Sponsored Research

Thought leadership requires actionable research. Baylor University’s Hankamer School of Business is recognized for producing research that has impacts on business practice and public policy. As evidenced by the willingness of federal agencies and others to sponsor research by our faculty, sponsored research signifies impactful scholarship. Whether it is research applying business practice to public initiatives or new technology for supply chain management, our partnerships with government and industry are leading to influential scholarship, some of which is the subject of this issue of Focus.

Social Entrepreneurship in Action

Marlene Reed, professor of Entrepreneurship, is looking to bring hope through social entrepreneurship efforts to a country with impoverished people and underutilized resources. Reed received a grant from the Organization of American States to continue her work with social entrepreneurship and sustainability efforts in helping alleviate poverty and economic problems in the Dominican Republic (DR). Her grant request, “Mata de Palma, Dominican Republic: Utilizing Innovative Technology to Improve Living Conditions of Surrounding Communities,” outlines initial steps that support an ultimate goal of establishing bio-sustainable communities in the DR.

Reed is working on the project with Baylor colleagues Kendall Artz, department chair of Management and Entrepreneurship; Les Palich, associate director of Entrepreneurial Studies; and David Allen, director of the John F. Baugh Center for Entrepreneurship.

The catalyst for the project is Omar Bros, Dominican entrepreneur and CEO of Consorcio Tecno DEAH (CTDE), a for-profit company with a vision to encourage sustainable development within the DR. Bros also serves on the board of the Dominican Foundation, a nonprofit dedicated to improving living conditions of people in the sugar cane and sweet sorghum agricultural areas of the DR. An organization of local farmers known as COOP Cana is also involved with the project, as the farmers’ land will produce crops used for bio-fuels.

Reed and the team began work with Bros in the fall of 2007. A student team led by Reed and featured in the article “BEST Student Projects in Energy” from the spring 2008 issue of the Baylor Business Review first researched operational possibilities and developed a business plan for a mobile sugar mill, which was developed by Bros. The team’s business plan focused on the mobile mill benefitting two local communities of Mata de Palma and Guazobin.

“We were first approached by Omar to devise a business plan for the mobile mill,” Reed said. “He then asked if we were interested in following through with implementation of the plan; we immediately agreed.”

Although the DR’s economy depends heavily on growth and harvesting of sugar cane and sorghum, Reed said the land has been underutilized.

“At the present time, 50 percent of the land historically used for growing sugar cane is not being cultivated,” she said. “The primary reasons for this inactivity are the high cost of transporting sugar cane and sorghum to the stationary mills and the low level of demand for bio-fuels in the past.”

Reed and the team are treating the uncultivated land as an opportunity to implement the technology of the mobile mill. The mobile mill will process the sugar cane harvest in Mata de Palma, then six months later, be relocated to process the sweet sorghum harvest.

Marlene Reed

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in Guayubin. According to the students’ research, the mill has the potential to harvest 15 tons of sugar cane or sweet sorghum per hour, processing up to 360 tons of cane per day. The processed crops provide year-round production of molasses, which is then sold to distilleries to produce bio-fuels such as ethanol.

This production will help provide a stable income for sugar cane and sorghum workers, whose living conditions are indicative of the poor quality of life. These workers, who are primarily Haitian immigrants, and their families live in "bateyes," which are inadequate and unsanitary tin lean-tos.

"These people have very few resources," Reed said. "Omar asked our team to help develop a strategy for dispersing 30 percent of the profits from the mobile mill to improve the level of living for the people who work for his mill."

By allocating profits to improve living conditions, the team hopes to see an increased level of health care, education, running water and electricity in the communities. BCS also proposed placing 70 percent of the profits in a fund to duplicate the mobile mill project in other regions of the DR, and ultimately other countries.

“IT departments, once seen largely as reactive businesses, have evolved into proactive roles in strategic planning of solving technical malfunctions. This evolution brings a sense that our work is truly contributing to the success of the mill project and its social impacts. Traveling to the Dominican Republic and working in that environment will be great exposure for the students," Reed said. "The business documents they prepare will have a lasting, positive impact on the lives of DR citizens. This is a business project, but more importantly a humanitarian effort. We look forward to continuing our work in the DR.”

**Analyzing Absorptive Capacity**

Information technology (IT) is a continuously evolving field when it comes to the emergence and integration of new knowledge. IT departments within public organizations must adapt to these changes, while also facing challenges such as budgetary constraints, stakeholder demands and political influences. These dynamics have led Cynthia K. Riemenschneider, associate professor of Information Systems, to analyze how CIOs and IT managers are responding to external challenges and new knowledge through researching the potential absorptive capacity of state government IT departments. Riemenschneider received a grant from the Blue Center of Southern Politics and Society in the Fulbright College of Arts and Sciences at the University of Arkansas to fund her research. "Absorptive capacity refers to an organization’s ability to recognize the value of new information, assimilate it, and use it to address organizational challenges associated with external change," she said. “This new information can be anything from processes to applications to technology to enterprise systems.”

Riemenschneider and team members Myria Allen and Margaret Reid, University of Arkansas; and Deborah Armstrong, Florida State University; discuss their research and findings in a paper titled “Potential Absorptive Capacity of State IT Departments: A Comparison of Perceptions of CIOs and IT Managers,” forthcoming in the Journal of Organizational Computing and Electronic Commerce.

Within the evolving IT industry, the role of IT departments has evolved as well to take more of a proactive role within organizations, as opposed to its outdated reactive function of solving technical malfunctions. "IT departments, once seen largely in a technical support role, have assumed critical strategic planning functions for their respective levels of government," she said. "Public sector managers must consider a broad range of proactive changes that can improve organizational functioning."

Riemenschneider said her team worked two years in building a relationship with and gaining support from the National Association of State Chief Information Officers (NASCIO), an organization dedicated to supporting state CIOs and providing information on IT best practices and innovations. This backing allowed the research to launch on a national level. The team conducted a national survey to which 21 states employing a total of 27 CIOs and 102 IT managers responded.

"Few researchers have focused on absorptive capacity in public sector organizations," she said. "Furthermore, this research was interesting because we collected perspectives at different levels of an organization with information from CIOs and IT managers from different states." Although absorptive capacity consists of four capabilities—acquisition, assimilation, transformation and exploitation—the team’s paper focuses on the first two capabilities. Acquisition and assimilation of new knowledge compose what is known as an organization’s potential absorptive capacity.

Within the capabilities of acquisition and assimilation, the team analyzes several component variables and how, or if, each variable influences the potential absorptive capacity of the state IT departments. Riemenschneider and her colleagues look at variables of external environments (e.g., economy, industry dynamics, budgetary constraints, stakeholders) and factors of risk and proactiveness in ‘strategic posture,’ a firm’s overall competitive orientation. An organization’s culture also determines whether change related to new knowledge is accepted or resisted. And finally, the team analyzes if these variables have the same influence on CIOs and IT managers.

Using the findings and continuing their research, Riemenschneider and her team hope to aid state IT management in maximizing awareness of, identifying, and effectively integrating new knowledge and innovative technologies to improve operations.

Cynthia K. Riemenschneider
The Economics of Religion

While religion, politics and money may be taboo topics at a dinner party, they are inextricably linked, according to a research team that included Baylor faculty members. The team studied the relationship between religion and economic prosperity, and the impact of government involvement on religious attendance worldwide.

The team, which included Baylor associate professor of Economics Charles North; Byron Johnson, professor of Sociology and co-director of the Baylor Institute for the Studies of Religion (ISR); and Rodney Stark, Baylor professor of the Social Sciences and co-director of ISR; studied historical data and collected new information through a grant given by the John Templeton Foundation.

The first part of their study explored the level of rule of law and corruption in 207 countries based on what each country’s largest religion was in 1900 and 2000. They concluded that current rule of law is higher in countries that were Protestant, Catholic, and Hindu in 1900 compared to those whose largest religion in 1900 was African tribal religion, Islam, or Orthodox Christianity. They found similar results on corruption being lower in countries that were Protestant in 1900, but not for Catholic or Hindu countries. When they looked at the largest religion in 2000, they found that countries that are currently Asian folk religion have higher current rule of law and lower corruption than all other countries, with the rest all looking the same.

“In both instances, we are looking at the current level of rule of law or corruption; we distinguish among the 207 countries based on what their largest religion was in 1900 or in 2000. What changes between those two years is that many countries (mostly in Africa and the Pacific Islands) switched from an ethnic religion away to Protestantism, Catholicism, or Islam,” North said. “So what that tells us is that ‘missionizing’ and converting everyone to Christianity cannot improve the quality of rule of law or the degree of corruption, at least not in a span of decades.”

The second part of the study collected new data exploring the link between religion and financial indicators.

“One of the biggest things this grant allowed us to do was conduct a new survey,” North said. “We’re still working out the conclusions, but we now have one of the few data sets out there that looks at religion and finance.”

One observation made by researchers is that people who attended church regularly as children received about a half-year more education than their non-religious counterparts.

“There could be any number of reasons for this finding, according to North, who says researchers are still working on what the data means. “It could be the ‘good kid effect,’ in that going to church means you learn to sit still and pay attention. Sitting still and paying attention means you’ll do better in school,” North said. “Or, it could be that educated people are more likely to go to church, so their children go to church. And educated parents are more likely to educate their children. There are so many factors to consider.”

The survey also asked people about homeownership, an often-used statistic used by researchers elsewhere.”

Charles North

Selected Research Work

This listing highlights grant-funded research conducted by faculty of Baylor’s Hankamer School of Business.

Chris Blakesley
Professor, Accounting

Blakesley’s study, “Comparing the Moons and Minds of Accountants and Non-Accountants in Buy-Seller Relationships,” is funded by Baylor University’s Kloth Center for Research. The study examines the role of emotional intelligence (EI) within business-to-business (B2B) organizations, how varying levels of agent and consumer EI facilitate or impede the formation of relationships, and how EI is measured within the B2B sector. The research is a data collection with plans to submit the results to a top journal and ultimately complete a book.

Gia Chervin
Assistant Professor, Accounting & Business Law

Chervin received a grant from the Conoco-Phillips Foundation to focus on the convergence of accounting and finance. He plans to publish a number of papers incorporating his research in preparation for a book that is scheduled for submission in the next three years. The grant also funded her summer research release.

Brennan Davis
Assistant Professor, Marketing

Davis’ study, co-authored by Christopher Carpenter of the University of California-Irvine, “Proximity and Consumer Information Processing: Examining the Use of Fear Appeals to Encourage More Active Parenting,” is funded by the Robert Wood Johnson Foundation. The research was published in the March 2009 issue of the Journal of Interactive Marketing. The paper was also named a Finalist for the American Marketing Association’s 2009 Strictly Business Most Influential Research Paper award. Davis is also working on a number of other projects, including a project examining consumer reaction to fear appeals in advertisements. The study, “Is Your Message Scaring Away More or Fewer People?” is funded by the Robert Wood Johnson Foundation.

Chris Meyer
Assistant Professor, Management

Meyer and Li C. Alexander Banaca of the Air Force Institute of Technology, who received a five-year, $150,000 grant from the National Science Foundation to examine the impact of the Air Force’s data collection with plans to submit the results to a top journal and ultimately complete a book.

Ann Mirabito
Assistant Professor, Marketing

Mirabito received a grant from the Marketing Science Institute to examine the impact of the use of a service provider’s photographs in creating consumer expectations for products developed by the provider’s company. The study, “Picture Worth a Thousand Words?” is funded by the August 2009 Keller Center Research Report. It suggests that the presence of pictures improves buyer perceptions and increases purchase intent, while controlling for product type. The research was funded by Baylor University’s Keller Center for Research.

Padro Reyes
Associate Professor, Management

Reyes received a grant from the Construction Industry Institute (CI²) at the University of Texas at Austin, which is dedicated to the purpose of global procurement and materials management in the construction industry. Reyes’ CI² materials management handbook for implementation of a modern materials management program.

James Roberts
Professor, Marketing

Roberts’ study, co-authored by Fernando Jaramillo, Department Head, and Lawrence R. Goodwin, “Examining the Impact of Service Leadership on Salesperson’s Turnover Intentions,” appeared in the fall 2009 issue of the Journal of Personal Selling and Sales Management. It was also voted the “Most Influential Research” by the Robert Wood Johnson Foundation Web site.

Jeff Tanner
Assistant Dean, Research & Faculty Development

Tanner’s study, co-authored by Les A. Carlson, Chris Blocker, Ann Mirabito and Stuart D. Todd, “Proximity and Consumer Information Processing: Examining the Use of Fear Appeals to Encourage More Active Parenting,” is funded by the Robert Wood Johnson Foundation. The study found that having fast-food restaurants within close proximity to schools increased the likelihood of students eating outside of school. The research was funded by Baylor University’s Keller Center for Research.
Passing the Torch: Family Business Succession Planning

When the two brothers who ran the successful Dassler shoe company in Herzogenaurach, Germany, in the 1930s ended their business relationship with a rancorous feud, it not only divided a family, it divided the city. When the company split, Adolf Dassler took his business to one side of the Allach River and created Adidas. His brother Rudolph stayed and created Puma. The citizens of Herzogenaurach became just as radically divided, wearing either Adidas or Pumas to show their fierce loyalty. Businesses loyal to one company refused to serve workers from the other, gangs developed in local schools, and, to this day, people look down to see what shoe someone is wearing before beginning a conversation. The Dassler brothers carried their feud to the grave and are buried on completely opposite sides of the local cemetery.

"When a business is a family business, there's much more at stake," said Bill Worthington, assistant professor of Management and Entrepreneurship at Baylor University. "Helping family businesses create and maintain healthy successful companies -- and family relationships -- is the goal of Baylor's Institute for Family Business, which was founded in 1987. Worthington and his colleagues are striving to find new ways to support family businesses and those who work with them.

The project began by Schoen looking at select financial planners from across the nation, who were advisors to family businesses, asking them about how and when and why leaders chose to leave their positions.

"It was surprising to us that leadership succession was the very last thing considered, and that ownership transfer (when control actually changed) is so far down on the list," Schoen said. "From an academic standpoint, and from a practitioner's standpoint, these two extremely important things." Worthington believes that they are often considered last because they are difficult for families to discuss.

"In my own family's business, to this day, we talk about talking about it, and that's as far as it gets," he said.

Their findings led Worthington and Jamie Collins, assistant professor of Management and Entrepreneurship, to team up with Schoen, through a grant from Baylor's McBride Center for International Business, to collect data from family businesses in India. Their research focused on those two last-considered issues too. Better solutions come from having a foot on both sides.

"We hope that by providing behavioral insight to these estate planners and financial planners, we can help them develop better solutions," Collins said. "Instead of looking just at financial transfers, they need to look at the behavioral issues too. Better solutions come from having a foot on both sides."

The Baylor trio hopes to extend the current survey geographically and is looking for funding to do so. They hope to expand into Latin and South America, Russia and China.

"We know that it looks like if issues of leadership succession and ownership transfer are not dealt with. We get Adidas and Puma all over again," Schoen said. "Our business is to help create more happy stories."