Teachers and Researchers: The Next Generation

Amid a national shortage of business Ph.D. faculty, three students discuss choosing the scholarly life. (p. 6)
Finance curriculum revamp...

The college has been named a Program Partner of the CFA Institute, the global, non-profit professional association that manages and administers the Chartered Financial Analyst® curriculum and examination program.

The designation, based on the department’s new Investment Management and CFA® track, signals to students and employers that the university’s finance curriculum is closely tied to professional practice and is well suited to students preparing to sit for the CFA exams. It indicates that the curriculum covers at least 70 percent of the required investment knowledge and skills in four areas: ethical and professional standards, investment valuation and management tools, asset valuation, and portfolio management and performance presentation.

The department is seeking similar recognition from the CFP® Board for its new Certified Financial Planner™ track, according to finance department head Vijay Singal.

“The CFP® is useful for careers in personal financial planning, he said.” The two tracks, he said, give Pamplin’s finance students opportunities to gain additional certifications and become even more competitive in their job search.

The new tracks are part of an extensive renovation of the finance curriculum that finance faculty began more than two years ago and completed last fall. “We have completely retooled both the undergraduate and MBA finance-related curricula,” said Singal. He added that for the undergraduate curriculum, it was the first comprehensive overhaul in more than 20 years. Singal attributed some of the changes to alumni and employer feedback.

The changes — in course content, name, and
The college successfully launched its new Professional Master of Business Administration program last fall, enrolling 27 students in the entering class. “We would like to admit more students in future cohorts,” says Steve Skripak, associate dean for graduate programs and MBA director. His office has stepped up its efforts to increase the second-year enrollment to 35-40 students.

The two-year PMBA has the same 48-credit-hour requirements as the college’s full-time, two-year MBA and confers the same degree. But it is designed for the particular needs of full-time, mid-level professionals who want a high-quality graduate business program with a convenient schedule, Skripak says, so that they can earn the degree without interrupting their careers.

“The PMBA reflects the college’s strengths in research and business leadership.” The program focuses on ethical and entrepreneurial leadership and the strategic management of information technology in a global environment. The courses, he says, are taught by full-time Pamplin faculty members and, in a few cases, appropriate adjunct faculty. “The college and its faculty are committed to providing students excellent value for their time and investment.”

The PMBA will replace the Pamplin College’s long-standing part-time MBA program that broadcasted classes to various sites around the state via the university’s interactive video conferencing network. This part-time MBA program, Skripak says, will end at the conclusion of this academic year.

The PMBA is aimed at serving full-time professionals across Virginia, excluding metro Washington, D.C., where Virginia Tech’s Northern Virginia Center in Falls Church will continue to cater to the area’s students through two onsite MBA programs: the Executive MBA, intended for more senior professionals, and a part-time MBA with a longer completion time than the PMBA (up to five years, depending on the course load selected by each student).

Scheduled over eight terms of three months each, PMBA classes meet face-to-face one weekend a month on Fridays and Saturdays. The meetings alternate between Virginia Tech facilities in Roanoke and Richmond. Some course content, Skripak says, is delivered via distance-learning technologies.

Students are enrolled only in cohorts, he says, to allow richer learning and networking experiences through interaction with their fellow professionals. Applicants must meet the same admission requirements that apply to full-time MBA students: competitive GMAT scores, satisfactory undergraduate GPA, letters of recommendation, an interview, and commensurate work experience. PMBA applicants are required to have at least two years of work experience, and most have 6-7 years, he says.

PMBA terms begin in September. Applications are due by April, but late applications, Skripak says, will be considered on a space-available basis. Tuition for the 2007 PMBA class is set at $28,600, pending approval from the Board of Visitors.

The college hosted PMBA information sessions at Virginia Tech facilities around the state earlier this year. For application and admission enquiries, please visit www.mba.vt.edu or e-mail mba_info@vt.edu.

 sequence — were aimed at beefing up prerequisites, rationalizing course progression, enhancing financial accounting knowledge, and improving the computer and communication skills of graduates.

These changes, Singal said, enable the faculty to “raise the bar” with content and applications that build on the fundamental knowledge students are required to have. “Finance majors now should be both more challenged during their studies and more prepared upon entering the work force.”

Citing an example of the revisions, Singal noted that FIN 3134: Finance Concepts and Skills now covers additional applications in time-value of money and risk and return in addition to the basics of capital investment, security valuation, and interest rate determination.

Other examples include replacing the Intermediate Financial Management course with two courses, Investments: Debt Equity and Derivatives (3144) and Corporate Finance (3154). The Investments course continues discussion of risk, return and portfolio theory, and financial securities and markets but also introduces portfolio analysis, market efficiency and performance evaluation, bond and stock valuation, options, the Black-Scholes option-pricing model, and futures. Corporate Finance is a decision-systems based course that considers optimal debt-equity ratio, cost of capital, capital investments valuation, dividend policy, and sources of financing.

Rounding out the junior curriculum, the two courses should ensure that students have a basic understanding of the mainstream financial topics, regardless of their chosen concentration, Singal said. The department has also created Careers in Finance, a one-credit course.

“A side benefit of the stronger curriculum,” Singal said, “is that students are now better prepared not only to compete for jobs upon graduation but also to better manage the Virginia Tech Foundation’s money in SEE D and BASIS.” Together, the two student-investor groups, which have about 40 members, manage more than $9 million for the foundation.

“Finance majors now should be both more challenged during their studies and more prepared upon entering the workforce.”

—Vijay Singal, Finance head professor of accounting and information systems, teaches a PMBA course.
with import competition and lower demand continuing to trouble U.S. furniture makers, easy answers were not expected from a semester-long student project for a Virginia company in associate professor Devi Gnyawali’s MBA class on international management.

Still, Stanley Furniture executives were impressed. The students conducted good research and analysis, said Brad Miller, the firm’s vice president for international sales and special markets. The project’s most important effect, he said, was increasing awareness within Stanley management of international opportunities. “We’re the largest producer of wooden furniture in the United States, and 95 percent of our products are sold domestically. The student teams assisted us in thinking beyond our U.S. customer base to emerging markets abroad.”

Gnyawali’s course focuses on the issues and challenges multinational corporations face in competing abroad. Topics include global business environments, global market entry strategies, leadership, human resource management, and management of multinational corporations. The course featured two projects on which students worked in small teams to analyze a country and a company.

The three student teams chose China, Japan, and India for their country analysis. Searching for a suitable company, Gnyawali was directed to Stanley after discussions with economic development and international business specialists on campus and at the Southwest Virginia Higher Education Center. “I was open to any projects as long as they involved reasonably sized companies, fit within the context of my class, could provide a good learning experience for the students, and can be tackled in a semester.” The company, based in Stanleytown, near Martinsville, had limited international presence, but Gnyawali thought this made it a particularly interesting candidate for study: “The students would have the challenge of examining how such a company should go about establishing a foothold in selected foreign markets.”

The assignment, however, Gnyawali said, is not simply an export strategies project revolving around marketing issues. “The issues of market entry — through exporting, joint ventures, or wholly owned subsidiaries — are mainstream management strategy issues.” The student reports must thoroughly explain the country’s macroeconomic and social environment as well as industry and competitive environments, he said, and offer “a comprehensive assessment of the key factors relevant to the company.” He stressed the importance of “an analytical perspective, not mere descriptions” and a practical focus. Students had to examine Stanley’s current strategy and competencies and identify various strategic options for the company in the selected countries.

Miller himself had “meat and potatoes” questions he wanted addressed: “Should we use a sales agent? How do we find an agent or retail partners in each marketplace? What is the time frame for developing the market and increasing annual sales in each selected country?”

He also wanted the projects to examine furniture retailing in the selected countries: Do stores exist, and if so, what type — low, medium, high-end, premium? Are American brands sold, or European brands? “The current retail environment will be a deciding factor on when and how we will penetrate the country.”

Local manufacturers were a consideration. “Stanley has found that Italy and Spain are difficult markets to enter, and the same may be true for China, with the volume of manufacturing occurring there today, especially contract manufacturing for American companies.” The students needed to thoroughly understand Stanley’s strengths and weaknesses versus its competitors worldwide, he said. “In Asia, factories can easily copy or modify our designs and styling at a fraction of our cost.”

Using the theories, models, and other tools learned earlier in the course together with furniture industry publications and databases, the student teams prepared their reports. They traveled to Stanley’s headquarters last December to present the final reports to the company’s CEO, Miller, and four other senior managers. “All three presentations were very professional and excellent from both a content and delivery standpoint,” Miller said.

For Navaz Nakoo, who is from Mumbai, India, the project was a great opportunity to put knowledge of her native country to productive use. Planning to work in business or financial consulting, Nakoo said the assignment helped her understand the intricacies of consulting projects, including “deliverables” and collaboration among various groups of people. “This project was a good and fun experience.”

She particularly enjoyed the field trips that Gnyawali
organized, to the fall furniture trade show at High Point, N.C., where they met Stanley executives, and to Stanley’s plant in Lexington, N.C.

Gerald Millner, who is from Martinsville, said students can gain valuable learning experiences from working with a real entity, rather than discussing textbook cases alone. “The project was a huge undertaking, with hard work, long hours, and contentions among team members, but it was the best part of the class. I learned that critical thinking and thorough analysis of targets is paramount — and also that conflict within teams is sometimes preferable to non-conflict in order to bring out the best in the team.”

He has gained a better understanding of some of the challenges of operating a business in a global economy, said Millner, whose team focused on China. He also liked knowing “that what you were doing would benefit somebody other than yourself and that you were representing your professor and your university.”

Other students used such terms as “demanding,” “rewarding,” “substantive,” “intense,” “frustration,” “thought provoking,” and “new perspectives” to sum up their project experience.

The students’ research and analyses will shape Stanley’s future strategies in each country, Miller said, though not all the suggestions would be adopted. He noted, for example, that a key recommendation of each team was promoting the company as a brand name.

“We’re a non-branded company,” he said. “We’re well known in the furniture trade among retailers. However, Stanley and Young America are not household names today. Our strategy has been to view the store or retailer as the brand rather than our products.”

Though advertising runs counter to Stanley’s current philosophy, he said, the students’ emphasis on branding “made us consider what method would be best for growth in Asia with a non-branded product.”

Overall, he said, “we were very pleased with the MBA project and would welcome the opportunity again to cooperate with Virginia Tech and the Pamplin College of Business.”

Associate professor Devi Gnyawali (top right) assigned his international management MBA class a project with Stanley Furniture. He and the students sought to better understand the product and production issues facing Stanley through visits to the High Point, N.C., trade show (p. 4) and Stanley’s Lexington, N.C., plant (this page). Photos courtesy of Devi Gnyawali.
For Anjala Krishen, a bachelor’s degree in electrical engineering, an MBA, and a master’s degree in marketing were not enough. This former Oracle sales consultant, certified welder, marathon runner, tae kwon do black belt, Indian classical dancer, and mother of two is earning a doctorate in marketing.

As a vice president at a real estate development company with operations in nine states, Andrew Herdman led human resource management and new business development. He participated in the company’s initial public offering and helped lead it through several reorganizations and its merger with another company. After the merger, Herdman was offered the same position with the new business. He decided instead to pursue a Ph.D. in management.

A part-time consultant for the past three years for Herndon information security company
Cybertrust, Wade Baker is currently helping to develop a decision support system to help Visa evaluate its security spending. His research and recommendations on cyber security are part of a recent report by the President’s Information Technology Advisory Committee, a group of top IT experts from industry and academe who guide the federal government. Baker is also a full-time doctoral student in business information technology.

Krishen, Herdman, and Baker are among the 64 doctoral students currently at Pamplin. They are part of a small and dwindling group of students nationwide pursuing doctorates in business. A September 2003 report by AACSB International – The Association to Advance Collegiate Schools of Business noted that U.S. business doctorates declined 19 percent from 1,327 in 1994-95 to 1,071 in 1999-2000. “Today, the number of doctorates produced by accredited schools is at its lowest level since 1987,” the report noted. Last December, AACSB noted little improvement since the publication of its initial report.

Wade Baker

“I got the crazy idea to pursue a doctoral degree while I was an instructor at the University of Southern Mississippi,” says Baker, who earned his undergraduate and master’s degrees there and was making a comfortable living combining that job with teaching at the Cisco Networking Academy in Hattiesburg and working at his own information security consulting company (where he is currently the sole employee).

“I enjoyed the academic environment, with its multi-faceted challenges of teaching, designing curricula, research, liaising with industry, and the continual process of learning,” Getting the Ph.D., with its prospect of a better paying, full-fledged academic career, he says, was a way to “have my cake and eat it too.”

The doctoral student’s life, Baker says, is governed by three primary activities: coursework, teaching, and research. He has excelled in teaching, as his student evaluations attest, but completing the coursework quickly made him restless, so he turned to what he enjoys most — “research, hands down” — and his dissertation topic.

“I came up with it within the first month of my doctoral program but realized it would be impossible without real data and applied research.” He embarked on a quest for a research sponsor, contacting every information security company he knew.

Then, he attended an industry conference in Washington, D.C. “I went to every vendor’s booth, asking if they were interested in or working on quantitative methods of managing information security risk. The people at one booth — Cybertrust — gave me the name of their chief technology officer, Peter Tippett, and said they had heard him speaking of such things around the company. I contacted Dr. Tippett and discovered he was trying to develop almost exactly what I wanted my dissertation to accomplish.”

Baker has since been working closely with Tippett and others to create a system to help organizations evaluate information security expenditures and better manage risk. This project is, of course, the subject of his dissertation, “Toward a Decision Support System for Managing Information Security Risk in the Extended Enterprise.”

In January 2006, Baker received “a phenomenal opportunity” to apply some of his quantitative risk modeling concepts at credit card company Visa, a Cybertrust client. Over the next six months, he and other team members worked closely with Visa managers to evaluate the organization’s security projects for that year. Visa board members were so impressed with the results that they approved another project.

Though most business doctoral students do not work while in school, he says, he prefers to do so. His consulting allows him to stay in touch with the rapidly changing IT industry, and he likes the challenge of managing competing claims on his time. Still, Baker, whose wife gave birth to their daughter last July, thinks that “juggling school, work, and family would probably be impossible if my work did not mesh so perfectly
“I came to Virginia Tech with some ideas, and several BIT professors helped bring those ideas to reality. In this kind of environment, I flourished.”

–Wade Baker

Andrew Herdman

Explaining his decision to get a doctorate when he learned that his employer of 12 years, Crown American Properties of Johnstown, Pa., would be acquired, Herdman says he had greatly enjoyed teaching management as an adjunct faculty member at two area colleges while working at the company.

“As teachers, we are entrusted with developing the next generation of managers and leaders. If we are successful in helping to create individuals who are capable, ethical, and understand their own ability to make lasting and positive differences in the lives of others, our impact can be profound. To me, this is the most exciting part of this career.”

The scholarship aspect was enormously appealing as well. “Work is a defining dimension of our lives, and managers have the ability to shape the experience of others at work in important ways,” says the former VP of human resources. “They have the capacity to create an environment in which people are both willing and able to contribute to their fullest. This is no small responsibility, and working to understand how we can do this most effectively seems a worthy pursuit.”

The idea of doing research to advance understanding of management and “becoming a lifetime student” captivated him. “If you are at all curious, this is a great way to spend your time.”

Herdman’s current research interest is “person-environment fit” and strategic human resource management. His dissertation, “Explaining the Relationship between the HR System and Firm Performance: A Test of the Strategic HRM Framework,” aims to address current methodological challenges in the measurement of the human resources system and develop a fuller understanding of the processes through which systems of human resource practices influence organizational service, cost, and financial outcomes.

A lot of research, he says, has been done on how HR practices or systems influence organizational performance. “While there is growing evidence that organizational performance is positively impacted by progressive HR practices, interpretation of the findings is limited by both the methodological challenges and the relatively little scholarly attention to how this effect occurs.” For example, he says, “it is theorized that HR programs influence organizational outcomes by improving employee skills, behaviors, attitudes and motivation. However, no study, to date, has sought to test these simultaneously, as I will in my dissertation.”

He is impressed by the camaraderie of the department’s doctoral students and the faculty’s strong commitment to them. “We laugh together more than we complain. I think we genuinely enjoy and care about one another.”

Herdman has collected honors for excellence in student teaching and research: the 2006 Litschert Award for research and the 2006 Hoover Award for teaching and student advising, both given by his department. A paper he co-authored, “The Form of

“The shortage of faculty with business doctorates is creating a crisis globally for collegiate business education,” says Pamplin Dean Richard E. Sorensen.

He has taught human resource staffing and development and introductory courses on human resource management and management and leadership theory. His managerial experiences, he believes, have helped him frame and illustrate classroom discussions as well as define his research interest. “My dissertation, for example, is certainly an effort to address questions I believed were important as a practitioner.”

The demands of the program and his daughter’s birth in September 2005 created scheduling challenges and stress that was “difficult, but not impossible,” and his wife has been very supportive, as have management associate professors Kevin Carlson, his advisor and program director, and Jeffrey Arthur, who chairs Herdman’s dissertation committee. But the key, he says, is to “continually remind yourself why you chose this course and that the long-term payoff more than offsets the short-term struggles.”

Herdman has accepted a faculty position at East Carolina University. It is an opportunity, he says, “that is ideal in its mutual emphasis on teaching and research.”

Anjala Krishen

“It was time to pursue a new dream — a different career and a different life,” says Krishen about her decision to get a doctorate. “I started my doctoral studies when my younger daughter started kindergarten and my husband got tenure, so I always say, ‘the planets aligned.’”

Krishen has worked at many companies in diverse industries and corporate cultures. Graduating from Rice University with an engineering degree, she married and moved to Berkeley, Calif., where her husband would be attending graduate school.

“The skills I learned as a manager have been invaluable to my teaching. I am confident when I give examples, ones I am able to pull out of my bank of experiences.”

--Anjala Krishen

Krishen had her own offers of admission to separate graduate programs in bioengineering and anthropology (which she had also majored in), but her indecision led her to work in sales consulting at nearby Oracle Corporation. She later accepted an engineering position at Lincoln Electric Company in Cleveland, Ohio, where she learned to weld.

Resetting in Blacksburg for her husband’s new job at Virginia Tech, Krishen held a series of full-time jobs managing information systems on campus and at several companies in the area, including American Electric Power in Roanoke.

She also earned her MBA and her master’s in marketing at Pamplin. Those degrees and classes with marketing professors Jim Littlefield and Joe Sirgy left her with a desire to study marketing more deeply. It is an ideal field, she says, for someone with her interests and skills in both the qualitative and the quantitative.

Her dissertation, “When Comparison Becomes Contrast: Choice in an Oppositional Framework,” explores the problem of information overload and too many choices. It’s a topic that has been investigated extensively by consumer behavior scholars, Krishen says. Her own study focuses on two key areas in the framework of choice sets — “the cognitive mechanism and the motivational drivers”: how consumers process information and what motivates them in decision making.

“My research shows that presenting choices in an oppositional framework can reduce the negative reactions consumers experience due to the overchoice effect.” Krishen explains that “flattening” or leveling choices into two opposing sets — for example, colas and non-colas, healthy and unhealthy, or sweet and salty — simplifies the decision-making process. “It also explains,” she argues, “why marketing strategists often position their brands as oppositional to competing and highly similar brands, such as the seeming dichotomy between Coke and Pepsi or McDonald’s and Burger King.”

Krishen, who has been selected to receive the college’s 2007 Graduate Teaching Award, has taught five courses on advertising and on consumer behavior. “The skills I learned as a manager have been invaluable to my teaching. I am confident when I give examples, ones I am able to pull out of my bank of experiences.”

Getting the doctorate, she has found, has been a voyage of self-discovery, a test of her ability to set goals and work towards them, to recognize and address her weaknesses, and “to get up after falling down.” She credits her advisor, marketing department head Kent Nakamoto, and a member of her dissertation committee, former marketing faculty member Paul Herr, for fostering a creative research environment for her and encouraging her to “think outside the box.”

Being organized and having a supportive spouse and children have also helped her cope during the four-plus-year process, an endurance trial not unlike running a marathon, says this veteran of 10 marathons.

She and her family will be headed West, as she has accepted a job as an assistant professor of marketing at the University of Nevada, Las Vegas. For Krishen, the planets seem to have aligned once again.
Implications of earnings quality

Robin Romanus, of Norfolk, is in her fourth year as a doctoral student in accounting and information systems. Her dissertation is titled, “The Impact of Earnings Quality on Investors’ and Analysts’ Reactions to Restatement Announcements.”

Earnings quality represents the extent to which investors and analysts can rely on a company’s reported earnings to make judgments about current and future earnings, says Romanus, whose dissertation committee is chaired by accounting and information systems professor Jack Maher. “Recent accounting scandals have heightened market participants’ awareness of the implications of earnings quality. However, prior evidence suggests that stock prices and analysts’ forecasts do not fully incorporate the information conveyed by the quality of earnings.

“My dissertation examines the extent to which financial statement indications of low earnings quality preceding restatements impact investors’ and analysts’ reactions to the announcement of restatement, which itself is a more observable and direct signal of low earnings quality. If market participants are aware of low earnings quality implications, they should react less severely to restatements.”

Romanus, who has 10 years experience as an accountant and controller for national contracting firms, has accepted a position as an assistant professor of accounting at Texas Tech University.

Market impact of irrational investing

Lily Xu, of Nanjing, China, is in her fifth year of doctoral studies in finance. Her dissertation is titled, “Selling Winners, Holding Losers: Effect on Mutual Fund Performance and Flows.” One of the biggest threats to efficiency in financial markets “is the notion that investors don’t act rationally,” Xu says. “For example, it has been well-documented that individual investors tend to sell winning stocks too soon and hold losing stocks for too long. Recent studies found that even some institutional investors exhibit this kind of irrational behavior, called the ‘disposition effect.’ Might this behavior result in irrationally set prices for stocks?

“My work examines the performance of disposition-prone institutional investors and fund managers. I find that such funds underperform other funds and have lower future flows. These results suggest that the disposition effect among institutional investors is not sustainable.” Her research, she says, may allay investor concerns about the market impact of the disposition effect. “My findings suggest that we can continue to rely on financial markets and anticipate prices to be set rationally.”

Xu’s dissertation committee chair is finance professor and department head Vijay Singal. She will be joining Washington State University this fall as an assistant professor of finance.
Barriers to women-owned enterprises

Jiyun Wu, a fifth-year student in management, is from Nantong, China. Her dissertation, titled “The Relationship Between the Quality of a Corporate Supplier Diversity Program and Corporate Purchasers’ Decision-Making Regarding Women-Owned Enterprises: An Empirical Test,” explores barriers to women-owned enterprises in the corporate supplier market. Promoted by the minimal share of women-owned enterprises in the corporate supplier market, Wu explores corporate purchasers’ attitudes toward purchasing from women-owned enterprises and their beliefs about the outcomes of such purchases, which influence their decision-making.

“My study also attempts to disclose whether the quality of a corporate supplier diversity program can influence purchasers’ decisions to buy from women-owned enterprises.” She hopes her findings will contribute to understanding of the obstacles that women-owned enterprises face and play a role in policymaking. Wu’s dissertation committee is chaired by management professor and department head Richard Wokutch.

Wu is currently a visiting professor at Ithaca College, New York. She has taught at Beijing Foreign Studies University in China and helped start a biotech company in Houston.

Tourists’ perspective of destination quality

Fang Meng, a hospitality and tourism management student from Jiaozuo, China, last December defended her dissertation, titled “An Examination of Destination Competitiveness from the Tourists’ Perspective: The Relationship between Quality of Tourism Experience and Perceived Destination Competitiveness.”

Destination competitiveness is a critical issue in today’s challenging tourism market, she says. “Studies have indicated that quality of tourism experiences is the key to competitive advantage for destinations. However, limited research has been undertaken to examine destination competitiveness from the tourist perspective and how it can be influenced by the quality of the tourist’s experience.”

She developed a destination competitiveness model based on tourist perceptions and empirically tested the relationship between perceived destination competitiveness and quality of tourism experience in different phases (pre-trip, en-route, on-site, and after-trip). “The study can help destination managers and marketers build strategies to offer high-quality tourism experiences and gain a competitive edge for their destination.”

Meng’s committee was chaired by hospitality and tourism management professor Muzzo (Muzaffar) Uysal.

Meng has worked as an instructor in hospitality and tourism management at Beijing International Studies University and in hotel management training and consulting in Beijing. She is currently an assistant professor at the School of Human and Consumer Sciences at Ohio University.

“Earnings quality represents the extent to which investors and analysts can rely on a company’s reported earnings to make judgments about current and future earnings.”

—Robin Romanus

“Currently, approximately 75 percent of the U.S. labor force is employed in providing services.”

—Sheneeta White

“My study also attempts to disclose whether the quality of a corporate supplier diversity program can influence purchasers’ decisions to buy from women-owned enterprises.”

—Jiyun Wu

“The study can help destination managers and marketers build strategies to offer high-quality tourism experiences...”

—Fang Meng

Informed trading probabilities

Marius Popescu, of Focsani, Romania, is a fifth-year student in finance. His dissertation is titled “Two Essays on the Probability of Informed Trading.”

Specialists or dealers often face two types of traders, Popescu says: informed and liquidity (uninformed) traders. “Informed traders are trading on private information about the company that the other traders and the specialist may not have. Consequently, the specialist expects to lose from trading with informed traders. Liquidity traders are trading purely for cash flow reasons. And the specialist gains from trading with liquidity traders.”

“In my dissertation, I develop a new methodology for estimating the probability that the specialist’s next trade is with an informed trader. This measure of the probability of informed trading demonstrates a strong and robust relationship with both the level of insider trading and the level of information asymmetry (informational differences across market participants) across firms. The evidence shows that the measure also captures the effects of important information events such as quarterly earnings announcements. Thus, this measure can be reliably used in research studies that examine the effect of informed trading and/or information asymmetry on significant issues such as market efficiency and price discovery.”

Popescu’s dissertation committee is chaired by finance professor Raman Kumar. Popescu will start this fall as assistant professor of finance at the University of Massachusetts in Boston.
Pamplin students minoring in business leadership were among the 200 Virginia Tech students who attended a campus forum on leadership sponsored by Philip Morris USA last fall.

The other participants were students enrolled in other undergraduate leadership programs on campus, including members of the Virginia Tech Corps of Cadets, Residential Leadership Community, and the Diversity Certificate Program.

They heard a presentation on leadership and the Philip Morris leadership model; viewed a video on explorer Ernest Shackleton’s Antarctic expedition, which the company uses as a metaphor for discussing its leadership model; and participated in break-out group discussions led by Dan Westra, the company’s vice president of engineering, and 15 other senior executives from various divisions in the company.

The forum, coordinated by Pamplin’s Business Leadership Center, was aimed at “educating students about leadership in the workplace and enabling them to benefit from the leadership knowledge and experience of Philip Morris executives,” said center director and management professor Jim Lang. The forum, he added, is among the many opportunities the college’s students have to develop leadership knowledge and skills.

Betsy Flanagan, university vice president for development, noted that Virginia Tech has received nearly $4 million in outright support and matching gifts from the company over more than three decades. The two institutions, she said, have a “rich and long-standing relationship” that includes student recruitment and research sponsorship in addition to leadership skills development and philanthropy.

Though Philip Morris has presented its leadership program to a few other universities, the Virginia Tech group is believed to be the largest to participate in the program so far.

Cadets were among the students who heard presentations from Philip Morris senior vice president Henry Long (above) and director Greg Ray (top left).
he college hosted a black-tie gala last October at the Inn at Virginia Tech to honor its benefactors. Dean Richard E. Sorensen presented 53 individual and institutional philanthropists or their representatives bronze plaques that are replicas of those displayed in the atrium of Pamplin Hall that honor donors for their gift.

The speakers included university provost Mark McNamee, vice president for development and university relations Elizabeth Flanagan, and undergraduate scholarship recipients Ross Hartman, of Fairfax Station, and Tatiana Mishina, of Pilot.

Hartman, a senior in finance, received a $4,000 Pamplin Merit Scholarship to attend Virginia Tech and later won a $1,200 BB&T Scholarship. After receiving the Pamplin Scholarship, Hartman felt that his continued hard work would be rewarded. “Earning another scholarship became one of my goals, and it kept me motivated in the classroom.”

The BB&T Scholarship is a merit-based award, given to a rising junior or senior in finance, management, or marketing, with a demonstrated interest in a career in banking. Getting this award, he said, gave him a sense of achievement and pride that his efforts had been recognized.

Mishina, a junior in accounting and information systems, said it was an honor to receive the Harmon E. Broyles Scholarship, which covers tuition, room, and board for one year. The award is given to a student from each class year who is a resident of Virginia, North Carolina, or South Carolina and who demonstrates exceptional leadership qualities and a commitment to continue those qualities at Virginia Tech and in community organizations. The scholarships are made possible by the contributions of the late Harmon Broyles (EE ’27/MSEE ’28), who highly valued the role of leadership in business.

Enrolled in the Honors Program, Mishina has served on the Business Horizons team and is an officer of Pi Sigma Epsilon. “Although the scholarship was a large sum of money and helped me greatly financially, it meant a lot more to me personally. It has showed me that my hard work has not gone unnoticed and unrecognized.”

Born in Moscow, Russia, Mishina came to America with her parents when she was nine. “I started out in fourth grade not knowing English, but because I was willing to work hard, I was able to make it this far with the help of my parents.” Getting the scholarship, she said, was testimony to “the idea that a person can come to America with very little but be able to start a new life for themselves and the generations to come if they worked hard.”
FOX’s “The Simple Life,” ABC’s “The Bachelor” and “Brat Camp,” CBS’ “Big Brother,” MTV’s “Yo Momma,” and many other TV programs are among Ross Breitenbach’s producing and directing credits.

Breitenbach (MKTG ’92), who was nominated for a 2005 Directors Guild of America award for excellence in directing “Brat Camp,” grew up in the Washington, D.C., suburb of Great Falls and came to Virginia Tech as a scholarship swimmer. He was the advertising manager at the Collegiate Times for three years and worked, during his senior year, at VTTV, the student-run television station, and WSLS News Channel 10, experiences that he credits for shaping his interest in marketing, media, and entertainment.

He stayed on at WSLS after graduating and also published an arts and entertainment magazine in Roanoke before selling it and moving to California in 1995 to pursue a career in television production and direction.

His career path, he says, is not so unusual for a marketing graduate. “Remember, it’s called ‘show business.’ Like any other field, you are making a product, and as a producer, that means the marketing, manufacturing, managing, and accounting for it as well.” His Pamplin marketing degree was “invaluable,” he says, as he had to constantly market himself in seeking jobs in reality TV production — at the time “a harsh new field filled with barriers and landmines, especially for a kid from Virginia.”

The entertainment business, he says, is “an amazing field with tremendous opportunities and potentially very lucrative jobs in every area of the business; it’s not all crazy creatives.”

Breitenbach, who started his own production company, the Ross Breitenbach Creative, this year and has sold a show to Fox 21, took time off from his work to answer a few questions.

Why reality shows?

Getting into TV or film production was not easy in Southwest Virginia; the closest thing was working in news. My first job at WSLS provided great hands-on experience in shooting, directing, and producing. In fact, I became so involved in the newscast, I ended up covering my class graduation for the weekend news instead of participating!

After a few years in Roanoke, I packed my bags and moved to Los Angeles. My news background provided a great segue into documentaries. After a few years of shooting and directing documentaries, I noticed a trend starting to evolve toward “reality television.” Trying to make a few extra bucks, I started taking more and more “reality gigs.”

What is a typical day for a TV producer or director?

TV producing is very different from directing. And reality television is very different from scripted.

However, in general, the executive producer or show runner (what I do on “Yo Momma”) is the manager of the show. I am responsible for making it all come together. From pre-production to production to post-production, it is my responsibility to think back over the months and make sure everything was completed, everything is being done in the present, and think ahead to make sure we are on the right track to deliver our show on time and on budget.

As a director (“Simple Life”), I was responsible for story
Consumers, he said, have shown a “ravenous appetite” for entertainment—“from sit-coms to personal clips on MySpace to reality hybrid shows to films.”

With constant streaming of content, they can “watch, listen, and view wherever they are,” whatever they choose, through a variety of media, from high-definition TVs and laptops to cell phones and portable media players. “Most reruns are now available online.”

—Ross Breitenbach

What do you like about working and living in L.A.?
L.A. has been very welcoming and it suits my lifestyle—so much cultural diversity, endless career opportunity, many healthy lifestyle choices. You can surf one morning and go skiing that afternoon. Spectacular scenery, from the coasts to the mountains.

The city is an environmental leader and the heart of all entertainment. What happens here affects the entire world. I love being on the cutting edge of entertainment.

The hardest part is being away from friends that I grew up with in Northern Virginia and at Virginia Tech. Living in L.A. also makes it difficult to come back and catch a home game. Go Hokies!

What project would you like to do next?
I am currently developing and pitching scripted shows. I feel my next step will be show-running a scripted or semi-scripted “hybrid” show (like HBO’s “Curb Your Enthusiasm”) that I created. Looks like I’ll be the executive producer this summer on a new MTV show.

How would you advise students interested in such a career?
Entertainment has thousands of jobs outside of creative: programming, sales, tech, IT, management, accounting, business strategies, marketing. Explore the things that you enjoy and figure out how to make a career out of it.

Explore Virginia Tech and all its opportunities. But know that many of the best ones may not be in your curriculum or classes. They exist outside the classroom—in clubs, organizations, places where similarly minded people explore and discuss new possibilities. Internships are a great way to find out what you want to do.


Network and stay in touch with professors, friends, and people you interview with.

Take a chance now before you have other obligations and responsibilities—spouse, children, mortgage. Don’t feel compelled to please your parents. If you really want something, you have to go for it. No one is going to hand it to you. And, believe me, rejection is much easier to live with than regret.
B oard meetings aren’t what they used to be, says Lynne Doughtie (ACCT ’85), who has attended her share of such gatherings while working with clients during her 20 years at KPMG LLP, the audit, tax, and advisory firm. Returning to Pamplin last fall as a Wachovia Distinguished Speaker, Doughtie discussed the dramatic changes in corporate governance and federal securities regulation resulting from the wave of corporate financial scandals of the past five years.

Doughtie, who became KPMG’s national managing partner for advisory services in October 2005, recalls that in the 1980s and early 90s, “board meetings tended to be shorter than today, and the discussions surrounding strategy, key issues, and executive decisions were far less robust.”

Doughtie joined KPMG’s audit practice upon graduation and worked there for eight years before moving to the firm’s advisory practice. “There has been a huge shift in the auditor-client relationship,” she said. “Today, auditors report to the board’s audit committee, and their duty to shareholders and the capital markets is clear. Boards themselves meet more frequently, directors are more independent of management, and discussions of business, accounting, and risk issues are vigorous and substantive.”

The Sarbanes-Oxley Act of 2002, Doughtie says, served as a catalyst for these changes in corporate governance. “Do companies have better controls today? Absolutely. There’s been a strengthening of financial controls and an increasing emphasis on detecting fraud. While some CEOs have complained about the costs of Sarbanes-Oxley, many others have embraced its regulations, and, indeed, have leveraged the changes it has brought to their organizations. Companies today have a better handle on the controls they have in place over their financial reporting.”

The focus on managing risk and maintaining strong internal controls “is visible at almost every company we serve,” says Doughtie, whose experience includes Sarbanes-Oxley compliance, SAS 70 (an internationally recognized auditing standard) examinations, and assessing information technology controls as part of integrated audits. “And what many companies have found is, if you have strong internal controls — elements of which include organizational structure, processes and systems, and employee training — there is further opportunity for sustained performance improvement.”

Admitted into the KPMG partnership in 1998, Doughtie in her current role divides her time between New York and Richmond, where she lives with her husband and their two teenaged children. As a member of the firm’s management committee, she is responsible for developing strategy, training and risk management initiatives, as well as career opportunities for KPMG’s professional staff.

Describing accounting as a “noble profession,” she says that being an accountant today requires “a high level of technical skills as well as professional skepticism.” An independent audit of financial statements, she says, is essential to maintaining the integrity of financial information, trust in the financial reporting process, and effective operation of the nation’s capital markets. “I value the role we play in effective corporate governance.”

Doughtie loves the work. She especially enjoys meeting her clients and mentoring her colleagues. “Each phase of my career with KPMG has been challenging, fast-paced, and very rewarding.”

Active in hiring on college campuses, she usually attends one recruiting event each month. The need for better controls has created “a huge number of jobs” in corporate accounting, she says. “We can’t hire enough people to get the job done. And, in fact, it’s broader than that. There continue to be great opportunities for public accountants in auditing, tax, advisory services, finance, and education. CPAs can specialize in such areas as mergers and acquisitions, information technology controls, and forensic accounting. It’s a great time to be in the profession.”

A member of the accounting and information systems department’s advisory board since 1999, she says she is very thankful for the opportunities she has been given by the Pamplin College and the accounting and information systems department. “I’m glad I can provide input based on my professional experiences to help shape future programs.”

“Take advantage of the opportunities on campus and get involved early with potential employers,” Doughtie tells students.
Working for MGM Mirage has many perks, Marshall Minor (FIN '00) has discovered, including complimentary tickets to shows, meals at fine restaurants, and meetings with movie stars. But gambling at the company’s casinos is not one of them and is, in fact, prohibited for executives of the Las Vegas-based gaming, hotel, and entertainment company.

Fortunately, games of chance hold no lure for Minor, appointed assistant vice president of corporate finance at MGM Mirage last August. In career matters, though, he has not hesitated to roll the dice. Moving to New York and Los Angeles, away from family and friends and accepting jobs in different industries, “was risky,” but “you have to take some risk to succeed,” says the Hopewell native, who has been selected as Pamplin’s 2007 Outstanding Young Alumnus.

Minor joined Salomon Smith Barney (now a division of Citigroup), right after graduation, as an investment banking analyst in its global media and telecommunications group. He had dreamed of working and living in New York since he was a freshman. “It was the height of the Internet/technology wave and telecom was an exciting industry to be in. Though I focused primarily on telecom clients, I had some exposure to gaming and entertainment as well.”

Two years later, AIG SunAmerica beckoned, and he headed to Los Angeles. Being a financial analyst in the company’s real-estate investment division was quite different from telecommunications investment banking, Minor discovered. “I was exposed to the principal investment side of finance, where I evaluated potential investments with the goal of investing the firm’s capital in real estate ventures.”

Next came an offer to join a start-up boutique investment bank, Silver Pacific Advisors, which would focus on real estate and gaming. Minor was intrigued by the prospect of working in a small, specialized firm with a distinctly different culture from the financial powerhouses where he was previously employed.

Silver Pacific was originally based in Los Angeles. “We were traveling to Vegas on a weekly basis because of our clients. Eventually, we relocated the company there.”

After nearly three years, Minor decided it was time for a change. “Investment banking is a great career and has many rewards, both financially and professionally. However, the culture, with its 90-to-100-hour work weeks, is not very conducive to work-life balance,” says Minor, who enjoys spending time with his wife and toddler son. “Also, you may work many long hours on transactions that may never happen.”

MGM Mirage, he says, is the marquee company in the gaming industry and has a great working environment. What he especially enjoys about his current job is learning about development and operations, not just working on project financing, and getting to see the final product. “It is great to see how projects are proposed, developed, and ultimately operated.”

The opportunity to travel or live abroad has also become important to him. “I go to China once a quarter, as we are currently building a casino and resort in Macau, which may soon surpass Las Vegas as the gaming capital of the world.” Gaming, he says, is a growing global industry; significant dollars will be invested in casino-resorts in Japan, South Korea, Singapore, Thailand, Britain, and Spain.

As gaming is also an extension of the entertainment industry, Minor says, he has met many celebrities in social and professional settings. “Exposure to the Hollywood crowd is the norm for me. Many celebrities come to Las Vegas to party, but many are seeking investment and business ventures here as well.”

It is one of the fastest growing cities in America, Minor says. “MGM itself is currently building Project CityCenter, a $7 billion mixed-used urban development project that is the largest privately funded development in U.S. history.”

Las Vegas’ real estate boom was at a fever pitch when he arrived in 2004, he recalls. Buying a home was difficult. “You would walk in to look at a resale home and by the time you walked out, there would be five offers on the table that topped the asking price by more than 20 percent.

“If you wanted a new house, you had to get on a waiting list. I remember putting a reservation down for a house in November. By the following March, the price of the house had more than doubled. Things have scaled back now, but the property market here then was like the Internet stock craze in the late 1990s.”

He says, is also its biggest downside, resulting in transportation and other infrastructure woes. “Traffic here is worse than New York, L.A., or D.C.”

Still, he loves being in the thick of things. “What I like most about the city is that it is filled with many successful, young entrepreneurs. Nevada is a very business-friendly state, and numerous people relocate their companies here or come to Las Vegas to start their venture.” Its proximity to Southern California and Phoenix, Ariz., makes weekend getaways easy, he adds. “Las Vegas is a unique, cosmopolitan city. No other city in the U.S. has as much going on.”
France Belanger, associate professor of accounting and information systems, has been selected to receive the college’s 2007 Research Excellence Award. The award is given for outstanding research that has contributed significantly to the individual’s field, as exemplified by publications in top-tier journals, conference presentations, grants, and citations. Preference is given to sustained research over a 3-to-10-year period. Belanger received a 2006 Fulbright Distinguished Chair and spent last summer at the Technical University of Lisbon, Portugal.


George E. Morgan, the SunTrust Professor of Finance, has been selected to receive the college’s 2007 Excellence in International Programs Award. Morgan has been a member of the college’s international programs committee since 1996, chairing it in 1998-2000. He has helped recruit many faculty leaders for study-abroad programs and has himself been co-leader of two summer study-abroad programs, “Finance and Science/Technology in the U.K.” and “Finance and Art in Barcelona.” Morgan created the first summer residential program — in Freiburg, Germany — and helped extend the model to programs in Dijon (France), Vienna, London, and Barcelona.

Sam A. Hicks, associate professor of accounting and information systems, has been selected to receive the college’s 2007 Excellence in Outreach Award. Hicks has developed and presented many continuing education seminars on accounting, bookkeeping, and tax issues and has authored several workbooks and manuals, but his greatest contribution to outreach, said department head Bob Brown, involves his role in the Virginia Accounting and Auditing Conference. Hicks has participated in the conference, organized jointly by the department and the Virginia Society of Certified Public Accountants, since 1980. The event, which drew more than 400 attendees at each of two sites last fall, is the largest and most successful continuing education conference with which the VSCPA is involved, Brown said.
STUDENT AWARDS

Paula C. Peter, a Ph.D. student in marketing, has been selected to receive the 2007 Outstanding Graduate Student Award (see back cover).

Anjala S. Krishen, a Ph.D. student in marketing, has been selected to receive the 2007 Graduate Student Teaching Award (see p. 6).

Megan E. Wallace, an accounting and information systems major from Raleigh, N.C., has been selected to receive the 2007 Outstanding Senior Award. Wallace did not attend middle or high school. “I taught myself at home, while my father labored long hours in underpaid jobs to support me.” To save money for community college in Roanoke, Wallace worked for several months at temporary jobs in a warehouse and an assembly plant. While a community college student, she also worked as a physics and chemistry tutor. She has achieved a 4.0 grade point average each semester, is a member of the Beta Gamma Sigma business honor society, and represented Virginia Tech in the preliminary rounds of the Goodman Accounting Challenge in 2005 and 2006.

James R. Tyger, a management senior from Midlothian, has been selected to receive the 2007 H. H. Mitchell Outstanding Leadership Award, given annually to a graduating senior who has demonstrated university-wide leadership. Tyger is president this year of the Student Government Association. He is vice president of the Virginia Tech Class of 2007 and has served as chair of the campus Transportation and Parking Committee and as the undergraduate representative to the Commission on Student Affairs and the College Alcohol Abuse Prevention Committee. He has also served in various leadership roles in two fraternities. At Pamplin, Tyger spent two summers leading the Commonwealth Youth Conference for Leadership Effectiveness. He is a three-time recipient of the Harmon E. Broyles Scholarship, which recognizes his leadership activities.

Heather L. Moore, an accounting and information systems senior from Manassas, has been selected to receive the 2007 Outstanding College Service Award, which recognizes a graduating senior with a consistent record of outstanding service activities. Moore has been active in the Business Horizons Career Fair team, serving as an assistant treasurer and on the publicity committee. She has participated in the Institute of Management Accountants Case Competition and the Goodman Accounting Challenge. As a co-founder and member of the board of BranchOut, an online matching program for students and organizations. She has helped organize concerts as a volunteer for the Virginia Tech Union Alternative Sounds Committee. Moore participated in the Residential Leadership Community as a freshman and, as a student teaching assistant sophomore. She has served as treasurer of the XYZ Gallery in Blacksburg and interned at Ernst and Young and Northrup Grumman in Northern Virginia.

ON THE MOVE

Lance A. Matheson, associate professor of business information technology, has been appointed director of international programs in the college. Matheson, currently chairs the college’s international programs committee. He teaches in the Master of Information Technology-India program and leads a two-week program in Austria and Germany in January that brings together Pamplin students and business students from the University of Muenster in Germany to participate in a seminar on top-management decision making.

Matheson received a doctorate in management science, an MBA, and a bachelor of science in chemistry from the University of Washington.

In announcing the appointment, Pamplin Dean Richard E. Sorensen said, “We need to increase our emphasis on Pamplin-student participation in dual-degree programs and international internships.”

The Pamplin College places an emphasis on preparing students to do business globally and join multicultural workplaces. Its faculty lead study-abroad programs to Asia, Europe, and Africa each summer and in the fall and spring semesters. The college offers a global business minor and scholarship assistance for study abroad.

The director position, Sorensen said, is a result of the college’s decision to detach the twin duties of the associate dean for graduate and international programs and to establish separate positions — associate dean for graduate programs and director of international programs.

Melanie A. Johnston has been appointed associate director for marketing and recruitment for the Professional MBA program. Johnston was formerly assistant director for MBA admissions at Michigan State University’s Broad Graduate School of Management. Johnston has a master’s in education from The College of William and Mary and a bachelor’s in journalism from Ohio University. She has also served as assistant director for admissions for the Pettit College of Law at Ohio Northern University.

Mercy O. Azeke has been appointed director of academic advising and student services in Pamplin’s undergraduate programs office. Azeke was formerly executive director of Norfolk State University’s First Year Experience and director of the university’s Academy for Collegiate Excellence and Student Success. She earned a doctorate in education from Temple University. She has more than 25 years of experience in education, having held positions in instruction, curriculum development, enrollment management, student retention, student development, and institutional-wide academic advising.
In 2002, Paula Peter was an undergraduate at Universita della Svizzera Italiana in Lugano, Switzerland, when she happened to take a consumer behavior class taught there by Pamplin marketing professor David Brinberg.

Four-plus years, a master’s degree, and most of a doctoral program later, Peter is on schedule to receive her Ph.D. this May and celebrating her selection by a college faculty committee as Pamplin’s 2007 Outstanding Graduate Student. She has also found a job as an assistant professor of marketing at San Diego State University.

Interested in emotional intelligence and decision making and performance, consumer behavior and health, and cross-cultural interactions and acculturation, Peter is completing a dissertation titled “Emotional Reasoning and Decision Making: Understanding Emotions that Serve People’s Goals.” Emotional reasoning, she says, looks at the impact on decision-making and health of emotional intelligence, which has been defined by scholars as the ability to recognize one’s own and others’ emotions and manage them toward a desired goal.

In many cases, for example, with food choices, people engage in behavior that they rationally know is bad, but they do it “because they are not able to recognize and manage what they are feeling,” says Peter, who received a university grant for her research. “My general hypothesis is that the ability to understand and regulate emotions in the right direction — emotional reasoning — will allow consumers to improve decision making related to health.”

Researchers, she says, have not established a direct link between successful adoption of healthy behavior and emotional intelligence. “No research has tested for the role of emotional intelligence in obesity from an intervention and consumer behavior perspective.”

With the trend toward research that makes a positive difference in consumers’ lives, Peter says, her research can help consumers help themselves.

Peter has presented her research papers at several academic conferences and was selected to participate in the 2006 American Marketing Association’s Sheth Foundation Doctoral Consortium, which gathers outstanding doctoral students and top marketing faculty from the United States and Canada for several days of discussions.

Like many Swiss citizens, Peter also speaks Italian, French, and German. Her academic interest in cross-cultural interactions has also been fed by her experiences as a foreign student seeking to get the hang of the “different customs, habits, and values” she found in Blacksburg.

She is impressed with the town’s “very diverse population,” but, as a student, the cultural differences she has felt most keenly have been in her discussions with faculty members: “In the U.S., you don’t feel the hierarchy when interacting with professors.” Rather than being treated as “just a student,” she says, “you are evaluated for what you know and what you say.”

She is also thrilled to have gained experience teaching a full course every semester since August 2005. “In Europe, the system does not allow you to take full responsibility for a course until you are well established as professor.”

Taking up painting a few years ago, she has won awards from the Graduate Life Center for her work, one of which is displayed there.

“I just wish anyone can have the luck to experience what I have: great people, great place, the beauty of learning and teaching.”