

AWARDS & GRANTS

A growing list of honours received by our scholars

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Research News



Fall 2021

MEET OUR NEW RESEARCHERS

Seven new faculty cover a broad set of research areas

Smith has welcomed a new group of faculty to its roster of outstanding teachers and distinguished researchers. The seven additions bring to the school expertise in accounting, analytics, strategy, business economics and equity and inclusion, as well as a diverse range of research interests. The new faculty members began teaching this fall and winter. They are:



ELAHEH FATA

Assistant Professor of Management Analytics

Elaheh Fata recently completed her PhD in controls in the Department of Aeronautics and Astronautics at MIT and will teach operations management in the Commerce Program.

Her current research looks at performance guarantees in online resource allocation and online advertising, and using online learning methods to learn the preferences of online users to help businesses improve their revenues. Her research interests include data-driven revenue management, online marketplaces, online matching, machine learning and fairness in machine learning.



EVAN JO

Assistant Professor of Finance

A recent graduate of McGill University's PhD program in finance, Evan Jo will teach financial technology and innovation to Commerce students and also lecture in the MSc and PhD programs. His research interests include asset pricing, capital markets and credit risk. Evan's current work explores how to measure, price and share risks in capital markets.



MICHELLE LEE

Assistant Professor of Strategy and Organizations

Michelle Lee is currently studying how the social class background of executives influences their careers. Her broader research interests include social class, corporate elites, shareholder activism, social evaluations and corporate social responsibility. Prior to academia, Michelle worked for Deloitte and Mazars in technology consulting and public accounting. She holds a PhD in strategic management from the University of Washington in Seattle and will teach business and corporate strategy in the Commerce Program.



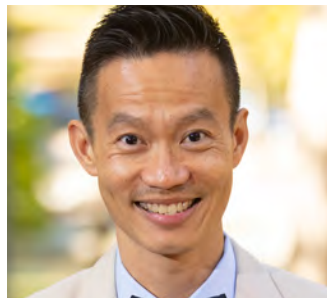
Check Smith Business
Insight, and our new
diversity tab



PAULA LOPEZ-PEÑA

Assistant Professor of Business Economics

Paula Lopez-Peña studies how non-cognitive skills and adverse life events affect health and labour market outcomes. Her current projects focus on entrepreneurship, firm productivity and the causes and consequences of violence. She earned her PhD in economics from the University of Warwick and was a postdoctoral associate at Yale University. Prior to her doctoral studies, she worked as a research fellow with the Inter-American Development Bank in Washington and Nicaragua. She will teach principles of economics for business in the Commerce Program.



EDDY NG

Smith Professor of Equity & Inclusion in Business

Eddy Ng's research focuses on managing diversity for organizational competitiveness, the future of work and managing across generations. Before coming to Smith, he was the James & Elizabeth Freeman Professor of Management and DEI Faculty Fellow at Bucknell University. Prior to academia, he worked for TD Bank Financial Group in commercial banking, domestic planning, corporate audit and group human resources. He earned his PhD from McMaster University and will teach human resources management to Commerce students.



ERICA PIMENTEL

Assistant Professor of Accounting

A recent graduate of Concordia University's PhD in accountancy, Erica Pimentel worked in public accounting before entering academia. Her research explores how technological disruption impacts the ways in which auditors do their jobs. She is currently studying how remote work arrangements and blockchain affect audit practices. Erica is interested in how professions are changing in light of new technologies, and the ongoing crisis of expertise. She will teach financial accounting in the Commerce Program.



BLAKE STEENHOVEN

Assistant Professor of Accounting

Blake Steenhoven studies the judgment and decision-making of investors, managers and other capital-market participants in financial disclosure settings. His recent work focuses on verbal and non-verbal behaviour in financial communications, with the goal of helping managers communicate more effectively. Before earning his MSc and PhD in management from Cornell University, Steenhoven was an auditor at KPMG. He will teach financial accounting in the Commerce Program.

RESEARCH COLLABORATION SPOTLIGHT: WHAT STOPS PEOPLE FROM GETTING FINANCIAL ADVICE?

New research by two faculty members uncovers important psychological barriers, and some simple fixes





Photos L to R:
Laurence Ashworth, Lynnette Purda

Collaboration is an important aspect of research at Smith. This article explores the work of two faculty members, Lynnette Purda and Laurence Ashworth, on the reasons people do or don't decide to use the services of a professional financial advisor.

When we talk about the benefits of using financial advisors, we usually talk about the monetary upsides. Larger retirement funds. Lower tax hits. Better insurance options. But anyone who has used a competent financial professional knows there are psychological benefits as well.

Chief among them: less stress about reaching financial goals.

But what drives people to hire an advisor? And what stops them? Most research in this area focuses on external influences. How close one is to retirement, for example, or the impact of major life events such as marriage or having children.

Yet these things aren't under the control of a financial planner. "Many happen randomly and they aren't something we can influence," says [Lynnette Purda](#), RBC Fellow of Finance at Smith School of Business.

Purda and [Laurence Ashworth](#), Distinguished Faculty Fellow of Marketing at Smith, wanted to better understand what could be influenced. So, they set out to explore the internal

psychological factors that drive the *when* and *how* of personal finance. If they could identify these factors, they could learn how to encourage people to seek financial advice.

Spoiler alert: Not only did they identify certain factors, they figured out that simple changes to how financial professionals are described (and how their services are explained) can raise people's perceptions of working with an advisor.

The results of their research were [published in a paper](#) for [FP Canada](#), a national professional body for the financial planning industry, called "Identifying and Removing Psychological Barriers to Financial Advisor Use."

Psychological barriers

Through a series of interviews and surveys with 430 participants, Purda and Ashworth discovered that two internal factors strongly influence financial advisor use. One is attitude. How positive does a person feel about financial advisors? The other, "financial advice seeking self-efficacy"

(FASSE), is a term Purda and Ashworth coined to refer to people's belief that they are capable of successfully working with a financial professional.

Typically, about 20 to 30 per cent of people use financial advisors. In their study, Purda and Ashworth found that number dropped to 10 per cent when participants had an unfavourable attitude of working with one. A favourable attitude but low FASSE lifted advisor uptake to 18 per cent. When both attitude and FASSE were high, advisor adoption jumped to 44 per cent.

Purda and Ashworth knew that if they could figure out which psychological traits influence both attitude and FASSE—and change them in a beneficial way—it could potentially promote advisor use. Through their research, they found five such traits: the perceived cost of advisors; perceptions of advisors' ulterior motives; privacy concerns; flexibility of the financial plan; and risk aversion. So if, for example, concern over cost was reduced, attitude and FASSE would both theoretically go up, and so would advisor uptake.

What am I buying?

The final step in Purda and Ashworth's study, then, was to see whether these traits could be changed through a few simple interventions. They did this by running several experiments with a group of 855 participants. They investigated the impact of providing information that highlights the benefits of professional financial services. And they studied the effect of advisor fee structures.

Purda and Ashworth's key finding was that when information about the professional credentials of the advisor (and the financial services offered) was provided, attitude and FASSE went up. Giving this information helped remove barriers to obtaining financial advice.

This makes intuitive sense, says Purda, as the research found that people are unfamiliar with the titles used by financial professionals. Many didn't feel confident that they understood what financial advisors actually do. "If you were to buy a product,

say a television or a computer, you would want to know the specifications of it—what are its components and what it can do," Purda explains. "You can think about buying financial advice and assistance in the same way. People need to know what they are buying."

"People are so completely overwhelmed by different designations and sources of advice that they freeze rather than choose someone."

With financial advice, it's important to remember that the product isn't bonds, stocks or other investments. It's the ability to map out realistic ways to achieve financial security and goals, says Purda. It's things like budgeting, planning for retirement or paying down debt. And like buying a computer from a trusted company, consumers want to know they are buying financial advice from a trusted professional.

Of cost and confidence

One of Purda and Ashworth's most interesting findings is around the fees that financial planners charge their clients. Discussing these fees actually reduced

participants' desire to work with a financial professional. This held true no matter the fee structure—hourly, commission, assets under management or flat fee (in the study, the dollar value of fees was the same in each case).

"It still comes down to the value proposition and uncertainty on the consumers' part that they don't understand what they are getting in exchange for these fees," says Purda. "To me, the takeaway is that how much something costs or how you pay for it becomes irrelevant if you don't know what you are buying."

People must not only have confidence in the financial advice profession overall, says Purda, but that they can successfully work with a financial professional. "People are so completely overwhelmed by different designations and sources of advice that they freeze rather than choose someone."

At every touch point with potential clients, financial advisors need to provide objective information on industry qualifications, standards of practice and ethical obligations, says Purda. "If we do this consistently, individuals become more confident in knowing what to look for, and hopefully we build trust in financial professionals."



Awards & Grants



PI: Veikko Thiele

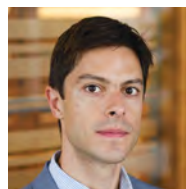
PROJECT TEAM: Thomas Hellmann

GRANT DETAILS: SSHRC Insight Grant, 3 years

PROJECT TITLE: Scale-up Ecosystems: Theory and Empirical Evidence

PROJECT SUMMARY: Over the last few decades there has been an increasing interest in understanding the economic forces that drive entrepreneurship, both in academic and policy circles. In recent years, however, there is a growing concern, especially in Canada and Europe, that having lots of innovative start-ups alone is not enough, unless they also scale up to become significant large companies. While the US, and especially Silicon Valley, seem to provide a very conducive environment for such scale-ups, other countries face the challenge that many of their promising start-ups “sell too soon”. Of particular concern to policy makers are instances where growing companies get sold to foreign acquirers who may relocate some of the economic activities away from the home country. In this research project we examine the economic forces that affect companies’ choices between scaling versus selling. The research project will provide a theoretical foundation for understanding this new scale-up challenge, and will initiate an empirical research agenda that looks at the determinants of successful scale-up ecosystems.

APPROACH: We will first derive a rigorous theoretical model that can account for a dynamic ecosystem perspective. The core novelty of our theory is to show how ecosystem characteristics affect companies’ scaling versus selling decisions. An interesting observation from the US is that the acquirers of start-up companies are mostly tech giants such as Apple, Facebook, Google, or Microsoft, that were themselves venture capital backed scale-ups not too long ago. Our theory therefore recognizes that the number of domestic acquirers is a function of the number of companies that in the past chose scaling over selling. We will then develop an empirical analysis of the economic factors that determine the scaling versus selling decisions of start-ups. For this we will focus on venture capital backed companies that are past their initial first funding round. The key explanatory variables concern the state of the local ecosystem, such as the number of companies that chose scaling over selling in the past. A central question is whether a past history of companies scaling encourage or discourage current start-ups to scale? Furthermore, we will identify the ecosystem factors that encourage local companies to scale, and thus provide a basis for making well-founded policy recommendations.



PI: Pierre Chaigneau

GRANT DETAILS: SSHRC Insight Grant

PROJECT TITLE: Too many rewards? Performance Shares and the optimal structure of executive pay

PROJECT SUMMARY: Performance-based pay for top executives has been heavily criticized since the global financial crisis, and has come under renewed fire since the COVID-19 pandemic. Indeed, the Financial Times reported that 84% of businesses have taken no action on executive pay following the COVID-19 pandemic, and that European companies were more likely to cut dividends than executive pay during this crisis (“European companies were more keen to cut dividends than executive pay” *Financial Times* September 9 2020). The intended purpose of performance-based pay is to improve corporate decisions. A growing trend is to pay CEOs with “performance shares”, i.e. stock with performance vesting provisions — CEOs only receive these stocks if their performance is good enough. Performance shares have now largely replaced stock options. This development in executive compensation has been documented empirically (e.g. Bettis et al. (2018), but it has not received enough attention and it is so far built on shaky ground. Indeed, it has been largely driven by pressure from proxy advisors as a palliative to the concern that executives were often “paid without performance”. It is still unclear whether performance shares are appropriate, or how they should be designed.

RESEARCH AND OBJECTIVES: Our goal is to compare CEO compensation contracts predicted by principal-agent theory to actual CEO compensation contracts. To this end, we will compare the structure of CEO compensation packages under options pay and performance shares, evaluate the appropriateness of using performance shares in their current form as a form of CEO compensation for large firms, and examine the extreme rewards that can arise as a result.



PI: Raga Gopalakrishnan

GRANT DETAILS: SSHRC Insight Development Grant

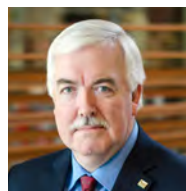
PROJECT TITLE: Behaviour-aware queueing models for smart service operations

PROJECT SUMMARY: Today, 4 in 5 Canadians are employed in the service sector. The proliferation of the service industry in the economy has resulted in long wait times for consumers. Americans spend 37 billion hours each year in line. Last year, a million Canadians left emergency departments untreated after waiting for about 2.5 hours. Moreover, time spent in unnecessarily long queues add to a nation's economic costs. In 2018, Canada suffered an estimated \$6.3 billion in lost wages and productivity from patients waiting for medically necessary care.

While waiting cannot be eliminated completely, we *envision* smart service systems of the future adopting *behaviour-aware* operational policies to achieve shorter wait times. Design policies governing customer-facing operations include queue structure and discipline, pricing of service, and employee staffing schedules and compensation. "Optimal" policies adopted by managers often ignore or misjudge the impact of human behaviour, resulting in unintended consequences. For example, in a grocery store, a single, central queue (rather than multiple queues, one per cashier) would lead to shorter wait times due to better utilization, but customers may be intimidated by a long queue, even if it is fast-moving. On the other hand, cashiers may work faster if they had their own queue, due to a sense of customer ownership. Similarly, if a manager always delegates tasks to her fastest employee, he may slow

down to avoid being overloaded. How should operations managers "correct" their policies for such behavioural effects and avoid adverse outcomes?

RESEARCH AND IMPACT: Our *goal* is to develop new insights into the optimal design of behaviour-aware service systems through formal performance modeling and rigorous mathematical analysis. Our *objectives* are to, 1) integrate common types of human behaviour into classical queueing models, 2) understand their performance using analytical and numerical techniques, 3) identify (near-)optimal policies for managerial objectives such as welfare- and profit-maximization, 4) quantify the human behavioural impact by comparing behavioural and classical queueing models, and 5) translate our theoretical results into useful managerial insights and concrete recommendations for real service systems. Our project will bridge a widening gap between the empirical and experimental literature and the formal modeling and analysis literature in service science and inspire the discovery of new behavioral models, leading to a healthy research ecosystem between theory- and practice-oriented research.



PI: Steve Salterio

CO-APPLICANT: Minlei Yi (University of Toronto)

COLLABORATORS: Constance Adamson and Yi Luo (Queen's University)

GRANT DETAILS: SSHRC Insight Grant, 5 years

PROJECT TITLE: Understanding the Extent and Nature of Replication Research in Social Sciences: The Case of Accounting Research

PROJECT SUMMARY: The transfer of knowledge from academia to practice is one of ongoing debate in social science research in general and accounting research specifically. A key resistance point in accounting is, the belief, held by both accounting researchers and standard setters/regulators, that there does not exist a body of replicated and reliable research to transfer. Our proposed research program objectives are three-fold. First, to determine the extent to which replication occurs in financial accounting and audit research and to what extent is the research replicated successfully. Second, to the extent replication occurs, identify the determinants of article replication. Third, is replication of "important findings" occurring such that the determination of effect sizes and/or economic importance happens?

APPROACH: Use of full text searchable capacity of academic article data bases to identify the nature and extent of research study replication as well as the extent to which highly influential articles are replicated. We will then model the factors that influence the likelihood of replication occurring as well as the success thereof.



PI: Anthony Goerzen

GRANT DETAILS: SSHRC Insight Grant, 2 years

PROJECT TITLE: Improving Global Value Chain Governance

PROJECT SUMMARY:

1. Challenge: Multinational corporations (MNC) are being pressed to improve social justice and environmental stewardship among suppliers within their global value chains (GVC). Great effort is being made to improve

conditions yet improvements are often lacking when GVCs extend into emerging economies. As just one example, one just needs to consider the 2013 Dhaka garment factory collapse where 1,134 workers died.

In response, many MNCs have looked to various interventions like third party audits or certification processes (e.g., “Fairtrade”) to improve social and environmental performance along their GVC. However, research has shown that the intended beneficiaries of these interventions, most notably women, children, and migrant labourers, often experience no improvement and sometimes end up worse off; thus, we still cannot explain why some interventions succeed but others fail. Therefore, a question of great importance to managers, policymakers, and scholars is: *Under what conditions does a third party intervention designed to improve social justice and environmental stewardship along the GVC achieve its intended purpose?*

2. Contribution: To understand this problem, we have begun to work with *amfori* (www.amfori.org), a leading global business association dedicated to sustainable trade, to organize and analyze their extensive data. Since 2013, *amfori* has collected on-site audit data pertaining to social and environmental performance on the suppliers of over 2,400 retailers from more than 40 countries as per their mission to “enhance human prosperity, use natural resources responsibly, and drive open trade globally”. Their data on urgent social issues (such as the use of child labour) and critical environmental issues (such as energy use and greenhouse gas emission) have not been made available to scholars. Our research project is designed to analyze this new source of data to develop empirically validated insights to help MNC managers to improve the performance of their GVCs, to assist non-governmental organizations (NGO) to become better analysts of sustainable business practices, and policymakers to develop legislation on MNC business practices including GVC transparency.

3. Benefit: Our research is designed to benefit scholars, practitioners, and policy makers. By working with *amfori* to organize

their data, we will derive and empirically validate hypotheses that will advance scholarship on GVC governance by providing a more comprehensive account of the factors that affect interventions. Our research will also benefit NGOs by providing insights that will assist their abilities to critique the sourcing practices of MNCs. Our research findings will be incorporated into the curricula taught at business schools, equipping the next generation of managers with the knowledge necessary to implement socially conscious and environmentally responsible business practices. Our results will also be of interest to policymakers; in many jurisdictions, policy makers are grappling with the means by which MNCs can be regulated to ensure that social and environmental standards are improving along the GVC (e.g., UK Modern Slavery Act, US Dodd-Frank Act). In fact, a recent report by the Canadian House of Commons Standing Committee on Foreign Affairs and Human Rights (2018) stated that companies’ practices are inadequate, allowing various negative outcomes to persist (e.g., child labour) and that when best “practices are not disseminated, the result is an uneven playing field for businesses”. Our project is designed to derive and disseminate new insights that help managers develop socially conscious and environmentally responsible business practices within GVCs and to train the next generation of researchers.



PI: Murray Lei

GRANT DETAILS: NSERC Discovery Grant, 5 years

PROJECT TITLE: Real-time Dynamic Optimization for Omnichannel Retailers

PROJECT SUMMARY: Omnichannel retail refers to a fully integrated approach where a retailer provides customers with a unified shopping experience across multiple channels. It is fast emerging as the default mode for retail operations. An omnichannel

shopper may start product search on mobile apps, then investigate the details of the product on a retailer’s website, and finally decide to buy online but pick up in stores. To enable a seamless shopping experience, retailers need to endure significant operational costs from delivering products to customers. Moreover, multiple correlated tactical decisions need to be optimized carefully along customers’ paths to purchase to guarantee maximum profit. The increasing practical importance of this area, along with the sparsity of academic literature, presents exciting research opportunities that will be directly impactful in a broad sense. In this project, we plan to build analytical models that can help omnichannel retailers understand how various decisions (e.g. pricing, assortment and inventory) should be made when order fulfillment (i.e. physical delivery of products to customers) is costly.

APPROACH: This project seeks to use mathematical models and analysis to identify near-optimal algorithms for dynamic optimization problems that arise in omnichannel retail, especially with the presence of order fulfillment decisions. By highlighting the benefit and feasibility of joint dynamic optimization, our research will provide solutions that align research with business practices. From the theoretical point of view, our problems are modeled as stochastic control problems that are infeasible to solve optimally due to the curse of dimensionality. We plan to propose algorithms that are easily implementable in real-time and have near-optimal performance guarantees. Our algorithms and analysis contribute to the broader stochastic control literature.

AWARDS FOR SMITH FACULTY MEMBERS



Bertrand Malsch



Tina Dacin



Selim Topaloglu

Brent Gallupe — received an AIS Fellow Award at ICIS 2020.

Paul Calluzzo and Selim Topaloglu — Corporate Governance: International Review, Best paper award 2019: Complex Instrument Allowance at Mutual Funds; 2020 Hillsdale Investment Management — [CFA Society Toronto Research Award](#).

Tina Dacin — Third Annual (2020) IACMR Responsible Research in Management Award.

Peter Dacin and Tina Dacin — Decade Award from the Academy of Management Perspectives for the publication with the highest number of citations over a 10 year period. Dacin, P. A., Dacin, M. T., & Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives*, 24(3), 37-57.

Tina Dacin — Runner-Up/Finalist Best Paper Award from the Academy of Management Annals.

Monica LaBarge — 2020 Thomas C. Kinnear Award for Outstanding Article published within the past three years in the *Journal of Public Policy and Marketing*.

Bertrand Malsch — Board of the Canadian Academic Accounting Association (CAAA) and Chair of the CAAA Research Committee.

Ryan Riordan — Globe and Mail Changemakers Award January 2021.

Michael A. Sartor — Best Reviewer Award for *Journal of International Business Studies*.

Matthias Spitzmuller — Queen's AMS Fall 2020 Undergraduate Research Mentorship Award. This award is meant to honour the contributions of professors that have encouraged undergraduate research at Queen's. This comes in many forms, such as thesis supervision, inquiry projects in the classroom, or supervising a capstone project. This is an initiative to recognize excellent mentorship of undergraduate scholars. This is a student initiative wherein students at large are responsible for nominating the recipients of this award.

Wei Wang — Proposal signed by Trump into US law: Bankruptcy Administration Improvement Act — the BAIA.

DEVELOPING GREAT MINDS

Two faculty members recognized for work with PhD and MSc students



Steven Salterio

Professors Steven Salterio and Pierre Chaigneau were recently recognized with awards for research supervision and teaching excellence at Smith School of Business. Salterio received Smith's 2021 Research Supervision Award. Chaigneau won the Teaching Excellence Award.

The awards go annually to faculty who've demonstrated an outstanding commitment to the education of students in the PhD and MSc programs. Nominations were made by students in the programs.

Research Supervision Award

Salterio, the Stephen J.R. Smith Chair of Accounting and Auditing, says he was completely surprised by the award. "Reading the various nomination and co-nomination letters was a real inspiration to me to continue with my approach to helping [students] develop on their journey," he says.



Pierre Chaigneau

Salterio says he loves encouraging his students to become "critical thinkers and questioning readers. In an age where evidence is discounted all too easily, having students be able to understand and critique the underlying research is very gratifying," he says.

Yi Luo, PhD'21, says Salterio cares deeply about not only students he supervises but all accounting research students at Smith. For example, soon after the COVID-19 pandemic began, she says, "Steve saw that junior scholars were missing out on the usual opportunity to collect feedback on their work." In response, Salterio and a collaborator started the "East Coast Behavioural Accounting Research" online seminar series. The webinar series has been wildly successful, Luo says. "This is a great example of Steve's influence beyond Smith in the accounting academy."

The Research Supervision Award is open to all faculty who have supervised Smith PhD or MSc students for three or more years during the past five years.

Teaching Excellence Award

Chaigneau, the Commerce '77 Fellow of Finance, was on sabbatical in 2020-21 but nonetheless agreed to teach some courses because he knew how hard it would be to find a substitute instructor. He says he was "pleasantly surprised" to get the award. "It was the first time I was teaching remotely via Zoom, and I did not know how effective it would be."

Chaigneau says he especially enjoys class time with MSc and PhD students. "These are students who have been carefully selected for their outstanding academic ability and who are very motivated. This allows me to teach at a high level," he says.

Aaron Black, MSc'21, says that Chaigneau's ability to teach complex financial models and to understand how individual students learn these models makes him stand out as a teacher. "He would ask very targeted questions," Black recalls of one particular class. "Often, there were two possible ways to answer his questions: with mathematical or economical reasoning. This allowed students of different backgrounds to understand the content and learn how to approach concepts using different logic."

The Teaching Excellence Award is presented to a professor who has demonstrated an outstanding commitment to the research-intensive education of students in the PhD and MSc programs.

This year's award recipients were chosen by a committee comprised of three Smith faculty: Ling Yang, Matthias Spitzmuller and Murray Lei.

HOW TO SPEAK UP AT WORK WITHOUT HURTING YOUR CAREER

Half of employees are reluctant to share their ideas and opinions. Here's how to find your voice. And how leaders can help

By Kyle Brykman and Jana Raver



Imagine this: You notice a problem that might be disastrous for your company's reputation, or you have an idea that can save thousands of dollars.

You want to say something, but you're not sure if you should. You're afraid it might not go over well and not sure it will make a difference. You want to speak up, but you're uncertain about how to voice your ideas in such a way that people will actually listen.

You're not alone. Studies consistently show that employees are reluctant to speak up and are even hardwired to remain silent, with 50 per cent of employees keeping quiet at work. Why is this the case? And how can we help people voice their opinions at work more effectively?

Employee voice—speaking up with ideas, concerns, opinions or information—is vital for organizational performance and innovation. On the flip side, silence is at the root of many well-known organizational disasters.

For example, Canada's Phoenix pay system debacle, which has already cost the federal

government \$1.5 billion, was attributed to a culture that "does not reward those who share negative news." Employees who sounded alarms were told they weren't being "team players."

Perils of speaking up

Employee voice is the antidote to this culture of silence. But it's not easy to encourage. Employees withhold voice because they think it will not be heard or fear it may backfire by embarrassing their managers or damaging their own reputations. These reservations are reasonable.

Although speaking up is generally linked with positive career outcomes, it can lead to lower social status at the office and lessened performance ratings in some circumstances.

Employees' proactive personalities and managers' demonstrated openness are both relevant to overcoming these reservations. Although we can't change someone's personality, leaders can create more welcoming environments that support and encourage voice.

For example, employees are more likely to speak up when they believe their leader encourages and solicits their opinions. By contrast, when leaders punish employees who dare to speak up with concerns or ideas, such as by publicly reprimanding them, voice dwindles quickly.

Pointing out others' mistakes or sharing ideas that go against common practice can "rock the boat." So how can employees still find ways to speak up effectively and have their ideas actually heard, despite these risks?

Four features of high-quality voice

Our research sought to answer this question by focusing on the quality of the messages that employees express. We first unpacked the meaning of what we call high-quality voice, uncovering the key ways that employees can improve their messages to gain greater recognition. We investigated these ideas with five studies involving nearly 1,500 participants.

We identified four critical features of employee voice attempts that make them higher-quality:

They have a strong *rationale*. Their ideas and opinions are logical and based on evidence. Employees should do their homework first and build a compelling case for their ideas by showing they've put a lot of thought into them. They shouldn't speak up if they haven't gathered information or reflected on the reason behind implementing their ideas first.

They have a high *feasibility*. Their ideas are practical and have the potential to be implemented. Employees should consider whether their organizations can realistically take action on their suggestions, such as by accounting for time or resource constraints and offering details on how to enact them. Employees shouldn't ignore the realities and difficulties leaders face in actually doing something with their ideas and concerns.

They have a strong *organizational focus*. Their opinions are critical to the success of the organization or team, not just personally beneficial to the employee. Workers should emphasize the collective benefits of their voice and link it with the organization's visions, mission and/or goals, such as by

explaining how it will help the organization overall. They shouldn't focus on issues that only affect themselves; otherwise it comes across as self-interested.

They have a high *novelty*. Employees are innovative and account for new perspectives or viewpoints. They should consider whether their organization has tried (or considered) this idea before and clarify what makes it unique, such as by contrasting it from typical conventions or opinions. They shouldn't just repeat old ideas or approach the situation with the same frame of mind.

Speaking up, standing out

Putting energy into developing higher-quality voice messages takes effort, but our research shows that it pays off. Employees who regularly presented higher-quality voice were regarded as more worthy of promotion and better all-round performers in their jobs.

These positive outcomes were evaluated from both peers and managers. And these findings held up regardless of how often employees spoke up, whether the evaluator liked them or viewed them as competent. Basically, speaking up with higher-quality messages predicted job performance and promotability above and beyond all of these other factors.

So is there a downside to speaking up? Yes, if you don't put the time and energy into making your input high quality.

When people spoke up often with low-quality ideas, their peers reported that they were worse performers and less promotable. So speaking up can backfire if employees consume all the airtime by frequently expressing low-quality ideas that offer little help to anyone.

The lesson? It's worthwhile to speak up and share your ideas and concerns—and it may help your career—but if you do so, ensure that you do your homework first, reflect on the feasibility of implementation, connect the benefits to the organization and/or its employees, and consider what makes it particularly novel.

The leader's role

What can organizational leaders do to help employees voice their opinions more effectively? When asking for input, prompt with some questions. For example:

- What is the logic for this idea and is there evidence to support it?
- How might we actually implement it and overcome barriers?
- How does this fit within the organization's priorities and/or help other employees?
- What is new about this idea that we haven't tried before?

These questions can produce higher quality ideas that will benefit employees, leaders and organizations alike.



Kyle Brykman



Jana Raver

Ultimately, increasing the quality of employee feedback and opinions will help them be heard. It will also result in ideas that are more likely to be implemented and improve work conditions and performance for the entire organization.

Kyle Brykman is an assistant professor of management at the University of Windsor. Jana Raver is E. Marie Shantz Professor of Organizational Behaviour at Smith School of Business, Queen's University. The article was originally posted on [The Conversation](#).

READING THE CEO'S MIND ON DIVERSITY

Managers need to believe the big boss is serious about inclusion before advancing the agenda

By Alan Morantz

CEOs have powerful leverage to drive organizational change around diversity and inclusion—if they choose to use it. So far, it has been a mixed bag. Even for leaders out front on the issue, it's a challenge to convert good intentions to new realities in offices and on shop floors. Too often, responses are short term and reactive to explosive events rather than long term and systemic.

Following these trends closely is Eddy Ng, Professor of Equity and Inclusion at Smith School of Business. Ng has researched how CEOs signal their priorities and mobilize staff to implement diversity management. In this conversation with Smith Business Insight, he discusses what he has learned.

On issues relating to diversity and inclusion, there seems to be a disconnect between words coming out of the C-suite and actions within organizations. What explains this disconnect?

In organizations, the people charged with implementing diversity, or any HR policy, are managers, not senior executives. But CEOs are important for substantive and symbolic reasons. They set the corporate agenda, they devote time and resources. At the CEO level, they hear far more noise from the environment. They can't deal with everything, so they classify issues into opportunities and threats. Things that are not opportunities or threats, they ignore.

Managers have a lot of discretion on whether and how to implement organizational policies and practices. They may hear their CEO say something [about diversity] but conclude that the CEO didn't really mean it, that public affairs wrote the script. Or they can say, Wait, the CEO is taking this seriously, and we have to take it seriously as well. Managers have a lot on their plate; they pick and choose what's important.

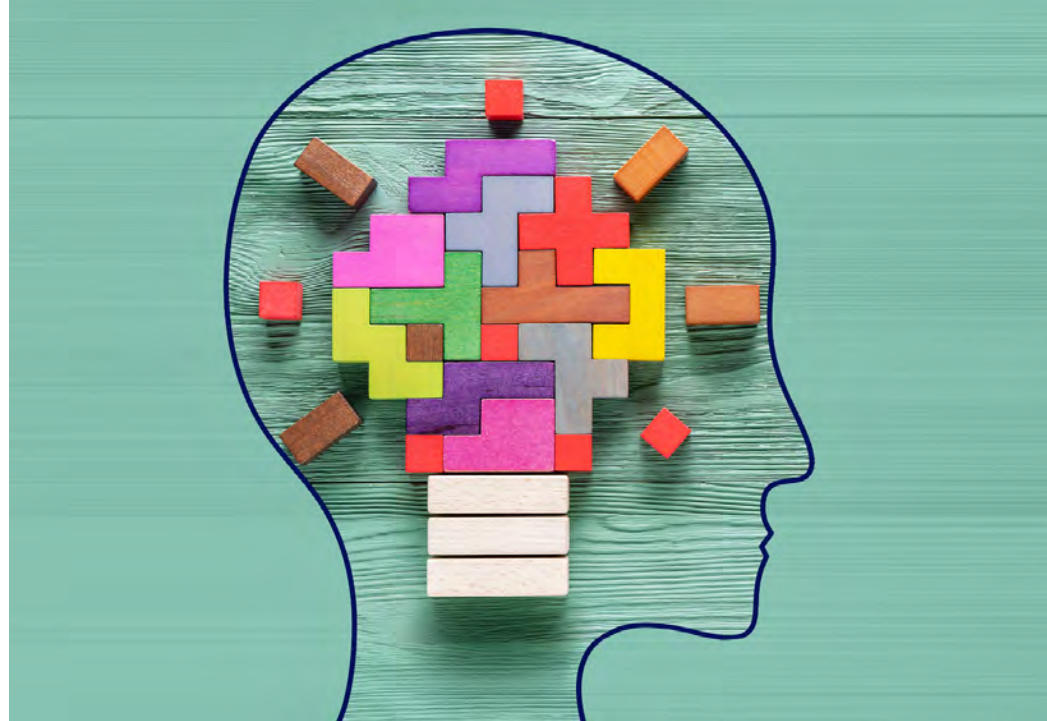
Our study looked at what CEOs say versus what they do. We surveyed their direct reports—VPs and directors—and asked them to assess their CEOs' commitment to diversity. Not just what they hear but what they see the CEOs do. And then we studied the outcomes—the amount of diversity policies and practices being implemented.

We found that when HR managers perceived the CEOs to be committed to concrete actions in workplace diversity, it was a stronger predictor of implementation of diversity initiatives. What the CEO says is important, but HR managers have to perceive that the CEO is serious before they implement any of those policies. And CEOs must sustain that effort for HR managers to continue to be committed to diversity.

So CEOs have to buy into the value of diversity or be really good actors.

Some believe in workplace diversity and some don't. But for CEOs who don't believe in the business case for diversity, our study found that if they have strong moral values, which can come from their religion or other places, they are much more likely to display pro-diversity behaviour.

The other part is that younger CEOs may feel they have to prove themselves, so they're more focused on bottom-line issues. More established CEOs have proven themselves to the board and shareholders, and that's when their legacy becomes important. There was a study, for example, that found CEOs with daughters tended to act in a much more socially responsible manner. It's not so much having offspring that matters. It's more about thinking about



the future and making sure their children have equal opportunities. This type of thinking can act as a potential moderator when the belief in the business case for diversity is weak.

How can CEOs signal they are serious about diversity and inclusion in a way that compels managers to actually follow through?

The only thing that really catches people's attention is when you hold them accountable, when job performance and compensation are tied to diversity goals. Otherwise, everything is on a best-effort basis.

The most common argument we hear is that there aren't qualified candidates, or that there's no one in the pipeline. Managers absolve themselves: Well, we advertised. We hired consulting firms to help us but unfortunately couldn't find anyone. When their year-end merit bonus is tied to diversity goals, managers expend the effort to make sure those goals are met.

If it's good to tie managers' compensation to diversity-related goals, why don't boards do the same for executive compensation?

Fair comment, and a lot of boards are starting to do that. But we also have a problem of interlocking boards, where members are CEOs or senior executives from other corporations. It's a very clubby community. They hang out at the National Club. They avoid these issues because—

guess what?—they're difficult to achieve.

Boards are still generally very white and very male, but there's institutional and legislative pressure for greater diversity. As we gain a critical mass on boards, it will improve. What's that critical mass? Not one or two; that's tokenism. Some studies suggest the magic number is three or four women or other underrepresented groups on the board. That's when you have greater legitimacy.

Do you sense a greater willingness from senior executives to take the lead on this issue?

Historically, diversity never really sat within the umbrella of corporate social responsibility (CSR). When we talked about CSR, it was about safety standards, environmental records, child labour. Now, diversity is part of that rubric. Still, very few Canadian organizations issue a social impact or community report. And it concerns me because diversity and inclusion is still instrumental. Organizations like to put diverse faces on the cover of annual reports, but what does that mean?

What's really critical is political leadership. I remember Paul Martin, who was prime minister for a short time, tried to make an impact on Indigenous issues. Had he been in office longer, we would have seen better outcomes. All of us care, but not many of us can have a big impact. To be effective you need resources. Who has those resources?

Faculty News

Chairs, Fellowships and Professorships

The following members have been awarded a Research Chair:

- **Tina Dacin**, Smith Chair of Strategy and Organizations
- **Steve Salterio**, Smith Chair of Accounting and Auditing

The following members have been awarded a new or renewed Teaching or Research Professorship:

- **Jean-Etienne de Bettignies**, Distinguished Professor of Business Economics
- **Anton Ovchinnikov**, Distinguished Professor of Management Analytics
- **Jana Raver**, E. Marie Shantz Professor of Organizational Behaviour
- **Ryan Riordan**, Distinguished Professor of Finance
- **Steve Thomas**, Distinguished Professor of Management Analytics
- **Wei Wang**, Distinguished Professor of Finance

The following members have been awarded a Teaching or Research Fellowship:

- **Shamel Addas**, Distinguished Faculty Fellow of Digital Technology
- **Goce Andrevski**, Distinguished Faculty Fellow of Strategy

- **Susan Bartholomew**, Distinguished Faculty Fellow of International Business
- **Kathryn Brohman**, Distinguished Faculty Fellow of Digital Technology
- **Nailin Bu**, Distinguished Faculty Fellow of International Business
- **Paul Calluzzo**, Toller Family Fellow of Finance
- **Pierre Chaigneau**, Commerce '77 Fellow of Finance
- **Christine Coulter**, Distinguished Faculty Fellow of Organizational Behaviour
- **David Detomasi**, Distinguished Faculty Fellow of International Business
- **Shai Dubey**, Distinguished Faculty Fellow of Business Law
- **Jim Hamilton**, Distinguished Faculty Fellow of Sales Management
- **Bertrand Malsch**, PwC/Tom O'Neill Fellow of Accounting
- **Elsbeth Murray**, CIBC Fellow of Entrepreneurship
- **Lynnette Purda**, RBC Fellow of Finance
- **Kate Rowbotham**, Distinguished Faculty Fellow of Organizational Behaviour
- **Michael Sartor**, Distinguished Faculty Fellow of International Business
- **Henry Schneider**, Commerce '64 Fellow of Business Economics
- **Jue Wang**, Distinguished Faculty Fellow of Management Analytics

Journal Articles

Arnold, K.A., Turner, N., **Barling, J.**, & Iverson, R. (in press). Feeling safe while doing sex work: Motivation for entering sex work moderates the relationship between perceptions of physical danger and desire to leave sex work. *Safety Science*. <https://doi.org/10.1016/j.ssci.2020.104795>

Brykman, K. M., & **Raver, J. L.** (2021). To speak up effectively or often? The effects of voice quality and voice frequency on peers' and managers' evaluations. *Journal of Organizational Behavior*, 42(4), 504-526. <https://doi.org/10.1002/job.2509>

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Chan, Y. E., Krishnamurthy, R., & Ghawe, A. S. (2021). Information Technology Alignment and Innovation: 30 Years of Intersecting Research. *Foundations and Trends® in Information Systems*, 5(3), 231-352.

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Books and Book chapters

Ahuja, S., & Chan, Y. E. (2021). Digital Innovation in Small Firms of Rural Canada. In *Rural Entrepreneurship and Innovation in the Digital Era* (pp. 60-79). IGI Global.

Detomasi, D. (in press). Profits, Power, and Petroleum: Navigating the Politics and Geopolitics of Oil. Toronto, ON: *University of Toronto Press*

Saggi, K., & **Ivus, O.** (2020). The Protection of Intellectual Property in the Global Economy. In *Oxford Research Encyclopedia of Economics and Finance*.

Conferences

Egbunonu, P., & Chan, Y. E. "Digital Technologies and Start-Ups: An IS Literature Review." Paper in the *Proceedings of the Annual Conference of the Administrative Sciences Association of Canada*, June 2021.

Hoang, K., **Luo, Y.**, **Salterio, S. E.** (2021). Evidence-Informed Audit Standard Setting: Exploring Evidence Use and Knowledge Transfer. 31st Audit & Assurance Conference, British Accounting and Finance Association. May 6, 2021, virtual.

Packalen, K., Lysaght, M., and Fecica, A. (2020). "Understanding how workplace integration social enterprises foster meaningful work for those living with mental illnesses: A preliminary analysis." Social Entrepreneurship Conference. November 5, 2020, virtual.

Packalen, K., & **Rowbotham, K.** (2020). Clues to Fostering a Program Culture of Academic Integrity: Findings from a Multidimensional Model. In *Academy of Management Proceedings* (Vol. 2020, No. 1, p. 18747). Briarcliff Manor, NY 10510: Academy of Management.

Packalen, K., & **Rowbotham, K.** (2021). "Impostor phenomenon and its relationship to academic integrity." International Centre for Academic Integrity Annual Conference. March 4, 2021, virtual.

Sartor, M. A. (2020). SME Internationalization in Emerging Markets: Formal Institutions and Foreign Market Entry Strategy. In *Academy of Management Proceedings* (Vol. 2020, No. 1, p. 10142). Briarcliff Manor, NY 10510: Academy of Management.

Sobol, K., **Robitaille, N.**, & Walsh, D. (2021). Fending Off Failure: How Choosing the Lesser Evil Eradicates the Negative Consequences of Goal Failure, paper presented at 15th Annual International Conference on Psychology, Athens, Greece, May 27, 2021 and at Southern Ontario Behavioral Decision Research Conference, May 14, 2021, virtual.

Wang, J. (2020). Optimal Bayesian Demand Learning over Short Horizons. *Production and Operations Management*, 30(4), 1154-1177. 10.1111/poms.13296

Wang, J. (forthcoming). Optimal Sequential Multi-class Diagnosis. *Operations Research*.

Editorial Positions

Kelley Packalen, Editorial board member, *International Journal for Educational Integrity* (2021)

Jana Raver, Associate Editor at *Organizational Psychology Review* (2020-2022)

Michael A. Sartor, Editorial Review Board, *Journal of Management Studies*

Other Items of Interest

Steven Salterio co-hosted the Virtual East Coast Behavior(al) Accounting Research Workshop, a joint venture of the Smith School of Business and the Dixon School of Accounting at UCF, from May 8, 2020 to April 23, 2021.

Peter Sephton's results from "Finite Sample Lag Adjusted Critical Values of the ADF-GLS Test" have recently been incorporated into Gretl (Gnu Regression, Econometrics and Time-series Library), a widely used open-source econometrics package (gretl.sourceforge.net). The findings from a past paper, "Response surface estimates of the KPSS stationarity test", were also in Gretl.

Wang, Wei, Jiang Wei and **Yang, Yan** (2021, September 14). Has post-reorg equity outperformed in the last three decades? *Global Financial Markets Center, Duke University School of Law*. <https://sites.law.duke.edu/thefinregblog/2021/09/17/has-post-reorg-equity-outperformed-in-the-last-three-decades/>

Published in The Conversation

2020

Pierre Chaigneau – "Women CEOs negotiate better severance than men – for all the wrong reasons" (February)

David Detomasi – "After the oil shock: Canada's energy producers need support from Ottawa" (April)

Tina Dacin and Laura Rees – "Coronavirus recovery: Small businesses must focus on easing employee, customer fears" (May)

Steven Salterio – "It could take two years for the economy to recover from the coronavirus pandemic" (May)

Jacob Brower and Monica LaBarge – "To change coronavirus behaviours, think like a marketer" (July)

Laura Rees – "How to calmly navigate personal interactions during COVID-19" (August)

2021

Matthias Spitzmuller – "How to create effective, engaged workplace teams after the COVID-19 pandemic" (June)

Erica Pimentel – "4 ways companies can avoid post-pandemic employee turnover" (June)



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