



Babson Faculty Research Fund 2006-2007 Annual Report

2006-2007 BFRF Members

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Executive Summary

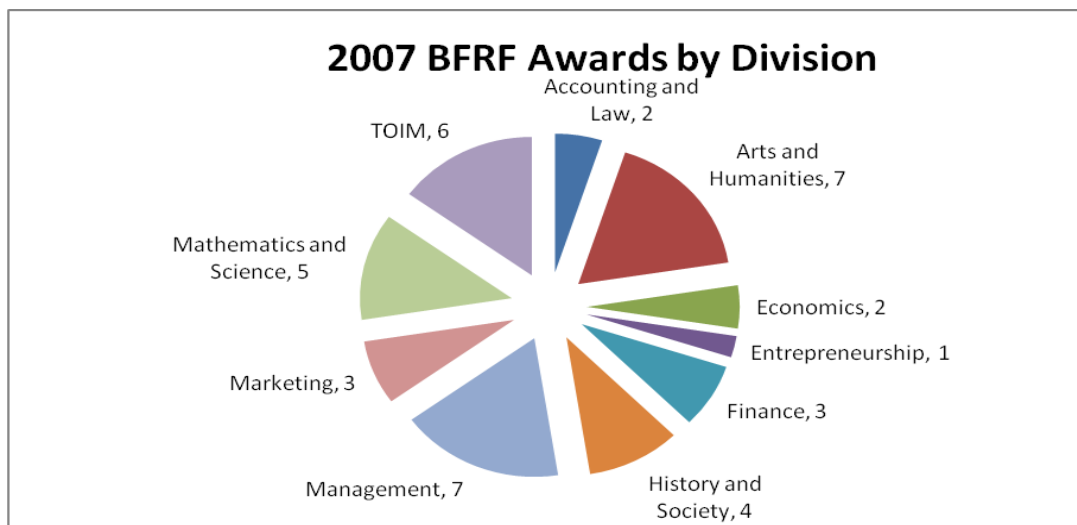
Mission Statement

The Babson Faculty Research Fund's mandate is to encourage and support a variety of thought leadership and research activities, with the following objectives paramount:

- to sustain, enhance, and renew the intellectual vitality of faculty by supporting the building of intellectual capital through meritorious research; and
- to increase the public visibility and academic reputation of the College and its faculty, regionally, nationally, and internationally.

Awards

Through a competitive process the BFRF provides financial support and course releases for research projects it deems to have the most promise of fulfilling the BFRF's mission. The BFRF made 40 awards – 7 major awards (more than a single release or stipend), 15 course releases, 6 summer stipends, and 12 Mini-Grants (awards of less than \$2500). In total 24 course releases, 11 summer stipends, and over \$35,000 for research expenses were allocated.



Other Activities

In addition to making awards, the BFRF sponsored ten Research 'Chat' programs, reviewed and accepted thirty-three Final Product research submissions – twelve from Board of Research awards and twenty-one from BFRF awards, published 6 newsletters, and enhanced its presence on the Babson website.

Babson Faculty Research Fund Awards

2007 Summer Stipends

Elaine Allen, Mathematics and Science/Entrepreneurship and **Nan Langowitz**, Management

“The Leadership Profile of Established Women Entrepreneurs in Massachusetts: 2000 – 2006”

This project focuses on an analysis of those women leaders who are also the founders of their firms, i.e. to look longitudinally at established women entrepreneurs in Massachusetts. Given the richness of the data set, we will look at these women entrepreneurs and conduct analysis with respect to firm size, industry, ownership, CEO demographics and background, organizational and leadership characteristics, and business attitudes.

Craig Ehrlich, Accounting and Law

“May CPAs use exculpatory clauses in their letters of engagement?”

This research explores and clarifies the issue of whether exculpatory clauses, now frequently showing up in accounting letters of engagement to reduce massive malpractice liability, will be enforced by the courts.

Elizabeth Goldberg, Arts and Humanities

“Cross-Currents/Emerging Paradigms,” Chapter 16: *Cambridge History of African American Literature*.

The Cambridge History of African American Literature will present both a chronological description of African American literature in the United States (1600-2006), and an explanation of the convergence of oral and printed literary traditions in its development.

This chapter addresses experimental literature that revises existing historical and literary tropes; that brings together various genres in one literary text; and that extends the borders of African American literature to emphasize connections among literatures of the African diaspora.

Shari Laprise, Mathematics and Science

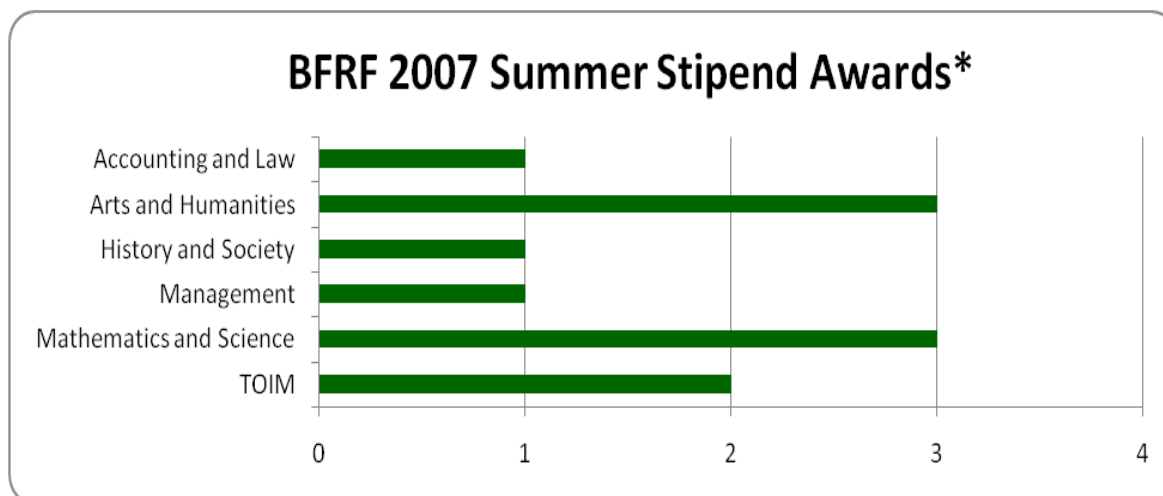
“Investigation of the role of RASSF1A in the cell death response in cancer models”

The RASSF1A protein is believed to play a defensive role in cancer by regulating the suicide of pre-cancerous cells, and alterations to the RASSF1A gene have been detected in many human cancers. The goal of this project is to elucidate the function of RASSF1A in the cell death response.

Dessislava Pachamanova, Mathematics and Science

“Generalized Deviation Portfolio Allocation: Relation to Utility Theory and Empirical Evidence”

It has been well-documented that skewness in the distribution of future asset returns is an important factor in asset allocation. We suggest a new measure of asset skewness, generalized deviation. In contrast to other risk measures that have been suggested in the literature, generalized deviation can be naturally linked to expected utility maximization. We explore other properties of the generalized deviation, and study the performance of the mean-generalized deviation framework in computational tests with simulated and market data.



*Includes stipends within major awards.

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Major Awards

The BFRF made seven Major awards (multiple course releases or combined releases and stipends) to support a variety of research projects.

Lisa Colletta, Arts and Humanities, received course releases for her book, *Voluntary Exiles: British Novelists in Hollywood, 1935-1965*. Colletta's time will be used to complete her book manuscript which examines the life and work of British novelists working in Hollywood in the middle decades of the twentieth century through the lens of literary and film history, memoir, and travel narrative.

Mary Godwyn, History and Society, is working on a book, *Narratives and Images of Minority Women Entrepreneurs*. Godwyn was awarded a stipend, course releases, and travel funds. This major research project, undertaken with Donna Stoddard, TOIM, is an integration of entrepreneurship studies and sociological theory. The ethnographic exploration of atypical business owners and an analysis of the businesses will provide visibility to minority women entrepreneurs that reflects their burgeoning numbers and redresses their lack of representation in the literature on entrepreneurship.

Ivor Morgan and **Jay Rao**, TOIM, each received a stipend and course release for their book, *Experience Innovators*. Morgan and Rao have created a new typology for classifying service industries – Positive, Routine and Negative services. Having completed the work on negative and routine service industries, they now focus on 10-12 positive service companies to complete their manuscript.

Lydia Moland, Arts and Humanities, has a course release, stipend, and travel funds to write an article. "Aesthetic Reflection: Hegel, Art and the Citizen's Disposition" will connect Hegel's aesthetic and political theory through analyzing Hegel's *Aesthetics* and the literature he discusses.

Mary O'Donoghue, Arts and Humanities, has a stipend and course release to work on her next book, *Aquitania: a Poetry Collection*. Each of the three-part poetry book is situated in sea-faring. *Wrecks* focuses on shipwrecks; *Transports* is based on the conveyance of convicts from Ireland and England to Australia in the 18th and 19th centuries; and *The Ship Beautiful* is a long narrative poem detailing the end of a relationship during a transatlantic crossing aboard the *Aquitania* in the early 20th century.

Srinivasa Rangan, Management, was awarded course releases for his book, *Globalization of Entrepreneurial Capitalism*. Global capital flows are dramatically changing the global business ecosystem by promoting new companies, new industries, new division of labor, and even new regulatory mechanisms; and these flows are changing the nature of entrepreneurship all over the world in fundamental ways.

Course Releases

The BFRF awarded fifteen single course releases that will be taken during the 2007-2008 academic year.

Kevin Bruyneel, History and Society,

"Hierarchy and Hybridity: The Silent Role of Colonialism in Shaping the American Racial Order"

This paper demonstrates that there is a persistent colonialist tradition in U. S. politics that can be seen in the political and legal process that perpetually re-creates luminal 'no-man's lands' on American political boundaries.

Elizabeth Goldberg, Arts and Humanities

"Living in the Awakened Dark: Race, Poverty, and Genocide in Edwidge Danticat's *The Farming of Bones*"

Goldberg uses the novel as a site of exploration of converging strains of intellectual and political work in literary studies, human rights, and critical race theory.

Michael Goldstein, Finance

"Purchasing IPOs with Commissions: Theoretical Predictions and Empirical Results"

This research studies how lead underwriters allocate IPOs to the underwriter's best clients and to short-term traders who increase the commissions they pay around the IPO issue date.

Dana Greenberg and **Elaine Landry**, Management

"Negotiating after the Negotiation: The Challenge of Implementing Flexible Work Arrangements"

This research uses in-depth qualitative interviews to investigate the actual outcomes of negotiated agreements and, specifically, the implementation issues and experiences women face as they navigate the ongoing conflict situations inherent in working a flexible schedule.

Gang Hu, Finance

"Voting and Trading in Acquisitions by Institutional Investors"

This study explores the institutional investors' role in corporate governance by analyzing their voting and daily trading behavior around mergers and acquisitions between 1999 and 2005.

Donna Kelley, Entrepreneurship

"Organizational Characteristics of Breakthrough Technologies"

This research has two objectives: to understand (1) the regional and organizational type differences of breakthrough technologies versus nonbreakthroughs and (2) the organizational origins of the prior art they build on.

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Yoo-Taek Lee (joint with **Kathleen Sweet-McKone**), TOIM

“The Role of Complementary Resources in Developing Competitive Supply Chain by Implementing Web-Based Applications”

This paper investigates the role of complementary resources in developing competitive supply chains by implementing web-based applications based on survey data collected from more than 500 firms from 11 industries in Korea.

Toni Lester, Accounting and Law

“Mediating LGBT Empowerment -- Does Mediation Help or Hurt LGBT Employment Discrimination Claimants?”

This research explores whether or not mediation actually achieves its desired outcomes in the context of LGBT employment discrimination dispute resolution.

Mark Potter, Finance

“Jekyll or Hide: Behavior of Managers Who Run Multiple Funds”

This study provides empirical evidence on the performance, risk-taking activity, and tournament behavior of multiple-fund managers relative to their industry counterparts who focus on managing a single fund.

Anne Roggeveen, Marketing

“How Cue Congruity Affects Consumer Perceptions

Drawing from the cue diagnosticity and level of congruence paradigms, this research examines how a low-scope cue such as a price-matching guarantee or an in-stock guarantee differentially impacts perceptions and intentions as a function of the level of congruence with and valence of the high-scope cue such as the retailer’s reputation.

Denise Troxell, Mathematics and Science

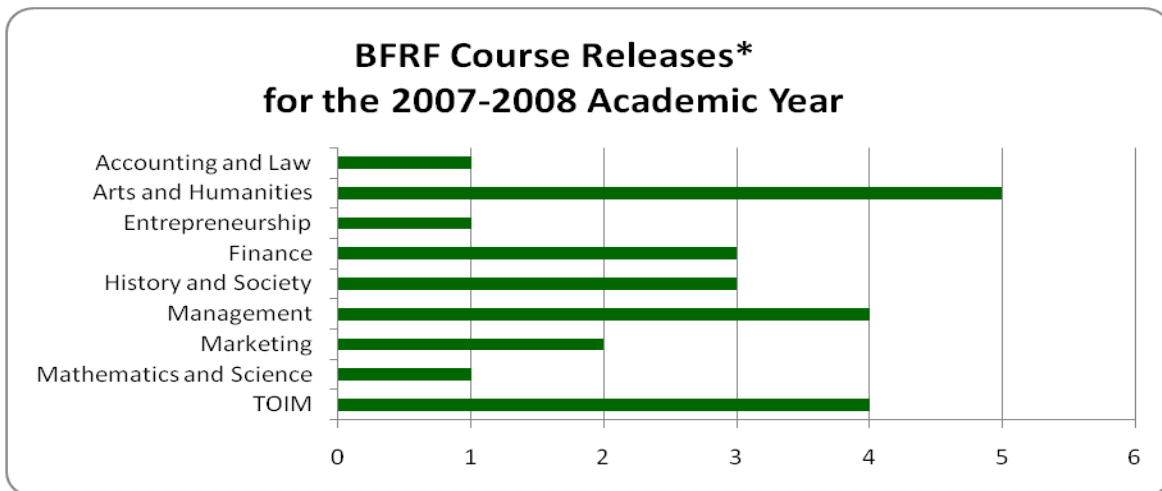
“On the Efficiency of $L(2,1)$ -Labelings: Minimizing the Range and Number of Holes”

There is a need for efficient $L(2,1)$ -labelings that not only minimize the range of frequencies used but also minimize the number of unused frequencies (holes) within this minimum range. These efficient $L(2,1)$ -labelings are the focus of this work.

Zhen Zhu, Marketing

“From Entrepreneurial Proclivity to Market Leadership: A Path through Marketing and R&D Proficiencies and Integration”

This study investigates the impact of a firm’s entrepreneurial proclivity or its predisposition to be risk taking, proactive, and innovative, on the market performance of the firm.



*Includes releases within major awards.

Other Funding

The BFRF provides funding for research-related expenses. Twelve Mini-Grant requests (\$2500 max) were funded this year.

Elizabeth Goldberg	Arts and Humanities	Book index
Lydia Moland	Arts and Humanities	Research Texts
Kent Jones	Economics	Data
William Casey	Economics	Travel
Stephen Deets	History and Society	Travel
Kevin Bruyneel	History and Society	Book index
Danna Greenberg	Management	Tape transcribing
Miguel Rivera	Management	Research Assistants
Phil Dover	Marketing	Research Assistant and Travel
Denise Troxell	Mathematics and Science	Research Assistant
Steven Gordon	TOIM	Travel

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BFRF Final Products Accepted

The Babson Faculty Research Fund has accepted twenty-one Final Products from the following faculty members who have completed their BFRF sponsored research projects.

Elaine Allen, Mathematics and Science, “A Comprehensive Look at Online Education in United States”

Online education has been touted as the wave of the future for students and as a way of opening new markets to institutions of higher education. It has grown at rates exceeding 20% over the last five years and its growth shows no signs of abating. From this year’s Sloan Survey of Online Education, the number of students taking at least one course online in the Fall of 2005 is estimated to be more than three million students, an increase of over two million from the number estimated for the 2003 Sloan Survey of Online Education. With the longitudinal data gathered by the Sloan Survey of Online Education from 2003 - 2006, we can examine whether there are differences between schools that have adopted online and those that have not within the schools that have adopted online education and also identify differences among the programs and courses being offered online. This paper describes, analyzes, and profiles the degree-granting institutions of higher education in the United States that offer online education and compare the characteristics of these schools with those that do not offer online courses.

Lisa Colletta, Arts and Humanities

“Political Satire and Postmodern Irony in the Age of Jon Stewart and Stephen Colbert”

Postmodernity is characterized by pastiche, and, according to Frederic Jameson, pastiche is a different form of imitation than parody, which is often satiric. Pastiche is “a neutral practice of mimicry, without satirical impulse, without laughter.” This generally accepted definition of one of the primary characteristics of postmodernity might explain why the traditional, corrective function of satire is now seen as ineffectual. This article examines the role of satire, particularly television satire, in contemporary political humor. Can the social and political satire of television shows such as *The Daily Show*, *The Colbert Report*, and *The Simpsons* really have any kind of efficacy beyond that of mere entertainment? Or does the self-referential irony that makes all of these shows so popular actually undermine social and political engagement and create a disengaged viewer who prefers outsider irreverence to thoughtful satiric critique and ironic, passive democracy to discerning, engaged politics?

Ryan Davies, Finance, “Using Matched Samples to Test for Differences in Trade Execution Costs”

We consider how to use matched samples to test for differences in bid-ask spreads. Based on extensive simulations, we conclude that it is best to match firms one-to-one based on market capitalization and share price. We demonstrate that pre-sorting by industry groups or eliminating apparent poor matches may reduce test power. We show that tests based on one-to-one matches have comparable power and less size distortion than alternatives that place more weight on distant firms. We provide guidance on optimal estimation when there are few available matched pairs and/or large data measurement errors. We compare matched sample estimation with the corresponding event study. [Back to Top](#)

Lisa DiCarlo, History and Society.

“Losing Our Religion: Turkey’s New Christians”

The project focuses on the decision-making process and the transformation of social networks of Muslims who convert to Christianity in contemporary Turkey. Background archival research, done at the ABCFM library in Istanbul, provides information on missionary activities in Turkey and the communities of Christians in Turkey.

Marjorie Feld, History and Society

Lillian Wald: Ethnic Progressive

A second-generation German Jewish American, Lillian Wald (1867-1940) won international acclaim for her pivotal role in the creation of a more pluralist society and the American social welfare state. This study challenges conventional views of Wald and of the Progressive reform movement. Her innovative work on behalf of immigrants and industrial laborers was rooted in Jewish cultural identity, yet it expressed a universal vision at odds with the ethnic particularism with which she is now identified. By recovering Wald’s neglected legacy, *Ethnic Progressive* contributes to historical – and contemporary – understanding of such major issues as feminism, Zionism, immigration, and ethnic identity.

Gang Hu, Finance, “Costly Arbitrage and Idiosyncratic Risk: Evidence from Short Sellers”

Previous studies have shown that heavily shorted stocks tend to have price run ups before being shorted and price declines afterwards. We find that idiosyncratic risk is associated with a more pronounced pattern. The difference in monthly abnormal returns between high and low idiosyncratic risk stocks averages 5.07% per month prior to entering the high short interest portfolio; in the months subsequent to entering portfolio the average is -3.05% per month. We find that idiosyncratic risk is persistent; firms maintain their relative level of idiosyncratic risk before and after entering the high short interest portfolio. These findings along with others suggest that idiosyncratic risk is not the result of a type of trading activity, such as arbitrage, or noise trading, or opinion divergence. The results do imply that idiosyncratic risk limits arbitrage. One interpretation of the results is that short sellers only take positions in high risk firms when the mispricing is large enough to compensate them for the cost of holding a volatile position.

Gang Hu, Finance

“Tape Painting: Evidence from Daily Trades by Institutional Investors”

This paper studies the daily trades of 300 institutional investors over a 7-year period.

Ajaz Hussain, Economics, “Network Disequilibrium in the Post Deregulation U.S. Airline Industry: an Argument for Re-regulation?”

The US airline industry was deregulated in 1978 and three decades later it appears that expectations from deregulation have been fulfilled. Legacy carriers are incurring losses while ‘low cost carriers’ (LCCs) are profitable and expected to displace legacy carriers. This paper takes a contrarian stance that while the deregulation of the US airline industry was warranted, its implementation overlooked several key aspects of the economics of airline networks. Based on Lederer and Nambimadom (1998), Hussain developed a model of airline network design to show that point-to-point/directed networks are optimal only over a small number of high demand routes. Put another way, point-to-point/directed networks cannot be optimal over the legacy carrier set of cities and demand patterns. He demonstrates that social welfare with legacy carriers operating HS networks and LCCs operating point-to-point/directed networks is lower than just legacy carriers operating HS networks, implying that social welfare would have been higher if entry by LCCs had been restricted. Without such restrictions, there is no equilibrium in network design which reduces social welfare in the long run.

Yoo-Taek Lee, TOIM

“A Taxonomy of Supply Chain Capability”

The practitioner-oriented research has proposed frameworks that suggest there are “strategic” groups of manufacturers that develop similar sets of supply chain capabilities. However, most of these proposed strategic groups have been based on case studies and have not been identified or tested using analytical methods. This research identifies strategic groups of manufacturers with similar supply chain capabilities using a data-based analytical approach. In addition, this research identifies the characteristics, the priorities and the performance levels of each strategic group. Our taxonomy of strategic supply chain capabilities provides a strong framework for discussion, research and pedagogy.

Julie Levinson, Arts and Humanities

“Success Reassessed: Ambitious Women/Midlife Men”

This chapter focuses on work and professional achievement as the cornerstones of success. It investigates gender in Hollywood movies in relation to American ideologies about work and success. The first part of the chapter surveys both the representation of professional/managerial women in films from the 1930s to the present as well as the theoretical discourse that has formed around those films. The second part is a close analysis of seven recent films centered on midlife men, in which the cinema’s defining tropes of masculinity are questioned and complicated. Considered together, these movies dealing with professionally ambitious women and professionally disaffected men point to a crack in the consensus about what constitutes success and how gender, work, and success are intertwined.

Kate McKone-Sweet, TOIM, “A Taxonomy of Supply Chain Management”

The practitioner-oriented research has proposed frameworks that suggest there are “strategic” groups of manufacturers that develop similar sets of supply chain capabilities. However, these proposed strategic groups are based on case studies and have not been identified or tested using analytical methods.

This research will identify strategic groups of manufacturers with similar supply chain capabilities using a data-based analytical approach. In addition, this research will identify the characteristics, the priorities and the performance levels of each strategic group. Our taxonomy of strategic groups will provide a strong framework for discussion, research and pedagogy.

Mary O’Donoghue, Arts and Humanities

Small Home Truths: Stories and a Novella

This is a collection of fictions themed round care-taking and companionship amid circumstances ranging from filial and parental responsibility to infirmity to bereavement. These fictions investigate poet Anna Akhmatova’s idea that “in human closeness there is a secret edge.

Mary O’Donoghue, Arts and Humanities, “Not Their Muse: Irish-Language Poetry in Translation, Cross-Gender Linguistic Ventriloquism, and the Problem of *Pharaoh’s Daughter*”

Irish-language poet Nuala NíDhomhnaill’s bilingual poetry collection *Pharaoh’s Daughter* (1990) features English translations by a variety of notable Irish poets, among them Seamus Heaney and Paul Muldoon. An *Irish Times* review by Douglas Sealy appears to posit NíDhomhnaill as somehow blameworthy for spawning the book’s “bewildering variety”, and suggests that she is but the conduit by which the largely male roster of translators in fact create their own poems: a damning critique of the translation enterprise. In referring to NíDhomhnaill’s original poems as “starting points”, Sealy’s criticism is underpinned by the notion of NíDhomhnaill as but the inspiration – the *muse* – of these *poets*, who take what she has to offer and mold it into work that is, as Sealy would have it, emphatically *theirs*. In its attention to the linguistic and literary ventriloquism at work in *Pharaoh’s Daughter*, Sealy’s forgotten review provides a fascinating entry point into the overlooked area of gender as it plays out in the translation of Irish-language poetry. Drawing on studies of feminization and translation, as well as notions of feminist translation, both within and without the Irish literary setting, this paper will examine Sealy’s nexus as it informs, and is seen to deform, the fortunes of NíDhomhnaill’s poems in translation.

Dessislava Pachamano, Mathematics and Science

“Robust Portfolio Estimation and Optimization”

As the use of predictive models and optimization techniques has become widespread among portfolio managers, the issue of the confidence practitioners can have in theoretical models has grown in importance. Consequently, there has been an increased level of interest in the subject of robust estimation of parameters and robust optimization of portfolio management models. For years, robustness had been a crucial ingredient in engineering. This book will bring together new developments from the theory of learning, robust statistics and estimation, and robust optimization, illustrate that they are part of the same conceptual and practical environment, and present them in a new context in a way that finance practitioners can understand and appreciate.

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Ross Petty, Accounting and Law

“The Use of Dead Celebrities in Marketing: A Legal and Public Policy Analysis”

An interesting practice in the field of marketing is the use of dead celebrities in advertising and on merchandise. Some estimate that this licensing industry produces revenues of \$300 million annually. We trace the origins and historical development of this practice, look at the various laws that assign property rights for deceased celebrities’ names and likenesses to their estates, thereby establishing a licensing market, and examine the public policy implications of this practice.

Mark Potter, Finance

“The Mutual Fund Scandal and Investor Response”

The mutual fund scandal was one of the biggest financial news stories of 2003 and the largest in the 65-year history of mutual funds. Many fund companies – totaling over one thousand funds and \$1 trillion in assets - were investigated due to late trading and market timing allegations. This study is an empirical examination of the effects of the scandal in terms of consumer reaction, fund performance and industry reaction.

Anne Roggeveen, Marketing

“Changing False Beliefs from Repeated Advertising: The Role of Claim-Refutation Alignment”

his research addresses refutation of false beliefs formed on the basis of repeated exposure to advertisements. Experiment 1 explores belief in the refutation as a function of the alignability between the claim and the refutation as manipulated by whether the original claim was direct or indirect. Experiment 2 then examines whether this effect will carry through to belief in the original claim after exposure to the refutation. Findings indicate that direct refutations of indirect claims are believed more than direct refutations of direct claims. However, direct refutations of direct claims are more effective in reducing belief in the original claim. We argue that recollection of the original claim facilitates automatic updating of belief in that claim. Experiment 3 demonstrates that an alternative cue (a logo) in a direct refutation that facilitates recall of the original claim enables reduction of belief in the original indirect claim; this finding helps pin down the mechanism underlying belief updating as recall of the original claim. Further, Experiment 3 finds that multiple cues to recalling the original claim may prevent the automatic updating process. Theoretical and practical implications are discussed.

Denise Troxell, Mathematics and Science, “The Minimum Span of $L(2,1)$ -Labelings of Certain Generalized Petersen Graphs”

In the classical channel assignment problem, transmitters that are sufficiently close together are assigned transmission frequencies that differ by prescribed amounts, with the goal of minimizing the span of frequencies required. This problem can be modeled through the use of an $L(2,1)$ -labeling, which is a function f from the vertex set of a graph G to the nonnegative integers such that $|f(x) - f(y)| \geq 2$ if x and y are adjacent vertices and $|f(x) - f(y)| \geq 1$ if x and y are at distance 2. The goal is to determine the λ -number of G , which is defined as the minimum span over all $L(2,1)$ -labelings of G , or equivalently, the smallest number k such that G has an $L(2,1)$ -labeling using integers from $\{0, 1, \dots, k\}$. Recent work has focused on determining the λ -number of generalized Petersen graphs (GPGs) of order n . This paper provides exact values for the λ -numbers of GPGs of orders 5, 7, and 8, closing all remaining open cases for orders at most 8. It is also shown that there are no GPGs of orders 4, 5, 8, 11 with λ -number exactly equal to the known lower bound of 5, however a construction is provided to obtain examples of GPGs with λ -number 5 for all other orders. This paper also provides an upper bound for the number of distinct isomorphism classes for GPGs of any given order. Finally, the exact values for the λ -number of n -stars, a subclass of the GPGs inspired by the classical Petersen graph, are also determined. These generalized stars have a useful representation on Möbius strips, which is fundamental in verifying our results.

Janice Yellin, Arts and Humanities, “Ancient Nubian Religion”

The entry on Nubian Religion for the *Atlas of Ancient Nubia* focuses on the Napatan (c. 850-350 BC) and Meroitic (c. 350 BC-AD 350) periods. It combines established information pertaining to elite Nubian religion with new research about the religion of the vast majority of ordinary ancient Nubians: what gods they worshipped and how they worshipped them. Typically this type of overview gives a cursory nod to folk religion and then discusses the official state religion as practiced by elites who, because of their wealth and access to literate priests, left behind religious texts and monuments. However, archaeological work in the Sudan provides data for ancient Nubian folk religion that has not been fully explored. New insights into the underlying basis of elite religion reveal elements of folk worship embedded in elite religion and lessens the perceived gap between upper and under class ancient Nubian society.

Zhen Zhu, Marketing

“Fix It or Leave It: Customer Expectation, Intentions, and Reactions in Technology-Based Self-Service Failure and Recovery”

This study explored customer’s reactions to self-service technology (SST) failures. Drawing from the attribution and expectancy theory, we probed a psychological process customers undergo during SST failures, and in particular, the formation of customers’ expectation for fixing the problem by themselves. We also examined the behavioral intention and actual reactions customers take to recovery SST failures. In addition, we investigated the impacts of perceived interface interactivity and customer’s innovativeness on this process. The research model and hypotheses were tested via a computer-based experiment in car rental kiosk and intelligent ATM settings, with 296 subjects participated in four shopping malls in the U.S. Results provided support to most of the hypotheses. Theoretical and managerial implications of the findings are also discussed.

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BoR Final Products Accepted

The Babson Faculty Research Fund has accepted twelve Final Products from the following faculty members who have completed their BoR sponsored research projects.

Mary Godwyn, History and Society

“Women’s Business Centers: Strategies to Educate Low-Income Women Entrepreneurs”

Despite serving women who are socially and economically disadvantaged, and despite being chronically under-funded and short-staffed, Women’s Business Centers (WBCs) have been extraordinarily successful in helping women to start businesses (Godwyn, Langowitz and Sharpe 2006). This research explores some of the social mechanisms that might explain the success of WBCs. Two theories are applied: the macro level theory of middle-group minorities (Butler 1994, Bonacich 1980), and the micro level framework of stereotype threat (Steele 1997). Using the methodology of grounded theory (Strauss and Corbin 1998), the two sociological theories being tested were not arbitrarily selected, but were suggested by data gathered in a previous study of WBCs (Godwyn, Langowitz & Sharpe 2006). This research suggests that techniques used by WBCs provide the intra-group solidarity emblematic of middle-group minorities and successfully help neutralize the stereotype threat experienced by many female entrepreneurs.

Elizabeth Goldberg, Arts and Humanities, “Introduction’ for essay collection, *Torture in Post-9/11 World*”

This essay introduces a volume of essays, testimonials, artwork, poetry, and photography by survivors of torture and non-survivor academics and activists working in the field of human rights. In addition to analyzing issues and concepts related to the rise of torture in the post-9/11 world, the volume addresses questions such as who has the “authority” to speak about torture; what voice or genre is used by academics/activists (analytical) v. survivors (testimonial); and how to bridge the divide between these two groups of people, all of whom are arguably concerned about the same urgent problem of how to stop the use of torture worldwide. The collection is the first to bring torture survivors writing in analytical, creative, and testimonial modes with academics, activists, and other human rights experts, who will also be invited to write in analytical, creative, or testimonial form, and includes both writers who are unknown outside their communities as well as writers and scholars who are internationally renowned in their fields.

Michael Goldstein, Finance

“Brokerage Commissions and Information Allocation”

This paper suggests that commissions constitute a convenient way of charging institutions a prearranged fixed fee for long-term access to a brokers' premium services. We examine commissions and order flow for a large sample of institutional orders in 1997 and in 2003 and find that most per-share commissions are concentrated at only a few price points. Further, the prior-period commission, rather than trade-specific characteristics, is the strongest determinant of next period's commission. Institutions concentrate their order flow with a small set of brokers, and small institutions concentrate more than large institutions.

We construct an alternative cost-minimization model and show that our ideas are consistent with empirical results that cannot be explained by cost-minimization alone. Collectively, these results support our long-term contract conjecture. Finally we show the evolution of institutional trading commissions from 1997 to 2003, and use our conjecture to predict the future developments in the institutional equity industry.

Gang Hu, Finance, “Institutional Trading, Allocation Sales, and Private Information in IPOs”

We analyze the profitability and informativeness of institutional trading in IPOs, using a large sample of proprietary transaction-level trading data. We analyze the pattern and profitability of institutional IPO allocation sales, the profitability of post-IPO institutional trading, and the predictive power of institutional trading for subsequent long-run IPO performance. The results can be summarized as follows. First, institutions continue to sell significant portions of their IPO allocations beyond the immediate post-IPO period. Larger institutions sell their allocations faster than smaller institutions, suggesting that they have greater bargaining power with respect to the investment banking syndicate. Second, institutions realize most (96 percent) of the “money left on the table” for IPO allocations sold within the first year. Third, post-IPO institutional trading outperforms a buy-and-hold investment strategy in IPOs, suggesting that institutions do possess some private information about IPOs. Institutions outperform more when trading shares in IPOs about which there is higher information asymmetry; further, larger institutions outperform by a higher margin than smaller institutions, suggesting that they have a comparative advantage in information production. Fourth, institutional trading has predictive power for subsequent long-run IPO performance, even after controlling for publicly available information, though this predictive power decays over time, becoming insignificant after the initial three to four months. Overall, the results indicate that institutional investors possess a significant informational advantage over retail investors about IPOs and receive considerable compensation for participating in these IPOs.

Steven Gordon, TIOM, “The Role of Information Technology in Managing the Innovation Process”

The management of innovation is widely acknowledged to be difficult and complex. We know that it requires the support of top management, committed champions, the appropriate setting of expectations, and the ability to deal with uncertainties. We also know that various organizational structures, processes and systems have been deployed to try to improve management of innovation -- including stage gate systems, innovation hubs, and internal venture capital funds. However, we know much less about how a firm’s information technology (IT) capabilities can help or hinder the innovation process. The foci of this study are how IT can help manage the innovation process and, as a result, what generic IT capabilities a firm must have to succeed in being innovative.

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Kent Jones, Economics, “The Political Economy of WTO”
Accession: The Unfinished Business of Universal Membership.
While the WTO now represents most of the world’s population, GDP and trade, the accession process since its founding in 1995 has been lengthy, and it is getting longer. Compared to its predecessor, the GATT, the WTO applies a much more detailed and legalistic approach to accession, due to the broader commitments of WTO members under the single undertaking and the enforcement powers of the Dispute Settlement Understanding. In WTO accession cases, WTO incumbent members have a superior bargaining position. This study indicates that the elapsed time from WTO application to accession has increased systematically with the number of completed accessions, suggesting a process of learning by incumbent WTO members to bargain for more demanding concessions from applicants. Regarding the terms of accession in the sample of completed accession cases, the number of rules commitments has increased, and the level of bound tariffs has fallen, as the number of completed accessions has increased. In view of the difficult cases remaining to complete universal WTO membership, the study proposes more flexibility in accession requirements, along the lines of the GATT tradition.

Donna Kelley, Entrepreneurship
“Adaptation and Organizational Risk in Innovation-Based Corporate Entrepreneurship Programs”
This research examines the evolution of corporate entrepreneurship (CE) programs in twelve industry-leading corporations over a three-year period. The analysis suggests that organizational risk and flexibility are important consideration in designing and managing a CE program. Management considerations include: (1) developing processes that are understandable beyond the innovation context and adaptable, (2) clarifying how CE activity fits within the company’s overall strategic portfolio of growth initiatives and provides a path, rather than a jolt, into the future, and (3) creating a fluid structure that meets the evolving objectives for CE while maintaining a link to the organization.

Elaine Landry, Management, “Negotiating Work Life Balance”
Squeezed between employment and family demands, the working-age population of North America views work-life balance as an essential way to manage time constraints and retain career satisfaction. A majority of work-life arrangements, such as flexible hours and work-at-home projects, are informal in nature and are reached by negotiations among peers and between supervisors and subordinates. This research frames and develops a quantitative survey exploring the negotiation process between women and their employers on the topic of work-life balance.

Toni Lester, Accounting and Law
“Recent Developments in Irish Gay Rights Law”
This paper covers recent developments in Irish gay rights law, specifically developments taking place in employment law, public accommodations law, and immigration law.

Dennis Mathaisel, Mathematics and Science
“An Architecture for Transforming the Military Industrial Enterprise”
The U.S. Department of Defense, Business Initiatives Council, issued an urgent directive to military depots to “rewrite organizational business practices using private sector inspired ideas and methods in transforming the DoD into a more efficient MRO [Maintenance, Repair and Overhaul] organization for the 21st century.” In addition, an increased military operational tempo in Iraq, aging weapon systems, and new technologies are motivating the depots to implement aggressive transformation plans. This project develops the defining architecture for these transformations. Three disciplines will guide the design: Lean and Agile Manufacturing principles; Generalized Enterprise Reference Architectures (GERA) used in Information Processing; and Systems Engineering concepts.

Mary O’Donoghue, Arts and Humanities
“*and another thing*: a Translation of Louis de Paor’s Irish-language Poetry Collection *agus rud eile de*”
This translation project produced a book-length bilingual poetry manuscript, entitled *agus rud eile de/ and another thing*. It involved the translation into English of the post-1999 poems of Irish-language poet Louis de Paor, specifically his untranslated collection *agus rud eile de* (Coiscéim, 2002). The final manuscript results from making numerous working translations of individual poems until arriving at finished translations with which both poet and translator are satisfied.

Miguel Rivera, Management
“An Integrative Model of Learning in Alliances”
In this paper, we explore the different types of organizational learning that are likely to occur in alliances and we identify their specific determinants. To accomplish this goal, we present a framework organizing the accumulated empirical findings in the alliance literature to date that disentangles two major dimensions of learning, knowledge acquisition and knowledge access, and that separates organizational learning from its performance consequences. Building on and extending prior discussions on the difference between acquiring knowledge and accessing knowledge in alliances, we argue that the sets of determinants likely to impact these two dimensions overlap but are not identical. We identify what determinants are more closely related to knowledge acquisition or knowledge accessing in alliances, and we discuss several factors that can moderate the relationship between these determinants and the two dimensions of learning. Proposing that organizational learning and learning-induced performance are different outcomes of alliances that are often confused in empirical studies, we further identify several factors that can moderate the relationship between learning and its performance consequences in alliances.

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Programs

Throughout the academic year, the BFRF sponsors programs to support its mission. The Research Chats offer a venue for faculty to share their research activities, serve as a forum for the exchange of research ideas, and, in general, promote research within the Babson community.

Fall 2006

Thursday, August 31, 2006

Charles H. Jones, Ph.D., Instrumentation Research Coordinator, Edwards Air Force Base

Tuesday, September 12, 2006

Elizabeth Goldberg, Arts and Humanities, *Beyond Terror*

Gang Hu, Finance, Institutional Trading, Allocation Sales, and Private Information in IPOs

Wednesday, September 27, 2006

Michael Goldstein, Finance, Brokerage Commissions and Institutional Trading Patterns

Lydia Moland, Arts & Humanities, Patriotism and Philosophy

Thursday, October 19, 2006

Library Presentations: Introduction to EndNote and New Services for Research and Curriculum Development

Wednesday, November 1, 2006

Kate McKone-Sweet, TOIM, Taxonomy of Supply Chain Management

Mary O'Donoghue, Arts & Humanities, *and another thing*: a Translation of Louis de Paor's Irish-language Poetry Collection *agus rud eile de*

Spring 2007

Thursday, February 8, 2007

Mary Godwyn, History & Society, Women's Business Centers: Strategies to Educate Low-Income Women Entrepreneurs

Kent Jones, Economics, The Political Economy of WTO Accession

Tuesday, February 27, 2007

I. Elaine Allen, Mathematics/Entrepreneurship, A Comprehensive Look at Online Education in United States

Lisa Colletta, Arts & Humanities, Political Satire in the Age of Stephen Colbert and Jon Stewart

Wednesday, March 14, 2007

Ajaz Hussain, Economics, Network Disequilibrium in the Post Deregulation U.S. Airline Industry

Wednesday, April 4, 2007

Ryan Davies, Finance, Using Matched Samples to Test for Differences in Trade Execution Costs

Donna Kelley, Entrepreneurship, Adaptation and Organizational Connectiveness in Corporate Radical Innovation Programs

Tuesday, April 24, 2007

Ross Petty, Accounting and Law, The Use of Dead Celebrities In Marketing

Janice Yellin, Arts and Humanities, Ancient Nubian Religion

Publications

During the academic year, the Babson Faculty Research Fund published five newsletters and one announcement bulletin. The newsletters keep the Babson community informed about BFRF sponsored projects and initiatives, external funding and publishing opportunities, and the latest research accomplishments of faculty members.

External Funding

All requests for external funds must be approved by the Office of Corporations, Foundations, and Government Relations (CFGR), within Development and Alumni Relations. Contact [Wendy Silverman](#), ext. 5993. The BFRF works closely with CFGR to coordinate efforts for external funding.

The BFRF Mini-Grant funds may support faculty who are developing and preparing grant proposals for external funding. Grants up to \$1000 each may be allocated to defer proposal preparation expenses such as travel to visit granting agencies, proposal preparation and edits, copying and mailing proposals, and other necessary expenses.

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