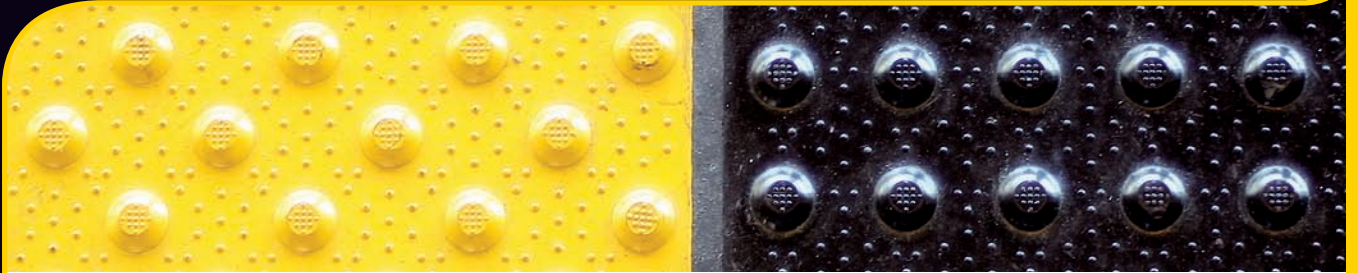


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**THE BARTON
SCHOOL**

Research Connection



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Research Connection: THE BARTON SCHOOL



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To request a copy of this publication, please contact Dorothy Harpool at (316) 978-6018 or Dorothy.Harpool@wichita.edu

Barton School Faculty Guide Local Businesses

Faculty-in-Residence Program Beneficial for Local Businesses and Barton School Professors

Three Barton School Faculty Members were embedded in local companies during the summer of 2012 as part of the Barton School's Faculty-in-Residence (FIR) Program. The following is a description of the role the faculty member played in the organization during their residency.

Masud Chan, Assistant Professor of Management, worked with the supply chain team at Spirit AeroSystems to help them set up a global business office to coordinate the company's international activities. Based on a detailed study of their internal activities, as well as of their competitors, Masud developed a framework that helped detail the criteria and processes by which a global business office decision could be reached, and how the decision could be implemented. The framework was divided into three major areas: a macro-economic analysis of potential target markets; an overview of the aviation and related industries along with a look at companies in similar positions as Spirit; and a company-level examination of how the supply chain function currently works in Spirit and the potential roles that a GBO could play in helping add value to it. Masud and his Spirit colleagues report the FIR experience to be invaluable to all.

Kurt Reding, Clinical Assistant Professor in the School of Accountancy, completed an eight-week faculty residency with Spirit AeroSystems' Internal Audit Department during the summer of 2012. Kurt worked with Spirit's Chief Audit Executive to develop a strategy for integrating data analytics into the audit

process. The strategic objective is to establish the use of data analysis software as a core competency within Internal Audit. Key components of the strategy include selecting, acquiring and implementing data analysis software, developing Internal Audit's expertise in downloading, analyzing and managing data, and routinely applying the data analysis software in audit engagements. Internal Audit plans to begin implementing data analysis software in 2013 and thus Kurt's FIR was very useful to the organization. Plus, Kurt can now provide a real world perspective in the classroom.

Stan Longhofer, Real Estate Professor, worked with Freddy's Frozen Custard and Steamburgers corporate office to develop a site selection tool to help rate potential sites for new stores in this fast-growing chain. Over the summer Stan collected extensive data about the brand's existing stores, including demographic information, site and building characteristics and management performance. He then evaluated how these factors were related to performance for existing stores and used this information to develop a rating system for proposed sites. Freddy's has been very pleased with the resulting scoring model, and plans are in the works for Stan to work with Freddy's again in 2013 to extend the model with additional data.

For more information about the Faculty in Residence Program you may contact Dorothy Harpool at Dorothy.Harpool@wichita.edu.



• Dr. Khawaja Saeed

• Successful Integration of Information Systems and Supply Chains

• **Integrated Supply Chains Require the Right Configuration of Interorganizational Systems**

Company managers sometimes face the daunting task of developing an interorganizational system (IOS), a type of information system used between companies and their supply chain members. Dr. Khawaja Saeed, Barton School Professor of Management Information Systems, is actively researching how companies develop effective information systems that improve supply chain efficiencies. This research is highlighted in a recent article titled, "Interorganizational System Characteristics and Supply Chain Integration: An Empirical Assessment" written by Khawaja, Manoj Malhotra of the University of South Carolina, and Varun Grover of Clemson University.

In this article, Khawaja and his co-authors explore how the configuration of an IOS relates to successful supply chain integration. They look at the IOS development process of companies and how certain decisions and decision timing during that developmental process can affect the ultimate success of the system. Following a commonly used academic research process, the authors first used existing research to determine a list of IOS characteristics on which to base their analysis. Based on what they learned from that review, they conducted in-depth interviews of IS professionals. The combination of those interviews and the literature review results led to the formation of a survey instrument. The survey was then distributed to over 800 manufacturing businesses. The results of that survey are the basis of this article.

The goal of the research was to gain a better understanding of how IOS and supply chain integration (SCI) are related. SCI was evaluated on three dimensions: strategic integration, operational integration, and financial integration. The effectiveness of a company's IOS was based on the following: application integration (whether a company's planning applications were integrated with suppliers); data compatibility (whether data formats and standards are synchronized with suppliers' systems); analytic ability (whether a company's IT system can be used to conduct simulation and what if analysis for supply chain decisions); alertness (whether a company's system can report deviations from expected performance of both the company and its suppliers); and evaluation ability (can the IT system evaluate delivery performance and quality levels of the supplier).

The results of the survey led the authors to split companies into three categories – high supply chain integration, medium supply chain integration, and low supply chain integration. These designations were based on the level of strategic, operational and financial integration companies had with their supply chain partners. Further examination of these three groups indicated that the lower groups had different IOS configurations that seemed to have hampered their ability to fully integrate processes with their supply chain partners.

Khawaja and his colleagues found that there are significant differences in application integration and compatibility of data formats between high SCI and low SCI firms. For example, firms with low SCI will not be able to seamlessly share data with suppliers through their IOS, which consequently limits their ability to align information and material flows. Firms with low SCI also have limited analytic abilities, evaluation abilities and alertness. This hinders the lower SCI firms in their ability to streamline material flows as opposed to higher SCI firms that can develop production plans and capacity in coordination with supply chain partners. Finally, high SCI firms are much better prepared to evaluate supplier performance as the data needed to do so is easily accessible in their system.

This analysis leads the researchers to outline an optimum configuration for IOS that can lead to an integrated supply chain. They emphasize that developing an integrated IOS requires long-term

organizational commitment and that the implementation of IOS characteristics needs to be appropriately sequenced. At the initial stage, organizations need to integrate applications, develop common data conventions, and include monitoring features. Subsequent stages should focus on refining their system to include planning and forecasting capabilities. In summary, developing an integrated supply chain requires an integrated IOS with monitoring and exception handling features; but to experience true supply chain integration, the system should evolve to include planning and forecasting features.

The article, "Interorganizational System Characteristics and Supply Chain Integration: An Empirical Assessment" was published in *Decision Sciences*, a journal of the Decision Science Institute. For more information about this research, contact Khawaja Saeed at Khawaja.Saeed@wichita.edu.

• **Dr. Khawaja Saeed** received his PhD from the University of South Carolina. His award-winning research focuses on MIS and IT topics such as ERP systems, development and implementation of IT systems, and manufacturer-supplier dyads. In addition to serving as an IT consultant for local organizations, Khawaja teaches courses in data structures and management, MIS, and information technology. Dr. Saeed can be reached at (316)978-7123 or via email at Khawaja.Saeed@wichita.edu.



• Dr. Kirk Ring

• Technology Enhances College Student Performance

• **How the Use of an Online Course Management System Creates Value for Students**

Barton School faculty members are well known for their cutting edge practitioner based research. But many of our faculty also conduct research on how business schools can be more effective in teaching our students to become the business leaders of the future. This type of research, often called pedagogical research, is then used by faculty members throughout the world in their efforts to become more effective educators.

The effectiveness of online education is not a new research topic in education and pedagogical research but little research has been done on courses that contain both online and traditional classroom experiences. Dr. J. Kirk Ring, Barton School faculty member, and a group of colleagues from the University of Tennessee and Mississippi State University, explored an online tool used by many universities - the online course management system. In a recent study Kirk, Franz Kellermanns from Tennessee, and MSU faculty members Tim Barnett, Allison Pearson, and Rodney Pearson, delved into whether students performed better in courses that utilized a course management system.

Course management systems (CMS) are used by schools to disseminate information to students such as assignments, course materials, course information, and grades. A CMS can also be used as the main course related communication medium used by faculty

and students alike. Kirk and his colleagues explored three different topics related to CMS. First, they examined students' intentions to use a web-based CMS. Then actual student usage of a CMS was examined, and finally the effect of the use of the system on classroom performance was evaluated.

The authors developed their own CMS to use during this study and the system was used in several class sections. In the first stage of the study, students were asked whether or not they expected to use the CMS during the semester. The authors found that those students who indicated that they intended to use the system were much more likely to ultimately do so than those students who indicated that they were unlikely to use the system. The outcome of this finding to educators is that the intentions of students should be evaluated and those students who are hesitant to use a CMS should be counseled to reconsider their initial reluctance to use the system. Faculty members should promote the benefits of a CMS to students to reduce the number of students who do not initially plan to do so.

This research project illustrated that the effectiveness of technology tools cannot be judged based purely on the content of the system. User behavior patterns and user motivation play a significant role in an effective CMS. The authors

suggest that management educators should require students to use a CMS but also that they promote the benefits of usage to the students. Once students realize the value of a course management system, they are not only more likely to use the system but will reap the benefits that a CMS can provide them.

The article, "The Use of a Web-Based Course Management System: Causes and Performance Effects," will be published in an upcoming issue of *The Journal of Management Education*. For more information on this research, contact Dr. J. Kirk Ring at kirk.ring@wichita.edu.

• **Dr. Kirk Ring**, Assistant Professor of Management, received his PhD from Mississippi State University. He is a Barton School Entrepreneurship Research Associate and an award winning Barton School instructor. His research interests include several entrepreneurship-related topics including social capital, family business management, rural entrepreneurship, and institutional entrepreneurship. He is presently teaching strategic management courses in the Barton School. Dr. Ring can be reached at (316)978-5353 or via email at Kirk.Ring@wichita.edu.



• Dr. Linwood Kearney

• Can You Talk Your Way to Success in an Accounting Firm?

• **Pre-Employment Conversations Play a Role in Employee Success**

"Agency Theory" is at the center of much research done in the accounting, economics, finance, and management disciplines. Agency Theory captures the idea that organizations contain an almost unlimited number of "contractual" agreements among supervisors and workers within the organization. Agency issues also exist between owners and executives and owners and debt holders. In the agency problem, the hired agent may not always make decisions that are in the best interests of the owners of the enterprise. Barton School Accounting faculty member Linwood Kearney, along with Jeremy Douthit and Douglas Stevens of Florida State University, recently analyzed how pre-contractual promises by an employee related to their actual performance once they were hired, and also how much the employee was ultimately compensated for their work. Their research appeared in a recent edition of *The Journal of Management Accounting Research*.

Pre-contract communication can be defined as basic promises that an employee makes to a supervisor prior to being hired. In Agency Theory, these comments and promises are called "cheap talk." Dr. Kearney and his colleagues documented instances of cheap talk and tracked the success of cheap talking employees over a period of time. The goal of the research was to see if cheap talk could be used to mitigate problems in organizations where measuring performance may be difficult. Also, the authors examined whether effective cheap talk correlated to cheap talking employees receiving

higher compensation than those employees that did not practice pre-contractual cheap talk. Finally, the authors explored how cheap talk related to the profitability of organizations.

Cheap talk is basically a series of promises that an employee makes to a prospective employee. These promises are intended to increase the likelihood of the employee being hired. This research went beyond the hire decision to follow cheap talking employees post employment to determine if the employees actually fulfilled their promises and, if so, how the employer rewarded the employee for their work.

As it would be difficult for the authors to measure cheap talk in the actual workplace, they used controlled laboratory experiments conducted on the university campus. Collecting data using a controlled laboratory experiment can be a very reliable method of data collection. The experiments conducted by Linwood and his colleagues were closely based on how employers and prospective employees actually negotiate work expectations and reward structures. The students involved in the experiments were told that the "earnings" of those playing the role of a manager were based on the worker production and the worker's wage. They were also told that the managers would receive a bonus if they correctly projected the performance of workers. The workers' imaginary pay was based on how much effort they promised to put into their tasks and thus those who made significant promises of high productivity could earn a larger salary.

The results of this interesting experiment illustrated that cheap talk has several positive outcomes both for the employee and for the employer. Employees that make significant promises of superior effort often receive higher post-employment wages than those who do not. Employees hired after making these promises are also much more likely to accomplish significant tasks after their employment than those who do not practice cheap talk.

Does cheap talk pay off for employers? According to this research, the answer to that question is yes. Workers who engage in cheap talk often feel a moral or ethical responsibility to follow through on their promises and achieve the outcomes that they promised. Thus cheaper talking employees are often more productive than non-cheap talkers. Cheap talk also can play a role in the organization's performance

measurement process as specific goals and expectations outlined prior to employment can lead to more precise performance measures. The establishment of expectations prior to employment through the use of interviewee cheap talk can lead to more consistent measures. So cheap talk can ultimately have a positive effect on a company's bottom line because it can lead to more controllable and measurable employee incentive programs.

The article, "Can Agent Cheap Talk Mitigate Agency Problems in the Presence of a Noisy Performance Measure? An Experimental Test in a Single- and Multi-Period Setting" was recently published in *The Journal of Management Accounting Research*. For more information about this study, contact Linwood Kearney at Linwood.Kearney@wichita.edu.

• **Dr. Linwood Kearney**, Clinical Assistant Professor of Accounting, received his PhD from Florida State University. His main research interests relate to judgment and decision making in accounting. Prior to beginning his academic career, Linwood was a Senior Financial Analyst at Nortel Networks Corporation. He teaches courses in financial accounting, taxation, and managerial accounting. Dr. Kearney can be reached at (316) 978-6270 or via email at Linwood.Kearney@wichita.edu.



• Dr. Charles Martin

• Barton School Marketing Department Professor Serves as International Journal Editor

• Charles Martin Gains International Reputation in Role as Journal of Services Marketing Editor

Barton School faculty members are not just the authors of academic journal articles, several of our professors are the editors of these journals. In the first of a series of articles describing Barton School faculty journal editors, we showcase Dr. Charles Martin. Dr. Martin, Professor of Marketing, has been the Editor of the most recognized and prestigious services marketing journal, the *Journal of Services Marketing*, for 23 years. As the journal recently celebrated its 25th anniversary, one can infer that Charles's editorial leadership was a key factor in the ongoing success of the publication.

Dr. Martin became the *JSM* editor in mid-November 1990, after having authored or coauthored several articles for the *Journal* and having served as a member of the *Journal's* Editorial Advisory Board since the *Journal's* inception in 1987.

The roles that *Journal* editors play vary depending on the *Journal*, the publisher, and the individual editor. However, for most *Journals* (including *JSM*), editors first solicit manuscripts for possible publication (this involves lots of emails with authors regarding their research, and attendance/discussions at conferences and visiting universities to interact with faculty). For the last few years, the *journal* averaged between 220 and 298 submissions annually from around the world. Second, the editor screens papers to decide which papers may be appropriate (e.g., pertain to services marketing) and otherwise fit the

Journal's publication requirements. About half of the papers submitted survive this process. Third, surviving papers are sent to three reviewers on a "double-blind" basis (meaning that the reviewers don't know who the authors are and the authors don't know who the reviewers are; this helps minimize bias in the evaluation process). The reviewers are experienced researchers and/or practitioners in the service field. Fourth, the reviewers scrutinize the papers and forward their comments to the editor. Fifth, based on their comments and recommendations, coupled with the editor's own evaluation, he or she decides which papers will be published – for the *JSM* this is about 46 per year.

To provide researchers with insights/ideas to help them increase the odds of getting their research published, Dr. Martin attends (and in a couple of instances co-chairs) several conferences and visits many universities to make presentations about the future of the *Journal*, important topics in which the *journal* is interested and mistakes to avoid when preparing a manuscript for publication, and to promote readership of the publication. During the last four years, for example, Dr. Martin has been to universities/conferences in Lahore Pakistan, Hong Kong, London England, Nottingham England, Brisbane Australia, Gold Coast Australia, Seoul Korea, as well as Atlanta, Chicago, Memphis, and Orlando in the US, among others.

In June 2013 Dr. Martin will deliver the keynote address at the Services Management Conference in Bafra, Cyprus. The presentation will focus on an array of services-related research projects that Charles would like to see conducted and submitted to *JSM* for publication consideration. For example, one under-researched topic area addresses the ability of front-line service workers to use nonverbal cues to recognize frequent customers as such. Apparently service workers vary greatly in their ability to recognize customers' visually or on the telephone, yet doing so is fundamental in the process of establishing and building business relationships with customers, that is, frequent customers often like to be recognized as "regulars" and greeted as if they are not strangers. To the extent that people are born with this "recognition ability," service researchers should be able to develop tests that service firms can use to screen job applicants. If recognition ability is more of a skill, service researchers can explore the viability of alternative ways to train employees to enhance their customer recognition skills.

JSM is considered a "hybrid" journal in that its aim is to appeal to both academics (with theory development) and business practitioners (practical applications). *JSM* insists that every paper published include a "Managerial Implications" section (or similar heading) so business practitioners can gain a "take away." The *journal* also publishes an executive summary for each article so that busy business readers can quickly determine if the article is potentially relevant to their business circumstances. Most of the

papers published represent something new – cutting edge in terms of issues addressed or perspectives/insights offered. Papers that simply rehash what is already known are rarely published.

Reading articles in journals such as the *Journal of Services Marketing* can give businesspeople a jump on the competition as it often takes several years for research published in journals to trickle into textbooks, classrooms and common business practice.

For information about the *Journal of Services Marketing*, you may contact Dr. Charles Martin at Charles.Martin@wichita.edu or via telephone (316) 978-7104.





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THE BARTON SCHOOL RESEARCH CONNECTION

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