

Center for Applied Research

PEPPERDINE | GRAZIADIO
BUSINESS SCHOOL

FACULTY RESEARCH NEWSLETTER

Nov-Dec
**HOLIDAY
ISSUE**
2022



Research Achievements
and Updates

Looking Back
2022 with CAR

Featured Research
Insights

DEAR WAVES,

Welcome to the sixth and final edition of the Center for Applied Research (CAR) Newsletter for 2022! The Center gratefully thanks all PGBS faculty, staff, alumni, and readers for their support through its 4th full calendar year with the CAR Newsletter.

This special edition takes a look back at 2022 with CAR, celebrating the achievements and impact of PGBS faculty research on teaching, academia, business, and community. It also spotlights newest academic publications, research honors, conference and seminar presentations, as well as faculty research in the media. Moreover, this issue shares research insights on corporate community investments.

We hope this edition brings joy and inspiration as we enter the holiday season. Happy Holidays, and enjoy!

Zhike Lei

Zhike Lei (PhD), Director
Professor of Applied Behavioral Science

WELCOME

Academic
Publications

48

2022

Presentations
+
Conferences

56

A LOOK BACK WITH

THE CENTER FOR APPLIED RESEARCH

2022 has reached another excellent milestone of research at PGBS, with faculty research making a significant impact on academia, business and community. In honor of a wonderful year, let us take a look back at research at PGBS in 2022.

Based on voluntary reports to the Center, in 2022, 48 peer-reviewed academic papers and book chapters were published (or accepted for publication) by PGBS faculty, of which 6 listed as FT 50 journals including Academy of Management Journal, Human Resource Management, Human Relations, Journal of Management Studies, Journal of Operations Management, and Journal of the Academy of Marketing Science, and 4 digital articles published in Harvard Business Review (online) and MIT Sloan Management Review (online). Other high-impact journal publications include those appearing in Academy of Management Discoveries, Academy of Management Perspectives, Academy of Management Annals, Journal of Business Research, Personnel Psychology, Research in Organizational Behavior, and more.

CAR reported 27 external honors and awards received by PGBS faculty, in addition to 56 conference presentations, invited research seminars, panels and speeches. Our faculty had 11 new editorial appointments and reported 42 media mentions in outlets such as Business Insider, Chicago Sun times, Curious Neuron, Forbes, NPR, Psychology Today, Stanford Social Innovation Review, Wall Street Journal, the Washington Post, USA Today, and many more.

CAR is exceedingly proud to celebrate the exceptional research achievements of PGBS faculty this year. We look forward to another year of excellence in 2023!

FT
Journals

6

HBR
+
MIT Sloan

4

Awards
Honors

27

Editorial
Appointments

11

Media
Mentions

42

November - December

AWARDS & HONORS

Cristina Gibson and her colleagues, Aida Hajro (Leeds University) and Milda Žilinskaitė (Vienna University of Economics and Business), were awarded a thematic portfolio on Migration and Business at the World Bank in conjunction with KNOMAD, a global hub of knowledge and policy expertise on migration and development issues. This group is: 1) analyzing, developing, and communicating practical ways of implementing sustainable migration management practices into firms' strategies and operations, and 2) generating a menu of policy choices for addressing migration related challenges at the national and international level.

Cristel Russell was appointed as a member of the Selection Board for the Responsible Research in Business and Management (RRBM) Honor Roll. The RRBM Honor Roll aims to create a system to recognize a scholarly article, monograph, policy paper, or book that reflects credible science useful to society.





RECENT PUBLICATIONS

Jim DiLellio and his co-author Andreas Simon (University of Southern California) had their research paper accepted at the Financial Services Review. The authors provide a framework to find an optimal decision for tax-efficient retirement income. By developing a model for income and capital gains tax with stock and bond investments in tax-deferred, tax-exempt, and taxable accounts, they identify three categories of retirees based on their income needs and net worth. The authors propose and evaluate a simple heuristic to determining the optimal retirement income strategy, quantifying a 0.5% annual return benefit. They call this benefit tax alpha and show its robustness to varying model input parameters. They also suggest approaches for large institutions or FinTech firms to improve their existing financial planning tools.

DiLellio, J., & Simon, A. (Forthcoming). Seeking tax alpha in retirement income. *Financial Services Review*.

Cristina Gibson and her colleagues published a comprehensive review and agenda for future research on the topic of human thriving at work, the psychological experience of both vitality (or energy) and learning. Most research on thriving has focused on what managers can do to promote thriving, but this article highlights how people can take control of their own well-being through three pathways: (1) engaging in self-care, (2) creating and maintaining high quality relationships, and (3) building community within and outside the organization. The authors show that these three pathways are particularly important given the changing nature of more temporary and flexible work arrangements, increases in remote work, and the larger need for community embeddedness to address the many grand societal challenges that confront us.

Porath, C., Gibson, C.B., & Spreitzer, G. (Forthcoming). To thrive or not to thrive: Pathways to sustaining thriving at work. *Research in Organizational Behavior*.

Brandon Parsons had an article accepted for publication in the journal, *Applied Econometrics and International Development*. The study uses the Human Capital Index (HCI) to explain the net and market Gini coefficients. Based on a panel data of incomes and regions in 103 countries from 1988 to 2018, the study finds that HCI has an indirect relationship with the net and market Gini coefficients in most cases and that low-income and African countries have a direct relationship with Gini coefficients. The latter's direct relationship may demonstrate a more prominent labor composition effect. The statistically significant market (before tax and transfer) Gini coefficient results suggest human capital has a labor market effect that influences income distribution even before tax and redistribution policy.

Parsons, B. (Forthcoming). Panel data analysis of the human capital index and income inequality. *Applied Econometrics and International Development*.

Cole Short, with co-author Timothy Hubbard (University of Notre Dame), had their paper accepted for publication in *Academy of Management Discoveries*. The study applies econometric and state-of-the-art natural language processing techniques to (1) assess the accuracy of board and media evaluations of CEO quality over time, (2) identify early-tenure signals evaluators use to inform award, compensation, and dismissal decisions, and (3) resolve a longstanding puzzle in the organizational literature surrounding monitoring effectiveness.

The authors find that boards and the media recognize CEO quality with greater accuracy than typically presumed and further show that:

(1) the language executives use on earnings calls provides compelling, early evidence of their quality even when performance cues are absent, (2) quality corresponds with a CEO's "Unscripted Novelty", which refers to their tendency to discuss new topics during the unscripted portion of earnings calls, and (3) CEOs' use of Unscripted Novelty leads to positive stock market reactions.

Short, C. E., & Hubbard, T. D. (Forthcoming). Do boards and the media recognize quality? An assessment of CEO contextual quality using pay, dismissal, awards, and linguistics. *Academy of Management Discoveries*.

Bobbi Thomason and her colleagues published an Exchange in the *Academy of Management Perspectives (AMP)* to clarify insights of existing scholarship, specifically, critical race theory (CRT), positive organizational scholarship (POS) and DEI scholarship. Thomason and her colleagues wrote this article rooted in the belief that maintaining scholarly standards is particularly important in diversity research because inaccuracies have real-life implications for some of society's most vulnerable and marginalized communities.

Thomason, B., Opie, T., Livingston, B., & Sitzmann, T. (Forthcoming). Woke' diversity strategies: Science or sensationalism? *Academy of Management Perspectives*.





CONFERENCES, RESEARCH SEMINARS, & PRESENTATIONS

Mark Allen presented a (virtual) keynote addressing the 2022 Pudong International Talent Hub Forum. His talk focused on why having a detailed long-term talent strategy is no longer a nice-to-have but is a must-have in a VUCA world consisting of talent shortages, labor shortages, the Great Resignation, inflation, economic uncertainty, and numerous other geo-political realities that affect the market for talent.

Mark Allen was a panelist at the Workers and the Corporate Values Revolution Conference in Los Angeles on December 13. During the "How to Make Reskilling and Coaching Part of a Corporate Culture of Learning" panel, he made the point that the Learning and Development function is not essential in increasing the asset value of an organization's most valuable asset, but it also drives engagement and retention.

Michael Cusumano (DBA 2022), with co-authors Jamie Chung, Donn Kim, and Abraham Park, presented their research paper "Road to Net Zero: Greenness of LEED and CAL-Green Properties" at the 2022 American Real Estate Society (ARES) Inaugural Fall Program Leadership Conference and Research Symposium. The authors find that buildings built under the CAL-Green mandate in California produce significantly lower levels of greenhouse gas than pre-CAL-Green buildings. However, LEED-certified buildings do not produce lower levels of greenhouse gas than their counterparts.

Jim DiLellio was the invited speaker to approximately 500 financial planners attending the Financial Experts Network continuing education seminar on December 14. The presentation was titled "Asset

Correlation and Volatility in ETFs," discussing recent performance trends in equity, debt, currency and cryptocurrency, and how asset allocation models may be affected.

From December 12-14, **Sean Jasso** led a policy seminar intensive in Washington, D.C. where students heard customized lectures on the polarization of American politics, global security challenges, and the legislative agenda for the next Congress. Corporate and historical site visits included a lobbying firm, a political action committee, a tour of Congress, the Supreme Court, complete with fellowship and networking.

Zhike Lei was invited to give a research seminar at the University of California-Berkeley's Center for Catastrophic Risk Management (CCRM) on December 6th. Her research talk, in collaboration with Peter Martelli (Suffolk University), contrasts competing hypotheses regarding what conditions are necessary for "heedful interrelating" and high reliability in global settings.

Brandon Parsons presented a paper entitled "The Corporate Tax Rate and the Gini coefficient: A Cross-National Study" at the Applied Business and Entrepreneurship Association International Conference. The study investigates the extent changes in corporate tax rates affect income distribution.

Cristel Russell organized and chaired a special session, "Out of Touch? Multi-Methodological Approaches to the Evolving Role of Haptics in Consumers' Experiences," at the Association for Consumer Research Conference, in Denver, CO, October 2022. Joy Shields, a current DBA student, presented her research paper in this session. The paper, in collaboration with her DBA advisers, qualitatively investigates consumers' need for touch and its impact on the shopping experience during the Covid 19 pandemic.





Cristel Russell and Jolie Gutentag (DBA 2021) presented "Selling Sustainability: Can Circular Economy Message Framing Motivate Consumers to Behave Sustainably?" at the Climate Change Pre-Conference organized by the Journal of the Association for Consumer Research in Denver, CO, in October 2022.

Cristel Russell and Jolie Gutentag (DBA 2021) presented their work on developing and validating a measure of construct construal at the Association for Consumer Research Conference in Denver, CO, in October 2022.

Cristel Russell was invited to present her research on interdisciplinarity at the University of Oregon (in November 2022) and San Diego State University (in December 2022). This research examines the inception, conception, and reception of interdisciplinary research projects published within the multidisciplinary Journal of Consumer Research. The analysis documents how interdisciplinarity appears and evolves, paying particular attention to narrative research which generates intriguing intersections and spearheading interdisciplinarity.





RESEARCH IN MEDIA

Cristina Gibson's development of the corporate-community co-development framework was focused in [a feature article](#) in Stanford Social Innovation Review. Also read more insights from Gibson's work in the Featured Research section.

Structured Products Daily featured [an interview](#) with **Clemens Kownatzki** about Morgan Stanley's \$1.7 million trigger jump securities due December 3, 2025 linked to the stock performance of Apple Inc. Despite a slowing economy and various macro economic challenges, Kownatzki had a positive outlook on Apple. Considering that Apple may slow

down its growth rate the securities offer favorable terms in terms of potential outcomes. Getting 54% on the upside over a three-year term and having a buffer of 20% when the principle is still protected seems attractive from a risk-return perspective.

The research by **Jaclyn Margolis**, with co-authors Christian Resick (Drexel University), Sucheta Nadkarni (University of Cambridge), Jenny Chu (University of Cambridge), Jianhong Chen (University of New Hampshire), Wan-Chien Lien (National Yunlin University of Science and Technology), and Ping Shao (California State University,

Sacramento) was featured in the Journal of Management Studies Blog. The [blog article](#) focuses on the practical lessons from their earlier published Journal of Management Studies article on CEO personality and risk-taking.

Jaclyn Margolis wrote [an article](#) for Psychology Today (online) that encourages readers to rethink some commonly held advice about attaining success at work. Pulling on multiple evidence-based sources, including her own research, she offers counterpoints to advice such as "don't stop when you're tired, stop when you're done" and "teamwork makes the dream work".

RESEARCH INSIGHTS

IS CORPORATE COMMUNITY INVESTMENT REALLY “DOING GOOD”?

CRISTINA GIBSON

University Professor and Dean's Distinguished Professor of Management

With the best of intentions, most companies are engaged in corporate community investment (CCI) programs with the goal of [creating positive change](#) in those communities. Secondly, they hope to realize [internal benefits](#) such as increased business value, reputational gains, and greater support in the event of publicity challenges. But in many cases, these efforts go awry. Despite billions of dollars in financial outlay, investments are simply an influx of funds, disconnected from the people and communities they are designed to support. They fail to align with and address local priorities, increase mistrust within the community, and yield minimal lasting impact.

At their worst, they do more harm than good, leaving the community worse off than it was before. Ironically, most companies have no idea whether they are achieving the former or the latter: persistent [measurement challenges](#) erode the growth and/or sustainability of potentially useful programs, thwarting the best intentions to advance community well-being. It doesn't have to be this way.

Restructuring CCI: Ditch the top-down model

Because it is born and managed at the corporate level, too often CCI is a top-down process with unilateral decision-making, followed by a monetary investment without ongoing presence or engagement. Affected community members are often viewed only as “stakeholders” -- handpicked, asked for cursory input, and then rarely consulted again regarding impact. Consider as an alternative the model of community development, characterized by the United Nations as a process by which “community members come together to take collective action and generate solutions to common problems.”

My colleagues and I conducted a [multi-year analysis](#) of a consortium of major companies engaged in CCI efforts and an array of communities that were willing to try a novel



approach: a mutually respectful, ongoing, iterative, and collaborative process that prioritizes decision-making through the formation and maintenance of community partnerships. The results of this experiment, detailed below, are remarkable for both community and corporation.

Based on my findings, I propose that both companies and communities can realize measurable, meaningful, powerful change by restructuring CCI on the corporate community co-development model. While our research took place in a challenging setting with at-risk communities in rural indigenous Australia suffering from many social and economic challenges including unemployment, poverty, educational attrition, and substance abuse, corporate managers can replicate this model in any city or emerging economy around the world. For example, it is a strategy sorely needed to bolster [host communities](#) for refugees from Ukraine and migrants arriving daily in the Caribbean, Latin America, and beyond.

Investing in the Process: Building connection between individuals, corporations, and communities

Building rapport and respect and cultivating self-determination takes time, but it's the most powerful investment a business can make. Successful corporate

co-development requires corporations be embedded within communities, not just at arm's length, developing meaningful relationships between the recipient communities and the companies that bring added resources to them.

In our study, corporate participants at the companies engaged in these programs lived and worked alongside their Indigenous community partners. While participants served in a variety of corporate roles, for the duration of the program they were also in an active partnership with Aboriginal leaders who had their own sets of skills, educational backgrounds, vocational responsibilities, and community knowledge. By design, and over an extended period, they worked collaboratively to build connection through a series of relational processes:

- Through mutual perspective-taking, participants gained understanding – the gift of appreciating what it is like to walk in another person's shoes (importantly, the process must be mutual – understanding both the community perspective and the corporate perspective). In communities with cultural, linguistic, or socio-economical differences, partnerships that prioritized perspective-taking facilitated increased intercultural competence and adjustment for corporate participants and increased technical and professional skills for community participants.



“

Successful corporate co-development requires corporations be embedded within communities, not just at arm's length, developing meaningful relationships between the recipient communities and the companies that bring added resources to them.

”

- Reciprocating respect led to more equal footing and fostered self-reliance. Each party respected the position, knowledge, and expertise of the other; they understood what needed to be done, what the obstacles were, and the resources available to them. Our study found community partners experienced an increased sense of dignity, leading to great proactivity, while corporate participants reported a deeper sense of meaningfulness that enabled proactivity.
- These processes led to the final process, communal advocacy. With a foundation of understanding and mutual respect, our analysis found that corporate participants advocated for the rights of the local people, and the locals in turn advocated for the legitimacy of the presence of the company.

Results: Collaborative, meaningful, sustainable impacts

Because the corporate partners listened and learned about deep-rooted community needs from the ground up, the companies were able to align effort and investment, dovetailing with local business challenges/responsibilities that detract from consistent attendance at the office) to meet those needs (such as an unhealthy workforce or family

One community launched a small business development center. Another community formed a land council. They improved a medical facility. They developed literacy and nutritional programs. They implemented campaigns against smoking and alcoholism. They developed a cultural center. Another community built an aged care facility. Another one set up a youth hostel.

Every community participant, when asked about the overall social impact of the program on their communities, reported that it was “extremely high.” We also identified three years of improvements in economic indicators for labor force participation, including less unemployment, greater educational attainment, reductions in homicides, assaults and robberies, and improvements in general health.

On the corporate side, seventy-two percent of participating businesses reported increases in employee loyalty and performance and 59% reported an increase in customer engagement. All companies reported reputational gains.

Revising a corporate community investment program to align with the co-development model helps to ensure that the billions invested in at risk, remote, or rural communities can have real social impact and produce a sustained social return on investment. Through a synergistic program, corporate community co-development can exceed the expectations of all parties and, like a rising tide, lift all boats.

ABOUT THE PGBS CENTER FOR APPLIED RESEARCH (CAR)

Who We Are

The center oversees and coordinates all research-related activities at PGBS, hosting major research events, circulating research updates, creating research opportunities, and supporting and promoting the PGBS research community.

Mission & Vision

We team up with faculty experts with a mission to tackle real-world challenges and transform cutting-edge research into real-world, positive impact. Through a collaborative, cross-disciplinary approach, the CAR strives to become the hub of a global network linking scholars, industry leaders, and students.



Acknowledgement

The Center acknowledges the valuable support of PGBS faculty, Tyler Lombardi from Marketing and Debra Martin from Alumni Engagement. Special thanks are given to Lively Lai (MBA 2022) who goes above and beyond to support the center.