

LUBIN BUSINESS REVIEW

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EDITORS' INTRODUCTION

By Drs. Eric H. Kessler* and Ping Wang **

In this fourth issue of *Lubin Business Review* (LBR), we continue our pre-pandemic mission of translating cutting-edge research for practical use by today's business professionals. This involves providing you—our valued university members and alumni, business community colleagues, and global education partners—with one-page abstracts of recently published academic journal articles and scholarly books, written by our faculty, that have been condensed and re-oriented toward an applied practitioner audience.

In these pages, we are confident that you will find topics that will inform your organizations and your careers. For example, perhaps you are interested in issues such as audit quality or powerful CEOs; credit ratings or corporate governance; virtual teams or supply chain networks; revenge porn or the IRS; celebrity endorsements or social media. Maybe you have a special interest in places such as China, India, or Nigeria. Or your organization is trying to keep up with developments in cybersecurity, service and healthcare industries, or machine learning.

Lubin professors have been producing high-quality, contemporary research articles in many of the business disciplines' top journals that address these issues and more.

First, from an **Accounting** perspective: 1) Dr. Myojung Cho writes about *Audit Fee Lowballing: Determinants, Recovery, and Future Audit Quality*; 2) Drs. Marcus Braga Alves, Iuliana Ismailescu, and Kaustav Sen explore *Powerful CEOs and Their Legacy: Evidence from Credit Risk Around CEO Turnovers*; 3) Dr. Feiqi (Freddy) Huang asks *How Does Information Processing Efficiency Relate to Investment Efficiency? Evidence from XBRL Adoption*; and 4) Dr. Ping Wang studies *Heartland Payment Systems: Cybersecurity Impact on Audits and Financial Statement Contingencies*.

Second, from a **Finance** perspective: 5) Drs. Jouahn Nam and Kevin J. Wynne write about *Financial Efficiency and Accounting Quality: The Impact of Institutional Micro-Factors on FDI*; 6) Drs. Burcin Col and Kaustav Sen examine *The Role of Corporate Governance for Acquisitions by the Emerging Market Multinationals: Evidence from India*; 7) Dr. Padma Kadiyala writes about *How Creditor Rights Affect the Issuance of Public Debt: The Role of Credit Ratings*; and 8) Drs. Aron Gottesman and Matthew R. Morey delve into the topic *What Do Capture Ratios Really Capture in Mutual Fund Performance?*

Third, from a **Management** perspective: 9) Dr. Julia Eisenberg examines *Structural Decisions About Configuration, Assignments, and Geographical Distribution in Teams: Influences on Team Communications and Trust*; 10) Dr. Pritha Dutta explores *Multi-Tiered Blood Supply Chain Network Competition: Linking Blood Service Organizations, Hospitals, and Payers*; 11) Dr. Ebrahim Mortaz discusses *Predictive Machine Learning for Prescriptive Applications: A Coupled Training-Validating Approach*; and 12) Dr. Christian N. Madu examines *Modeling Landscape Sustainability in the Oil Producing Niger Delta Area of Nigeria*.

Fourth, from a **Law/Taxation** perspective: 13) Dr. Jessica A. Magaldi writes about *Deconstructing the Statutory Landscape of "Revenge Porn": An Evaluation of the Elements that Make an Effective Nonconsensual Pornography Statute*; 14) Dr. Philip G. Cohen considers *Zarin v. Commissioner Revisited and Some Methodologies for Determining COD Income*; and 15) Dr. Frank G. Colella discusses *The New and Decidedly Improved IRS "Fact Sheet" Frequently Asked Questions*.

Fifth, from a **Marketing** perspective: 16) Dr. Canan Corus writes *Towards a Macromarketing and Consumer Culture Theory Intersection: Participatory and Deliberative Methodologies*; 17) Dr. Vishal Lala ponders *A Customer-Focused Approach to Improve Celebrity Endorser Effectiveness*; 18) Dr. Leigh Anne Donovan explores *Professional Athletes' Social Media Use and Player Performance: Evidence from The National Football League*; and 19) Dr. Chongyu Lu poses the question *Rounded or Angular? How The Physical Work Environment Influences Makers' Creativity*.

Lubin professors have also been publishing cutting-edge books that have addressed some of the business world's most pressing challenges. Here we include some recent works by two of **Pace University's Distinguished Professors**. The first is 20) Dr. Rosario (Roy) Girasa's *Regulation of Innovative Technologies: Blockchain, Artificial Intelligence and Quantum Computing* (published by Palgrave Macmillan), along with 21) a brief commentary by Dr. Robert S. Wiener. The second is 22) Dr. Eric H. Kessler's *Wise Leadership: A Toolbox for Sustainable Success* (published by Routledge), along with 23) a brief commentary by Dr. Katherine Richardson.

Please feel free to browse through these articles, and if one or more are of particular interest, contact the Lubin Office of Communications and External Relations at lubin@pace.edu with inquiries about the authors and their work.

We are happy to share these insights with you and look forward to continuing the critical conversations that emerge.



***DR. ERIC H. KESSLER** is University Distinguished Professor, Henry George Professor of Management, and Founding Honors Director at Pace University's Lubin School of Business. A recognized authority on organization management and global leadership, he has published seven critically acclaimed books, authored over 100 scholarly papers, and worked with numerous government and private organizations. He is the worldwide general editor of the *Encyclopedia of Management Theory*, a Fulbright recipient, a professional board member, and Past President/Fellow of the Eastern Academy of Management. He has also led international field studies, traveling across six continents, and has been inducted into honorary societies in business, forensics, economics, and psychology.



****DR. PING WANG** is an Associate Professor of Accounting at Pace University's Lubin School of Business. Her research focuses on executive compensation, voluntary disclosure, and financial regulation. Her work has been published in *Journal of Accounting, Auditing & Finance*, *Journal of Business Finance & Accounting*, *Accounting Horizons*, and *Issues in Accounting Education*. Additionally, her research was featured in the Harvard Law School Corporate Governance Forum and *Dow Jones Institutional News*. "Heartland Payment Systems: Cybersecurity Impact on Audits and Financial Statements Contingencies," her co-authored paper, won the Best Contribution to Teaching Award at the American Accounting Association's 22nd Annual Ethics Research Symposium.

IN THE JOURNALS

JOURNAL ABSTRACT 1

AUDIT FEE LOWBALLING: DETERMINANTS, RECOVERY, AND FUTURE AUDIT QUALITY

Written by Dr. Myojung Cho* (with Soo Young Kwon and Gopal V. Krishnan) and published in 2021 by *Journal of Accounting and Public Policy*, 40 (4): 106787.





ISSUE AND IMPORTANCE

Lowballing is the practice of setting audit fees lower than audit costs during the initial year of an audit engagement to better compete for large and prestigious clients. Regulators and practitioners have long been concerned about the potential impact of lowballing on auditor independence and audit quality. Regulators are particularly concerned about the cozy client-auditor relationship growing stronger with more profitable non-audit services such as advisory or consulting services, and/or the influence of large and important clients on auditors.



PRACTICAL IMPLICATIONS

- ▶ Our results suggest that lowballing does not impair audit quality.
- ▶ Furthermore, our findings suggest market-based incentives (avoiding lawsuits and preserving reputation) motivate lowballing auditors to uphold audit quality.
- ▶ These results are relevant to regulators, audit committees, and auditors in understanding the impact of lowballing on auditor independence and audit quality. For example, some jurisdictions in the U.S. (Mississippi and Texas) have imposed a ban on lowballing to enhance auditor independence at the cost of increased audit fees for clients.



MAIN FINDINGS

We find that audit fees in the first year of audit engagement are, on average, about 11 percent less than those charged in later years, and the lowballing auditors recoup the initial fee discounts in the years that follow. Regulators are concerned that such recouping of initial discounts by lowballing auditors may compromise auditor independence and audit quality. Using two different audit quality measures – restatements and discretionary accruals, however, we find that the recovery of audit fees is unrelated to future audit quality. Importantly, we find that the future fee recovery is driven by continuing audit engagements, not by getting more profitable non-audit engagements. The influence of important and large clients is not significant, either.



***DR. MYOJUNG CHO** is a Professor of Accounting at Pace University's Lubin School of Business. She teaches financial accounting, managerial accounting, and auditing. Her research focuses on theoretical and empirical analyses of financial information disclosure and its impact on the areas of executive compensation, audit pricing, and stock valuation. She has multiple articles published in academic journals, including *Review of Accounting Studies*, *Journal of Business Ethics*, *Corporate Governance: An International Review*, *Journal of Accounting, Auditing & Finance*, *International Journal of Accounting*, and the *Journal of Accounting and Public Policy*.

JOURNAL ABSTRACT 2

POWERFUL CEOS AND THEIR LEGACY: EVIDENCE FROM CREDIT RISK AROUND CEO TURNOVERS

Written by Drs. Marcus Braga Alves*, Iuliana Ismailescu**, and Kaustav Sen***, and published in 2022 by *Quarterly Review of Economics and Finance*, 84: 345-358.





ISSUE AND IMPORTANCE

CEO turnover is a major corporate event that can create new opportunities for a firm, but can also raise uncertainty for various stakeholders. Prior literature has focused on the uncertainty due to either a forced turnover or the appointment of a new CEO. We look at it more comprehensively, capturing the impact of both outgoing and incoming CEOs on credit risk and how forced turnovers moderate these effects. Our findings provide new insights into sources of uncertainty around CEO turnovers, especially due to outgoing CEO characteristics, and extend the literature on the determinants of credit default swap spreads (our measure of credit risk) around this corporate event.



PRACTICAL IMPLICATIONS

- ▶ While it is expected that a forced turnover will reverse poor performance, uncertainty due to this event increases as well.
- ▶ Credit risk around forced turnovers increases when the outgoing CEO has either a longer tenure in office, or an heir-apparent successor, or other markers of entrenchment that proxy for the old CEO's legacy after leaving office.
- ▶ The removal of a powerful CEO can also increase uncertainty, because it can disrupt the implementation of strategies adopted for growth.



MAIN FINDINGS

In this study, we examine how changes in credit risk around CEO turnover announcements are affected by the nature of the succession (forced vs. voluntary), the outgoing CEO's legacy, and the concentration of job titles. We find that firms whose incumbent is forced out experience a greater increase in credit default swap (CDS) spreads than firms with voluntary departures, especially when the influence of the outgoing CEO lingers or the CEO is powerful. These results support the hypothesis that the legacy of influential CEOs can outlast their stay in office and contribute to incremental credit risk around a forced turnover.



***DR. MARCUS BRAGA ALVES** is an Associate Professor of Finance at Pace University's Lubin School of Business. His research analyzes problems that confront market participants and the academic community in the areas of investment management, corporate finance, and international finance. His work has been published in *Contemporary Accounting Research* and *Journal of Financial Markets*, among many other journals.



****DR. IULIANA ISMAILESCU** is a Professor of Finance at the Lubin School of Business at Pace University. She was a U.S. Fulbright Scholar at the Bucharest University of Economic Studies in 2023. She examines credit derivatives, emerging debt and equity markets, international finance, fixed income securities, asset pricing, and portfolio management. Her work has been published in *Journal of Banking and Finance*, *International Review of Finance*, and *Journal of Investment Management*, among others.



*****DR. KAUSTAV SEN** is a Professor of Accounting at Pace University's Lubin School of Business. He has published in the areas of corporate governance, financial reporting, and stock price anomalies. He examines sustainability issues around corporate finance decisions and text analysis for financial forecasting. He serves on the editorial board of *Journal of International Accounting, Auditing, and Taxation*, and has been a consultant at Prudential, New York Life, and GE Capital.

JOURNAL ABSTRACT 3

HOW DOES INFORMATION PROCESSING EFFICIENCY RELATE TO INVESTMENT EFFICIENCY? EVIDENCE FROM XBRL ADOPTION

Written by Dr. Feiqi (Freddy) Huang* (with Xin Cheng, Dan Palmon, and Cheng Yin) and published in 2021 by the *Journal of Information Systems*, 35(1), 1-25.





ISSUE AND IMPORTANCE

High-quality financial reporting can improve capital investment efficiency. However, successful communication between managers and investors through financial reports is determined by both the quality of information content and the cost of information processing. This research suggests that the cost of processing financial information is an important factor that may affect the degree of information asymmetry and managers' investment decisions. Using the adoption of the eXtensible Business Reporting Language (XBRL) as an exogenous shock that decreases information processing cost, this research examines whether the information processing cost affects corporate investment efficiency.



PRACTICAL IMPLICATIONS

- ▶ This research contributes to the cost-benefit debate concerning XBRL. We provide evidence on the effects of XBRL adoption from the perspective of managers' behavior. Specifically, our findings suggest that the reduced information processing costs and enhanced perceived monitoring after XBRL adoption improves managers' investment decisions.
- ▶ This study also expands the understanding of the link between financial reporting quality and firms' investment efficiency. Instead of exploring only the quality of financial information, information processing cost also plays a non-negligible role in assessing the extent of communication between companies and investors.
- ▶ The reduced information processing cost narrows the information gap between managers and investors, which helps discipline managers and leads to better investment decisions.



MAIN FINDINGS

Exploiting the merits of XBRL adoption, we have found that companies improve their investment efficiency after adopting XBRL. The effect is more pronounced for (1) firms with inferior external monitoring, (2) firms operating in more uncertain information environments, and (3) firms with less readable financial reporting. Additionally, we have found a learning curve for users' understanding of XBRL and a trend of XBRL's increasing influence on investment efficiency over time. Finally, after splitting firms into over-investment and under-investment groups, we conclude that the XBRL mandate is more likely to curb managers' opportunistic over-investments.



***DR. FEIQI (FREDDY) HUANG** joined Pace University's Lubin School of Business in 2020 as an Assistant Professor of Accounting. His area of expertise lies in accounting information systems and emerging technologies in accounting/auditing, such as audit data analytics, audit automation, blockchain, and XBRL. His work has been published in prestigious academic accounting journals, including *Auditing: A Journal of Practice & Theory*, *Journal of Accounting and Public Policy*, *Accounting Horizons*, *Journal of Information Systems*, *International Journal of Accounting Information Systems*, *Issues in Accounting Education*, and *Managerial Auditing Journal*, among others.

JOURNAL ABSTRACT 4

HEARTLAND PAYMENT SYSTEMS: CYBERSECURITY IMPACT ON AUDITS AND FINANCIAL STATEMENT CONTINGENCIES

Written by Dr. Ping Wang* (with Matthew Reidenbach) and published in 2021 by *Issues in Accounting Education*, 36 (2): 93-109.





ISSUE AND IMPORTANCE

Cybersecurity is among the leading risks faced by companies. Given that sensitive information is increasingly hosted on either accessible company-controlled physical servers or in the cloud, companies run the risk that this data may be compromised by outside parties. As a result, external auditors must be extremely careful in assessing both business process and financial accounting systems after a data breach.



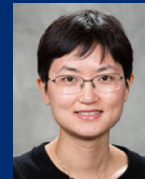
PRACTICAL IMPLICATIONS

- ▶ When a data breach occurs, there is strong incentive not to disclose the event to the public (U.S. Senate 2017). As a result, professional accountants and external auditors may face an ethical dilemma when deciding whether the company should disclose information related to a data breach.
- ▶ Ultimately, professional accountants and external auditors must evaluate whether it is more important to prevent disclosure of confidential client information or to act in the public interest by preventing harm to third parties (e.g., IESBA 2018, section 110.2 A2).



MAIN FINDINGS

During the fiscal year 2008 financial reporting process, Heartland Payment Systems, Inc. experienced a breach of its operational data by international hackers and a U.S. Secret Service informant returning to his criminal life as a hacker. As a result, Heartland's management team assessed the data breach to determine both the immediate accounting and long-term operational impact on the viability of the company. Similarly, Heartland's external auditors independently assessed the data breach for their audit of the company's financials. Using this case, readers can apply their professional research skills through identifying appropriate accounting and auditing guidance, use critical thinking skills to evaluate the decisions made by various stakeholders, and assess the ethical implications of difficult judgmental decisions facing professional accountants by scrutinizing the activities of both financial statement preparers and auditors in the emerging area of cybersecurity.



***DR. PING WANG** is an Associate Professor of Accounting at Pace University's Lubin School of Business. Her research focuses on executive compensation, voluntary disclosure, and financial regulation. Her work has been published in *Journal of Accounting, Auditing & Finance*, *Journal of Business Finance & Accounting*, *Accounting Horizons*, and *Issues in Accounting Education*. Additionally, her research was featured in the Harvard Law School Corporate Governance Forum and *Dow Jones Institutional News*. "Heartland Payment Systems: Cybersecurity Impact on Audits and Financial Statements Contingencies," her co-authored paper, won the Best Contribution to Teaching Award at the American Accounting Association's 22nd Annual Ethics Research Symposium.

JOURNAL ABSTRACT 5

FINANCIAL EFFICIENCY AND ACCOUNTING QUALITY: THE IMPACT OF INSTITUTIONAL MICRO-FACTORS ON FDI

Written by Drs. Jouahn Nam* and Kevin J. Wynne** (with Joseph Bon Sesay and Ge Zhang), and published in 2020 by *Journal of Policy Modeling*, 42(2): 451-465.





ISSUE AND IMPORTANCE

In this paper, we explore whether financial markets and accounting qualities have an impact on foreign direct investment (FDI). We use unique survey data from the World Economic Forum to quantitatively measure the efficiency of financial markets and the quality of accounting standards. This paper makes further contributions by exploring the impact of financial markets and accounting qualities on FDI for developing vs. developed countries.



PRACTICAL IMPLICATIONS

- ▶ These results provide general support for the hypothesis that local financial markets and accounting qualities contribute to FDI.
- ▶ The results have strong policy implications for governmental regulatory agencies. For example, the government agencies for the developing counties can attract more foreign direct investment by further developing their financial markets and improving accounting qualities.



MAIN FINDINGS

Using a sample of 115 countries, 90 developing, and 25 developed from 2007 to 2016, we demonstrate that financial markets and accounting quality are important factors of FDI inflow into a country. In particular, FDI is positively correlated with the strength of financial audits, reporting standards, and venture capital availability for all countries. We also show that accounting quality measures are more important for developing and emerging countries than for developed countries. On the other hand, financial market measures, especially access to venture capital, have a bigger impact in attracting FDI flow into developed countries.



***DR. JOUAHN NAM** is an Associate Professor of Finance at Pace University's Lubin School of Business. His research interests are corporate finance, financial markets, risk management, and quantitative investment analysis. His work has been published in more than 21 articles in leading journals, including *Journal of Finance*, *Financial Management*, *Journal of Corporate Finance*, *Journal of Financial Research*, *Journal of Risk and Insurance*, and others.



****DR. KEVIN J. WYNNE** is a Professor of Finance in the Lubin School of Business at Pace University. He has published articles in *Journal of Corporate Finance*, *Journal of Policy Modeling*, *Global Financial Journal*, and numerous other journals. He was a Korean Foundation Distinguished Visiting Scholar in Spring/Summer 2008 at Sogang University in Seoul, Korea.

JOURNAL ABSTRACT 6

THE ROLE OF CORPORATE GOVERNANCE FOR ACQUISITIONS BY THE EMERGING MARKET MULTINATIONALS: EVIDENCE FROM INDIA

Written by Drs. Burcin Col* and Kaustav Sen**, and published in 2019 by *Journal of Corporate Finance*, 59: 239-54.





ISSUE AND IMPORTANCE

With rapid increases in globalization, multinational enterprises are no longer restricted to those founded in developed nations. Acquisitions by emerging market multinational enterprises (EMNEs) of targets located in developed markets have increased drastically over recent years. Studying cross-border mergers and acquisitions (M&As) of emerging market (EM) firms where the target is in a developed market (DM) offers an excellent setting to investigate whether stronger country-level investor protection is associated with changes in firm-level corporate governance and higher valuation of EMNEs. We contribute to the literature that explores the relation between firm-level and country-level governance, as well as the literature regarding convergence in corporate governance practices following cross-border deals.



PRACTICAL IMPLICATIONS

- ▶ Our findings can help emerging market investors evaluate M&A strategies by EMNEs to grow and create value.
- ▶ Regulators approving M&A can use our results to assess if cross-border acquisitions will improve the corporate governance of the acquirer.
- ▶ Investment bankers and M&A advisors can develop better tools to advise their clients in M&A.



MAIN FINDINGS

We test Coffee's (1999) bonding hypothesis in a cross-border M&A context by examining whether acquirers located in India adopt the corporate governance practices prevalent in the target's country. Using firm-level data spanning 2001–2010, we find that (1) ownership and board characteristics of Indian firms change significantly after acquiring developed market targets; (2) the change in firm governance is more pronounced when target countries have better investor protection; and (3) acquirers that exhibit changes in firm governance are associated with higher valuation after these transactions. These findings suggest that emerging market firms bond to higher corporate governance standards of developed markets through cross-border acquisitions.



***DR. BURCIN COL** is an Associate Professor of Finance at Pace University's Lubin School of Business. Her research interests lie in the general area of international corporate finance, spanning topics such as corporate governance, corporate social responsibility, ESG, mergers and acquisitions, political risk, and tax avoidance. She has published on these topics in academic journals such as *Management Science*, *Review of Corporate Finance Studies*, and *Journal of Corporate Finance*. Dr. Col's research has been awarded prestigious grants by the Canadian Foundation for Governance Research and by the NSE-IGDR Corporate Governance Research Initiative.



****DR. KAUSTAV SEN** is a Professor of Accounting at Pace University's Lubin School of Business. He has published in the areas of corporate governance, financial reporting, and stock price anomalies. He examines sustainability issues around corporate finance decisions and text analysis for financial forecasting. He serves on the editorial board of *Journal of International Accounting, Auditing, and Taxation*, and has been a consultant at Prudential, New York Life, and GE Capital.

JOURNAL ABSTRACT 7

HOW CREDITOR RIGHTS AFFECT THE ISSUANCE OF PUBLIC DEBT: THE ROLE OF CREDIT RATINGS

Written by Dr. Padma Kadiyala* (with Xian Gua and Xin Wu Mahaney-Walter) and published in 2018 by *Journal of Financial Stability*, 39: 133-143.





ISSUE AND IMPORTANCE

Firm-level credit ratings act as an information channel that translates country-level changes in the strength of creditor rights to a firm's decision to issue public debt. These results are predicted by a combination of two theories of credit: (1) the *power theory*, which predicts that creditors are more willing to extend credit when bankruptcy laws strengthen their power, and (2) the *information theory*, which predicts a greater willingness to lend when lenders have more information on borrowers.



PRACTICAL IMPLICATIONS

- ▶ Countries can encourage firms to diversify sources of debt capital by strengthening creditor rights offered by bankruptcy laws.
- ▶ The information channel working through credit ratings helps firms undertake capital expenditures when countries strengthen creditor rights.
- ▶ Firms that benefit most from the combination of the information and power channels are those experiencing the most severe agency problems.



MAIN FINDINGS

This study examines the relationship between creditor rights, credit ratings, and the issuance of public debt. There is extensive literature on the association between creditor rights and issuance of private debt. Less well understood is the relationship between creditor rights and arm's length public debt. Our study examines whether credit ratings are effective in channeling the information that public debt holders require to supply credit when the bankruptcy code increases the power of creditors. Our empirical analysis covers all rated, non-financial international firms from 1989 to 2013. Three main results emerge from the study: (1) in countries with stronger creditor rights, firms have higher credit ratings, (2) in countries with stronger creditor rights, firms with higher credit ratings are more likely to issue public debt, and (3) creditor rights and credit ratings reinforce each other to encourage firms to undertake capital investments.



***DR. PADMA KADIYALA** is a Professor of Finance at the Lubin School of Business at Pace University. She has over 25 years of experience in academia. Her scholarly interests are in the areas of investments, mutual funds, ETFs, and corporate debt. Her work has been published in top-tier journals including *Review of Financial Studies*, *Journal of Law and Economics*, *Journal of Business*, and *Financial Management*.

JOURNAL ABSTRACT 8

WHAT DO CAPTURE RATIOS REALLY CAPTURE IN MUTUAL FUND PERFORMANCE?

Written by Drs. Aron Gottesman* and Matthew R. Morey**, and published in 2021 by *Journal of Investing* 30 (6): 99-112.





ISSUE AND IMPORTANCE

Many well-known mutual fund companies, as well as mutual fund rating services such as Morningstar, have recently reported *capture ratios* to help investors evaluate mutual fund performance. These ratios give investors a sense of how a fund has performed in certain market conditions. For example, there is an *upside market capture ratio* that shows a mutual fund's past performance in up-markets. Similarly, there is a *downside market capture ratio*, which provides the fund's past performance in down-markets.



PRACTICAL IMPLICATIONS

- ▶ The significance of this study is that we find that a well-known and widely used measure of mutual fund performance is overrated.
- ▶ Indeed, it appears that the capture ratios may be primarily a marketing device that allows funds to tout their performance in up and down markets to investors who do not understand mutual fund performance well.
- ▶ Our results suggest that mutual fund companies should be cautious when touting their capture ratios as evidence of manager skill and investors should be cautious not to misinterpret the capture ratios as evidence of manager skill.



MAIN FINDINGS

In this study, we use mutual fund data from 1990-2019 to analyze these capture ratios and examine how well they predict future fund performance. We find evidence that capture ratios are quite overrated. First, they do not seem to *capture* manager ability, but rather the beta of the portfolio. Second, when we use a measure of manager skill created by combining capture ratios, we find that this measure of skill is actually negatively and significantly related to future fund performance over longer periods than one year. Moreover, this measure of skill from the capture ratios predicts no differently than past risk-adjusted performances such as alpha.



***DR. ARON GOTTESMAN** is Chair of the Department of Finance and Economics and a Professor of Finance at the Lubin School of Business at Pace University. He is a CFP® Professional and he has published articles in *Journal of Banking and Finance*, *Journal of Behavioral Finance*, *Journal of Empirical Finance*, *Journal of Financial Markets*, and *Journal of Financial Intermediation*, among many other journals. He has also authored and co-authored several books. Dr. Gottesman is a recipient of Pace University's Kenan Award for Teaching Excellence and a recipient of the Investments & Wealth Institute's Edward D. Baker III Journal Research Award.



****DR. MATTHEW R. MOREY** is the New York Stock Exchange Research Scholar and a Professor of Finance at the Lubin School of Business at Pace University. Professor Morey's research has been published in some of the leading finance/banking journals including *Journal of Empirical Finance*, *Journal of Banking and Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of International Money and Finance*, *Journal of Investment Management*, and *Financial Analysts Journal*. Moreover, his work has been cited numerous times in the financial press including the *Wall Street Journal*, *New York Times*, *Washington Post*, *Chicago Tribune*, *Financial Times*, *Money Magazine*, National Public Radio, and CNBC.

JOURNAL ABSTRACT 9

STRUCTURAL DECISIONS ABOUT CONFIGURATION, ASSIGNMENTS, AND GEOGRAPHICAL DISTRIBUTION IN TEAMS: INFLUENCES ON TEAM COMMUNICATIONS AND TRUST

Written by Dr. Julia Eisenberg* (with Nancy DiTomaso) and published in June 2021 by *Human Resource Management Review*, 31 (2).





ISSUE AND IMPORTANCE

The latest industry trends, such as advances in technology and increased flexibility related to remote work, have resulted in a greater variety of team structures. These different structures introduce challenges to how team members interact and collaborate. Thus, to facilitate an understanding of the challenges and ways to address them, we explore the effects of configuration, assignment, and geographical elements of a team structure on team dynamics. Additionally, we also consider the effects of a team member's perceived psychological distance from others on their team, the richness of available social cues, and the psychological safety one experiences as a member of their team, together with the type of team structure, to highlight areas of focus for organizations to facilitate employees' team communication and trust.



PRACTICAL IMPLICATIONS

- ▶ Noting that physical distance is an inflexible constraint, we instead highlight the importance of focusing on positively influencing perceptions of psychological distance as a way to facilitate both better understanding and a means to address collaborative challenges frequently experienced by employees in the modern organizational environment.
- ▶ Organizations should focus on providing ways for employees to connect with others to bridge the various boundaries that separate them.
- ▶ Multiple team member structures offer several benefits to organizations to better utilize employee talents and expertise, but they frequently lead to additional complexities in team dynamics. Thus, it is crucial for organizations to help team members reconcile their multiple commitments to improve their perceptions and contributions.



MAIN FINDINGS

We highlight the different underlying mechanisms through which the type of team structure affects a team member's psychological responses and their interactions with other team members. Our research provides areas of focus for organizational management to facilitate employee experiences and bridge boundaries, particularly in the increasingly prevalent environment of various remote and hybrid teamwork environments.



***DR. JULIA EISENBERG** is an Associate Professor at Pace University's Lubin School of Business in the Management and Management Science Department. Her research interests include processes and technology that influence collaboration among individuals and teams with a focus on distributed knowledge intensive organizational context. Dr. Eisenberg regularly attends domestic and international conferences to present her research and stay abreast of the latest developments to inform her interdisciplinary work. She actively publishes and serves as a reviewer for several leading management journals, including *Journal of International Management*, *Small Group Research*, and *Human Resource Management Review*.

JOURNAL ABSTRACT 10

MULTI-TIERED BLOOD SUPPLY CHAIN NETWORK COMPETITION: LINKING BLOOD SERVICE ORGANIZATIONS, HOSPITALS, AND PAYERS

Written by Dr. Pritha Dutta* (with Anna Nagurney) and published in 2019 by *Operations Research for Health Care*, 23, 100230.





ISSUE AND IMPORTANCE

While blood, a critical component in healthcare, is supplied by voluntary donors at no cost, there are several operational and logistical costs incurred by blood banks. In practice, there is a disconnect between costs incurred by blood banks and hospitals, and the reimbursements received from payers, which can adversely affect the economic stability of this crucial supply chain.



PRACTICAL IMPLICATIONS

- ▶ The current reimbursement policy at hospitals creates a gap between the actual costs of blood products and the payments received by hospitals and blood banks.
- ▶ It is important to develop a reimbursement scheme that is based on the volume of blood transfused and the actual costs of all the supply chain operations.
- ▶ It is important to have data and transparency on costs incurred at every stage of the blood supply chain from collection, to transfusion, to patients in order to determine the correct price.



MAIN FINDINGS

In this research, we use game theory to model the intricacies of maintaining a steady supply of blood in the United States in the face of various challenges, such as competition among blood suppliers, determination of appropriate rate of reimbursements from health insurance companies, and administration of government programs to hospitals. We determine the optimal flow of the product and the economic transactions between three tiers of decision makers in the blood supply chain, namely blood banks, hospitals and trauma centers, and lastly the insurance or payer groups to which patients receiving the transfusion blood belong.

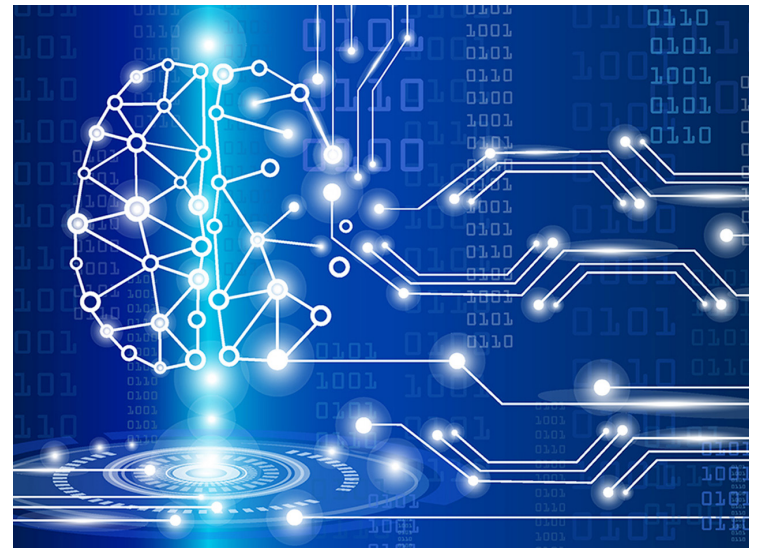


***DR. PRITHA DUTTA** is an Assistant Professor in the Department of Management and Management Science at Pace University's Lubin School of Business. Her research is aimed at deriving novel insights on operational and strategic issues faced by different groups of stakeholders along complex supply chains that have significant societal impact and public policy implications. A major focus of her research is to advance the understanding of decision making by entities in the presence of competition. Her research interests include sustainability, socially responsible practices, non-profit operations, healthcare operations, agriculture, and food supply chains.

JOURNAL ABSTRACT 11

PREDICTIVE MACHINE LEARNING FOR PRESCRIPTIVE APPLICATIONS: A COUPLED TRAINING-VALIDATING APPROACH

Written by Dr. Ebrahim Mortaz* (with Alexander Vinel) and published by *Knowledge-Based Systems*, 250 (2022): 109080





ISSUE AND IMPORTANCE

Several existing algorithms have been proposed to adjust the training of machine learning (ML) methods so that they can be used in decision making. Most either propose model-specific methodologies, rely on modeling properties, or involve significant custom implementation challenges. Consequently, we argue that there is room for an approach that attempts to circumvent these issues. Most importantly, we offer a methodology for training ML models for optimization that organically builds on standard ML training frameworks. We are able, on one hand, to ensure that the resulting approach is model-independent, and on the other hand, to leverage the existing ML implementation infrastructure.



PRACTICAL IMPLICATIONS

- ▶ Making better business decisions with uncertain parameters is always challenging. The coupled validation method can help decrease the cost of decision making in uncertain environments significantly more than the traditional methods do.
- ▶ The coupled validation method is easy to implement since it fits into the standard training–validating–testing scheme. Further, it is general and model independent, and hence, can be applied in a model agnostic fashion.
- ▶ It should be noted that the coupled approach requires more computational resources than traditional approaches, especially when dealing with challenging optimization problems.



MAIN FINDINGS

We demonstrate that the coupled validation framework possesses promising theoretical properties relative to the standard method. Further, we revisit the recently proposed hybrid prediction-stochastic-optimization framework and demonstrate that our approach is also applicable in this case. We show on real-world datasets that the coupled validation framework outperforms the traditional methods in reducing the total prescriptive (decision making) costs.



***DR. EBRAHIM MORTAZ** is an Assistant Professor in the Department of Management and Management Science at Pace University's Lubin School of Business. He joined Pace in 2017 and has since published in leading academic journals such as *Applied Energy*, *Energy Policy*, *Knowledge-Based Systems*, and *IEEE Transactions*, among others. Dr. Mortaz is motivated to study problems at the intersection of theory and practice. His research applications have spanned from the healthcare sector to energy and power systems.

JOURNAL ABSTRACT 12

MODELING LANDSCAPE SUSTAINABILITY IN THE OIL PRODUCING NIGER DELTA AREA OF NIGERIA

Written by Dr. Christian N. Madu* (with Chu-hua Kuei) and published in 2019 by *Energy Policy*, October 2019 (133): 110893.





ISSUE AND IMPORTANCE

Nigeria is one of the major oil-producing countries in the world. Most of Nigeria's crude oil is derived from the Niger Delta area. The area is heavily polluted from oil activities coupled with oil pipeline vandalism. The government allocates only 13% of the revenue from the oil to the Niger Delta area. The citizens of Niger Delta are demanding an allocation of 25%. The aim of this study is to look into these problems to identify how to reverse the loss of environmental resources and restore the pride and functions of landscape sustainability and/or ecosystem services in the Niger Delta area.



PRACTICAL IMPLICATIONS

- ▶ Increasing revenue allocation may reduce pipeline vandalism and improve on landscape sustainability and poverty alleviation. This is supported by a UNEP report on oil spills in Ogoni-Niger Delta.
- ▶ Policymaking can be improved regarding the allocation of crude oil revenues and how they are managed to achieve landscape sustainability.



MAIN FINDINGS

There is a direct association between the percentage of revenue allocation and landscape capital. The percentage of revenue allocation, therefore, contributes to the level of environmental degradation in the area. Oil pipeline vandalism contributes significantly to the environmental degradation in the Niger Delta area. Under a best-case scenario, it will take 17.75 years to achieve 225.9 acres of clean and green land. However, under a worst-case scenario, it will take 20 years to recover 183 acres of clean and green land. It is therefore imperative that public policies articulate the nexus between oil pipeline vandalism and landscape capital to avoid the huge cost of cleanup. The greatest landscape capital can be achieved in 18.25 years if revenue allocation is increased from the current level of 13% to 21% under the most probable case of oil pipeline vandalism. This will lead to a recovery of 214.60 acres.



***DR. CHRISTIAN N. MADU** is a Professor of Management Science at Pace University's Lubin School of Business. He is a leading scholar in the areas of sustainability management, disaster risk reduction, process change, and quality management. He edited the 2nd edition of his book *Handbook of Environmentally Conscious Manufacturing* (Springer Nature, 2022), *Environmental Planning and Management*, 2nd edition (World Science Publishing, 2023), and *Environmental Planning and Modeling* (MDPI, 2022). He is an internationally recognized expert in chemical safety and security management; he has also conducted several international workshops in these areas. Dr. Madu has consulted widely for many leading organizations. He sits on the editorial boards of more than thirty academic journals.

JOURNAL ABSTRACT 13

DECONSTRUCTING THE STATUTORY LANDSCAPE OF REVENGE PORN: AN EVALUATION OF THE ELEMENTS THAT MAKE AN EFFECTIVE NONCONSENSUAL PORNOGRAPHY STATUTE

Written by Dr. Jessica A. Magaldi* (with Jonathan S. Sales) and published in 2020 by *American Criminal Law Review* 57(4), 1499-1567.





ISSUE AND IMPORTANCE

Image-based sexual abuse, also called nonconsensual pornography (NCP), is the distribution or dissemination of intimate images without the consent of the subject, which causes victims to suffer substantial harm. Since 2013, forty-eight jurisdictions (forty-six states, the District of Columbia, and Guam), have enacted statutes criminalizing NCP. The difference in the construction of such criminal statutes, however, and particularly regarding essential elements, suggests a lack of consensus over how NCP is viewed as a criminal act. The issue researched is whether these statutes are successfully punishing and deterring perpetrators of NCP, and whether the U.S. legal system, including the U.S. Constitution, is equipped to adapt to this new intersection of society and technology.



PRACTICAL IMPLICATIONS

- ▶ NCP causes substantial harm to victims, and in some cases, has precipitated victims' suicide. Statutes must be written to adequately punish NCP perpetrators and deter potential offenders.
- ▶ Changes in social mores and technology have made addressing NCP difficult. The sharing of intimate images has become more acceptable in instances such as within intimate relationships and the law must protect those depicted in the images when they are shared without consent.
- ▶ The shortcomings of state NCP statutes raise the prospect that the U.S. legal system is struggling to protect the general public from bad actors that exploit technological and social developments.



MAIN FINDINGS

This article examines the regulatory schema of the jurisdictions that criminalize NCP. This analysis reveals that the more essential elements an NCP statute had, the more likely the statute would allow substantial NCP conduct to escape prosecution. Conversely, statutes with fewer essential elements, that focused more on the issue of the victim's lack of consent for the defendant to distribute the intimate image, would allow fewer perpetrators of NCP to escape prosecution.



***DR. JESSICA A. MAGALDI** is the Ivan Fox Scholar and a Professor of Business at Pace University's Lubin School of Business. Her research reflects her interests in how the law can advance equity in business and society, the intersection of law and technology, and issues related to gender. She is currently developing a course that will bring together all of these interests in a class that focuses on the law of the music industry through the work of Taylor Swift as an artist and businessperson. News of her course went viral on TikTok generating over 136,000 likes and shares.

JOURNAL ABSTRACT 14

ZARIN V. COMMISSIONER REVISITED AND SOME METHODOLOGIES FOR DETERMINING COD INCOME

Written by Dr. Philip G. Cohen* and published in 2021 by *William & Mary Business Law Review* 12 (3): 537-619.





ISSUE AND IMPORTANCE

The focus of this article is a revisit of a very well-known and much written about Third Circuit Court of Appeals decision, *Zarin v. Commissioner*, concerning whether the taxpayer had cancellation of indebtedness (COD) income. *Zarin* dealt with whether a compulsive and unlucky gambler could avoid COD income when he settled with the casino for substantially less than what he owed. Besides a plethora of diverse third-party assessments of the case, the judges who heard the case and its appeal were also divided.



PRACTICAL IMPLICATIONS

- ▶ For practitioners with clients facing potential COD taxation, a careful study of the *Zarin* opinions is warranted.
- ▶ From a tax policy standpoint, Congress might want to study whether the Third Circuit decision reflects the intention of the statute, and to the extent it does not, revisions of the Internal Revenue Code provision should be undertaken.



MAIN FINDINGS

The Tax Court opinion was decided by an eleven to eight vote for the Service, with three separate dissenting opinions, followed by a Third Circuit reversal, with a two to one split of the judges. In a much-criticized decision, a divided Third Circuit Court of Appeals reversed a split Tax Court and held that the hapless gambler did not have discharge of indebtedness income. While many esteemed scholars have made plausible arguments to the contrary, this article concludes that *Zarin* should have been determined to have COD income from his settlement with the casino. *Zarin* was not subject to tax when he received the gambling chips because both parties had an understanding it would be repaid. This tax benefit he received at the time of the loan results in COD income upon the indebtedness' settlement for less than what was owed, unless an exception applied, and none should have in this case.



***DR. PHILIP G. COHEN** is a Professor of Taxation at the Lubin School of Business at Pace University. He is a retired Vice President-Tax and General Tax Counsel for Unilever United States, Inc., having worked in the corporate tax function at Unilever for over 26 years, including the last ten-and-a-half years as head of the Unilever United States Tax Department. He practiced corporate tax law for 33 years and was an adjunct professor at the Lubin School of Business for 23 years before joining the full-time faculty in 2012. His latest scholarly article, "Whirlpool Financial Corp. v. Commissioner Was Properly Decided," appears in 76 *The Tax Lawyer* 247 (Winter 2023).

JOURNAL ABSTRACT 15

THE NEW AND DECIDEDLY IMPROVED IRS FACT SHEET FREQUENTLY ASKED QUESTIONS

Written by Dr. Frank G. Colella* and published in April 2021 by *Taxes—The Tax Magazine*, Vol. 100, No. 4, p. 49.





ISSUE AND IMPORTANCE

As a result of the pandemic, the IRS significantly increased the use of Frequently Asked Questions (FAQs) to communicate information to taxpayers. FAQs posted on the IRS.gov website, however, were not formal guidance that taxpayers could rely upon for penalty relief, should the FAQ be incorrect. FAQs bypass the more rigorous process employed to promulgate formal guidance, which taxpayers may rely upon. On October 15, 2021, the IRS updated its FAQs process for, *inter alia*, FAQs associated with new tax legislation. This change was significant because it recognized that the sheer number of new FAQs would generate increased taxpayer reliance on the information they contained—and it would be inequitable to penalize taxpayers if FAQs content was incorrect.



PRACTICAL IMPLICATIONS

- ▶ Under the new procedure, significant FAQs will be released via Fact Sheets, accompanied by a news release, and formally published in the Internal Revenue Bulletin.
- ▶ Formal publication strengthens taxpayer rights because reliance, in good faith, on Fact Sheet FAQs permits penalty relief for taxpayers who rely on those FAQs.
- ▶ Archiving new FAQs increases overall IRS process transparency and benefits tax practice and administration.



MAIN FINDINGS

FAQs, as traditionally employed, did not benefit from a robust drafting process employed with formal IRS guidance. More importantly, FAQs could not be relied on for penalty relief. For example, in *Scholl v. Mnuchin*, an FAQ that stated incarcerated individuals did not qualify for economic impact payments was held invalid. In more practical terms, FAQs could be revised, or simply deleted, without retention of the original version. Unless taxpayers printed out (or saved) the earlier version, there would be no record of the original FAQs. In another example, none of the earlier versions of an FAQ intended to guide taxpayers in answering a new question added to Form 1040 regarding virtual currency transactions had been retained by the IRS.



***DR. FRANK G. COLELLA** is a Clinical Assistant Professor at Pace University's Lubin School of Business Department of Legal Studies and Taxation. He teaches Tax Practice, Procedure and Research, Federal Taxation, Estate Taxation, Constitutional Law, and Business' Law. His research interests include taxpayers' procedural due process rights in connection with federal tax matters, as well as civil liberties, including First Amendment issues. He currently chairs the IRS Appeals subcommittee for the NYS Society of CPAs Relations with IRS Committee. He also serves on the Board of Trustees of Vital Strategies, a global non-profit organization committed to public health advocacy.

JOURNAL ABSTRACT 16

TOWARDS A MACROMARKETING AND CONSUMER CULTURE THEORY INTERSECTION: PARTICIPATORY AND DELIBERATIVE METHODOLOGIES

Written by Dr. Canan Corus* (with B. Saatcioglu) and published in 2019 by *Journal of Macromarketing*, 39(1), 9–24.





ISSUE AND IMPORTANCE

This research provides discussion on the use of an alternative paradigm (i.e., participatory and deliberative approaches methods) in order to allow a cross-fertilization of consumer culture theory (CCT) and macromarketing. CCT work studies consumer identity projects, marketplace cultures, and marketplace ideologies focusing on individuals' cultural and experiential consumption. Macromarketing deals with the interactions across firms and consumers, governments, regulatory bodies, etc., that derive meaning from some larger marketing system. Additionally, macromarketing involves topics such as the quality of life, sustainable development, and distributive justice.



PRACTICAL IMPLICATIONS

- ▶ The discussion on an action research-driven participatory research design builds upon the key insights of macromarketing and CCT traditions. It offers a detailed framework for researchers who wish to forge a CCT/macromarketing alliance.
- ▶ The participatory and deliberative methods delineated in the paper are driven by an agenda for egalitarian participation into the social sphere, multidimensional wellbeing, and reflexive social change. They also facilitate collaborations of practitioners (e.g., policy makers, activist groups), other stakeholders (e.g., consumers, affected communities), and researchers.



MAIN FINDINGS

The research highlights the overlaps and divergences of CCT and macromarketing, followed by suggestions of research design and data collection that would facilitate synergies between these two traditions. Specifically, both research streams critique prominent, yet ostensibly reductionist research orientations in marketing. CCT arose in reaction to methodological confinement of consumer experience to structured experimental designs. Macromarketing is an evolved reaction to the prevalence of a micro-orientation in the marketing field. Both CCT and macromarketing converge in their critical stance and their openness to embrace a wider range of methods that would allow for a more contextualized understanding of consumption and markets. To facilitate this dialogue, we provide methodological guidance, specifically emphasizing participatory and deliberative approaches that derive from action research, including interviewing, storytelling, and focus groups, which are described and categorized based on their goals and uses in the paper.



***DR. CANAN CORUS** is an Associate Professor of Marketing at Pace University's Lubin School of Business. She studies consumer health and consumer welfare, as well as corporate social responsibility and stakeholder engagement. Her research relates to and advocates for the personal and collective wellbeing of consumers, with a focus on the needs of disadvantaged consumers. She has published in academic journals including *Journal of Marketing Research*, *Journal of Consumer Research*, *Journal of Business Research*, *Journal of Public Policy and Marketing*, *Psychology & Marketing*, *Journal of Macromarketing*, and *Journal of Marketing Management*.

JOURNAL ABSTRACT 17

A CUSTOMER-FOCUSED APPROACH TO IMPROVE CELEBRITY ENDORSER EFFECTIVENESS

Written by Dr. Vishal Lala* (with Brad Carlson, D. Todd Donovan, George D. Deitz, and Brittney C. Bauer) and published in 2020 by *Journal of Business Research*, 109: 221-235.





ISSUE AND IMPORTANCE

Celebrity endorsements are ubiquitous in the advertising landscape, appearing in roughly one-fifth of all advertisements. This research examines the extent to which consumers identify with an endorser and the resulting influence of consumer identification on consumer evaluation of the endorser and the endorsed product.



MAIN FINDINGS

Although the product match-up hypothesis has proven useful in predicting endorsement effectiveness, the current study reveals that endorser identification is a more useful predictor of endorsement success as its influence precedes that of consumer evaluations of fit. Specifically, the findings suggest that because the extent to which consumers identify with a celebrity is not related to any particular endorsed brand or product pairing, endorser identification offers a potentially more consistent criterion for predicting endorsement effectiveness than fit, which is contingent upon varying consumer perceptions of product-endorser match-up. Across three studies, two survey-based and one longitudinal experiment, increased identification with both male and female endorsers led to increases in endorsement success. Most importantly, the influence of identification is significant for both high and low fit pairings between an endorser and brand. Thus, consumers who identify strongly with an endorser are likely to respond favorably to an endorsement, even when fit between the endorser and brand is poor. Moreover, identification with an endorser is consistently linked to purchase intentions over multiple time points.



PRACTICAL IMPLICATIONS

- ▶ In picking celebrity endorsers, advertisers should consider endorser identification, even more so than product-endorser fit.
- ▶ Even when a celebrity fits well with a brand, the endorsement pairing may be ineffective if the core segment of consumers fail to identify strongly with the celebrity.



***DR. VISHAL LALA** is a Professor of Marketing at Pace University's Lubin School of Business. He is passionate about working at the intersection of marketing, statistics, and computer science. His research interests include consumer decision-making, electronic media, and promotion. His articles have appeared in marketing and e-commerce journals such as *Journal of Business Research*, *Journal of Advertising Research*, *Journal of Interactive Marketing*, and *Psychology & Marketing*. He teaches quantitative courses in marketing such as marketing research, visual analytics, and predictive analytics.

JOURNAL ABSTRACT 18

PROFESSIONAL ATHLETES' SOCIAL MEDIA USE AND PLAYER PERFORMANCE: EVIDENCE FROM THE NATIONAL FOOTBALL LEAGUE

Written by Dr. Leigh Anne Donovan* (with Joon Ho Lim, Peter Kaufman, and Chiharu Ishida) and published in 2021 by *International Journal of Sport Communication*, 14(1): 33-59.





ISSUE AND IMPORTANCE

The number of professional athletes who participate on social media has increased dramatically over the past decade. This comes with positive opportunities: the ability to engage with fans, share personal stories, and build/enhance their brand. However, there are also concerns about the negative implications of social media use from simple distraction to possibly having a negative impact on athletic performance. We examine individual-level social media activity to empirically investigate how athletes' expressions of humility on social media and volume of social media are associated with in-game performance.



PRACTICAL IMPLICATIONS

- ▶ Having a better understanding of the implications of social media use and professional athletes' performance can help players and coaches successfully navigate this communication tool.
- ▶ These findings provide professional athletes, team coaches and staff, and sports team managers with effective training procedures for players' appropriate use of social media. For example, players could be provided with examples of content that is associated with better in-game performance and excessive pre-game posting should be minimized.
- ▶ These findings can also be implemented in evaluating social media activity prior to drafting, recruiting, or signing potential players.



MAIN FINDINGS

Our results provide critical insight into how athletes' social media activity is associated with in-game performance. Social media activity can vary in two dimensions: quantity and content. We found a negative relationship between the quantity of postings and players' in-game performance. Players with a higher volume of pregame posts showed a decrease in point-based performance. We also found a positive relationship between a player's humility level reflected through social media postings and game performance. However, this relationship isn't linear. Although expressing humility improved player performance, being too humble was negatively associated with performance resulting in a U-shaped relationship. In general, overly arrogant posts and excessive social media use immediately before a game lead to poorer performance in the game.



***DR. LEIGH ANNE DONOVAN** is an Associate Professor of Marketing at Pace University's Lubin School of Business. Dr. Donovan's research focuses on consumer behavior, digital marketing, consumer-brand and interpersonal relationships, loyalty, and satisfaction. Her research has been published in leading academic journals such as the *Journal of Experimental Social Psychology*, *Psychology & Marketing*, *Journal of Relationship Marketing*, and the *International Journal of Sport Communication*.

JOURNAL ABSTRACT 19

ROUNDED OR ANGULAR? HOW THE PHYSICAL WORK ENVIRONMENT INFLUENCES MAKERS' CREATIVITY

Written by Dr. Chongyu Lu* (with Yueyan Wu, Jianhui Yan, Xiao Chu, Meijiao Wu, and Zhi Yang) and published in 2021 by *Journal of Environmental Psychology*, 73:101546.





ISSUE AND IMPORTANCE

Over the last decade, makerspaces have exploded in popularity around the world. Governments and large companies (e.g., Google and Microsoft) have adopted makerspaces because they have become one of the most important environments for nurturing creativity in the 21st century. Although attention has been paid to makerspaces, little is known about the influence of physical work environment on creativity. This study examines the effect of rounded and angular physical work environment cues on makers' creativity.



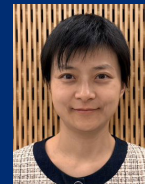
PRACTICAL IMPLICATIONS

- ▶ Makerspaces can stimulate makers' divergent or convergent creativity through different physical work environment designs.
- ▶ Makerspace managers should assign makers to different spaces based on tasks or the stages requiring different types of creativity. For example, when a maker's task is to generate as many ideas as possible, it would be better to assign the maker to a round physical work environment; when a maker's task is to integrate and synthesize various elements into ideas and then identify the best possible outcome, it would be better to direct the maker to an angular physical work environment.
- ▶ Individual makers should find a matching environment for their tasks or stages requiring different types of creativity.



MAIN FINDINGS

We found that a rounded versus an angular physical work environment in makerspaces has different effects on makers' divergent and convergent creativity. A rounded physical work environment was more likely to enhance divergent creativity (the ability to generate as many ideas and responses to a problem as possible) than an angular physical work environment. However, an angular physical work environment was more likely to enhance convergent creativity (the ability to integrate and synthesize various concepts into ideas and use convergent thinking to identify the best outcome) than a rounded physical work environment.



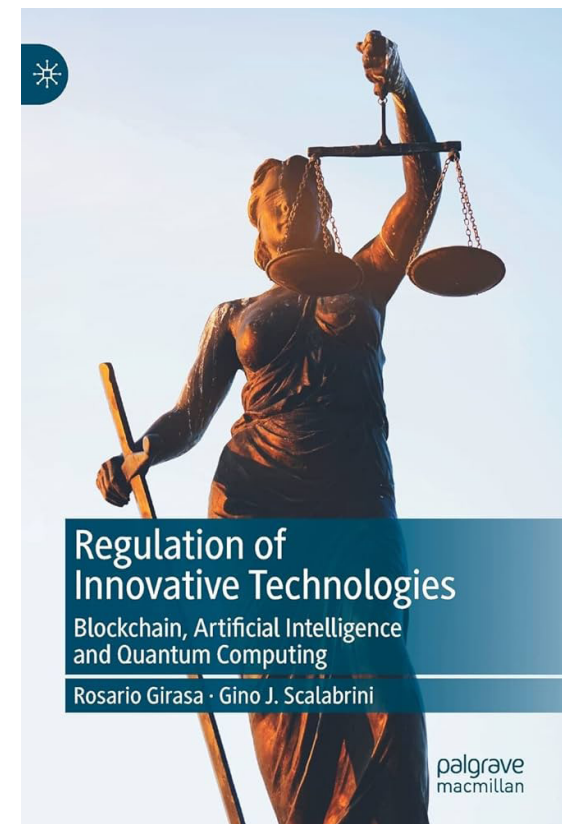
***DR. CHONGYU LU** is an Assistant Professor in the Department of Marketing at Pace University's Lubin School of Business. Dr. Lu's current research focuses on examining the effectiveness of paid search advertising and how consumer behavior is affected by the digital environment. Her research has been published in leading academic journals such as *Journal of Business Research*, *Journal of Advertising Research*, *European Journal of Marketing*, and *Journal of Marketing Management*, among others.

ON THE BOOKSHELF

BOOK ABSTRACT 1

REGULATION OF INNOVATIVE TECHNOLOGIES: BLOCKCHAIN, ARTIFICIAL INTELLIGENCE AND QUANTUM COMPUTING

Written by Dr. Rosario (Roy) Girasa* (with Gino J. Scalabrini M.D.) and published in 2022 by Palgrave Macmillan.





ISSUE AND IMPORTANCE

The latest technological developments concerning blockchain, including cryptocurrencies and their substantial increases and decreases in valuation, artificial intelligence, and the latest improvements in quantum computing, inevitably lead to fraudulent and other criminal behaviors. This text examines the legal and regulatory enactments that have occurred or have been proposed to curb harmful risks and dangers, especially to individual freedoms resulting from biases, facial recognition, automatic license plate recognition, and other evolving applications of the technologies.



PRACTICAL IMPLICATIONS

- ▶ There is a need for governmental regulation to curb major abuses by dominant private firms, including prevention of competition by smaller firms.
- ▶ There must be protection against ransomware, especially arising from unfriendly nations.
- ▶ It is necessary for the U.S. to better compete with the artificial and other technological challenges posed by China.
- ▶ Increased attention must be placed on the revolutionary changes that will likely occur with the practical development of quantum computing within the next decade.



MAIN FINDINGS

There have been governmental and private efforts to gain access to individual private data that may be greatly misused under the guise of protection of the public from physical and monetary harm. Additional issues discussed include antitrust and intellectual property concerns by a small number of dominant firms including Google, Meta (Facebook), and Amazon.



***DR. ROSARIO (ROY) GIRASA** is a Distinguished Professor at Pace University's Lubin School of Business in the Department of Legal Studies and Taxation. He is the author of eight law texts and over 135 articles. Further, he is an attorney, as he was admitted to the bar in 1962, and he has been a professor for the past 44 years.



COMMENTARY

REGULATION OF INNOVATIVE TECHNOLOGIES: BLOCKCHAIN, ARTIFICIAL INTELLIGENCE AND QUANTUM COMPUTING

By Dr. Rosario (Roy) Girasa (with Gino J. Scalabrini)

Commentary by Dr. Robert S. Wiener*

This accessible, well-written, well-sourced book by Dr. Rosario (Roy) Girasa, and his former student Gino J. Scalabrini, is of general importance. It equips the reader to apply its theories to state, federal, and international regulation of innovative technologies such as blockchain, artificial intelligence, and quantum computing. The cases discussed help us understand the issues of Sam Bankman-Fried, ChatGPT, and the case U.S. v. Google. The diverse perspectives of the authors combine to broaden and deepen discussion of the challenges of under-regulation if society is not protected from abuses by users of these technologies, and over-regulation if basic individual freedoms, such as privacy, are abused.

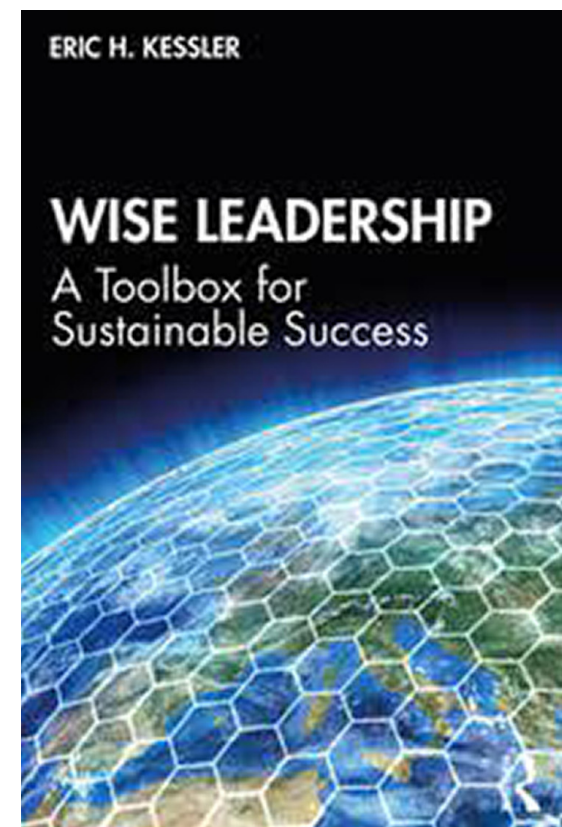


***DR. ROBERT S. WIENER** is an Associate Professor of Legal Studies and Taxation at Pace University's Lubin School of Business. Professor Wiener graduated from the New York University School of Law after majoring in philosophy at Brooklyn College, CUNY.

BOOK ABSTRACT 2

WISE LEADERSHIP: A TOOLBOX FOR SUSTAINABLE SUCCESS

Written by Dr. Eric H. Kessler* and published in 2021 by Routledge.





ISSUE AND IMPORTANCE

We are drowning in data. Overflowing in information. Awash in knowledge. But we are starving for wisdom. Though much has been pontificated about leadership, these efforts are so varied that they tend to obscure more than they elucidate. *Wise Leadership: A Toolbox for Sustainable Success* provides current and emerging leaders with a grounded, integrated, and intuitive framework to help them adapt seamlessly to the gauntlet of fundamental leadership challenges. Incorporating diverse examples and practical guidelines, this book offers a dynamic repertoire of flexible leadership capabilities to help readers become, and remain, successful.



PRACTICAL IMPLICATIONS

- ▶ First, discover your leadership wisdom (Section One)—for understanding its core components and characteristics.
- ▶ Second, assemble your leadership toolbox (Section Two)—for systematically developing its instruments and skill sets.
- ▶ Third, leverage your leadership style (Section Three)—for adeptly selecting, optimizing, and sustaining its resonance.
- ▶ Finally, put it all together—to be an effective leader in any situation!



MAIN FINDINGS

This book constructs a six-point framework that a) integrates the main insights of leadership models and b) applies core wisdom principles for translating them into personal and professional success. Their specific sets of tools need to be developed on their own, but also balanced with the others so that they work in harmony. In short, they are: Head and Heart—Leading from intellect and emotion; Inside and Outside—Leading with integrity and purpose; and Pull and Push—Leading through collaboration and effectiveness. Each of these is necessary, but none are sufficient to address the increasingly complex range of issues that leaders face. Since wisdom is not just one single thing, wise leadership cannot be a simple thing either. Therefore, for leaders to be sustainably successful they cannot be one-trick ponies. They need to methodically master multiple leadership identities so they're able to agilely and continuously match the right tools to the right jobs.



***DR. ERIC H. KESSLER** is University Distinguished Professor, Henry George Professor of Management, and Founding Honors Director at Pace University's Lubin School of Business. A recognized authority on organization management and global leadership, he has published seven critically acclaimed books, authored over 125 scholarly papers, and worked with numerous government and private organizations. He is the worldwide general editor of the *Encyclopedia of Management Theory*, a Fulbright recipient, a professional board member, and Past President/Fellow of the Eastern Academy of Management. He has also led international field studies traveling across six continents and has been inducted into honorary societies in business, forensics, economics, and psychology.



COMMENTARY

WISE LEADERSHIP: A TOOLBOX FOR SUSTAINABLE SUCCESS

by Dr. Eric H. Kessler

Commentary by Dr. Katherine Richardson*

Wise Leadership: A Toolbox for Sustainable Success provides for 21st century leaders a roadmap that's both meaningful and practical. In writing that is direct and easy to understand, Kessler presents a holistic framework of leadership drawn from his many years studying organizations across the globe. This book encourages readers to reflect on their leadership styles and move beyond their comfort zones to acquire new skills to lead with wisdom and purpose. In the age of analytics and ChatGPT—where data is turned into information, and perhaps knowledge, at the click of a button—Kessler's timely book makes a strong case for how to take the next step during this challenging time and actually become a wise leader.



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