

KENNESAW STATE UNIVERSITY ORAL HISTORY PROJECT
INTERVIEW WITH GABRIEL G. RAMIREZ
CONDUCTED, EDITED, AND INDEXED BY THOMAS A. SCOTT
for the
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Thursday, 27 September 2007
Location: CIE/CETL House, Kennesaw State University

TS: Gabriel, why don't we begin, as we usually do with these interviews, with a little bit about your background like when you were born and where you were born and where you grew up and went to school and things like that.

GR: Okay, that will be a long introduction.

TS: It sounds like you've got an interesting background.

GR: Not sure about interesting but likely an ample one. I was born in Costa Rica in the capital city of San Jose where I lived for just a year. We then moved to the countryside where I lived for about five or six years. I was living with my grandparents then and we moved again, this time to a city named Cartago, where I basically spent the rest and most of my childhood. As an interesting fact, Cartago used to be the capital of Costa Rica, but around 1948 San Jose was named the capital. In some sense, I've lived in two capitals of the same country.

TS: What did your parents do? What were you doing out in the countryside and then back in the city?

GR: I come from a very humble background; my grandparents were farmers on a very small scale, not the type of farmers we have here in the United States.

TS: Did they own their own land?

GR: Yes, they owned their own land, and they were subsistence farmers. My parents were one the son of farmers and the other a daughter of another humble family, not farmers but from the city; that's why I was born in San Jose. I guess when my parents married they went to live near the daughter's mother, which is a typical situation in Costa Rica—when you marry, the couple move near the daughters' family.

TS: Almost a matrilineal society?

GR: Very much so. My wife is a scholar in women's studies, and she sees these patterns. To me such situation was just the natural way of being. One day she pointed out to me how matriarchal this was. Anyhow, I believe this was the reason we ended up in San Jose right after the marriage. Probably the situation at that time was not as good economically, so my parents went back to where my grandparents were in the countryside.

TS: What did they grow on the farm?

GR: Corn, like most farmers at that time, which as a way to generate income for the remaining of the year. The corn was bought by the government cooperatives, and it was what every farmer did if they wanted to survive; we also had a cocoa plantation, but on a very small scale. The rest of what we grew was just for subsistence—all kinds of plants and fruits and animals too to sustain day-to-day life. I still have fond memories of those days at the farm.

TS: What about your schooling? Did you go to public schools? What kind of schools did you go to?

GR: I've gone through public schools most of my life except for my undergraduate. I started in the public schools, and public schools in rural areas are very, very different institutions than public schools at a city level.

TS: Different in the sense that they didn't have many different courses to offer or a very limited curriculum?

GR: The school that I went to—this room here [the conference room in the CIE/CETL House] is probably three times as big as the size of the entire school, which was just one room with one teacher for all grades, which at that time was from first to fourth grade only, and there were probably eight students for all four grades. So that was the type of school we went to, completely underfunded and every other “under” that you can think of.

TS: You got a lot of personal attention though, I guess, didn't you?

GR: Well, you have a teacher who has to teach four different grades at the same time; that was a very difficult situation.

TS: We used to have a lot of one-room schools in the South, you know, like a hundred or seventy-five years ago in rural areas. It's the same story really of where they were trying to teach a lot of different grades and oftentimes they did it here by students would have things to study, but then they would call one group up for recitations; was that kind of the way it worked there?

GR: I don't remember much about those days except that particular feature. I think the objective at that time was to get kids to at least be able to write and read, and if they accomplished that they called it a success. That's my guess because if I put myself in their position, the approach to follow is to do the best you can with what is given to you. Really not much was given to you, so if you could get people to at least read and write some I would say that was a big accomplishment.

TS: Right. What years are we talking about?

GR: I probably started school in 1964.

TS: What year were you born?

GR: In 1959. I got to school early for some reason because at every grade in school everybody in my class was older than me by a year or two.

TS: So you're five years old when you started?

GR: Yes I was five when I started first grade.

TS: Right. Okay you started out with just a one-room schoolhouse; that lasted for four years or so did you say?

GR: Let me see, a bit less than three years.

TS: And then what did you do after that?

GR: It's interesting how sometimes some simple events have an incredible significance in your life. My grandfather made a decision to move out of the countryside. I was living with my grandparents then. They were not educated; if my grandfather knew how to sign his name that was probably the most he could write; he didn't know how to read or write. He sold the farm and decided to take the family to the city. I know, whether from conversations with him after that or just my inference, he did it because he wanted to give us an education. I consider that a major milestone in my life.

TS: I'll say! What was your grandfather's name?

GR: Oscar Mardoqueo Ramírez Zuñiga.

TS: Okay. So he wanted to make sure you got a good education, and so he moves to the city, and what did he do in the city?

GR: He didn't stay in the city, he went back to the countryside, and he worked taking care of a farm next to his old farm.

TS: Oh, he sent you all back.

GR: Yes, with our grandmother. He went to the city, out of the blue, bought a house, and we moved in. Since that date, we stayed in the city and he went back to work.

TS: So he went back to do the only kind of work he really knew. You say you stayed with your grandmother in the city?

GR: In the city, yes. That was until I left home after high school.

TS: What was your grandmother's name?

GR: Maria Luisa Solano Brenes.

TS: So your grandmother then kind of reared you for the next several years, and you were able to go to a city school and got a better education then.

GR: Yes. The shock of my life was when I showed up at the city school around September (about 2/3 into the school year) for third grade, and I didn't understand a thing of what was being taught. I did not even know what most of it was about. I had to look over my shoulder to see what my fellow student was doing. When I go back to Costa Rica, and I meet with at least three or four of my classmates from high school, and retell stories, when they hear this story they start laughing because from their point of view the student I was relying on to learn was the worst performing student in the class.

TS: You were the worst?

GR: Well after my arrival I was but not prior to that.

TS: Oh, the one you were looking at.

GR: The one I was looking to see what he was doing because I didn't know what I was doing. They didn't know me because I just showed up in the middle of the semester.

TS: And you didn't know enough to know who the bright students were.

GR: I stayed in the public school and went through the different cycles, elementary and then high school; we don't have middle school; they're all together. Then that was all in Cartago. Do you want me to keep going?

TS: Yes, if you would. Well, you went to college in Mexico didn't you? How did that come about?

GR: Some of those strange things that happens in people's lives; you're at the right time at the right place and something happens.

TS: Did you get a scholarship?

GR: Yes but let me place it in context of my life at that time. I moved from the traditional high school to what is called a vocational school where you learn a trade.

TS: What kind of trade did you learn?

GR: Accounting. In a vocational school, you have to stay an extra year than the regular high school, but the courses you take are very focused to the trade to be learned. For example, I never took a philosophy course but I took a lot of courses in accounting.

TS: So it's vocational training, basically.

GR: Exactly. That's what it was. Upon graduation, I was not quite a CPA, but could do everything in accounting that a CPA did.

TS: You were a bookkeeper?

GR: Yes, but I thought of myself more than that. Actually, I was very proud of my degree, and I still am. The education I received was exceptional and had had a lasting impact from math and algebra to basic accounting that I still use. In any case, back to the vocational school. The reason I went to a vocational school was to get a job after graduation and help out at home, start contributing. I did that and as a requirement for graduation, you have to have a practice period in a business.

TS: Oh, kind of like our co-op programs?

GR: Yes, you go to work for a company for a period of time, like a month or two, and often you got a job there, and that was the situation with me. I was offered a job even before I was finished with the practice.

TS: What company was that?

GR: I don't remember the name. I remember what they made. They made perfumes and colognes. I still have one with me.

TS: Have one what?

GR: One of the colognes. I don't use it, but it's still with me. I'm a collector of things.

TS: That's good. So how long did you work for that company?

GR: Two months.

TS: Two months, until you got through that co-op period.

GR: Yes. But the reason I only stayed two months even though I had been offered a job was that I had an incident with one of the managers—I didn't take too well that he was asking me to override issues and give preferential treatment to one of his protégées even though he wasn't my direct boss.

TS: He was asking you to override, like fudge the books?

GR: No, no, no. My job was very simple; it was to write checks. At this time there were no computers, at least not in this company, and I had to write checks and compute the taxes, but mostly writing checks for everything. I had to write checks for the sales people—payroll checks. And I had a system—first in, first out. The director of Human Resources

asked me to write a check for the last person who turned a request in, but that person was not my supervisor, and I didn't appreciate that. So I decided that that was not a type of environment I liked, and I was going to study more, so people didn't have to tell me what to do. That's why I went to college. I said to myself "I'm going to go study." So, I enrolled in the university in Cartago—actually an institute of technology. I only lasted six months at the university because I was offered the chance for a scholarship.

TS: Is this something that you had to apply for or did they come recruiting you?

GR: No, no, I was called into the dean's office, not quite the same title but that would be the equivalent, and was offered the chance to be one of the four candidates—how much history do you want to know?

TS: Well, this is interesting. Maybe not a whole lot more, but it's interesting how you became who you are. One of the things we've asked everybody along the line is about mentors and people that shaped who you are, so I'd like to know a little bit about that.

GR: I've been very independent throughout my life, and I'm not sure if I can point to that many mentors, but because of my grades I qualified to be one of the four candidates for two scholarships. I eventually was selected to be one of the two individuals to go to Méjico. This was based on the grades at the high school—at that time we had admissions exams—plus my score on the admission exam to the university. This was an interesting scholarship because it came from the government of Germany, and people were sent to Méjico. I vividly remember asking my grandfather, "The dean asked me to go talk to you about going to another country on a scholarship." This was a big deal for us back in those days given our traditions and our ideas about close families. He said, "Is that what you want to do? And when I said, "Yes," he said, "Let's go and buy you a suitcase." As simple as that, and to this date I am so grateful to him for that. So even though my grandfather did not have all the skills and other attributes of a mentor, he was pivotal in what I have become. Anyway, so I went to a university in Méjico to study almost right after graduating from high school.

TS: The *Instituto Tecnológico y de Estudios Superiores de Monterrey*. And it's I guess in translation the Institute of Technology of Superior Studies?

GR: Well, yes, but maybe more like higher level studies.

TS: So that's in Monterrey.

GR: Yes, in Monterrey. It's a private university and the only educational institution that I ever attended that's private.

TS: But it's the scholarship that came from Germany—from the German government?

GR: Yes from a German foundation.

- TS: Okay. Let's see, your degree is actually in marketing instead of accounting.
- GR: The choices that were given to me when I was called into the dean's office that day were human resources, marketing and finance. I said, "Well, I like finance." I couldn't care less for human resources, and I don't know much about marketing. So they said, "Well, there are two scholarships, one for human resources and one for marketing, so I guess if you want to qualify you have to go for marketing." I said, "Okay, I'll go for that."
- TS: So that's how you got a bachelor's degree in marketing. Okay. So you graduated from there in 1980, and then you got your MBA at Georgia State three years later, so there's got to be a story of how you got from Mexico to the United States.
- GR: It surely is. The scholarship that was given to me was a four-year scholarship, and I did the undergraduate program in three years, a bachelor's degree. Back then, somehow I got this idea that I wanted to study an MBA and to learn English.
- TS: You didn't know English at that time?
- GR: No, even though at this university probably around 50 percent of the courses at least after junior year were in English. Everything instructional was in Spanish, but you had to read the textbook in English.
- TS: Oh, so you could read English?
- GR: It was not quite like reading in English. It's amazing how your brain adapts very quickly in adverse situations. We developed a talent to translate very quickly, but know nothing about English in terms of speaking it or understanding it. I remember reading things and roughly getting an idea about the topic or central issue, but because you were doing it probably in super fast translation as you were reading every word and trying to get some meaning. . . I would not say we could read in English and certainly we did not know or understand English. Proof of that is that when I came to the United States I could not speak a word in English and had an incredibly hard time trying to communicate. I just knew how to survive by translating very quickly and efficiently. Anyhow, back then about my senior year, I decided I wanted to study English and to do an MBA, and I requested to the German foundation that I keep the extra year of the scholarship and use it for getting an MBA. They said "Yes, as long as somebody else pays for the other year required to finish an MBA." So I found that the institution that sponsored me in Costa Rica was willing to pay for that extra year.
- TS: Oh, really?
- GR: Well, they had a vested interest because I was supposed to go back and teach.
- TS: I see.

- GR: Actually I did teach for six months right after graduation from college, while I did the paperwork to come to the United States. Once in the USA, I studied six months of English and then the MBA in a year and a half.
- TS: You must have picked it up pretty quickly then.
- GR: The English? It took me awhile since I'd hang out with people from Latin America quite a bit. It did help that I went to a very intensive and bit expensive English program, but it was all paid for by the scholarship. It was very good and very efficient way to learn English quickly.
- TS: So in 1983 you got your MBA, and did you have to go back to Costa Rica after you got the MBA, and that's when you went back and taught there for a while?
- GR: I had taught before that after I had finished my bachelor's degree. I also went back to Costa Rica after finishing my MBA and taught for six months. This was temporary teaching as I was already accepted into the Ph.D. program. Though I came to the United States to do an MBA and I chose a concentration in Finance. About half way into the program, I learned that there was a Master of Science in Finance, but by they time I learned that it was too late.
- TS: Master of Science in Finance as opposed to the MBA?
- GR: I always wanted to study Finance, so I started thinking about how I could learn more about finance, and one way to do it was through a Ph.D.
- TS: What's the name of the institute where you taught in Costa Rica?
- GR: It's the *Instituto Tecnológico de Costa Rica* [Technological Institute of Costa Rica].
- TS: So you taught there for a while and then came back to Atlanta to work on your Ph.D., and you finished your Ph.D. in Finance in 1989. Was that a six-year program basically by the time you got through or were you teaching along the way? How did that work out?
- GR: Yes it was a full time program and I actually finished it in 1988.
- TS: For all practical purposes and then got the degree in '89.
- GR: Yes. I officially received my degree in 1989.
- TS: That's right. You went to Binghamton University [a unit of the State University of New York] in 1988.
- GR: Yes, I was done by mid-1987, had my first job in January 1988, and had defended my dissertation right after that date.

- TS: What did you do your dissertation on?
- GR: It was about capital recovery in utilities.
- TS: What does that mean exactly?
- GR: It is about methods to compute or determine depreciation of assets (capital). It is about recovery capital invested in assets.
- TS: That you lose through depreciation?
- GE: Not quite. Depreciation is simply a measure to capture the loss in value of assets due mostly to usage. Through time, assets need to be replaced, which means purchased, and for that you need funds. Capital recovery refers to the planned restitution of funds to be able to replace those assets. In the case of utilities every time you want to recover your assets you go to the commission and ask for either a raise in rates or enough capital to be able to replace your assets. That is the function of depreciation, supposedly. The disadvantage in depreciation as traditionally done is that is based on book values. If you are in a condition where the market is changing then the amount allocated for depreciation to replace the assets later on might not be enough. The argument in my dissertation was that if you do the depreciation using economic values rather than book values then utilities will be able to have the necessary capital to replace equipment. Accounting depreciation by relying on book values resulted in utilities being underfunded—that is when equipment needed to be replaced they didn't have enough money because by that time the price of the equipment was much higher than the amount allocated using book values. So the dissertation was on how the capital recovery of utilities should be based on economic depreciation rather than accounting depreciation.
- TS: Okay. So you got your degree and even before you officially had the degree you're through and you've got a job at Binghamton University. Where is Binghamton?
- GR: It is in upstate New York, about an hour south of Syracuse or an hour north of Harrisburg, Pennsylvania.
- TS: A little bit colder than Costa Rica.
- GR: I would say so. It seems that my career moves kept taking me north from Costa Rica a bit of a time, and Binghamton was as far as I went up. I tried to go to Montreal, but when I went to visit the university it was the coldest winter I ever had, and I said, "No way I am coming here."
- TS: So you taught there for six years from 1988 to 1994 as an assistant professor, and then you came back to Georgia State. I guess that's the way it worked; you were a visiting scholar at Georgia State in '94-'95.

GR: Yes I was on a sabbatical when I came to Georgia State. New York and most other states unlike Georgia have sabbaticals and so after . . .

TS: Oh, after six years you had a sabbatical?

GR: Yes. I decided to use the sabbatical to come back to Georgia State and do research. I was basically not teaching; I was just doing research for a whole year.

TS: And then you did a visiting professorship at Stern School of Business at New York University.

GR: Yes at NYU.

TS: For a year. Actually you're promoted to associate professor, but you stay at Binghamton.

GR: I was promoted to associate professor at Binghamton when I came up for tenure. At the same time I went onto a sabbatical.

TS: Oh, if you get tenure you qualify for a sabbatical?

GR: Yes, and I came to Georgia State for sabbatical and was a associate visiting professor. After GSU, I took a leave of absence from Binghamton to go to NYU. I went back to Binghamton as part of the contractual agreement for the sabbatical.

TS: If they can do that in New York it makes you wonder why we can't do that in Georgia.

GR: I think it is a unique situation for the state of Georgia. I think sabbaticals are extremely important for faculty and for the institution. If they are used properly, it is a chance for a faculty member to go to another environment and experience situations from a different angle. My year at Georgia State and particularly the year at NYU were very, very good experiences for me. I learned a lot in terms of how other organizations function, through interactions and working with other colleagues, by concentrating more in research, and by just being there. I think it's a terrific professional training opportunity. I don't know why the State of Georgia doesn't have it, but it's at the legislative level, but I'm sure the universities will favor that.

TS: Right. But you go back to Binghamton, and you stay there until '97, and then you go to Virginia Commonwealth. How did that come about?

GR: Well, one of the reasons I came to Georgia State was to decide with my girlfriend if I wanted to pursue some longer relationship. So the answer was, after one year, yes, we should do that. Then we needed to find a common ground for living, and that was not going to be cold upstate New York. So that year I went into the market, and the different locations that were offering jobs [included] Virginia Commonwealth University. I can't remember—did I go as a full professor? I think I did.

TS: Well, according to your resume you were Professor of Finance.

GR: Yes, I went as full professor. I wasn't an associate professor that long because I was promoted to full when I went to VCU.

TS: Okay. And you stayed there five years as Professor of Finance, Insurance and Real Estate.

GR: Yes, and that is a mouthful of a title. The reason for such long designation is that the department is named that way, but I was only a Professor of Finance.

TS: All right, to have moved up that rapidly in rank you must have been doing lots of publications already.

GR: I had a good record by the time I went to VCU. My record was equivalent of a full professor, and I requested that I be considered as a full professor as part of the offer. They had no problem with that.

TS: Okay, you're in Richmond, Virginia, for five years, and then you came to Kennesaw State, so why don't you talk a little bit about how you got here.

GR: Both my wife and I wanted to come back to Atlanta.

TS: What does your wife do?

GR: She's a researcher at CDC [Centers for Disease Control and Prevention]. She had worked for CDC in the past, and we both have strong roots here in Atlanta. Our families are here, and my best friends outside Costa Rica are in Atlanta.

TS: We might want to get your wife's name in the interview too.

GR: Kimberly Lisa Whittle.

TS: So she works for the Centers for Disease Control as a researcher.

GR: Yes. She worked for CDC, but when we married, she moved up to Richmond, and I move down from New York. Kind of met in the middle.

TS: What did she do in Richmond?

GR: She stayed home and took care of our first daughter. I moved into family right after I left Binghamton.

TS: Okay, but by the time you came back here was she looking for a job too? Is that part of the reason you came back to the Atlanta area?

- GR: There are many, many reasons that we chose Atlanta, but one was that she would be able to find a job with CDC because she had worked with CDC before she left for Richmond. She would be able to get a job at CDC, a part-time job because we wanted to have time with our family. Kennesaw had an opening at that time, so I applied and took advantage of timing.
- TS: What kind of degree does she have? What kind of research does she do?
- GR: She has a master's in Public Health and significant work in a doctoral program.
- TS: Did you know anything about Kennesaw State before you came here in 2002?
- GR: Yes, while I was at Georgia State doing my Ph.D. I knew about Kennesaw. There were some students who sometimes taught here at Kennesaw to increase their income, their graduate assistant stipend. Also, one of the professors I had at Georgia State was working here—Mike [Michael D.] Curley. I also knew by name, the chair of the department as he is a graduate from Georgia State from the economics department.
- TS: We've got quite a few faculty members here that have Georgia State degrees, don't we in the Coles College?
- GR: A lot.
- TS: So you knew a little bit about Kennesaw State. And, of course, you wanted to move to the Atlanta area; was there anything else that attracted you to Kennesaw State?
- GR: I was a friend of Mike because Mike's family lived in Binghamton. He came to Binghamton often, and several times we meet. So I knew from him that Kennesaw was going through a lot of change and the explosive growth in the surrounding areas that would lead to growth in the student population. There were some developments that were taking place that made Kennesaw a place that would be going through some drastic changes, a place that had a lot of potential. I thought it was a place that was going to be invigorating once the change took place, and I felt it would be nice to be at an institution where you are a part of the change. It's always nice to go to an institution that already has changed, but somehow it's more invigorating to be there when the change is happening. I saw Kennesaw as a place that would become a recognized, well-established university in time. I didn't know much about Kennesaw as a whole, other than those general patterns, but I knew more about the department. I knew the department had tremendous potential for being a good group of faculty in research. They had hired Lucy [F.] Ackert [Professor of Finance] a year or two before I came, and she was what I perceive to be an excellent researcher. It seemed to me that the department was going to be able to hire more people, and because of the growth and the retirement of some faculty, there was going to be a chance to have a very strong group if you do hiring well—put time and dedication to it.

TS: In the Department of Economics and Finance there was going to be a big turnover of faculty very shortly you thought?

GR: Yes, there would be a turnover of faculty, and there would be additions because of the growth.

TS: How many people were in the department when you came five years ago, in 2002?

GR: Well, the Economics and Finance Department together had somewhere in the low twenties full-time people.

TS: What is it today?

GR: Probably about twenty-six, but there were a lot of replacements. Before I came, Lucy Ackert was hired, and then I was hired, and we hired four more people in finance, and we were also growing in economics too. Just in finance there were six people that were hired in the last six years.

TS: Okay, so about one a year. In the Department of Economics and Finance how many actually are professors of finance as opposed to economics?

GR: There are about eleven. I could probably check numbers and give you the exact number but probably about eleven and about sixteen in economics.

TS: But roughly eleven, so if you have six replacements or new hires, then that is over a 50 percent turnover then.

GR: It's a huge change for the department, and we have seen the result of that in the last six years. Just this group of six new hires have published probably over twenty articles, a quarter of them in the best journals in finance, and have been awarded five Foundation Prizes, all the flame Foundation Prizes since they started the awards [in 2003].

TS: Right. The winners get a cash prize and a hand crafted glass "Flame of Excellence. The Foundation gives one Foundation Prize to each college each year for scholarship based on publications in the last two years, I guess.

GR: Publications in one year, I think.

TS: One year.

GR: One article in that year. All five awards are from this group. Lucy Ackert has two, Ann [B.] Gillette [Associate Professor of Finance] has two, and I have one. We have presented papers probably over forty times at some of the most prestigious and nationally recognized meetings, and the research output represents an incredible amount of output activity compared to very, very good departments of finance, not at the top universities but very, very strong universities. So I can't complain. I came in at the right time.

Again, we were able to put together a very dynamic, very strong group in Finance. While it's a lot easier to say things in hindsight, at the time I interviewed it was the potential to have these changes in the group that attracted me.

TS: Right. So you seem to be saying that the faculty that was here before you came in Finance was not that much oriented towards scholarship?

GR: There was orientation at the expectations of the university; they were producing at the expectations that were prevailing at that time.

TS: They were meeting the scholarship expectations?

GR: Yes, they were meeting the expectations. From my point of view, every time there is a renewal then there's a chance to push.

TS: They're ratcheting up the expectations on scholarship?

GR: And that's a choice. You choose to find individuals who meet the expectations, and there's a healthy and legitimate approach, or you might want to try to become more recognized in the field, and at that time I was under the philosophy that you should try.

TS: I know from interviews that I've done with Tim [Timothy S.] Mescon [Dean, Coles College of Business] and others that the Coles College for a long time had had the three tracks for faculty where you could do the scholarship track or—I don't remember the names of the other tracks . . .

GR: Scholarship, balance and teaching.

TS: Scholarship, balance and teaching. And I guess there's no problem if everybody in Finance is in the scholarship track? I imagine all these new people that you're talking about wanted to be in the scholarship track.

GR: They're all in the scholarship track. To be able to produce at that level you have to be in the scholarship track.

TS: What is the scholarship track in terms of teaching load?

GR: At the time I came, it probably wasn't as wide spread or well-known as it is probably now. Now we have at the university level a document that has, if not the three tracks, room to have different proportions. It boils down to see how much time do you devote to the three traditional areas of faculty, which are research, teaching, and service? If you're in the scholarship track then you're given some time to do research, and so that comes from courses off. So that's why your teaching load is less if you're in the research track than the teaching track. At that time I don't know if it was as clearly defined as it is now, but if you look at the current documents, for example, if you're in the scholarship track or, I'm not sure what the wording is, but then you devote 50 percent of your time to do

research, 35 to 40 percent to teaching and about 5 percent to service. So it's a matter of where you are putting your efforts, and how it's explained in the current version. You look at the faculty strengths and try to allocate the time to those strengths. Back when I got here it wasn't quite said that way, but basically that's what it was. So if you have other strengths, the passion to do research, we'll facilitate that by allowing you to teach one course less a semester. The balance track will be teaching three and three courses [three courses in Fall Semester and three Spring Semester], and the teaching track was supposed to be four and four. Right now you can do all kinds of variations in terms of teaching loads, but those are the three tracks based on where you want to specialize, where you want to put your time. As I was saying, any research university will have a two-two, and the [course load] goes down depending on how high the level of the university is; you can go to a very high level places where the professors teach one course a year or none, but we're talking about the top of the pyramid. In any event, most research oriented schools will have reduced loads.

TS: I think what you're saying is that we're not defined as a research institution as our central mission; we're still basically teaching—scholarship is important and growing in importance, but teaching is more of our mission than say a University of Georgia.

GR: Exactly.

TS: And so two-two in a research institution would be a normal load, I guess, but for here it's the people who want to do research.

GR: Right.

TS: And the expectation is you better do research if you've got a reduced teaching load.

GR: Exactly. You have to produce; there has to be outcomes.

TS: Right. And every several years the Coles College re-evaluates whether you're in the right track, doesn't it?

GR: If you're meeting those expected outcomes. Because you're given time off; you better be doing something additional than the faculty that haven't been given the time off.

TS: Right. I think you've pretty well answered this, but something we've asked of everybody is about the intellectual life. There are some other aspects we can talk about but the intellectual climate on campus when you got here in 2002. Of course, you could get into a scholarship track in 2002, but why don't you talk about how you perceived both faculty and students when you got here in terms of the intellectual climate on campus. Did you feel like you were coming into a place where the faculty valued scholarship or whether the faculty was apprehensive about the changes that were taking place? And the students, do you think they appreciate that kind of an environment?

GR: Okay. You have the different levels: you have the university level, then the college level, and then the department level. My perception when I came here was that at the department level, the individual in place at that time, Roger [C. Tutterow, Chair, Department of Economics and Finance], was very strongly supportive of having a strong research presence. The college level was also moving toward that direction, but I felt we needed to be moving toward more scholarship focus at the College level. I think the interpretation of how fast do we get there was different; I think the department was going at a faster pace than the college.

TS: And the college was going at a faster pace than the university?

GR: Yes. I see that by looking at the incentives and the structure that was in place. At that time, I believe that Coles College was the only one that had those two tracks. The recognition that to produce research you need to allocate resources . . .

TS: I think you probably were unless it was Health and Human Services.

GR: I don't know. It's just my suspicion; perhaps there were others, maybe one or two, but it wasn't a widespread view. Right now I can say, yes, everybody is aware that there have to be differences because there have been procedures and documents in place that indicate and show that we are moving in that direction. But I think back—it sounds like a long time ago but—four or five years ago I believe if the Coles College wasn't the only one it was among the few. And I think it is the nature of change. Change cannot take place all at once; otherwise we have chaos. So, change has to be gradual because adapting to change and managing change is very difficult.

TS: Sure. Was there a lot of tension do you think in the faculty over these changes?

GR: No. See, one of the reasons, among many of the appealing circumstances about Coles College was the fact that the people were happy with these three tracks. If you were in the research track and somebody else was in the teaching track and somebody else was in the balanced track, there was no resentment. My perception was, and I was told that many times too, that people recognized what you were doing, and you were valued for what you were doing. So it wasn't like, okay, now I'm the research guy, the rest is irrelevant. It was like [someone might say], "You're on the research track because you chose to be there and because you feel like that's what fits you better and you contribute better, and I feel like I contribute better by being in the balanced track." That environment, that very collegial environment, was a very appealing input in my decision. This is at the department level because in the interview process you don't meet with everybody; so, I did not know that well what the perception was at other levels.

TS: You have a department search committee and . . .

GR: Right. And once I was here I felt that most faculty felt more comfortable at the balanced level.

TS: Probably so in the Coles College.

GR: But that was fine, and that was the way to operate. As we have in the past five years in the Finance and Economics department, we've been hiring at the research track, so we've been heavily based on research track faculty. While other departments have chosen their strategy to be a balanced track, and so every hire they do is the balanced track. To me I think this kind of overall approach is healthy because it allows the organization to perform at different levels. There are all different needs; at an institution you have teaching needs; particularly at Kennesaw that has a strong teaching focus and mission. So you have strong teaching goals. But research I believe is very important in any teaching institution. By allowing different members or in this case different departments to tailor themselves to what they perceive to be the greatest contribution, you are allowed to enjoy different benefits. If you were to concentrate only on the balanced track, you might be missing out on the benefits of having some groups do research. Particularly in a university like ours that doesn't have the resources to be a fully research university, I think these variations among faculty and departments allow, in economics terms, maximization of output.

TS: Right. You know, I was wondering in your case—in History, it's been very, very rare that we've brought anybody in as a full professor; we usually hire assistant professors. I'm wondering if the department you're in, Economics and Finance, was ahead of the curve in bringing in full professors. You came in as a full professor. Was Economics and Finance ahead of most other departments in bringing in senior faculty as opposed to junior faculty?

GR: I think there might be several factors driving those decisions. One would be the market place. When you look at an institution from my perspective, as the employee, you look at the package. Sometimes the salary level is not competitive, so you have to offer other things. In my case the track situation, the two-two [teaching level] the whole track level, that was very appealing to me.

TS: You didn't have that at Virginia Commonwealth?

GR: I had that, but it was apparent to me that for this level of university I was going to be able to maintain the same level of research.

TS: That you have at Virginia Commonwealth.

GR: That I had before—even though Kennesaw was not at the same level.

TS: Yes, Virginia Commonwealth is ahead of us in developing into a research university.

GR: Yes. So, normally, I would expect to have less time for research, but I was able to have the same, so that was attractive to me. In some cases—it wasn't my case because I was already a full professor—but in some cases your record might be enough for that university to be a full professor, and that is part of the package. It's not like bending the

rules; basically you're looking at the record of an individual that says, well, even though the individual is an associate professor somewhere else, at our university his or her record is that of a full professor, so we're willing to bring this person as a full professor, and that helps the recruiting.

TS: But you were already a professor.

GR: Yes, I was already a professor somewhere else. One main reason to bring up a full professor is if the department or unit wants to refocus its research orientation, or bring a recognized person in the field. If you want to bring someone who already has more experience, more knowledge, or more exposure, who has been in the field more—you bring this person in to become either a mentor of junior faculty or to become active in the strategies and policies of the department, so that you move toward research. In my case, I expressed my desire to join the EFQA [Economics, Finance & Quantitative Analysis] department, and the chair and department felt it was a good fit.

TS: What about salaries? Were they competitive, what Kennesaw could offer compared to Virginia Commonwealth?

GR: Not really, I took a 25 percent cut from my then current job. It was more if you take into account the market salary for a full professor with the record I had. I don't know what the exact relation is between KSU salaries and the market for other units at KSU. I only know about the business school and particularly the Finance department, and we are very, very much under the market level, so we are not competitive at all. We benefit a lot from the Atlanta factor in our recruiting. The level of market salaries is unique to business schools. When other units in the university take a look at our salaries, it is easy to say, "Wow, the salaries of the business faculty are way out of sync with the rest of the university."

TS: Right, you're making more than people in the history department, but not as much as people in finance in other institutions, comparable institutions.

GR: That is correct. So what we do here, at least, what we do in the search committees is to sell a package because we cannot compete just with salary. We look for windows of opportunity and the Atlanta factor and any other factor that helps in a successful recruiting. When you conduct a job search under these conditions, you're looking for, "Are we in the right time and the right place and can we offer a package that compensates for not being as competitive in terms of salaries?" At our department, we so far have been able to do that.

TS: What did they do about tenure when you came in?

GR: Georgia cannot give tenure right away; you cannot hire someone tenured. You have to wait and go through the process.

TS: How long did they make you wait?

GR: One year.

TS: One year.

GR: Yes, because of credit that is given toward tenure, but still in cases like mine it is a bit unsettling to come in under these conditions. I had tenure in two other places, but tenure could not be guaranteed to me at the time of hiring/contract because that's a decision made by another committee, so you do have a little bit of uncertainty.

TS: At least that's a short probationary period with one year, and then you can go up for it.

GR: Yes, and in my case I came up for early tenure. If I didn't have the option for early tenure, I would have to wait two years. That's an impediment for hiring.

TS: But you think about it, you wait one year but the process starts so early, if you got tenure one year after you got here, they're already starting to consider you during your first semester while you're here.

GR: Oh, no, what I mean was I had to wait a whole year before I could start the process.

TS: Oh, so it's really at the end of the second year.

GR: Yes, I got tenure by the end of the second year, but at the department level, the decisions are made, like you said correctly, so early that by sometime in September, probably early September, at the department level you already know the decision, and then just very quickly after that the chair and the dean [make their decisions]. So some time by October, you already know the three levels should have made the decision. If all three are positive, it would be rare [for the decision to be reversed higher up].

TS: That's it.

GR: So you're right, you will know, not with certainty, but with a high probability that you have tenure in a little bit over a year.

TS: Yes. You've got to do something really awful to lose it after that time.

GR: At that point. Right. And the perception is that if somebody is a professor or an associate professor somewhere else where tenure standards are higher, it's very unlikely that you might end up with a different decision unless something very out of the ordinary happened.

TS: What about class sizes? How did that compare here with Virginia Commonwealth? Were there more students in the classrooms here than there?

GR: Yes.

TS: A lot more?

GR: I used to teach about twenty-five, twenty-eight students per class.

TS: What are they here?

GR: It depends what level I'm teaching; if I teach introduction levels it is about sixty to seventy, but there are faculty who teach 150 or 180 for introduction courses.

TS: I was going to say, in some areas, I guess Management, I've heard over 100 and Business Law and things like that.

GR: Even Introduction to Economics is 150 to 180 students. You might say at other universities, Ohio State and some others have 400 to 700 students in a classroom. They have to have monitors in the classroom because you wouldn't be able to hear the professor. So relatively speaking I feel like I was privileged at VCU by having such a small class size.

TS: But here the 3000 level Finance class has about sixty to seventy?

GR: Yes, about sixty to seventy students per class. And if you go the 4000 level it might be about thirty-five and sometimes in the upper forties depending on what subject it is.

TS: What about graduate programs and graduate classes?

GR: I've seen an upward trend at both levels. I think we have a lot more students, and I've seen the size [go up]. When I first started I think the size for the 3000 level was about fifty-five, maybe sixty with the overflows of those students who really needed it. We are now up to seventy. At the MBA level, I think at that time we were around forty or forty-five, and I've seen numbers in the fifties now. So we're moving up. I think the only constraint for class size so far is the classroom size. I have situations in some courses where students are along the wall sitting on regular chairs, not student desks.

TS: What courses do you teach at the 4000 and graduate level?

GR: Here? Mostly Corporate Finance. I teach Advanced Corporate at the 4000 level, and I teach the equivalent to Advanced Corporate at the MBA level. I've been teaching a lot of the introduction at the 3000 level. It's a trade-off. In a way sometimes you need to be teaching the 3000—there's two different schools of thought. You should have full professors or senior professors teaching the 3000 level, the introduction levels, so the students get more motivated or better prepared. The argument is that your majors in that area should enjoy the benefits of the senior professors and that it is a way to better recruit students into the major. The other view is that you can staff these classes with adjunct or junior faculty and the senior faculty teaches the electives for the majors.

- TS: But the classes are large regardless, it looks like.
- GR: Yes, the classes are large either way.
- TS: I guess really teaching the 4000 level classes are the way you get the smallest class sizes.
- GR: But then you have a trade-off. It depends on the faculty, but when you teach at the 4000 level you should do other activities like cases or projects, and those require more time for grading and for planning than the other classes that have just exams and in the case of large classes multiple choice exams. So it is a matter if you want more students and grade more exams or have lower number of students but you will be putting more time per unit with more teaching activities. And also, what you are able to teach is different. At the introduction, it's very basic. At the upper levels you have more freedom to talk about your own research interests and how they relate [to finance and the business world]. So I think it's a combination.
- TS: How would you describe our students here? Do you get a lot of non-traditional students in Finance or are they mainly eighteen to twenty-two year olds?
- GR: It's very non-traditional in many ways, not only in age, but also at what point they are in their lives. We have many students who are part-time students. They are commuter students. These are the students who have a job, many have families, and on top of that they are taking classes. And this was similar at VCU; the only school I've been that wasn't that way was Binghamton. We have students that have to manage time, and time is not on their side. It's a very scarce resource, and they have to finagle three very important things in their lives, and it is a very challenging thing to do. You might not have enough time to devote the necessary effort to a particular activity and do it well. I think our students face that problem. I don't know if you can call it a disadvantage, but relative to a full-time student they have a lot more hurdles to jump simply because of the situation they are in.
- TS: Right.
- GR: If you have a forty-hour job, and you have a family to take care of or attend to, you don't have that much time to prepare for your classes.
- TS: To what extent do you benefit from students being able to bring real life experiences into the classroom?
- GR: That will benefit if you structure the classroom to incorporate those experiences into it. The larger the class size, the less you are able to structure those situations. While those students provide a potential benefit for it, I think the structure dampens that. If you have seventy students in one classroom, if you really want to benefit from someone's experience, you have to set up an activity that allows that. They can say something like "In my place of employment I face that situation." And that would be some benefit because some students might see examples outside the classroom. So it does have some

value, but I think to me the most beneficial will be where there is more learning, but this is mostly passive learning. If you want to bring more experience into it, you need more active type of learning, and that requires group work or some other activity that is very difficult to do when you have so many students in a class.

TS: Sure. I wanted to talk a little bit about the award that you got this year, the Distinguished Scholarship Award, and you'd actually been a finalist for it a couple of years as well on the university level. I wanted to talk about the kinds of things that you've been doing that merited the award. I noticed you've got a tremendous number of publications and presentations, and it looks to me to a large degree, and maybe this is typical of finance, there are things that you've done with other people like Lucy Ackert and others; is that typical in finance that there are team projects and multiple authors?

GR: Very typical. The number of coauthors has been going up. To an historian that probably would be an interesting thing to see; perhaps at some point in time, there were a lot of solo articles, but—I have noticed the number of coauthors is climbing up. I recently saw a paper that had five coauthors. To me four was kind of the maximum number. But, now, I saw five—and it was published in the flagship journal of Finance. Now people from other areas, I know in health sciences or public health they have sometimes a whole chapter of names, but I think that's a different environment. I think this having multiple co-authors is a normal outcome of the process; publishing in the highest quality journals has become extremely competitive, and we have more and more faculty going to research tracks or research-oriented schools. More schools are migrating toward research. There are more demands for publication. So there are more and more faculty targeting the same journals. We don't have journals coming out constantly, and that has led to an incredible rejection rate. Some of the flagship journals in Finance have a rejection rate of 95 percent or so. When you're faced with this type of publishing environment, you're better off having co-authors and being able to have more working papers. This way allows people with different areas of expertise to collaborate and at the end have a better product which hopefully will have a higher chance of getting published. I will say it is like survival. You can do it alone, but it just takes longer and longer to publish in the high quality journals, and it takes much longer nowadays just for the reviewing process. You send to a high quality journal and get a rejection, and send it to another one and get another rejection, and so on. The time it takes to get a paper published has increased tremendously.

TS: How long does it take?

GR: I have published four papers in the flagship journals in Finance and one in Management. They each have taken from five to eight years to publish. It's an extremely lengthy process especially at the flagship journals.

TS: How long does it take after they've actually accepted the paper?

GR: To get it published?

TS: Yes.

GR: At the flagship journals about a year to two.

TS: It's the same in history.

GR: There's a big backlog. It takes a long time. That is one of the reasons, for example, I am a strong proponent of faculty going out there to presentations to sabbaticals because by the time you read an article in a journal, not in a textbook, it's been a few years since the paper was finished.

TS: It could be outdated by the time you read it.

GR: Yes, so, if you really want to be learning about what's happening in your field (and even in other fields) you need to be at the early stages when people are doing it like a work in progress. I think any university who wants to learn more about these things needs to have a seminar series where you have this constant intellectual stimulation. At some point that stimulation came from reading journals, but I've gotten to a point where I don't read the journals much because, probably, I have seen those papers before they are published. With electronic journals and places to published finished papers, it is very easy to read quite a bit of what will be in a journal way ahead of time.

TS: Right. I was wondering, when you've got multiple authors it looks like the list of the authors is in alphabetical order.

GR: That's standard in Finance and probably in the business discipline as a whole.

TS: That's standard? So it doesn't indicate that the first author is the primary author.

GR: No. It's all in alphabetical order. If it's not that, something is different, but that is very standard.

TS: Well, it gets more people published that way too.

GR: I think it's a self-selection thing. If you work with someone and that person is not carrying his/her weight, then you won't be working with that person next time. He/she might free ride for one time but . . .

TS: I guess you can bring different strengths, you're all in the same discipline, but you all have different focuses.

GR: If you're focused in one single area, as a sole author, I think you can perform very efficiently. If you are moving, like one time you publish in this area and next time, oh, I found this interesting idea, well, I might say interesting, but for me to publish in a high quality journal I need to have a very solid basis on that area which means I have to spend some time training myself in that area, even though my contribution might be specific to

a particular area. But papers don't get published just because one part of the paper is strong; the whole paper has to be. So that's why if you work with someone else who is in that area, that person brings in that part that will make the paper better, and that's why this joining is more of an advantage.

TS: I can understand that. Well, you've published in things like the *Journal of Financial Stability*, the *Journal of Financial Economics*, *Financial Management*, and *Journal of Advertising*. These all sound like they must be top journals in their fields.

GR: Many are premier journals in the field. The flagship journal is the *Journal of Finance*, and I have one publication there; the number two, and sometimes it is number one, is the *Journal of Financial Economics*. I have three publications there. The next high quality journal, top quality journal is the *Academy of Management Journal*. I have one there. These are the premier journals. *Financial Management* is sometimes classified in the top four or top five, and I have three papers there. The *Journal of Banking Finance* is in the top ten, and I have two papers there; *Journal of Advertising* is probably in the top ten in Marketing.

TS: What's the *Journal of Financial Stability*?

GR: That's a new journal. That one is a very solid, middle of the road journal. If you have to classify the journals into tiers one, two and three, I will say it is a second tier journal.

TS: Why don't you talk a little bit, I see things here [in your resume] on bank loans and bankruptcy, it looks like Chapter 11, and so on; why don't you talk a little bit about what you would consider some of your major findings from your publications?

GR: Well, if I were to look at a theme, an umbrella that covers my research, it would be on debt related issues. Part of that is the renegotiation of the debt, when a company is in financial distress, when a company is not able to meet the financial obligations, to pay the interest or pay the principal. I've done research, mostly, after the company has filed for bankruptcy under Chapter 11 in the USA. The company could try to renegotiate their debt before they go to Chapter 11, and I have some papers there, and that's how I started my research in that area, by looking at the restructurings of debt of companies that cannot pay. Then I got interested, in looking at the question of what would happen if the firm cannot renegotiate with debt holders, then what? The firm goes to Chapter 11. What happens there? How is the process different; what is the Chapter 11 mechanism doing that others were not able to do before that. What I found—and other people have found too—is that it depends on how much coordination there is for the debt holders. It's like committee work. The more members on the committee the more difficult it is to reach a consensus, so the more debt holders you have, the more difficult it is to renegotiate with them to basically ask them to give you a break on the debt. So the companies who have more debt holders are more likely to go into Chapter 11.

TS: More debt holders meaning they borrowed from more banks?

GR: Well, from many different sources. And one source is banks, but for large corporations issue in the public market. That would be where everybody can buy the bonds, so you will have a lot of creditors.

TS: Oh, you sell more bonds?

GR: Yes, but the coordination problem and bankruptcy only happen when you issue debt. In a public market, a company sells more bonds to a lot more people. When a firm borrows from one bank, there is just one creditor, but when the firm borrows in the public market there could be hundreds of holders of the firm's debt. And later if the firm has to convene them for a meeting to renegotiate the debt it's almost impossible to get them to agree. First of all, they're not going to show up, and even if they do, then . . .

TS: So then it goes to Title 11.

GR: Chapter 11.

TS: Chapter 11. And then the courts . . .

GR: Instead of having so many negotiations, there are creditors' committees, so instead of having 200 creditors, there are maybe five or ten committees depending on the nature of the debt. With fewer number of parties, negotiations are more likely to reach an agreement. Also there are certain things in Chapter 11 that allows the firm to renegotiate with a little bit more ease, not to be so stressful. One of those particular instances that caught my attention was Debtor in Possession (DIP) financing. When a company files for Chapter 11, it does not cease to exist; it continues operations. Firms enter Chapter 11 if they believe that the best course of action is to continue operations. Otherwise, firms will file for Chapter 7 where the firm is liquidated. If you're going to continue operations most companies need a significant amount of working capital for their operations. Well, somebody has to provide that financing. Equity holders are not likely to do that because once you're in Chapter 11, equity holders have the lowest payment priority, which means they are very likely to get nothing in the renegotiation or reorganization plan. New creditors or new loans will be ahead of equity, but still behind existing lenders, and that is not a great place to be. Then, who is going to lend you money, if you're already in trouble? Basically, unless there is something else there, you are at the end of the line.

That something else is the section of the bankruptcy code that allows for DIP financing. This section allows a lender to lend money to the Chapter 11 firm and be in front of the line. I started looking at DIP because I thought it was very interesting to see, well, if somebody jumps ahead of the priority line, how do the other lenders react? If you're in a line in the supermarket and somebody does that, you wouldn't like it, so I wanted to start looking at what's happening here. Are other lenders willing to do that, and don't they get upset? Well, what I found out is that actually it is beneficial, and most lenders seem to find that beneficial. By providing DIP financing, the chances of the firm to exit Chapter 11 increases and therefore the time spent in line waiting to be paid might be shortened or the existing lenders might recover higher amounts than they would have otherwise. So it

seems it has benefits for everybody involved. Conclusions from my research are that DIP is beneficial, it takes a shorter amount of time exit bankruptcy, the market perceives DIP as a positive signal, there are higher rates of emergence from Chapter 11, and in case firms have to be liquidated they are converted to Chapter 7 much quicker.

TS: Okay. So I guess something like when Delta got into trouble they were in Chapter 11, and I guess what they needed was somebody to give them more capital to get out of trouble, right?

GR: They needed to do two things. There are two reasons why a firm gets into trouble: because they don't have enough cash flows—and these are the companies that should go into Chapter 11 because the only thing you have to do is renegotiate the debt to match the cash flow shortfall—and the other reason is that firms get in trouble because of their failure in business—they are in economic distress. These firms are more likely or should go to liquidation or at the very least very significant business restructurings. I think that was the case for Delta. They were in both economic and financial distress. For solving their financial distress they needed to restructure their debt. For solving their economic distress they needed to reorganize their business.

TS: Or pay the pilots less.

GR: Well, right.

TS: Or lay people off or whatever.

GR: At the end of the day, you have to make sure that whatever you're paying out is as much as is coming in.

TS: So you restructure the corporation.

GR: Yes, you restructure either the corporation or the debt structure or both. Solving economic distress is not the mission of Chapter 11 though. If you are not efficient it is not about the timing of the cash flows; it is that you are not getting enough operating or internal cash flows; and there are many reasons for a shortfall of operating cash flows...

TS: No one wants to fly on your airplane.

GR: Something like that. Your airplanes are dirty or they're unsafe. There are structural issues with the business. That's a different kind. Those should be liquidated or significantly downsized. Now, in a Chapter 11 you cannot just stay in line and pass through an x-ray machine to figure which type you are. So you have a [greater] problem there—who goes in there, who knows? In the case of Delta when they came in, they said they had a cash problem, but I think they had an economic problem too, and oftentimes they come together. Having it at that level how do you distinguish that? Because the managers will say something, and the creditors will say something, and it's a lot of perceptions, information, how you interpret information and what games you play. The

incentives of the parties are very different. There's a lot more going on in Chapter 11 as to the incentives for the different people negotiating. Having gotten into that area, it's an interesting part. Mostly my contribution has been in finding that for certain firms, mostly those firms that have a problem mismatching cash flows, providing additional financing with all these other special rules is beneficial, and everybody sees it that way.

TS: What do you see as the audience for your papers? Other academics or are you in demand for consulting services?

GR: I don't do consulting.

TS: You don't do any consulting?

GR: I'm very much a research person. The consulting I've done is free, volunteer work for a credit union.

TS: I guess I was wondering to what degree is this applied research and to what degree is it basic research.

GR: It has been very basic research, but it could be applied as it has potential for business applications. I just had not been interested in reshuffling my time and taking it away from basic research. Though, lately I've been moving more into applied as I'm doing more and more research on bank loans. I'm involved in several activities that are looking at research in credit unions, mostly from my volunteer work. So, I see a lot more application in the future. I'm looking at the dynamics of credit unions, of the incentives that are there, of what will make a credit union successful. A credit union is a not-for-profit organization whose goal is to service the members. How does it affect the investment decisions that they make, and how does it affect the risk that they are willing to take on their loans. But what really brought me into this area were the liquidity problems credit unions have; how do they get working capital? Because of the particular nature of the organization they are not able to do what other organizations do, which is either issue bonds or raise equity. Those two things are not allowed for credit unions, so the only funds come from members, and if you are a credit union that is devoted to low-income communities, you're not going to be getting much from that. So there have to be other alternative ways to do that, and I'm interested in finding out how to increase the liquidity of their markets. So those are you might say basic research questions, but their outcomes will have a lot of applicability because right now the area of credit unions is very untapped. And that has launched me into micro finance and even into what is called character lending where you make a loan based on nothing other than your gut feeling about a person [or] other measures that are not quantifiable in the traditional way in the credit markets.

TS: Well, you know, that's the way we used to think of the little country banks, the small town banks—they made a lot of character loans.

GR: Exactly. I've been doing research on financial intermediaries and for large banks how we're moving from what we call soft information to hard information. In the old days, there was a loan officer who knew the people in town, and if you came for a loan, you would look at him, and he would say, "Yeah, I know your family; I know you; you're a good person; I'll give you the loan." That's called soft information; I cannot quantify, I cannot put it into hard evidence, I just know. That's soft information or character loans. We have moved from that pattern to hard information, which is information that can be easily stored electronically, and I don't have to see you to give you a loan; I simply have to access an electronic record, and I can see right there what's called the credit score and make decisions on hard data. At some point these financial institutions were dealing with soft information. We have moved to mostly hard information. So what about the micro finance companies? They are in the soft information business; that's how they make their decisions.

TS: Are you going to continue to work with debt, do you think, in your research?

GR: Yes, I have a grant from the university. I've been blessed with many resources from the university. I have a grant for two years to work on alternative ways to increase liquidity for small lenders.

TS: This grant came from Kennesaw State?

GR: The name has changed through the years, but it's one of the Faculty Awards grants [for winning the KSU Foundation Distinguished Scholarship Award].

TS: Right. Very good. Well, I probably could ask a zillion more questions, but I think we've at least hit the highlights of the kinds of things that you're dealing with. We often ask people why they've stayed. You've only been here five years, but maybe a good way to ask is do you foresee staying a long time at Kennesaw State?

GR: I think so. As I say, Kennesaw is changing a lot. It is always nice to be part of the change. I have been given a working environment that allows me to maximize the things I do. That comes with the different tracks and the ability to telecommute. I do a lot of work from home. Unless I'm teaching I don't need to be at Kennesaw to do my research. I think the technology is incredible. I can access the library; I can access any data. So I can work from home, which allows me to live in a neighborhood I prefer in Decatur, which is very far from here. The university is moving . . .

TS: It's very good for your wife to be in Decatur working for the CDC.

GR: Yes. It is allowing us to create a more wholesome package to life. You have to be happy where you work; you have to be happy where you live; you have to be happy with what you do. So far, even though we're through change and sometimes it feels like either we're going too fast or we're going too slow, overall, I think the university is going in a direction I like. I would like to have perhaps a little bit of a different direction, but it's going in a direction that I appreciate. The university, for example, has put a lot of

emphasis in recognizing research at different levels; the Foundation is doing an incredible job. I'm now a member of the Faculty Development and Awards committee, and there are some really, really powerful initiatives as to incentives for faculty. I think we can continue moving forward, becoming a better place, trying to accommodate as many people as possible in this change, and at the end have a better place for everybody or for most people.

TS: Right. Well, thank you very much for the interview.

GR: I really appreciate your taking the time and listening to my story. As a person who is not in the field [of finance], you were certainly a good trooper listening to all my stuff.

TS: Well, I didn't understand it all, but I think I understood the bulk of it.

GR: I appreciate your time.

TS: Thank you.

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