

■ Negational Identity and Politics

“Negational identity” may play a large role in political campaigning, according to a new study. That is, political candidates may influence voters more by focusing on who they *aren’t* than by explaining who they *are*.

The study of the power of negational identity was conducted by Chen-Bo Zhong of the University of Toronto’s Rotman School of Management in Canada; Adam Galinsky of Northwestern University’s Kellogg School of Management in Evanston, Illinois; and Miguel Unzueta of the UCLA Anderson School of Management. To test their theories, the researchers conducted two experiments, one at Northwestern and one at UCLA.

In the Northwestern experiment, researchers randomly selected 19 Asian undergraduates and asked them to write ten-minute essays about how being Asian had affected their lives in the United States. Another 19 Asian undergraduates were asked to write essays about how being “not Caucasian” had affected their lives. After completing their essays, they were asked to respond to a seemingly unrelated



question about whom they preferred in the U.S. Democratic primaries, Hillary Clinton or Barack Obama.

Of students asked to write in the affirmative about being Asian, 68 percent preferred Clinton. Of those asked to write in the negative about not being Caucasian, 63 percent preferred Obama.

At UCLA, researchers conducted a similar experiment with Latino undergraduates. In that case, of those asked to write about being Latino, 58 percent preferred Clinton; of those asked to write about not being Caucasian, 58 percent preferred Obama.

“Highlighting one’s negational identity as nonwhite increased Latino and Asian support for a black presidential candidate, even without any coordination of interests,” the authors write.

That’s not to say that minority candidates should purposely emphasize the fact that they aren’t white—such an obvious strategy would likely backfire, say the authors. They point to a comment Obama made during his campaign last summer that noted that his face did not look like the faces of other presidents printed on U.S. currency. The uproar over that remark suggests that it would be unwise for candidates to introduce race into a campaign, says Unzueta.

Candidates might best use negational identity to their advantage when they refer to the opposing party, say the researchers. The Obama campaign, for example, used it liberally by contrasting Obama’s views with the largely unpopu-

lar views of the sitting president, George W. Bush.

“Negational Racial Identity and Presidential Voting Preferences” is forthcoming in the *Journal of Experimental Social Psychology*.

■ Bilingual Ads for Bilingual Markets

If corporations want to reach bilingual markets, they may need to produce

ads that use both the local and adopted languages, say Rohini Ahluwalia of the University of Minnesota’s Carlson School of Management in Minneapolis and Aradhna Krishna of the University of Michigan in Ann Arbor.

The pair conducted studies in India, where most citizens are fluent in English and Hindi. The researchers found that the people in India associate the Hindu language with terms such as “close,” “friendly,” and “familiar,” denoting community and belonging. They associated English, on the other hand, with terms such as “global,” “hip,” and “upper class,” denoting sophistication.

In that market, say Ahluwalia and Krishna, advertisers will be more successful if they use the native Hindi to market necessary items like laundry detergent, a product that consumers connect to home. However, they should take a mixed-language approach for luxury items like chocolate or cars. Why not use the local language alone? Local cus-



Ahluwalia



Krishna



tomers would likely be suspicious of a foreign firm using the local language, researchers explain.

The researchers point to other markets such as Canada and Latin America, where ads often run in French-English and Spanish-English, respectively. Someone in Spain may be more influenced by a foreign firm's ad for a luxury car if it's delivered in Spanish and English, for instance, than he would if the ad were in one language alone.

These findings emphasize that multinational firms need to be careful when choosing the language they use in their marketing, Ahluwalia notes. If a company is uncertain of which path to take, she says, "The safest bet is to use mixed-language ads when working with bilingual markets."

Their paper, "Language Choice in Advertising to Bilinguals: Asymmetric Effects for Multinationals versus Local Firms," appeared in the December 2008 issue of *The Journal of Consumer Research*.

Big Spenders and Bankruptcies

In the past, illness and unemployment were major drivers of personal bankruptcy filings among Americans. Recent research from the University of California, Davis, finds that simple overspending is now the primary trigger.

Ning Zhu, associate professor of management at UC Davis, examined all 2003 personal bankruptcy filings in Delaware, the first U.S. state to make its filings available through the Public Access to Court Electronic Record system. The state's demographics also resemble those nationwide. As he followed those cases to their conclusions, Zhu com-

pared these households with solvent ones included in the Federal Reserve Board's national Survey of Consumer Finance.

Zhu found that debt accounted for more than 50 percent of recent bankruptcies. Medical expenses accounted for only 5 percent, and job loss accounted for only 13 percent. The mortgages for bankrupt homeowners were 3.21 times higher than annual household income, compared to 1.73 times for solvent households. Auto loans were double the annual income for bankrupt households, compared to 0.4 times for solvent households.

According to the American Bankruptcy Institute, more than 2 million personal bankruptcies were filed in 2005, nearly five times the number of bankruptcies filed in 1985. In the study, Zhu suggests that some Americans may deliberately spend beyond their means with the intention of using the bankruptcy system to erase some or all of their debt.

"Bankruptcy law reform should aim to address the issue," Zhu writes. He adds that current laws that focus on income, rather than consumption patterns, may not fairly distinguish between those who need bankruptcy protection because of adverse events and those who are deliberately taking advantage of the system.

Zhu's paper, "Household Consumption and Personal Bankruptcy," is forthcoming in the *Journal of Legal Studies*.



Reining in Powers of Influence

Division managers who hold too much sway in an organization's power structure can be dangerous, say Chris McNeil, a professor of banking and finance at Appalachian State University's Walker College of Business in Boone, North Carolina, and Tom Smythe, a professor of business administration at Furman University's Department of Business and Accounting in Greenville, South Carolina. If

those managers carry too much weight in upper-level decision making, they may use their power to benefit their own divisions—or boost their own compensation.

McNeil and Smythe examined a national, random sample of 125 companies, representing 300 divisions, in Compustat's business segment file from 1999. The year 1999 was chosen because it was the first fiscal year that accounting standards required companies to include in their annual reports how their operations were organized.

The two compared "influential" managers with those who carried less weight in their organizations. "Influential" managers shared four criteria: They served on the board of directors, they had served as heads of their divisions for a long period of time, they had a long tenure with the firm, and they earned high salaries. From these four criteria, McNeil and Smythe measured a manager's lobbying power, or "relative power index."

While McNeil and Smythe could not observe lobbying activity directly, they found that managers with a high power index receive higher allocations of capital for their divisions than other managers. As a result, the researchers speculate, funds that might better serve the company by supporting stronger divisions often flow to weaker divisions instead.

On the other hand, influential managers who also receive stock options—which are widely criticized—receive fewer allocations for their divisions. “Managers with stock want to protect their own investments,” says Smythe.

The paper, “Division Manager Lobbying Power and the Allocation of Capital,” appears in the February 2009 issue of *Financial Review*.

■ Sometimes It's Better to Play It Safe

Many executives live by the old saying, “The greater the risk, the greater the potential reward.” However, recent research suggests that the size of the risk may have little bearing on the reward. Rather, when it comes to executive risk taking, motivation is everything. Executives who take huge risks without the right motivation are more likely to put their projects, their organizations, and their careers in jeopardy.

Decades of research show that risk taking is, indeed, both an art and a science, say Nathan Washburn, assistant professor of management at the Thunderbird School of Global Management in Glendale, Arizona; Marianna Makri, assistant professor at the University of Miami School of Business in Florida, and Luis Gomez-Mejia, a professor of management at the W.P. Carey School of Business



Nathan Washburn



Marianna Makri



Luis Gomez-Mejia

at Arizona State University in Tempe. They currently are drafting the paper “Past Performance and Organizational Risk Taking.”

Executives who take risks to break out of ruts, turn around bad situations, or fulfill unmet expectations often take gambles out of desperation. As a result, their leaps of faith are more likely to make matters worse. On the other hand, executives with a history of success who take risks because they want to accomplish

meaningful progress or because they believe in their organizations’ potential are more likely to see success.

Says Washburn, “Success reinforces these feelings of confidence, drives up efficacy, and spurs additional risk taking.” For executives examining their own risk-taking behavior, the message is clear: Their potential for reward depends less on how much risk they take and more on why they take it.

■ For Most, Recessions Don't Lead to Ruin

Economic downturns may have a negative impact on the average household,

but they are unlikely to wreck it, say researchers from the Motu Economic and Public Policy Institute in New Zealand and Duke University in Durham, North Carolina.

Steven Stillman, senior fellow at Motu, and Duncan Thomas, a professor of economics at Duke, examined the Russia Longitudinal Monitoring Survey to track patterns of spending and food consumption between 1996 and 2000 among approximately 18,000 respondents. According to the data, the average Russian household experienced a 40 percent drop in income during an economic downturn that lasted from 1996 to 1998. However, while households spent less on food, their caloric intake changed very little.

The research suggests that families adapted to their change in fortunes by eating less expensive foodstuffs, not necessarily by eating less. The data show that during those four years, the average Russian household purchased fewer meats, fruits, and vegetables, but spent about the same on starches and dairy.

“The evidence suggests that individuals and households are very resilient—even in the face of economic upheaval,” the researchers write. They suggest that governments could have a greater impact by focusing their efforts on those hit hardest by short-lived economic shocks, rather than “blanket the entire country with resources,” says Stillman.

Their study, “Nutritional Status During an Economic Crisis: Evidence from Russia,” was published online August 18, 2008, in *The Economic Journal*.

STUDY BRIEFS

■ MANAGING DYSFUNCTION

No company can expect that all employees will be cooperative “team players.” The key is to manage dysfunctional behavior effectively, according to a study by Michael Cole of Texas Christian University’s Neeley School of Business in Fort Worth, Frank Walter of Rijksuniversiteit Groningen in The Netherlands, and Heinke Bruch of the University of St. Gallen in Switzerland. Companies can try to prevent bad behaviors by communicating strong behavioral norms early on, proactively managing team conflicts, and eliminating negative role models. The paper “The Affective Mechanisms Linking Dysfunctional Behavior to Performance in Work Teams” was published in the September 2008 issue of the *Journal of Applied Psychology*.

■ RETAIL DISPLAYS AND “SELF-VIEWS”

A research team that studied the effects of ceiling height on people’s creativity has now looked at the effects of display fixtures in retail environments. Joan Meyers-Levy of the University of Minnesota’s Carlson School of Management in Minneapolis and Rui “Juliet” Zhu of the University of British Columbia’s Sauder School of Business in Vancouver found that a consumer’s “self-view” can affect his or her perception of a retail display. A consumer who is team-oriented may view an object on a wood table as traditional; a consumer who is independent may view an object on a wood table as hip and modern. Retailers may be able to affect shoppers’ perceptions of their products by putting up posters or messages that encourage shoppers to adopt an independent or interdependent self-view, the researchers suggest. “The Influence of Self-View on Context Effects: How Display



Fixtures Can Affect Product Evaluations” is forthcoming in the *Journal of Marketing Research*.

■ EPM IS UNDERUTILIZED

The Cranfield School of Management in the U.K. has released its Global Enterprise Performance Management Study, sponsored by enterprise software company Oracle. The study surveyed managers at 600 companies in the United Kingdom, United States, China, Japan, and Australia. It found that many global enterprises face challenges in three areas of EPM: evoking passion among their senior managers to deliver EPM across the organization; creating an infrastructure for EPM; and establishing measures of success.

■ A Challenge to Bennis and O’Toole

A recent study challenges some of the charges made in “How Business Schools Lost Their Way,” the much-debated 2005 essay published in the *Harvard Business Review*, in which Warren Bennis and James O’Toole argued that business schools had become too focused on research at students’ expense. In response, Peter Golder of New York University’s Stern School of Business and Debanjan Mitra of the University of Florida’s Warrington College of Business Administration in Gainesville decided to quantify the exact impact of academic

research on multiple measures of business school performance.

Golder and Mitra looked at data from 57 business schools over 18 years. They found that academic research has a positive impact on how recruiters, applicants, and other academics view business schools. Moreover, they found that 90 percent of that impact occurs within three to six years of the research’s release.

They also found that when a business school’s research output increases by three single-authored articles per year, its student acceptance rate declines by 1 percent, indicating that it has become more selective. In addition, its graduates’ average

starting salary increases by more than \$750 and its ranking by peer academics moves up by one spot.

These findings counter Bennis and O’Toole’s opinion that students are shortchanged by business schools’ focus on academic research, says Golder. “Academic research builds reputation in tangible and intangible ways, and we now have evidence to support the case.”

Golder and Mitra’s paper “Does Academic Research Help or Hurt MBA Programs?” was published in the September 2008 issue of the *Journal of Marketing*. It is available online at www.atypon-link.com/AMA/doi/abs/10.1509/jmk.72.5.31. 