

September 2011

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Research @ Babson is published by the
Babson Faculty Research Fund

BFRF 2010-2011 Annual Report

Through a competitive process the BFRF provides financial support and course releases for research projects it deems to have the most promise of fulfilling the BFRF's mission. Although this was a transition year, the BFRF was able to provide support for all eligible requests for research funding and made a total of 32 awards:

- 5 course releases
- 10 summer stipends
- 17 Mini-Grants (awards of less than \$2500)
- \$30,000 for research-related expenses.

In addition, the BFRF sponsored 12 Research 'Chat' programs; reviewed and accepted 24 Final Product research submissions; and published 8 newsletters. The full report is published on the [BFRF web site](#).

Upcoming Research Chat Programs Noon to 1:15 PM Needham Room, Olin Hall

Wednesday, October 12

Virginia Rademacher, Arts and Humanities
"Playing for Real: Simulated Games of
Identity in Contemporary Spanish Narrative"

Keith Wilcox, Marketing

"Are Close Friends the Enemy?"

The Influence of Online Social Networks
on Self-Control"

Thursday, October 20

Gang Hu, Finance, "OLIVE: A Simple
Method for Estimating Betas When
Factors Are Measured with Error

Janice Yellin, Arts and Humanities
"Art Writing History"

BFRF Proposal Deadline

The BFRF deadline for 2012-2013
course releases 2012 summer stipends
will be after the winter break, late
January or early February. We will post
the date later in the semester.

If you have any questions, contact the
[BFRF office](#) (x5339).

Faculty News



Oxford University Press recently published *The Dynamics of Entrepreneurship: Evidence from the Global Entrepreneurship Monitor Data*, edited by former Babson professor Maria Minniti. The book includes work by several Babson authors: **Elaine Allen**, **Bill Bygrave**, **Kent Jones**, **Nan Langowitz**, and **Megan Way**. Oxford says: "At a time when governments all over the world look to entrepreneurship as a way to increase

the wealth and well-being of their countries, *The Dynamics of Entrepreneurship* examines the causes of differences in the levels of entrepreneurship between individuals, the factors that explain variations in the type and quantity of entrepreneurship at aggregate level, and the macroeconomic implications of entrepreneurship."

"Entrepreneurial Orientation: A Theoretical and Empirical Examination of the Consequences of Differing Construct Representations," by **Bradley A. George**, Entrepreneurship, has been published in *Journal of Management Studies* 48:6 September 2011.

Theoretical Perspectives on Human Rights and Literature, edited by **Elizabeth Goldberg**, Arts and Humanities, and Alexandra Schultheis Moore was published September 2011 by Routledge. It is part of the series: Routledge Interdisciplinary Perspectives on Literature. "Essays in this volume theorize how both literature and reading literarily can shape understanding of human rights in productive ways."

"Clearing a path through the forest: A meta-review of interorganizational relationships" by **Miguel Rivera-Santos**, Management and A. Parmigiani, was published in *Journal of Management*, 37(4): 1108-1136, 2011

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BFRF Final Products Accepted

Nestor Azcona, Economics, “Monetary Policy Under Alternative Interest-Rate Rules”

In recent years several studies have focused on the potential benefits of conducting monetary policy by setting a target for the path of the price level rather than a target for the rate of inflation. This research has shown that, unlike previous studies suggested, price-level targeting may be able to achieve a better trade-off between inflation and output volatility. This paper focuses on the implications of price-level targeting for exchange rate dynamics. Using a small open economy model calibrated to match Canadian data, I find that a central bank with a price-level target may be able to reduce the volatility of the nominal exchange rate, but the effect on the real exchange rate depends on the type of shocks faced by the economy. Demand shocks generate less real exchange rate volatility under price-level targeting than under inflation-targeting, but the opposite is true for supply shocks. The results indicate that in Canada a price-level target would have generated much less inflation volatility but slightly higher real exchange rate volatility than its current inflation targeting regime.

Virginia Rademacher, Arts and Humanities, two book chapters: “Speculative Truths and Derivative Fictions in Juan José Millás’ *Dos Mujeres en Praga*” Applying examples from financial approaches to risk and uncertainty, I consider the function of biography in Juan José Millás’ best-selling Spanish novel, *Dos mujeres en Praga* (Two Women in Prague, 2002). As a means to negotiate or leverage uncertainty, Millás’ use of biography builds off the same logic that financial managers apply to derivatives and other financial instruments. One may choose to hedge against unexpected shifts in value, or instead to capitalize on variability and the risk of conjecture. These speculative approaches address complexities of contemporary reality, in which information and images are more accessible than in the past, and simultaneously more provisional.

“Narratives of Disappearance and Recovery in Rosa Montero’s *Historias de mujeres* and *La loca de la casa*.”

I consider two pseudo-biographical works by contemporary Spanish writer, Rosa Montero: *Historias de mujeres* (Stories of Women, 1995) and *La loca de la casa* (The Crazy Woman in the House, 2003). Reinforcing the connections among strategies in diverse fields to manage uncertainty, I view the biographical searching in these Spanish narratives as part of a broader process of questioning that reflects changes in culture and in the experience of contemporary reality. The speculative approach to biography that Montero develops in these narratives incorporates risk and uncertainty into the model of narrating a life. In evaluating this narrative strategy, I relate literary approaches to the logic of speculation as a means to manage business and financial risk.

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BFRF Fall Course Releases

The following faculty members are working on BFRF supported research projects this fall.

Kenichi Matsuno, Marketing, is writing a journal article, “Corporate Entrepreneurship, Marketing -R&D Integration, and Market Performance: A Japanese Study.”

Kandice Hauf, History and Society, is completing “The Geographical and Cultural Context For the Rise of Charismatic Masters and Devoted Disciples” and Chapter 6 “Conclusion” for her the book *Disciples: Followers of Charismatic Masters*.

External Funding

Corporate, Foundation, and Government Relations Office (CFGR)

Wendy Silverman, Director, CFGR

The Office of Corporate, Foundation and Government Relations (CFGR) within Development and Alumni Relations at Babson College provides guidance and assistance to faculty and staff seeking funding from corporations, foundations, and government agencies to support their research and curricular development initiatives. Among the services provided are pre-award activities such as identifying and researching possible funding sources, assisting with cultivation of funding prospects and with proposal development and writing, particularly in the final draft stage, and ultimately with the submission of proposals. Post-award assistance is provided by both the CFGR and the Business Office.

If you would like to explore the possibility of external funding or examine your research agenda please contact me at x5993 or silverman@babson.edu.

Call for Proposals



National Science Foundation

Interface between Computer Science and Economics & Social Sciences

Program: Grantees will conduct research to improve interfacing between computer, economic and social sciences. The proposed research must benefit all three sciences.

Funds: \$6.5 million for 20 awards (funds are available in two categories: Small Projects up to \$400,000 each; and Large Projects ranging from \$400,001 to \$1 million each)

Deadline: December 6, 2011

Eligible: Public and private colleges and universities and nonprofits

Information link:

<http://www.nsf.gov/pubs/2011/nsf11584/nsf11584.htm>

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