Research Grants to Booth Faculty and PhD Students

Research funding is available thanks to support from

Andrew Stone, '81

CEO of Petra Capital Management, LLC

Research Grants - 2015

1. Leveraging Agency to Promote Prosocial Behavior in Organizations

Awarded to:
Shoham Choshen-Hillel - post-doctoral Research Professional
Alex Shaw - post-doctoral Research Professional and to be assistant professor in the Department of Psychology
Eugene M. Caruso - The University of Chicago Booth School of Business Associate Professor of Behavioral Science

Executive Summary
The concept of human agency is a fundamental psychological factor affecting individuals' cognition, motivation, and behavior. In this proposal, we are interested in the effects of agency in organizational contexts. We define agency as the degree of influence individuals have on their own and others' outcomes in the organization. We theorize that giving decision-makers' control over how resources are allocated could change their interpretation of the situation and, consequently, their decisions, satisfaction, and well-being. We propose to investigate ways for organizations to empower their employees with a sense of agency as a means to increase their prosocial behavior, and make them – and those affected by their decisions – more satisfied with the resulting outcomes. We test this idea in both organizational hiring and charitable giving settings. We believe these simple behavioral interventions can lead to a "win-win" that increases welfare at the individual – as well as at the organizational – level.

2. Commuting Technologies, City Structure and Urban Poverty: Evidence from Bogotá’s TransMilenio

Awarded to: Nick Tsivanidis – The University of Chicago Booth School of Business, Ph.D. Candidate in Economics
Chicago Booth Advisors: Prof. Chang H Tai Hsieh, Profs. Marianne Bertrand, and Prof. Erik Hurst
Executive Summary
How do new commuting technologies affect city structure, urban growth and welfare in rapidly growing cities? Do the effects differ between the urban rich and poor? How can we characterize the optimal urban policies that maximize the gains across income groups from infrastructure spending? In this project, I will use the construction of a large scale Bus Rapid Transit system in Bogotá, Colombia – TransMilenio – to answer these questions. Understanding the role of transport infrastructure in creating well-functioning cities is of immense importance to urban planners, especially in the developing world currently experiencing unprecedented urban growth, since cities are the incubators of all modern sectors of the economy. By exploiting a wide set of rich, spatially disaggregated variables available both before and after the natural experiment provided by TransMilenio’s construction, and focusing on the heterogeneous incidence of these types of projects across income groups, my findings will identify key ways that policy makers can use urban infrastructure to improve the lives of the poor in the developing world. Figure’1:‘TransMilenio’

3. Improving Social Outcomes through Private Enterprise: The Impact of “Remote Volunteer Consulting” on Socio-Economic Growth in Uganda

Awarded to: Pradeep Chintagunta - The University of Chicago Booth School of Business, Joseph T. and Bernice S. Lewis Distinguished Service Professor of Marketing

Co-authors:
Naufel Vilcassim – London School of Economics, Professor of Marketing and Head of Department

Stephen Anderson-Macdonald - London Business School, will be starting as Assistant Professor of Marketing at Stanford’s Graduate School of Business on 1 June 2015

Executive Summary
In this research, we evaluate the impact of an innovative non-profit organization that seeks to impact societal outcomes in emerging markets by stimulating growth among micro and small enterprises. Grow Movement links motivated, high growth potential entrepreneurs in emerging markets with business professionals around the world who provide free, one-on-one consulting to entrepreneurs remotely via telephone, Skype and email. By building the skills and confidence of entrepreneurs, Grow Movement and its consultants aim to support small business owners in increasing their income, improving the sustainability and profitability of their businesses, creating employment opportunities for others and providing better products and services for consumers, thereby improving the social outcomes of entrepreneurs, their employees, their households and their communities. We will use a randomized controlled trial (RCT) to rigorously evaluate the impact that Grow Movement’s remote volunteer consulting program has on the economic and social outcomes of 1,500 micro and small entrepreneurs in Uganda. Thus, through this project we aim to better understand and enhance the role that socially minded business professionals in developed countries can play in stimulating private enterprise growth in developing countries.
4. Increasing Volunteer Retention

Awarded to: George Wu - The University of Chicago Booth School of Business, John P. and Lillian A. Gould Professor of Behavioral Science

Executive Summary
Volunteerism is a prosocial activity that plays an essential role for many charitable and civic organizations. Although volunteerism is generally viewed as desirable at both a social and individual level (Clary and Snyder, 1999), recent statistics collected by the Bureau of Labor Statistics indicate that volunteer activity in 2013 (an overall rate of 25.4% of Americans 16 and over) was at its lowest level since the Department of Labor started collecting these statistics in 2002. This research proposal aims to increase volunteer activity, in particular the retention of existing volunteers. The research is founded on two premises, developed below. First, there is an intention-action gap in volunteerism: individuals would like to engage in more volunteer activity than they currently do. Second, behavioral science interventions or “nudges” in the spirit of Thaler and Sunstein (2008) can increase participation substantially.

5. Youth Sports, Academic Achievement, and Labor Market Success

Awarded to: Seth Zimmerman – The University of Chicago Booth School of Business, Assistant Professor of Economics and Richard N. Rosett Faculty Fellow

Co-author: Nate Hilger - Brown University and NBER

Executive Summary
Recent research indicates that non-cognitive skill development is a key determinant of the long-run educational and earnings effects of many in-school interventions. This project studies the academic and labor market effects of a type of in-school programming frequently credited with developing students’ grit, leadership, and teamwork: youth sports. We use a novel link between proprietary data on high school sports participation and administrative records of educational and labor market outcomes for the population of Texas public high school students to examine whether and how students benefit from a) mentoring relationships formed with sports coaches, b) interactions with peers on sports teams, and c) sports participation as opposed to non-participation. We employ quasi-experimental methods based on player and coach movement across schools to identify the determinants of long-run academic and labor market success. We also use records of movement across firms to understand how players benefit from social ties formed through sports participation once they have entered the labor force.

6. Insecticide-treated bed net misuse

Awarded to: Professor Emir Kamenica - The University of Chicago Booth School of Business, Richard O. Ryan Professor of Economics

Co-authors:
B. Kelsey Jack – Tufts University - Assistant Professor, Department of Economics
Executive Summary

Insecticide-treated bed net (ITN) distribution is considered a major pillar in the fight against malaria. After universal-coverage, large scale distributions on Lake Tanganyika (where study partner the Lake Tanganyika Floating Health Clinic (LTFHC) has been in operation since 2008), the LTFHC repeatedly observed ITNs being used for shoreline fishing. Our study intends to examine potential negative impact of this practice on fisheries, food security and livelihoods, biodiversity, and health. In late 2013, the LTFHC conducted a randomized cluster survey in seven lakeside villages in Lagosa Ward, TZ, confirming that fishing with bed nets is a common practice. Our group plans to conduct a large-scale randomized control trial in the Lake Tanganyika Basin generating causal evidence on the link between bed net misuse and malaria incidence, fish populations, and pollutants in water-based communities. The first phase of this research will be a scoping exercise to gather extensive cross-sectoral baseline data that includes public health, socio-economic, fisheries, and environmental indicators in at least 65 villages along the Congolese coast of Lake Tanganyika.

7. Stakeholder Orientation: Evidence from Corporate Communications

Awarded to: John M. Barrios - The University of Chicago Booth School of Business, Assistant Professor of Accounting and Centel Foundation/Robert P. Reuss Faculty Scholar

Co-authors:
Khrystyna Bochkay - University of Miami

Dhananjay Nanda - University of Miami

Executive Summary

Using the emerging technology of large-scale textual analysis, this study plans to examine the stakeholder focus of firms using quarterly earnings call transcripts and annual reports issued by publicly traded U.S. corporations. We construct word list dictionary’s to capture six specific stakeholder groups and measure each firm’s focus via their disclosures. We go on to relate these stakeholder focus measures to various attributes of the industry, firm and managers. In doing so we examine the key determinants of each focus. The study hopes to provide insight into the debate in the fields of economics and ethics of the commitment of management to shareholders versus more broadly defined stakeholders.
Research Grants - 2016

8. Stakeholder Orientation and the Corporate Governance of the Firm: Evidence from Corporate Communications

Awarded to: John M. Barrios – The University of Chicago Booth School of Business, Assistant Professor of Accounting and Centel Foundation/Robert P. Reuss Faculty Scholar

Co-author: Dhananjay Nanda - University of Miami

Executive Summary
Using the emerging technology of large-scale textual analysis, this study plans to examine the stakeholder focus of firms using annual reports and corporate sustainability reports issued by publicly traded U.S. corporations. We construct word list dictionary’s to capture six specific stakeholder groups and measure each firm’s focus via their disclosures. We go on to relate these stakeholder focus measures to various attributes of the industry, firm and managers. In doing so we examine the key determinants of each focus. We then examine the relation between corporate sustainability and corporate governance. The study hopes to provide insight into the debate of the role of corporate social responsibility in the fields of economics and the ethics of the commitment of management to shareholders versus more broadly defined stakeholders.

9. The Real Effects of Governance Disclosures: Evidence from the Nonprofit Sector

Awarded to:
Michael Minnis – The University of Chicago Booth School of Business, Associate Professor of Accounting

Raphael Duguay – The University of Chicago Booth School of Business, Ph.D. Candidate in Accounting

Executive Summary
In this project, we will evaluate the effectiveness of a governance disclosure mandate in the nonprofit sector. We will carry out three analyses. First, we will test if having to report whether a given governance measure is in place causes nonprofit organizations (NPOs) to implement the practice in question. Second, we will analyze whether the mandate curtails private benefit extraction by managers as measured by their consumption of perquisites, the ratio of their compensation to that of other employees, and the pervasiveness of nepotism. Third, we will evaluate whether the option (not the requirement) to disclose and disseminate via a standardized medium is sufficient to induce these effects. Our identification strategy is built around the staggered implementation of the mandate. We combine hindsight and data reported throughout the sample period to infer variation in governance practices.
10. **Bias as a Result of Fairness: How Trying to do Good can Lead us Astray**

**Awarded to:** Eugene M. Caruso - The University of Chicago Booth School of Business, Associate Professor of Behavioral Science

Co-authors:
Alex Shaw - The University of Chicago, Assistant Professor of Psychology
Shoham Choshen-Hillel - The Hebrew University of Jerusalem

**Executive Summary**

Fairness concerns permeate many aspects of our society and significantly impact people’s decisions and satisfaction. Although such concerns with fairness are often beneficial, they can occasionally lead people astray. Imagine a manager who wants to reward a hard working employee who receives better evaluations than his co-workers; but this employee also happens to be a good friend of the manager. Even though the employee may deserve the reward, the manager might decide not to give this employee his fair share because the manager wants to avoid the appearance of bias. We investigate how people make such tradeoffs and how, in some circumstances, a desire to appear fair can actually lead people to make unfair decisions. We will test this idea in both laboratory and field experiments. Our findings will help quantify the costs of bias and suggest ways that we can uphold fairness without introducing such bias.

11. **The impact of pain reduction on cognition, wellbeing and productivity among low-income workers**

**Awarded to:** Anuj Shah - The University of Chicago Booth School of Business, Associate Professor of Behavioral Science

Co-authors:
Emma Dean - University of Pennsylvania
Frank Schilbach – MIT
Heather Schofield – University of Pennsylvania

**Executive Summary**

Physical pain is a common but largely overlooked aspect of the lives of the poor. Not only does pain directly reduce life quality and happiness, it may also hamper cognitive function and, consequently, decision-making, productivity, and earnings. Workers with chronic pain may work fewer days, take longer breaks, and make less-considered choices regarding inputs; all outcomes that would reduce output and lead to greater impoverishment or impede the productivity and profitability of microenterprises and firms. We will take the first steps in understanding the broader causal impact of physical pain on the cognitive and economic lives of the poor via a randomized controlled trial (RCT). 450 female low-income workers in Chennai, India, will be assigned to one of three treatment arms: 600 mg of over-the-counter pain medication, a placebo pill, or no medication. The research will
quantify the causal impact of pain on previously unstudied outcomes essential to labor market success.

12. Role of Engaging Communication and Community Support to Reduce Child Malnutrition in Mumbai’s Informal Settlements

**Awarded to:**
Oleg Urminsky – The University of Chicago, Booth School of Business, Professor of Marketing and True North Communications, Inc. Faculty Scholar

Pradeep Chintagunta - The University of Chicago, Booth School of Business, Joseph T. and Bernice S. Lewis Distinguished Service Professor of Marketing

Sanjay Dhar - The University of Chicago, Booth School of Business, James H. Lorie Professor of Marketing

Indranil Goswami - The University of Chicago, Booth School of Business, Ph.D. Candidate in Marketing

**Executive Summary**
Reducing child mortality is one of the eight millennium development goals adopted by the United Nations and one-third of child deaths every year are attributed to malnutrition. India leads the world in child malnutrition; the problem being particularly severe among the economically underprivileged sections of the society. Given the nature of the problem, educating stakeholders with relevant information to take preemptive actions is imperative, but it is clear that the current community-based messaging and advocacy approach needs to be revisited. In this project we use learnings from advertising research and research on the psychology of poverty to design personalizable audio-visual messaging to educate decision makers and affect their compliance behavior. We also examine the potential complementary role of community support groups formed to provide home-based baby-sitting support to needy mothers. We plan to test our interventions in Mumbai’s informal settlements in partnership with a local NGO.