

## Kelley quality speaks for itself

When national and international reporters seek answers to pressing business questions, they know to turn to Indiana University Kelley School of Business faculty for perspectives that make sense.

Visibility plays a key function in the marketing and branding of an institution. It's important for Kelley School constituents to read about the school's accomplishments that are validated by coverage in print and electronic media.

The Kelley School of Business, through its programs, teaching, and research, attracts media attention around the world. This visibility continues to enhance the school's reputation as being among the top tier of management schools in the country. This brochure contains **summaries of some of the recent regional, national, and international media reports** that recognized Kelley School programs and the expertise of its faculty.

INDIANA UNIVERSITY  
**KELLEY**  
School of Business



May 8, 2003

## Philadelphia Daily News

### Katz got 217G in severance from merger

Republican Philadelphia mayoral candidate Sam Katz received a \$217,000 severance payment when the business organization he headed, Greater Philadelphia First, merged into the Greater Philadelphia Chamber of Commerce as Katz was preparing to begin his January campaign. Katz said other business interests provided adequate income for him to campaign and the payment played no role in his decision to run for mayor. However, by the standards of non-profit groups such as GPF, the payment was unusual, according to [Dan Dalton, dean of the Kelley School](#). “That’s a pretty short tenure to collect that kind of benefit,” Dalton said.

May 4, 2003

## Chicago Tribune

### Indexing concept aims at fairness

If earnings are under pressure from a general downturn, should CEO bonuses be tied to growing earnings? Is it possible to create a compensation system that provides solid incentives and realistic goals through a long economic slump? Indexing would be a system of comparing the company’s performance to a benchmarking peer group. “The whole concept of indexing is based on the idea that you should be compensated to the extent to which your comparative performance is high,” says [Kelley School of Business Dean Dan Dalton](#). That distinction, for which the current option system makes no provision, would send the biggest payouts to the ablest CEOs, he says.

April 27, 2003

## The New York Times

### Mavericks depend on decimal points

[Professor of Decision Sciences Wayne Winston](#), professional sports statistician and Bloomington resident Jeff Sagarin, and their NBA player rating system are featured in this Sunday edition. For the last three seasons, the duo has been advising the Dallas Mavericks (owned by Kelley School alumnus and Internet billionaire Mark Cuban) about which lineups to use during games and which free agents to sign. Ignoring every traditional statistic for players, Winston and Sagarin have designed a ranking that is modeled on hockey’s plus-minus

system, in which players receive credit for being in the game when their team does well. Whether they actually score points or grab rebounds is another matter. “Did you make the pass before the assist? Did you tip a ball to someone who made a shot? Did you set a pick? Did you take a charge?” says Winston. “Nobody’s got a stat for these,” he says. “Ninety percent of basketball is made up of things there aren’t stats for.” Cuban says the ratings, named Winval, had influenced every player signing he had made over the past few years. Before each game, he also receives a report from Winston and Sagarin that lists the hot players and most effective lineups for the Mavericks and their opponents, as well as the kind of fouls that the referees for that game call most often.

April 28, 2003

## USA Today

### Focus shifts to AMR's board team; crisis sure to test members' mettle

The AMR board has fired CEO Donald Carty, but heavy lifting remains and experts question if the directors have the skill and energy to bring the nation's largest airline to a safe landing. **David H. Jacobs**, **Chair of Strategic Management** **Catherine Daily**, an expert on corporate boards, says great boards shine in times of crisis. But crisis can showcase bad boards, as well. Daily likes that the board appointed retired Sears CEO Edward Brennan as AMR's executive chairman. Perhaps no industry has gone through the financial distress that airlines have faced since Sept. 11, but the retail industry comes close. "I suspect that he has an appreciation for what AMR is going through," Daily says.

April 8, 2003

## The Wall Street Journal

### Business-school contests give edge to job-hunting students

In the tough job market for those with MBAs, many recruiters say the edge in landing jobs and plum internships increasingly belongs to students who have participated in business-school case competitions. In the "Career Journal" column, **Dan Smith**, **chair of the Marketing Department**, says that Whirlpool Corp. uses the case competition it sponsors at the Kelley School as a screening process for its internship slots. "Instead of running through interviews, they get to see how these students perform on their feet and also how they behave at the cocktail reception the night before," he adds. The article also appeared in the *Chicago Tribune*.

April 23, 2003

## BusinessWeek Online

### A talk with Kelley's admissions director

**Jim Holmen**, longtime **Kelley School MBA admissions director**, had an opportunity to share his comments online about how the incoming MBA class is shaping up. He discussed the application process and what he looks for in applicants to the top-20 program. An edited version of his interview is available at [www.businessweek.com/bschools/content/apr2003/bs20030423\\_0870\\_bs002.htm](http://www.businessweek.com/bschools/content/apr2003/bs20030423_0870_bs002.htm)



April 20, 2003

## The Dallas Morning News

### Retailing school a pioneer; program broke tradition in tailoring its courses to the industry

In an article on Texas A&M's retailing studies center, the [Kelley School's Center for Education and Research in Retailing](#) is mentioned among centers that were established in the 1990s. Sears, Roebuck and Co. was the founding member of the Indiana center in 1996, and most of its charter members are Midwest-based retailers.

March 24, 2003

## Financial Times

### Collaboration, not rivalry, is best way ahead

Large companies have recognized their academic limitations and are now signing online education deals with business schools. Referring to the School's Kelley Direct program, the article mentions that the [Kelley School of Business at Indiana University](#) is providing Microsoft employees with a graduate-level online program. The 10-month course is aimed at Microsoft managers and offers customized programs.

March 10, 2003

## USA Today

### CEO pay takes another hit; study says stock, options don't boost chief's performance

All the stock options that companies have thrown at CEOs and other corporate leaders over the past three decades have done nothing to improve company performance. That's the conclusion of [professors from Indiana University](#) and Texas A&M who say such motivational compensation does not boost the stock price or improve return on assets, equity, price-earnings ratios, or other measures of financial success. The study, led by [David H. Jacobs Chair of Strategic Management Catherine Daily](#), published in the February-March issue of *Academy of Management Journal*, is yet another slap at corporations that justified high compensation by saying it aligned the goals of executives with those of the shareholders. The theory is that CEOs get rich only when shareholders get rich. But in the post-Enron months, options have been blamed for building the nests of corporate scandals by encouraging creative accounting. On average, compensating corporate leaders with stock and options does not hurt performance. One reason is that executives who reach the top are already motivated people whose own careers and reputations are incentive enough to drive performance. Stock and stock options don't make talented CEOs any more talented, nor do they make untalented CEOs more talented, Daily says. The research also was reported in the syndicated column by the "Motley Fool," which appears in more than 200 U.S. newspapers.



January 29, 2003

## The Washington Post

### Now playing in Aisle 7... Grocers cater to the kiddie crowd

The evolution of the grocery business also feeds the need to occupy the kids. These days, a large chain store has 30,000 items on display, requiring some concentration on the part of the shopper. A parent distracted by an unhappy child will spend less time combing the shelves and is likely to leave the store with fewer items. In the 1950s, a shopper found only 5,000 items at the typical supermarket, according to [E.W. Kelley Chair of Business Administration Ray Burke](#). "Whatever retailers can do to help them sort through the tremendous amount of clutter and manage their time would be beneficial," Burke says. The article also was picked up by the *Chicago Tribune*, *Delaware News Journal*, and *Seattle Times-Intelligencer*.

November 15, 2002

## Financial Times

### The keys to the vault

[Dean Dan Dalton, Harold A. Poling Chair of Strategic Management, and Catherine Daily, David H. Jacobs Chair of Strategic Management](#), penned an extensive essay which answers the question "Can executives and boards be given incentives in a manner that does not cast doubts on their impartiality?" Their manuscript appeared in a special *Financial Times* supplement entitled "Mastering Leadership."

November 3, 2002

## Associated Press

### No place for child's play

Major league baseball is examining the idea of imposing an age restriction on children hanging out on the field. [Tom Bowers, co-director of the MBA Sports and Entertainment Academy](#), sees some positive in the dugout kiddie corner. "Personally, I like the Giants' philosophy about making the dugout more family oriented," he says. "By allowing children

in the dugout, the team sends the message to players that they mean more to us than just someone who can hit, run, field, throw, and pitch. It should positively impact player and team performance, and probably should improve player behavior in the dugout... By allowing children in the dugout, the league sends the message that baseball is family friendly, something that ticket prices and player salaries contradict." The article appeared in the *Toronto Star*, *Milwaukee Journal Sentinel*, and *Houston Chronicle*.



October 31, 2002

## Financial Times

### CEO sign-off has little effect

While more than 760 US corporate executives rushed to certify their financial statements in compliance with new Securities & Exchange Commission rules, the certifications had no effect on the companies' share prices. According to a study by **finance professor Utpal Bhattacharya**, "Certification was not only a non-event for the certifiers around their certification date, but it was also a non-event for the non-certifiers around August 15, 2002." Of the 688 firms required to certify results in August, 9 failed to comply and 15 issued caveats, but none saw any substantial fluctuations in share price. "CEO certification of earnings numbers was, at best, a marginally valuable addition to the arsenal of good corporate governance practices," said the study. **Doctoral students Peter Groznik and Bruce Haslem** collaborated on the study.

October 17, 2002

## The Wall Street Journal

### Study finds stocks unaffected by CEO certifications

Corporations whose executives signed off on the firm's financial results weren't rewarded by Wall Street, a new study concludes. Sworn oaths by chief executives and chief financial officers were a non-event for stocks, having little impact on prices, according to **Utpal Bhattacharya, associate professor of finance**.

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October 14, 2002

## Financial Times

### The net gathers strength

Internet technology is a useful tool for online students. **Cam Danielson, executive director of Kelley Executive Partners**, says business education online is less about sophisticated technology and all about a high degree of interaction. He argues that, if used in the right way, there can be at least the same amount of interaction—sometimes more—between students of online courses as there is for campus-based programs. "When you are online, you do have to participate because, otherwise, no one knows you are there. You have to learn to be concise, think through your response, and be more deliberate—because you do have the option to delete."

October 13, 2002

## The Chicago Tribune

### Markets ruled by analysts' outlooks

Some experts say the dramatic moves on positive earnings surprises helped to perpetuate the long bull market of the 1990s. "Certainly, earnings expectations played a part in the bubble," says **Robert Klemkosky**, the **Fred T. Geene Professor of Finance**, who studies market bubbles. Although far from the only factor, Klemkosky says companies' abilities to produce continually strong earnings—much of which, of course, has been subsequently wiped out in restatements or vast charges—helped to fuel unrealistic expectations, especially by novice investors. Klemkosky says he believes the fair disclosure regulation is tempering the importance of analyst estimates.

September 28, 2002

## The Economist

### Worthless promises?

Was American bosses' first certification of accounts by Aug. 14 a non-event? It was widely believed that certification would boost the share price of those firms whose bosses signed, while hurting those whose bosses declined to do so. What actually happened is the subject of a new study by **LaSalle Bank Faculty Fellow Utpal Bhattacharya** and doctoral students **Peter Groznik** and **Bruce Haslem**. They examined the share prices of 762 firms, 688 of which had to certify by Aug. 14 and 74 that certified voluntarily, seeking out any impact of certification or non-certification.

September 14, 2002

## The Washington Post

### Generation Hecht's et al

In an article on department "dinosaurs" learning to adapt, **Theresa Williams**, director of the **Kelley School's Center for Retailing**, says to stem their losses, department stores first tried to become everything to everybody. "They were trying to compete in a culture that had lost a place for them. They tried to be about price. They jammed the aisles with more product and cheap signs. It just became confusing and overwhelming for the customer," she says.

September 6, 2002

## The Washington Post

### A king's ransom in retirement benefits

**Dean Dan Dalton** says that if shareholders are rankled by retired General Electric CEO John Welch's liberal retirement plan, it should not be because of the cost. "One of the things that is most disappointing about this is the lack of disclosure," he says. "The proxy statement appears to have been crafted in such a way that a close reader would see Mr. Welch was going to have access to corporate resources. It would take some close reading between the lines to really know what this meant."

August 16, 2002

## Newsday

### Stewart losing support in board voting

“At some level, it makes no difference what other shareholders vote,” says **Dean Dan Dalton**. “But if you discount Ms. Stewart’s and management’s votes [presumably they vote positively], then some 25 percent of the remaining votes were withheld or abstained by the remaining shareholders. This is unprecedented in my experience,” given Martha Stewart’s importance to the company, Dalton said, in an article on her yearly election to her company’s board of directors.

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July 23, 2002

## Philadelphia Inquirer

### Stocks rock again; Dow falls 234

Investor flight is turning into a stampede, hurting good firms, some analysts said. The markets may be displaying the “house money effect” in gambling, says **Robert Klemkosky, the Fred T. Greene Professor of Finance**. “If you make a lot of money from gambling, you become a risk taker,” he says. “The house money effect works on the way down, too. When you lose the house money, and start losing your own money, you lose confidence.”

March 24, 2002

## Pittsburgh Post-Gazette

### Increase in employee theft may reflect better security

Some evidence suggests that workers steal because of frustration with their companies and supervisors rather than greed. “Especially in an economy like the one we’re having now, where people are being told to work harder to cover for folks who have been laid off...it’s best for employers to look out for an increase in theft because a lot of employees see it as a way of getting what they’re not getting in their paychecks,” says **James Wimbush, a professor of business administration** who has done research trying to establish the incidence of workplace theft. The article also appeared in the *Chicago Tribune* and *The Globe and Mail* in Canada.

[www.kelley.iu.edu](http://www.kelley.iu.edu)

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