

**JANUARY 2008 RESEARCH REPORT
COLLEGE OF MANAGEMENT
NC STATE UNIVERSITY**

Newly accepted refereed journal articles

Mehmet Caner, "Lasso Type GMM estimator," *Econometric Theory*

This paper proposes a Lasso type (Least Absolute Shrinkage and Selection Operator) GMM estimator. This Lasso type estimator is formed by the GMM objective function with a penalty term. The exponent of the penalty term in the regular Lasso estimator is equal to 1. However, in the analysis here the exponent of the penalty term in the Lasso type estimator is less than 1 in order to avoid asymptotic bias. This new estimator simultaneously selects the correct model and estimates it. In other words, this method estimates the redundant parameters as zero in large samples, and provides the standard GMM limit distribution for the estimates of the nonzero parameters in the model. The asymptotic theory for our estimator is new and nonstandard. We conducted a simulation study that shows that our Lasso type GMM correctly selects the true model much more often than BIC or other model selection procedures based on the GMM objective function.

Pablo A. Guerron, "Refinements on Macroeconomic Modeling: The Role of Non-Separability and Heterogeneous Labor Supply," *Journal of Economic Dynamics and Control*

This paper proposes a dynamic stochastic general equilibrium model characterized by heterogeneous labor schedules and non-separability between consumption and labor in the utility function. The model successfully describes output, consumption, investment, and interest rates after a monetary expansion. The proposed formulation improves on standard models by using preferences favored by the data and by requiring investment adjustment costs and habit formation parameters more in line with the micro-based evidence.

Stacey R. Kessler, Eileen Z. Taylor, Edward L. Levine, Jack Wiley, Larry Kessler, "Is a Happy Nation a Productive Nation? An Exploration of the Relationship Between Job Satisfaction and Productivity at the National Level," *European Journal of International Management*

Is a happy nation the productive nation? Our study investigated this question by analyzing records of the United States' aggregated level of job satisfaction and productivity as well as a cross sectional sample of countries throughout the world. Archival data from national surveys of job satisfaction and several indexes of individual worker productivity from the Bureau of Labor Statistics database across the years 1987-2004 as well as international job satisfaction data and an index of the corresponding country's productivity revealed that these two factors are not consistently related.

Steve Schanz, "KSR International Co. v. Teleflex Inc.: Patentability Clarity or Confusion?" *Northwestern University Journal of Technology & Intellectual Property*

On April 30, 2007 the United States Supreme Court issued its decision in KSR International Co. v. Teleflex Inc. addressing the issue of the determination of obviousness in granting patentability. The public and media initially characterized the decision in varying ways, from being a victory for high tech firms, to imposing additional limits on patents, to posing a threat to weaker patents, to limiting patents. Substantial interest in the case was evident from the outset of the litigation. The

Court either posited questions for the attorneys or inserted commentary 97 times during the course of oral argument. A thorough review of the Courts' opinion, however, indicates that the effect of the ruling may neither be as wide sweeping nor dramatic as some have thought.

Publication

Robert Clark and Linda Ghent, "Mandatory Retirement and Faculty Retirement Decisions," *Industrial Relations*, January 2008, pp. 153-163.

Grant

Robert Clark has received a grant of \$386,763 from the FINRA Investor Education Foundation - General Grant Program to study the impact of retirement planning programs on employee decisions about retirement and investments.

Presentations

Joe Brazel made three presentations at the 2008 AAA Auditing Section Mid-Year Conference, Austin, TX:

- "The Effect of Risk of Misstatement and Workload Pressures on the Choice of Workpaper Review Format," with Christopher P. Agoglia, Richard C. Hatfield, and Scott B. Jackson
- "Unintended Consequences of Accelerated Filings: Do Changes in Audit Delay Affect Earnings Quality?" with Tamara Lambert and Keith Jones
- "A Field Investigation of Auditors' Use of Brainstorming in the Consideration of Fraud," with Tina Carpenter, Greg Jenkins.

Joe also moderated a panel session on "The Current State and Future of Auditing Research."

Karlyn Mitchell presented "Bankers on Boards, Financial Constraints, and Financial Distress," jointly authored with Mark Walker, at the FDIC's Center for Financial Research on 10 January in Washington DC.

Eileen Taylor made two presentations at the AAA AI/ET Midyear Meeting, Redondo Beach:

- "Knowledge Sharing among Accounting Academics in an Electronic Network of Practice," with Uday S. Murthy (University of South Florida)
- "Determinants of Voluntary XBRL Adoption in the United States," with AI Chen.

Other accomplishments

Ted Baker has been appointed to the editorial board of the *Academy of Management Review*

Sangkil Moon received the 2008 Davidson Award for the best article in the Journal of Retailing for his article (with Gary J. Russell and Sri Duvvuri (2006), "Profiling the Reference Price Consumer."