College of Business Administration – FY 2004 Research Abstracts

Oklahoma: If We Aren't High-Tech Where Are Our Competitive Advantages?
This study uses shift-share analysis along with the NAICS industrial data for the 1990-2003 period to determine where Oklahoma has competitive advantages and whether it has specialized in those industries.
Sponsors: State of Oklahoma
PIs: Tim C. Ireland, Mark C. Snead, Steven R. Miller

Trade Liberalization, Corruption, and Software Piracy
This paper assesses how laissez-faire trade policies and corruption affect national software piracy rates. Using invisible hand theory, as well as literature from the fields of international strategy and ethics, formal research hypotheses are posited and tested. Results suggest that corruption mediates the relationship between economic freedom and software piracy. Implications for multinational managers and researchers are also addressed.
Sponsor: State of Oklahoma
PIs: Kenneth M. Gilley
Northeastern University: W.F. Crittenden, C.J. Robertson

The Relationship between Ethics and Firm Practices in Russia and the United States
Respondents were queried about their beliefs surrounding the moral philosophies *relativism* and *idealism*, the trade-off between profits and ethics, and their company's ethics policies and practices. Results suggest the Russian respondents are more relativistic than their U.S. counterparts, while Russians and Americans appear to be similar with respect to idealism. The U.S. respondents were found to be more willing to sacrifice their ethical principles for greater firm profits.
Sponsor: State of Oklahoma
PIs: Kenneth M. Gilley
Northeastern University: C.J. Robertson
University of Tulsa: M. Street

Research on Outsourcing: Theoretical Perspectives and Empirical Evidence
This review article covers the growing body of research on outsourcing by examining prior theories used to address outsourcing's antecedents and outcomes. It also reviews recent empirical work on the topic.
Sponsor: State of Oklahoma
PIs: Kenneth M. Gilley
The University of Texas at Arlington: Abdul Rasheed, H. Al Shammari

Strategically Relevant Resources, or Really Big Vanity Plates?: Market Reactions to Announcements of Stadium Naming Rights
This study examines the extent to which stadium naming rights agreements convey a rare, valuable, inimitable, and non-substitutable resource to acquiring firms. Results suggest that they do, based on the positive reactions from investors that were observed. Firms

with higher levels of institutional ownership saw a larger positive market reaction.
Sponsor: State of Oklahoma
PIs: Kenneth M. Gilley
University of Akron: Jay J. Janney
University of Texas at Dallas: Gregory G. Dess

Corporate Social Performance and CEO Compensation
This study explored whether CEO compensation is tied to corporate social performance (in addition to financial performance). The prediction that CEOs would be rewarded for achieving high levels of social and financial performance was only partially supported. Results indicate that some types of social performance appear to be punished.
Sponsor: State of Oklahoma
PIs: Kenneth M. Gilley
University of Richmond: Joseph E. Coombs

The Resource Dependence Role of Corporate Directors: Effects on Technology Venture IPO Performance
This project examines the extent to which boards of directors' characteristics affect the ability of firms to raise more capital when they initially offer their stock to the public. Results indicate that boards consisting of more community influencers, business experts, and support specialists yield higher levels of IPO performance.
Sponsor: State of Oklahoma
PIs: Kenneth M.Gilley
University of Richmond: Joseph E. Coombs
Texas A&M University: R. Duane Ireland

Does Fuel Hedging Make Economic Sense? The Case of the U.S. Airline Industry
We investigate jet fuel hedging behavior of firms in the U.S. airline industry during 1994-2000 to examine whether such hedging is a source of value for these companies. In general, airline industry investment opportunities correlate positively with jet fuel costs, while higher fuel costs are consistent with lower cash flow. Our results show that jet fuel hedging is positively related to airline firm value.
Sponsor: State of Oklahoma
PIs: David A. Carter, Betty J. Simkins
Portland State University: Dan A. Rogers

The Market's Reaction to Unexpected, Catastrophic Events: The Case of Airline Stock Returns and the September 11th Attacks
We investigate the reaction of airline stock prices to the attack. Cross-sectional results for the September 17 abnormal returns suggest that the market was concerned about the increased likelihood of financial distress in the wake of the attacks and distinguished between airlines based on the level of their cash reserves. With respect to the Air Transportation Safety and System Stabilization Act, we find evidence the market believed the major airlines benefited, while the small airlines did not.
Sponsor: State of Oklahoma

PIs: David A. Carter, Betty J. Simkins

Deregulation, Technological Change, and the Business Lending Performance of Large and Small Banks

We evaluate business-lending performance for small and large banks over the 1993-2001 period. Our findings suggest that smaller banks perform better than larger banks in the small business lending market. However, larger banks appear to have the advantage in credit card lending, a market characterized by impersonal relationships and standardized loans.

Sponsor: State of Oklahoma
PIs: David A. Carter
Florida Atlantic University: James E. McNulty

Do Small Banks Have an Advantage in Lending? An Examination of Risk-adjusted Yields on Business Loans at Large and Small Banks

We evaluate risk-adjusted commercial loan yields (gross yields less net charge-offs and the risk-free rate of return) at small and large banks for the period of 1996 through 2001. Our primary finding is that smaller banks earn greater risk-adjusted yields than larger banks. This result suggests that small banks make better choices from the available small business loans and is consistent with the notion that these banks have an information advantage in evaluating credit.

Sponsor: State of Oklahoma
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Florida Atlantic University: James E. McNulty
University of Georgia: James A. Verbrugge