



# Babson Faculty Research Fund 2013-2014 ANNUAL REPORT

## 2013-2014 BFRF Members

Danna Greenberg, Management  
 Dhruv Grewal, Marketing  
 Kandice Hauf, History and Society, Chair  
 Brian Seitz, Arts and Humanities  
 Joel Shulman, Entrepreneurship  
 Susan Chern, Coordinator

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## Overview

### BFRF Mission Statement

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

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

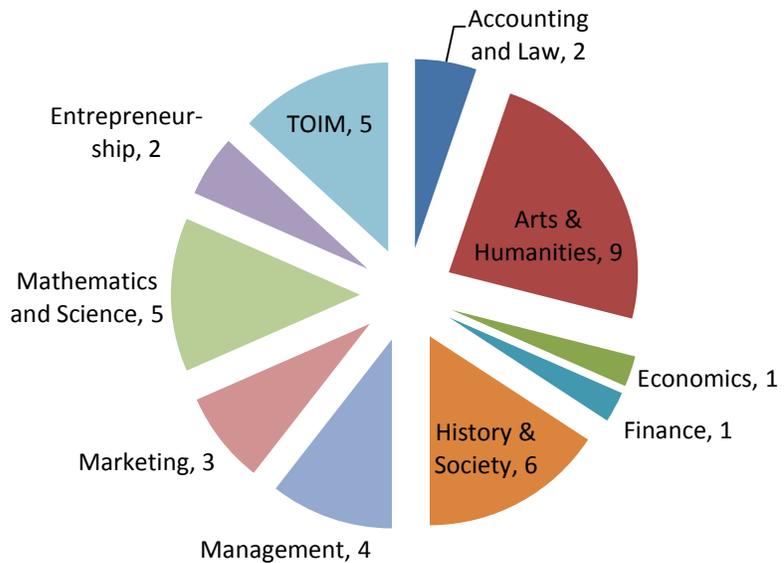
### BFRF 2013-2014 Award Summary

Through a competitive process the BFRF provides support for faculty research projects. This year, the BFRF received forty-six applications and provided support for a total of thirty-eight projects:

- 9 course releases
- 16 summer stipends (12 funded by BFRF, 1 funded jointly by BFRF and CWEL, and 3 funded by the Dean of Faculty)
- 1 major expense award for research data
- 12 Mini-Grants (awards of less than \$2500) totaling almost \$20,000

More than \$18,000 of additional funds was allocated for research-related expenses relating to summer stipends and course releases.

### Awards by Division



### Other Activities

In addition to making awards, the BFRF sponsored ten Research ‘Chat’ programs; reviewed and accepted twenty-five Final Product research submissions; and published ten newsletters. The BFRF Working Paper Series is published on Digital Knowledge at Babson (DKB), the College’s institutional repository.

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# Babson Faculty Research Fund 2013-2014 Awards

The Babson Faculty Research Fund (BFRF) provides support for meritorious projects, but cannot guarantee that all worthy projects are funded. Rather, through a competitive process, the BFRF makes awards to those faculty research projects that have the most promise of advancing the BFRF's mandate. The following BFRF Awards were made during the 2013-2014 academic year.

## 2014 Summer Stipends

**Matt Allen**, Entrepreneurship, "A Model for the Role of Trust in Firm Level Performance: The case of family business"

**Kevin Bruyneel**, History and Society, "The Politics of 'Indian' Sports Names and Mascots: Colonial Practices, Settler Memory, and the Production of Indigenous Absence"

**Jon Dietrick**, Arts and Humanities, "Maps, Titles, Legends: Literary Economies in the House of the Seven Gables"

**S. Sinan Erzurumlu**, TOIM, "Design Thinking with Multi-criteria Decision Analysis for Sustainable Development: A Community-Centered Approach to Gold Artisanal and Small Scale Mining"

**Yunwei Gai**, Economics, "Local Labor Market Condition and Influenza Vaccination"

**Elizabeth Goldberg**, Arts and Humanities, "Intersecting Genealogies: From Postcolonialism to Human Rights"

**Nathan Karst**, Mathematics and Science, "Oscillations and spontaneous flow reversal in a simple fluid network"

**Kathleen McKone-Sweet**, TOIM, "Assessment of Babson (FME) Approach to Teaching Entrepreneurship Leadership"

**Meghan MacLean**, Mathematics and Science, "Hard or Soft? How edge hardness determines forest structure"

**Wendy Murphy**, Management, "The Silicon Valley Start-up Common: Fostering developmental networks for entrepreneurial success"

**Mary O'Donoghue**, Arts and Humanities, "The Prefecture: Short Stories"

**Salvatore Parise**, TOIM, "Do or Die: How Exceptional IT Professionals Innovate"

**Vikki Rodgers**, Mathematics and Science, "Susceptibility to invasion in the context of resource supply and uptake: Linking environmental factors and plant demography"

**Anne Roggeveen**, Marketing, "How Hand Position Impacts Cognitive Processing - Implications for Advertising Messages Across Media"

**Brian Seitz**, Arts and Humanities, "Philosophy on Fire"

**Rosa Slegers**, Arts and Humanities, "Twilight of an Idol: The Male Entrepreneur-Adventurer and a Call for Hammers"

## 2014-2015 Course Releases

### Fall 2014

**Ryan Davies**, Finance, "Trading costs and priced illiquidity in high frequency trading markets"

**Toni Lester**, Accounting and Law, "Gender in Copyright Law - Is it an Asset or a Liability?"

**Xinghua Li**, History and Society, "Environmental Advertising in China and the USA: Structures of Desire"

### Spring 2015

**Steven Gordon**, TOIM, "Fostering Social Movements with Social Media"

**Patricia Guinan**, TOIM, Do or Die: How Exceptional IT Professionals Innovate"

**Kandice Hauf**, History and Society, "The Korean Myth of Chunhyang: A Courtesan's Daughter as Moral Exemplar"

**James Hunt**, Management, "A Study of Career Development Planning and the Application of Happenstance Learning Theory"

**Dennis Mathaisel**, Mathematics and Science, "Entrepreneurial Sustainability: How to Sustain New Ventures and New Product Development"

**Yasuhiro Yamakawa**, Entrepreneurship, "Institutions, entrepreneurship and economic development in emerging economies"

## Other Funding

The BFRF Mini-grants (\$2500 max) provide funding for research-related expenses.

Twelve of fifteen requests were funded this year.

Meghan MacLean	Mathematics and Science	Travel
Mary Godwyn	History and Society	Travel
Jonathan Sims	Management	Tape transcription
Craig Ehrlich	Accounting and Law	Editing
Janice Yellin	Arts and Humanities	Scanner
Frederick Opie	History and Society	Research Assistants
Kathleen Kelly	Arts and Humanities	Editing
Wendy Murphy	Management	Editing
Mary Pinard	Arts and Humanities	Travel
Julie Levinson	Arts and Humanities	Book index
Marjorie Feld	History and Society	Book index
Kenichi Matsuno	Marketing	Editing and software

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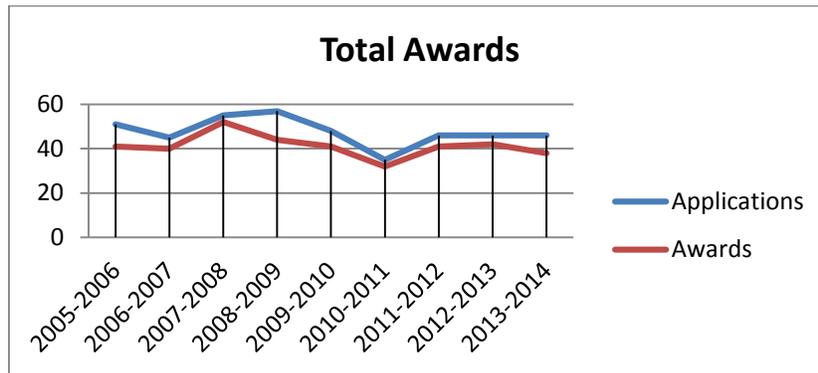
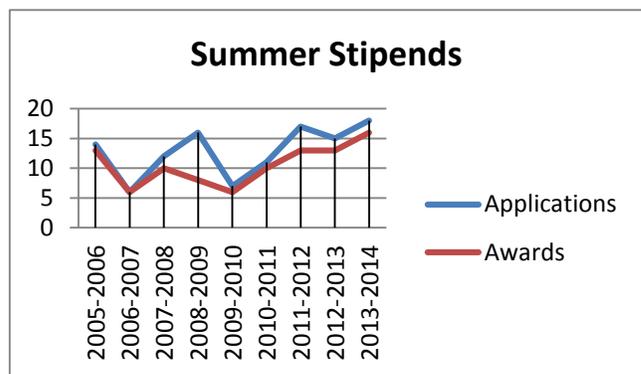
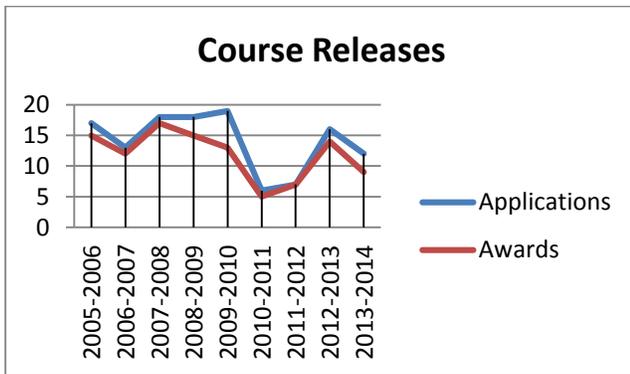
# BFRF Award History

## Awards by Funding Type

Type of Award	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Course Release	9	14	7	5	13	15	17	12	15
Summer Stipend	16	13	13	10	6	8	10	6	13
Mini-Grant	12	15	21	17	17	14	19	12	10
Other*	1	0	0	0	5	7	6	10	3
<b>Total</b>	<b>38</b>	<b>42</b>	<b>41</b>	<b>32</b>	<b>41</b>	<b>44</b>	<b>52</b>	<b>40</b>	<b>41</b>

\*Includes Major awards and other full proposals

## BFRF Application/Award Trends update



## Publications

During the academic year, the Babson Faculty Research Fund published ten newsletters. The newsletters keep the Babson community informed about BFRF sponsored projects and initiatives, external funding and publishing opportunities, and the latest research accomplishments of faculty members. BFRF Working Papers, the output from course release and summer stipend awards, are published on [Digital Knowledge at Babson](#) (DKB), the College's institutional repository; DKB is designed to promote Babson based research, creative activity and other output, and enable their discovery via the Web.

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## BFRF Final Products Accepted

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

**Kevin Bruyneel**, History and Society, “Project Geronimo: Settler Memory and the Production of American Statism”

In this chapter, I argue that American state practices and institutions function and are legitimated, especially in their most warlike functioning, through settler memory. When one accounts for the history and present of American violence toward Indigenous people and dispossession of Indigenous lands it is fair to say that the United States has always been in a warlike state; that this is not a new phenomenon of the post-World War II era, what is often called the modern National Security state. I define settler memory as an active practice, not a reference to dislocated past. Just as an individual cannot act ably without the active function of memory, neither can institutions and communities such as the American settler state and nation. States and nations are embodied structures that function, develop, and transform through the expression of individual and collective agency over time. They do not have a life on their own without people maintaining them, developing and adapting them, and articulating their power. In this regard, the American effort to legitimate settlement requires persistent articulation, especially as it concerns statist power that enforces and naturalizes Indigenous territorial dispossession and Indigenous people’s disempowerment. This chapter offers a way to imagine decolonization and unsettlement through a critique of statism, as I see anti-statism as a necessary component of a decolonizing, unsettling politics. This critique reveals and explores the intersection of statism as a practice of memory and as a practice of settlement. I explain why memory is important here, in particular in its relationship to statism. Building upon this discussion, the chapter then expands upon the narrative by focusing on the example of the use of Geronimo as the codename that the U.S. Defence Department gave to Osama Bin Laden in their successful mission to assassinate him. In this discussion, I move back and forth between historical and contemporary events concerned with Geronimo case so as to unearth the mnemonic practices central to the persistence of U.S. liberal colonialism and settler state governmentality. Bruyneel’s book, *Postcolonial Politics: Theory and Practices*, is under contract with Routledge Press.

**Ryan Davies**, Finance, “Stock price manipulation on option expiration dates” Abstract unavailable pending publication.

**Ryan Davies**, Finance, “Financial intermediaries in the midst of market manipulation: Did they protect the fool or help the knave?” Abstract unavailable pending publication.

**Sinan Erzurumlu**, TOIM, “Sequential Innovations by Startups: Balancing Survival and Profitability”

Start-ups, which are by nature cash-constrained, might consider launching an immediately available product to generate funds for developing more advanced products. However, this release may have an adverse effect on the perception of the firm’s future products. Then, a key decision for the start-up firm in this environment is: When should the first product be released? In this paper we identify the tradeoff between the adverse effect of the first release on the primary product and the revenue stream that it generates for R&D funding, and show how the introduction of different versions of a technology needs to be tailored to the interrelated nature of the versions and the funding.

**Yunwei Gai**, Economics “Impacts of Community Pharmacists and Pharmacies on Provision of Immunization Services in the United States”

Named as one of the ten greatest public health achievements by CDC, immunization has prevented many diseases and saved billions of dollars. Despite its effectiveness, immunization rates for many diseases remain below the *Healthy People 2020* objective. Access and awareness are two major barriers, which community pharmacists and pharmacies are well positioned to address because of their flexible hours, convenient locations, and deep connections with local residents. However, there are very limited studies to quantify their impacts on immunization services at the national level.

This is the first study using nationally representative databases to quantify their impacts after adjusting both individual- and community-level characteristics. I merged the 2008-2012 Behavioral Risk Factor Surveillance System (BRFSS), the 2012-2013 Area Health Resources Files (AHRF), the 2010 County Business Patterns (CBP) from Census, and the location and service information of Walgreens collected from its website to examine the effect of neighbourhood characteristics, particularly the supply of pharmacists and pharmacies, on individual immunization outcomes after controlling individual and family-level demographic, socioeconomic, health information, as well as county-level racial composition and income levels.

Probit models and marginal effects post estimation were used to analyze six immunization services for the entire sample as well as sub-samples by racial/ethnic groups, urban/rural areas, and employment status. The immunizations include (1) seasonal flu shots for adults aged 18 and above, (2) seasonal flu shots for children less than 18 years old, (3) human papilloma virus (HPV) for female adults, (4) human papilloma virus (HPV) for female children, (5) pneumococcal vaccinations for adults aged 18 and above, and (6) shingles vaccination for adults aged 60 years and older. With a few exceptions, the density of community pharmacists and pharmacies are positively and significantly associated with these services. For example, an increase of one pharmacist per 10,000 population in a county is associated with 0.41%, 0.27%, 0.08% and 0.9% increase in the probability of adult flu vaccination for the entire sample, non-Hispanic white subsample, non-Hispanic black subsample, and the Hispanic subsample. The association is also positive and significant for the subsamples by urban/rural types, and employment status.

With the introduction of free immunization services under the 2010 Patient Protection and Affordable Care Act, this study has important public health implications on using community pharmacists and pharmacies as non-traditional settings to expand access to vaccines.

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## BFRF Final Products Accepted

**Bradley George**, Entrepreneurship, “Preventing Dysfunctional Conflict: Examining the Relationship between Different Types of Managerial Conflict in VC Backed Firms”

Prior literature reports mixed results relative to the performance outcomes of different types of conflict in top management teams. These conflicting results may stem from the complex interactions between different types of conflict. To address this gap in existing knowledge, we set out to explore the interactions between task, process and affective conflict in entrepreneurial teams of venture-backed firms. Our data is based on a survey among 240 firms that have exited from Norwegian venture capital funds with a response rate of 25 per cent (59 firms). Our results show that task conflict is positively related to affective conflict and that this relationship is partially mediated by process conflict. Furthermore, we find that team size moderates the relationship between task and process conflict. Our results provide a potential explanation for the previously reported inconsistent results on the outcomes of different types of conflict and suggest that especially nascent entrepreneurs with small management teams should be wary of all types of conflict – also those labeled as “functional” by the prior literature.

**Bradley George**, Entrepreneurship, “When is it Rational to Not Be Rational? The Effects on Experience on the Rationality-Performance Relationship”

This study examines the effects of different types of experience on the relationship between strategic decision comprehensiveness. Using a sample of 130 U.S. based non-diversified manufacturing firms we find that prior start-up experience negatively moderates the relationship between strategic decision comprehensiveness and new venture growth in the alternative generation and alternative evaluation phases of the process. We find no significant moderating effect for start-up experience on the relationship between comprehensiveness in the situation diagnosis and decision integration phases. Furthermore, we find no direct effect between comprehensiveness and growth or any direct or moderating effect of previous industry experience.

**Mary Godwyn**, History and Society, *Around the World with Business Ethics: A Sociological Examination of Management Education*

An integration of liberal arts and business, this book examines business management education around the world from the perspectives of the social sciences and humanities, specifically sociology and ethics. These disciplines provide alternatives to economic theory, which is primarily used as the foundation for business education. Sociology offers empirical and theoretical traditions that explore social change, diversity and inclusion. Ethics contributes structures to identify and evaluate moral underpinnings of applied systems. Together, these disciplines engage aspects that are often underdeveloped in business education. Through interviews with business faculty, students, and graduates, as well as attendance in business classes and examination of course materials, I will analyze how business school curricula and the experiences of business students affect normative business practices and the distribution of wealth, opportunity, and prestige in the global economy. My goal is to visit schools in a wide range of geographical locations including US, Canada, UK, France, New Zealand, India and Ghana.

Godwyn’s book, *Around the World with Business Ethics: A Sociological Examination of Management Education*, is under contract with Springer-Verlag, Heidelberg, Germany.

**Elizabeth Goldberg**, Arts and Humanities, “More Radical Than Thou: Politics and Posturing in Narratives of Sex Trafficking”\*

This paper surveys academic critiques of anti-trafficking advocacy, asking how critiques of anti-trafficking advocates as “moral crusaders” impact human rights work in this area. What does it mean to call human trafficking, especially sex trafficking, a “myth?” What does it mean to privilege the rights of sex worker/migrants over the rights of trafficked persons? What implications do these postures have on global understandings of the realities of sexual slavery and exploitation? How does human rights law factor into such positions? How could we move these debates from the fatigued frames of human *trafficking* into the more promising contexts of human *rights*? And finally, what role do literary representations of sex trafficking play in this context?

\*This project was supported by both BFRF and CWEL.

**Kandice Hauf**, History and Society

Biography of Wang Yangming (1472-1529)

This biography of Wang Yangming (1472-1529) analyzes his thought and action as seeker of truth, often controversial re-interpreter of Confucian doctrine, leader of an intellectual fellowship, innovative state official and community reformer, and successful military strategist. In addition to presenting Wang in these public roles, it considers his private life as son, husband, and father. This places Wang within the national and local contexts of his time and will enable readers to gain an understanding of this important personage in world history, and of the broader themes and developments of China’s Ming dynasty (1368-1644).

**Julie Levinson**, Arts and Humanities, “Acting: The *Auteur* Renaissance, 1968-80”

This book chapter is part of an edited volume on film acting which itself is one of ten volumes in a major new film history series. The article considers how a confluence of intersecting factors – industrial, technological, social, ideological, aesthetic – affected the nature of film acting in American movies between 1968 and 1980. The demise of the studio system and the concomitant rise of independent producers, young *auteurist* directors, and free-agent actors allowed for new expressive possibilities and synergies. The social upheavals of the period contributed to the potential of films as modes of personal expression and political discourse. The tensions and juxtapositions that defined the era both on and off screen inform this analysis of acting styles and techniques during the Hollywood *auteur* renaissance.

Levinson’s paper will be published in *Behind the Silver Screen, Volume 4: Acting*. Series ed. Jon Lewis; volume ed. Claudia Springer. (New Brunswick: Rutgers University Press, forthcoming 2014).

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## BFRF Final Products Accepted

**Xinghua Li**, History and Society, “Wild Flavors” or Wild Animals? The Discursive Warfare Surrounding China’s Endangered Wildlife Trade in the (Looming) Age of Green Consumerism”

The Chinese are notorious for their consumption of wild animals. As the Western notion of green consumerism enters China, the ancient tradition is slowly falling out of favor. International environmental NGOs launched advertising campaigns to dissuade the public from eating endangered wildlife. Curiously, advocates for exotic meat consumption also jumped onto the “green wagon” and marketed wild meats as an “ecological diet.” The opposing rhetoric demonstrates the plasticity of “green consumerism”: If you love animals, should you eat them, or protect them? The ambivalence gives birth to two types of desire, which are manifested in advertisements. This paper compares the pro-wildlife-eating ads by restaurants and tonic manufacturers and the environmental NGO-sponsored ads that support the opposite, and analyze the different cultural, ideological, and psychic functions they perform. Questioning the popular fetishization of the “local” or the “indigenous” over the “global” or the “Western” in the (looming) age of green consumerism, I argue that non-Western and indigenous values could also contribute to environmental degradation when coupled with the greed of consumerism.

**Mahdi Majbouri**, Economics, “Estimating the Income Counterfactual for Oil Producing Countries of the Middle East” How much richer would the oil producing countries, in the Middle East, be if they invested all their natural resource rent? This study tries to answer this question by calculating the counterfactuals of capital stock and income under two major scenarios. Using a unique data set on natural resource rents, it finds that the oil producing economies of the Middle East could have had on average about 0.8 percent higher growth rate if they had used their natural resource rents efficiently. This difference in growth rate translates to about 39 percent higher income over a 40 year period. These numbers are calculated for each country separately and the policy implications of these results are discussed.

**Kenichi Matsuno**, Marketing, “Firms’ (non-)responses to obvious but not-so-controllable external forces: the cases of aging population, rising environmental consciousness, and significant natural disaster”

The authors extend the question of organizations’ responses to the external environment, specifically motivated by their apparent low- or non-responses. Why many organizations do not seem to heed the advice to be attentive and responsive to the events and forces in the external environment? Based on a sample of 545 Japanese corporations, the authors investigate the magnitude and extent of organizations’ responses to one of the obvious, apparently important factors in the external environment, viz. the aging society. They find that perceived response certainty has a strong positive impact on the organizational responses of the informant companies. This relationship is moderated by organization’s cognitive ambivalence, such that a high level of ambivalence decreases the positive effect of response certainty at both corporate and marketing strategy levels. Thus, this study contributes new insights into the role of ambivalence in the low- or non-responses to the apparently important external environmental forces. Future research and managerial implications are also offered.

**Mary O’Donoghue**, Arts and Humanities, *Ogonnelloe*: Short Stories

*Ogonnelloe* is a collection of eight short stories of varying lengths, one of which precedes the period of this project and in fact inspired the collection. These stories share several formal and structural concerns: the story as an aural experience; the story as a soliloquy, whisper, rant or monologue; the story as a site for exploring trauma in non-linear ways. The stories are also abidingly interested in character and relationships and place, and they aim to merge these narrative preoccupations with innovative formal considerations.

**Salvatore Parise**, TOIM, “Will Twitter Networks Make Us More Innovative?”

Social network platforms, such as Twitter, are starting to influence a knowledge worker’s ability to access information and to develop innovative ideas. Once mainly used to build personal networks with friends and family, these social platforms now provide the capability for employees to connect with both subject matter experts and content that reside outside their company boundaries. The knowledge acquired on these platforms can help employees become aware of emerging trends, test their assumptions and propositions, and help formulate new ideas. This paper provides findings from an exploratory research study within one leading provider of IT storage hardware solutions.

Using social network analysis methodologies, the relationship between the structure of 66 employees’ Twitter networks and these employees’ ideation submissions, both number and quality of submissions, is examined. Follow-up interviews with 50 Twitter users from both the research site and in other industries provide further behavioral insight in terms of how employees use the Twitter platform to be more innovative.

**Mark Potter**, Finance, “Tracking Error and Portfolio Diversification Using Mutual Funds and ETFs”

Current practice and research in portfolio asset allocation employs necessary assumptions about which securities and asset classes are held in particular proportions in order to arrive at an “optimal” mix of investments. These studies typically employ the *average* performance in the input process, yet it is unlikely that investors hold average funds, and that the specific funds they own exhibit tracking error. We find that when we examine a representative investor year, 2013, mutual funds outperformed ETFs and ETFs exhibited a greater degree of risk. ETFs had lower expenses but a greater tracking error. In addition, simulations revealed that it took twice as many ETFs to reduce tracking error compared to mutual funds. Finally, key variables that drive tracking error for both traditional mutual funds and ETFs are a manager’s experience and whether the fund employs leverage.

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**Virginia Rademacher**, Arts and Humanities, “*Sex and the City*: Detective Petra Delicado and Questions I Couldn’t Help But Wonder”

Alicia Giménez Barlett’s Petra Delicado detective series (1996-2013) and the popular American television series *Sex and the City* (1998-2004) inform each other in interesting ways. In both cases, the questions and cultural commentary of the female protagonists function as subtexts which play off and stretch the conventions of the traditional detective fiction and romantic comedy formulas, challenging perceived boundaries of genre, gendered roles and social realities. In turn, I consider how the character of Petra Delicado reflects and reconsiders the representation of the hardboiled detective to comment critically on contemporary Spanish society with a postmodern, female twist.

Rademacher’s paper was published in *Monographic Review/Revista Monográfica* 18: 175-191.

**Anne Roggeveen**, Marketing, “Should Prices Be Placed in the Left-Visual Field or the Right-Visual Field?”

This research demonstrates that where a product’s price is placed in an advertisement can impact consumer perceptions and purchase intentions. Using hemispheric lateralization research as a theoretical backdrop, the research demonstrates that when consumers have less motivation, they process a price more quickly if it is in left visual field (LVF) as opposed to the right visual field (RVF). In contrast, if consumers are motivated, they process a price more quickly if it is in the RVF as opposed to the LVF. This in turn impacts value perceptions such that under low motivation, the product is viewed to offer less value than if the price is in the LVF than when it is in the RVF. Under high motivation, the product is viewed to offer less value than if the price is in the RVF than when it is in the LVF. These results are tested in three experimental studies, and the implications are then demonstrated in a field study showing that for a low motivation product, more consumers there is a greater increase in purchase when the promoted price is shown in the RVF than the LVF.

**Brian Seitz**, Arts and Humanities, “The Politics of Intersubjectivity: Representation and the Double”

Earlier studies I have done of the ontological configuration of the double have established an intimate link between that configuration and the constitution of intersubjectivity. Here, I turn to the ritualistic and formal arenas in which intersubjectivity is at work in politics. More particularly, and through an engagement with actual historical formations, I touch on the link between the double and intersubjectivity as expressed in political representation in its two most prominent forms, namely 1) practices of political representation as substitution, 2) representation and political narratives, objects, and events. Finally, through images and practices of leadership the two general kinds of political representation and the doubles that drive the forms of intersubjectivity associated with them converge.

**G. Shankar**, TOIM, “Justifying the role of data quality metadata in structured decision making”

Though cognizant of the negative impact of poor quality data on the decision process, organizations are still producing, processing, and storing large volumes of imperfect data every day. One effective way of addressing the data quality issue is to inform decision-makers of the quality of the data they are using. However, although data quality (DQ) metadata is expensive to collect and manage, not all decision-makers use it. Further, when DQ metadata is included, the resulting dataset may be different from and significantly larger than the dataset created when DQ metadata is excluded. This potentially creates an information overload and the decision maker is conflicted about the use of DQ metadata. This paper demonstrates that decision-makers will use DQ metadata, regardless of the task complexity and their domain or work experiences, when a guideline about how DQ metadata should be used, is provided. The paper also illustrates that variations in task complexity, work experience, and domain-specific experience interact. The impact of DQ metadata on consensus among decision-makers depends on such interactions when decision-makers are provided guidance on how to use the DQ metadata.

**Joel Shulman**, Entrepreneurship

“Impact Investing Through Entrepreneurs”

We analyze the performance of publicly-traded, entrepreneur-managed companies in the United States using monthly stock returns over the time period August, 2005 through May, 2013. The portfolio of 105 firms that fit this category (minimum market capitalization of USD 200 million) generates a compound annual return of approximately 13 percent for the time period. This return significantly outpaces the annual returns for benchmarks such as the Russell 2000, Russell 3000 and Standard and Poor’s 500 Price Index. Moreover, the US entrepreneur-managed companies provide considerably stronger job growth compared to non-entrepreneur US publicly-traded companies. We surmise that US entrepreneurial companies may be a rare breed of organizations that contribute both job growth and shareholder returns.

**Joel Shulman**, Entrepreneurship, “Large Cap Entrepreneurial Companies: Can Investors Generate Alpha?”

We analyze the performance of large capitalized entrepreneur-managed companies using monthly stock returns over the time period August 2005 through December 2013. We evaluate this grouping using both a passive index as well as an actively managed portfolio. We benchmark our results to the Standard and Poor’s 500 Index. Our Index of large cap entrepreneurial companies generated an annualized compounded rate of return of 17.60 % for the entire time period and the actively managed portfolio of large cap entrepreneurs provided 25.61%. This compares to an annualized return of 7.17 % for the Standard and Poor’s 500 Price Index. We conclude that it may be possible to generate excess returns for large cap stocks, especially using a new style of investment management focused on entrepreneurs.

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## BFRF Final Products Accepted

**Rosa Slegers**, Arts and Humanities, “Revaluating Vanity: Adam Smith as Moral Exemplar for Business Education”  
In *The Theory of Moral Sentiments*, Adam Smith explores the influence of commercial society on the moral character of individuals. Industry builds character, he argues, but it can also corrupt it. It is therefore very important to educate the “moral sentiments” and encourage sympathy especially in young people whose characters are still malleable. Vanity, Smith argues, is closely linked to the sentiment of sympathy and can be used as a stepping stone to virtue. This paper uses Smith’s remarks on vanity as a perspective on contemporary

business ethics education. In properly engaging and redirecting vanity, education can help students become impartial spectators. Seeing a promise in a character trait most people consider a vice, Smith offers a refreshing view relevant to business ethics education today.

Sleger’s paper was published in *Research in Ethical Issues in Organizations*, Volume 10, “Moral Saints and Moral Exemplars,” 2013.

**Yasuhiro Yamakawa**, Entrepreneurship, “Is it worth planning for failure? When and how?”

Abstract unavailable pending publication.

## Research Chats

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

### Fall 2013

#### September 11:

**Sandra Graham**, Arts and Humanities, “The Forgotten Songs of Sam Lucas” and **Kankana Mukherjee**, Economics, “Energy Efficiency in India’s Energy Intensive Industries: A Directional Distance Function Analysis”

#### September 24:

**Ryan Davies**, Finance, “Why has pinning on option expiration dates become more common?” and **Yunwei Gai**, Economics, “Supply of Family Physicians and the Influenza Vaccination in the United States: Individual and Neighborhood Effects”

#### October 9:

**Bradley George**, Entrepreneurship, “When is it Rational to Not Be Rational? The Effects of Experience on the Rationality-Performance Relationship” and **Virginia Rademacher**, Arts & Humanities, “*Sex and the City*: Detective Petra Delicado and Questions I Couldn’t Help But Wonder”

#### October 24:

**Matt Allen**, Entrepreneurship, “Competitive Advantage in Family Business Governance: The Role of Relational Contract” and **Gang Hu**, Finance, “Do Institutional Investors Have Private Information about CEO Turnovers?”

#### November 6:

**Salvatore Parise**, TOIM, “Understanding the Impacts of Social Media Games in Organizations” and **Megan Way**, Economics, “Inter-generational Transfers during the Great Recession”

### Spring 2014

#### January 29:

**Frederick Opie**, History and Society, “Cooks, Entrepreneurs, and Revolutionaries: The Montgomery Bus Boycott and the Club from No Where”

#### February 13:

**Mary O’Donoghue**, Arts & Humanities, “The Sweet Forbearance in the Streets: Short Fiction” and **G. Shankar**, TOIM, “Justifying the Role of Data Quality Metadata in Structured Decision Making”

#### February 26:

**Richard Cleary**, Mathematics and Science, “Some Non-Standard Applications of Mathematics and Statistics to Sports” and **S. Sinan Erzurumlu**, TOIM, “Sequential Innovations by Startups: Balancing Survival and Profitability”

#### March 25:

**Xinghua Li**, History and Society, “Wild Flavore or Wild Animals? Symbolic Warfare Surrounding China’s Endangered Wildlife Trade” and **Anne Roggeveen**, Marketing, “Price Number Relationships and Deal Processing Fluency: The Effects of Approximation Sequences and Number Multiples”

#### Thursday, April 24:

**Julie Levinson**, Arts & Humanities, Acting: The *Auteur* Renaissance, 1968-80” and **Mahdi Majbouri**, Economics, “Estimating the Income Counterfactual for Oil Producing Countries of the Middle East”

## External Funding

BFRF Mini-Grant funds, up to \$1000 each, may be allocated for grant preparation expenses. All requests for external funds must be approved by the Office of Corporations, Foundations, and Government Relations ([CFGR](#)).

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