averts that scientific progress will be hastened by removing the costs for people to access scientific knowledge. Traditional scientific publishers have been working to accommodate this movement. Evelyn is currently analysing her data and expects to defend her dissertation in July 2015.

Mia Raynard - submitted by Royston Greenwood, TELUS Professor of Strategic Management

Mia Raynard, also a PhD candidate in the Strategic Management and Organization Department and recipient of a prestigious Killam Scholarship, has received another success. She too will shortly have a paper published in the Best Paper Proceedings of the 2014 Meeting of the Academy of Management. The Academy has almost 20,000 members.

Prior to entering the PhD program, Mia worked in Southeast Asia and obtained an MBA degree at the National Sun Yat-Sen University and a Bachelor of Commerce degree at McGill University. Her research, which investigates organizational responses to shifting societal expectations and with how organizations cope with conflicting societal demands, has been published in the Academy of Management Annals, Research in the Sociology of Organizations, and the Family Business Review. She is currently working on her dissertation, which examines the intersection between corporate political activity and organizational behaviours in China. During the course of her dissertation work, she spent time at Harvard Business School.

Mia serves on the AOM Organization Management Theory Communications Committee and the editorial review board of the Family Business Review.


GLOBAL IMPACT
The Alberta School of Business has the best collection of institutional theorists in the world, says Tyler Wry, ’12 PhD, whose program focused on the commercialization of nanotechnology. Tyler is now Assistant Professor at Wharton, consistently one of the world’s top five business schools.

What is Institutional Theory?

Institutional theory is the study of the formal (e.g., laws) and informal (e.g., routines, norms, beliefs, logics) rules that govern how organizations behave and in whose interests they do so. Institutionalists are interested in the formal and informal rules that shape the behaviour of markets and of organizations and underpin the governance of industries and fields (e.g., education, energy, financial markets). While institutional theory has conventionally focused on how such governance arrangements became so deeply taken for granted that alternatives are often unthinkable, the institutional logics perspective has focused more attention on the variety of alternatives that exist and how extant rules and governance systems can be challenged and replaced. Knowledge cumulation in this area has led some to also focus on developing normative policy prescriptions for the (re-)design of governance systems.

ACADEMY OF MANAGEMENT – BEST BOOK

The Institutional Logics Perspective: A New Approach to Culture, Structure and Process
Patricia Thornton (Duke), William Ocasio (Northwestern), Michael Lounsbury (University of Alberta).

Michael Lounsbury is Professor, Thornton A Graham Chair, Associate Dean of Research, and a Principal Investigator at the Canadian National Institute of Nanotechnology. The George R Terry Book Award is granted annually to the book judged to have made the most outstanding contribution to the advancement of management knowledge. The book is about how institutional logics perspective transforms institutional theory.

ACADEMY OF MANAGEMENT JOURNAL – BEST ARTICLE

“From practice to field: A multi-level model of practice-driven institutional change.”
Michael Smets (Oxford), Tim Morris (Oxford), Royston Greenwood (University of Alberta).

Royston Greenwood, TELUS Professor of Strategic Management, is the first academic to ever win this award twice; this is only the fourth time that researchers from a UK institution would win in its 28-year history. Royston won the Best Paper Award for the first time in 2007 along with colleague Roy Suddaby for their paper “Institutional entrepreneurship in mature fields – The Big Five accounting firms,” which would go on to win the 2012 Greif Research Impact Award for the most impactful paper measured by citations over a five-year period. Royston has also been honoured as the 2014 “Distinguished Scholar” of the Organization and Management Theory division of the Academy of Management.

The 2013 winning paper examines the cross-border collaboration of English and German lawyers in global law firms. Shared the Best Paper Committee:

“This is an exemplary paper, addressing a fundamental question about how institutions change. The paper is notable both for its basis in rich and rigorous case study analysis and for the insightful theoretical model developed from this analysis. It is also exceptionally well-written, making a complex set of data and ideas accessible to those from across the management field. Members of the Best Paper Committee, which was made up of scholars working at diverse levels of analysis and drawn to very different questions and methodologies, all saw this article as outstanding in its insight and rigour.”

Award-winning PhD students Mia Raynard and Evelyn Micelotta with two of their mentors, Professors Michael Lounsbury and Royston Greenwood.