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# RESEARCH

at the

## Jake Jabs College of Business & Entrepreneurship

MONTANA STATE UNIVERSITY

2018



# Research at the Jake Jabs College of Business & Entrepreneurship

## **ENTREPRENEURSHIP AND THE ECONOMY**

Research in this area focuses on understanding what influences entrepreneurs' success in starting and growing their businesses. JJCBE faculty study the development of entrepreneurial ecosystems and the influence of entrepreneurs' characteristics on subsequent startup performance and decisions. Additionally, faculty are interested in businesses' ability to grow through strategic planning and implementation. Specifically, the ability of businesses to affect consumer behavior provides an area of rich discovery for faculty research.

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## **PUBLIC POLICY, POLITICS, AND THE REGULATORY ENVIRONMENT**

Research in this area focuses on the impact of regulation and public policy on the performance of for-profit and non-profit organizations. JJCBE faculty have particularly focus on the banking industry, financial markets, and the marketing of public policy. There is also interest in the likelihood of fraud, as well as ethical-decision making to counteract unethical behaviors.

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## **IMPROVING SOCIETY, NON-PROFIT AND HYBRID ORGANIZATIONS**

Research in this area identifies issues in society that could be improved through new approaches, such as transformative consumer research. JJCBE faculty have tackled problems from equal pay to food systems and microfinance. The unique characteristics of non-profit and hybrid organizations provide an additional area of study for faculty investigating leadership, communications, and organizational systems.

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## **LEADERSHIP, EMOTIONAL INTELLIGENCE, GROWTH MINDSET AND CREATIVITY**

Research in this area focuses on the behavior of organizational actors. Specifically, JJCBE faculty are interested in studying how emotional intelligence and growth mindset influence leadership styles, what interventions can increase emotional intelligence and how the interaction of emotional intelligence or growth mindset can influence performance, as well as how constraints can enhance or inhibit team creativity.

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## **ADVANCING UNDERGRADUATE AND GRADUATE TEACHING EXCELLENCE**

Research in this area focuses on improving the delivery and assessment of business school courses.

# Research Publications accepted in 2018

## ACCOUNTING & FINANCE

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### **Certified B corporations and the growth penalty**

*Academy of Management Discoveries*

**Ed Gamble** · Associate Professor of Accounting

*Co-authors: Simon Parker, Peter Moroz, & Oana Branzei*

This paper investigates the impact of B Lab certification—a rapidly growing type of third-party certification for organizations with social and/or environmental missions—on the short-term growth rates of certifying firms. To date, this kind of certification has generally been regarded as an unalloyed good for the organizations that adopt it; but prior research has overlooked the possibility that it may also entail attentional deficits and internal organizational disruption, leading to a short-term growth slowdown. This study reports results based on a novel, hand collected dataset of 249 mainly privately held North American Certified B Corporations over 2011-2014. Their results, derived from a difference-in-difference framework, and augmented with insights from a set of in-depth interviews, identifies a short-term growth slowdown arising from certification, which is more pronounced for the smallest and youngest firms. These findings highlight the need for management theorists to pay greater attention to internal re-organization costs as well as external benefits flowing from B Lab certification; they also carry important practical implications for organizations contemplating certification.

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### **Going pro-social: Extending the individual-venture nexus to the collective level** | *Journal of Business Venturing*

**Ed Gamble** · Associate Professor of Accounting

*Co-authors: Oana Branzei, Peter Moroz, Simon Parker*

The aim of this Special Issue is to demonstrate how drawing on multidisciplinary insights from the literature on prosociality can broaden the individual-opportunity nexus to make room for a variety of actors. Five feature articles emphasize the collective level of the analysis, underscoring the social distance between the entrepreneurs and the different communities they serve. Leveraging construal level theory, we abductively derive an organizing framework that helps us articulate how stretching or compressing social distance can transform initial opportunities into occasions for serving the greater good. They identify two distinct mechanisms present in all five empirical studies that explain how the needs and hopes of many others may add creativity, consistency and connectivity to one's venture. The researchers also connect these abductive insights with the two editorials that follow this introduction and nudge our collective attention towards the research opportunities awaiting our academic community once we begin to relax the egocentric reference point that, until recently, has defined the discipline of entrepreneurship.

### **'Bang for buck' in microfinance: Wellbeing mentorship or business education?** | *Journal of Business Venturing Insights*

**Ed Gamble** · Associate Professor of Accounting

Within the microfinance literature, there is a growing interest in institutional logics. This paper explores ways that microfinance institutions can overcome the logic-tension of offering developmental programs and maintaining financial stability. First, Ed conducted a randomized control trial in Uganda to examine the financial and non-financial outcomes of loan recipients. Second, He used results from the field experiment, in a resource allocation model, to optimize the goals of a lending institution. He found that wellbeing mentorship, rather than business training, is the best 'bang for buck' when considering the interests of both the women entrepreneurs and the microfinance lending institution.

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### **Imprinting with purpose: New pro-social opportunities and B Corp certification** | *Journal of Business Venturing*

**Ed Gamble** · Associate Professor of Accounting

*Co-authors: Peter Moroz, Oana Branzei, Simon Parker*

Certified B Corporations are ventures that have chosen to embrace third party voluntary social and environmental audits conducted by an entrepreneurial non-profit enterprise called B Lab. In this special issue, the focus is on the lifecycle of Certified B Corporations and its relation to the entrepreneurial journey. They highlight research at the intersection of opportunities and prosocial certification to identify patterns and processes which add significant value to ongoing conversations in the field of entrepreneurship while charting new research pathways. They developed a framework of prosocial venturing and certification that pinpoints several elements of likely consequence and curiosity. This offers new insights about the entrepreneurial process that hint at the importance of opportunity, identity metamorphosis and sedimentation/superseding work. They thereby interpret how the exploration of prosociality may add to conversations on how and why ventures resist or embrace change over time, to what effect and ultimately, how opportunities may be reborn.

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### **Deriving three key cash flow equations using the dynamic identity approach** | *Journal of Financial Education/Financial Education Association*

**Frank Kerins** · Associate Professor of Finance & **Angela Woodland** · Associate Professor of Accounting · *Co-author: Greg Durham*

This study derives the Statement of Cash Flows, the Cash Flow Identity, and the Capital Budgeting Cash Flow Equation from a dynamic version of the Balance Sheet Identity and tells a unique, critical story about the cash flow activity of a company or a project. Their derivations proceed in a straightforward, easily-understood manner that helps students to comprehend where these equations come from and how they relate to other financial statements. More importantly, this approach provides a basis that is more intuitive than a traditional debits-and-credits approach for students to understand how changes in balance sheet and income statement accounts affect the cash flow of a firm. This approach strengthens students' intuition for cash flows in advanced finance and accounting courses, and is also useful to non-finance and non-accounting students in introductory finance courses.

## The impact of the U.S. Employment Report on exchange rates

*Journal of International Money and Finance*

**Lisa (Zongfei) Yang** · *Assistant Professor of Finance*

*Co-authors: Louis H. Ederington, Wei Guan*

They explore the impact of the major statistics of U.S. Employment Report on three foreign exchange markets: Pound/Dollar, Yen/Dollar, and Euro/Dollar exchange rates. They found that nonfarm payroll employment figure has the greatest impact. Moreover, the exchange rate response to the payroll employment figure is strongly conditioned on the uncertainty of analysts, who routinely make predictions on the Employment statistics. The median analyst forecast from Bloomberg anticipates over 80% of the monthly variation in the payroll figure, and the markets appear to respond to these analyst forecasts prior to the government release. Uncertainty of Analyst forecast tends to increase following large forecast errors, which indicates that when the announced figure is far from what analysts expected, they tend to disagree on the implications for future payroll levels.

## MANAGEMENT & MARKETING

### Modeling and simulation as boundary objects to facilitate interdisciplinary research | *Systems Research and Behavioral Science*

**Laura Black** · *Professor of Management*

*Co-authors: Luis F. Luna-Reyes, Weijia Ran, Deborah Lines Andersen, Holly Jarman, George P. Richardson, and David F. Andersen*

This paper describes Group Model Building (GMB) as an effective tool to bring together teams of researchers from different disciplines in theory-building efforts. The authors propose that the simulation models, as well as other artefacts used during the modelling process, work as boundary objects useful to facilitate conversations among researchers of different disciplines, uncover insights, and build consensus on causal connections and actionable insights. In addition to providing a more robust theoretical basis for participatory system modelling as an approach to theory development in interdisciplinary work, the authors describe a study using GMB that illustrates its use. The assessment of the case suggests that system models provide interdisciplinary teams with opportunity to combine the strengths of qualitative and quantitative approaches to express theoretical issues, using an analytical meta-language that permits iteratively building theory and testing its internal consistency. Moreover, the GMB process helps researchers navigate the tension between achieving interdisciplinary consensus (which often involves adding details) and building a parsimonious theory of the phenomenon under study.

## The influence of employee performance appraisal cynicism on intent to quit and sportsmanship | *Personnel Review*

**Virginia Bratton** · *Associate Professor of Management*

*Co-authors: Michelle Brown, Maria Kramer*

This paper examines how employees may respond in a cynical manner to the performance appraisal process. This paper also examines how employee responses to this process are related supervisor perceptions of employee sportsmanship as well as employee intentions to seek work elsewhere. Based on matched employee and supervisor survey responses, we found that employees most cynical when they have high levels of job resources and difficult performance objectives. Employees with high levels of cynicism toward the performance appraisal process indicated that they were more likely to contemplate leaving their organization. Further, supervisors tend to rate employees with high levels of cynicism as bad sports.

### Do transformational leadership and growth mindset affect the safety of wilderness work crews? | *Journal of Leadership & Management*

**Scott Bryant** · *Professor of Management and* **Bill Brown** · *Professor of Management*

They examined the impact of transformational leadership behaviors and growth mindset on Wilderness Conservation Corp (WCC) work crew safety. They surveyed the crew leaders and members on transformational leadership and growth mindset and WCC provided safety data for each crew. They found that older crew leaders had fewer safety incidents. They also found that crew leaders who were rated higher on transformational leadership overall had fewer safety incidents. Leaders that showed individual consideration for crew members, inspired crew members and served as role models had fewer safety incidents. They also found that higher levels of transformational leadership was associated with lower levels of growth mindset, contrary to our prediction. Future research should further explore the impact of leadership on safety and growth mindset.

### Political will and public will for climate-smart agriculture in Senegal: Opportunities for agricultural transformation

*Journal of Agribusiness in Developing and Emerging Economies*

**Amber Raile** · *Associate Professor of Management*

*Co-authors: Eric Raile, Linda Young, Adama Sarr, Samba Mbaye, Lena Wooldridge, Dianinatou Sanogo, Lori Ann Post*

Agriculture must transform as climate change progresses. The international community has promoted climate-smart agriculture (CSA) as a set of solutions. Previous analyses of opportunities for scaling up CSA have not looked closely at building political and social support for policies, practices, and programs. This paper looks to fill that gap in the case study country of Senegal by applying the conceptual definitions, operationalizations, and assessment targets from the political will and public will (PPW) approach to social change. We identified opportunities to generate political will to enable an environment for the widespread adoption of CSA. On the public will side, we identified opportunities to generate and channel demand for CSA.

## **Analysis and action: The political will and public will approach**

### **Action Research**

**Amber Raile** · Associate Professor of Management

Co-authors: Eric Raile, Lori Ann Post

This article serves as a guide for facilitators supporting initiatives aiming to generate social policy. Without political will and public will for change, initiatives are unlikely to have the desired impact. The PPW approach integrates thinking about political will and public will in a way that recognizes the importance of both to social change efforts aimed at affecting policy change. Building on our previous definitions of political will and public will, we provide facilitators looking to affect policy with a flexible framework based on the strong foundations of research, practice, and theory from a variety of disciplines for application across multiple contexts. This article identifies and walks through four key tasks consistent with those conceptual definitions are instrumental in building political will and public will for targeted policy or other social change in a way that produces mutual accountability. The PPW approach for analysis and action guides facilitators through these tasks in order to assess and help build, as needed, political will and public will. Our hope is that readers will try the approach while working to address complex problems through policy.

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## **Measuring efficiency of community health centers: A multi-model approach considering quality of care and heterogeneous operating environments**

### **Health Care Management Science**

**Andreas Thorsen** · Assistant Professor of Management

Co-authors: Ronald G. McGarvey, Maggie L. Thorsen, Rohith Madhi Reddy

Over 1300 federally-qualified health centers (FQHCs) in the US provide care to vulnerable populations in different contexts, addressing diverse patient health and socioeconomic characteristics. In this study, they use data envelopment analysis (DEA) to measure FQHC performance, applying several techniques to account for both quality of outputs and heterogeneity among FQHC operating environments. To mitigate the aforementioned heterogeneities, a data science approach utilizing latent class analysis (LCA) is conducted on a set of metrics not included in the DEA, to cluster similar FQHCs into groups. Each DEA quality approach is applied in both an aggregated (including all FQHCs in a single DEA model) and a partitioned case (solving a DEA model for each latent class, such that an FQHC is compared only to its peer group). Based on our results, they provide general insights into the trade-offs of using these two models in conjunction with a clustering approach such as LCA.

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## **Four poems | Association for Consumer Research / Blackstaff Basement Media**

**Graham Austin** · Associate Professor of Marketing

Consumer Culture Theory is a field of research that examines human consumption behaviors in real life. This approach leads to researchers collecting data using qualitative methods, such as participant observation (rather than by using surveys or experiments). To help make their findings more accurately reflect the complex phenomena they study, researchers may choose to use non-traditional means of sharing their work, such as films, visual art, or poetry.

## **Me first, then the environment: Young Millennials as green consumers**

### **Young Consumers**

**Eric Van Steenburg** · Assistant Professor of Marketing

Co-author: Iman Naderi

This research sheds light on Millennials' green behavior by examining four aspects: selfless, frugality, risk-taking, and time orientation. Younger Millennials ranging in age from 18 to 30 were asked about their personalities and then their environmental attitudes. The resulting answers showed that environmental behavior of young Millennials was shaped by rational rather than emotional motives. It was self-interest rather than the feeling of doing good that lead Millennials to act pro-environmentally. The findings suggest that environmental regulators and lawmakers should continue their efforts to provide economic incentives to encourage pro-environmental purchases among Millennials. In conclusion, Millennials grasp the environmental consequences of their actions and have the education, motivation and social awareness to participate in the green movement. However, they have not truly begun to fully integrate their beliefs and actions.

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## **International expansion of retailers: The role of technical expertise, alliances, and allocation of resources in economic crises**

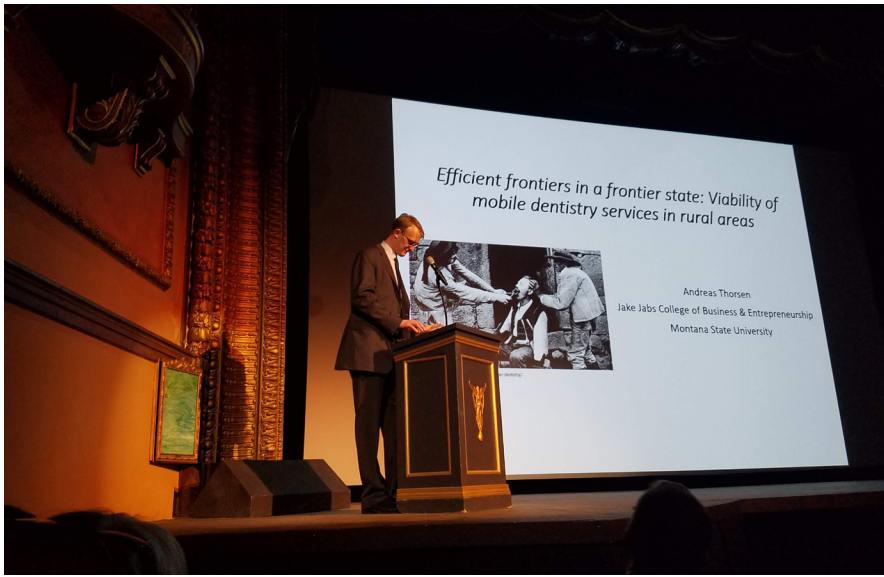
### **International Journal of Technology Marketing**

**Christine (Eunyoung) Sung** · Assistant Professor of Marketing

Co-author: Tia Goebel

Although the challenges of economic downturns for international retailers have been well documented in previous studies, their potential opportunities are less well understood. Economic downturns are often viewed as threats to prosperity; however, in this paper, they propose three propositions regarding whether or how economic downturns can actually trigger strategic market adjustment for international expansion through technical (technology) expertise, alliances, and resources, which enable knowledge transfer. They mainly consider how international retailers engage in knowledge sharing of technical (technology) expertise as they pursue international expansion into new markets during economic downturns. Furthermore, they consider how technical expertise, alliance strategies, and firm resources are related to knowledge transfer as a strategic orientation. Specifically, this article focuses on cases of international retailers during three major financial crises: the Asian financial crisis that began in 1997, the U.S. recession that began in 2008, and the European Sovereign Debt Crisis that began in late 2009.

**Jabs faculty share their research with others in academia as well as the general public in communities around the world.**



**Above:** Andreas Thorsen participates in MSU's 10x10 Innovation Roadshow.

**Bottom Left:** Gary Caton participates in a faculty research discussion.

**Bottom right:** Eric Van Steenburg presents research at the AMA Summer Educators Conference.

**Above:** Laura Black presents at the Tecnológico de Monterrey in Puebla City, Mexico.

**Bottom Left:** Anne Christensen is a keynote speaker at the Taiwan Accounting Association Annual Conference.

**Bottom right:** Frank Kerins answers questions after his research presentation in Jabs Hall.