

Coles Seminar Series

Spring 2018



FEBRUARY 2ND, 2018

Brett Katzman

Kennesaw State University

Topic: *Designed to Fail:*

The Medicare Auction for Durable Medical Equipment

FEBRUARY 16TH, 2018

Vinod Singhal

Georgia Institute of Technology

Topic: *Stock market reaction to supply chain disruptions
from the 2011 Great East Japan Earthquake*

FEBRUARY 23RD, 2018

Jun Zhang

University at Buffalo

Topic: *Crisis communication and rumor management
using social media during disasters*

MARCH 2ND, 2018

Lance Brouters

Kennesaw State University

Topic: *Informal Corruption Environments, Formal Corruption Environments and
MNE Performance: An Institutional Theory Portfolio Approach*

MARCH 9TH, 2018

Armen Tashchian

Kennesaw State University

Topic: *The Effects of Course Characteristics and Instructor Demographics on Students'
Perceptions of Teaching Effectiveness: An Exploratory Study*

APRIL 13TH, 2018

James Roberts

Baylor University

Topic: *Anti-Social Media: How Our Obsession with Social Media Increases
Social Isolation and Undermines Well Being*

FEBRUARY 2ND, 2018

Brett Katzman

Professor

Chair, Economics, Finance and Quantitative Analysis

Coles College of Business, Kennesaw State University

Designed to Fail: The Medicare Auction for Durable Medical Equipment

ABSTRACT

The theoretical properties of the auction for Medicare Durable Medical Equipment are examined. Two unique features of the Medicare auction are (1) winners are paid the median winning bid and (2) bids are non-binding. It is shown that median pricing results in allocation inefficiencies as some high-cost firms potentially displace low-cost firms as winners. Further, the auction may leave demand unfulfilled as some winners refuse to supply because the price is set below their cost. A model of non-binding bids that establishes the rationality of a lowball bid strategy is also introduced. Such a strategy was employed by many bidders in the actual Medicare auctions and recently replicated in Caltech experiments. The median-price auction and the standard clearing price auction where each firm bids true costs as a dominant strategy are contrasted.

FEBRUARY 16TH, 2018

Vinod Singhal

Charles W. Brady Chair

Professor

Coordinator for MS with a Major in Management

Scheller College of Business, Georgia Institute of Technology

Stock market reaction to supply chain disruptions from the 2011 Great East Japan Earthquake

ABSTRACT

The business press characterized the March 11, 2011 Great East Japan Earthquake (GEJE) as the most significant disruption ever for global supply chains. In the aftermath of the GEJE, there was a great deal of debate about the risks and vulnerabilities of global supply chains and there were calls to redesign and restructure supply chain strategies. To examine this issue, we empirically estimate the effect of the GEJE on the stock prices (or shareholder value) of firms. Our analyses are based on a global sample of 460 publicly traded firms collected from articles and announcements in the business press that identify firms affected by the GEJE. We find that firms experiencing supply chain disruptions due to the GEJE lose on average 3.73% of their shareholder value during the one month period after the GEJE, and the loss remains roughly at this level when measured over the three month period after the GEJE. This level of loss in shareholder value is economically significant. However, if we consider the claims about the widespread and significant disruptions in supply chains caused by the GEJE, together with the rarity of such an event, the loss does not seem inordinately negative. It suggests that supply chains were probably not that vulnerable to the GEJE, and/or they were able to recover quickly and reduce the losses, indicating that they were fairly resilient. We also find that subsequent to the GEJE, upstream and downstream supply chain propagation effects are negative, the contagion effect on firms related to the nuclear industry is very negative and sustained, and although the competitive effect is positive over the first month after the GEJE, much of this effect dissipates over the next two months.

FEBRUARY 23RD, 2018

Jun Zhang

Associate Professor and Director of Undergraduate Studies
Department of Industrial and Systems Engineering, University at Buffalo

Crisis communication and rumor management using social media during disasters

ABSTRACT

Social media has been more and more used by government and nongovernment organizations, and private citizens for crisis communication during disasters. However, few research has studied the users' behavior when facing rumors and debunking information. In this research, we first study the effectiveness of crisis communication and how retweet and mention could help improve crisis information impression. Millions of tweets posted during Hurricane Sandy in 2012 are collected and analyzed. Second, we investigate four cases of rumor responding and debunking behaviors of Twitter users during Hurricane Sandy in 2012 and Boston Marathon bombings in 2013. We find that for users who were misinformed and reacted by posting tweet(s), they could respond to this rumor by: spreading (~86%), seeking confirmation (~9%), or doubting (~10%). Given rumor spreading users were debunked, they would respond by: deleting rumor tweets (~10%), clarifying rumor information with a new tweet (~19%), or doing nothing (~78%). Finally, we discuss the optimal debunking strategies dealing with potential rumor information, and the corresponding consequences on the downstream information sharing. We also use simulation to study the impact of different network information flow structure. This research provides some novel insights on crisis communication and rumor management using social media during disasters.

MARCH 2ND, 2018

Lance Brouthers

Professor

Management & Entrepreneurship

Coles College of Business, Kennesaw State University

Informal Corruption Environments, Formal Corruption Environments and MNE Performance: An Institutional Theory Portfolio Approach

ABSTRACT

Prior research attempting to link Corruption and MNE performance tends to focus exclusively on formal institutional measures of corruption like those coming from Transparency International (CITES)' Theoretically, it ignores the role that informal institutional measures can play in the corruption-performance relationship. This is unfortunately because as Keig et al (2015) point out ignoring the Informal Corruption Environment (ICE) and focusing exclusively on Formal Institutional Environments (FCE) can result in MNEs erroneously concluding that host country institutional environments are not as corrupt as they actually are, undermining MNE performance. Methodologically, prior studies tend to primarily rely on home/host country dyadic corruption differences in evaluating performance rather than examining the totality of an MNE's foreign investment choices; this prior approach can also bias results by selectively choosing specific host country environments. Here we build on prior scholarship both theoretically and methodologically. Theoretically we draw upon Keig et al's theoretical perspective on the importance of ICE (which has been largely ignored in the literature). We propose and find: (1) high ICE tends to reduce MNE performance to a greater extent than FCE and (2) ICE reduces MNE performance whether it is measured as Tobin's Q or ROA while FCE only influences ROA. Methodologically, we use a portfolio approach to measure an MNE's FCE/ICE examining the totality of an MNE's foreign investments rather than arbitrarily selecting a single host country.

MARCH 9TH, 2018

Armen Tashchian

Professor

Marketing & Professional Sales

Coles College of Business, Kennesaw State University

The Effects of Course Characteristics and Instructor Demographics on Students' Perceptions of Teaching Effectiveness: An Exploratory Study

ABSTRACT

Students' evaluation of teaching is the most commonly used instrument to assess teaching effectiveness and it is assumed that these ratings perform a significant function for the improvements of pedagogical practices in higher education. The current exploratory study examines student evaluation of teaching effectiveness of more than 8,500 students who were enrolled in undergraduate and graduate marketing classes over a five-year period. Student ratings are examined in relation to the various course characteristics, course demands and a selected group of instructor demographics. Using hierarchical regression analysis results indicate that student evaluations are strongly impacted by a number of course characteristics, perceived course difficulty and instructor demographics. These results reignite the discussion of myths or realities of student surveys of teaching.

APRIL 13TH, 2018

James Roberts

Ben H. Williams Professor of Marketing
Hankamer School of Business, Baylor University

Anti-Social Media: How Our Obsession with Social Media Increases Social Isolation and Undermines Well Being

ABSTRACT

As humans, our need to belong is paramount and vital to our very existence. We are social animals. Those of us with strong social networks live longer and are happier. To be socially excluded, is to threaten one's very existence. Our fear of social exclusion is equivalent to our fear of snakes, the dark, and heights.

Despite the importance of social relationships to our longevity and well-being, research suggests that both the quantity and quality of social relationships in industrialized societies has decreased. Surveys have found that an increasing number of Americans report having no confidant. In fact, this is now the modal response. Paradoxically, as the legions of social media users continues to increase, people increasingly report a sense of social isolation. It may be that the more time spent online, the less time available for face-to-face interactions. Being present for others is essential to fostering strong social bonds. Eye contact is an essential component of human connection.

My talk will address a series of in-progress research studies with co-author Meredith David that investigate the impact of phubbing (phone snubbing) on social media use and personal well-being. We argue that being phubbed by others leads to a sense of social exclusion that, paradoxically, sends people to social media (instead of face-to-face interactions) to regain a sense of inclusion. Increased social media use, however, has been linked to lower well-being.