

# BUSINESS MATTERS

Fall 2022

The State University of New York at Fredonia

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School of Business

## Notes from the Interim Dean

- I am happy to report that our MBA in Accounting proposal is now in the hands of the SUNY System Administration, which has approached the other universities in the system for comments on our intent to implement the proposal.



- Another important undertaking this fall semester was to document five years' worth of professional activity within the Business Administration department as well as a five-year strategic plan for continuous program improvement. These are part of our submission to the accrediting body, the Association to Advance Collegiate Schools of Business (AACSB) towards their five-year review process. An AACSB review team is slated to make a three-day campus visit next semester in early March. We have every expectation that we will come out of this re-accreditation process with flying colors.

- A hearty welcome aboard to our new Administrative Assistant I, Kristie Bobik. Her work station is in the School of Business suite, E336 Thompson Hall (Tel: X3505). We have also received approval to search for an Assistant Professor of Accounting and a Dean of the School.

- All in all, fall 2022 semester was a highly successful and rewarding one. Through the continuous hard work of faculty and staff, and with support from the university administration, the

alumni, the business community, and the advisory board, we were able to offer new courses, develop new curricula, publish and present numerous scholarly papers, offer many professional development workshops, initiate new programs to help recruit and retain more students, and make certain that every one of our 600 + students were taught effectively and advised properly.

- Dr. Moj Seyedian

## School of Business Student Advisory Board



The School of Business Dean's Student Advisory Board serves to improve communication and interaction amongst student clubs, faculty, and the general student body.

The membership consists of the current presidents of all student clubs in the School of Business, namely, Accounting Society, Music Industry Club, American Marketing Association, Business Club, Beta Gamma Sigma Honor Society, Sport Management Club, Enactus, American Society for Quality, and Economics Club.

#### Fall 2022 Board Members:

- Olivia Gates, *President, Business Club*
- Nicholas Nosbisch, *President, Accounting Society*
- Marry Cooper, *President, Music Industry Club*
- Trace Mackenzie, *President, American Society for Quality*
- Paige Baumgartner, *President, American Marketing Association*

## When Authenticity Backfires: Genuine Corporate Social Responsibility Intent Could Cause More Harm Than Good

There has been much research on firm corporate social responsibility (CSR) behaviors where the firm motivation for CSR plays a role in how consumers evaluate the firm as well as research on the origins and implications of corporate hypocrisy. However, it is still unknown what happens when firms that signal genuine CSR motivation later display disingenuous behavior through CSR related fraud. Past research on CSR motivation has found that the amount of salient benefits from the CSR activities influence perceptions of sincerity with low benefits resulting in beliefs of more sincere CSR motivations. Additionally, it has also been found that consumers perceive firms as hypocritical when statements do not match behaviors. Aiming to close the gap in both academia and industry practices, Huang and Harrison (2022) suggest that when firms signal sincere CSR motivations through low expected benefits



**Dr. Lei Huang,**  
Associate Professor  
of Marketing

and then later engage in fraud or wrongdoing, that consumers will more harshly judge a firm than if they had signaled profit-driven expectations from CSR activities and also later engaged in fraud or wrongdoing. In an empirical study, Harrison and Huang (2022) exhibit how firms may inadvertently demonstrate corporate hypocrisy through their signaled intents. Their research not only adds to what is already known about CSR motivations and corporate hypocrisy, but also provides evidence of how financially signaled motivations are a type of CSR statement and can give consumers indicators about CSR motivations. When signaled intent is later met with inconsistent behavior, consumers infer corporate hypocrisy and worse judgements on a firm than if the firm had just signaled from the beginning that they were engaging in a CSR activity with the hopes of obtaining high expected financial benefits.

In a naïve or simple world, those that do good or positive things, do so because they are good people and/or businesses and those that do bad or detrimental things, do so because they are bad people and/or businesses (Yoon et al., 2006). This is called correspondence bias and is related to attribution theory (Gilbert & Malone, 1995). Simply put, things are indeed the way that they look. Yet, when there is more complex attributional processing, simple attributions stop working, especially if there is a hint of suspicion concerning motivations (Fein & Hilton, 1994). Firms can signal their CSR motives to consumers though the types and degree of benefits they are set to gain from their activities (Marin et al., 2016). Firms that expect low benefits from their CSR activities are perceived as having more sincere motives than firms that expect higher benefits from CSR (Yoon et al. 2006). Thus, firms that position themselves as having low financial benefits from CSR are more likely to be seen as having value-driven motives while firms that are positioned to have higher financial benefits from CSR are likely to be seen as having stakeholder motives (Ellen et al., 2006). Consequently, firms communicate their motives about CSR through their expected benefits. Low expected financial benefits are equated with genuine motivation for CSR and high expected financial benefits are equated with self-serving motivations for CSR (Shim & Yang, 2016).

Correspondence bias is activated, and consumers believe good deeds must come from a good firm (Gilbert & Malone, 1995).

What happens when these signaled motives prove to be false through later unethical or fraudulent behaviors? It is very likely that consumers will perceive the firm as hypocritical since the firm's actions differ from their signaled intentions. Corporate hypocrisy is defined as when a firm claims to be something it is not (Wagner et al., 2009) and hypocrisy occurs when there is "distance between assertions and performance" (Shklar, 1984, p. 62). When the signaled motives are shown to be false, consumers will perceive the firm as hypocritical and subsequently be more likely to negatively evaluate the firm as well as attribute other negative qualities to it (Shim & Yang, 2016). Additionally, firms' signaling moral behavior may be doing so to reach moral legitimacy (Seele & Gatti, 2015). Moral legitimacy is related to moral judgements about a firm and its behavior, which rests 'on judgments about whether the activity is "the right thing to do"' (Suchman, 1995, p. 579). Based on correspondence bias/attribution theory, signaling theory, and corporate hypocrisy stemming from a desire to show moral legitimacy, Harrison & Huang (2022) imply that the relationship between CSR beliefs and perception of CSR fraud is moderated by the expected payoff. Essentially, the low CSR payoff scenario causes those with higher CSR beliefs to evaluate the fraud more negatively than in the high CSR payoff condition. Furthermore, they find that perceptions of CSR fraud mediate the relationship between CSR beliefs and purchase intention and the mediated relationship is moderated by expected payoff, with lower expected payoff leading to worse firm outcomes (Huang & Harrison, 2022). This supports the premise that when firms signal morality and value-motives through their low CSR expected benefits, consumers see these firms as having genuine and altruistic motivations, but when these motivations are proven to be false, consumers more negatively evaluate the fraud because of perceived corporate hypocrisy since their signaled intentions do not match their actions (Shklar, 1984).

If a firm's CSR motivations have previously been construed as genuine, then consumers will judge

those firms more harshly when they commit wrongdoing. In some cases, it may be better not to signal genuine and altruistic intent if there is a possibility of a later fraud or wrongdoing going public. In short, firms should be truthful about the real intent of CSR behavior and subsequently consumers will not judge those firms as harshly, even if CSR motivations are purely financially driven. Firms that signal morality and then are shown to engage in fraud or wrongdoing are like the firms that fall off the moral stock market index (Domini 400 Social Index). Those firms that fall off the corporate social stock index successively experience abnormal negative returns (Becchetti et al., 2009). Similarly, firms that signal morality and then are shown to engage in fraud or wrongdoing have been proven to have lower purchase intention than firms that did not signal morality through their expected benefits. Businesses that were once seen as altruistic or motivated to engage in CSR for genuine reasons are punished worse than if they had never displayed or signaled moral behavior from the beginning. Hence, it seems that it is best to not pretend to be good and moral if you cannot always uphold ethical standards, and in recent history, it almost seems as if nearly every large firm experiences a scandal or crisis. Huang & Harrison (2022) advise firms to be cautious when signaling intent of CSR motives. Consumers do perceive expected CSR payout as a type of CSR motive and will infer intent from that. Firms should be authentic about their CSR intentions as any perceived corporate hypocrisy will backfire and harm patronage intent.

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## Meet Professor Neepa Gaekwad-Babulal

### 1. What courses do you teach?

The courses that I am currently teaching or have taught in the past are: Principles of Macroeconomics (ECON 210), Intermediate Macroeconomics (ECON 310), Development Economics (ECON 335) and Women in the Economy (ECON 312).

### 2. If you could teach a new course, what would it be?

I would like to teach International Finance and Econometrics. If an opportunity arises, I would be open to teach interdisciplinary courses, like the one I taught in the past, Women in the Economy.

### 3. Tell me a little about your teaching style.

As a teaching faculty and as a graduate teaching assistant, I had opportunity to work with, assist and

learn from some very good teachers who have a remarkable motivation for their work. In class we discuss the economic concepts and relate to them with the real-world examples. In addition, we read articles pertaining to the macroeconomic issues of the economy, discuss the trends of the economic variables like inflation, unemployment, labor force, etc. from different data sources like St. Louis FED FRED, WDI or BEA, I try to incorporate some active learning ways to convey enthusiasm about the subject matter, encourage interaction within the classroom, and demonstrate the relevance of the subject matter that can be a rewarding experience for both the students and myself.



**Neepa  
Gaekwad-Babulal,  
Assistant Professor**

### 4. What suggestions do you have for students to be successful in your courses?

As a student, when I was taking courses, I used to attend the classes regularly. For me attending the classes made understanding and applying the concepts much easier, which in turn facilitated navigating through the exams and assignments with relative ease. Based on my experience, I would recommend attending the classes regularly helps to be successful in courses.

### 5. How long have you worked at Fredonia?

I joined SUNY Fredonia as an Assistant Professor with the Economics Department in August 2018. Prior to that, I was as a Lecturer at SUNY Fredonia with the same Department for a year (August 2017-May 2018).

### 6. Where were you before joining Fredonia?

Prior to joining SUNY Fredonia, I was at the University of Kansas as a graduate student.

### 7. What are your favorite hobbies?

I like to read in my free time. Currently I am reading the book “21st Century Monetary Policy” by Ben Bernanke.

### 8. What do you like about our Economics Program?

I am glad to be part of a very supportive, friendly and collegial department. The students in economics program and SUNY Fredonia in general are often polite, humble and eager to learn. I enjoy being part of the department and teaching Economics courses at SUNY Fredonia.

### 9. What kind of research are you working on?

One of the areas of research interest is Monetary and Macroeconomics. I studied the money supply of Euro Area in my dissertation and have a publication (and working paper) that analyzed a theoretically consistent method to aggregate the different kinds of monetary services for Euro Area. Other areas of research interest are Development Economics and International Economics. In a recent publication in the field of development economics, we examined the electricity constraint for the developing countries.

### 10. Which universities did you receive your academic degrees from?

I received my Master's and PhD degrees in Economics from the University of Kansas. My undergraduate degree is from Osmania University (India).

(Seattle) to study management. Upon earning his Doctorate degree in 1967, he became an Assistant Professor of Business at the University of New Mexico, a position he held until 1970 when he relocated to become an Associate Professor of Business at the University of Utah.

In 1976, equipped with a new Master's degree in Law from Columbia University, Dr. Telly decided to spend some time teaching and researching his other favorite subject, law. This took him to the Law Schools of University of Dayton (1976-79), Wake Forest University (1979-81), Oklahoma City University (1982-84), and Columbia University where in 1984, while a John Jay Fellow, he was conferred the Ph.D. degree in Law.

Finally, in 1985 when SUNY Fredonia Business Administration Department was looking for faculty expertise in both management and law, Dr. Telly also happened to be searching for a position where he could concentrate on those two focal points of his professional career - a perfect match was made! He held that position until 2017 when he retired. Dr. Telly passed away, this past May, leaving a rich legacy behind.

## In Memoriam

For alumni who graduated sometime after 1985, chances are good that they took at least one course with Dr. Charles Telly. Because of his rich academic background, students were always able to take various courses in Law, Management, or Finance with him. Those who did, would never forget his passionate and inspiring lectures on the origins of theories put forward by the great classical thinkers.



Dr. Charles Telly

After earning a Bachelor's degree from Williams College in 1954, a Law degree from University of Buffalo in 1958, and a Master's degree from University of Arizona in 1962, Dr. Telly entered the graduate program of the University of Washington

## Reunion in Thompson



*Pictured above are some of the alumni with Dr. Moj Seyedian (Interim Dean), third from the left.*

Hey, alumni, where were you on Saturday, October 15, 2022? If you weren't at the 3:00-5:00 p.m. Homecoming reception in Thompson Hall, you missed

some old friends and good conversation. We had several alumni in attendance with the graduation years ranging from 1970 to 1992. They all reminisced about the great times they had at Fredonia and indicated their willingness to help the school in anyway they could.

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## Matthew Hill Named October Student of the Month



*Matthew Hill (right) with Interim Dean of the School of Business, Moj Seyedian.*

Matthew Hill of Jamestown was named Student of the Month for October by the Office of Residence Life at SUNY Fredonia.

Mr. Hill was nominated for the award by Interim Dean of the School of Business Moj Seyedian for strong academics and numerous contributions, highlighted by Hill's work as a tax preparer for the area's low-income families as a member of the Volunteer Income Tax Assistance (VITA) program.

Hill is a double major in Public Accountancy and Finance. Aside from his work with VITA, he is Vice President of the Business Club, a member of the School of Business Dean's Student Advisory Council, and has an internship with the Audit

Department at Dopkins and Company, an accounting firm in Buffalo. Hill to date has a 3.87 GPA.

When asked about his favorite things at Fredonia, Hill wrote, "The number of opportunities that the university gives its students." He added, "The smaller class sizes allow you to grow relationships with professors that you wouldn't be able to at other universities. I have been able to build many connections through the professors here at Fredonia that I know I wouldn't have been able to somewhere else."

Hill is a senior and as he is finishing his studies here at Fredonia, he is also studying for his Certified Public Accountant (CPA) exam. He will continue to work part-time at Dopkins and Company, with the goal of full-time employment in the fall of 2023 after graduation and completion of the CPA exam.

The Student of the Month program was implemented in 2003 to recognize students who are well-rounded, excel in their academics and contribute positively to the campus and community.

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## Business Etiquette Dinner



The purpose of the Business Etiquette Dinner is to teach students the appropriate behavior expected of professionals while doing business in a social setting and to give them a low-stress environment in which to practice what they have learned. Topics covered as a part of this educational experience

include appropriate behavior and conversation at the cocktail hour, during dinner, and at other social engagements. This year's dinner was held on Thursday, November 10 at 6:00 p.m. in the Horizon Room, Williams Center, where a \$15 per person five-course meal was served. The guests, including the Accounting Society Advisor, Dr. Justin Mindzak, enjoyed the dinner, using their best etiquette. Conversation was lively, which included topics about the weather, where we lived, and how to pass the butter.

- Nicholas Nosbisch  
Accounting Society President

## Santa in McEwen Hall



*In the photo above, from left to right are Dr. Mark Nickerson (Business Club Adviser), Joseph DiMaio (Business Club Treasurer), Mr. Stephen Keefe (member of Fredonia College Council), Olivia Gates (Business Club President), and Alana Massey (Business Club treasurer).*

On Friday December 9th the Business Club in conjunction with Campus Life and Student Association welcomed Santa Claus to campus in McEwen Hall. The students took it upon themselves to pick out a nice backdrop for photos, candy canes to be distributed, and even some festive decorations to wear. Faculty members from the School of Business were on hand during the event to hand out candy canes to students passing by, and encourage them to take a quick break from the stress of upcoming final exams to take a photo with Santa.

## Alumni Spotlight

Carla C. Abram, '22, is a working professional from Buffalo, NY. Most of her professional career has been with HSBC, an international financial institution. Since January 2007, she has worked in multiple business areas of the bank including Retail Banking & Wealth Management; Commercial Banking; and Wealth & Private Banking. Obviously, her Finance major at Fredonia prepared her well for such a career.



**Carla C. Abram**

Carla's professional sponsored activities include her participation and volunteering for Diversity & Inclusion initiatives and steering committees, as well as advancing her effective public speaking skills.

Since high school, Carla has been involved in multicultural club development and programming. She was an officer in Black Student Union (BSU) at Fredonia, and she is an active member of HSBC's African Heritage Employee Resource Group. Her commitment to improving the community around her and empowering community members in order to uplift the whole collective remains strong. She credits her ability to work in partnership on several employee engagement initiatives to the experience she gained at Fredonia participating within multicultural clubs, especially BSU. Carla is a Diversity Ambassador awardee of HSBC. Through her career, Carla finds fulfillment in being able to collaborate creatively in providing financial literacy, exposure to personal development resources and events for community and staff. Carla is a member of Toastmasters International, and a charter member for her local club at HSBC in Buffalo, NY. In 2022, she serves as the Vice President of Education for her club, and she is following the Pathway curriculum called Persuasive Influence towards a competent speaker award, titled "Distinguished Toastmaster."

# Let's Hear From You

Hey, alumni, we would love to hear report of any notable events in your career or other information you would like to share with fellow alumni. You may also accompany your update with pictures (wedding, family, mug-shots). Please email your update to [business.school@fredonia.edu](mailto:business.school@fredonia.edu) and make sure you indicate your full name, class year, and major. Thank you so much!

## Do You Remember?



Students in Free Enterprise (SIFE) team members with their adviser, the late Dr. Franklin Krohn (center) circa 1990s.

**Business Matters is an online publication posted every fall and spring semester for the benefit of faculty, staff, students, alumni, and friends of the School of Business.**

**For story ideas and comments, contact the Editor: Dr. Moj Seyedian at [mojtaba.seyedian@fredonia.edu](mailto:mojtaba.seyedian@fredonia.edu)**