

# Kristina Lalova

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Eli Broad College of Business, Office E320 | 667 N Shaw Ln. E320, East Lansing, MI 48824 | Email: [lalovakr@msu.edu](mailto:lalovakr@msu.edu) | Personal Website: <https://sites.google.com/view/kristinalalova/home?authuser=1>

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## ACADEMIC POSITIONS

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2023-Present	Fixed-Term Assistant Professor in Finance: <b>Michigan State University, Eli Broad College of Business, East Lansing, MI</b>
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## EDUCATION

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2018-2023	<b>University of Connecticut, School of Business, Storrs, CT</b> Ph.D. in Business Administration (Finance)
2013-2017	<b>Drexel University, LeBow College of Business, Philadelphia, PA</b> B.S. in Business Administration (Finance and Accounting, Summa Cum Laude)

## RESEARCH INTERESTS

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Labor and Finance, Corporate and Behavioral Finance, Labor Market Interactions, & Private Equity

## RESEARCH EXPERIENCE

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[1] **“The Value of Employee Morale Similarity in Mergers and Acquisitions: Evidence from Glassdoor”** (Solo-Authored) – *Presented at FMA European Meeting: Doctoral Student Consortium (2022), World Finance Conference (2022), Paris Financial Management Conference (2022), SGF Conference: Ph.D. Poster Session (2023), EFMA Annual Meeting (2023), MFS Conference (2023), ASFAAG Conference (2023), EFA Annual Meeting: Poster Session (2023), FMA Annual Meeting (2023), and Fostering Inclusion: A Workshop to Advance Research on DEI (2024)*

**Abstract:** In this paper, I define employee morale as employees’ attitudes toward and perceptions of the tasks employees have in the companies they work for and various firm dynamics. I explore how employee morale affects merger probability, post-merger value, performance, integration, and merged firm employee morale using various proxies. The paper makes several novel findings. Firms with similar employee morale are more likely to merge, achieve greater short-run and long-run post-merger synergies, perform greater takeover restructurings, and exhibit a higher likelihood of completion and rate of completion. Firms with similar morale achieve better post-merger integration than those with dissimilar morale. The high morale of target employees enhances post-merger morale and subsequently enhances the performance of the acquiring company. This finding points to the transmission of target employees’ morale to acquirer employees’ morale as a channel of improved performance. I find that acquiring companies value the employee morale profile of target companies and that they bid for target companies with high morale.

[2] **“Untangling Employee Morale Similarity in Private Equity Deals”** (Solo-Authored)

**Abstract:** The paper documents evidence of private equity’s focus on post-acquisition performance and their expertise in managing and integrating companies with different attributes. I make the following findings. For the average company in the sample, private equity is more likely to merge with companies with dissimilar employee morale. The search for companies with dissimilarities points to private equity acquirers performing a pre-deal screening process wherein both companies learn about each other and match with each other. Following the acquisition, due to private equity’s experience with managing companies with dissimilarities, they grow the companies they acquire, increase operating performance and efficiency of target companies with dissimilarities. This also points to private equity viewing companies with dissimilarities as value-enhancing. For companies with similarities, private equity hurts long-term performance. It is likely that private equity will decide to let go of less efficient workers to achieve those performance goals in dissimilar firms where target employees fit in private equity culture less.

[3] **“Predicting Bankruptcy: Ask the Employees”** (with John Knopf) – *Presented at FMA Annual Meeting – New Ideas Session (2022), World Finance Conference (2023), FMA Annual Meeting (2023), Michigan State University Brown Bag (2024), International Business Analytics Conference for Academics and Industry Professionals (2024), FMA European Conference (2024), FMA Asia/Pacific Conference (2024), MFS*

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*Conference (2024), and Harvard-Wharton Insolvency and Restructuring Conference (2024)\**

- Featured in the [Harvard Law School Bankruptcy Roundtable](#), in the [Harvard Law School Bankruptcy Roundtable Academic Roundup](#), in the [Oxford Business Law Blog](#), and in the [Reorg Blog](#)
- Best Paper in Business Analytics Award – IBAC (2024)

**Abstract:** The purpose of the paper is to show how employees’ attitudes predict bankruptcy throughout various years (phases) of the bankruptcy process – from two and three years before (1), one year before (2), and from the time of filing to the time of liquidation/reorganization (3). We find that our prediction model, inclusive of employees’ attitudes, more accurately predicts bankruptcy two to three years before bankruptcy filings, while the other models are more accurate in the year prior to the bankruptcy. While already-established models’ predictive power increases the closer we get to bankruptcy filings, our model’s predictive power, compared to other models, is higher the further we move from bankruptcy filings. Moreover, the addition of employee satisfaction into already-established models improves their predictive performance. We create a machine learning model consisting of reviews and ratings separately and together in the same model and show that textual reviews provide additional predictive power for bankruptcy filings on top of rating and financial information. In survival analyses, we show that employee satisfaction (both in terms of aggregated and individual rating categories) one, two, and three years before bankruptcy filings is a strong predictor whether a company would emerge from bankruptcy successfully. Our paper is the first paper to show that not only is employee satisfaction a predictor of bankruptcy in addition to financial and market data, but that it also is a more powerful predictor of bankruptcy emergence than financial and market data.

**[4] “Scoring Profits? The Impact of Private Equity Investments on Soccer Clubs”** (with Brennan Cimpanu)

- Featured in the [PE Sports](#) Newsletter

**Abstract:** This study investigates the impact of private equity on European football, focusing on the 96 male teams (67 female teams we have data on) in the five principal European soccer leagues – Premier League (Super League) (England), La Liga (Liga F) (Spain), Bundesliga (Frauen-Bundesliga) (Germany), Serie A (Serie A Women) (Italy), and Ligue 1 (Feminine Division 1) (France), and the 2,178 male soccer players in these 96 teams and the 1,645 female soccer players in these 67 teams as of the 2023-2024 season. Using a staggered difference-in-differences methodology and both hand-collected and private datasets on soccer clubs’ financials, male player salaries, male and female player and match performance statistics, and team and sponsorship changes, the paper examines PE’s impact across three dimensions – managerial, financial, and male and female player and match performance. The findings suggest that while PE investments may have successfully boosted commercial aspects, such as revenues, on-field individual soccer player performance declines (mostly that of individual female soccer players) as well as team match performance (mostly observed in both female and male away games). This discrepancy highlights a trade-off where off-field gains haven’t translated into on-field success. This suggests that soccer clubs move through a transition period and a strategic shift (as evidenced by immediate chairman, management, and squad changes). Despite male players’ salary increases following PE investments, reflecting PE’s alignment with strategic goals, individual player and match performance suffers because of team dynamics changes. To show these team dynamics changes, we build a players’ network based upon appearances and co-appearances in home and away games and find correlation with home and away game performance.

**[5] “Robinhood Snacks’ Newsletter Sentiment and Retail Investors’ Behavior”** (Solo-Authored)

*\*: Denotes upcoming presentations.*

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**TEACHING EXPERIENCE**

Spring & Summer 2024	<b>Michigan State University:</b> Supervisor for Independent Study Class: PE Investments in Soccer Clubs (Spring 2024, Brennan Cimpanu); Volkswagen’s Valuation (Spring 2024, Luke Evanoff); U.S. Congress Members’ Investments (Summer 2024, Brennan Cimpanu)
Fall 2023 & Fall 2024	<b>Michigan State University:</b> Instructor of Record: FI 312 – Introduction to Investments (3 sections) – “Average Quality of the Faculty Member” across the three sections: 4.0/5.0
Fall 2019, Fall 2020, Fall 2021, & Spring 2023	<b>University of Connecticut:</b> Instructor of Record: FNCE 3101 – Financial Management (Instructor Evaluation by Category for Fall 2019, Fall 2020, Fall 2021, and Spring 2023 semesters, respectively: Mean (Median) 4.24/5.0 (4.29/5.0), 4.86/5.0 (5.0/5.0), 4.83/5.0 (5.0/5.0), and 4.40/5.0 (4.65/5.0), respectively)
Spring 2021, & Spring & Fall 2022	<b>University of Connecticut:</b> Teaching Assistant: FNCE 3101 – Financial Management (TA for Professors Alexander Amati and Kathleen Bailey – no TA reviews provided)

## HONORS, AWARDS, AND CERTIFICATES

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2024	Certificate in Python for Finance for Asset Management, Algorithmic Trading, and Computational Finance, The Python Quants
2024	Sustainable Investments Certificate and Alternative Investments Certificate, Harvard Business School
2024	Trade View Australia Algorithmic Trading Talks and 2018 Algo Trading Conference
2023	BYU Accounting Coding Camp, AI Enhanced Research Camp
2022	UConn Finance Department Ph.D. Student Teacher Award
2021	FMVA® Certificate
2021	Geno Auriemma UConn Leadership Series Certificate
2020	BYU Accounting Coding Camp, Python, SAS, and Stata Camp
2019-2022	UConn Dean's Summer Fellowship
2019-2022	UConn Finance Department Summer Ph.D. Fellowship
2016 & 2017	Coopers & Lybrand Achievement Award (Undergraduate)
2013-2017	Drexel University Pennoni Honors College (Undergraduate)
2013-2017	Drexel University Global Scholar Full Scholarship (Undergraduate)

## CONFERENCE, SEMINAR, AND WORKSHOP PARTICIPATION

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2024	Harvard-Wharton Insolvency and Restructuring Conference, Presenter (Cambridge, MA); PhD Summer School on Finance and Product Markets: Theory, Evidence, and Measurements, Participant (Lugano, Switzerland); FMA Asia/Pacific Conference, Presenter (Seoul, South Korea, Accepted); MFS Conference, Presenter (Vaasa, Finland); FMA European Conference, Presenter (Turin, Italy); International Business Analytics Conference for Academics and Industry Professionals, Presenter (Fredonia, NY); Fostering Inclusion: A Workshop to Advance Research on DEI at the University of Washington – Workshop, Participant (Seattle, WA); Michigan State University Brown Bag, Presenter (East Lansing, MI)
2023	FMA Annual Meeting, Presenter, Discussant, and Chairperson (Chicago, IL); European Finance Association (EFA) Annual Meeting: Poster Session, Presenter (Amsterdam, The Netherlands); World Finance Conference, Presenter and Discussant (Virtual); Annual Conference of the Academy of Sustainable Finance, Accounting, Accountability, and Governance (ASFAAG) (Virtual), Presenter and Discussant; Multinational Finance Society (MFS) Conference, Presenter and Discussant (Paphos, Cyprus); European Financial Management Association (EFMA) Annual Meeting, Presenter and Discussant (Cardiff, The United Kingdom); SGF Conference: Annual Meeting of the Swiss Society for Financial Market Research: Ph.D. Poster Session, Presenter (Zurich, Switzerland)
2022	Paris Financial Management Conference, Presenter and Discussant (Paris, France); FMA Annual Meeting, Presenter, Discussant, and Chairperson (Atlanta, GA); World Finance Conference, Presenter and Discussant (Turin, Italy); FMA European Conference: Doctoral Student Consortium, Presenter (Lyon, France); FMA European Conference, Chairperson (Lyon, France); InsurTech Hartford Symposium, Volunteer (Hartford, CT)
2021	FMA Annual Meeting, Discussant (Denver, CO)

## SERVICE

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2024	Michigan State University: Committee on Freedom of Speech and Academic Freedom, Committee Member
2024	Michigan State University, Student RA Supervisor (Undergraduate and Graduate)
2024	The Turner-Dodge House, Garden Volunteer
2021-2024	FMA Asia/Pacific Conference (2024), FMA European Conference (2024), Eastern

2021-2023	Finance Association Annual Meeting (2023), Southern Finance Association Annual Meeting (2021), Conference Program Reviewer
2023	FMA Annual Meeting (2023), World Finance Conference (2023), ASFAAG (2023), MFS Conference (2023), Paris Financial Management Conference (2022), FMA Annual Meeting (2022, x3), World Finance Conference (2022), FMA Annual Meeting (2021), Conference Discussant
2022-2023	UConn International Graduate Buddy Program, Mentor
2022	UConn Doctoral Association for Business School, Public Relations Director
	UConn Business Ph.D. Program New Student Orientation, Panelist

## **MEDIA MENTIONS**

2024	PE Sports (x1); Reorg Blog (x1); Oxford Business Law Blog (x1); Harvard Law School Bankruptcy Roundtable (x2); Study.com (x1); WalletHub (x2)
2019-2022	The Novak Djokovic Foundation Blog (x7)

## **PROFESSIONAL MEMBERSHIP**

2021-Present	American Finance Association (AFA), Financial Management Association (FMA), European Finance Association (EFA), Chartered Financial Analyst (CFA) Candidate
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## **PROFESSIONAL AND NON-PROFIT EXPERIENCE**

2024-Present	American Red Cross: Michigan Chapter, Recruitment Volunteer Lead
2019-2023	University of Connecticut, Graduate Research and Teaching Assistant
2019-2022	The Novak Djokovic Foundation Blog, Blog Writer
2015-2016 & 2017-2018	University of Pennsylvania – Facilities and Real Estate Services Department, Accountant

## **RELEVANT SKILLS AND OTHERS**

Programming	Python, SAS, Stata, LaTeX, MS Suite (Intermediate-to-Advanced Level); Tableau, SQL, MATLAB (Beginner Level)
Languages	English (Full Professional Proficiency), Bulgarian (Native, but Limited Working Proficiency), German (Limited Working Proficiency), Russian (Elementary Proficiency)
Hobbies	Mindfulness, Plant-Based Cooking & Nutrition, Photography, Traveling, Tennis (Court One Okemos Travel Team), Fashion